

Mercuri Urval Insight Survey 2011 - background

Scope of the Survey

In December 2010 and January 2011, Reimund Research conducted this survey among managers of mid-sized companies (50-500 Employees) in 8 European countries: Austria, Belgium, France, Germany, Italy, Netherlands, Spain, Switzerland.

In each country, 100 Managers took part in the survey (n=800, 100 per country). In each country, 20% of participants belonged to Top-Management, 40% Middle Management, reporting to onesuperior management level and lower Management with two superior Management levels, but still leading other employees.

The survey was conducted by the experienced institute “Reimund Research”.

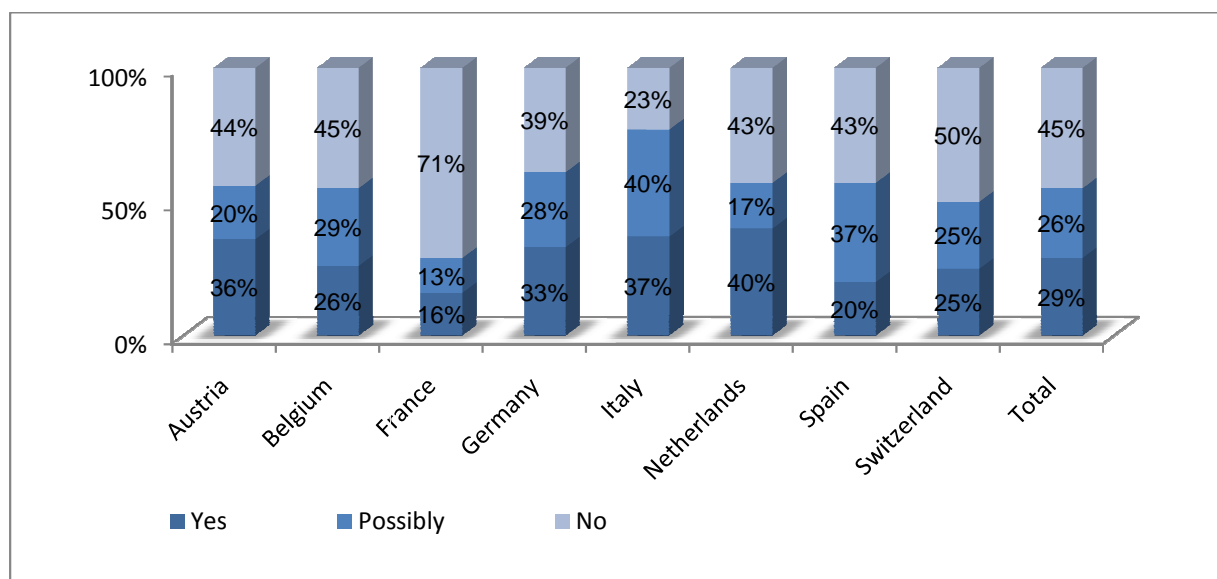
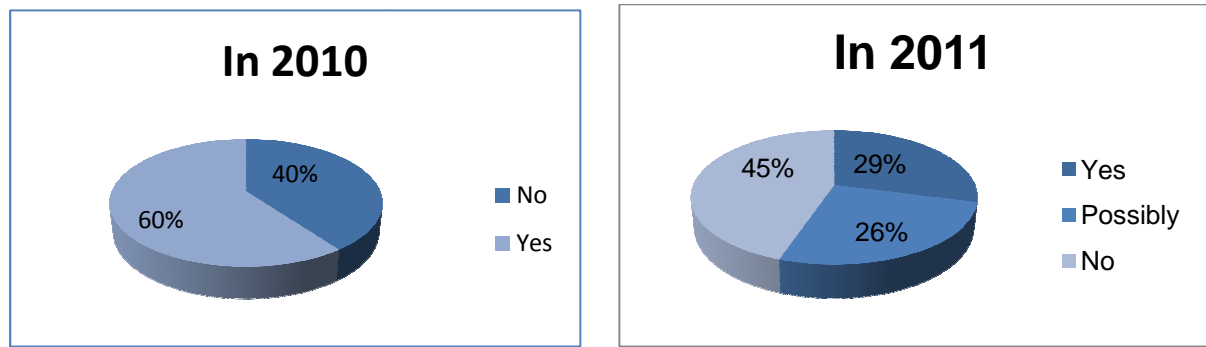
Topic of the survey

Main aspect of the survey is the question, how Management in these companies deals with change processes, which affect the company or parts of it. Additionally, we had a look into the aspect of value-orientation among the Management.

