

THE CHANGE REPORT

20

23



*A Study of Attitudes, Perceptions,
& Impact of Workplace Change*

notion
consulting

ABOUT THE SURVEY

In mid-2023, Notion Consulting surveyed a random sampling of 550 people about their experience with change in the workplace.

Respondents range from C-suite executives to front-line staff, from a wide range of companies, representing diverse ages, races, genders, and U.S. geographies.

This report, the third prepared by Notion, summarizes what they think, what it signals, and what organizations can do to make their next change initiatives successful, sustainable, and better for everyone involved.

OF 550 RESPONDENTS



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SHIFTS FROM 2022 TO 2023

Nearly half of all organizations say that global economic challenges have had an impact on their ability to make the major changes that had been planned.

This can be seen in how employee perceptions have shifted from 2022 to 2023.

THE STATE OF CHANGE IS CHANGING

One of the areas of change that's changing is change itself. Year-over-year, the state of successful change is declining:

		2022	2023
Emotional commitment to change is declining		59%	40%
Middle managers are experiencing the sharpest decline in their support for change		70%	45%
The grades employees are giving their companies' change efforts are falling		B-	C
More organizations are failing when it comes to business outcomes during times of change		40%	44%
More organizations are failing when it comes to retaining and engaging employees during times of change		60%	65%
More employees are feeling that their companies' communication about change is mediocre at best		47%	50%
Leaders are losing faith		73%	59%





2023 INSIGHTS

A TSUNAMI IS COMING

As we all know, the waves of change that employees have been riding over the last 20+ years have continued and change is no longer the new normal. It is the old normal. We are now facing a series of intense macro-disruptions that are building toward a change tsunami. We all need to be prepared as we head toward 2025.

SKEPTICS ARE ON THE RISE

Emotional commitment to change is waning across all industries, all types of workplaces, and all age groups, and the percentage of employees who identify as skeptics has increased significantly since 2022. People who may have believed their companies were changing for the better back in 2020, 2021, and 2022, are beginning to wonder whether all this workplace change is taking them anywhere.

CHANGES ARE FAILING

Despite years and years of implementing change, organizations are seeing lower levels of employee engagement and retention during these times. And many are missing milestones, financial targets, and customer satisfaction goals.

EMPLOYEES ARE FEELING SHUT OUT AND FED UP

With the rise in pressure and sense of urgency, many leaders are regressing back to the old mindset of “get on the bus or go home.” Unfortunately this is taking away employees’ sense of agency, and many are not feeling safe to speak up or empowered to contribute to success.

PEOPLE WANT 3 THINGS WHEN IT COMES TO CHANGE

When asked what they need from their workplace when it comes to change, employees said they want trust, involvement, and empathy.

THE MIDDLE IS FEELING THE SQUEEZE

Due to pressures coming from above and below, leaders and managers who sit in the magic middle of their organizations are significantly more negative than those who are above them in the hierarchy as well as those who are below. Given the critical role this group can play to make or break the success of organizational change, this is a huge risk to organizations and their talent.

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☞☞ With so much change, it's hard to let a change sink in before we sustain the next one. It detracts from focus and implementation. ☹☹

VOLUME & VARIETIES OF CHANGE

Organizational change remains a constant presence in 2023.



of employees experienced some degree of change

53% EXPERIENCED THREE OR MORE CHANGES

11% EXPERIENCED SIX OR MORE CHANGES

Change ranged from big mergers to new markets. Rising to the top in 2023 (as in 2022):

68% instituted new processes or procedures

58% have a new leader or manager

45% went through a technology or systems change

30+% dealt with changes around structure, workplace, products, or markets

In 2021 and 2022, organizations were adjusting to the conditions precipitated by the pandemic. Leaders – and their brave HR and technology teams – managed around COVID protocols, hybrid work, the Great Resignation, the Big Stay, digital transformations, and much more.

In 2023, they may be feeling repercussions, yet the talk about AI and all it will bring is generating fear and anxiety for many.

