

Change Management



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Change is Inevitable

- The COVID-19 pandemic resulted in organizational change on a grand scale.
- Change is now a permanent feature of today's organizations.
- In 2022, the average employee experienced 10 planned enterprise changes, which is 8 more than in 2016.¹

Yet only 23% of HR executives are thriving in the VUCA environment.²

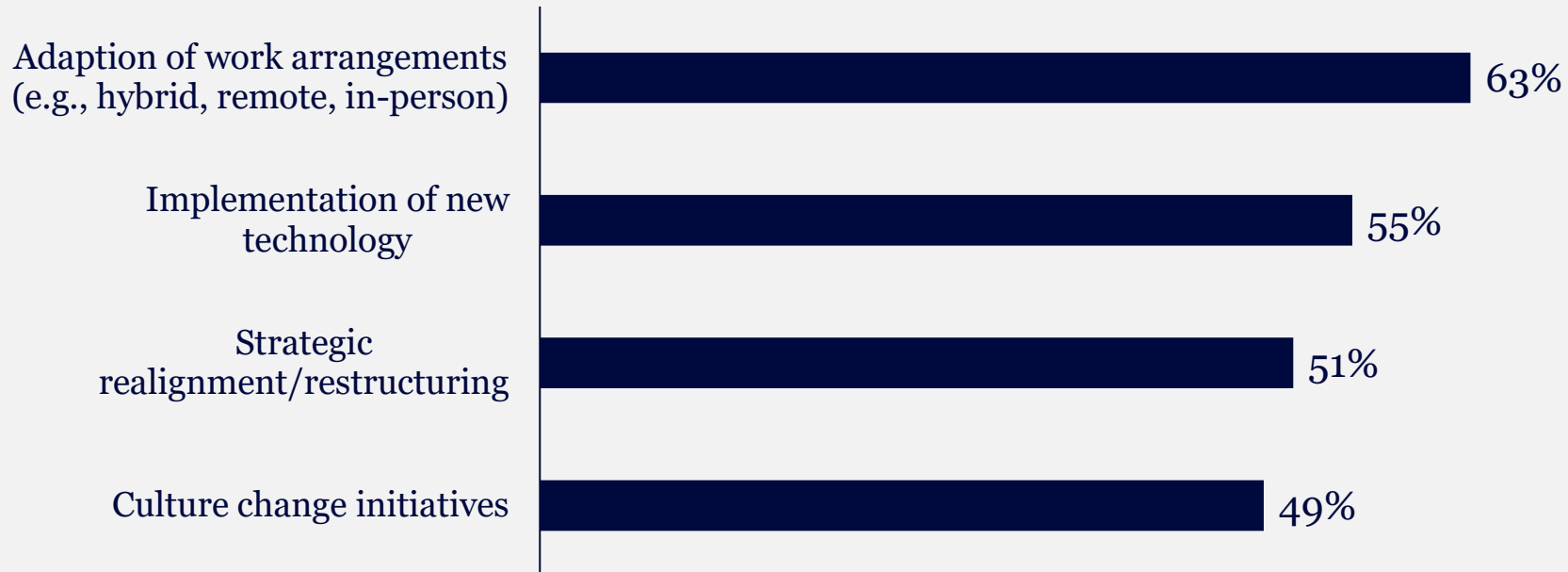
Understanding Change Management:

Insights from HR Executives

- SHRM Research aimed to understand the current state of change management in organizations and HR's role in organizational change.
- Four key questions:
 - What type of organizational change initiatives are HR executives leading?
 - What role should HR play in change management?
 - How effective are HR executives at managing change?
 - What advice would HR executives give to help others effectively manage change?

Looking Back: HR Executives Major Player in Change

Top Change Initiatives HR Executives Have Led or Been a Major Part of Since 2020



99%

of HR executives report leading or playing a major role in organizational change over the last 3 years.

HR Can Assume Multiple Roles in Change Management

The top role(s) HR should play in the change management process, according to HR executives:

79%

Communicator

76%

Partner

65%

Strategist

65%

Advisor

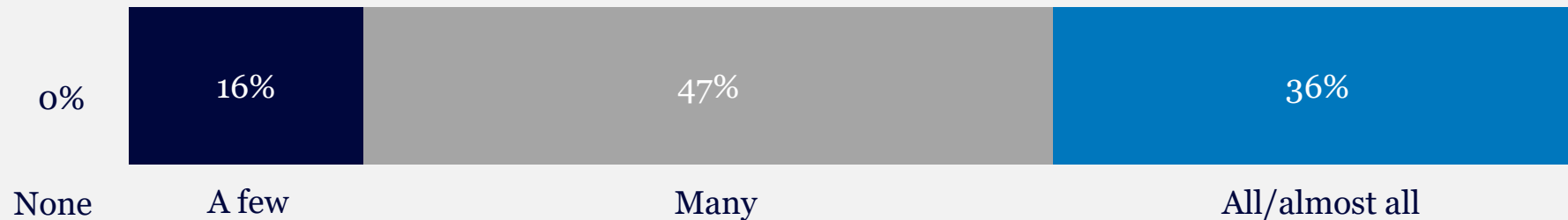
55%

Leader

A Success Disparity

HR Executives vs. Individual Contributors

The Portion of Organizational Change Initiatives that HR Executives Deemed Successful Throughout Their Careers:

