Welcome!

Change Agility: new ideas to weave change capability into the fiber of your organization
Live in Seattle
Love a good red
Believe the “soft stuff” is the “hard stuff”
Hate the term “soft stuff”
Am a data geek at heart

Founded PeopleFirm with Tamra Chandler to build a new kind of *strategy* and *implementation* consulting firm focused on *people* and *organizations*
our focus for today

1. let’s talk change saturation
2. explore ideas for building a change-capable organization
3. identify ways to manage resistance
   - the marathon effect
   - a bit around neuroscience
   - apply
Managing Resistance
- The Marathon Effect
- Neuroscience
- Apply (Kinesthetic)

http://www.youtube.com/watch?v=G_Z3ImidmrY&feature=youtube_gdata_player
The Change Curve

Choice: Stay or Go Forward
Where is PMV as an organization on the Change Curve?

- **Unaware**
  - Do not know change is coming

- **AWARENESS**
  - Know change is coming and understand need behind it

- **DESIRE**
  - Understanding of & Willingness to participate and support change

- **KNOWLEDGE**
  - Knowledge on how to change

- **ABILITY**
  - Implementing required skills and behavior

- **REINFORCEMENT**
  - Sustaining the change

- **Acceptance**
  - Trust
  - Agreement
  - Understanding
  - Participation
  - Evaluation of impact

- **Difficulties**
  - Resistance
  - Fear
  - Lack of trust
  - Insufficient information

- **Business Performance/Productivity**
  - Uninformed
  - Opinion/Uncertainty
  - Project Announcement
  - Confusion
  - Confusion/Disbelief
  - Disbelief
  - Disbelief
  - Low confidence

- **Time**
  - CANADA PLACE
  - portmetrovanouver.com
  - canadaplace.ca
Where is PMV as an organization on the Change Curve?
Marathon Effect
Sunday runners...
Change management is rooted in biology

We feel before we think

- Brain perceives new behaviors as “errors”
  - Stress and discomfort are amplified
  - Capacity for rational, intelligent thought diminishes

- New behaviors and experiences require much more effort from the brain
  - Uses lots of brain energy and resources
  - Brain will encourage you to avoid change
Amygdala Highjack

- Survival before Logic
  - Path to Amygdala is faster than path to Cerebral Cortex
  - Draws metabolic energy from region where logic and higher thinking reside

- When Faced with Change
  - Amygdala takes over, focused on safety = “CAUTION”
  - Even if consciously looking forward to change, Amygdala on high alert
  - May feel we are making logical decisions, but we are saying and doing things designed to stabilize the situation and return to feeling of safety/familiarity

One person’s Amygdala Highjack response can impact entire team
Emotions Are Contagious

- The brain relies on external cues and connections to others to determine our moods.
- We are wired to pick up emotions from each other:
  - Within 2 hours of being here together, our heart beats will be in-step, and we will share the mood of the most emotionally expressive person.

http://www.youtube.com/watch?v=CQo2FJPLeQk
Managing Resistance: Exercise

- Team up into teams of 2:
  - **Team Member #1**: Your job is to hold your fist tight without opening it
  - **Team Member #2**: Your job is to convince Team Member #1 to open up their fist

- You have 3 minutes

- Debrief
## Techniques for Managing Resistance

### Carrot: Use the majority of the time
- Reward & Recognition
  - Public Job Well Done
  - Personal Thank You’s
  - Formal HR Programs
  - $$ - Spot Bonuses | Gift Cards
- Employee Contests | Gameification
- Performance Management

### Other Creative Options: Use often 😊
- Reframe
- Distract
- Integrate

### Stick: Use only when and if required
- Performance Management

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Different techniques work for different people. Always start with carrots!!
Adoption Curve: Influence Levels

- Innovators: 3%
- Early Adopters: 13%
- Early Majority: 34%
- Late Majority: 34%
- Laggards: 13%
- Immovables: 3%

Change Agent - Advocates - Resistors
How to start a movement

http://www.ted.com/talks/derek_sivers_how_to_start_a_movement.html
the facts:

employees are working harder today and are suffering from

change fatigue

... and the levels of change saturation continue to rise

* Data from Prosci’s 2011 Best Practices in Change Management and benchmarking study
The symptoms of change saturation are real and “show up”

<table>
<thead>
<tr>
<th>Individual behaviors exhibited in a change-saturated environment</th>
<th>Organizational symptoms of a change-saturated environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Disengagement and apathy</td>
<td>• Higher turnover</td>
</tr>
<tr>
<td>• Frustration and stress</td>
<td>• Productivity decline</td>
</tr>
<tr>
<td>• Fatigue and burnout</td>
<td>• Increased absenteeism</td>
</tr>
<tr>
<td>• Resistance</td>
<td>• Loss of focus on business basics</td>
</tr>
<tr>
<td>• Confusion</td>
<td>• Negative morale</td>
</tr>
<tr>
<td>• Cynicism</td>
<td></td>
</tr>
</tbody>
</table>

Symptoms of change saturation with **Projects** and project teams

| • Unrealized benefits                                           | • Projects failed to gain momentum                        |
| • Lack of resources                                             |                                                          |
| • Changes were not sustained                                    |                                                          |
| • Projects failed to gain momentum                              |                                                          |

Source: Prosci’s 2009 Best Practices in Change Management
Real-Time Polling

1. Type 22333 in the To Line

2. Type the code that corresponds to your answer

3. Hit Send
Where is your organization?

1. Quite a bit of spare capacity for change
2. Has some spare capacity for change
3. Nearing the point of change saturation
4. At the point of change saturation
5. Past the change saturation point
How much is change saturation costing your organization?

