

Change in a Downturn - a Snapshot Survey

Overview

The survey was commissioned to help organisations understand the change challenges in the current environment and to point to possible change implementation actions they could take.

Organisations have been faced with increasing amounts of change for a number of years now and there have been expectations that this would continue to increase. For example the 2008 IBM Global CEO Survey suggested that 45% of all CEOs surveyed expected that the change demand would increase and that they felt ill-prepared for it. There is no doubt, from this survey, that the situation could become even more challenging.

Implications of survey for change leaders

This survey is a snapshot in time. Take when many people are experiencing one of the fiercest recessions in the last hundred years. It is very much a picture of the here and now. So what implications can we draw, about implementing change?

Implication #1: people challenged two beliefs that are widely held about change. One is that it is unsuccessful. Two, that most of it is delivered by external consultants. Our respondents told us that over 50% of their changes are successfully delivered by internal teams. So it is possible to drive change internally. The big question is “have you built enough change capability for the tough times that are now here?”

Implication #2: people told us that building commitment is still a major issue for organisations. The data and comments would suggest that this is driven by issues like too much change, low trust inside organisations, inadequate change leadership, the need for better employee engagement and a lack of full-time project resources. “How can we learn to build commitment to change in our organisations?” It has never been needed more.

Implication #3: people said that the amount of change will increase over the next year from an unsustainable level of change now. It looks like organisations will need to ‘up their game’ in executing change to stand a chance of emerging from this recession in a competitive position.

Summary of Findings

1. The largest group of responses (63%) didn't see implementing change in the last twelve months as being any harder than before. But 37% said it was harder.
2. As a sign of the times 84% of organisations see change being driven by cost reduction, restructuring and efficiency.
3. 57% of respondents said that their projects reach at least 75% of the goals set.
4. 60% of respondents said there was too much change.
5. Change leadership remains the main barrier to implementation success for many organisations followed by engagement.
6. 51% of respondents are saying trust was lower than twelve months ago.
7. 64% of people are accepting or compliant of the change goals. Commitment seems to be hard to achieve with only 5% saying people are truly committed to the change agenda in their organisation.
8. The results say that the most used method of implementing change is an internal team with part-time members (72%). However internal teams with full-time members are only used 17% of the time.
9. Internal teams with full-time members are seen as far more effective than an internal team with part-time members (56% vs. 30%).

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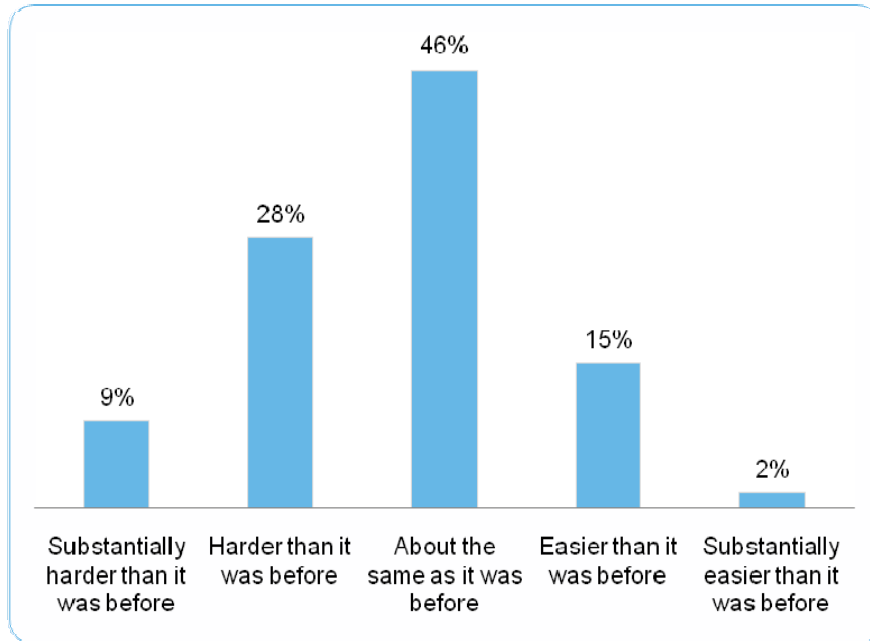
Methodology

The *Change in a Downturn* survey was sent to over 2000 change leaders. Key data about respondents:

- The respondents came from 26 countries and 28 different organisations
- The private sector accounted for 73% of respondents and the public sector accounted for 27%
- The major functions responding were IT (30%) and HR (28%). Operational managers accounted for 22% of the sample

