



## Pulse Survey Findings

*Targeted survey findings  
to help companies improve  
their practices and policies*

# Managing Change

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## About this report

Pulse Survey Findings offer perspectives on what companies and practitioners are doing about a particular practice or policy. The findings are based on a sampling of industry professionals who responded to a short online survey. The summary of the findings includes strategic insights on current practices. Our members use these findings for benchmarking their practices or policies against those of other companies.

The Institute for Corporate Productivity (i4cp) conducted the *Taking the Pulse: Managing Change* survey in April 2008. A total of 132 organizations participated, and i4cp executive-in-residence Doug Groseclose contributed to this report. Note: Due to rounding, percentages may not total 100.

For full survey results, please contact Greg Pernula at [Greg.Pernula@i4cp.com](mailto:Greg.Pernula@i4cp.com). Copyright the Institute for Corporate Productivity, St. Petersburg, Florida, U.S.A. All rights reserved.

For much more information on related subjects, see i4cp's Managing Change, Leadership, Training and Development, The Evolving HR Profession, and Strategy Execution and Alignment Knowledge Centers.

## What Was Asked

- a. How many major change initiatives have organizations undertaken in the last year? Has that number changed from previous years?
- b. How do organizations feel about the pace of change today, and how successful have the changes been?
- c. How do organizations handle change initiatives and what factors motivate the changes? How are the change outcomes measured?
- d. Who in the organization is responsible for managing change initiatives? Do organizations provide training in change management techniques?
- e. What strategies are organizations using to improve responsiveness to change? And what are they doing to ensure change results are sustained?

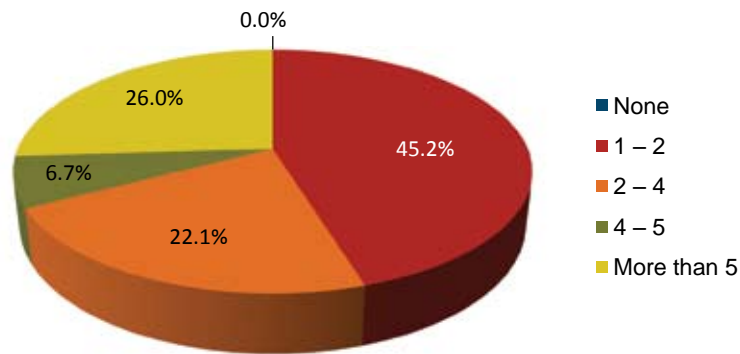


## Lessons Learned

### Lesson 1: Change management initiatives in organizations are increasing – and fast.

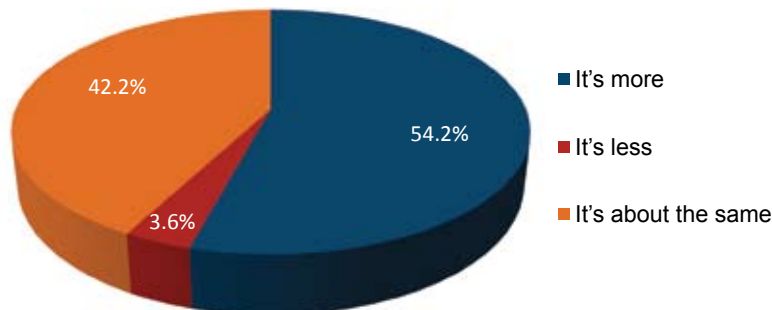
- a. Forty-five percent of responding companies said they have undertaken one or two major change initiatives within the last year, and 22% reported taking on from two to four. Just under 7% reported they have undertaken from four to five major change goals.
- b. However, more than a quarter of reporting companies (26%) said they have launched five or more change management initiatives in the past year.

Major Change Initiatives Undertaken During the Past Year



- c. The study also suggests that change management issues are becoming more prevalent. A full 54% of companies said the number of change initiatives in their organization has increased over the last two years. Just 4% said it is less than two years ago.

