

Change Management Index for Q¹²®

ABILITY TO MANAGE CHANGE DRIVES ENGAGEMENT

With a rapidly changing economy, mergers and acquisitions, new policies, strategy realignments and more, the one constant is that employees are continually coping with change. According to the latest Gallup research, how an organization's management handles challenging situations directly affects employee engagement and subsequent performance outcomes.

MEASURING CHANGE MANAGEMENT

Gallup's employee engagement program is a highly effective solution for organizations seeking to improve important performance outcomes. Gallup conducts ongoing research, analysis and validation of the science behind its proprietary Q¹² employee engagement measurement. This ensures that Q¹² continues to be the most predictive measure of employee engagement and performance outcomes.

Leading organizations understand that effective change management is critical to retaining employees, maintaining productivity and accelerating the change process. Gallup asked U.S. workers a series of questions addressing their management's ability to handle change and then conducted an extensive analysis of reliability, validity and item redundancy to determine the change management items most useful for measuring this construct.

From the original items, Gallup selected the four items that explain most of the variance in the other items tested. These items constitute the empirically based Change Management Index that can be added to Gallup's employee engagement program.

Gallup's research indicates that adding the Change Management Index to an effective engagement program can help further explain variance in the quality of management in handling difficult and challenging situations.

CHANGE MANAGEMENT'S EFFECT

Gallup's Change Management Index research had impressive findings. World-class change managers are:

- stronger communicators
- more supportive and collaborative
- better visionaries

The findings strongly suggest that when organizations employ leaders and managers capable of managing change productively, the chances are greater that employees will remain emotionally and psychologically committed throughout the process.

CHANGE MANAGEMENT INDEX ITEMS

My supervisor is an active supporter of the changes that affect our workgroup.

There is open communication throughout all levels of the organization.

I am asked for my input regarding changes that affect my work.

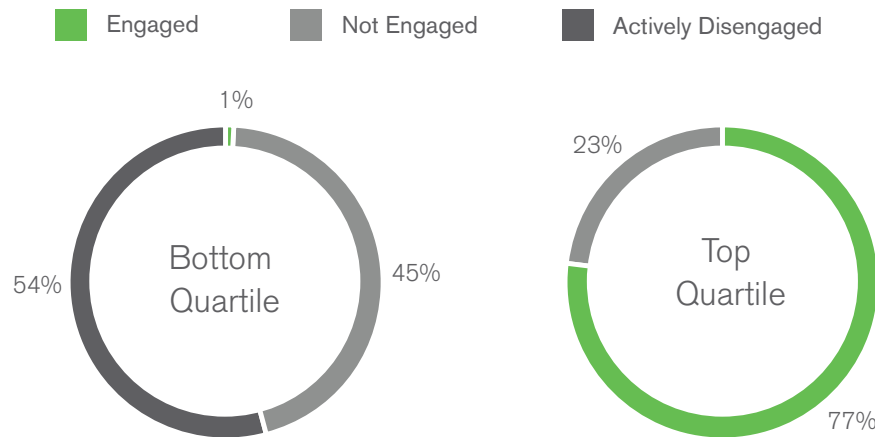
Leaders in my organization help me see how changes made today will affect my organization's future.

KEY CHANGE MANAGEMENT DRIVERS

Only a small proportion, 6%, of the U.S. working population strongly agrees with all four items most predictive of effective change management, creating cause for concern among organizations that rely on expansion and continuous improvement for growth. Furthermore, engagement is highly related to the ability to manage change. Thirty-six percent of the engaged population, 5% of the not engaged population and 0% of the actively disengaged population strongly agree with all four items.

Additionally, employees who feel change is managed ineffectively are much more likely to be disengaged. In fact, 54% of employees who rate leadership in the bottom quartile on the change management questions are actively disengaged. Another 45% are not engaged. By contrast, 77% of employees who rate leadership in the top quartile on the change management questions are engaged; only 23% are not engaged; and none are actively disengaged.

LEADERSHIP MANAGES CHANGE EFFECTIVELY



Quartiles Based on Change Management Index

To ensure positive reactions to change, leaders must drive it. Sixty percent of engaged employees versus only 7% of actively disengaged employees say leaders in their organization help them see how changes made today will affect their organization's future. This research also finds a strong relationship between effective change management and the evaluation of leadership effectiveness, as measured by Gallup's Leadership Index. Leaders who are evaluated as more effective also tend to be rated most highly on leadership communication regarding how changes will affect the company's future.

