



# **Global Transformation** RESEARCH REPORT

Learn how to successfully navigate large-scale transformations, with research-backed tips and strategies.

# Howspace

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# Introduction

Most company leaders and managers can agree: transforming organizations is tough. Change is hard for individuals, let alone for enterprises made up of people from different countries, cultures, and time zones.

Only 22% of organizations succeed in transformation, according to [Harvard Business Review](#). But what exactly makes organizational transformation so difficult? Where do organizations go wrong, and how can we make it right?

We wanted to dig deeper into this topic by hearing directly from decision-makers and change catalysts at enterprise companies. To get these insights, we ran a global transformation survey asking for their views on the qualities necessary for successful transformation, the biggest obstacles, and the role technology plays.

In a nutshell, employee involvement and support by leadership emerged as the most important capabilities for successful transformation. After all, transformations don't happen through initiatives and technology, [they happen through people](#). To be successful, we need to [move from mere participation to truly transformative involvement](#), which requires genuine dialogue, iteration, and collective sense-making.

Based on the collective insights from transformation leaders across the globe, we put together this comprehensive guide to help you successfully drive transformation in your enterprise organization.



**Ilkka Mäkitalo**  
CEO, Howspace

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## The survey in a nutshell

The aim of our global survey was to better understand the challenges, successes, and strategies driving organizational change. We delved into three key areas that are crucial for steering enterprises through transformation:

- 1 Transformation readiness:** Understand and evaluate the transformation readiness and the qualities that are needed for successful transformation.
- 2 Challenges and opportunities:** Identify the most pressing obstacles and promising opportunities in your transformation journey.
- 3 Technological adoption:** Explore the role of technology in transformation and how it affects the impact of transformation.

The survey was built in Howspace and open to both Howspace customers and partners as well as non-customers. The survey sample was 180 transformation leaders (C-level executives in enterprises, consultants, and change leaders) across Europe, North America, and around the world between February 26th and March 31st, 2024.

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# Key findings

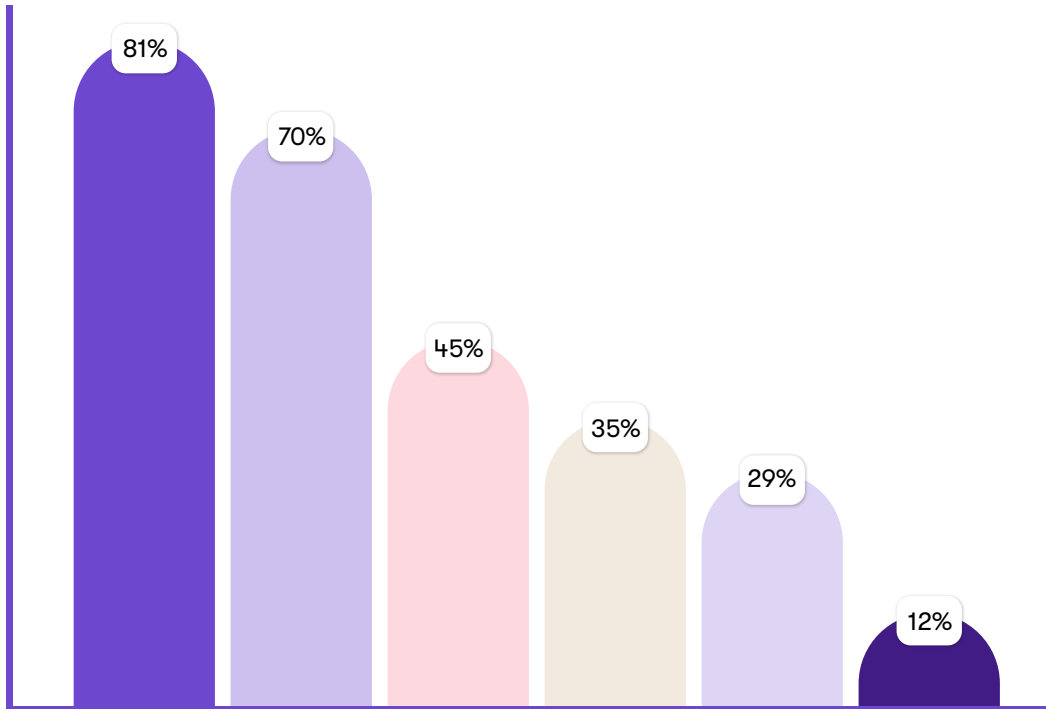
## The state of organizational transformation

