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Theme:
**The Next 50 Years: Capturing Transformational Possibilities**

# Capturing Possibilities - Successful Leadership of Change

## Change is good, you go first

- Dilbert

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McCombs School of Business
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Year:
**2018**

Date:
**Sept. 5-8**

Location:
**JW Marriott Hill Country
San Antonio, TX**

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CHAMPIONING PROGRESS IN CAPITAL PROJECTS FOR 50 YEARS
50 YEARS
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# Why is Change So Hard?

# What kind of change are you dealing with?

- Organizational change?

- Work process change?

- M&A integration change?

- Something else?

# How many would agree with this statement?

"Successful projects go through a series of stages that require effort and discipline.  Skipping stages creates only the illusion of speed and never produces a satisfying result"

# Change Programs - like any project, rushing through FEL risks failure

"The change process goes through a series of stages that, in total, usually require time. Skipping stages creates only the illusion of speed and never produces a satisfying result"
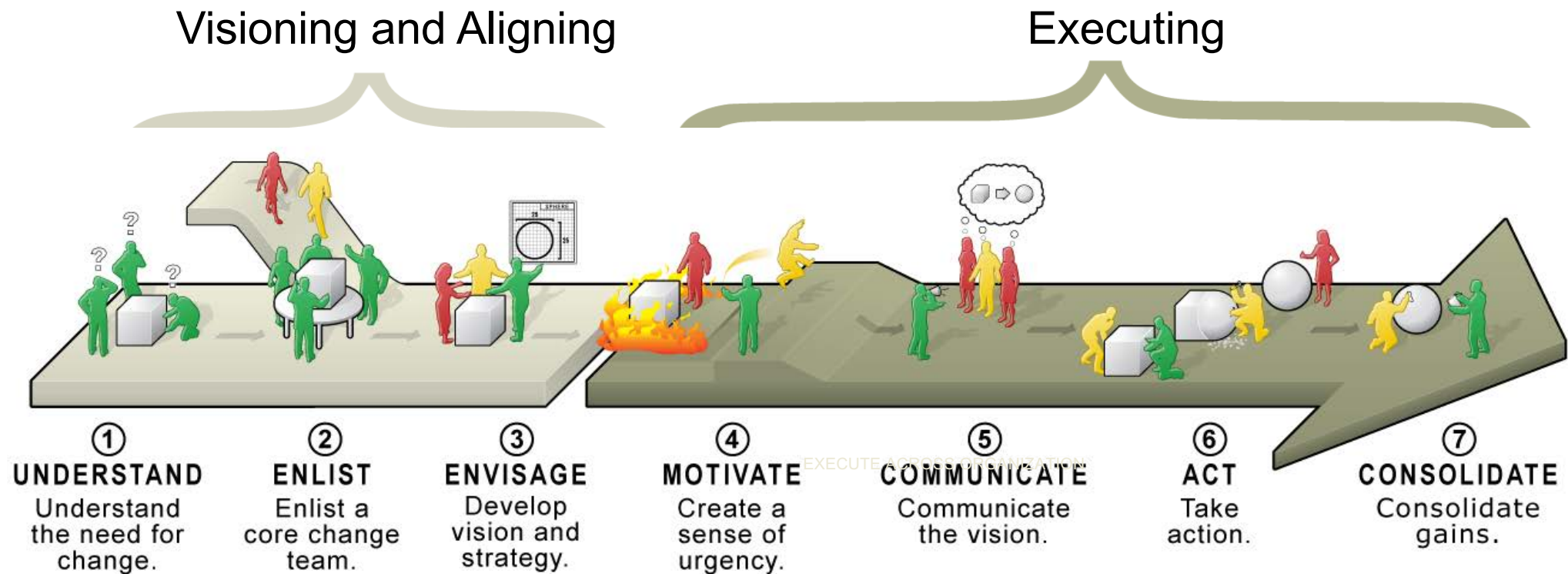
John Kotter – Leading Change

# Three Main Ideas

1. **Successful change efforts follow a "project" process** – 7 distinct steps from visioning through implementation to the bottom line

2. **"Mindsets" matter** – change efforts that fail have neglected mindsets, behaviors, and practices

3. **Create your change story** – your elevator speech is essential no matter where you are in the organization or the change process

# Successful change efforts follow a "project" process

## 2 distinct stages and 7 steps

Visioning and Aligning

Executing



① **UNDERSTAND** Understand the need for change.

② **ENLIST** Enlist a core change team.

③ **ENVISAGE** Develop vision and strategy.

④ **MOTIVATE** Create a sense of urgency.

⑤ **COMMUNICATE** Communicate the vision.

⑥ **ACT** Take action.

⑦ **CONSOLIDATE** Consolidate gains.

