Change Management in Project Work
Survey Results
1. Introduction

We are pleased to present the results of the first survey of Change Management methods and tools applied in local and foreign companies operating in the Russian Federation. The research focused on the definition of importance of Change Management methodology in project work, as well as identifying the most popular Change Management tools to date. It also allowed to assess the trends in Change Management development as a project work stream and an organisation’s management process.

Many business leaders speak of the growing importance of Change Management in the effective development of their companies. At the same time, Deloitte clients often call their employees the key element of their businesses, and the ability of their people to accept and adapt to change significantly affects the success of any process or system transformation. This is why the employees’ behaviour is the central object of Change Management.

The survey questionnaire was structured to identify the level of Change Management awareness among participants as well as the relationship between the application of the Change Management tools and the successful implementation of innovative processes. The survey results provided in this report prove that such a relationship exists and can be used to boost project efficiency.

When preparing this report we processed all responses confidentially and used consolidated results with no reference to specific organisations or individuals. For some questions we made the analysis of several groups of participants that selected specific answers, which allowed to identify the correlation while analysing different statements.

The majority of the survey participants (42.5%) are employees of large companies. Employees of companies in the Energy & Resources sector represent some 30% of all survey participants.
The survey participants represent a diverse selection of companies in terms of industry, number of employees and annual revenues. 27% of the participants are project managers handling transformation in their organisations.
Our first Change Management survey attracted the attention of a number of managers in charge of planning and implementing project activities: 97% of them either lead or participate in projects, 62% take project kick-off decisions, and 83% name Change Management as one of their regular project tasks. However, only 67% of the participants are planning Change Management activities at project preparation stage.

**Picture 2. Level of involvement in Change Management**
Representatives of the Energy & Resources (30%), Metals & Mining (13%), Retail and consumer business (13%) sectors were the most active survey participants.

Companies with total headcount of 10,000 to 100,000 employees showed the highest response rate, which proves the interest of their project managers in applying the Change Management toolkit.
Worldwide distribution of participants by revenues (in USD millions) as of the previous FY:

- More than 100,000: 19%
- 30,000 — 100,000: 25%
- 5,000 — 30,000: 22%
- 1,000 — 5,000: 14%
- 500 — 1,000: 6%
- 100 — 500: 8%
- Less than 100: 6%

Picture 5. Breakdown of survey participants by annual revenues
3. Change Management

Change Management is a project workstream meant to support transformation. Change Management makes it possible to raise the efficiency of project work by preparing the staff and the organisational environment for upcoming changes to be implemented in the context of the project. Change Management implies close interaction with employees, which helps to adjust the perception of change within the organisation, maintain a positive attitude toward change, and increase the willingness and readiness of staff to obtain and apply new knowledge and skills.

The vast majority of survey participants stick to the idea of continuous change embracing all types of activities (90% of participants fully or partially agree with this assumption).

Change is a transition from one state to another. Change is continuous and embraces all areas of life and activity of a single person, organisation or society at large.

A project is a type of activity that implies a well-coordinated process of executing interconnected actions and tasks targeted at a certain result. Project deadlines are clearly defined; project goals are measurable, while the limitations and tools for achieving those goals are well-known.
Change implementation is a continuous process in the context of project work, beginning with the project inception and ending when the desired result is achieved. Change Management is meant to support the organisation in its transition from the current to the target state.

An employee is both the object and subject of change in business environment. That is why effective people management is the key to successful change in business.

Any change can and must be managed, e.g. strategic change, new technology, adoption, process re-engineering, M&A, corporate culture shift etc.

Change Management process should be controlled and, if needed adjusted.

Change Management is a process targeted at successful implementation of the planned transformations.