- In most organizations, the management team takes responsibility for leading change and transformation initiatives.
- Most organizations plan to invest in new technologies and in upskilling their existing teams, seeing these as the most critical aspects for successful transformation.
- The most common types of transformation and change initiatives for 2024 include: transforming the business with AI, employee upskilling and training, strategic renewal programs, streamlining processes, and adopting new tools.
- For most companies, people participate in activities related to transformations or change initiatives only when assigned specific tasks or projects.

## Transformative readiness and capabilities

- Respondents see the most important capabilities for successful transformation to be:
  1. Employee involvement and support by leadership
  2. Effective communication and collaboration
  3. Alignment on values and strategic direction
- The transformative capabilities that require the most improvement include having innovative methodologies for change management, effective communication and collaboration, and organizational learning and resilience.
- The majority of respondents saw it most important to develop employee involvement and support by leadership and effective communication and collaboration.

Which of the following are the 3 most important capabilities for successful transformation?



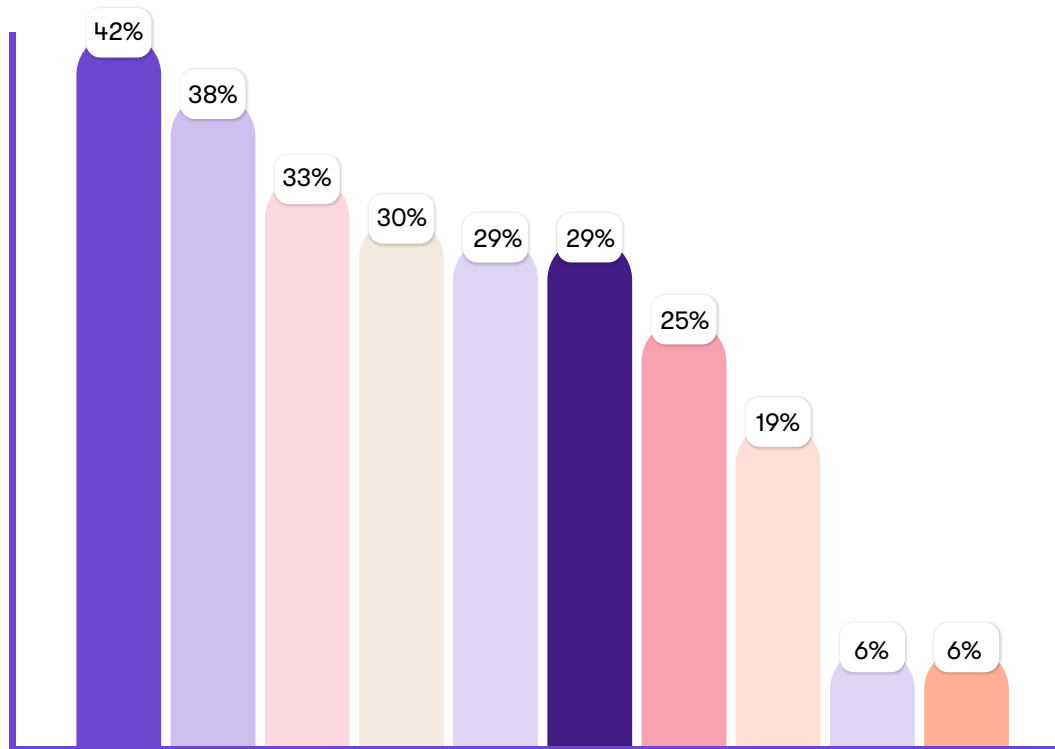
- Employee involvement and support by leadership
- Effective communication and collaboration
- Alignment on values and strategic direction
- Organizational learning and resilience
- Technological adaptability and innovation
- Innovative methodologies for change management

### Challenges in transformation

- The top barriers to change according to survey respondents include:
  1. Unclear objectives and vision
  2. Communication issues
  3. Lack of leadership support
- In addition to these barriers, many respondents also face challenges with their organizational culture, resistance to change, and insufficient employee involvement.

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## Which of these elements do you find to be the top 3 barriers to change?



