



2022

WWW.PROPELLER.COM

PROPELLER

Your Guide for Navigating Cascading Change in 2022



Change Management in 2022

Two significant and interrelated forces—the COVID-19 pandemic and the Great Resignation—have forced companies to scramble to navigate the cascading impact. Most are taking a long look at their future organizational and tech needs. Many are already initiating change.

Mergers and acquisitions (M&A) are also on the rise, prompting investments in large-scale tech transformations and significant personnel reorganizations. Whether companies are launching a single change transformation project, or several simultaneously, there is a trickle-down impact that affects your people.

Your workforce will adapt to whatever you map as the best way forward. If you are charged with managing this change, this eBook shares new industry survey results that confirm you are not alone in leading high-profile organizational transformations. We examine the leading trends and offer insights to consider as you move forward.

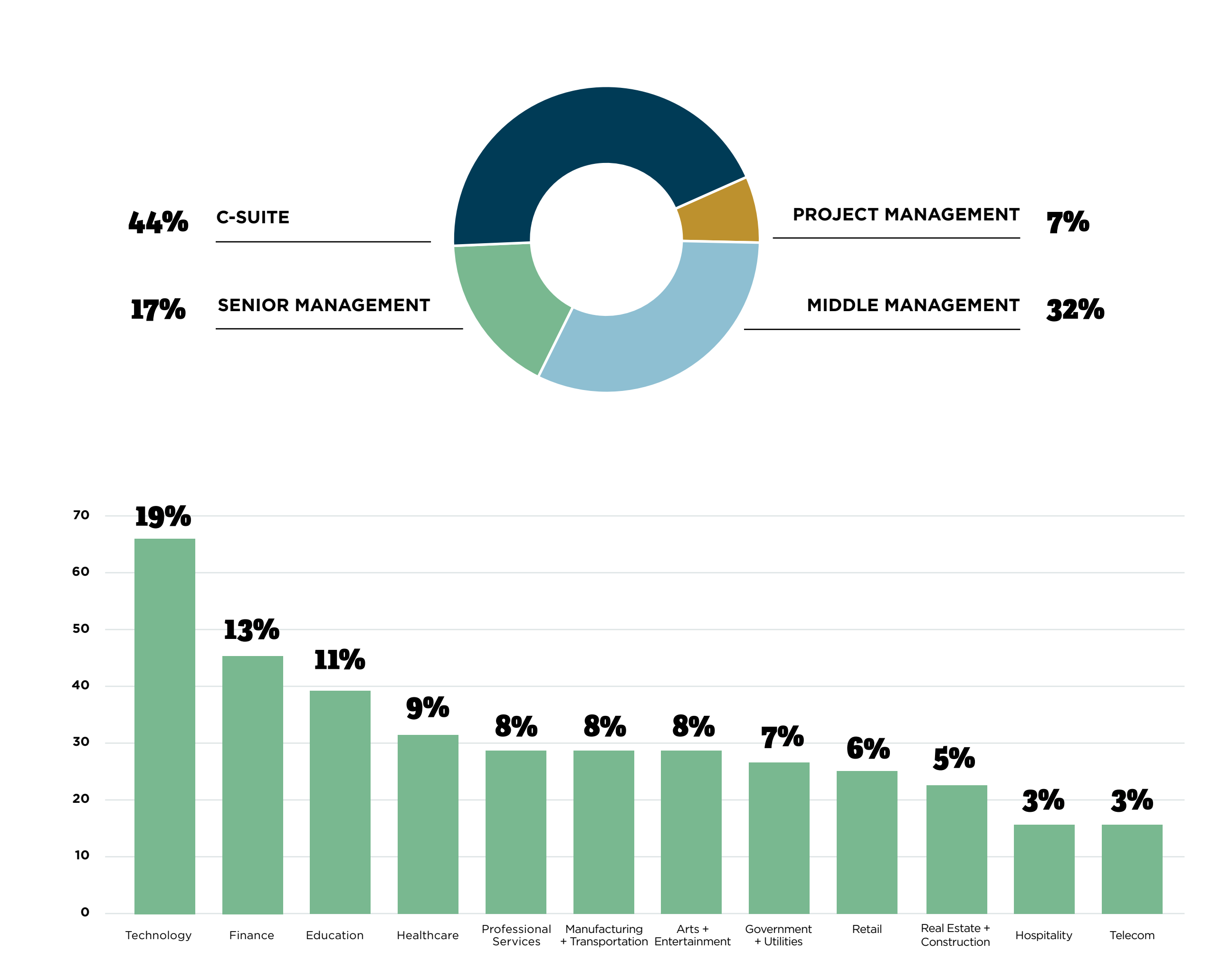
Who is Championing Large-Scale Change Right Now?

