Open Source Change

Making Change Management Work

CEB

WHAT THE BEST COMPANIES DO

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ADVISORS TO OUR WORK

We sincerely thank all the individuals and organizations who have so generously contributed their time and expertise to our work. Their contribution has been invaluable.

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Introduction:
Engaging Employees to Execute Change

ORGANIZATIONS ARE OVERWHELMED WITH CHANGE

At many organizations today, constant change is the status quo.

The typical organization has undertaken five enterprise changes in the past three years, and most organizations expect more changes in the next three years.

Five Enterprise Changes in the Past Three Years

Culture Change — **78%**
Restructuring — **69%**
Market Expansion — **61%**
Leadership Transition — **52%**
Merger or Acquisition — **29%**
None — **1%**

0%   40%   80%

Organizations Undertaking Change Initiatives in the Past Three Years
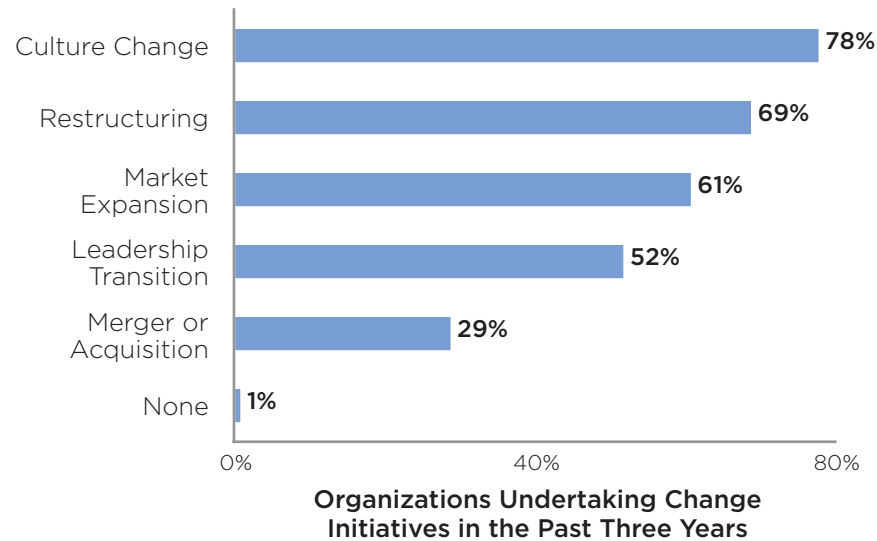
n = 305 organizations.
Source: CEB HR Change Readiness Survey.

Change Initiatives Expected in the Next Three Years

73% of organizations expect **more change initiatives.**

14% of organizations expect **the same number of change initiatives.**

13% of organizations expect **fewer change initiatives.**

n = 305 organizations.
Source: CEB HR Change Readiness Survey.

Only one-third of major change initiatives fully meet the goals set by the organization.

In addition, most leaders and heads of HR believe change needs to happen more quickly.

FEW CHANGES ACHIEVE GOALS OR ARE COMPLETED QUICKLY ENOUGH

Organizational Change Success
Performance Against Organizationally Defined Goals

50% Clear Failures

16% Mixed Results

34% Clear Successes
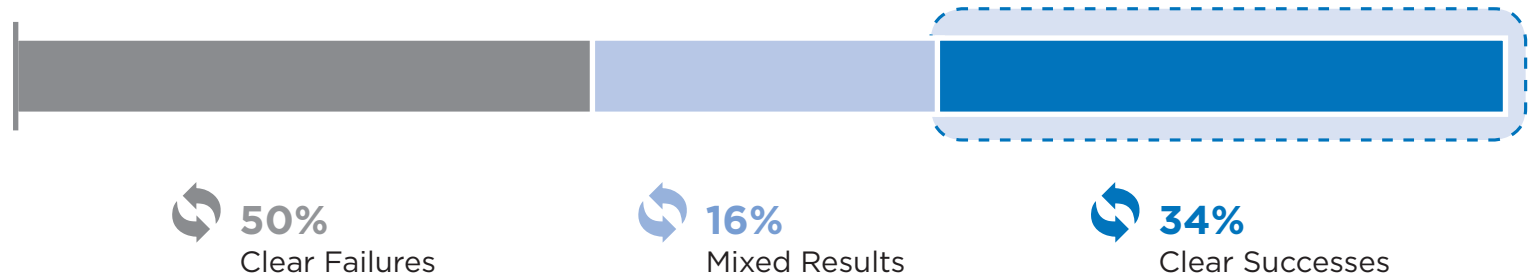
n = 413 changes.
Source: CEB HR Change Readiness Survey.

