Excessive Change: Unintended Consequences of Strategic Change

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Agenda

- Background
- Methodology
- Defining excessive change
- Consequences of excessive change
- Implications and conclusions
Two main questions based on interviews, personal experience, and discussions with colleagues:

1. When does strategic and/or organizational change become too much change?
2. How does this affect the organization?
Methodology

• Design
  – Multiple case study
  – Grounded theory

• Choice of cases
  – The two first cases opportunistically selected

• Data collection
  – Interviews
  – Observation
  – Documents

• Data analysis
  – NUDIST
  – Group discussions
  – Open, axial and selective coding
The organization pursues several, seemingly unrelated and sometimes conflicting changes simultaneously.

The organization introduces new changes before the previous change is completed and evaluated, without allowing time for business as usual and reaping the benefits.
Who in the organization is most likely to experience change as excessive?

Why?

Middle managers and lower level employees
- This is where implementation and changes actually occur
- Top managers have a more holistic view
- Top managers have more time to absorb changes in advance
- Top managers let go of changes earlier - shorter time frame

GAP between how top managers and the rest of the organization perceive changes
Excessive change

- Individual reactions
- Coping mechanisms
- Organizational consequences
- Performance consequences

Consequences
Individual Reactions

- Overwhelmed
- Stress
- Frustration and anger
- Uncertainty about the situation, about one’s job, and about one’s adequacy and competence
- Lack of motivation
Coping Mechanisms

Less likely to lead to changes

Active Coping Mechanisms

Passive Coping Mechanisms

SABOTAGE
We continue to work as before and we make fun of it [the change program]

EXIT
In this process a number of highly qualified employees leave and find work elsewhere. Often it is the best people who choose to leave.

BOHICA
People choose to bend over thinking it will soon pass

After a while you don’t give a damn. I used to get involved, but nothing came out of it. After the third time in a row, I told them I don’t want to take part any more.

TAKE SELF-CONTROL
The manager has not had time to take care of the group at all. We have more or less found the way ourselves.

....we have called a meeting with our superiors.

LOYALTY
Our work load has increased as a result of these changes. It gets harder to stay motivated.

People worked more and more, and as time went by I could no longer abide by the labor laws.

PARALYSIS
It gets messy, frustrating and too much to cope with. In the end your body doesn’t function any longer and you just float along.
Organizational Consequences

1. Musical chairs
   Instability at managerial level

2. Orchestrating without a conductor
   Uncertainty and ambiguity at lower organizational levels

3. Shaky foundations
   Structural fragility
Performance Consequences

• Implementation failure
  – Nothing is changed
  – Changes on paper only

• Loss of effectiveness
  – Focus on changes rather than customers, safety etc.
  – Loss of competencies and skills
Implications

Organizations need to avoid experiences of excessive change? How?

- Decrease the number and frequency of organizational changes
- Work at how changes are introduced, communicated and completed
- Increase the employees' capacity for change
Conclusions

• Strategic changes often become excessive from employees’ point of view

• Gap between views of change at different organizational levels

• Need more research on:
  – How to avoid excessive change
  – What to do once it already is evident in an organization
    • How do top managers deal with perceptions and consequences of excessive change (NEXT PAPER?)