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# HR and Change Management

## Penna Research Report

Change in the workplace is now commonplace. Whether it's as a result of mergers or acquisitions, major re-structuring, accelerating growth, competitive pressures, government legislation, aligning strategy or improving productivity, change is risky and needs to be managed effectively for it to be a success. In order to meet organisational objectives, organisations need to have the commitment of all stakeholders before, during and after the change process.

The purpose of this report is to provide an insight into current and emerging practice in HR and Change Management. A short series of questions were asked of 31 senior HR professionals from large public sector and blue chip commercial organisations at the Penna sponsored Strategic HR Network event on 1 July 2008. The topical questions focused on the role of HR in successfully managing change.



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## Strategy and Leadership

Developing strategies to manage change effectively ensures a minimum effect on productivity. 94% of our sample have undergone significant change in the last 3 years. This is backed up by various research and there are no signs that this pace of change will slow down. Of the 94%, only 38% fully met their objectives, and only 48% of everyone surveyed say they have strategies in place to effectively deal with change. The impact of failure to introduce effective change can be very high.

The one factor that consistently has the strongest impact on engagement is leadership. Successful leaders will be able to inspire their staff and keep the momentum going after the change process has started. 42% of our sample believe that lack of effective leadership has been an inhibitor of effective change in their organisation.

- **94%** of organisations have undergone significant change in the last 3 years.
- Of the 94%, only **38%** fully met their objectives.
- **48%** have strategies in place to effectively deal with change.
- **42%** believe that lack of effective leadership has been an inhibitor of effective change in their organisation.

### Key drivers for change

Service delivery	Acquisition
Global growth	Government efficiency
Financial	Product change
Be competitive	Product volumes
Strategic review	Restructure
Change in leadership	Digital



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## Communication and Engagement

Understanding and acting with a people-centred approach is essential to delivering successful change. Only when your people are aware of the changes that will occur, understand the implications of the changes and are supported through the process can you drive through change. Their commitment and involvement in the process is a fundamental factor in whether the benefits of change will be sustained.

In order for change to be successful 84% of our sample agree that they need to change their culture.

38% have a two-way communication process in place to deal with change and only 19% say their employees remain engaged before, during and after the process.

- In order for change to be successful **84%** agree that they need to change their culture.
- Only **38%** have a two-way communication process in place to deal with change.
- Only **19%** say their employees remain engaged before, during and after the process.

## Project Management

Although change is increasing, many organisations are not adequately equipped - with the right skills and processes - for managing change effectively. Change can cause great uncertainty, so to minimise the loss of productivity it is imperative to have someone managing the process who has first class communication, influencing and planning skills.

According to our survey, 55% have the skills internally to manage the change process while 45% said they would look to recruit externally on an interim basis to manage the change process to ensure that the projects are delivered as planned.

The question about HR's role in the change management process received a mixed response with just over half (51%) believing the role is facilitator, 39% in disagreement with this statement and 10% neutral.

- **55%** have the skills internally to manage the change process.
- **45%** said they would look to recruit externally on an interim basis to manage the change process.
- **51%** believe HR's role in the change management process is to facilitate change rather than implement it.



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### Key change management challenges

Defining strategy and vision	Restructure
Communicating change	Downturn in economy
People management and leadership skills	Growth and acquisition
Embedding new behaviours	Reduced headcount
Change of leadership and culture	Synergy - a more centralised approach

## Penna

At Penna, we help leading organisations achieve bottom line improvement through the performance of their people.

Our uniqueness is that we work across the entire employment life cycle, and combine our expertise in new and creative ways, so you will always get a solution which addresses your organisation's specific challenges.

We are ideally positioned to deal with any aspect of the change process. We have highly skilled and experienced change specialists providing tailored solutions in Organisation Design, Leading Change, Programme Management, Internal Communications, Engagement and Resourcing.

- Recruitment Communications
- Executive Recruitment
- Executive Interim
- Board & Executive Coaching
- Human Resource Consulting
- Career Transition

To find out how Penna can help your organisation call Grahame Russell on +44(0)20 7663 6633, email [grahame.russell@penna.com](mailto:grahame.russell@penna.com) or visit [www.penna.com](http://www.penna.com)