- Unclear objectives and vision
- Communication issues
- Lack of leadership support
- Organizational culture
- Resistance to change
- Insufficient employee involvement
- Inadequate resources
- Overlooking training & development
- Ineffective project management
- Measuring success

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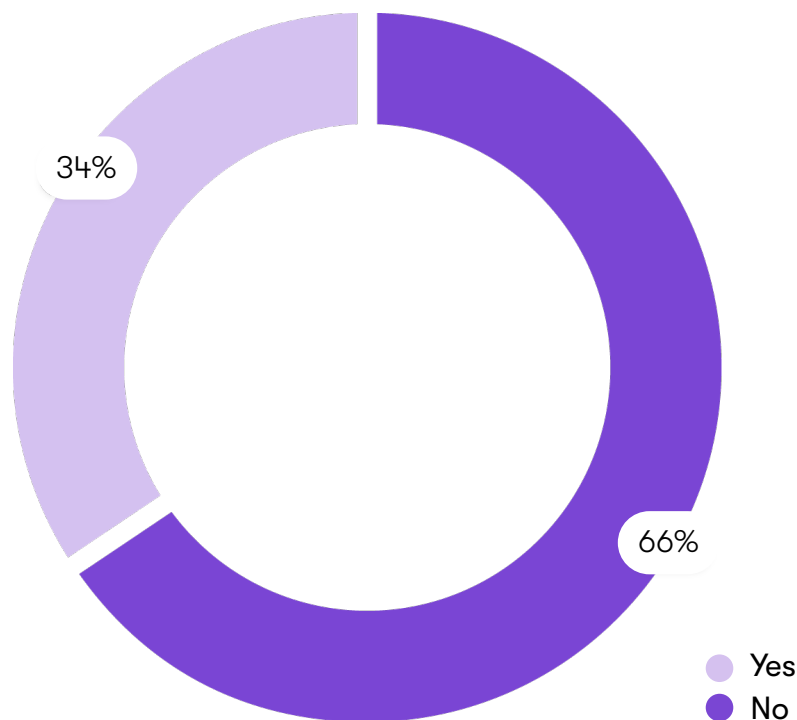
## Measuring the impact of transformation

- The main factors or indicators that signify the success of a transformation include:
  1. Improved employee engagement
  2. Achieving strategic goals
  3. Increased customer satisfaction

## Technological adoption

- Most respondents use a collection of general collaboration tools like Teams, Zoom, and Slack to engage people in transformation and change.
- 66% of respondents feel they lack the proper tools to measure the success of their transformation or change initiatives.

Do you have proper tools in place to measure the success of your transformation or change initiatives?



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# What is organizational transformation and why is it important?

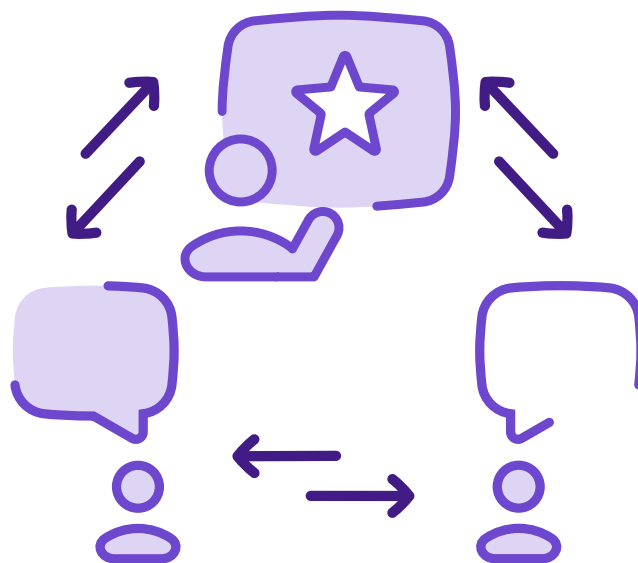
## Organizational transformation, defined

[Organizational transformation](#) is the fundamental reimagining and redefining of an organization's structure, culture, and operations, allowing it to adapt to changes or capitalize on new opportunities.

Simply put, the goal of organizational transformation is to move your organization from where it currently is to a desired future state.

Many organizations choose to prioritize transformation efforts to keep up with technological advancements, address internal challenges, and to stay ahead of competitors in the market.

