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Data-driven change management is crucial for successful transformation

New change management study from Capgemini Invent identifies people factors and data maturity as key drivers for success

Paris, January 24, 2023 – Organizations that implement data-driven change management¹ are more successful in their change processes than those that don't. For example, change success increases by 27 percent due to a high level of data maturity in the organization, by 23 percent due to data-driven leadership, and by 26 percent as a result of a data-driven culture. Organizations that base change management decisions on data also benefit from greater transparency, more opportunities for participation and a better sense of control among employees. This is according to the new study by Cappemini Invent, "Data Driven Organizations: Boosting change success with data", for which 1,175 professionals and managers* from various industries were surveyed worldwide.

The volume of data is constantly increasing, as is its importance. In 2022, 97 zettabytes of data were generated², and 61 percent of those surveyed in the Capgemini Invent report said they rely on comprehensive data analysis when making decisions. Using data, objective KPIs can be set to measure the progress and success in a change process, where transformation was previously driven only by visions of change along with the goals and actions derived from them.

"Organizations that invest in data-driven change management have seen a positive impact on several key elements of the change process. However, the challenge with data-driven change management is to use data intelligently. To do this, leaders need a clear data strategy, confidence in using data across the organization, a state-of-the-art data landscape, and the ability to make data-driven decisions in order to take the most effective actions," says Claudia Crummenerl, Head of Workforce and Organization, Enterprise Transformation at Cappemini Invent. "It is important that executives act as role models on the topic of data use and openly communicate the associated benefits within their organization, as well as promote data-based working to ultimately strengthen employees' trust in change projects. Our research finds that when teams are informed about the goal and what to expect from the change process itself, it ultimately leads to greater success."

The potential of data-driven change management is yet to be fully realized

The report finds that there are numerous benefits to establishing data-driven change management in organizations. Amongst the motivations cited, 44 percent of respondents want to use data to speed up decision-making, 42 percent of respondents want to create more transparency, and 38 percent expect to be able to better measure employee satisfaction through greater use of data.

Data-driven leadership and transparency influence change success and trust in the process

A key foundation for change success lies in data-driven leadership. The report finds that leaders who explain the benefits of data use and lead by example can increase the likelihood of change success by 23 percent

¹ Data-driven change management extends traditional change management to include integrated processes of data collection, acquisition and analysis that provide directional support for shaping change as a basis for decision-making. ² IDC, <u>Statista</u> (2021). Volume of data/information created, captured, copied, and consumed worldwide from 2010 to 2020, with forecasts from 2021 to 2025 (in zettabytes).



and have been shown to increase employees' willingness to work in a data-driven manner. 74 percent of respondents perceive a high level of trust between leaders and employees in organizations through data-driven leadership. In addition, a high level of data maturity, i.e., the ability of an organization to use its data meaningfully, has been found to increase the success of change by 27 percent.

According to the study, being transparent about the data being used strengthens employees' trust in the change process and helps them to feel informed, with 86 percent of respondents saying their leadership carefully communicates the progress of change. For respondents where big data analytics is part of their day-to-day work, 85 percent said they feel confident about their career prospects, and 40 percent of organizations reported a successful change process where employees feel they are in control of their careers.

Telecommunications, automotive and financial services lead the way in industry comparison

According to the study, there are also industry-specific differences in the way data is handled. For organizations that compete globally, both a high degree of digitization and a willingness to embrace continuous change are essential. In a sector comparison, therefore, telecommunications, automotive banking and insurance score best.

You can download the full report here.

*Methodology

For the study, 1,175 experts and executives from different industries and functions with a focus on Australia, Austria, Belgium, China, Denmark, France, Germany, India, Italy, the Netherlands, Poland, Portugal, the United Kingdom, the United States, Spain, and Sweden were surveyed. Respondents were from small, mid-sized and large organizations ranging from less than 1,000 employees to more than 50,000 employees and have either experienced or participated in change management within their organization. In addition, 21 qualitative in-depth interviews were conducted with change managers, data scientists, and HR managers.

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