KPMG

The changing nature of work

Workforce productivity

Managing a portfolio of change – avoiding the 'valley of doom'

With organisations facing multiple transformation projects at once, the pressure can lead to productivity and engagement lapses, or ultimately, the failure of the strategy. Mitigating this requires a holistic organisational vision to manage change, balanced with a front-line perspective.

Conducting any change program can be complex – but even more so when many are occurring at once, with immense speed and urgency. As companies strive to cement their relevance and resilience in a digital, disruptive and global future, this scenario is increasingly common. Technology implementation, restructuring of roles, divisional mergers and establishing global workforces are all competing for time and attention.

Stefanie Bradley, Partner, People & Change, KPMG, say the frequency, number, size and importance of change programs all continue to increase.

"Market pressures, economic realities and new business opportunities both within and outside an organisation can create a need for change and a new way of doing business," she says.

While it is positive that organisations have their eye on the future and are changing to survive, Bradley says there are too many examples of poorly managed transformations that are impacting productivity and staff engagement. 'Change fatigue' is felt heavily – and amid the war for talent, disgruntled employees will move on.

"Every organisation, from banking to energy to government, have stakeholder groups that are being impacted in multiple ways. Change fatigue and productivity dips occur when change is not managed well. When you are hitting your organisations left, right and centre, and there is no good sequencing of change," she says.

Bradley says the key is to conduct a holistic, well sequenced change program, backed by analytics that show where the biggest impacts will be felt.

"The objective should be to identify and address the 'people issues' and the risks of change, thereby ensuring a successful implementation or transition," she says.

Change architecture, not just management

Countless change programs are led by a project manager, with the goal of implementing the change against the clock and keeping costs in check. However Catia Davim, Partner, People & Change, KPMG says time and budget should be balanced with a more holistic view of the market and the organisation.

"Many project leaders are trying to 'push down' initiatives through the business, because they need to respond to changes in the market, and are not really looking 'bottom up' to how the stakeholders are being impacted," she says.

To avoid this, she says an overall 'transformation architect' should have a holistic view.

"They can look at the whole picture of what is going on, and see how the pieces are coming together in a way that will enable stakeholder engagement and proper implementation. This counters the idea of pushing down a project through the lens of 'on time, on budget'."

Davim assisted one corporation that had 78 change initiatives underway, with 26 labeled as a priority. Without a holistic view, she says situations like this are "impossible to manage".

"Instead of looking top down, you should look bottom up. How are specific divisions impacted by what you are trying to achieve? This can help you make decisions to advance or delay projects according to those impacts," she says.

Davim adds that some change managers can be reluctant to engage the business, for fear it could slow a project.

"Unfortunately that 'deliver on time on budget' mindset can be seen as more important than the realised benefits," she says.

Protecting productivity

Productivity can be one of the biggest victims of a change program, especially if too much pressure is placed on a particular function or team.

"If you have front-line staff that need to be trained for more than one change project, and they need to be pulled out of customer service for training, you can struggle from a productivity point of view," Davim says.

Bradley says engaging with data and analytics capabilities can help with this prioritisation and productivity challenge.

"Analytics can go into the heart of what has to happen, when and by who, and link the program roll out to the overall change roll out. You can look at the 'heat map'. You can see where effort must go to mitigate the greatest risks," she says.

The sequencing and timing of change must also be considered within the context of key activities and external influences.

"You wouldn't roll out a change program that influenced finance at the end of financial year, or on an asset that is going through a safety review, or in an organisation that is going to be hit politically around some sensitive topics," Bradley says.

Communication makes the difference

In addition to planning and prioritisation, clear communication is essential. This can help mitigate a post-change productivity dip, common when people don't understand how to operate in a new way.

"You want to manage how deep and how long it goes," Bradley says. "Good change management will deliver 'just in time' training, and ensure that people have the right support at the right time when a new system, process or operating models go live."

On site, accessible support is essential, along with explaining the fundamentals such as: what is new, what is different, who do I report to, and what is expected of me? This will keep people focused on the positives.

"If you don't invest in ensuring that people understand this new way of working, they will revert to the old way, and your investment is not realised," Bradley says.

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