CHANGE MANAGEMENT INDEX ITEMS

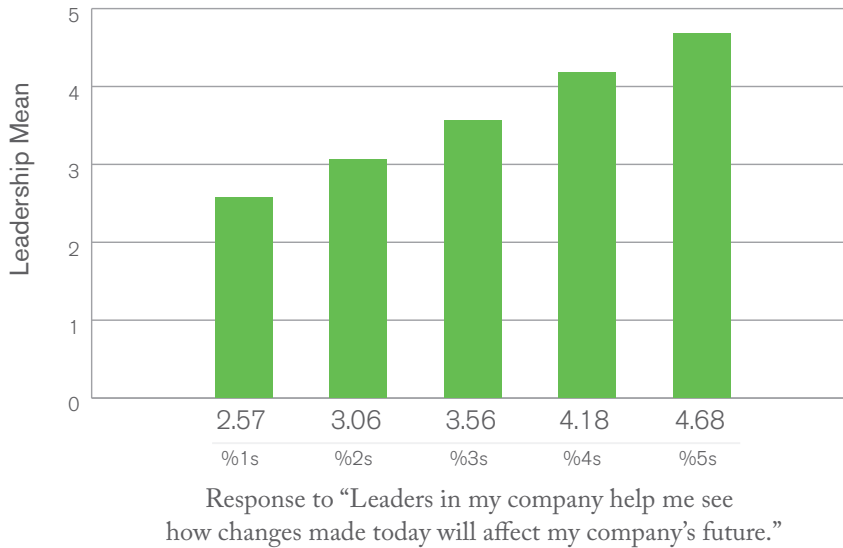
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LEADERSHIP MUST DRIVE CHANGE

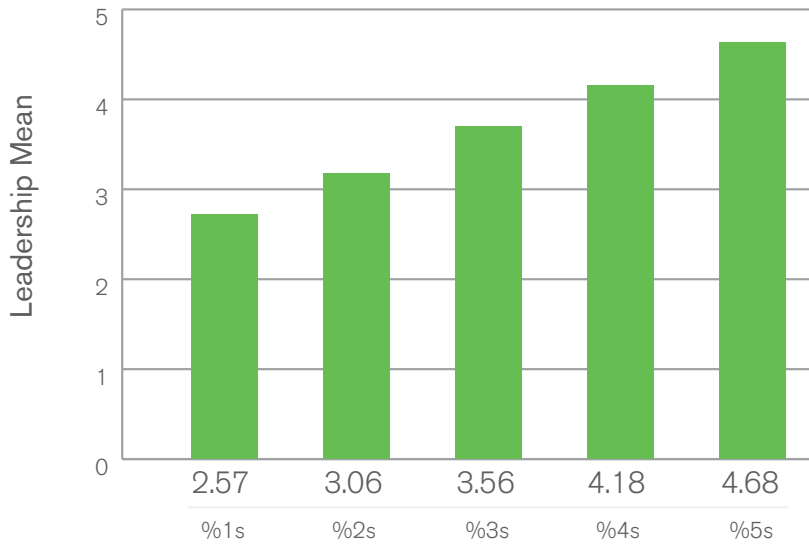


Support must also be local to make a difference. Seventy-eight percent of engaged employees say their supervisor is an active supporter of changes that affect their group. In contrast, only 8% of actively disengaged employees agree.

Participation matters. When Gallup polled employed adults, 65% of engaged respondents versus a mere 3% of actively disengaged employees said they are asked for input regarding changes that affect their work.

Gallup's latest research finds that 30% of engaged employees compared with 8% of actively disengaged employees say there is open communication throughout all levels of the organization. Open communication throughout an organization is also strongly related to evaluations of effective leadership. Leaders who are rated as most effective on Gallup's Leadership Index also tend to be associated with organizations with a high degree of open communication at all levels.

LEADERSHIP COMMUNICATION IS CRITICAL IN TIMES OF CHANGE



Response to “There is open communication throughout all levels of the organization.”

THE BOTTOM LINE

Management plays a critical role in whether a business will prosper or flounder through change. In times of change, engagement can be enhanced when leaders are transparent in their communication and actively involve their teams in decisions that affect the future. A manager’s ability to manage change effectively means that engagement, and hence, performance outcomes, can be maintained and even strengthened during these uncertain times.

Organizations must measure their current progress on managing change to understand engagement’s role in creating a more effectively managed culture during a change. Gallup’s Change Management Index enables organizations to more effectively identify and manage variation in change management levels throughout workgroups. Although designed for internal measurement, the Change Management Index does have external comparable data through Gallup’s global client database or within the U.S. working population for organizations that want to benchmark their progress.

Also, Gallup has researched and developed many empirical indexes to help organizations strategically pinpoint and improve areas of focus that are important to their current situation. By using one or more of these indexes in conjunction with the Q¹² metric, leaders have another tool to capture more of their organization's engagement story. These indexes include Accountability, Brand Ambassador, Change Management, Collaboration, Communication, Customer Engagement Commitment, Customer Orientation, Ethics, Hope, Inclusiveness, Innovation, Leadership, Nursing, Patient Experience, Strengths Orientation, Supervisor Effectiveness, Values, Well-Being Culture and World Class.

Gallup has also researched more than 70 topic areas that address the wide range of issues organizations confront. Beyond asking the right questions, leaders must also have focused discussions during which data-driven decisions can occur. In-depth strategy sessions for leaders and managers are available for each index to help optimize company performance on specific business issues. Together, these indexes and interventions provide a flexible, targeted approach to addressing any organization's specific engagement needs.

Learn more!

For more information about Gallup solutions for optimizing business performance visit www.gallup.com or contact Gallup Client Support at 877.425.5871 (U.S.) or +1.402.951.3600 (International).