

# BEST PRACTICES IN CHANGE MANAGEMENT

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2016 EDITION

Executive Summary

# THE LARGEST BODY OF KNOWLEDGE ON CHANGE MANAGEMENT

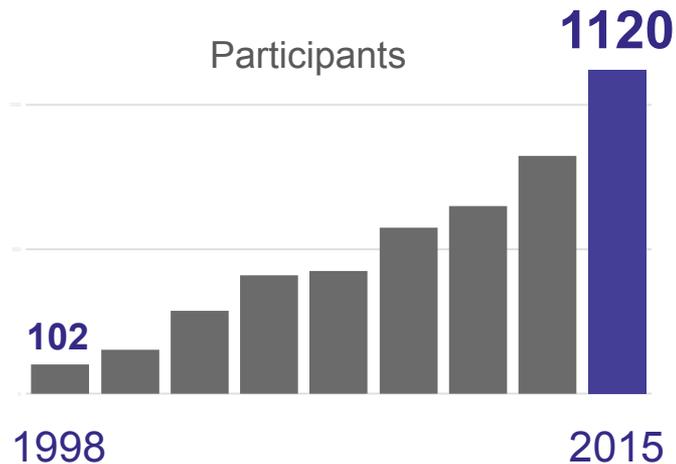
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## Continuing to lead the discipline through research with real change leaders

Study purpose:

To uncover lessons learned from practitioners and consultants, so that current change management teams can benefit from these experiences. Emphasis is placed on what is working and what is not, in all areas of change management.

The 2016 report also presents emerging trends in change management, identifies changes that have occurred and describes the future direction of the discipline.



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*Whether you study specific topics as a learning exercise, use the book as a reference or rely on the tools and processes derived from the results, I trust that you will find insights that make your change management more effective, your projects more successful through better adoption and usage, and your organization more adept at managing its portfolios of change.*

*Allison Seabeck, Prosci President*

# INSIGHTS, EXPERIENCES AND BEST PRACTICES ORGANIZED SO YOU CAN FIND WHAT YOU NEED

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Prosci's 2016 edition of **Best Practices in Change Management** is divided into four main parts, making the insights and direction easier to navigate and access.

Within each part, you will discover chapters, sections and findings you can apply in your change approach to increase the likelihood of delivering desirable change outcomes.

## **PART ONE: Current State of Change Management**

- Insights
- Trends
- Organizational Change Capability

## **PART TWO: Change Management Application**

- Motivation and Justification
- Effectiveness and Measurement
- Methodology
- Budget, Resources, Team Structure
- Change Management Activities
- PM and CM Integration

## **PART THREE: Roles in Change Management**

- Sponsorship
- Managers and Supervisors
- Change Agent Networks
- Consultants
- Complementary Roles

## **PART FOUR: Adapting and Aligning Change Management**

- Culture and Change Management
- Customizing CM by Industry
- Aligning CM with Specific Approaches
- Managing Complex Changes
- Saturation and Portfolio Management

# PART ONE: CURRENT STATE OF CHANGE MANAGEMENT

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## **CHAPTER 1: INSIGHTS**

Foundational findings in change management benchmarking research

## **CHAPTER 2: TRENDS**

What is happening at the forefront of a maturing discipline and how it is evolving

## **CHAPTER 3: ORGANIZATIONAL CHANGE CAPABILITY**

Move past a project-by-project approach toward building change capability

To begin, we focus on the key obstacles faced by current change management practitioners around the globe and the tools they use to overcome these challenges. Next, participants identified the changes they expect to see in the discipline within the next 2-5 years, we report the trends they are observing.

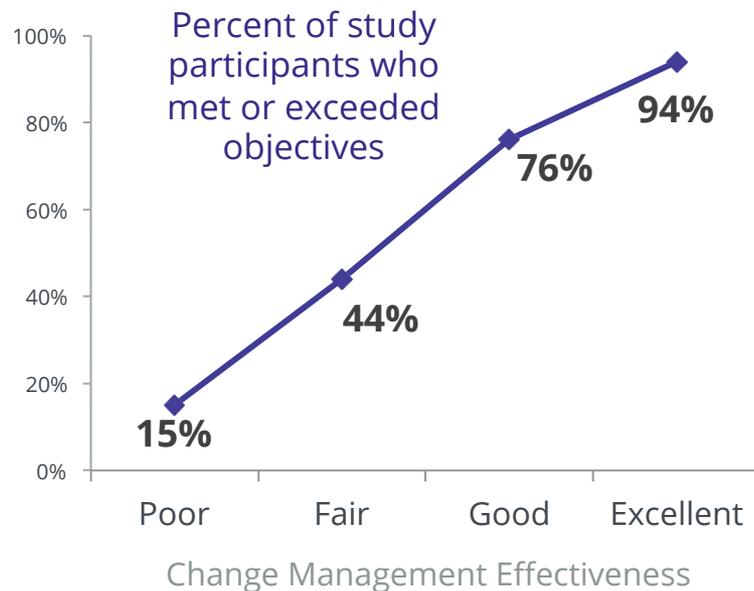
This part concludes with participants describing how they deployed change management capability projects within their respective organizations and how they might alter or improve deployment of change management capabilities.