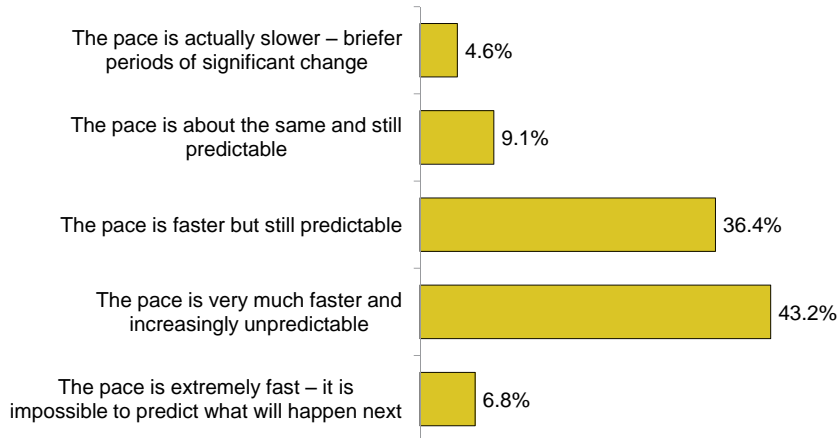
Major Change Initiatives Undertaken During the Past Year Compared with 2006



## Lesson 2: Organizations are struggling to deal with the pace of change.

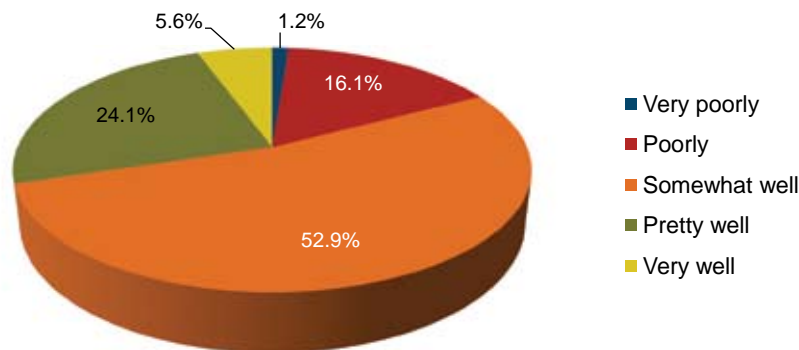
- a. Nearly half of study respondents said that the pace of change is becoming faster and more difficult to predict.

### Compared with the past five years, which statement best describes the pace of change your organization now experiences?



- b. Some companies will likely suffer as change occurs. Seventeen percent of respondents characterized their companies as poor or very poor at handling such initiatives, and another 53% said they handle change initiatives somewhat well.

### How well do you feel your organization handles change initiatives?



**Lesson 3: Profits rule. Change in organizations is driven by the need to increase revenue.**

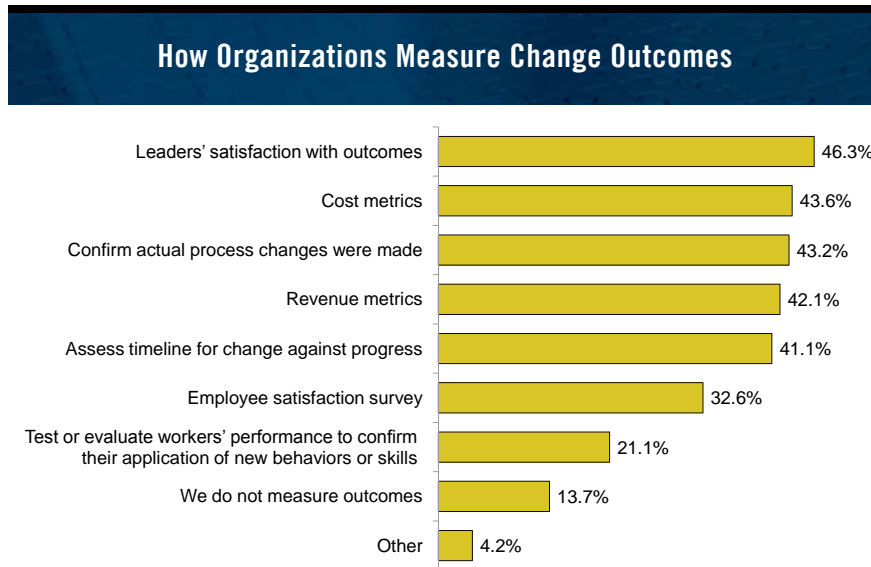
- a. The biggest driver of change in organizations is the desire to increase revenue and/or sales. Sixty percent of organizations pointed to this as motivating change to a high or very high extent, while 53% cited cost savings as motivation to a high or very high extent.
- b. Company growth was cited by 49% of companies as being a factor to a high or very high extent. Changing customer needs also plays a role, with 47% of respondents factoring the issue in to a high or very high extent.