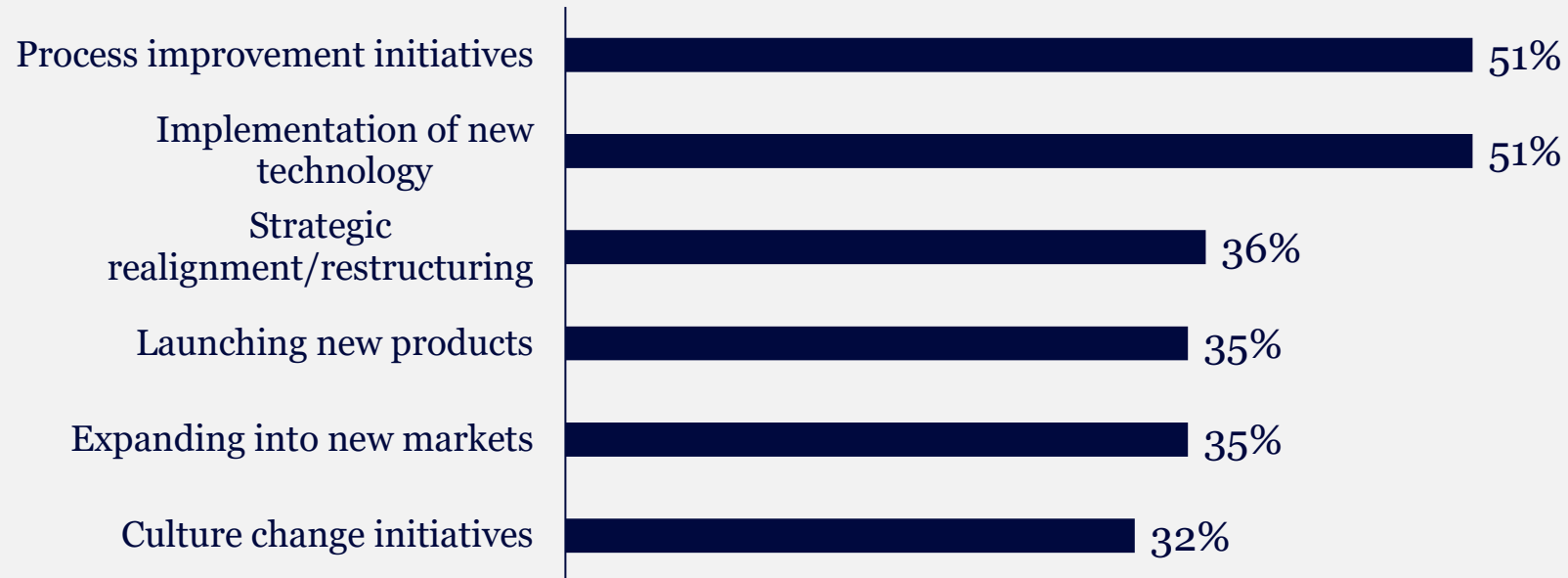


Only
29%

Of U.S. individual contributors say their organizational leaders are extremely or very effective at initiating (29%) and managing (29%) change.

What Can We Expect for the Future?

Top Change Initiatives Planned For Next 3 Years



Only

7%

of HR executives say their organization will not engage in change initiatives in the next 3 years.

3 Strategies for Effective Change Management

Insights from HR Executives

1. The Power of Strategic Planning

41%

of HR executives say their organization is **most effective** at developing a vision and plan for change.

“Spend as much time as necessary on planning phase and ensure clear objectives. The more clarity of objectives with leadership, the more chances for success.”

– CPO, private for-profit, 250-499 employees.

“Prepare and outline your plan including compatibility analytics with other similar in size, organization type and sell it to the top leadership.”

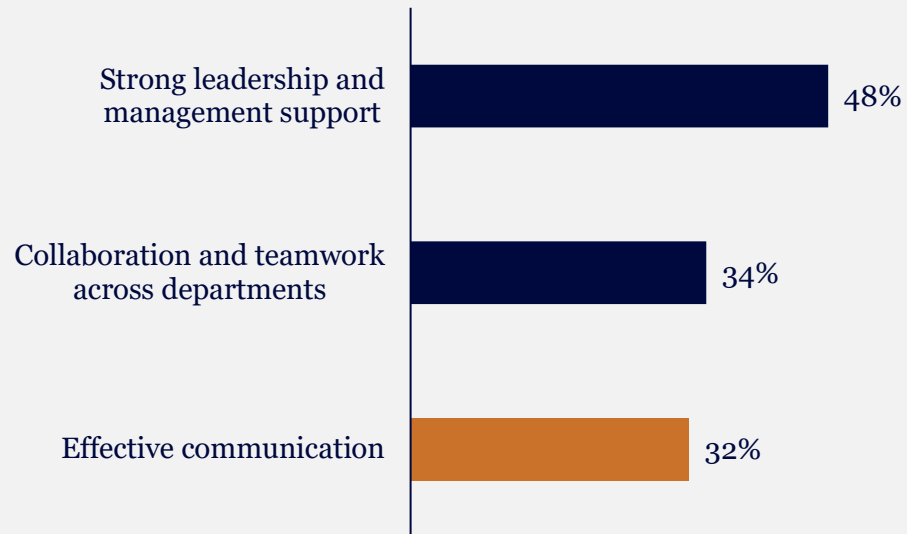
– Associate VP of HR, non-profit, 1,000-2,499 employees.