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# 1. Understand

- **Listen** – to a broad audience internally and externally
- **Assess** – use an independent assessment of where we are, where we need to go
- **Define the problem** – what needs to change? Root causes, not just symptoms
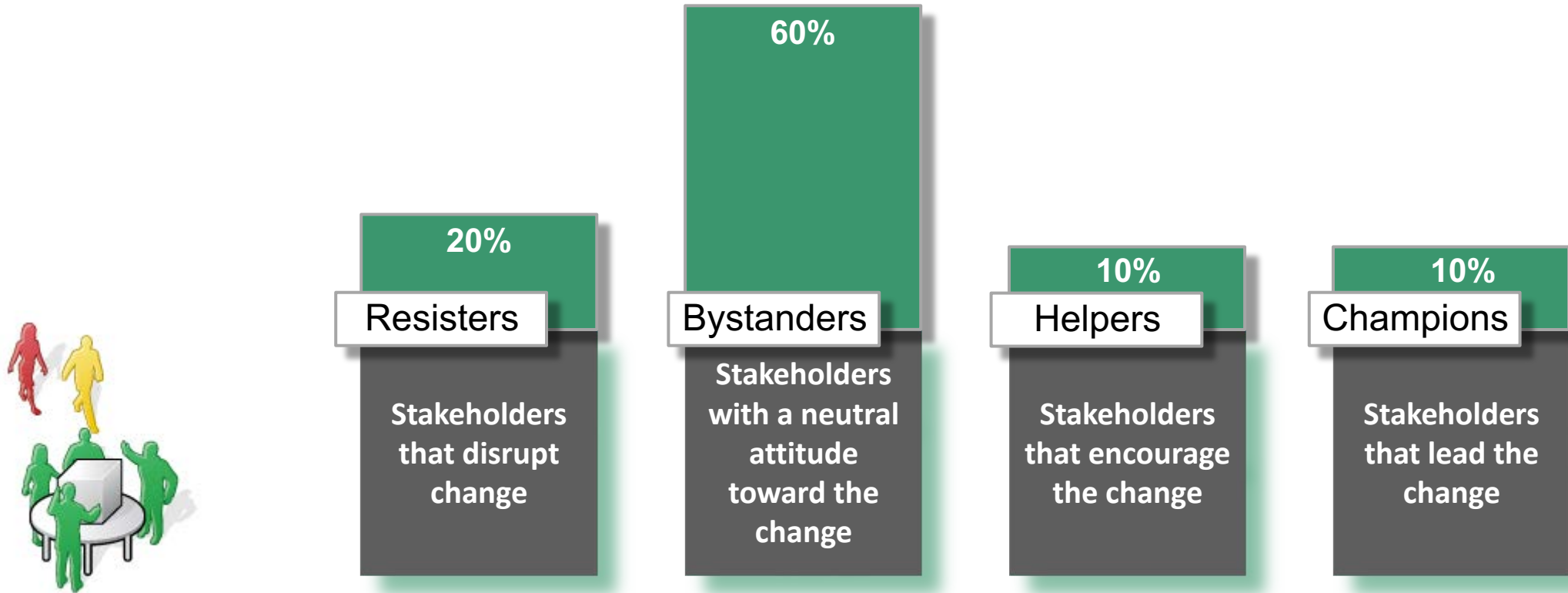- **Share information** with key stakeholders, build alignment

# 2. Enlist

- **Stakeholder Mapping** – identify critical supporters and detractors
- **Choosing a Sponsor**
- **Selecting a Change Agent** or Project Leader
- **Building the Change Team**

Adapted with permission from ExperiencePoint, 2018 (as part of the ExperienceChange workshop)

# Enlistment includes *assessing resistance*

**20%**

**Resisters**

**Stakeholders that disrupt change**

**60%**

**Bystanders**

**Stakeholders with a neutral attitude toward the change**

**10%**

**Helpers**

**Stakeholders that encourage the change**

**10%**

**Champions**

**Stakeholders that lead the change**

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# 3. Envisage

- **Co-create the future** – involve a diverse set of stakeholders

- **Develop a vision** – Where are we going?
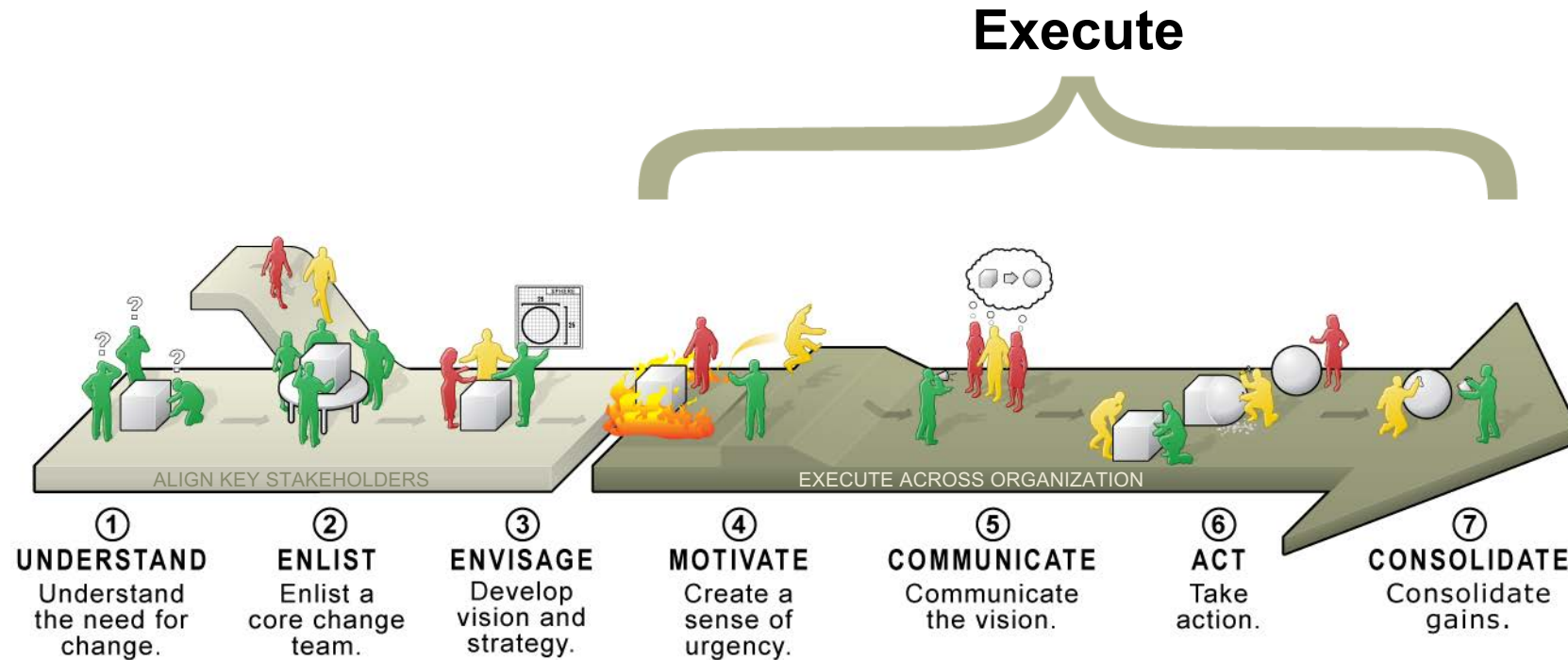
- **Develop a strategy** – How will we get there?