Extent to Which the Following Factors Motivated Change in an Organization					
Category	Not at all	Small extent	Moderate extent	High extent	Very high extent
Increase revenue and/or sales	9.4%	9.4%	21.9%	38.8%	21.2%
Economic downturns	16.7	21.4	22.6	22.6	16.7
Cost savings	4.7	15.3	27.1	40.0	12.9
Competition	8.1	17.4	30.2	32.6	11.6
Globalization	24.7	23.5	18.8	22.4	10.6
Growth	9.6	12.1	28.9	27.7	21.7
New products/services	5.9	20.0	29.4	29.4	15.3
Outsourcing	39.9	34.5	15.5	9.5	3.6
Change in customer needs	8.2	17.7	27.1	36.5	10.6
Vendor changes	29.4	37.7	23.5	8.2	1.2
Change in management	12.9	16.5	29.4	21.2	20.0
Market changes	7.1	10.7	39.3	33.3	9.5
Staff reductions	32.9	24.7	30.6	5.9	5.9
Change in organizational structure (merger, acquisition, etc.)	27.7	16.9	15.7	20.5	19.3
Technology changes	7.1	24.7	36.5	24.7	7.1
Production process changes	14.1	29.4	36.5	16.5	3.5
Compliance/regulations	21.2	36.5	20.0	11.8	10.6

**Lesson 4: The success of change initiatives is most often based on perceived leadership satisfaction.**

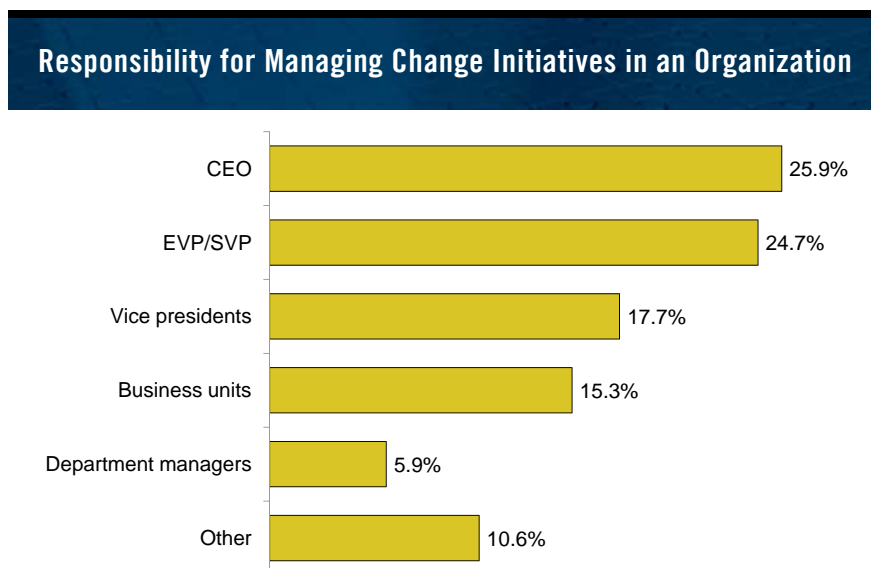
- a. Regarding the measurement of change initiatives, 46% of companies look to the level of their leaders’ satisfaction with the outcomes. Forty-four percent consider the cost metrics, and 43% confirm that the process changes were actually made.