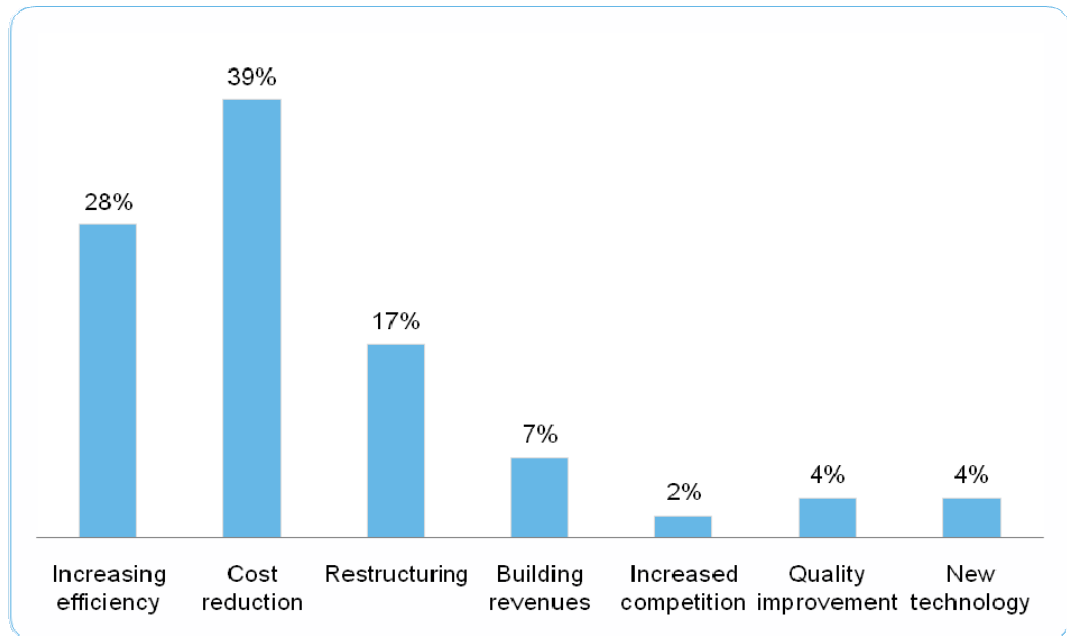
The survey asked ten questions to help understand trends in the current climate. It also asked one further question soliciting respondent's views on the most important actions their organisations could take to improve change implementation in the current climate. 67% of respondents took the opportunity to comment. The highest number of comments concerned improving the leadership of change. [View all the comments respondents gave us.](#)

Question 1: In the last 12 months implementing change in my organisation has become:



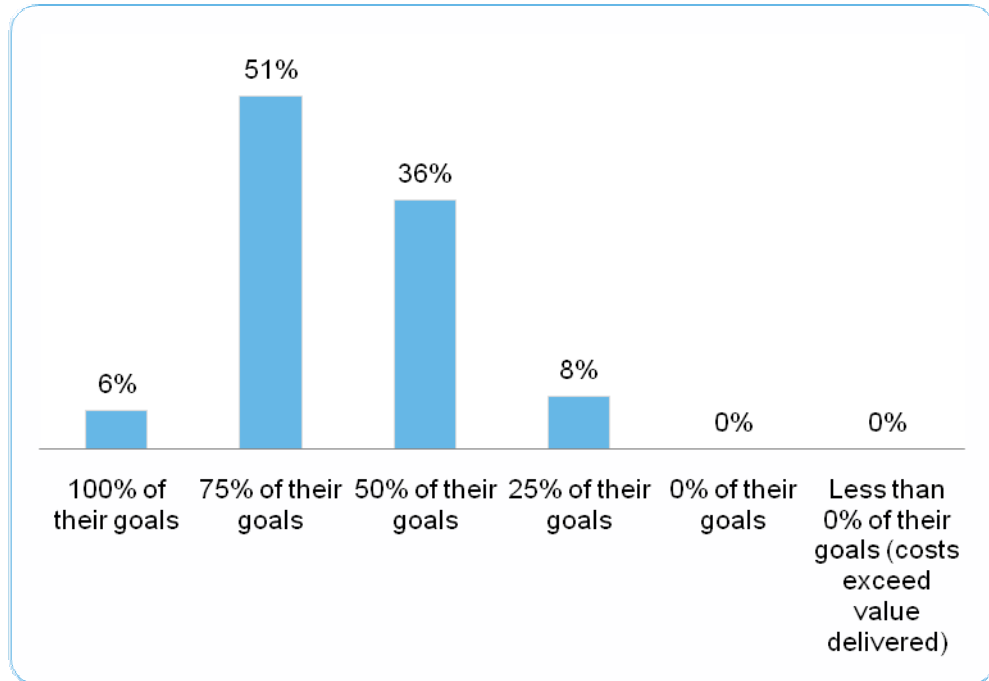
Interestingly, the largest group of responses didn't see implementing change in the last 12 months as being any harder than before, but 37% said it was. This could be the timing of the recession in different countries (there are after all 28 countries represented in the survey). Or it could be that change was already seen as difficult to implement or, possibly, that the current conditions make it easier to motivate people to change because the imperative to change is clearer. Certainly the 37% who said it was harder might be in industries that are affected most by the change or they might be ahead of the curve in terms of the impact of the recession.

Question 2: The biggest current driver of change in my organisation, is:



The agenda is clear. For 84% the biggest drivers are about cost, efficiency and restructuring. Organisations are trying to weather the storm and to use change programmes to make them more effective. Only 7% saw revenue building as the main driver of change. It may be easier to focus the organisation on current problems like cost reduction. It is a current problem rather than an anticipated one. This means it can be easier to build the resolve to change. Changes can fail because people lack the resolve to follow them through.