SKEPTICS ARE ON THE RISE

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“The culture and morale are suffering, and turnover and productivity are getting worse as a result.”

REACTIONS TO CHANGE

Four personas map to each quadrant of a head/heart commitment grid – and provide valuable information about both.



NOTE

- 60% of employees are either Skeptics or Bystanders, the groups with the lowest emotional commitment to change. This is up from 41% last year.
- Only 16% of the workforce are Champions – mostly leaders.

Once change leaders determine who maps where, they can reach employees in new ways and begin to shift them into a new quadrant.

Skeptics and Bystanders, for example, are low on emotional commitment and represent an opportunity for organizations to be more transparent and empathetic during times of change.

Enthusiasts may need more data about the change to increase their intellectual commitment.

CHANGES ARE FAILING

Despite years and years of implementing change, organizations are seeing lower levels of employee engagement and retention during these times. And many are missing milestones, financial targets, and customer satisfaction goals.

☞☞ I wish they were more transparent on changes and why they are being implemented. Also wish they took feedback from employees.☞☞

MEASURING THE SUCCESS OF CHANGE

In addition to being constant, change can also be difficult – and many organizations aren't succeeding as they'd hoped.

1 EMPLOYEE PERCEPTION

How do people grade their organization's success with change?



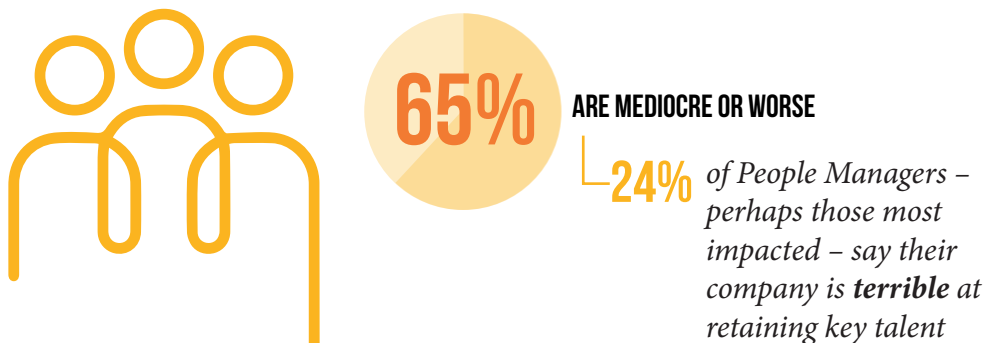
2 MEETING BUSINESS OBJECTIVES

How well do organizations meet operational goals (deadlines, financial targets, customer satisfaction) during change?



3 RETAINING AND ENGAGING TALENT

How well do organizations keep employees engaged during change?



Meeting these objectives matters:

★★★★★
Organizations earning an A also got 4.3 out of 5 stars on these performance metrics.

★★
Organizations earning an F got 1.9 stars.

Both ratings are up slightly from 2022.

The area rated highest across all employee groups is commitment to the customer/client, led by Individual Contributors – perhaps the group most responsible for direct customer contact.

Across all metrics, People Managers grade their organizations lower than any other employee sector.

EMPLOYEES ARE FEELING SHUT OUT AND FED UP

With the rise in pressure and sense of urgency, many leaders are regressing back to the old mindset of “get on the bus or go home.” Unfortunately this is taking away employees’ sense of agency, and many are not feeling safe to speak up or empowered to contribute to success.

“We do a good job at getting in front of employees. We make time for town halls or other forums to engage or share information with managers and employees.”

WHAT MAKES OR BREAKS A CHANGE

Simple actions can make or break a change.

Organizations with the best grades on change do these things well.

Those who are failing, do not.