Transformation isn't just an end destination, but a complex and dynamic journey that requires careful planning, strategic implementation, and continuous evaluation.



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## Why it matters

Organizational transformation drives future success and growth for both individuals and organizations. When organizations embrace and implement transformative strategies, they embark on a journey of innovation and adaptability, which can lead to improved competitiveness and increased market relevance.

In fact, companies that meet their transformation implementation performance goals are highly likely to outperform industry averages in terms of financial growth, according to a recent report by McKinsey. And companies that maintain the transformation gains for more than three years experience twice the rate of financial growth compared to their peers.

Change initiatives enable companies to redefine their core processes, adopt new technologies, and revamp their organizational structures, resulting in improved efficiency, productivity, and customer satisfaction.

## The role of leadership in organizational transformation

The journey of organizational transformation is intrinsically intertwined with effective leadership. In other words, [successful organizational transformation lies in capable leadership](#).

[Leaders can and should serve as the core of change](#), initiating and guiding the journey while mitigating risks and potential resistance. Their role goes beyond just decision-making; they are visionaries who paint a compelling picture of what the future holds, thereby uniting the entire organization around a shared purpose.

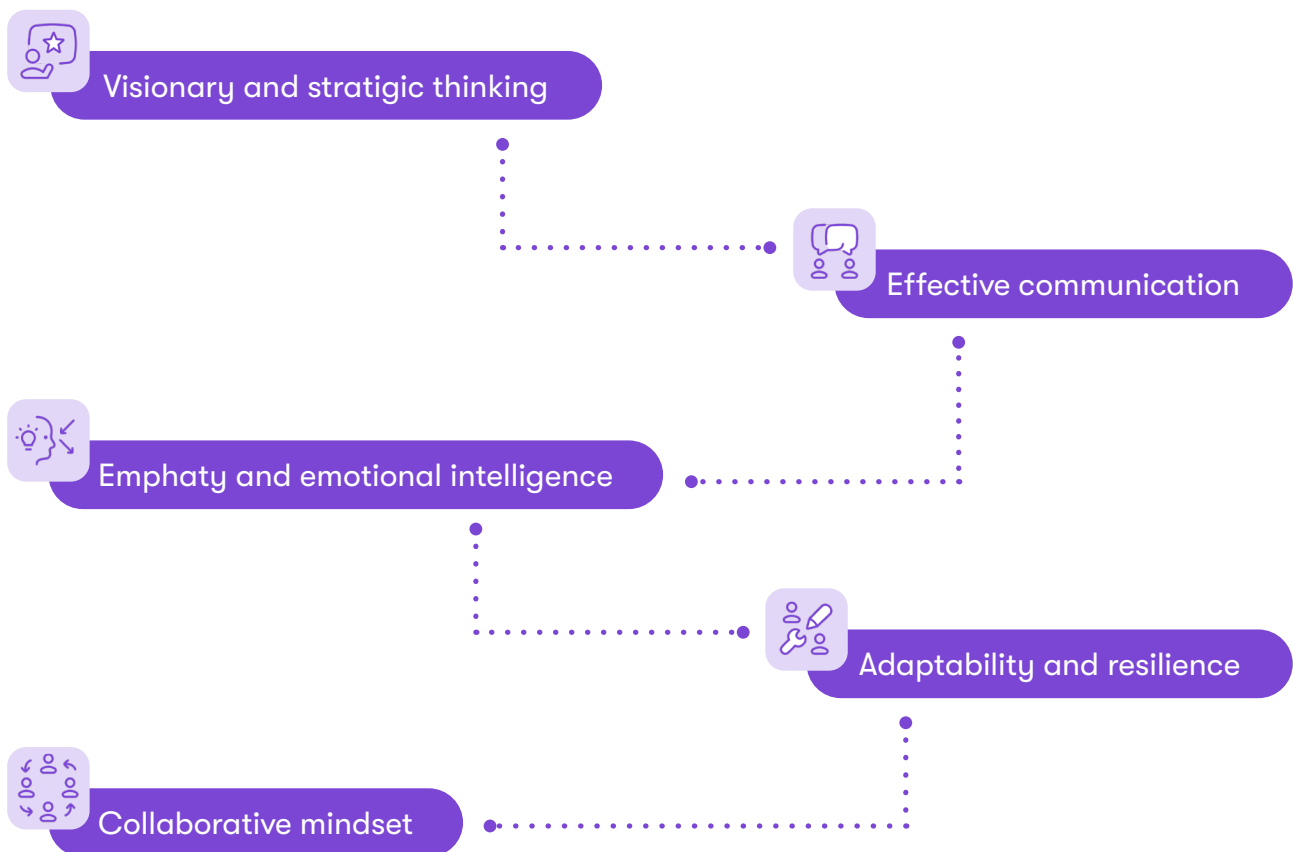
However, the role of a leader is not to simply create a vision and tell everyone to execute it. Instead, they should empower and motivate employees to have an active role in transformation. One seasoned transformation leader shares: “We have a slogan: ‘The experience is yours to make,’ which distributes the responsibility to everyone.”