Leaders and HR Dissatisfied with Speed of Implementation

Leaders Dissatisfied with Change Implementation Speed

53% of Leaders Agree That Change Needs to Be Completed Faster

n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Heads of HR Dissatisfied with Change Implementation Speed

66% of Heads of HR Agree That Change Needs to Be Completed Faster

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

Many organizations tend to blame the workforce for change failure.

Yet, 64% of employees possess most of the skills needed to be effective at change.

In addition, almost three-fourths of employees indicate that they are willing to change in order to support organizational change.

EMPLOYEES ARE CAPABLE OF—AND WILLING TO—CHANGE

Employees Possess Most of the Skills Needed to Change

Most employees have three or more of the skills required to change successfully.

17%   **19%**   **64%**

Employees with None of the Skills

Employees with a Few of the Skills

Employees with Most of the Skills
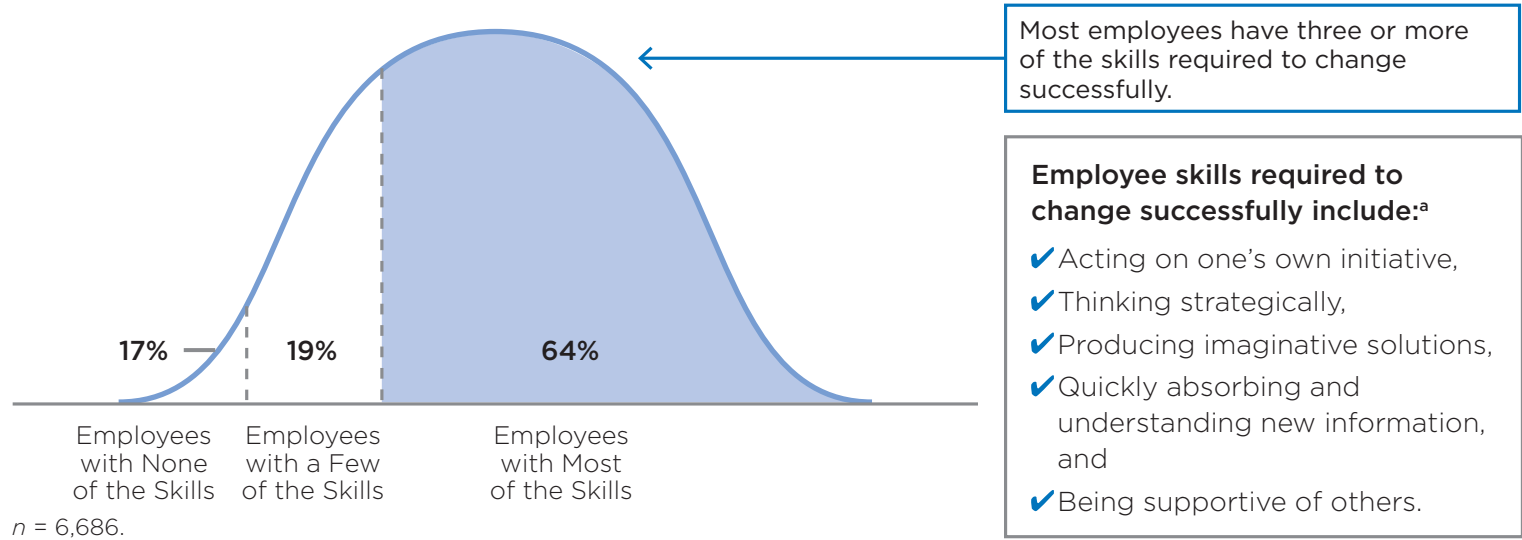
n = 6,686.
Source: CEB 2016 Workforce Change Survey.
[a] Our research found these to be the skills that best indicate capability to change.