FOCUS ON
THE 'WHY'

KEEP EMPLOYEES
IN THE LOOP

SHARE
EXPECTATIONS
FOR THE FUTURE

PROVIDE RESOURCES
& COACHING

ASK EMPLOYEES
FOR FEEDBACK

ADDRESS EMPLOYEE
QUESTIONS & CONCERNS

Paying closer attention to these practices before, during, and after a change is implemented can boost success and improve the employee experience.

Communicating in both directions is key.

NOTE

- *Regardless of level, people say their organizations do worst at the thing they value most: asking for their feedback and addressing their questions.*
- *58% of organizations are mediocre or worse at these practices.*
- *People Managers rate their organizations lower than any other employee type.*

PEOPLE WANT 3 THINGS WHEN IT COMES TO CHANGE

When asked what they need from their workplace when it comes to change, employees said they want trust, involvement, and empathy.

*Remember that employees are human too.
We have emotions and feelings just like anyone else.*

LEADERSHIP DURING CHANGE

What people want from their leaders manifests in three critical areas:

TRUST

Share what's going on and why – and do it honestly, clearly and frequently. Give people the information and respect their ability to process it.

INVOLVEMENT

Ask employees – especially those doing the jobs involved in the change – for their ideas. Genuinely listen and open avenues to involve people in the process.

EMPATHY

Show employees genuine care and concern — express gratitude for their flexibility and patience with the change.

ADVICE FOR CEO

Given the opportunity to give their CEO some advice before the next change, employees were not shy.

“Don't think we are ignorant.”

“Every once in a while, come talk to your employees; ask them how to make the company better.”

“Ask for advice from the middle management and boots on the ground.”

“Invest in technology.”

“Listen to your people when they tell you what is not going to work.”

“Trust your supervisors more.”

“Be more empathetic to individuals' situations; don't have a hire-and-fire culture.”

“Be more humble, because you don't know everything.”

“Many if not most of our leaders are “yes” people who feel threatened if someone challenges them in a positive manner.”

THE MIDDLE IS FEELING THE SQUEEZE

Due to pressures coming from above and below, leaders and managers who sit in the magic middle of their organizations are significantly more negative than those who are above them in the hierarchy as well as those who are below. Given the critical role this group can play to make or break the success of organizational change, this is a huge risk to organizations and their talent.

“Let middle management know what’s going on and ask for their opinions.”

PEOPLE MANAGERS' PERCEPTIONS OF CHANGE

People Managers – supervisors, managers, and directors – are often referred to as “the magic middle” for their connection to both the senior leaders above them and the employees below.

And they are feeling the pressure from both directions, and expressing the most significant negativity when it comes to change.

Middle management stands in stark contrast to colleagues in considering their organizations' success with change, especially the impact on employee retention and engagement.

They seek more transparency, respect and, not incidentally, resources to implement the change.



57%

of People Managers give their organizations **Cs, Ds or Fs** on their change efforts



65%

feel their organization is mediocre or worse at providing resources during change

IN THEIR WORDS

“Better pay and training will make employees want to stay with the company.”

“Communication and clear expectations are areas of improvement.”

“There are more changes happening concurrently than ever before with a heightened backdrop of uncertainty. Everyone is exhausted but still trying to win.”

“There was a lot of good top-down communication, but I think we missed an opportunity to talk about things in smaller groups -- not just how we're feeling, but really getting into what the business changes are all about.”