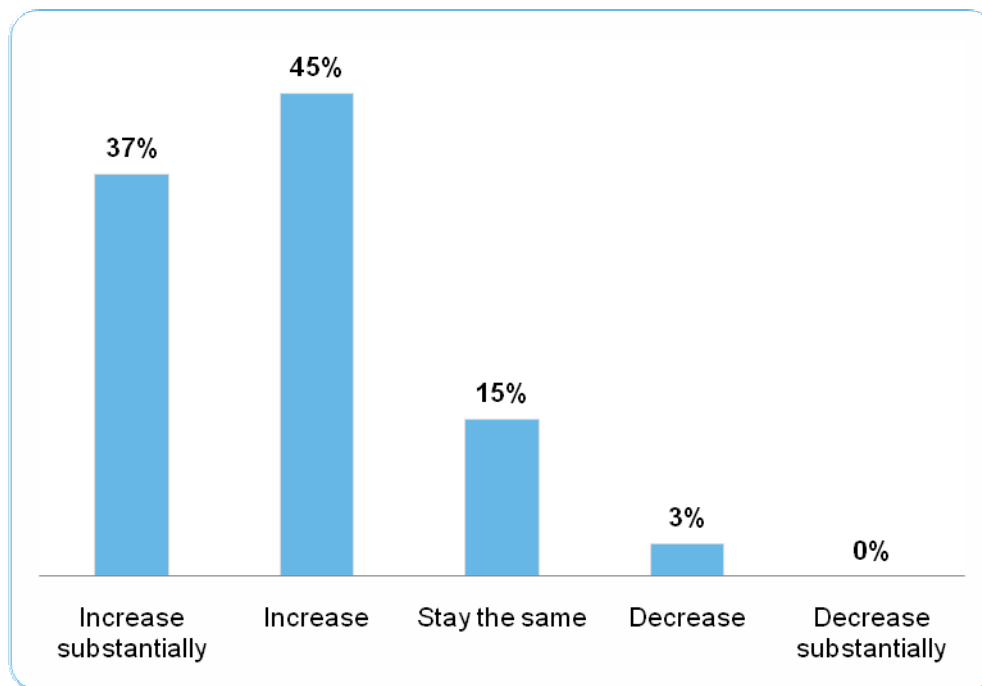
Question 3: Over the last 12 months my organisation's change projects (on average) have met:



Respondent's Comment: "Clarity over the benefits of the change and accountability within the leadership team for the delivery of the change and associated benefits [is essential]"

These results run somewhat counter to previous research on change implementation with 57% saying that their projects reached at least 75% of their goals. There could be many reasons for this result. For example it may be a criteria issue (what constitutes success), it may be the survey population (largely change agents who are looking at the changes they are planning and executing) or it may be that organisations are actually executing change more successfully.

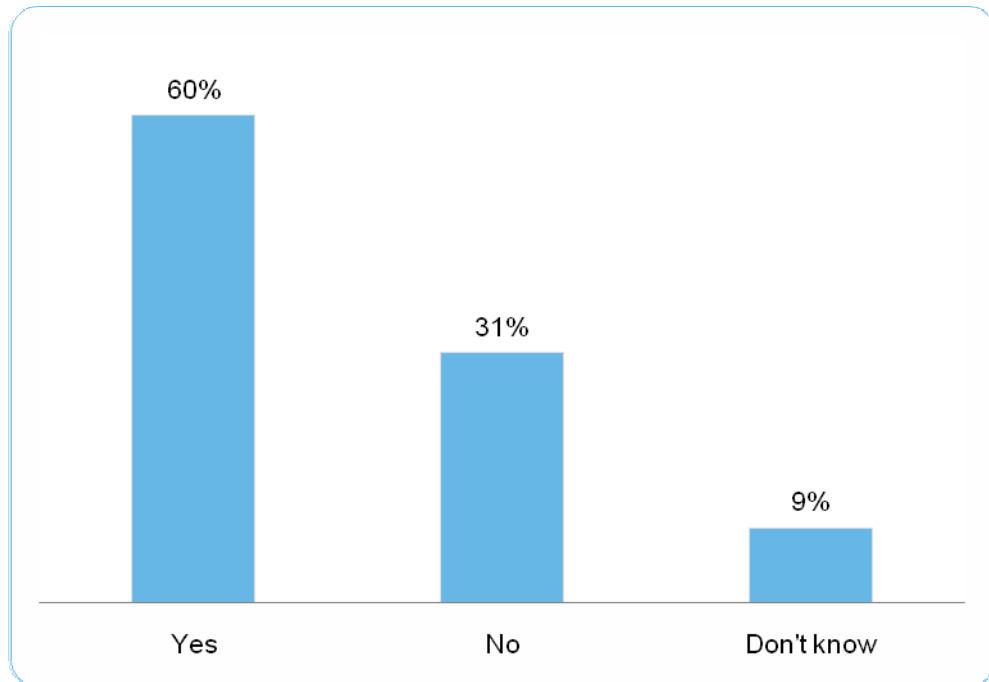
Question 4: In the next 12 months the change challenges for my organisation will:



Respondent's Comment: "Prioritize the changes and don't start the next one until the previous change has been fully bedded down".

This is fascinating data. The survey has already said that, in the last 12 months, change didn't get any harder and that respondents reached at least 75% of their goals. Now this question tells us that 82% see that the change challenges will increase. It raises the question of whether organisations feel confident that they have the capabilities to profit from this tougher environment.