Employee skills required to change successfully include:[a]

✔ Acting on one's own initiative,
✔ Thinking strategically,
✔ Producing imaginative solutions,
✔ Quickly absorbing and understanding new information, and
✔ Being supportive of others.

Employees Are Willing to Change

74%
of Employees Say They Are Willing to Change in Order to Support Organizational Change

n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Despite their capabilities and willingness to change, most employees do not effectively implement change.

Only 26% of employees agree that they effectively changed how they work to support a recent change.

And only 17% of employees agree that they changed their behaviors quickly to support a recent change.

EMPLOYEES DO NOT EFFECTIVELY IMPLEMENT CHANGE

Employees Are Not Effectively Changing How They Work
Percentage of Employees Agreeing They Effectively Changed How They Work

26%
Agree

74%
Disagree
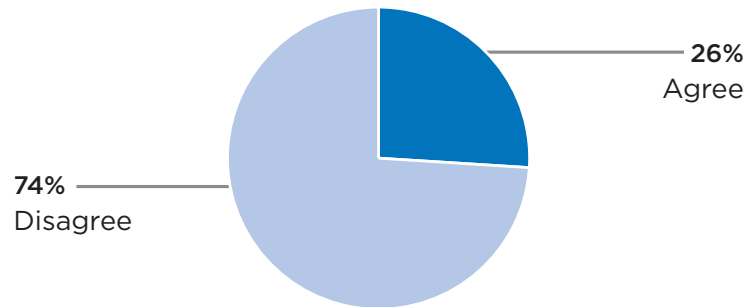
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Employees Are Not Quickly Changing Their Behaviors
Percentage of Employees Agreeing They Quickly Changed Their Behaviors

17%
Agree

83%
Disagree
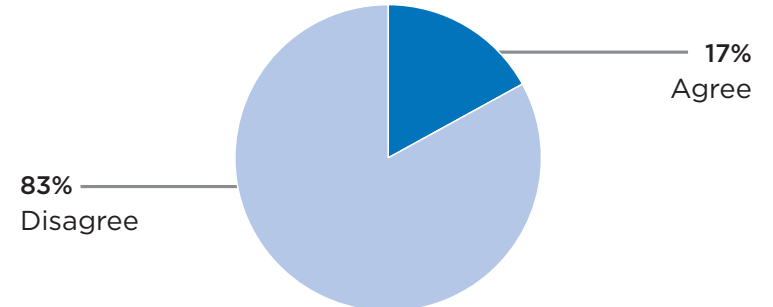
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Improving change is an increasingly important responsibility for HR.

Three-quarters of heads of HR say change management requires more of their time than it did three years ago.

And 73% of CEOs expect changes to be implemented faster than they were three years ago.

SUCCESSFUL CHANGE IS HR'S RESPONSIBILITY

Change Requires More of Heads of HR's Time
Percentage of Heads of HR Agreeing That Change Requires More of Their Time Compared to Three Years Ago

75%
Agree
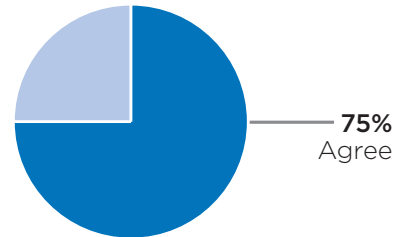
n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

CEOs Challenge Heads of HR to Implement Change More Quickly
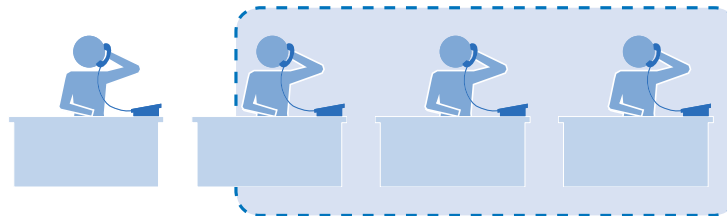
73%
of CEOs expect HR to **implement change faster** than three years ago.

n = 102.
Source: CEB 2016 Workforce Change Survey.