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However, the role of a leader is not to simply create a vision and tell everyone to execute it. Instead, they should empower and motivate employees to have an active role in transformation. One seasoned transformation leader shares: “We have a slogan: ‘The experience is yours to make,’ which distributes the responsibility to everyone.”

Taking a [human-centric approach to transformation](#) involves less “managing change” and more facilitating conversations, discovery, and sense-making. By encouraging ideation and ownership, leaders can ensure transformation will be a collective effort involving individuals at all levels of the organization.

## Characteristics of effective transformational leadership



## Leadership across transformation stages

One survey respondent shared how they see the role of leaders throughout different stages of the transformation:

“By thinking a few steps ahead, you can ensure the process runs smoothly—from communication to implementation.

First, identifying the opportunity—the ideal future state and where we currently are—is done by the management team and facilitated by an external consultant. The CEO should share the compelling vision and messaging to the entire organization, allowing them to understand the need for change.

After that, every leader plays a crucial role when it comes to identifying how their department or team can contribute to the transformation and implementation phase.

HR’s role is focused on the change management pieces, considering what needs to be implemented, and providing tools for managers.”

# Challenges and opportunities in transformation

Organizational transformation is a complex and challenging journey that requires the active involvement of every employee. [67% of leaders](#) say they have experienced at least one underperforming transformation in the last five years.

The process can be especially challenging for large multinational enterprises, where people are spread across countries and time zones, each with their own subculture.

Let's look more closely at the most common challenges in transformation, and how to overcome them.

## Involving everyone from the organization at the right time

There's no doubt the challenges that arise from geographical dispersion and diverse organizational cultures can complicate the change process. It goes beyond just coordinating meeting schedules—it's also essential to ensure that every voice from every corner of the organization is included in the change process at the right time.

One survey respondent shares how they see the challenge of employee involvement, explains how he sees the challenge of employee involvement: "People don't feel they understand why the transformation is happening and what it means for them. Engaging the line managers and getting them to take ownership of translating these things for their teams is a key issue."

Effective involvement requires a balancing act of logistics, cultural sensitivity, and time management. What's more, to succeed in transformations, organizations need to rethink and redesign their approaches with a focus on human needs and experiences. It requires reimagining the way we work together, ensuring everyone's voice is heard and valued.

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“Truly involving employees requires good planning, leadership, and allocation of resources: if this is not done properly, it will impact the success possibilities of the transformation. Often, not enough time and resources are invested for the people involved in the change, and only the technical stuff gets taken care of.”

- Milla Ranta, Founder & CEO, Millainen Consulting Oy

## The cost of low involvement

Employee involvement is not just a nice-to-have: it's a cornerstone to successful transformation.

Employee disengagement can potentially derail the entire transformation effort: Disengaged employees are absent 37% more often, have 18% lower productivity, and 15% lower profitability, according to [Gallup](#).

During a transformation journey, this disengagement can manifest as resistance to change, decreased morale, and a lower success rate in implementing new strategies or processes.



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## Letting go of traditional hierarchies

Prioritizing scale and efficiency, larger organizations often rely on hierarchical structures and fixed routines, which lack the necessary diversity and flexibility for fast learning and change. Overcoming such deep-rooted management paradigms and operating models can be difficult, especially when they have historically led to success.

However, such traditional hierarchical structures will hinder adaptability and agile learning. Instead, it's essential to nurture a culture that embraces involvement, different perspectives, and flexible approaches to change.