- b. Just two in 10 companies said they evaluate workers' performance to confirm their application of new behaviors or skills, and 14% admitted they don't measure change outcomes at all.

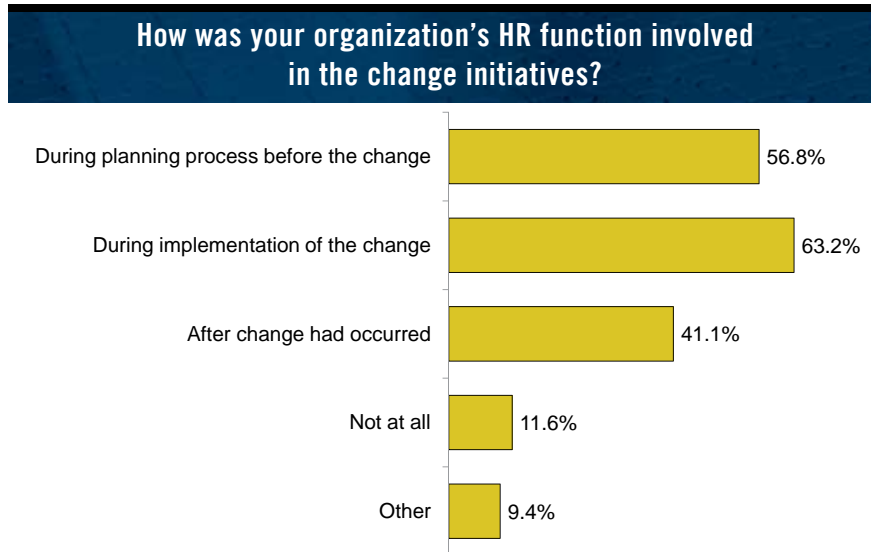


## Lesson 5: Responsibility for managing change tends to be at top levels, with heavy HR involvement.

- a. Management of change programs falls to the CEO at 26% of polled companies. A quarter of companies charge their EVPs/SVPs with responsibility for managing change initiatives.



- b. HR plays a big role in change initiative implementation at a majority of companies. More than 56% of respondents reported that HR was involved in the planning stages of the change program, 63% were hands-on during the implementation of the initiative and 41% continued involvement after the change had been made.

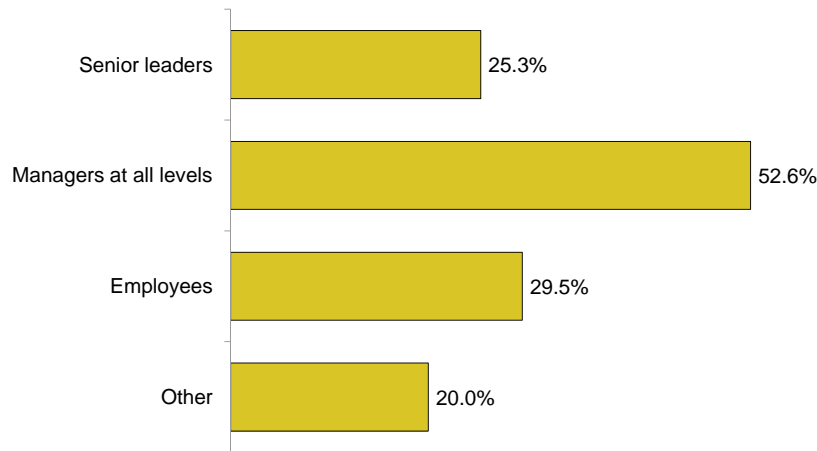


- c. The main role for HR in organizational change programs was the redesign of people-related programs/systems to support the change, cited by 67% of respondents. At 62% of companies, HR acted in an advisory capacity to senior leaders.



- d. About half of respondents (53%) said their companies provide training in change management techniques for managers at all levels. About 30% provide training for all employees, and 25% provide training to senior leaders.