In hindsight, I wish I had...“better planning, preparation and getting employees on-side far sooner...”

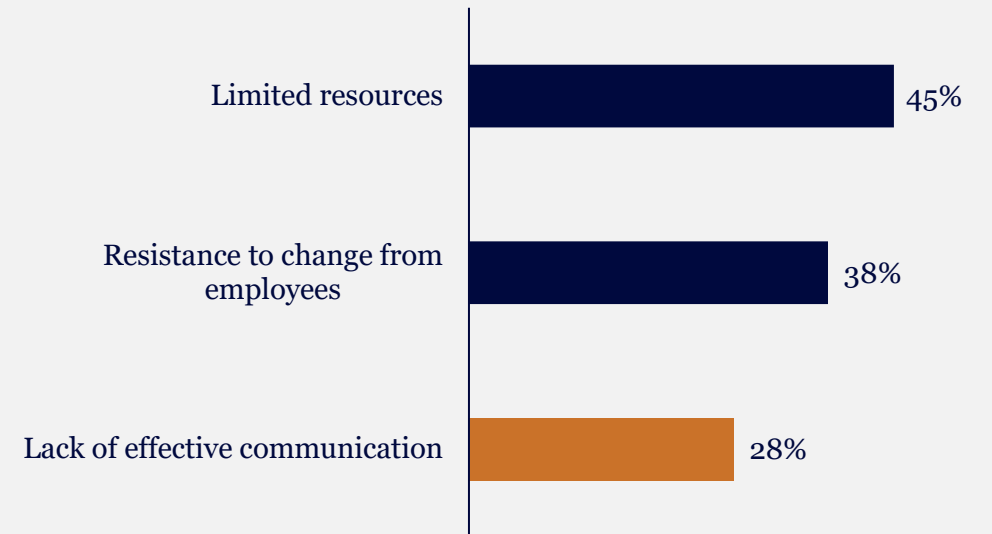
– Sr. VP of HR/Legal/Finance, non-profit, 21-50 employees

2. The Power of Effective Communication

Top 3 Factors That Enable Change Initiatives



Top 3 Factors That Hinder Change Initiatives



73% of HR executives are increasing or improving communication to address change fatigue.

2. The Power of Effective Communication

“Communicate early, communicate often. Ask lots of questions. Keep a barometer in place throughout the process and don’t rely on others to be effective communicators.”

– CHRO, private for-profit, 100-249 employees.

“Communicate the importance and/or the why for change.”

– CHRO, non-profit, 500-999 employees.

“Need to make sure there is adequate time to communicate.”

– SVP, People and Communication, private for-profit, 500-990 employees.

“You can’t over-communicate. Don’t assume that because something makes sense to you, it makes sense to someone else – don’t be fooled by a nodding head.”

– VP, private for-profit, 50-99 employees.

“Open, honest and frequent communication is key. You also need to be sure that your entire management team is on the same page and is delivering the same message to your staff.

– CAO, private for-profit, 50-99 employees.

3. The Importance of Evaluation

30% of HR executives say their organization needs to improve change evaluation.

The role(s) HR should play in the change management process, according to HR executives:

34% Evaluator **32%** Analyzer

“Plan how to measure success from the beginning. This not only helps you determine the effectiveness of the change later, but it helps the entire team focus on what the real end goal is, which often gets lost during big shifts.”

– CHRO, private for-profit, 250-499 employees.

“Strong analysis of change and ability to continue to make adjustments.”

– CHRO, non-profit, 250-499 employees.

“Have strong post launch measurements in place.”

– CPO, private for-profit, 500-999 employees.

Key Takeaways

1. HR executives have been instrumental in organizational change initiatives in the last three years, as nearly all surveyed have been actively involved in change management.
2. HR executives recognize the diverse roles that HR can assume during the change process, encompassing communication, strategy, partnership, and leadership.
3. Many organizations have upcoming change initiatives planned for the next three years, and a significant portion of these initiatives are ones in which HR executives have played a pivotal role in the past, reaffirming their importance in change management.
4. HR executives highlighted the importance of strategic planning, effective communication and evaluation when managing change.

Methodology

A sample of 199 HR executives were surveyed using the SHRM Voice of Work Research Panel. The survey was administered between June 8, 2023, and June 16, 2023. For the purposes of this study, we refer to HR executives as those who hold a title of VP and above.

References

1. Employees Are Losing Patience with Change Initiatives, Harvard Business Review, 2023. <https://hbr.org/2023/05/employees-are-losing-patience-with-change-initiatives>
2. The Changing Face of Leadership, People + Strategy Journal Summer 2023 Issue, SHRM 2023.