General Finding: Change is part of daily life among mid-sized companies

For the majority of managing employees and companies, a work environment without change is unimaginable. 60% of companies saw change processes in 2010, and change processes are expected by 55% of companies for 2011. Combined, 78 % of Managers experienced a change process in 2010 or will so in 2011. It seems that this snapshot captures a long-term trend considering the growing pressure of global competition that forces European companies to change and that maybe even presents new opportunities that require change to be taken. In terms of approaching and experiencing change processes, significant differences between the countries become clear, which can be explained by different economic structure as well as by cultural differences. The findings correspond to the results of other surveys, like e.g. the “Gallup Global barometer of Hope and Despair”.

Do you expect a change process in your country in the next 12 months in 2011?



Goals of change processes

On the change process agenda the primary goals are lower costs and higher efficiency in business and production processes; “soft“ goals such as changing company culture are not irrelevant either particularly since most change processes aim at multiple goals at once. Overall, the hierarchy of goals for change processes can be regarded as mostly congruent on European level. However, there were obvious country specifics in terms of motivations and goals for change. Also, the hierarchy and importance of specific goals remains the same for 2011 compared to 2010. The degree of goal achievement for change processes in 2010 is rated with a mean of 60% among European countries, what seems to be quite insufficient.

	Austria	Belgium	France	Germany	Italy	Netherlands	Spain	Switzerland	Total
Lower costs/higher cost efficiency	83,9%	72,7%	58,6%	83,6%	55,8%	78,9%	52,6%	60,0%	68,6%
More efficient business or production processes	71,4%	50,9%	34,5%	68,9%	48,1%	77,2%	56,1%	54,0%	58,8%
Better customer/market orientation	62,5%	47,3%	13,8%	70,5%	54,5%	54,4%	36,8%	72,0%	53,8%
Higher sales/turnover	50,0%	34,5%	13,8%	67,2%	36,4%	49,1%	49,1%	56,0%	46,2%
Adjustment to technical changes/innovations	64,3%	25,5%	10,3%	50,8%	36,4%	52,6%	43,9%	58,0%	44,3%
Business segment expansion	26,8%	20,0%	24,1%	37,7%	26,0%	17,5%	42,1%	50,0%	30,5%
changes in company culture	30,4%	36,4%	13,8%	31,1%	23,4%	42,1%	26,3%	30,0%	29,9%
Other goals	3,6%	3,6%	10,3%	4,9%	18,2%	22,8%	15,8%	6,0%	11,1%

Crucial skills for implementation of change processes

We asked the participating managers for capabilities, they would need concerning their roles in a change process. The top positions on the list of needed change capabilities for managing employees are taken up by communication skills, motivating others, managing conflicts and the ability to cooperate – i.e. skills that require sensitivity to team processes. Just as important are capabilities that transform the personal commitment to change to a change in performance: willingness to take on responsibility or goal-orientation. Experiences with change management could be more included and used to optimize change processes.