*Partly disagree*  
*Don’t know / no response*  
*Partly agree*  
*Completely agree*
100% of survey participants agree that the success of any business transformation is predetermined by effective staff engagement. Change can and should be managed – 94% survey participants agree with this statement. At the same time, change is often perceived as something new and unknown. People in organisations find it difficult to evaluate the impact of change on their daily work routine. Often, they are scared and try to evade change. The survey results have confirmed our observations in this area: 92% of participants (pic. 8) agree that resistance to change is an expected reaction of employees to any intrusion in their established way of working. This is why the efforts of Change Managers are targeted at adjusting employees’ perception of projects and the changes that go with them.

Resistance to change is an expected reaction of people to anything new.

![Image: Understanding resistance to change](image)

**Picture 8. Understanding resistance to change**
Deloitte’s Change Management Methodology

The existing practice of applying the organisational Change Management tools is primarily focused on getting the people ready for the upcoming changes to their work routine and supporting the core project streams. Deloitte’s Change Management Methodology consists of seven key elements or work streams:

- Project vision and strategy
- Stakeholders Engagement
- Communications
- Change Impact Assessment
- Corporate Culture Change
- Change Readiness Assessment
- Training

Picture 9. Deloitte’s Change Management Methodology

Deloitte applies a unique Change Management Methodology based on the firm’s extensive expertise and longstanding experience. We consider Change Management to be an extremely important process, supporting organisations in their transition to a new level of quality in operation, growth and development. Each work stream involves specific tasks, results and benefits.
<table>
<thead>
<tr>
<th>Work stream</th>
<th>Key tasks</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder engagement and expectation management</td>
<td>• Formulate the project vision, name and brand</td>
<td>• Lower resistance from key people</td>
</tr>
<tr>
<td></td>
<td>• Perform audience analysis, build the key stakeholder engagement strategy and plan</td>
<td>• Timely and effective decision-making</td>
</tr>
<tr>
<td></td>
<td>• Drive the plan, measure the level of involvement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Build a network of change agents, manage their activity and involvement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Lower resistance from key people</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Timely and effective decision-making</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td>• Identify the communications approach and develop a detailed project media plan</td>
<td>• Lower level of change resistance overall across the organisation</td>
</tr>
<tr>
<td></td>
<td>• Drive the communications plan</td>
<td>• Building the basis for new working standards</td>
</tr>
<tr>
<td></td>
<td>• Collect and analyse feedback, update the communications plan regularly</td>
<td></td>
</tr>
<tr>
<td>Change Impact Assessment</td>
<td>• Analyse change (business processes, org structure, people, technology etc.) and its impact on the organisation and employees</td>
<td>• Getting the business ready to work in the new operating model</td>
</tr>
<tr>
<td></td>
<td>• Develop an action plan, set deadlines and identify people responsible for transition activities</td>
<td>• Lower risk of losing key talent and knowledge</td>
</tr>
<tr>
<td></td>
<td>• Monitor the implementation of the plan</td>
<td></td>
</tr>
<tr>
<td>Corporate Culture Change</td>
<td>• Identify the target behavioural patterns / standards needed for higher performance</td>
<td>• Building the basis for changing the existing behavioural model</td>
</tr>
<tr>
<td></td>
<td>• Identify critical events to shape those behaviors (motivation system, training, communications, leadership coaching etc.)</td>
<td></td>
</tr>
<tr>
<td>Change Readiness Assessment</td>
<td>• Prepare the approach and materials for assessment (questionnaire)</td>
<td>• Identification and mitigation of project risks</td>
</tr>
<tr>
<td></td>
<td>• Perform the assessment and analyse results</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Update existing action plans to mitigate risks</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Support the implementation of action plans and monitor the results</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>• Assess the training needs and design the approach to training in the context of the project</td>
<td>• Getting the employees ready for work in the new environment</td>
</tr>
<tr>
<td></td>
<td>• Develop, plan and schedule a training programme</td>
<td>• Effective knowledge transfer from the project team to employees</td>
</tr>
<tr>
<td></td>
<td>• Coordinate preparation and training activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Assess the training program effectiveness and employee satisfaction with the training</td>
<td></td>
</tr>
</tbody>
</table>
Change Management in Figures

Project vision and strategy:
74%
of survey participants agree that change in their organisations corresponds with strategic business goals and objectives.