Refining the vision and "case for change". Answering the question everyone will have: "why bother?"

# Implement Change

Move from planning at a project level to execution

**Execute**



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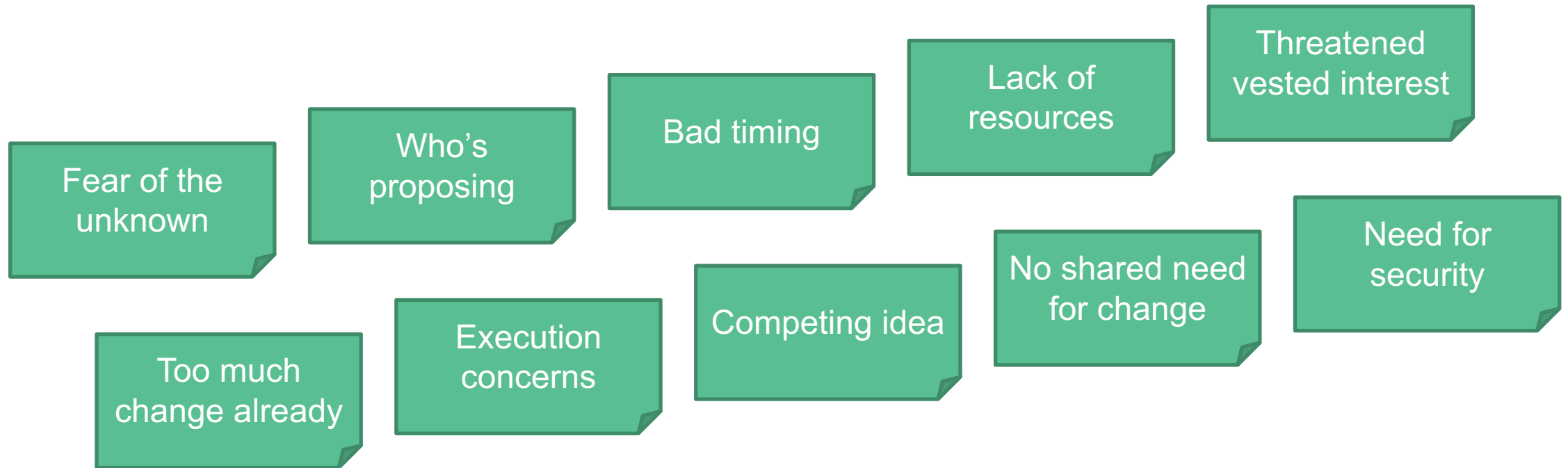
# 4. Motivate

- Finalize the case for change
  - Create urgency and dissatisfaction with the status quo

- Communicate
  - Communicate "why" at both a rational and emotional level

- Assess and address resistance
  - Identify blocking mindsets, behaviors, and practices

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# There are plenty of reasons people resist change . . .

Threatened vested interest

Lack of resources

Bad timing

Who's proposing

Fear of the unknown

Need for security

No shared need for change

Competing idea

Execution concerns

Too much change already

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# . . . and neglecting this "soft stuff" causes most efforts to fail.

**70% of change efforts fail, mainly because the required change is not supported**

Percent

| | |
|---|---|
| Other obstacles | 14 |
| Inadequate resources/budget | 14 |
| Management behavior doesn't support change | 33 |
| Employee resistance to change | 39 |

**Organizational Resistance**
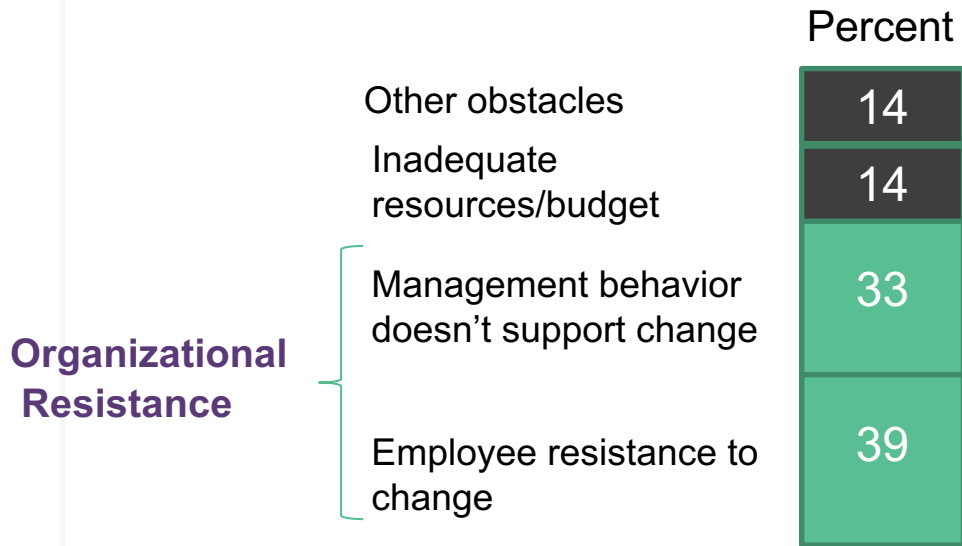
Organizational support is created by addressing **organizational "health":** mindsets, behaviors, and practices