We found that none of the environmental (i.e., uncontrollable) factors differentiated successful from unsuccessful changes.

Of the controllable factors that differentiate success from failure, HR owns or influences two-thirds.

These factors relate to:

– The change decision itself,

– How the change is implemented, and

– The capabilities of those associated with the change.

HR OWNS OR INFLUENCES TWO-THIRDS OF THE DIFFERENTIATORS OF CHANGE SUCCESS

What differentiates successful changes from failed changes?

○ Differentiator of Change Success[a]

⬚ Not a Differentiator of Change Success

✔ HR Owns or Influences

Uncontrollable Factors	Controllable Factors								
Environmental Factors	Change Decision Factors		Change Implementation Factors			Capability Factors		
	Quality of Decision	Decision-Making Process	Employee Communication	Infrastructure	Change Process	Capability of Managers of Change	Capability of Senior Leaders	Capability of Employees

n = 413 changes.

Source: CEB HR Change Readiness Survey.

Note: Please see the appendix for additional relevant material.

[a] Differentiators of change success are identified by calculating the frequency of each organizational factor in the most successful changes and their frequency in the least successful changes, and then analyzing whether the difference in frequency is statistically significant.

HR can help change succeed quickly by better organizing the HR function for change and by better engaging the workforce in change.

See our study Organizing HR to Lead Enterprise Change to redesign the HR function to support change.

HR'S ROLE IN SUCCESSFUL CHANGE: ORGANIZE THE FUNCTION AND ENGAGE THE WORKFORCE

How can I **organize** the HR function to help improve effectiveness at managing change?
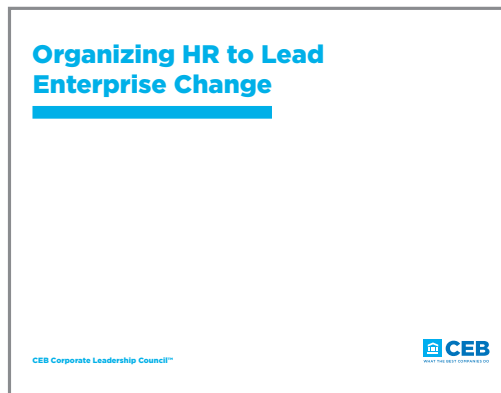
This Study's Focus

How should I engage the workforce to **execute** change successfully?

Organizing HR to Lead Enterprise Change

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WHAT THE BEST COMPANIES DO

Open Source Change: Making Change Management Work

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WHAT THE BEST COMPANIES DO

Seven in 10 organizations lead change from the top of the organization, with a small group of leaders guiding the workforce through the change.

Leaders determine which changes to make and how the organization will pursue them.

They map out how employees should implement the changes in their day-to-day work, with select feedback from focus groups or informal conversations.

Then, leaders cascade this information through e-mail or town halls down to frontline employees.

Organizations expect this top-down approach to achieve consistency, efficiency, and speed in change implementation.

MOST ORGANIZATIONS MANAGE CHANGE FROM THE TOP DOWN

Typical Change Management Plans Lead Change from the Top Down

		Set the Strategy, and Define the Vision	Determine the changes the organization needs to make.
		Plan Implementation	Create implementation plans for the workforce to follow.
		Communicate and Sustain Change	Communicate the change to the workforce.