Communications:
71%
of survey participants consider personal interaction between managers and their subordinates to be the most important communications channel.

Change Impact Assessment:
74%
survey participants believe that the impact of change on their organizations is timely assessed and controlled by the leadership.

Stakeholder engagement:
88%
of survey participants believe that the level of employee involvement in change implementation directly depends on the level of leadership commitment to project support.

Corporate Culture Change:
78%
of survey participants feel that the intensity of change resistance depends on the corporate culture.

Change Readiness Assessment:
85%
of survey participants are confident that expectation management is an important component of project work.

Training:
94%
of survey participants believe that change readiness training predetermines successful business transformation.
4. Impact of Change Management on Project Effectiveness

- Change in business is in line with the organisation’s strategic goals
  - Completely disagree: 5%
  - Partly disagree: 15%
  - Don’t know / no response: 3%
  - Partly agree: 29%
  - Completely agree: 56%

- The assessment of change impact on the existing business situation is always timely and is under control of the company’s leadership
  - Completely disagree: 8%
  - Partly disagree: 15%
  - Don’t know / no response: 3%
  - Partly agree: 62%
  - Completely agree: 12%

- Change is formulated clearly. Change implementation phases are carefully planned and confirmed by business units
  - Completely disagree: 6%
  - Partly disagree: 3%
  - Don’t know / no response: 3%
  - Partly agree: 29%
  - Completely agree: 56%

- Information on change is always accurate, timely and credible
  - Completely disagree: 3%
  - Partly disagree: 9%
  - Don’t know / no response: 3%
  - Partly agree: 26%
  - Completely agree: 38%

- The effectiveness of Organisational Change Management depends on the availability of “change agents” inside business units
  - Completely disagree: 4%
  - Partly disagree: 12%
  - Don’t know / no response: 3%
  - Partly agree: 50%
  - Completely agree: 38%

- Managing expectations is a crucial element of change activity
  - Completely disagree: 9%
  - Partly disagree: 3%
  - Don’t know / no response: 3%
  - Partly agree: 26%
  - Completely agree: 59%

- The success of Change Management activity depends on project’s financing
  - Completely disagree: 5%
  - Partly disagree: 12%
  - Don’t know / no response: 3%
  - Partly agree: 44%
  - Completely agree: 18%

- Change implementation is possible given all the employees are trained on the implemented innovation
  - Completely disagree: 3%
  - Partly disagree: 41%
  - Don’t know / no response: 3%
  - Partly agree: 53%
  - Completely agree: 9%

Picture 10. Level of utilisation of Change Management tools in project management
74% of survey participants confirmed that change in their organisations corresponds with business strategy. Still, some 21% of participants stated that they “do not know” whether this statement is true to their organisations. Another 5% of participants disagreed with the statement, which may refer to projects pursuing tactical, rather than strategic, goals, and aimed at supporting the ongoing business tasks of organisations.

The effectiveness of business transformation projects directly depends on the ability of the project team to give a comprehensible description of change and explain to managers and leaders what needs to be changed in the current business practice in order to reach the target state. The Change Impact Assessment works across the following segments: changes in business processes, policies and procedures, employee knowledge and skills, IT and technology, corporate culture. 18% of the survey participants indicated the lack of change impact assessment activities in their organisations. Overall, 74% of participants confirmed that the impact of change is assessed and managed by their companies’ leadership in a timely manner. With this in mind, it is quite obvious that the Change Impact Assessment has strong potential to be used as an important project tool.

Change implementation planning logically follows the Change Impact Assessment. The lack of impact assessment activities may lead to difficulties with planning and confirming the steps of change implementation in business divisions: 32% of participants confirmed the need for more intensive work in this area. At the same time, 62% of participants indicated that change is usually accompanied by detailed description and implementation phases conducted by their management. The comparative data analysis (pics 2 and 10) shows that, on the one hand, managers/project leaders do not pay enough attention to managing change (32% of participants do not carry out any such planning), while on the other hand, they have a hands-on understanding of the limitations of project work preceded by a lack of planning.