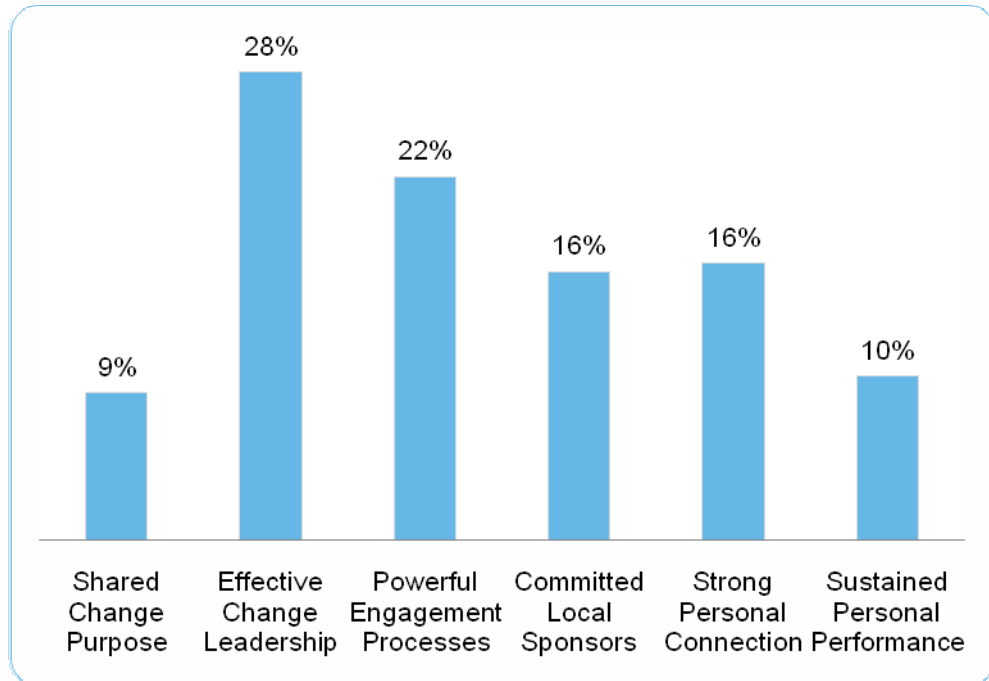
Question 5: There are too many change initiatives in my organisation:



Respondent's Comment: "Focus on fewer change initiatives and seek to better understand the people impact of the changes that the organisation does pursue".

60% said there was too much change. This is in line with our previous research. This is a clear issue for organisations to consider. Launching too many initiatives, particularly where resources are scarce and the cost of failure is high is likely to lead to more unsuccessful change. At a human level people simply don't have the capacity to cope with too much change. Are organisations learning lessons from the past, and are they are stopping doing things as well as starting new initiatives? Would change implementation improve if organisations simply undertook less change, in other words, managed demand more effectively?

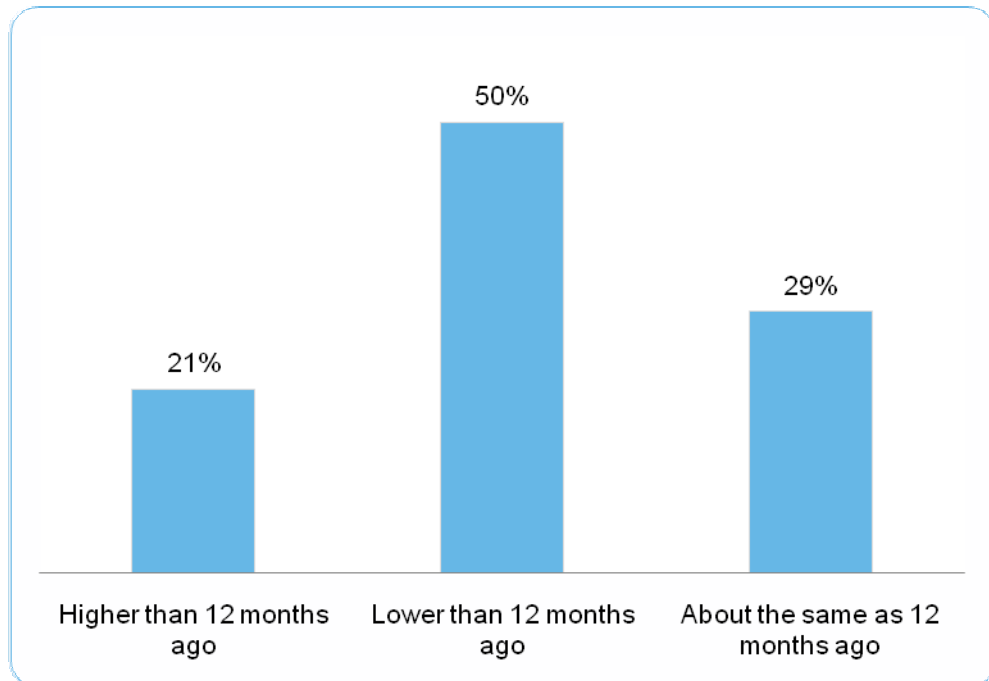
Question 6: Currently, the biggest risk to change being successful is:



Respondent's Comment: "Build a visible, inspiring leadership team that makes customer satisfaction really matter to everyone."

Change leadership remains the issue for many organisations. It would appear that change leadership is the most significant challenge followed by engaging people in the change. This mirrors observations and data about leadership that goes back probably thirty years now. Enabling leaders to take the appropriate actions - to support changes the organisations says it wants to happen - remains a challenge for change leaders. Interestingly, in a world where we espouse and track employee engagement, the engagement risk scores are very concerning. In the next question we see that trust levels are falling substantially. One of the key drivers of trust must be engagement.