Propeller's survey of 400 U.S.-based professionals across industries was conducted by an independent survey firm at the end of 2021. Of the respondents, 44% had a C-suite title and 17% were in senior management roles.

These survey results confirm our client experiences; it is company leaders across industries who are championing accelerated change transformations in 2021 and 2022.

Why are leaders everywhere betting on the outcomes of wholesale organizational transformations?

Let's look at the upsides and dig into the survey takeaways that matter to you.



The Upsides to Proactive Change Management

As change practitioners know, wide-scale change is layered and complex. It is never a simple undertaking. And yet, leaders today are recognizing that organizational change not only minimizes risk, most now see it as essential in sharpening their company's collective change muscle in anticipation of mission-critical transformations down the road.

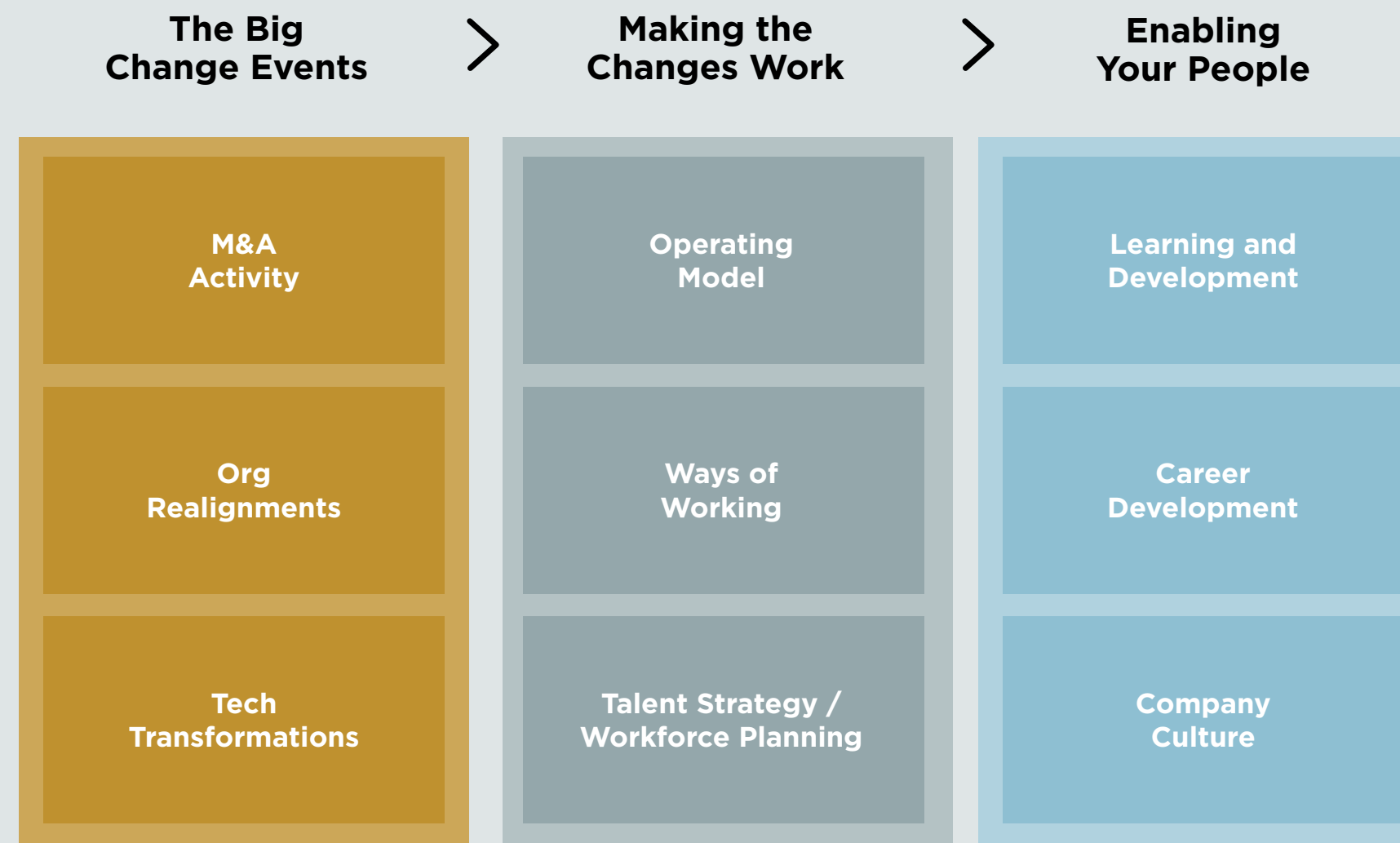
When large-scale organizational change management is rolled out strategically and with the employee experience front and center, the outcomes are measurable:

- New levels of workforce engagement, allegiance, and resilience
- A reduction in employee change fatigue
- A bolstering of leadership skills

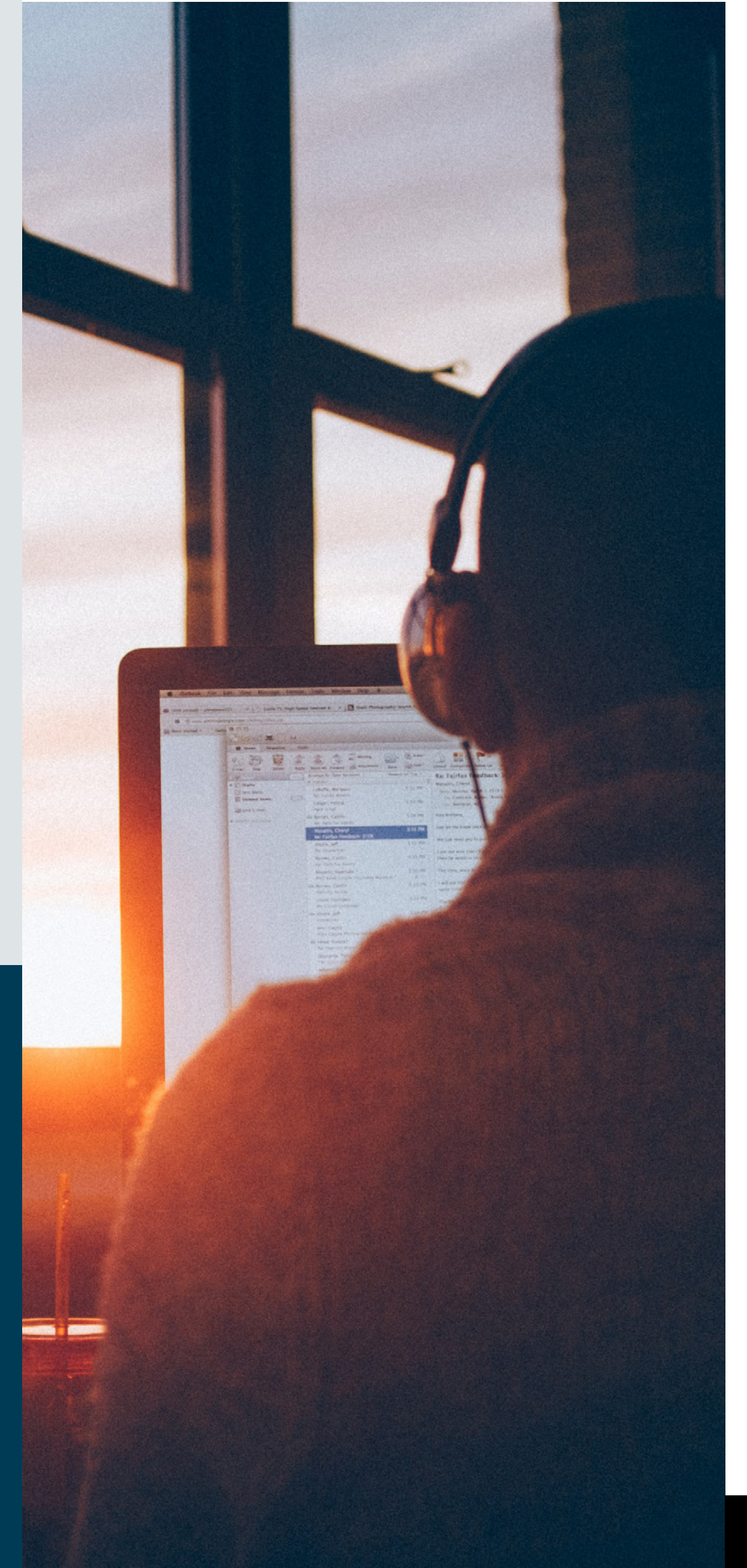
Why Keeping A Wide-Lens on Change is Critical

It is more important than ever in today's business environment for change leaders to comprehensively consider the cascading, upstream/downstream impact. It may be a singular organizational change, or multiple initiatives that need to happen simultaneously. These cascading change moments require leaders to fully evaluate the end-to-end workforce experience and impact, as illustrated in the diagram to the right.