35% of participants perceive a lack of timely and valid project information, and 21% found it difficult to answer whether or not the level of project communication in their organisations is satisfactory. 44% of participants stated that they are provided with project information on time. Communication is one of the key elements of Change Management required to maintain the required level of change awareness and influence on day-to-day work. Therefore, the development of a communications tools is a primary task for change managers and project leaders.

At the same time, the survey participants emphasised the importance of Change Agents, i.e. role models for the rest of the employees in terms of behaviour, knowledge and skills. 88% of the participants confirmed the need to create networks of Change Agents.

Some survey participants also feel that the success of change management activities can be independent from project financing (33%). However, at the same time, 62% of participants do consider project financing to be an important component influencing change management efficiency. Therefore, we can confidently say that project resource planning and allocation still remain key tasks for project managers and leaders.
5. Communications in Project Work

The survey participants assessed the following communications channels:

- **Informal discussions among employees**: 24% Ineffective, 29% Effective, 47% Most effective.
- **Face-to-face meetings of managers with subordinates**: 8% Ineffective, 21% Effective, 71% Most effective.
- **Publications of announcements by top management in corporate media**: 35% Ineffective, 62% Effective, 3% Most effective.
- **Issuing orders and instructions**: 22% Ineffective, 48% Effective, 30% Most effective.
- **Creation and regular update of corporate Intranet portal based websites dedicated to the change introduced**: 56% Ineffective, 38% Effective, 6% Most effective.
- **Topical brochures**: 76% Ineffective, 21% Effective, 3% Most effective.
- **E-mail bulletins**: 41% Ineffective, 53% Effective, 6% Most effective.
- **Project team meetings with the company’s employees**: 44% Ineffective, 53% Effective, 3% Most effective.

**Picture 11. Effectiveness of communication channels**

Personal contact is the most effective change communications channel, as demonstrated by the survey results: 71% of survey participants consider the face-to-face communications of managers and their subordinates to be the most effective way of communicating change, while some 53% of participants emphasised the importance of meetings between project teams and employees. The second most important communications channel, according to the survey participants, is corporate media, featuring official announcements and leadership interviews (65%).

The survey participants also believe that informal channels of communication may well compete with official ones: 47% of participants consider informal discussions to be another effective communication tool.

The survey results demonstrate the low efficiency of printed informative materials (76%), mass e-mails (41%) and topical web sites (56%).

The following trend was identified while analysing the survey results: 89% of all participants who partially agreed that change in their organisations correspond with the business strategy also reported that change impact assessment in their companies is timely and well-managed, change management effectiveness within any organisation depends on the existence of Change Agents, and that their organisations pay sufficient attention to managing expectations. These participants also named face-to-face communications between managers and their subordinates as the best channel for project communications. Meetings between company employees with project teams were considered to be the second most effective communications channel.

63% of these survey participants confirmed that employee involvement in change implementation is encouraged and supported by their companies’ management at all levels. In our opinion, this particular group of respondents might have taken part in project work where Change Management tools and methods were applied.
6. Change Management and Corporate Culture

The level of resistance to change depends on the existing corporate culture of the organisation.

- 3% Completely disagree
- 16% Partly disagree
- 31% Don’t know / no response
- 47% Partly agree
- 3% Completely agree

Participation of employees in change implementation is appreciated and supported by the company’s management at all levels.

- 3% Completely disagree
- 16% Partly disagree
- 52% Don’t know / no response
- 13% Partly agree
- 3% Completely agree

The involvement of employees in change process depends on the level of support for change shown by the leadership team.

- 3% Completely disagree
- 22% Partly disagree
- 66% Don’t know / no response
- 3% Partly agree
- 3% Completely agree

The change implementation timeframe depends on the unity of leadership outlooks on change and speed of decision-making.