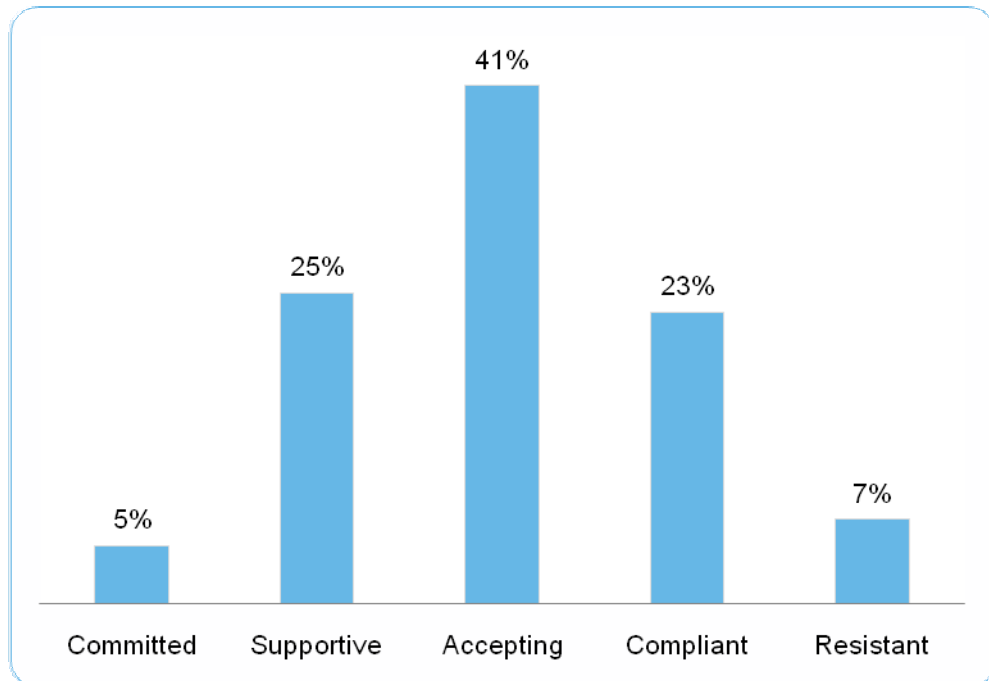
Question 7: Taking everything into account what would you say is the level of trust in your organisation?



Respondent's Comment: "We have experienced that during the change period - the stake holders (main sponsors) were changed, the change initiative was evaluated again and the project goal then was changed. I think it should not happen since it could make the organisation lose the people's trust."

51% of people are saying it was lower than twelve months ago. This must make change harder to execute. The issue is that the problem can be alleviated by change agents but not solved. ([More information on increasing trust towards change can be found here](#)). The causes of low trust may lie outside the organisation. Employee feelings about satisfaction, engagement and loyalty are affected by what's going on in society and often by the success of their own organisations. For example, if your organisation is successful, employee satisfaction scores could go up even though the organisation does nothing else to improve employee satisfaction. But to overcome the current and future challenges organisations will need stronger change leadership and more upfront engagement to build trust if they want to maintain or improve on achieving the goals and outcomes of change projects.

Question 8: In general, how supportive are people of the overall change goals of the organisation?

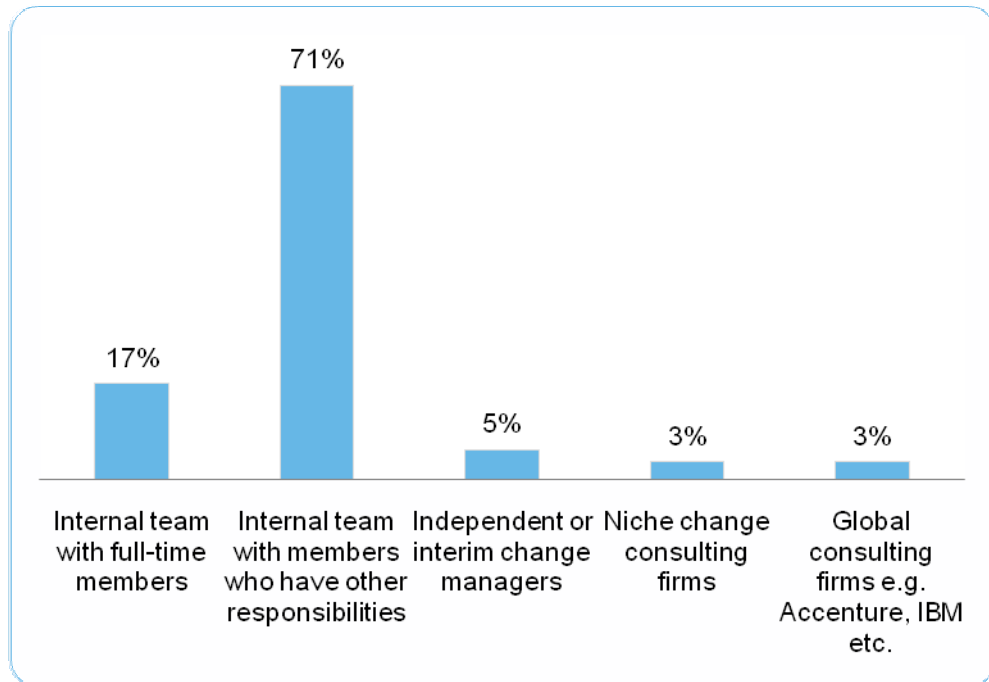


Respondent's Comment: "..... in [our] culture of fear being labelled an underperformer means change is perceived as threatening".

