CULTURE PARTNERS

Change Management and Company Culture

Transform Resistance Into Resilience

Create a *Culture* That Means *Business*

Change is Now a Constant

The pace of change is <u>unrelenting</u>, nearly tripling over the past five years.

There is no such thing as "one and done" when it comes to corporate transformation initiatives. Digital transformation, AI design and implementation, restructuring and cost-cutting, hybrid staffing and return to office (RTO), changing business models and mergers and acquisitions are happening all the time.

Yet most organizations continue to get change wrong — only <u>about 12% achieve their original goals</u>.

What separates the **resilient** companies from the **change-resistant** organizations?

183%
The rate at which <u>business disruption has risen</u> over the past five years

88%
C-suite executives who <u>anticipate more change</u> year over year

12%
Companies that <u>get it right</u>

You've Been Down This Road Before

Like most organizations implementing some kind of change initiative, you've likely:

Set goals, sometimes many of them. Some senior leaders set up to as many as 60 or more objectives, overwhelming and intimidating for employees to follow or understand their role.

> **The problem?** This wide-ranging focus is designed to be comprehensive, yet when one in three employees say having unclear priorities is a key barrier to building resilience, this approach can seem incomprehensible. Organizations that fail to establish a few key priorities make it easy for employees to re-trench into their typical work habits and de-focus from the objectives leaders are setting.

Manage from the top. Often, goals and information cascade from the top in the hope that it's trickling down from the executive to the execution levels of the organization.

> **The problem?** Top-down communication about change actually reduces understanding and increases resistance compared to inclusive strategies.[1] More than half of workers report feeling like there's too much change happening, and even more disconcertingly, 44% say they don't understand why things have to change at all.

Focus on tracking and measuring tasks. Often, companies turn to spreadsheets, daily and weekly updates, and task management to monitor KPIs and other metrics.

> **The problem?** Micromanagement may provide leaders with a sense of forward momentum, but it does nothing to drive ownership through the ranks beyond checking off items on a list. And, it leads to half of organizations feeling unprepared to react to future changes.

> "The status quo bias is a decision-maker's inflated preference for the current state of affairs."
>
> — C.J. Anderson, *The Psychology of Doing Nothing*

Is this the 10th or 11th change initiative?

Employees are struggling. To put it in perspective, the average person has already experienced at least 10 planned enterprise changes, according to Gartner.

Their workload has increased, they're being asked to learn new technologies and adapt new tools, their teams are being restructured, and one out of every three workers say the entire nature of their role has changed.

The picture looks even dimmer for managers — a 2025 HR study from Gartner found that 75% of mid-level leaders are overwhelmed by the changing scope of their job responsibilities, and only 23% of HR leaders are confident this rank can rise to meet the future needs of the organization.

Why be more adaptive? Business results.

Cultures that align purpose, strategy, and culture:

- Grow 192% more than those unable to adapt to change

- See an average increase in revenue of nearly 50% compared to 17% for non-adaptive companies

- Increase revenues 31% faster

- Are 2.5X more likely to bounce back from crises

The Challenge Isn't Change — it's Overcoming Resistance

Your teams are tired and stressed, with 73% of employees reporting moderate to high stress levels and 80% struggling to balance the tensions associated with change.

While leaders have been focused on planning for transformation, your underlying **corporate culture has become resistant to change**.

And the number one cause of resistance? A lack of trust in the organization. Just one in four workers say their leaders inspire and engage employees effectively.

There is a misalignment between what employees believe about the company, their buy-in to what is being asked of them, and their behaviors in the workplace.

The challenge is no longer just managing change — it's about building a **resilient** organization that is more **adaptable** and more **capable** of driving **business results** whenever the inevitable change happens.

To transform resistance into resilience, you'll need to do three things:

1. Present change with clarity

2. Align the vision with change management

3. Create a culture of accountability

73%
of employees report moderate to high stress levels

80%
say they don't know how to balance "cultural tensions" or competing priorities in times of change

Fatigued employees are **35%** less engaged — and 44% less likely to stay

Present Your Change Initiatives With Clarity

Successful change management requires changing employee mindsets and behaviors. As a first step, leaders will need to provide a clear, focused picture of what and why change is needed and what success looks like.

This focus and clarity provide a definitive, achievable roadmap for your teams.