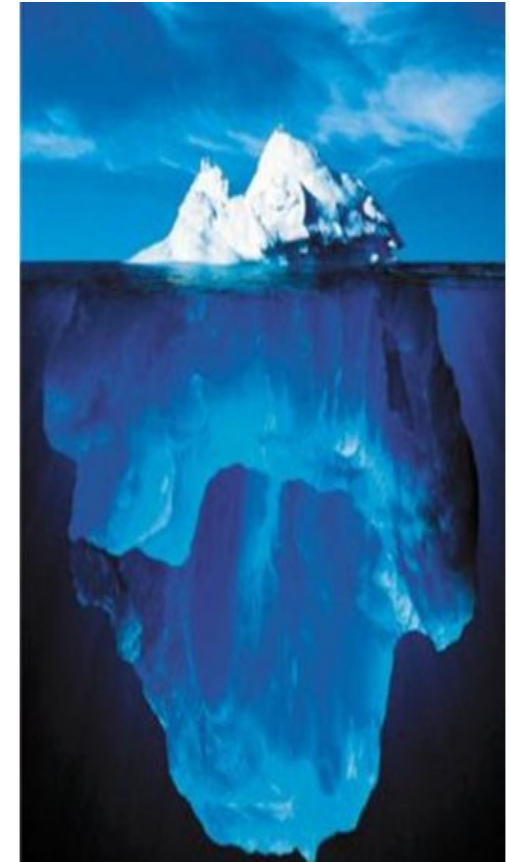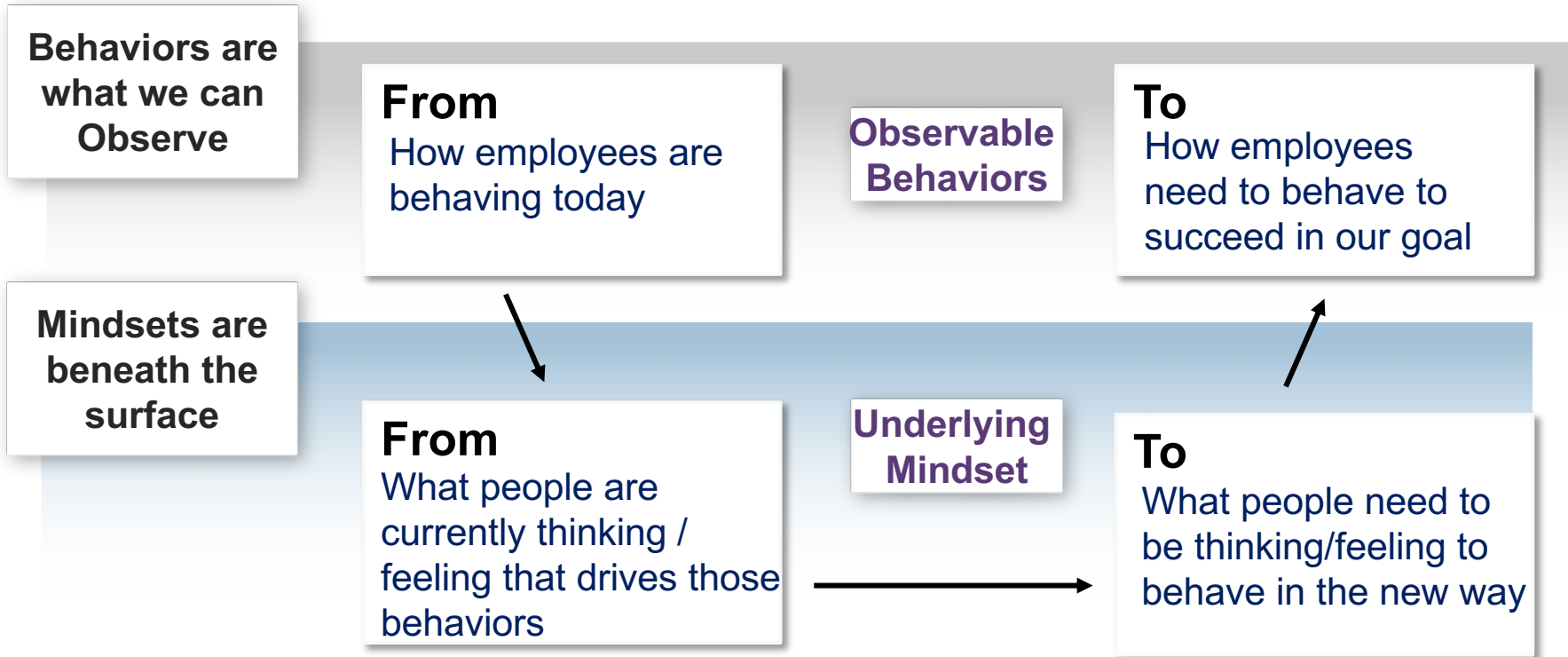| Mindsets | |
|---|---|
| Behaviors | Outcomes |
| Practices | |

2 Questions to Ask Ourselves
- What **behaviors** need to change or improve?
  - Examples: Collaboration, Accountability
- What **mindsets** stop us from doing these today?