Capabilities evaluated as very important:	Austria	Belgium	France	Germany	Italy	Netherlands	Spain	Switzerland	Total
Ability to communicate	69,0%	64,0%	82,0%	52,0%	76,0%	71,0%	64,0%	63,0%	67,6%
Ability to motivate others	49,0%	61,0%	76,0%	44,0%	74,0%	46,0%	60,0%	60,0%	58,8%
Willingness to take on responsibility	58,0%	59,0%	74,0%	51,0%	54,0%	43,0%	51,0%	62,0%	56,5%
Flexibility	48,0%	76,0%	78,0%	39,0%	40,0%	56,0%	44,0%	64,0%	55,6%
Ability to manage conflict	41,0%	66,0%	65,0%	36,0%	66,0%	54,0%	58,0%	45,0%	53,9%
Goal-oriented behaviour	62,0%	45,0%	80,0%	57,0%	51,0%	31,0%	41,0%	52,0%	52,4%

Ability to cooperate	39,0%	52,0%	76,0%	35,0%	59,0%	40,0%	46,0%	50,0%	49,6%
Objectivity	39,0%	54,0%	76,0%	30,0%	59,0%	42,0%	39,0%	45,0%	48,0%
Solution-oriented behaviour	49,0%	39,0%	78,0%	38,0%	54,0%	31,0%	45,0%	50,0%	48,0%
Assertiveness	57,0%	44,0%	64,0%	41,0%	18,0%	36,0%	52,0%	43,0%	44,4%
Interpersonal skills	31,0%	58,0%	71,0%	25,0%	39,0%	50,0%	29,0%	43,0%	43,3%
Power of judgment	36,0%	43,0%	63,0%	29,0%	63,0%	25,0%	39,0%	40,0%	42,3%
Analytic skills	39,0%	19,0%	45,0%	31,0%	52,0%	19,0%	53,0%	34,0%	36,5%
Stamina	36,0%	31,0%	48,0%	41,0%	39,0%	15,0%	29,0%	43,0%	35,3%
Empathy	28,0%	28,0%	59,0%	26,0%	15,0%	27,0%	37,0%	39,0%	32,4%
Independence	17,0%	29,0%	52,0%	11,0%	26,0%	10,0%	14,0%	23,0%	22,8%

Capabilities that are necessary to lead in conflicts within teams are seen in lower layers of management as more important than in top management. Top Managers therefore run the risk of giving not enough reassurance to levels subordinated (e.g.in situations of conflicting interests in teams).

Evaluated as very important:	Lower	Middle	Top	Total
	Ability to manage conflict	60,9%	46,9%	53,8%
Flexibility	62,2%	51,3	51,3%	55,6%
Objectivity	53,4%	44,7%	43,8%	48,0%
Interpersonal skills	49,0%	40,3%	36,9%	43,3%

Need for improvement in companies

We asked the Managers regarding a general need of improvement, and for all countries a high need for improvement becomes visible: enabling easier implementation and successful execution of change processes. Up front there is the improvement of motivation and the improvement of employee interaction. Experiences with change management processes could be included with more emphasis. Most importantly, an open attitude towards new, maybe even unknown things counts – without reservations and resentments.

Partially, the points of view of top, middle and first management differ significantly regarding the needs of improvement. Top Managers, unlike first management, see a significant need for improvement regarding their employees' attitudes that could make the implementation of change easier; flexibility, team play and motivation for change generally need to be improved following their point of view.

There is need for improvement regarding:	Top	Middle	Lower	Total
Openness towards change	71,9%	74,1%	72,2%	73%
Ability to manage conflict	75,6%	72,5%	66,6%	71%
Ability to communicate	70,6%	77,2%	59,1%	69%
Experiences with change management	66,9%	69,7%	66,3%	68%
Openness towards innovation	68,1%	63,8%	66,9%	66%
Motivation	80,0%	66,6%	52,5%	64%
Ability to compromise	65,6%	62,2%	58,8%	62%
Team play	71,9%	62,5%	46,9%	58%
Flexibility	68,8%	62,8%	44,1%	57%