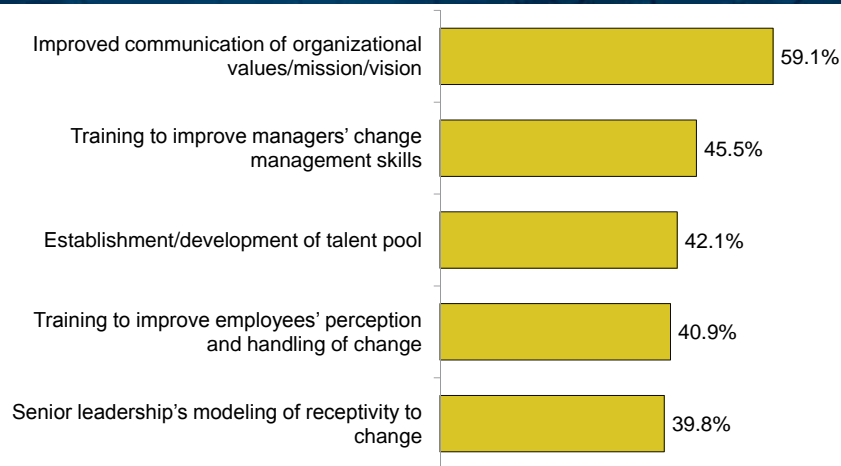
**Organizations Provide Training in Change Management Techniques to:**



**Lesson 6: To improve their responses to change, organizational strategies tend to focus on communication, training and talent.**

- a. The strategy most widely cited as enhancing responses to change is “improved communication of organizational values/mission/vision,” cited by 59% of respondents.
- b. Training to improve managers’ change management skills was the second most widely used strategy, cited by 46% of polled organizations; followed by 42% who pointed to the establishment and development of their talent pool.