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# Mindsets Matter – linking practices to behaviors to mindsets
## Example - Management Practice: <u>Role Clarity</u>

**Behaviors are what we can Observe**

**Mindsets are beneath the surface**

**From**
How employees are behaving today

**Observable Behaviors**

**To**
How employees need to behave to succeed in our goal

**From**
What people are currently thinking / feeling that drives those behaviors

**Underlying Mindset**

**To**
What people need to be thinking/feeling to behave in the new way
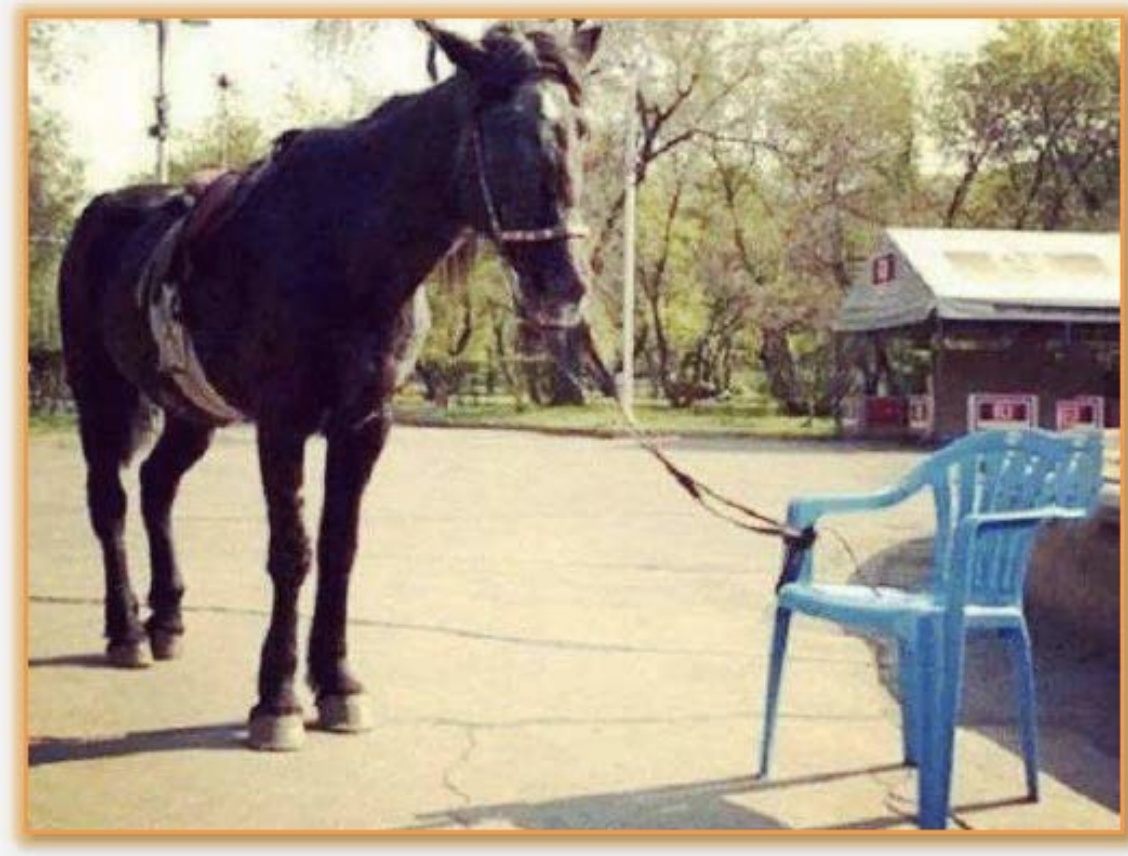
**Examples of blocking mindsets for the practice "Role Clarity**
- "It's my job to figure out what I'm responsible for on my own"
- "It's not my job to define my role – someone else just needs to tell me"
- "Our business is just too complex and changing to define roles"

# Mindsets matter…

## Sometimes the only thing holding you back is in your head



# …select a few key shifts

**From:** Silos → **To:** Collaboration

"My success depends on optimizing my area"

"I view the other areas as a hindrance – getting in my way"

"My success depends on optimizing project performance"

"There is no 'they' – I need the other groups and they need me"

**From:** Blame → **To: Accountability**

"These problems are beyond my control"