Source: CEB analysis.
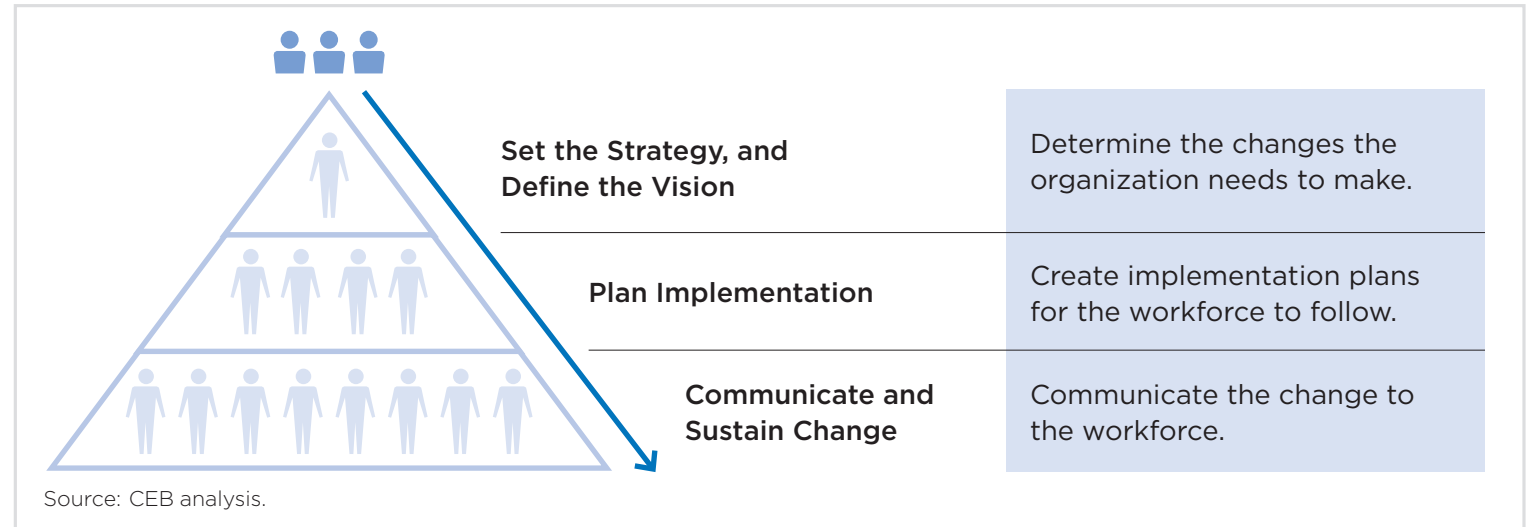
Leaders Anticipate Top-Down Change Management Will Be...

Consistent: All employees receive the same information about the change and the actions they should take.

Efficient: The change is communicated and implemented with minimum resources.

Fast: The time between when the change is announced and when employees have implemented and sustained the change is brief.

71% of heads of HR indicate that their organization uses a top-down change approach.

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

However, top-down change strategies make change execution more difficult for the workforce.

Specifically, top-down change causes employees to:

– Wait to act,

– Waste effort on the wrong activities, and

– Wreck the change.

TOP-DOWN CHANGE STRATEGIES STALL THE WORKFORCE

Top-Down Change Strategies Create Workforces That...

Wait	Waste	Wreck
64%	**71%**	**28%**
of employees wait to be told by leaders what to do during change.	of employees are at risk of misdirecting their effort toward the wrong activities because leader-created plans are not relevant to their day-to-day work.	of employees resist[a] change because top-down communication makes them angry and anxious.

n = 6,686.

Source: CEB 2016 Workforce Change Survey.

[a] Resistance is defined as not changing behaviors to support the change, trying to avoid change-related tasks, being skeptical of the change, and spreading negative opinions to others.

Most organizations have struggled to update their change management strategies to reflect the realities of how work gets done in today's business environment.

While work once flowed from the top of the organization down, today it is multidirectional.

Organizations are no longer strictly vertical: reporting lines are more complex, and markets are less predictable.

WORK HAS CHANGED—SHOULDN'T YOUR CHANGE STRATEGY?

Changing Organizational Workflows

Work used to cascade downward from leadership to employees.

Leadership
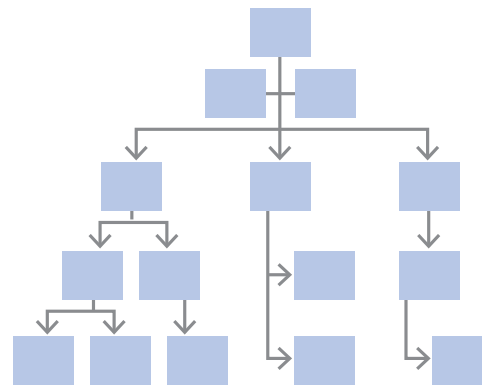
Frontline Employees

Work was top down because:

- Markets (and work) moved more slowly,
- Organizations were less complex (e.g., fewer products, smaller geographic footprint, less diversity),
- Leaders had exclusive access to information, and
- Leaders were better educated and more experienced than the workforce.