- 4% Completely disagree
- 34% Partly disagree
- 59% Don’t know / no response
- 3% Partly agree
- 3% Completely agree

The timeline and effectiveness of change implementation depend on the existing IT platform and the level of business performance automation: the greater the automation, the smoother is the business transformation.

- 26% Completely disagree
- 16% Partly disagree
- 42% Don’t know / no response
- 13% Partly agree
- 3% Completely agree

The process of knowledge sharing, exchange and accumulation inside the organisation influences the effectiveness of change implementation.

- 9% Completely disagree
- 44% Partly disagree
- 44% Don’t know / no response
- 3% Partly agree
- 3% Completely agree

The availability of Change Manager / Change team inside the organisation has positive impact on change implementations.

- 9% Completely disagree
- 13% Partly disagree
- 22% Don’t know / no response
- 56% Partly agree
- 9% Completely agree

**Picture 12. Level of Utilisation of Change Management tools in terms of corporate culture**

Implementation of change in any organisation is closely connected with its corporate culture. It is also common knowledge that people in organisations pay the most attention to behaviour demonstrated by their leadership. The survey participants confirmed the important role played by corporate culture in project work (78%).

Project leaders and managers should undoubtedly pay attention to the influence of corporate culture on project work. The survey results show that business leaders at different organisational levels do not always provide enough support to the change implementation process: 19% of participants indicated a lack of support, while 16% found it difficult to answer this question. This means that a total of 35% of respondents have doubts regarding the adequacy of support by their business leaders and managers, and only 13% of survey participants noted their managers’ and leaders’ full involvement in and enthusiastic support of change. These results demonstrate the necessity for greater attention to be paid to the involvement of leaders and managers and their continuous update on project objectives and progress. This is extremely important when successful change implementation depends on a unified vision and quick decision-making (as 93% of survey participants believe), as well as on sponsorship and support from top management (88%).

The survey participants who connected the level of employee involvement with the intensity of support on the part of top managers and leaders (66%) also indicated that the success of change management depends on project financing (79% of these participants), while change implementation as such is possible only when a change management training is provided and project expectation management is in place (98% of these participants).
55% of the survey participants agreed that the speed and effectiveness of change implementation depends on the level of business process automation. 29% of respondents believe the opposite: that there is no immediate connection between these two factors. Deloitte experts are sure that the success of change implementation largely depends on employees, rather than IT systems. At the same time, the ability of an organisation to accumulate and develop its knowledge and expertise plays a great role in the process – a statement with which 88% of participants agreed.

The survey participants found the role of change manager in raising business effectiveness to be very important: 78% of respondents agreed that the role of the change manager/change team in the organisation had a positive effect on the process of change implementation. At the same time, 9% of survey participants have doubts as to the need for such specialists, while some 13% found it difficult to answer this question. The respondents who indicated the positive role of the change manager/change team (78%) gave the following answers to other questions: 94% of these participants feel that training and knowledge management are extremely important in the context of change implementation, while 100% of all respondents indicated that the change implementation timeline depends on a unified vision and quick decision-making by the top managers and leaders. 99% of these respondents believe that the level of employee involvement in change implementation depends on the level of support by top management, while the level of resistance to change is predetermined by the prevailing corporate culture.

Corporate culture stands for:

- beliefs, norms and behaviours shared by all employees within an organisation that predetermine the style of work and behavioural patterns for the whole organisation, as well as interaction between employees and their attitudes to each other and their organization as a whole
- values and outlooks that predetermine role models and behavioural norms at all levels within an organisation
- alignment of individual employees’ behaviour according to the accepted behavioural norms within an organisation.
Contacts

We will gladly answer your questions and discuss the terms of our service offerings. Simply contact one of the following people:

Anastasia Osipova
Partner
Consulting
+7 (495) 787 06 00, ext. 2181
aosipova@deloitte.ru

Gulfia Ayupova
Partner
Consulting
+7 (495) 787 06 00, ext. 1463
gayupova@deloitte.ru

www.deloitte.com/ru
www.vk.com/deloitte_cis
www.facebook.com/DeloitteCIS