"There is a lack of clarity of accountabilities around here"
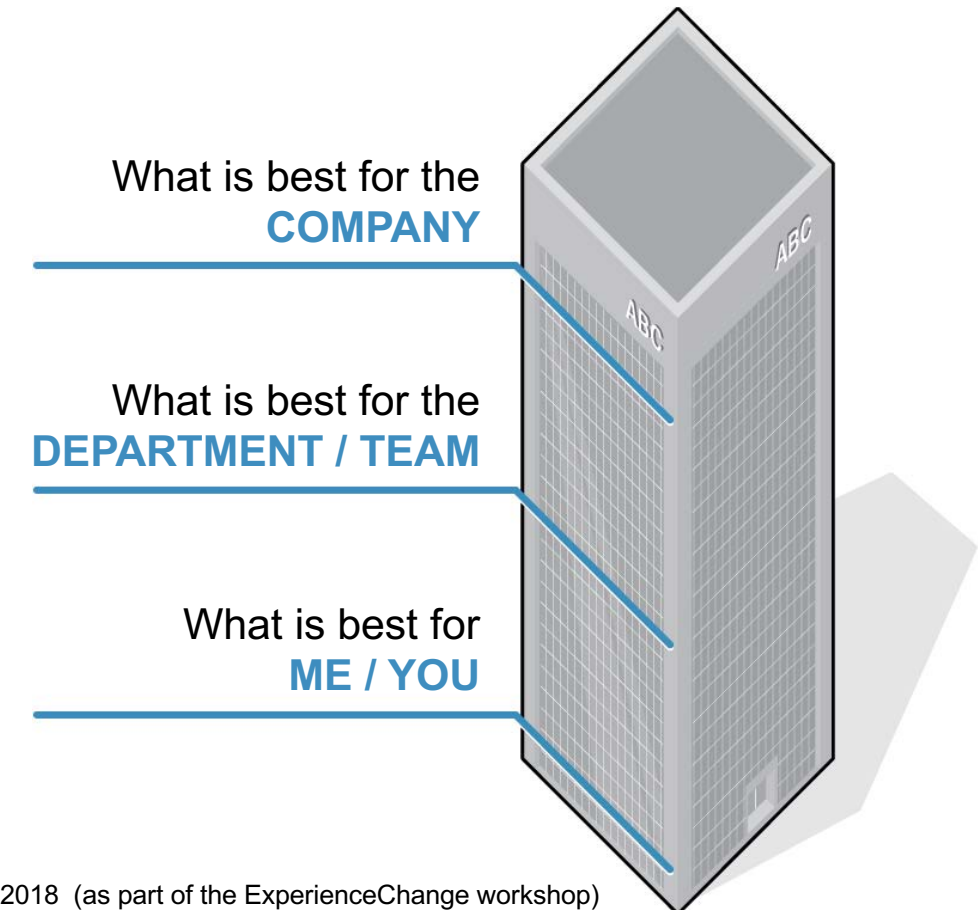
"If I'm not part of the solution" I'm part of the problem.

"I seek to clarify my and others' accountabilities if they are unclear"

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# 5. Communicate - Why

- Communicate in a away that addresses all "sources of meaning"

- Everyone is a change leader and should create their own "change story"

## Sources of Meaning

What is best for the
**COMPANY**

What is best for the
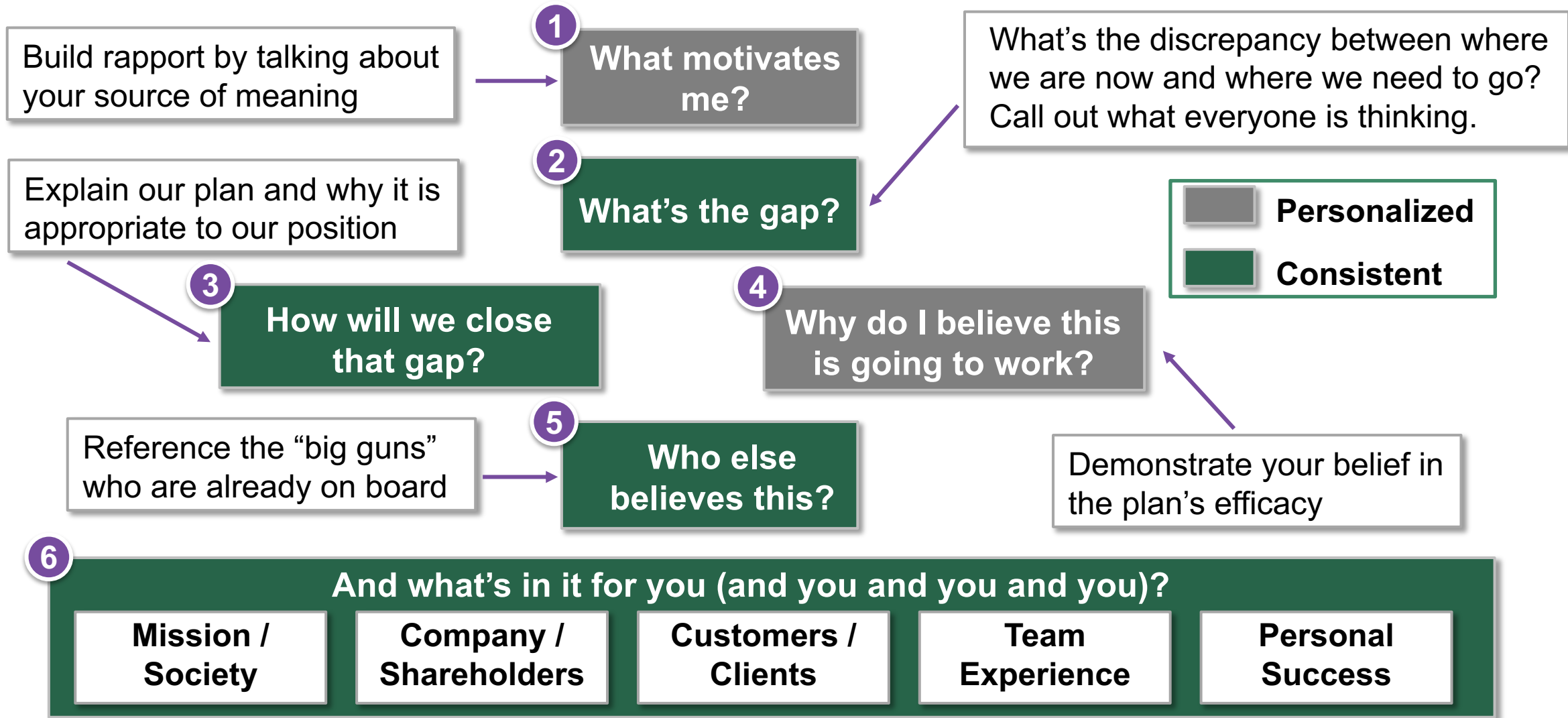**DEPARTMENT / TEAM**