Today, work is multidirectional.

Frontline Employees
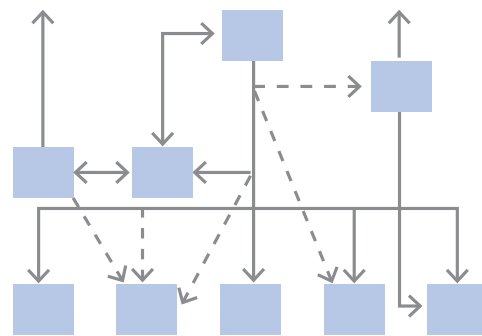
Work is multidirectional because:

- Markets (and work) move quickly,
- Organizational structures are flatter and more matrixed,
- Proliferation of communication channels gives the workforce better access to information,
- The workforce is more educated and skilled and exercises more judgment on the job, and
- The workforce is increasingly diverse.

Source: CEB analysis.

Open-source approaches pioneered by the software industry provide ideas for more inclusive ways of working and managing change.

We looked at familiar open-source products such as Wikipedia and Linux to learn how they invite diverse perspectives yet remain flexible.

OPEN-SOURCE PRODUCTS PROVIDE ANOTHER OPTION

Open source originated with computer software academics and professionals in the 1990s with two **goals**:

- Make software free and accessible for everyone.
- Improve software by allowing anyone to quickly edit and fix bugs.

Open-source approaches provide unique **benefits**, such as:

- The inclusion of people with expertise who wouldn't otherwise have been included,
- Free access to that expertise,
- Diversity of perspectives, and
- The ability to update and improve in real time.

Wikipedia and Linux Are Familiar Examples of Open-Source Products

- Wikipedia is a free Internet encyclopedia that uses the public to provide information and facts.

- Wikipedia governs quality using a vetted group of users who can delete pages, prevent articles from being changed, and prevent certain people from editing articles.

- In comparison, traditional encyclopedias were updated infrequently and were written and edited by a committee of experts.

Wikipedia

- Linux is a computer operating system on which numerous devices and systems are run, including Android phones, Sony's Playstation, and Lockheed Martin's nuclear submarine system.

- Linux's source code may be used, modified, and distributed— commercially or noncommercially— by anyone under the terms of its respective licenses.

Source: CEB analysis.

Open Source change uses the workforce to plan and implement change.

The three tenets of Open Source change are:

– Cocreating change strategy,

– Giving ownership of implementation planning to employees, and

– Communicating in a way that builds open dialogue.

While almost 3 in 10 heads of HR indicate they use an Open Source change strategy, only about 1 in 10 actually do.

OPEN SOURCE CHANGE DEFINED

Open Source Change Defined

Open Source change uses the workforce to plan and implement change. The three components of Open Source change are:

- A Cocreated Change Strategy,
- Employee Ownership of Change Implementation Planning, and
- Communication That Focuses on Talking Instead of Telling.

29% of heads of HR indicate that their organization uses a predominantly Open Source change strategy, but only **11%** of organizations actually are.

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

Open Source change differs from top-down change by including employees in change strategy decisions, moving ownership of implementation planning to employees, and focusing communication on open conversations.

COMPARING TOP-DOWN AND OPEN SOURCE CHANGE STRATEGIES

Top-Down Change
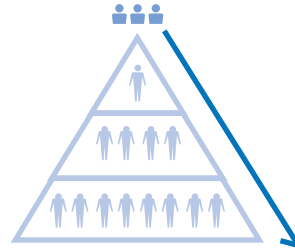
Open Source Change

	Top-Down Change	Open Source Change
Set the Strategy, and Define the Vision	**Leaders Set Change Strategy** Leaders alone determine the strategic changes the organization will make and the vision for those changes.	**Employees Cocreate Change Strategy** Engage the workforce as active participants in making and shaping change decisions.
Plan Implementation	**Leaders Own Implementation Planning** Leaders create implementation plans indicating what employees should do.	**Employees Own Implementation Planning** Shift ownership of change planning to employees to create personal change implementation plans.
Communicate and Sustain Change	**Organizations Roll Out Communication Campaigns** Organizations roll out communication campaigns to tell employees about the change and its benefits.	**Employees Talk Openly About Change** Refocus change communication on open conversations.