**Top Five Strategies Being Implemented or Planned to be Implemented to Improve Response to Change**

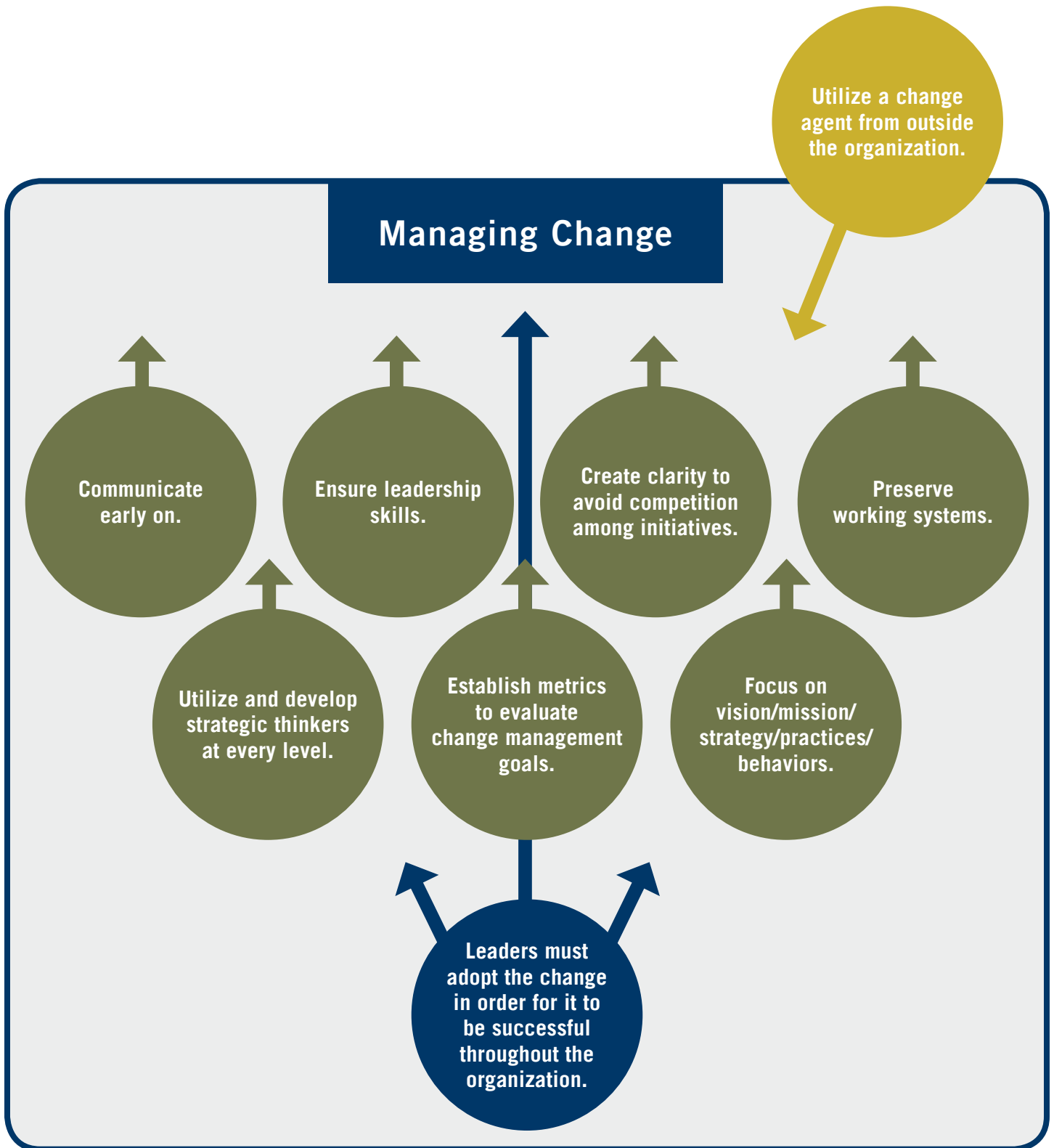


- c. To sustain change results in the long term, companies pointed to a number of strategies, including ongoing training, feedback, periodic measurement, documentation and follow-up.

# Strategic Insights

## *i4cp's Action Plan for Managing Change in Your Organization!*

1. Communicate early, often and – when feasible – to all. If you are embarking on a major change initiative, relate your plans, reasons and estimated timelines to the workforce. By keeping everyone informed, you'll get a better buy-in early in the process (nobody wants to be “surprised” by a change), thereby increasing your opportunity to make the change program a success.
2. Ensure that leaders and managers have the types of skills needed for the transition.
3. Create clarity around the goals of change initiatives. Several initiatives may be operating (or may be in the process of being implemented) concurrently, and they might well relate to and support each other. All too often employees are confused by what seem to be competing initiatives. For example, Lean/6σ (Six Sigma) initiatives provide “hard” skills, while diversity and inclusion initiatives provide “soft” skills. Relating these initiatives and their purposes to each other – as well as to the organization's vision, mission, and values – and then communicating this to employees are critical in transformational change efforts.
4. Consider bringing in a change agent from outside the organization. There is a debate in the organization development/effectiveness community as to whether organizations are capable of successful transformational change from within or not. Whether success depends on it or not, an external agent (consultant, academic, trusted advisor, etc.) will usually lack the emotional attachment to the organization, its people, and its history. A partner in change might be able to hold up the mirror impartially to help the organization examine its behavior, develop original solutions, and then plan and/or execute change.
5. What is working within the system must be preserved, whenever possible.
6. Put people at the center of the change effort. Be mindful of “What's in it for us all?” Utilize and develop strategic thinkers at every level by selecting implementation taskforces thoughtfully. This can sometimes be a great place to test “high potentials.”
7. Establish metrics that help the organization see how well they're accomplishing their change management goals.
8. Focus on vision/mission/strategy/practices/behaviors. Identify a compelling reason for why the change is needed. The vision cannot be repeated often enough by the leader and the leadership group. Emphasize what is staying the same, what will feel familiar to people, as well as what will be different.
9. The leaders “must be the change they wish to see in the world,” as Mahatma Gandhi said. If they do not personally adopt the new behaviors agreed upon, the transformation will be widely seen as “window dressing” at best.



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