What is best for
**ME / YOU**

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# What Source of Meaning motivates you the most?

- Personal success?

- Team/project success?

- Company success?

- Community?

# A great change story is personal, but with a consistent core message

Build rapport by talking about your source of meaning

**1** **What motivates me?**

What's the discrepancy between where we are now and where we need to go? Call out what everyone is thinking.

Explain our plan and why it is appropriate to our position

**2** **What's the gap?**

| | Personalized |
|---|---|
| | Consistent |

**3** **How will we close that gap?**

**4** **Why do I believe this is going to work?**

Reference the "big guns" who are already on board

**5** **Who else believes this?**

Demonstrate your belief in the plan's efficacy

**6** **And what's in it for you (and you and you and you)?**

| Mission / Society | Company / Shareholders | Customers / Clients | Team Experience | Personal Success |
|---|---|---|---|---|

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# A great change story is personal, but with a consistent core message

**What motivates me?**
Build rapport by talking about your source of meaning

**What's the gap?**
What's the discrepancy between where we are now and where we need to go? Call out what everyone is thinking.

**How will we close that gap?**
Explain our plan and why it is appropriate to our position

**Why do I believe this is going to work?**
Demonstrate your belief in the plan's efficacy

**Who else believes in this?**
Reference the "big guns" who are already in support of the change agenda

**What's in it for you (and you and you)?**
Appeal to your audience's sources of meaning (mission/society, company, customers, team experience, personal success)
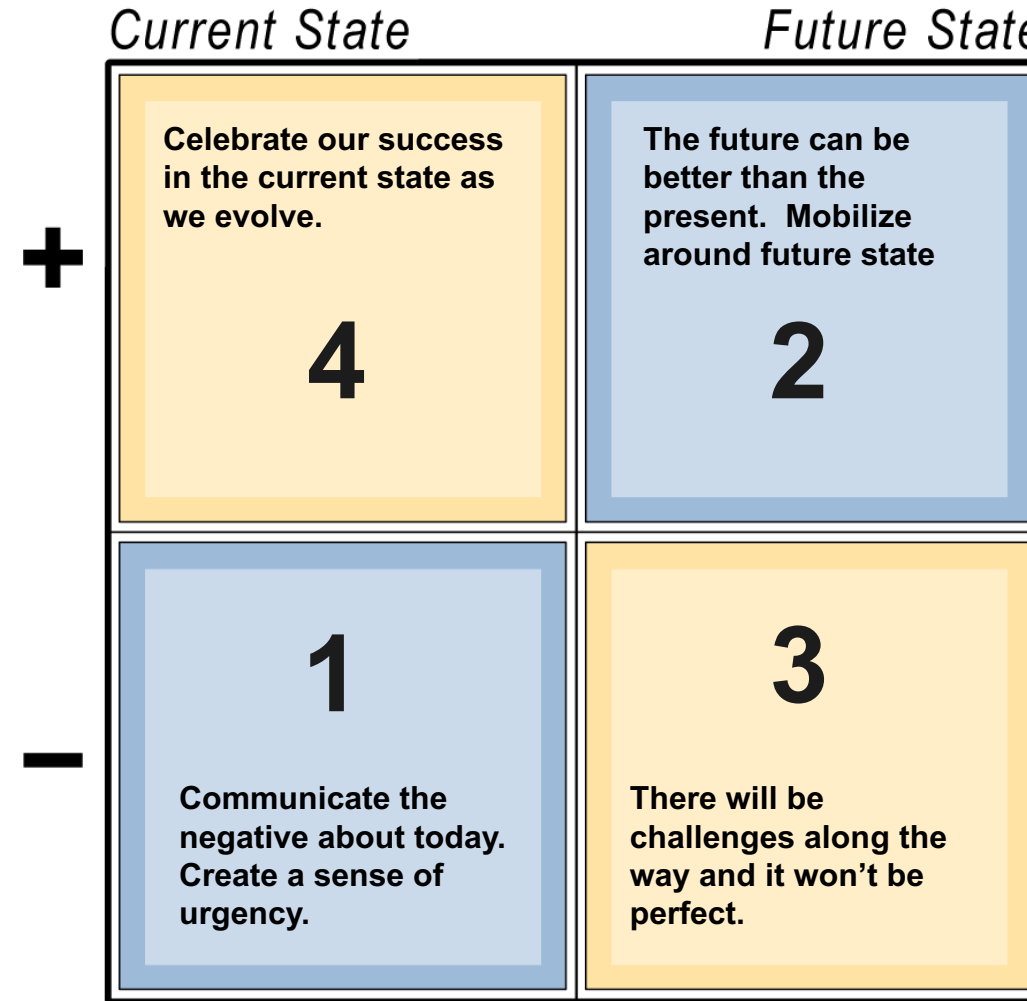
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# Exercise – your change story

– At your tables, please think about and discuss your own "change story" for the change you are grappling with.