Source: CEB analysis.

Open Source change strategies lead to a higher probability of change success, faster change implementation, and increased employee engagement.

OPEN SOURCE CHANGE STRATEGIES OUTPERFORM TOP-DOWN STRATEGIES

Top-Down Change
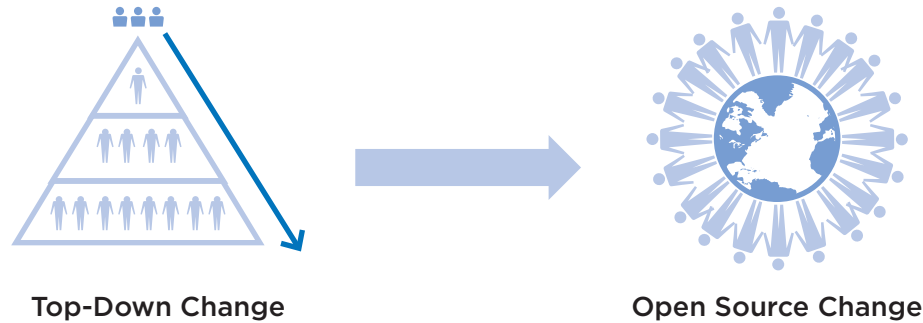
Open Source Change

When Organizations Use an Open Source Change Strategy...

- The probability of change success increases by as much as **24 percentage points.**
- Implementation time decreases by as much as **one-third.**
- Employee time spent on change decreases by as much as **12.6 hours** per week per employee.
- Employee engagement increases by as much as **38 percentage points.**
- Discretionary effort increases by as much as **19 percentage points.**
- Intent to stay increases by as much as **46 percentage points.**
- The number of resistors decreases by as much as **19 percentage points.**
- The number of employees who feel ownership for making change successful increases by as much as **29 percentage points.**

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

In fact, Open Source change strategies drive greater change success at each individual stage of change, from strategy creation to implementation planning and communication.

OPEN SOURCE CHANGE STRATEGIES ARE MORE EFFECTIVE AT EVERY STAGE

Open Source Change Strategies Drive Change Success
Impact on Probability of Change Success

Legend: Top-Down Change Strategy | Open Source Change Strategy

Y-axis: Change in Probability of Success (0 to 14)