Large Initiatives Create Cascading Change Moments



Next, we share four compelling change management trends and insights that go with them. We hope these insights, and the context that shaped them, give you confidence to initiate your own brand of change for organizational success.



Insight No. 1

Proactive companies responded to the pandemic in 2021 by initiating full scale organizational transformations and a concurrent investment in their employees.



58% of survey respondents initiated a workforce/workplace restructuring

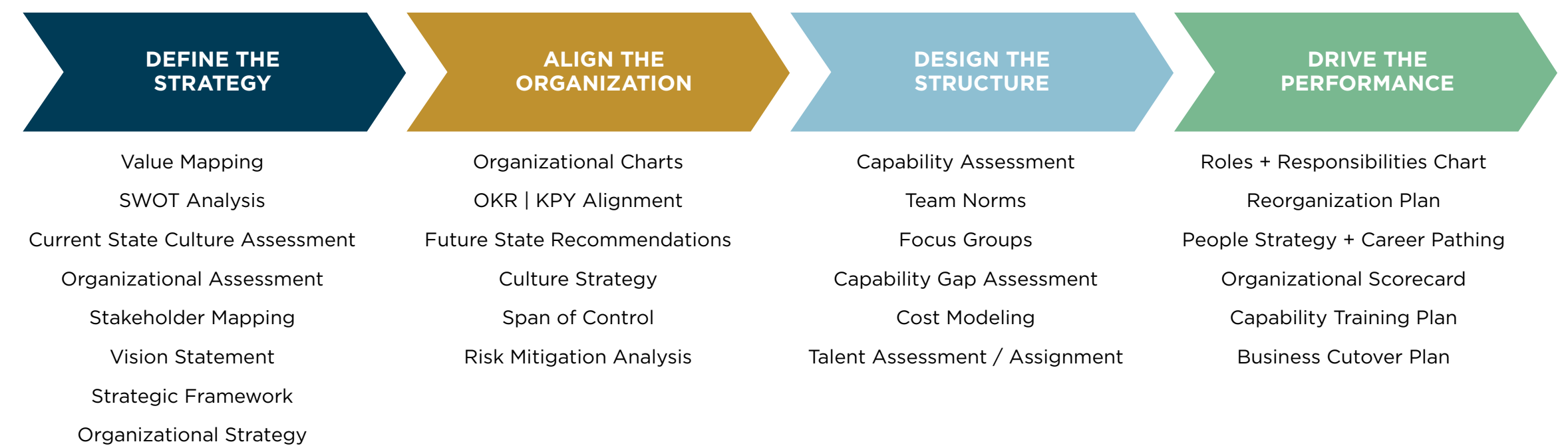


49% of survey respondents implemented new technology

Change management leaders were more proactive in 2021. In 2020, they had to react quickly to contend with elevated levels of employee burnout, Zoom fatigue, increased virtual collaboration, and other unforeseen COVID-19 business impacts. Having caught their breath, companies accelerated their transformational work in 2021 to regain control, including expanding their digital footprint in service of the customer, alleviating supply chain and workforce shortage issues, and initiating solutions to deal with lost revenue in 2020.

Most companies did not have the luxury of implementing single change transformations. With the uptick in M&As, technology implementations, and reorganizations, leaders found themselves rolling out concurrent organizational and operational change initiatives, making successful alignment of those initiatives more important than ever.

With organizational alignments continuing in 2022, the Propeller framework below provides a high-level strategy-to-activation approach for large organizational transformations.



Insight No. 2

Year over year, expect large organizational and tech transformation work to create more change down the pipeline.



45% of survey respondents predict their business functions will experience more organizational restructuring

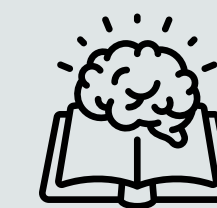


39% report more technology implementations



These metrics anticipate that continued change from reorganizations, M&As, and large-scale tech changes, could prolong some of the employee fallout we saw in 2021 including burnout, change fatigue, and employee uncertainty about their roles into the future.