– Include

- What motivates me?
- What is the gap?
- How will we close the gap
- Why do I believe this will work?
- Who else believes this
- What's in it for you?

# Communicating about our change agenda follows a natural sequence

Current State         Future State

**+**

**Celebrate our success in the current state as we evolve.**

**4**

**The future can be better than the present. Mobilize around future state**

**2**

**–**

**1**

**Communicate the negative about today. Create a sense of urgency.**

**3**

**There will be challenges along the way and it won't be perfect.**

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# Develop a communication plan and use multi-media

Test concepts with various groups to surface barriers to adoption and then mitigate those barriers

Communicate face-to-face where possible

How much communication is enough?
Say it, say it, say it again

Multiple Methods
KISS, Metaphors / Analogies / Stories
Make it involving
Leadership by example – Walk the Talk

# 6. Act

- **Encourage an experimental mindset.** Test ideas. Try things out inn the spirit of learning

- **Create a "PMO"** structure and regular cadence to manage progress

- **Provide the training** employees need

- **Promote and celebrate** "short term wins"

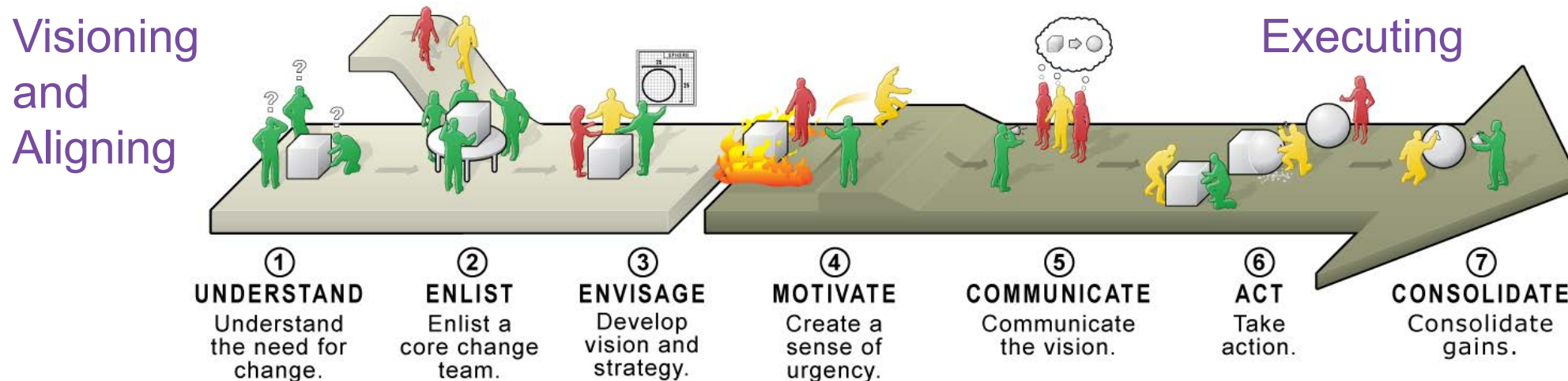- **Deal with "blockers"** who don't support the change
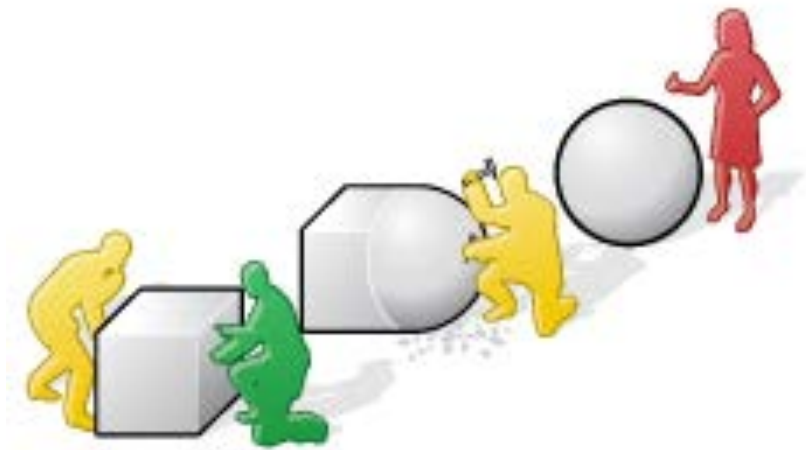
# 7. Consolidate

- **This is all about driving value** to the bottom line– measure and track progress

- **Shift to a "this is just how we work mindset"** and a continuous improvement culture

- **Continue to reinvigorate the process** – new initiatives, themes, and change agents who reinforce the original objective

- **Capture lessons** learned for the future

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# Recapping the Three Ideas

1. **Successful change efforts follow a "project" process** – 7 distinct steps from visioning through implementation to the bottom line

2. **"Mindsets" matters** – change efforts that fail have neglected culture and communication

3. **Create your change story** – your elevator speech is essential no matter where you are in the organization or the change process



Visioning and Aligning

Executing

| ① UNDERSTAND | ② ENLIST | ③ ENVISAGE | ④ MOTIVATE | ⑤ COMMUNICATE | ⑥ ACT | ⑦ CONSOLIDATE |
|---|---|---|---|---|---|---|
| Understand the need for change. | Enlist a core change team. | Develop vision and strategy. | Create a sense of urgency. | Communicate the vision. | Take action. | Consolidate gains. |

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# Thank You!

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