# EFFECTIVE CM DRIVES RESULTS AND OUTCOMES

## Change management is a success enabler

Research on thousands of initiatives shows a direct correlation between how well the people side of change is managed (change management) and how successful the effort is.

Projects with improved change management had increased likelihood of meeting objectives, finishing on time and finishing on budget.



**6x** INCREASED  
**LIKELIHOOD**  
OF MEETING OBJECTIVES

RESEARCH INSIGHT

# PART TWO: CHANGE MANAGEMENT APPLICATION

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## **CHAPTER 4: MOTIVATION AND JUSTIFICATION**

Build buy-in for the results you deliver with project teams and senior leaders

## **CHAPTER 5: EFFECTIVENESS AND MEASUREMENT**

Projects with excellent change management are six times more likely to meet objectives

## **CHAPTER 6: METHODOLOGY**

Increase change management effectiveness with a standard methodology

## **CHAPTER 7: BUDGET, RESOURCES, TEAM STRUCTURE**

Size and secure the right resources for optimizing your efforts

## **CHAPTER 8: CHANGE MANAGEMENT ACTIVITIES**

The specific steps effective change managers take to influence project success

## **CHAPTER 9: PM AND CM INTEGRATION**

The power of complementary disciplines working in partnership toward a goal

This part focuses on the tools, techniques and methodologies used by change management practitioners to effectively implement change projects, specifically:

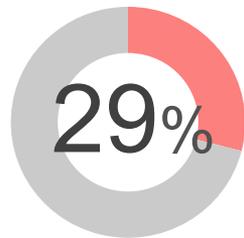
- Techniques for justifying change management within your organization
- Measurements of correlation between project success and change management effectiveness
- Strategies for applying change management methodologies

# SPONSORSHIP CORRELATES WITH PROJECT SUCCESS

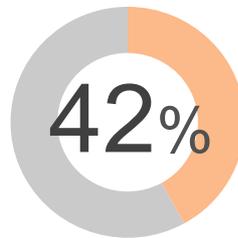
## Better sponsorship = better results

Analysis of data from the 2016 research report shows a direct correlation between the effectiveness of sponsorship and the likelihood of meeting project objectives.

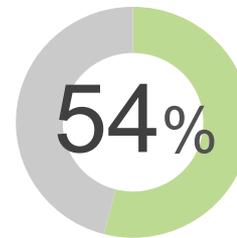
### Percent of projects that met or exceeded objectives based on sponsor effectiveness



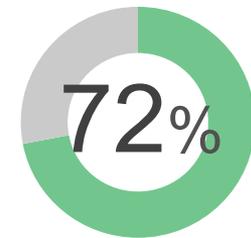
Very  
ineffective  
sponsors



Ineffective  
sponsors



Moderately  
effective  
sponsors



Extremely  
effective  
sponsors

RESEARCH INSIGHT

# PART THREE: ROLES IN CHANGE MANAGEMENT

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## **CHAPTER 10: SPONSORSHIP**

Active and visible sponsorship is the single greatest contributor to success

## **CHAPTER 11: MANAGERS AND SUPERVISORS**

Managers and supervisors legitimize the changes impacting the teams they lead

## **CHAPTER 12: CHANGE AGENT NETWORK**

Extend project support and credibility through an engaged group of advocates

## **CHAPTER 13: CONSULTANTS**

Strategically leverage experienced change professionals to drive change performance

## **CHAPTER 14: COMPLEMENTARY ROLES**

Collaborate with internal support functions to enhance change management outcomes

Part three explores the different roles that are present during a change project and the various ways in which they can aid change management as well as be affected.

Participants identified the most critical functions for each role as well as the potential challenges that can arise specific to each role.