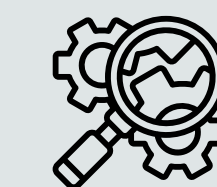
That said, making investments in people ranks much higher for 2022—with specific investments centered around learning and development (L&D) initiatives, career development, company culture, and evolving ways of working. As the metrics to the right show, these will become strategic levers and key differentiators for attracting and retaining top talent moving forward.



42% survey respondents say they'll invest in L&D



42% will invest in new ways of working



32% will invest in operating model and product line changes

Insight No. 3

Communications and training perceptions are deceiving: Project sponsorship is the true linchpin to effective change management.


Responses to two survey questions yielded insight into overlapping change management issues that plague many companies.

The questions were:

- What does your organization excel at when implementing change?
- What are some of the problems your organization experiences when implementing change?

While training and communications were the highest rated problems among respondents at 38% and 32%, respectively, their overlap with project sponsorship is what truly stood out.

 **31%**
(124 people) cited project sponsorship as one of the problems their organization experiences when implementing change

 **60%**
(75 people) of this subset see communications and / or training as a problem area

There is likely a psychological or behavioral component at play here. But we think it may be too easy for individual contributors and stakeholders to blame training and communications for failed change transformation. In fact, a deeper layer reveals the common denominator as a lack of project sponsorship, or the inability for leadership to be a vocal supporter of, and face for, the desired change.

While poor training and communications can be an issue, successful execution is influenced heavily by effective project sponsorship. Of the 62% of respondents who say they excel in project sponsorship; they also believe they excel in communications and/or training.

According to Prosci, sponsorship is the #1 determinant of successful change management; Prosci's research shows that "sponsors are so critical to change efforts that they can make or break a project or initiative."

EXCERPT FROM PROSCI'S "PRIMARY SPONSOR'S ROLE AND IMPORTANCE" 



Insight No. 4

The confident shift to a hybrid/remote model means your employees are happy, but also prone to have a wandering eye.



As a special topic in this survey, we asked respondents about a variety of COVID-19 related topics, including questions around future work models, impact on the workforce, and their own view on employment opportunities. Unsurprisingly, due to the pandemic, many organizations have by now confidently adapted to remote or hybrid models and have maintained productivity.



76% of respondents are currently in a hybrid/remote model



90% believe they are fully equipped for this model to be successful

But not so fast. While companies are confident in their changed workforce models, the pandemic has caused employees to re-think what they value: how they spend their time, what kind of work they want to do, and what type of organization they want to work for.

For example, in our survey, 60% of respondents are considering changing jobs, a potential consequence of 73% of respondents who now differently prioritize the benefits of work/their job. Data from multiple sources beyond this survey indicate we will continue to see increases in open jobs and difficulty finding top candidates through 2022 and beyond.

The two most important factors keeping employees in their current roles?



54% of respondents call out leadership



51% say flexible schedules

As companies continue to navigate new operating models and ways of working, a focused investment in a talent retention and people strategy has become mission-critical. Now, career growth/development, L&D, flexible work options, and cultural shifts toward more transparency, trust, and belonging/meaning will create needed insulation from the “great migration” trend. This is consistent with our 2022 predictions of where companies will invest in change projects.

RILEY SMITH
DIRECTOR, PEOPLE & CHANGE PRACTICE

Conclusion

Change isn't stopping. Change moments continue to be bigger, influence more people, hold cross-functional impact, and can happen simultaneously. Understanding how these change moments cascade and cluster will help change managers resource, plan, and ultimately implement these changes, all while managing employee fatigue and burnout.

“With the quantity and depth of change occurring, companies need to continue to develop and mature their change capabilities. Building that muscle over time – for example, through an established Change Center of Excellence - will enable companies to gain trust with their employees and customers and ultimately take on more change as market needs shift.”

RILEY SMITH
DIRECTOR, PEOPLE & CHANGE PRACTICE





Propeller's Approach



Propeller consultants are invested in supporting global leaders across industries with reorganizations, M&As, and technology transformations, as well as serving as intermediaries for how to successfully operate and grow within the changes.

A key component of this work is translating our clients' missions, visions, and core values into behaviors to help teams create success. We start by analyzing current and future business opportunities to design transformative change solutions that help our clients lead in their industries.

Reach out to Propeller today to learn how we can strategically partner with you for change that brings sustained growth for years to come.

Let's Make Momentum

WWW.PROPELLER.COM

INFO@PROPELLER.COM