Replace those traditional management approaches with coordination and connection. Leaders need to set an example with transparency and model collaborative behavior. In doing so, you'll give people autonomy and empower them to contribute to the shared vision.

## Overcoming resistance to change

Resistance to change was among the top challenges that survey respondents reported facing. Several factors can cause resistance: fear of the unknown, discomfort with new ways of working, or a lack of understanding of the purpose and benefits of the transformation.

Ultimately, resistance to change and uncertainty are usually results of poor transformation leadership. Leaders must proactively address these sources of resistance to facilitate a smoother transition. How?

First, be open about the transformation's challenges and potential setbacks while highlighting the opportunities it brings. Honesty fosters trust and increases buy-in, ensuring individuals remain committed even when things get tough.

Additionally, provide a supportive environment where employees feel heard and valued. Share regular updates about the progress of the transformation, the rationale behind decisions, and the benefits of the change to help debunk misconceptions and reduce anxiety.

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Pascal Laurenzi, Training Specialist at Sun Life explains a challenge they've faced: "Not everyone perceives the "What's in it for me?" in the same manner, leading to conflicting views on how things should get done." Evidently, alignment on purpose is a crucial aspect of the transformation journey.

You can also offer training programs, mentorship, and coaching to equip employees with the necessary skills and help them adapt to new working methods.

Finally, celebrate small wins and acknowledge milestones throughout the whole change process to remind everyone of the positive strides they're making.

## Fostering a positive transformation culture

Fostering a culture that embraces change, innovation, and continuous improvement is vital for successful transformation.

To foster this type of culture, leaders need to shift people's mindset. This entails encouraging risk-taking, rewarding innovative ideas, and viewing failures as opportunities for learning. Instill the idea that learning is a journey: the organization will not remain static, and people need to be flexible enough to grow with these changes.

In other words, promote a culture of [continuous learning](#). Doing so will empower employees to embrace change, free their creativity, and drive collective success.

This positive transformation culture will not only facilitate the current transformation but also enable your organization to adapt and thrive in the face of future change.

# Strategies for successful transformation

After considering the main challenges with organizational transformation, we'll now explore [how to design involvement](#) to effectively navigate these complexities.

## The key elements of transformative involvement

Transformative involvement is more than just collaboration—it's a deep, engaging, and empowering process that leads to significant and sustainable change.

Prioritize these key elements throughout the entire transformation journey.

- 1 Deep engagement:** Enable participants to be thoroughly engaged in the work with each other—both emotionally and intellectually invested in the collaboration.
- 2 Mutual learning:** Encourage all participants to bring their experiences and expertise to the table, leading to a rich exchange of ideas and learning opportunities.
- 3 Change and innovation:** Transformative involvement drives change, whether on a personal level, where participants experience growth and development, or on a systemic level, where it fundamentally alters the operations of a team or organization. It can also contribute to societal change, reshaping social norms and policies.
- 4 Shared vision and goals:** A shared vision is necessary for transformative involvement as participants work towards common goals that are larger than individual agendas.

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- 5 **Empowerment:** Enable participants to take action, make decisions, and feel confident, as those aspects are the essence of collaboration.
- 6 **Sustainability and readiness for execution:** The changes that come about from transformative collaboration are often sustainable and executable. This is because the process involves active participation and mutual learning, which result in innovative solutions that are more likely to be accepted and sustained over time. Collaborating in this way leads to mutual agreement on specific initiatives and tasks that help achieve shared goals.

## 5 steps to successful transformation

In [our approach to organizational transformation](#), we see two interconnected levels:

### The key elements of transformative involvement

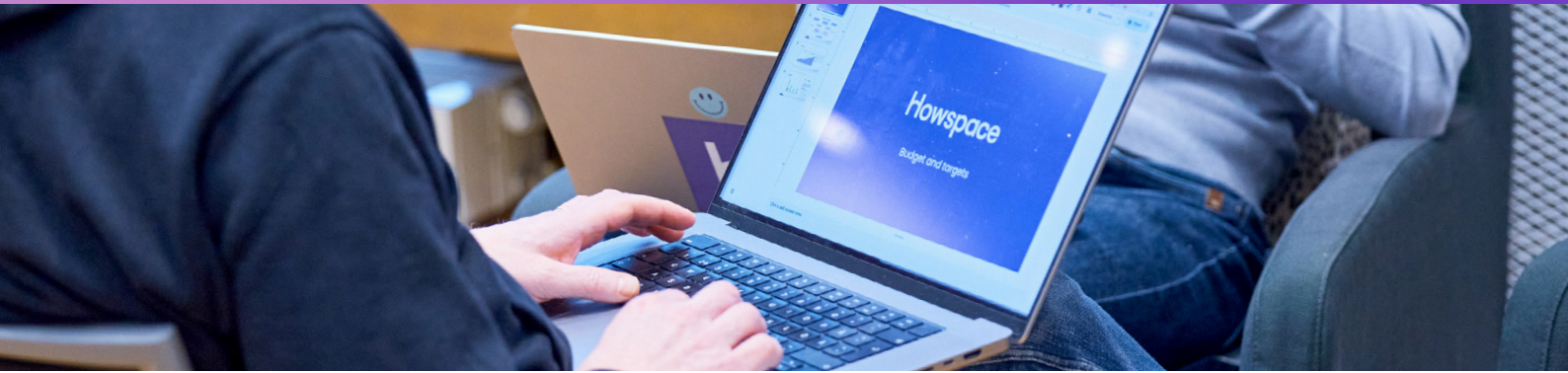
Transformative involvement is more than just collaboration—it's a deep, engaging, and empowering process that leads to significant and sustainable change.

Prioritize these key elements throughout the entire transformation journey.

- 1 **The organizational level:** the engine room where strategies are formed and plans take shape.
- 2 **The human level:** the beating heart of every transformation—what brings the strategy and plans to life.

Taking both these levels into account, follow these five steps for a more successful transformation journey.

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# 1. Recognizing – Assess the current state of the organization

Rather than just focusing on the desired future state, conduct a thorough assessment of your business to recognize the need for change. This is a vital first step because it [lays the foundation for successful transformation](#).

As part of this assessment phase, gather data and insights through various methods:

- Conduct interviews with employees, customers, and partners
- Run surveys and feedback sessions
- Review performance metrics and financial data

## The power of conversational transformation

Michael Leckie, Speaker for Change & Author of *The Heart of Transformation*, shares: “Good questions asked from a real place of curiosity can be one of the most powerful tools to drive transformation.” He recommends asking these questions when [embarking on a transformation journey](#):

- “Say more”: Encourage conversation by starting with curiosity-driven questions.
- “What do YOU think?” Engage curiosity by seeking input and perspectives from others.
- “What are you GOING to do?” Activate curiosity by propelling action and tangible steps toward change.

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## 2. Planning - Set clear goals and objectives for the transformation

Now it's time to define the [desired future state](#) of the organization: What should the organization look like at the end of the transformation journey? What outcomes do you want to achieve?

At this stage, be careful not to plan too many change initiatives at the same time for the same groups of people, which could lead to [change saturation and exhaustion](#).

Identify specific goals and objectives to achieve the transformation, which align with the organization's overall mission and vision. This will help individuals recognize the need and understand the 'why' of the transformation. After all, if you don't clarify your goals, you won't know when you've reached your desired future state.

Then establish realistic and measurable targets by breaking down the overall goals into smaller actionable key performance indicators (KPIs) that can be achieved within specific timeframes.



### 3. Designing – Develop a comprehensive transformation strategy

Now that you've clearly identified your goals and objectives, it's time to develop a strategy.

Create a roadmap and identify key projects, initiatives, and action steps that will contribute to the overall transformation goals. Allocate the necessary resources and budget required to implement the change effectively, including human resources, technology, and financial investments.

**Marty Boom, Global Head of Regulatory and Safety at Navitas Life Sciences** shares their strategy development process: “As a business, we set the strategic direction but not exactly how we´re going to get there. By involving employees in (operational) performance reviews and explaining the gap to the strategic direction, we trigger a process of employees being able to define and implement changes or course corrections as a starting point. This allows the business to very actively involve them in defining and implementing changes that support achieving our strategic direction.”



## 4. Implementation – Execute the transformation plan

Next, the focus shifts to implementing the plan and collectively shaping the change within the organization.

At this stage, communicate the transformation vision to all stakeholders, including employees, customers, partners, and shareholders to create a shared understanding of the transformation’s goals, benefits, and progress.