59% of projects were considered unsuccessful
*IBM 2008 Study – “Making Change Work”*

$63 billion is spent on IT projects that fail in the U.S annually
*CIO Insight, June 2010*

Employee turnover costs range from 50% - 150% of salary + benefits for each employee loss from burn-out

Unplanned absences drove a 54% decrease in productivity/output and a 39% drop in sales and customer service.
*2008 Mercer/Marsh Survey on health, productivity and absenteeism*
“do you have a structured process for managing your change portfolio?”

- **NO** 61%
- **YES** 24%
- **Don’t know** 15%

**Portfolio management** tools and **prioritization** are top two mitigation tactics.

Source: Prosci’s 2009 Best Practices in Change Management
Where is your organization in identifying and managing change saturation?

- Lacking visibility
- Admiring the problem
- Taking action, mitigating risks
Step #1: Create Visibility
At a Glance Q1–Q4, 2012

Enterprise Change Heat Map v1

Q1 2012

Q2 2012

Enterprise Change Heat Map v1

Q3 2012

Q4 2012

Enterprise Change Heat Map v1
Step #2: Make Informed Decisions
Understand the Change Collisions allows for alternatives to minimize business disruption

- **High degree of change**
- **Significant volume of change**

**Alternatives to Consider**

- **Adapt**: Change the deployment timing of your effort to maximize the best possible timing for adoption.

- **Adjust**: Is there anything around the ‘rhythm of the business’ that can be changed – delayed, removed or scaled back?

- **Integrate**: Should the initiatives be consolidated towards certain stakeholder groups – i.e. should communication and training efforts be rolled into one?

- **Shift**: Should one project go before the other to mitigate change saturation?

- **Intervene**: What intervention should be applied to mitigate the risk of change saturation? More resources added to the project? Additional change management activities to ensure readiness?
Step #3: Build for the Long Term
since 2004, CEO’s have reported that *coping with change* is their most pressing challenge.

*Source: IBM’s Global CEO Study (2008) The Enterprise of the Future*
leaders lack confidence in their organization’s change capability

- **48%** of the 674 executives surveyed globally are not confident their organizations can quickly mobilize to serve new markets and customers.

- **50%** indicate their culture is not adaptive enough to respond positively to change.

- **44%** are not sure their workforces are prepared to adapt to and manage change.

*Source: Accenture’s High-Performing Workforce Study, 2010*
Change Capability Framework

GROW :: Resilient Change Capabilities

Expertise

Embed

Foundation

Alignment

CULTIVATE :: A Disciplined Approach
Exercise:
How would you rate your organization’s change capability?

GROW :: Resilient Change Capabilities

Expertise
Build deep change expertise within the organization to ensure knowledge sharing and continuous learning

Embed
Root agility into the culture by integrating change competence across talent management processes such as hiring, learning & development, performance management & rewards

Foundation
Select one change management framework, approach and training methodology to establish a common language and understanding of change

Alignment
Integrate change into program governance, project management and strategic planning initiatives across the organization

CULTIVATE :: A Disciplined Approach
## Change Capability Framework™

<table>
<thead>
<tr>
<th><strong>Expertise</strong></th>
<th><strong>Embed</strong></th>
</tr>
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<tbody>
<tr>
<td>• Assess current Maturity of current Change Capabilities</td>
<td>Integrate into Talent Management Processes including but not limited to:</td>
</tr>
<tr>
<td>• Develop a Center of Excellence Strategy (ie: Mission/Vision, Guiding Principles, Structure, Scope, Staffing)</td>
<td>- Sourcing &amp; Hiring</td>
</tr>
<tr>
<td>• Create Core Competencies Framework</td>
<td>- Performance Management</td>
</tr>
<tr>
<td>• Outline Skill Assessment &amp; Development Plan for Change Practitioners</td>
<td>- Goal Setting</td>
</tr>
<tr>
<td>• Conduct “Change Management for Practitioners” training for Change Professionals</td>
<td>- Learning &amp; Development</td>
</tr>
<tr>
<td>• Build out a Community of Practice</td>
<td>- Rewards &amp; Retention</td>
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<td>• Select one common Change Management Methodology</td>
<td>• Incorporate Change Management into PMO Governance Alignment &amp; Reporting</td>
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<tr>
<td>• Provide Change Management training throughout the organization:</td>
<td>• Create Change Intake &amp; Prioritization Process</td>
</tr>
<tr>
<td>- “Leading through Change” training for front-line supervisors through executives</td>
<td>• Assign clear Roles &amp; Responsibility Charts (RACI) between PMO and Change Teams</td>
</tr>
<tr>
<td>- “Effectively Managing through Change” training for employees</td>
<td>• Integrate Change Management into Project workplans</td>
</tr>
<tr>
<td>• Leverage Enterprise Change Heat Maps</td>
<td>• Develop Readiness, Adoption and Success Scorecards</td>
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<tr>
<td>• Conduct “Managing Change” training for project teams</td>
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## Best Practices

### Demonstrate Commitment:
- Treated as a transformational, organizational priority
  - Sponsored by a C-Level Executive
- The effort is funded

### Manage as a Project:
- A project plan is built
  - A PM and Change resources are assigned
- A Change Management plan is built and executed
Where is your organization today?

Take our Change Capable Online Diagnostic and find out where your organization is against the framework:

http://change.peoplefirm.com/
Key Takeaways

- Use the Change Curve & Motivation Techniques
- Identify and leverage your Influencers (positive and negative) – especially in front-line management
- Integrate into “competing” initiatives
- Partner with your HR | Change | OD Professionals
Questions?