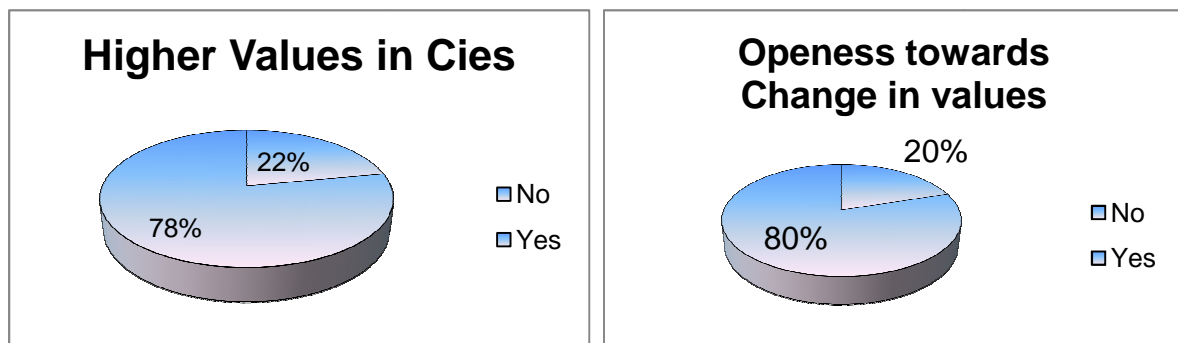
Openness towards change

Change processes are regarded as necessary and about 75% of all managing employees are personally involved in change processes – with great commitment, willingness and addiction to change. It is noticeable that there is a high correlation between the managing employees' attitude towards change and the general socio-cultural mood in each country/ society; the more optimistic the general climate of opinion in a country, the more openly the companies approach and handle change.

There is a deep understanding of managers at all levels for the need of change. 83,7 % share the thesis: "Today, openness towards change is an imperative requirement for companies to stand their ground in the competitive environment" . And 75% enjoy participating in the design of change process. Only 10 to 20% are generally skeptic about changes, and less than 5% regard a change process a reason for leaving the company. Meanwhile, 58% of managers think that change processes are a good opportunity for employees to bring forward their career.

Mid size-companies share common values throughout 8 countries

78 %, the large majority of managing employees reports that there are higher values that actions and decisions in their organizations are based on, and also 78% of the managers personally share those values. Openness towards change is usually a part of these value sets for 80% of managing employees, and the same fraction thinks that anchoring "openness to change" as a value in their own company is "the right thing".



The top 5 values named by more than 90% are quite conservative, a usual trend in a post crisis situation: reliability, responsibility, integrity, security, identification. Modern concepts such as sustainability, innovation, entrepreneurship, do not achieve the same ratings. More unexpected, in a time where European are seeking a common identity, is the universal character of those results which do not differ from one country to another. This indicates the existence of a common set of values among mid-sized companies in Europe.

Values belonging to company's value set (prompted):

	Austria	Belgium	France	Germany	Italy	Netherlands	Spain	Switzerland	Total
Reliability	92,6%	97,6%	98,6%	95,2%	98,7%	99,0%	90,1%	93,8%	95,8%
Responsibility	89,7%	97,6%	100,0%	92,1%	97,5%	97,0%	95,1%	93,8%	95,5%
Integrity	86,8%	98,8%	97,2%	90,5%	96,2%	97,0%	92,6%	88,9%	93,8%
Security	80,9%	97,6%	91,5%	88,9%	98,7%	93,9%	86,4%	88,9%	91,2%
Identification	82,4%	91,7%	93,0%	88,9%	92,4%	75,8%	79,0%	96,3%	87,1%
Sustainability	77,9%	97,6%	91,5%	92,1%	89,9%	83,8%	77,8%	84,0%	86,7%
Team spirit	88,2%	82,1%	85,9%	90,5%	93,7%	67,7%	91,4%	96,3%	86,3%
Transparency	69,1%	89,3%	91,5%	77,8%	97,5%	88,9%	75,3%	81,5%	84,3%
Innovation	76,5%	91,7%	87,3%	85,7%	89,9%	76,8%	84,0%	75,3%	83,2%
Entrepreneurship	85,3%	82,1%	83,1%	85,7%	86,1%	64,6%	87,7%	86,4%	81,9%
Willingness to be first mover/precursor	72,1%	88,1%	91,5%	77,8%	78,5%	76,8%	64,2%	80,2%	78,6%
Self-actualization	44,1%	76,2%	91,5%	55,6%	88,6%	73,7%	65,4%	63,0%	70,4%