Encourage employees to contribute their ideas, feedback, and expertise, and learn from one another. Katri Piirtola, Senior Vice President at KONE explains: “With transformation, the key is to figure out how to ensure a safe space where people can be themselves, where they can bring in new ideas and different views, and also, where they can test and fail.”

To engage employees and build this culture of change, you can establish cross-functional teams and hold regular town hall meetings. Providing training and development opportunities can also ensure employees have the skills and knowledge required for the changes ahead.

You’ll want to use project management methodologies to assign responsibilities, track progress, and ensure timely completion of all deliverables. Regularly monitoring and reporting on the KPIs will help you identify areas that require adjustments or additional support.

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**Believe!**

Exploring the “Why” is scary - build on purpose

People want to do a good job - focus on sense-

Change unfolds slowly - stay engaged and curi

## 5. Optimization - Review, evaluate, and make improvements

Transformation is not a “set it and forget it” process: you need to evaluate and measure the success of the transformation (on both a qualitative and quantitative level) to ensure that the desired outcomes are achieved.

Conduct regular evaluations and assessments to gain insights into the impact of the transformation on key metrics such as revenue growth, customer satisfaction, operational efficiency, and employee engagement. You can also gather feedback from employees and stakeholders through surveys, focus groups, and one-on-one interviews.

Finally, take time to reflect on lessons learned to refine your approach and improve future transformations. By identifying best practices and challenges, you can continuously optimize your organizational transformation capabilities and drive more successful outcomes in future initiatives.

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Our survey respondents shared the challenges they face with general collaboration tools:

**Mika Makinen, Business Transformation Program Manager at ABB** shares a similar sentiment: “Many tools are not good at engaging people. Offline collaboration should be parallel in use with online workshops.”

**Another survey respondent shares a similar sentiment:** “Most of the change management is done by email communication— which is not enough and can actually have the opposite results.”

## Howspace: The only platform that bridges the gap between individuals & organizations in the midst of change

Howspace aims to provide an end-to-end toolbox for your transformation journey: Our goal is to facilitate transformative involvement, offering a diverse set of features that cater to all aspects of change. The platform serves as a bridge between designing and implementing transformative processes, ensuring that transformative efforts are not fragmented but are experienced as a unified journey.

Howspace does not have to replace existing tools or systems; rather, it underpins and enhances what’s already in place, promoting interconnectivity and better performance.

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“Howspace has all that is needed—it’s more about peoples’ competencies to use the tools, agreeing how the tools are used, and most importantly: the time to learn the new ways of working, like doing the transformation together on a specific platform.”

- Milla Ranta, Founder & CEO, Millainen Consulting Oy

## You can achieve a 45% involvement rate\* when you use Howspace for transformation

This is an impressive number, especially considering the average company involves only 2% of its employees as initiative owners in a transformation, according to McKinsey’s report.

*\*Based on our customers’ data, this is the average percentage of contributing users relative to the amount of total users in a transformation or change related workspace. The total count of workspaces currently included is 115.*

With traditional tools and platforms, it’s hard to measure engagement. But with Howspace, you can also follow closely how people are engaged so that everyone contributes. Our platform helps foster the connection and dynamic of organizational and human levels, paving the way for lasting and positive change.

A large, bold purple number '45%' is the central focus. Above the '5' is a purple icon of a person's head and shoulders. To the right of the person icon is a purple rocket icon. A purple percentage sign (%) is positioned to the right of the '5'.

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# Conclusion

Designing transformative involvement is far from a one-size-fits-all solution. It's a tailored, dynamic process that requires the right tools, intention, and creativity. Leaders need to let go of hierarchical structures to create an environment where everyone feels valued, heard, and empowered to contribute to the shared vision.

The payoff? A lasting change that is deeply embedded in the organization's culture.

We hope this guide has given you inspiration to finetune your organization's approach to transformation, prioritizing inclusivity and co-creation.

Thanks to all transformation leaders who participated in the survey, and a huge thanks to our partners who helped us promote this research: Edisconet, Sofigate, Kumura, Faros&Com, Millainen Consulting, Advisec, Mukamas Learning Design.

Ready to start transforming your organization? Start by building a free workspace for your initiative today.

Start your transformation journey now



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# Acknowledgments

A special thanks to our partners

**kumura**

**Sofigate**

**∞ edisconet**



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