CASE STUDY: FORD MOTORS' IT DIVISION

Snapshot: 11,000+ technologists in more than 80 facilities worldwide

Challenge: The legacy culture and fixed processes limited flexibility and adaptability

Approach: Radically re-shift the department culture from service provider to partner

Results: Five core beliefs that have re-made the workplace culture

1. Solve the problem

2. Express yourself

3. Build trust

4. Shape our future

5. Respect knowledge over hierarchy

> "We have been able to make this a truly global movement," says Rekha Wunnava, Director of Global Manufacturing, IT, Ford Motors. "Ford's culture transformation has positioned us to deliver faster, better solutions in every marketplace and maximize our achievement in the automotive world."

Align Your Corporate Vision With Change

Only 42% of employees feel included in co-creating change strategies, yet research tells us that a culture that shares implementation planning with employees increases the probability of success by 12%.[2]

Leaders must drive alignment throughout the organization and empower bottom-up contributions.

CASE STUDY: PETRONAS

Snapshot: 48,000+ employees worldwide focused on oil and gas

Challenge: Deteriorating market conditions threatened to disrupt operations and erode a diverse culture

Approach: Used the crisis to re-assess company strengths and weaknesses

Results: Cultural beliefs aligned with a three-pronged growth strategy designed to strengthen portfolio resilience

1. Results matter	**2.** Own it	**3.** Focused execution
4. Nurture trust	**5.** Tell me	**6.** Shared success

> "I am a firm believer in the strength of an informed workforce," says Wan Zulkiflee Wan Ariffin, former CEO and group president, PETRONAS. "A good feedback culture is one that allows us to continuously acknowledge and celebrate the things that are going well, while simultaneously helping us catch our blind spots so that we can improve and grow. It empowers us to adjust how we work, interact, and communicate so that we can achieve better results."

PETRONAS

Create a Culture of Accountability

The difference between taking accountability and being accountable is the connection between individual work and company goals. Not surprisingly, the shift from passively accepting change to actively buying into it can generate dramatic impacts.

That buy-in happens when employees understand how change will impact them and their job, and when they feel empowered to contribute moving forward.

CASE STUDY: NOVELIS

Snapshot: 14,000+ employees in 10 countries

Challenge: Opportunity to supply the largest aluminum-intensive automotive launch forced a hard look at the company

Approach: Radical re-design of an organic culture based on accountability that began at the top

Results: Five company goals supported by cultural beliefs to deliver 597% year-over-year net income increase and 59% sales growth

1. Do it right	**2.** Say anything	**3.** Own it!
4. Get focused	**5.** Win together	

> **"** "We can never overestimate the power of a strong and unified company culture," says Steve Fisher, Novelis President and CEO. "What we're doing today is being deliberate in deciding what we want our culture to be — how we need to think and act to be successful. There is simply no way for Novelis to be its best without clear goals and objectives, a culture that truly supports and reflects our beliefs, and a workforce of empowered and motivated individuals."

Novelis

A More Resilient Business Ready to Deliver Results

Successful organizations are taking on change not as a mandate, but as a mantra.

Four in 10 CEOs say their company will no longer be viable in 10 years if it continues on its current path. Providing clarity around goals, aligning leadership with execution, and driving accountability with purpose are key steps to building a more resilient and adaptable culture.

When you do that, you'll be able to create and execute on strategies that can withstand sustained change — and deliver sustainable business results.

Organizations with adaptable cultures report an increase in revenue over three years compared to less resilient companies.

28%
Increase in Revenue

Organizations rated as "change accelerators" experience more revenue growth compared to companies with below-average change effectiveness.

264%
More Revenue Growth

About Culture Partners

For over 30 years, Culture Partners, the leading culture consulting firm, has empowered clients across the world to harness culture to produce game changing results. Culture Partners powers thousands of top organizations across the world to achieve their goals by connecting their purpose and strategy, while activating those through culture to realize record-breaking results.

For more information, visit us today at culturepartners.com

Learn more about driving successful change management through employee beliefs, buy-in, and behaviors.

1. Gartner, Marcus Chiu and Heather Salerno, "Changing Change Management: An Open-Source Approach," 2019
2. ibid

CULTURE PARTNERS

Create a *Culture* That Means *Business*

CULTUREPARTNERS.COM