64% of people are accepting or compliant of the overall change goals of the organisation. Commitment seems to be hard to achieve with only 5% saying people are committed and in fact a higher number are resisting. In a downturn commitment becomes even harder to achieve but is even more important. It's the very time when change leadership needs to be functioning well.

[A recent Changefirst newsletter gives five tips on how to achieve this.](#)

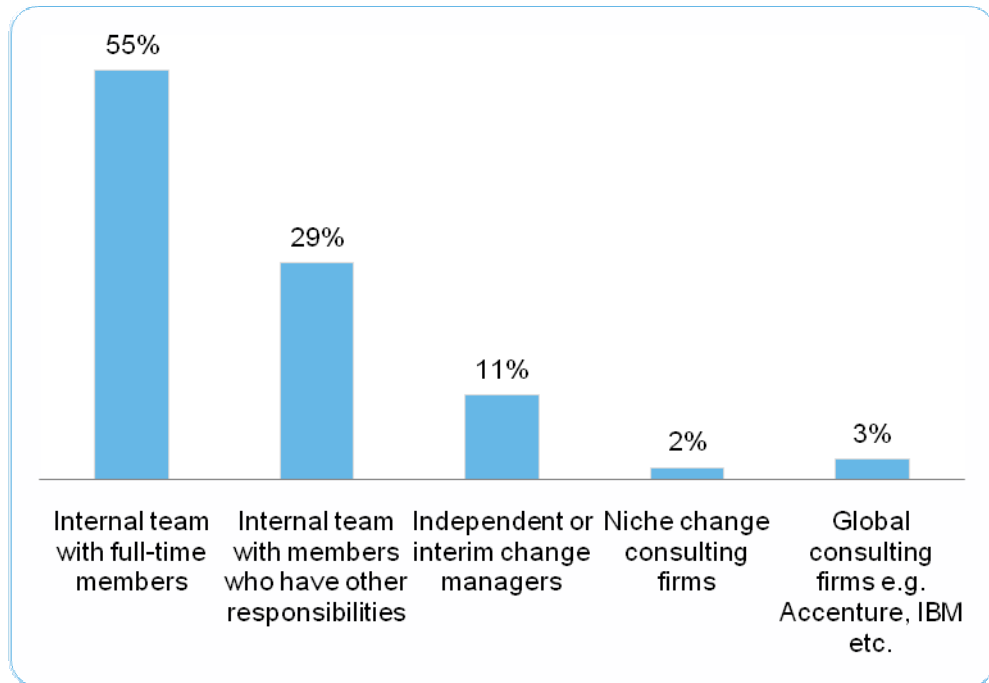
Question 9: What resources do you use to deliver change?



Respondent's Comment: "Give change agents dedicated change projects to work on, to enable people to carry out a good job in managing the change and not have to juggle the other work commitments. I currently find that I don't always have the dedicated time the change needs to manage/measure/monitor the progress due to other constraint."

These results are interesting. We expected to see much higher scores for consulting firms. This may be explainable by the high number of Changefirst's People-Centred Implementation (PCI[®]) methodology users in the surveyed population or it could reflect the use of the word "delivery" in the question versus analyse or plan. The results say that the most used method (72%) is an internal team with part-time members. However internal teams with full-time members are only used 17% of the time. The problem with part-time members is that the day job nearly always comes first.

Question 10: Which of these resources are most effective in helping your organisation implement change in the current environment?



Respondent's Comment: "We have trained change agents in our business. It is important to keep them in this role and build up a team of full time change agents who work solely on change projects / programmes."

Reviewing the responses to this question alongside the last question shows that people see internal teams with full-time members are seen as far more effective than an internal team with part-time members (56% vs. 30%). So the good news is that these organisations are taking the right action – using internal teams to deliver change. But these teams would deliver higher results if more of them were full-time.

Appendix

This list contains the comments given by respondents to the question: Please describe one action your organisation could take to improve the implementation of change in the current environment.