# SPONSORSHIP IS THE NUMBER 1 CONTRIBUTOR TO SUCCESS

## **Active and visible sponsorship is key to success**

In each of Prosci's nine benchmarking studies, change leaders commented on the greatest contributor to success. 9 out of 9 times, effective sponsorship was identified as the top contributor to success. And, it wasn't even close – sponsorship beat out the second top contributor by a 3:1 margin.

### **Top contributors to success:**

1. Active and visible executive sponsorship
2. Structured change management approach
3. Dedicated change management resources
4. Integration and engagement with project management
5. Employee engagement and participation
6. Frequent and open communication
7. Engagement with middle managers

RESEARCH INSIGHT

# **PART FOUR: ADAPTING AND ALIGNING CHANGE MANAGEMENT**

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## **CHAPTER 15: CULTURE AND CHANGE MANAGEMENT**

Navigate the complexity of managing change within the context of culture

## **CHAPTER 16: CUSTOMIZING CM BY INDUSTRY**

Adapt change activities to the unique challenges of your industry

## **CHAPTER 17: ALIGNING CM WITH SPECIFIC APPROACHES**

Change management intersects with Program Management, Lean, Agile and CPI

## **CHAPTER 18: MANAGING COMPLEX CHANGES**

How to adapt when the project presents difficult change management scenarios

## **CHAPTER 19: SATURATION AND PORTFOLIO MANAGEMENT**

Mitigate the cumulative and collective impact of an increasing volume of change

Part four discusses the many ways in which change management can be - and in many cases must be - adapted and tailored to a specific organizational setting. Cultural context, industry setting and organization-wide goals are all factors that influence change management.

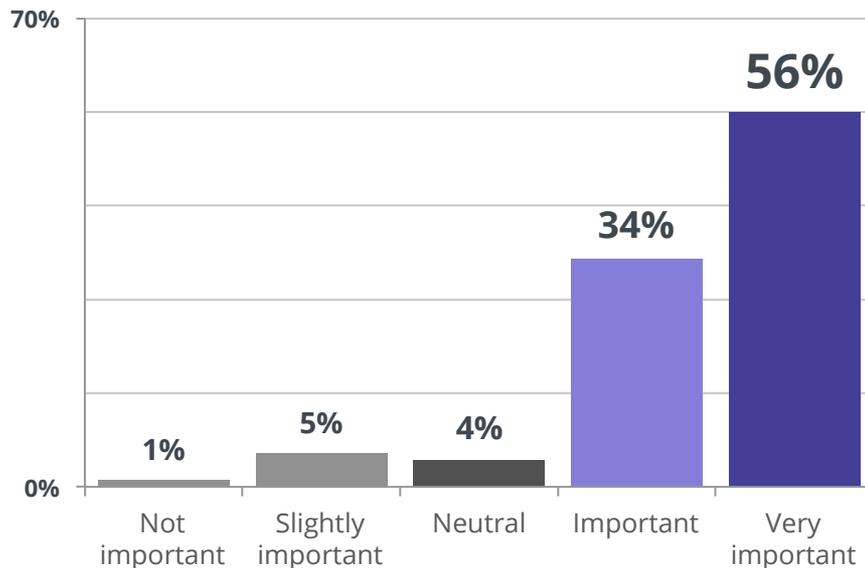
This part gives insight into how current change management practitioners adapt and change their techniques in order to effectively manage change in all different organizational and cultural settings.

# 9 OUT OF 10 RATED CULTURAL AWARENESS AS EITHER IMPORTANT OR VERY IMPORTANT

## Cultural awareness can have an extremely important impact on change management

Culture is crucial, and the better we understand our culture the more effective we can be at implementing change.

**Importance of cultural awareness**



Analysis from Prosci's 2016 research report shows that not only is culture important, but there were four specific ways that cultural awareness influenced change management practices and approaches:

1. Opportunities for customization
2. Cultural-specific adaptations
3. Avoid cultural-specific obstacles
4. Communication needs to be thought through

