BEST PRACTICES IN CHANGE MANAGEMENT

2018 EDITION

Prosci Benchmark Report
Executive Summary
THE LARGEST BODY OF KNOWLEDGE ON CHANGE MANAGEMENT

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 2018 report also presents emerging trends in change management, identifies changes that have occurred and describes the future direction of the discipline.

Leveraging research to improve the people side of change brings credibility to our work as change management professionals. If you are interested in accelerating your success with change, this book was made for you. As the largest body of research in the discipline of change management, the insights within these pages will not only help you be more successful but they will also propel your organization forward.

Scott McAllister, Prosci President
Prosci’s 2018 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.

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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.

![Graph showing 6x increased likelihood of meeting objectives](image)

**Percent of study participants who met or exceeded objectives**

- Poor: 15%
- Fair: 43%
- Good: 77%
- Excellent: 93%

**Change Management Effectiveness**

**RESEARCH INSIGHT**

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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
Better sponsorship = better results

Analysis of data from the 2018 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: 29%
- Ineffective sponsors: 42%
- Moderately effective sponsors: 54%
- Extremely effective sponsors: 72%
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.
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. 10 out of 10 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. Dedicated change management resources
3. Structured change management approach
4. Employee engagement and participation
5. Frequent and open communication
6. Integration and engagement with project management
7. Engagement with middle managers
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.
ORGANIZATIONS ARE REACHING CHANGE SATURATION

Level of Change Saturation

PERCENT OF PARTICIPANTS REPORTING PAST, AT OR NEARING SATURATION POINT:

- **2011**: 73%
- **2013**: 77%
- **2015**: 78%
- **2017**: 73%
UNCOVERING NEW INSIGHTS ON EMERGING TOPICS AND ISSUES

In each study, Prosci explores topics and issues facing change leaders - 2018 is no exception

Since 1998, each of the ten 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. This year Prosci headed the effort of conducting topical studies in addition to the 2018 Best Practices Report. The topical studies allow us to take a much deeper exploratory approach into specific emerging market trends as they unfold in the discipline of change management in a timely and efficient manner. Responding quickly to the market prioritizes our clients success.

The 2018 research report and topical reports include the following emerging topics:

- Employee Engagement
- Change Management and Agile
- Seven ADKAR Use Cases
Employee Engagement

Prosci took a unique approach to studying employee engagement in the 2018 report. Research focused on answering the question:

**What is the impact of change management on employee engagement?**

*Research Finding:* Seventy percent of participants reported that applying change management had a positive impact on employee engagement.

- Employee engagement has been a top contributor to a successful change management initiative for 20 years.
- Participants who reported having more mature change management practices also reported having more engaged employees.
- Participants with more engaged employees exceeded and greatly exceeded their project objectives more often than those with lower levels of employee engagement.
- In the full report we dive into employee engagement by region, industry, revenue and number of employees.
TOPICAL STUDIES

In addition to the BPR Prosci also released two topical studies in 2017. The topical studies allow us to take a much deeper exploratory approach into specific emerging market trends as they unfold in the discipline of change management in a timely and efficient manner. The 2017 topical studies explore the practical applications of the Prosci ADKAR® model and the intersection of change management and Agile. These studies are highlighted in the next two slides.
In response to the increasing prevalence of Agile development approaches and the need to drive adoption and usage of the solutions created using these approaches, Prosci conducted a study to explore two dimensions of change management related to Agile development.

1. Ensuring strong executive sponsorship
2. Communicating effectively
3. Training on Agile
4. Ensuring Agile experts were involved in the effort

Greatest contributors to a successful transition to agile
1. Ensuring strong executive sponsorship
2. Communicating effectively
3. Training on Agile
4. Ensuring Agile experts were involved in the effort

Impact of agile development’s iterative nature on change management
1. Change management became iterative
2. Change management plans became living documents
3. Change management required more upfront work
4. Change management needed to be done in less time and at a faster pace
APPLICATIONS OF ADKAR®

The Prosci ADKAR® Model was first published in 1998. Since then, thousands of change leaders have used it to improve their change results. We asked over four hundred participants in our Applications of ADKAR study how they use the ADKAR® Model, and seven use cases emerged that we analyzed and reported on:

1. Leverage a structured approach and methodology
2. Facilitate individual change
3. Measure change outcomes
4. Create a common language for change
5. Integrate with project management
6. Empower managers
7. Equip senior leaders
DEMOGRAPHICS SUMMARY: WHO CONTRIBUTED THE DATA?

Top industries represented:
1. Health Care
2. Consulting
3. Education Services
4. Insurance
5. Government – Federal
6. Finance
7. Government – State
8. Banking
9. Utilities
10. Telecommunications

- 19% less than 500 employees
- 27% less than $50 million
- 16% more than 35,000 employees
- 21% more than $5 billion

72% of our participants had change management certification

Respondents were experienced practitioners:
- 9% 1 year or less
- 26% 1 to 4 years
- 23% 4 to 8 years
- 17% 8 to 12 years
- 25% More than 12 years

Participants from around the world, representing 84 countries:
- US 28%
- Canada 11%
- Latin America 5%
- Europe 21%
- Africa 3%
- Asia and Pacific Islands 4%
- Australia And NZ 22%
- Middle East 6%
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.

Purchase the full Change Management and Agile report for the complete findings on effectively leading the people side of implementing Agile methodology in your organization and adaptations for applying change management on Agile projects.

Access best practices and benchmark data from anywhere through the CM Research Library. Continually updated, this app contains all of Prosci's most current and relevant research. Browse all topics to sharpen your change management skills or use the Change Management Research Library to find answers to your current questions.

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