OUR NOTION ABOUT CHANGE

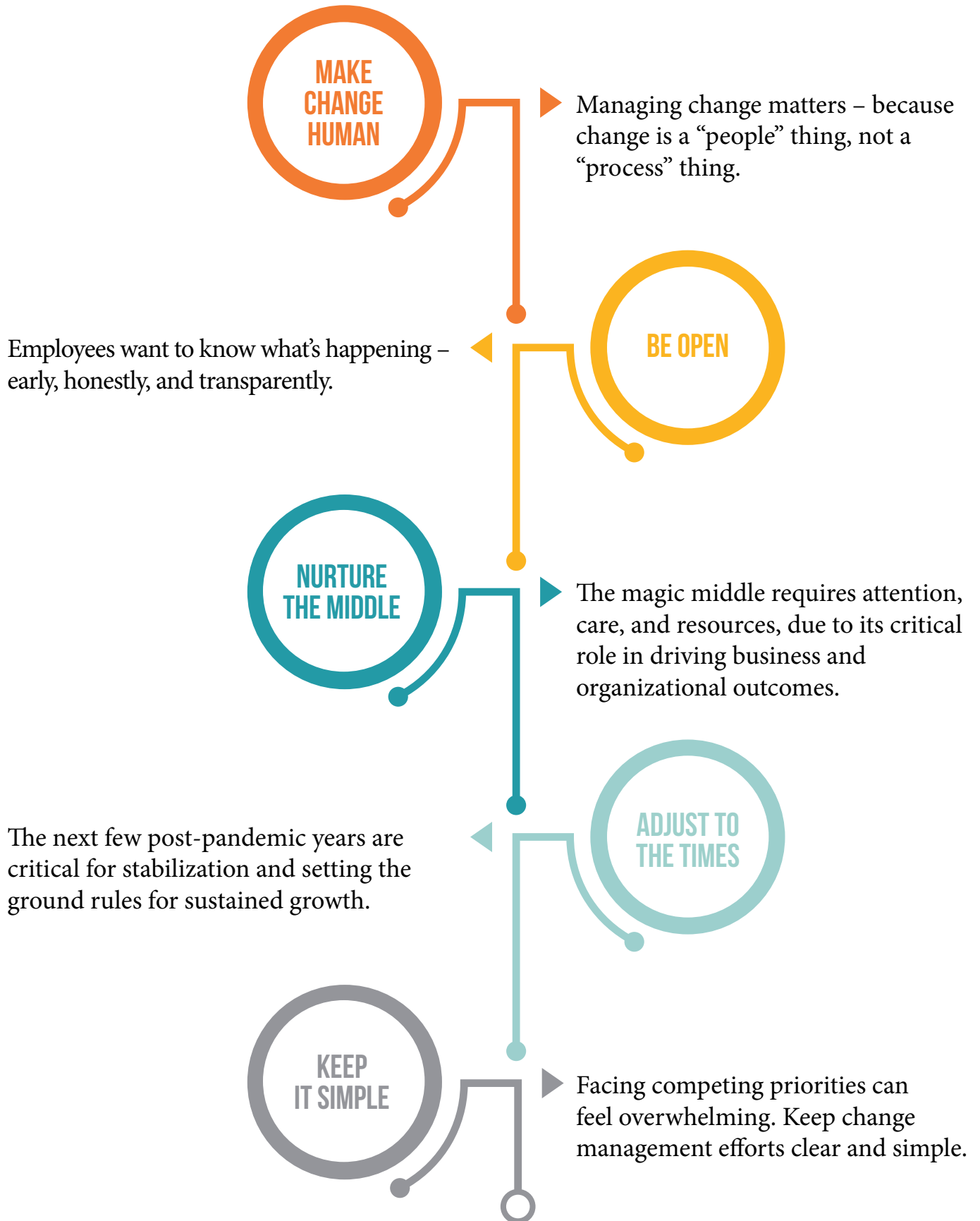
Humans are an organization's greatest asset – more so than new technology, processes, or products.

Leaders who understand this will benefit over the long term. Those who don't could lose valuable employees, key customers, market standing, or the comfort of a healthy bottom line.

It's a choice every organization's leader needs to make.

ADVICE FOR DRIVING SUCCESSFUL CHANGE

It's up to every organization to decide what to do with it!



ABOUT NOTION

NOTION CONSULTING is a leadership and transformation consultancy that helps organizations harness the full power of their people to drive change, advance their mission, and unleash their competitive edge.

Continuing research into employee attitudes toward change is an important part of the Notion mission.



For more information on keeping your employees informed, engaged, and connected, especially during times of change, contact us at hello@notionconsulting.com

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