RESEARCH INSIGHT

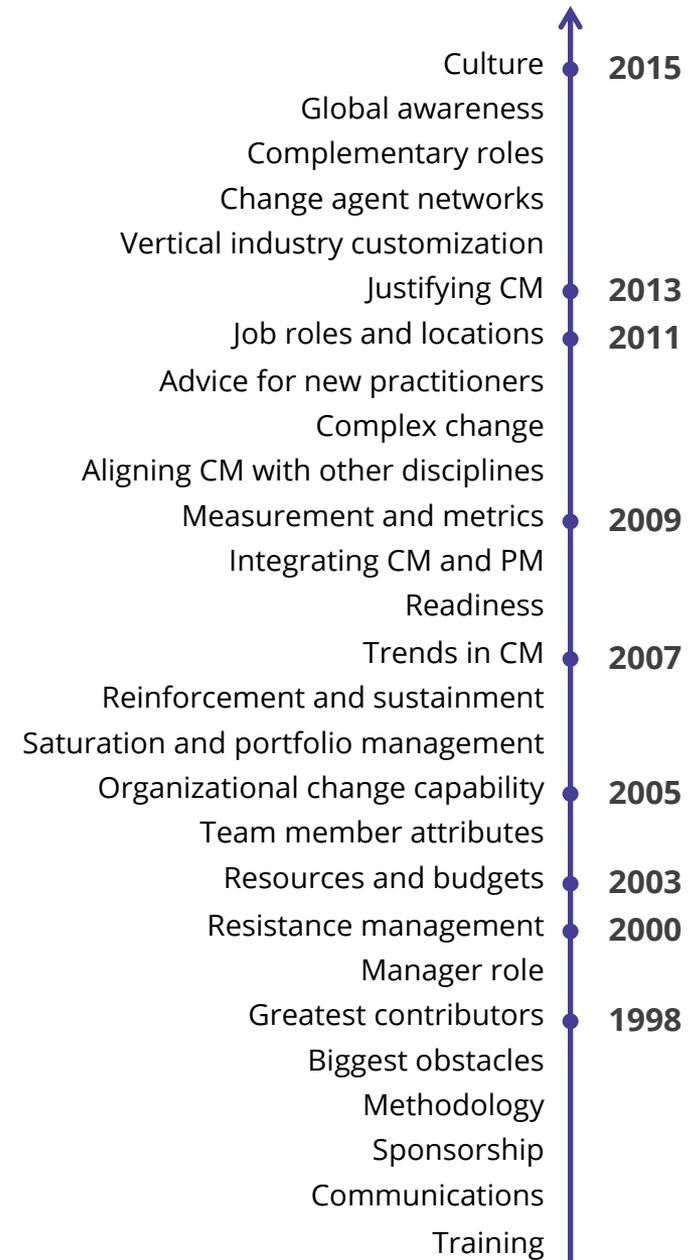
# UNCOVERING NEW INSIGHTS ON EMERGING TOPICS AND ISSUES

## In each study, Prosci explores topics and issues facing change leaders - 2016 is no exception

Since 1998, each of the nine benchmarking studies have enabled Prosci to expand and deepen the discipline of change management by focusing new questions and sections on the areas where practitioners are looking for research and direction.

The 2016 research report includes the following emerging topics:

- Culture
- Change Agent Networks
- Vertical Industry Customization
- Complementary Roles



# CULTURE

Prosci took a unique approach to studying culture in the 2016 report. Research focused on answering the question:

***How can I create more successful, positive change by understanding and adapting within the cultures I work?***

We began by identifying six culture dimensions that have the greatest impact on how changes come to life in an organization, drawing from the works of GLOBE, Hofstede and Trompenaar.

Next, study participants provided three data points for each of the six cultural dimensions being studied:

***Where do you fit on the cultural spectrum?***

***What specific challenges does this create in times of change?***

***What specific adaptations do you make because of this?***

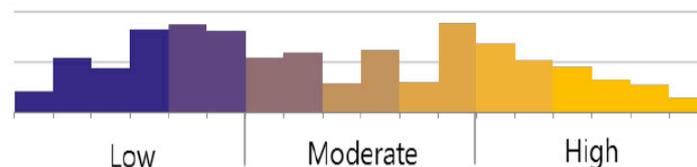
The resulting analysis provides change practitioners with concrete, specific adaptations to make given the culture of their organization or the groups they are engaging.