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|----|---|
| 1 | We have experienced that during the change period - the stake holders (main sponsors) were changed and the change initiative was evaluated again and the project goal then was changed. I think it should not happen since it could make the organisation loose the people's trust. |
| 2 | Commitment of executives and senior executives to change initiatives to communicate the approach from top to down, breaking the walls between global and local approach of an initiative according to PCI approach. |
| 3 | More engagement with the senior, middle and first line managers of the organisation - making it clear to them that it is their responsibility to deliver change. |
| 4 | Decide to delay/not do some programmes. |
| 5 | Portfolio management of change to ensure that we focus on the right changes |
| 6 | Enhanced communication channels. |
| 7 | Engage the masses more regularly! |
| 8 | Establishing and sustaining effective mechanisms for change recipients to learn and test how the change affects them. |
| 9 | Improve cross-functional collaboration to define the shared change purpose |
| 10 | More Executive management (initiating and reinforcing sponsors) time spent with the local sponsors to encourage and support them as they work in their areas to embed improvements. |
| 11 | Prioritisation of resources and projects. |
| 12 | Currently change work-streams are embedded in global projects with major organisational change impact. More support needs to be given however to local change agents to help them drive change locally. |
| 13 | Culture change is vital. This has to happen from top down to start with. Too many people with too many opinions suffocate change and progress. Messages have to be tough - focus on what you're tasked to do and address weakness in your own area first. |
| 14 | Focus on fewer change initiatives and seek to better understand the people impact of the changes that the organisation does pursue. |
| 15 | To be fair at all times and enhance communications at consistent levels. |
| 16 | Involvement of employees more, to better understand the need for change, maybe through some focus groups... |
| 17 | Reinforces the leadership of change at the executive level. |
| 18 | Pick up and Communicate the "issue of the week" e.g. for involvement of middle/front-line managers. |
| 19 | Build a visible, inspiring leadership team that makes customer satisfaction really matter to everyone. |
| 20 | Stop to think for a while ... to see the big picture! |

Appendix (cont.)

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| 21 | Enhancement of the coordination of different, parallel major changes. |
| 22 | Prioritisation of initiatives. |
| 23 | Address trade union resistance more directly and be very clear with local managers as to what is expected of them to support delivery of change. |
| 24 | Use full time teams - people have change added on top of their "day jobs". |
| 25 | More explicit and visible championing by senior executives. |
| 26 | Giving change agents dedicated change projects to work on, to enable people to carry out a good job in managing the change and not have to juggle the other work commitments. I currently find that I don't always have the dedicated time the change needs to manage/measure/monitor the progress due to other constraints. |
| 27 | Realisation of Peoples workloads and that they have other commitments to maintain as well as newer challenges of running change. |
| 28 | Addressing the resistance to change and lack of consequences when change is refused; even when the imperative is verbally committed too (i.e. actions do not reflect political voice). |
| 29 | We have trained change agents in our business. It is important to keep them in this role and build up a team of full time change agents who work solely on change projects / programmes. |
| 30 | Improved communication and more transparency at all levels in the organisation. |
| 31 | Getting mid-level managers and shop-floor supervisors onboard early enough by creating a compelling sales pitch (what is in it for me) for them to create true commitment and "it is my baby" - attitude. |
| 32 | Stronger leadership participation. |
| 33 | Communicate the reasons for change in a formal manner, ensuring communication takes place before rumour mills become rife. Honest and open discussions with staff is imperative. |
| 34 | Next time a lot of time and energy should be put into preparation time (information to all employees, clear goals, why, what if not). |
| 35 | Building commitment by engaging the right players and communicating the need for change. |
| 36 | Expect the Leadership team to communicate the changes consistently. |
| 37 | Do what we say we will! |
| 38 | Change Management happens at all levels. Need to get the change mgmt message down to the SME level as well since SMEs want to help and fix problems quickly. We need an awareness program / process targeted to help SMEs understand implementing well meaning changes in unregulated process adds to scope confusion, potentially can increase Development & Testing costs, etc. |
| 39 | Clarify and Share one an Operative Process to better manage Supplier Strategic and Not Strategic in coherence with budget and Local demand. |
| 40 | Free up the necessary internal resources. Stick on the goal. Don't change so often. |
| 41 | Faster decision making. |
| 42 | Better overall coordination of change projects. |
| 43 | Alignment of "global" strategies instead of silo operation. |
| 44 | Provide the needed capacity (and funding) to implement the change in a concentrated effective way. |
| 45 | Increase the organisational capacity to change. |

Appendix (cont.)

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| 46 | Senior management/Sponsors putting their names and faces to the change, it is currently left to the project/programme managers to front the changes. |
| 47 | Have a consistent view on how change works so that all senior managers are prepared when change emerges to lead and drive the change and make the engagement with staff motivating. |
| 48 | Committing to a single vision of change for a long enough period to allow it to happen. |
| 49 | Stronger leadership. |
| 50 | Clarity over the benefits of the change and accountability within the leadership team as to who is accountable for the delivery of the change and associated benefits. |
| 51 | Make decisions more quickly. |
| 52 | To align commercial initiatives with the restructuring projects avoiding "temporary" solutions. |
| 53 | Take over leadership of processes and operative outcome. |
| 54 | Better internal systems skills post implementation. |
| 55 | Have senior executives to openly support the sustainability change. |
| 56 | More effective local (i.e. upper middle management) leadership. |
| 57 | Prioritize the changes and don't start the next one until the previous change has been fully bedded down. |
| 58 | Better communication |
| 59 | Increased focus on moving from compliance to ownership of change. |
| 60 | Decide priorities in delivery - e.g. categorising organisational cost saving change against project delivery. |
| 61 | Having a clear approach and methodology across all services. Currently there are a number of teams doing their own thing. This means it will be much harder to track benefits, and also to achieve benefits across services. |
| 62 | Treat management of change as a recognised core competence (not just a statement on a framework). |
| 63 | Improved selling to impacted staff for the imperative to change by senior management. |
| 64 | Streamline the change initiatives so that people can focus on what's important and really engage with it. |
| 65 | Improve the communication scheme: face-to-face, meetings, e-mails. |
| 66 | Develop and share realistic plans for change. |
| 67 | Reduce the number of change activities and focus on doing them better. |
| 68 | Marketing the completed actions and future vision more thoroughly and in different media. |
| 69 | Stick to realistic timescales for consultation with the trades unions. |
| 70 | Fully resource change projects with full time members and back fill their roles. |
| 71 | Take it more seriously by devoting enough of the right types of resources to manage change successfully. |
| 72 | Provide a more robust political lead. |
| 73 | Train internal employees instead of hiring consultants and use an internal team for implementing changes in the company |
| 74 | To commit to a stringent communication process. Good starts to do so, have been placed, yet the next step, to really reach everyone is important, to gain confidence in leadership. |
| 75 | Specialist project/change managers to deliver initiatives. |

Appendix (cont.)

