

Change: Learning What Drives it in Organizations

As we work with organizations on strategies for change, we are continually striving to learn more about what drives change in organizations, what makes the changes succeed or fail, or succeed only in part, and what the key elements are that will create lasting change. Many of our clients ask us whether they are unique—are others experiencing the same changes they are? How are they handling it? Are there lessons that can be learned and shared across industries?

One part of our effort to learn about change came last summer, when we surveyed organizations throughout Wisconsin regarding change. The survey was mailed to Human Resource professionals and consisted of three open-ended questions and 24 scaled questions. We heard from 45 companies. They represented industries as diverse as health care, insurance, and manufacturing and companies large and small.

We wanted to share some of the highlights of what we learned and a few of our observations. First, a summary of the results:

The top challenges facing organizations were not a surprise. Staffing issues led the list, followed by leadership, managing change, remaining competitive, employee development, restructuring, and managing growth. Upcoming changes listed were technology, changing cultures, expansion, new product lines, and cost control/reduction.

Issue	Percentage of Respondents Indicating
Staffing	38%
Leadership	28%
Managing Change	20%
Remaining Competitive	18%
Employee Development	18%
Restructuring	16%
Managing Growth	14%

The most recent change efforts organizations have undertaken included restructuring, downsizing, continuous improvement, HR changes (policies, approach), IS overhauls, and growth issues related to mergers, acquisitions, and expansions.

Top organizational strengths listed were: taking steps to be competitive; employees improving customer satisfaction; creating outside partnerships; responding to industry changes; having a clear vision for the future; and

employees being able to contribute their best. Top weaknesses included: training for the future; managing internal changes; communication between departments; creating partnerships inside the organization; and effective communication between employees and managers.

When asked what percent of recent change efforts were considered successful, the response was that about 25% were successful. Of the other 75%, efforts had not worked as planned, had been dropped along the way because of changes in policy or priority, or they were not far enough along yet to be considered a success.

As we read through the results, we made a few observations:

The top challenges facing organizations are people issues: how to get them, lead them, grow them and keep them. As organizations spend more time and money on understanding competitive issues, they must not lose sight of the people issues. It is people who make the technology work, serve the needs of customers, make the critical decisions about the business every day, etc. As changes come faster and become more complex, the organization's investment in hiring, training and development, and other *people issues* must keep pace.

Recent changes have experienced mixed results and coming changes are varied. One concern expressed in the written responses over and over again was the question—who will manage it all? Employees are looking for leadership. There is a need for leaders in the organization to manage all the pieces, to understand and tell others how the pieces fit, and to see the changes through. (See the accompanying article, *Strategies for Change* for additional thoughts on this). Strengths seem to be externally-oriented and weaknesses seem to be internally-oriented. We found that very interesting. We can only speculate on why that is. Perhaps the external changes are what employees hear most about in the organization—preparing for competition, budgets and staff being cut to stay competitive, needing faster response to the marketplace, etc. It's a positive sign that this is perceived as a strength, because organizations must stay competitive to stay alive. However, are these efforts undertaken at the expense of caring for internal issues? This seems to be the perception. Organizations must find a way to balance both external and internal needs in order to truly be competitive in the future.