## Six culture dimensions that impact change

- Individualism vs Collectivism
- Power Distance
- Uncertainty Avoidance
- Assertiveness
- Performance Orientation
- Emotional Expressiveness

## Cultural Dimension Spectrum

Low Moderate High



*Specific challenges*  
*Unique adaptations*

*Specific challenges*  
*Unique adaptations*

*Specific challenges*  
*Unique adaptations*

NEW TOPIC 2016

# CHANGE AGENT NETWORKS

## Leveraging networks to drive change

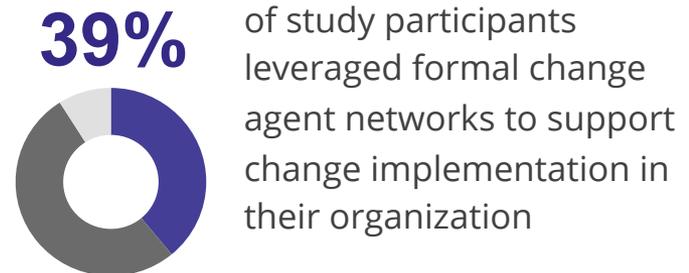
While change agent networks are talked about all the time, there was little research to support how they were being leveraged. Prosci studied the change agent network in significant depth.

### Our findings explore:

- Definition of the change agent network
- Reasons to use a change agent network
- Building a change agent network
- Criteria for selecting members
- Change agent network roles
- Expectations of the change agent network

**Finding:** Study participants identified seven reasons to use a change agent network

1. Extend project support
2. Use resources efficiently
3. Enhance communications
4. Align consistent objectives
5. Increase knowledge
6. Build credibility
7. Boost ownership



NEW TOPIC 2016

# VERTICAL INDUSTRY CUSTOMIZATION

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## Understanding and adapting change management based on your vertical industry

Prosci's 2016 research report delves into vertical industry customization.

We asked our participants:

- What are the **top changes** facing your industry?
- What are the **specific challenges** you face when implementing change management in your industry?
- What are the **unique adaptations** you make when implementing change management in your industry?

**Example:** Health Care industry findings

### Top changes in Health Care

- Health care paradigm shift - including a move toward an individual or self-managed health care model, increases in regulations/legislation, industry consolidation through M&A and standardization of patient care
- Technological changes - including use of electronic records, new drugs and technology designed for patient care and automation
- Budgetary concerns - including cuts, loss of funding and a move toward profit-focused business models

### Challenges for change management in Health Care

- Autonomous nature of employees
- Lack of designated resources

### Adaptations for change management in Health Care

- Alignment with employee characteristics
- Communication adaptations

NEW TOPIC 2016

# COMPLEMENTARY ROLES

## Collaborating with other disciplines and roles to optimize results

Prosci studied the interaction of change management and other related disciplines, exploring the complementary roles that support successful change.

### Study respondents reported engaging with the following complementary roles:



### Top functions served by complementary roles

#### Internal Communications Group

- Key messaging
- Project team member

#### Human Resources Business Partners

- Coaching and support
- Project advisors

#### Internal Consultants

- Change management experts
- Subject matter experts

#### Business Analysts

- Impact assessment
- Subject matter experts

#### Organization Development

- Training
- Technical and cultural expertise

NEW TOPIC 2016

# DEMOGRAPHICS SUMMARY: WHO CONTRIBUTED THE DATA?

18% less than 500 employees      Number of employees:      19% more than 35,000 employees



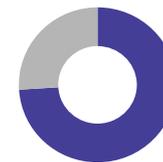
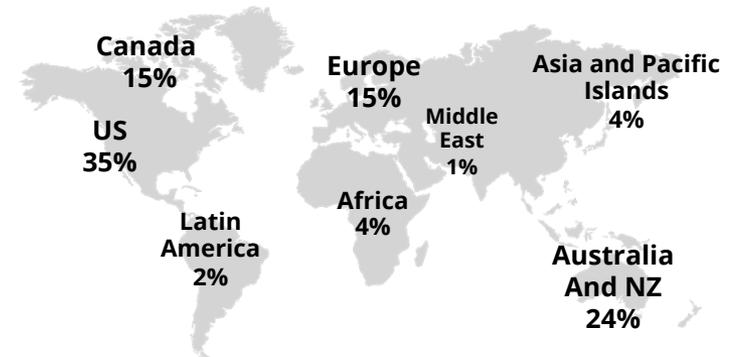
19% less than \$50 million      Revenue:      27% more than \$5 billion



## Top industries represented:

1. Health Care
2. Government – State
3. Banking
4. Finance
5. Consulting
6. Oil and Gas
7. Government – Federal
8. Insurance
9. Education Services
10. Manufacturing

## Participants from around the world, representing 56 countries



**74%** of our participants had change management certification

## Respondents were experienced practitioners





## THE LARGEST BODY OF RESEARCH IN THE FIELD OF CHANGE MANAGEMENT

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Prosci's comprehensive research allows you to align your change management efforts with industry best practices, optimizing your approach to achieve results. Leverage lessons learned from thousands of change and project leaders.

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