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| 76 | Clear message from the top managers/sponsor/steering committee. |
| 77 | Greater sponsorship of change and greater change awareness at the sponsor level. |
| 78 | We are in the middle of the restructuring plan, and the future teams are not totally defined. Some persons could leave the company in the coming months. The main action is to prepare spirits to the future of the company and the next company, new objectives, new way of working. |
| 79 | Communicate more effectively about change imperatives. Communicate effectively about plans. Communicate effectively about why and what is happening. Communicate about our successes. |
| 80 | Do change in a more consistent manner throughout the organisation; engage more in stakeholder management than is currently done. |
| 81 | More reinforcement of the need for change from senior management. |
| 82 | Improve engagement with staff at all levels. Right now, our focus is on upper-level managers. |
| 83 | Communicate the work packages that are being undertaken and report progress on them. The change in my organisation is being kept hidden. |
| 84 | Better communications. |
| 85 | Provide a clear roadmap of the journey we are on, with realistic, measurable goals and objectives. |
| 86 | To have a clear view of all changes and projects ongoing in the unit and change management plan(s) accordingly. |
| 87 | Take more time to consider all actions and subsequent re actions. |
| 88 | Clear outline of what is expected by the board and cascade information down. |
| 89 | Spend more time working with senior managers to get them actively on board as opposed to agreeing to implement changes and then ignoring or avoiding the process. |
| 90 | Get focused on 1 priority at a time. |
| 91 | Use even more secondments from the business to work on the change project - this has been very successful as the knowledge of processes is invaluable. |
| 92 | Improve reward structure to reinforce objectives of change programme. |
| 93 | Improved face to face communication and involvement of all people impacted by the change. |
| 94 | Better linkage of change initiatives to a clear overall strategy and purpose for change. |
| 95 | Train more managers to use the change framework and identify different phases of change processes. |
| 96 | Be more honest, open and consistent in the change process. |
| 97 | Shared purposes. |
| 98 | The development of an Operational Change support team, (under way). |
| 99 | Greater HR access to executive management for more effective executive sponsorship of HR programmes and initiatives. |
| 100 | Involve more people in the change process - not just the senior executive managers. |
| 101 | Tell employees the truth. |
| 102 | Ensuring that top management becomes a sponsor for change management methodology: realising that change takes time, can & needs to be managed in a methodological way, needs resources to assist in the management of change. |
| 103 | Clear and transparent targets and effective leadership on delivery of this targets. |

Appendix (cont.)

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| 104 | Nomination of Local Sponsors and Change Agents. |
| 105 | To advocate "HPO" (high performance organisation) spirit by improving process excellence and people excellence. |
| 106 | Allow enough time and support for the proper implementation & follow up the results. |
| 107 | Restructuring IT and company organisation. |
| 108 | Clear direction and enthusiasm from sponsors. |
| 109 | More communicate and sharing information among organisation to make them realise. |
| 110 | Enrol all employees why we have to change and build possibility to change. |
| 111 | Fill the Leadership role asap. |
| 112 | Educate Business on the importance of change management, alongside IT. |
| 113 | Get senior leadership on board to support the change. |
| 114 | Stop focussing on cost - I think the market will turn against organisations that turn to staff cuts as a primary way of cost cutting. |
| 115 | When announcing a change of structure actually having the new structure for people to see! Engage people prior to the announcement so it's not a shock and people feel valued. |
| 116 | More hands on involvement with key users right now. |
| 117 | Greater awareness of the consequences if change does not occur as planned. |
| 118 | Engage members affected by the change more effectively through face-to-face communication and two way exchange of concerns, issues and the reasons for decisions. |
| 119 | Prioritise change initiatives and assign best resources to ensure achievement of goals. |
| 120 | Focus on key goals. |
| 121 | Early engagement and commitment of senior people, along with freeing them up from other responsibilities. |
| 122 | Less focus on performance management - culture of fear of being labelled an underperformer means change is perceived as threatening. |
| 123 | Dedicate more resources to implementing the change. |
| 124 | We are able to describe and assist other organisations in their transformation, yet our own Management tell us that we need to transform without expending resource/effort. Therefore we need to take our own medicine - if it's worth doing, it's worth investing. |
| 125 | Finding a way of developing a shared purpose around change and then working together to deliver the change. |
| 126 | Communication better elaborated. |
| 127 | Have leaders create some passion around the changes. |
| 128 | Better information material in German language. |
| 129 | Assure that local strategy is congruent with corporate strategy. |
| 130 | Communicate. |
| 131 | Share a clear vision, shape a change agenda and implementation plan, and finally resource change team appropriately. |
| 132 | Better analysis of Demand Vs. Capacity and resources. |

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