- Leaders Set Change Strategy: +3 Percentage Points
- Employees Cocreate Change Strategy: +10 Percentage Points
- Leaders Primarily Own Implementation Planning: (1) Percentage Point
- Employees Primarily Own Implementation Planning: +11 Percentage Points
- Communication Focuses on Telling: +3 Percentage Points
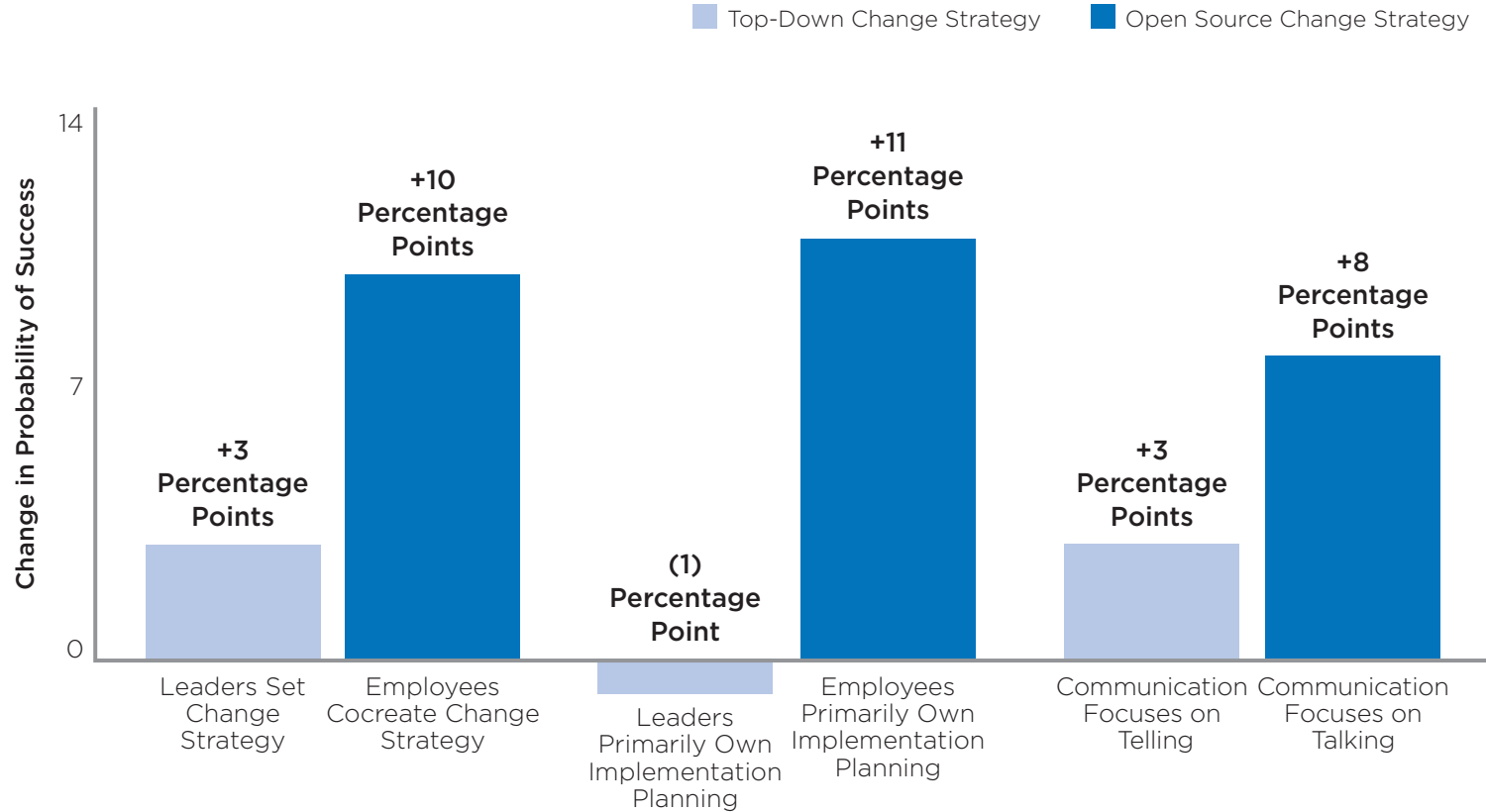- Communication Focuses on Talking: +8 Percentage Points

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.
Note: Please refer to the appendix for an explanation of how to read this type of graph.

KEY TAKEAWAYS AND ACTION STEPS FOR HR LEADERS

1 The average organization has experienced **five major changes in the past three years**, of which only 34% succeeded.

2 Although employees are capable of—and willing to—change, **only 26% of employees effectively implement change.**

3 Organizations currently lead change from the top of the organization down, with leaders guiding the workforce through the change.

4 The **best organizations use Open Source change strategies**, which use the workforce, not just leaders, to plan and implement change.

5 Open-source strategies shift from:
- Leaders setting change strategy to **cocreated** change strategy
- Leader-owned to **employee-owned** implementation planning
- Communications focused on telling to communications focused on **talking**

6 Using Open Source change strategies:
- **Increases the probability of change success** by as much as 24 percentage points,
- **Reduces the time it takes to implement change** by as much as one-third,
- **Decreases employee time spent on change** by as much as 12.6 hours per week per employee,
- **Increases employee engagement** by as much as 38 percentage points,
- **Decreases the number of employee resistors** by as much as 19 percentage points, and
- **Increases the number of employees who feel ownership for making change successful** by as much as 29 percentage points.

OPEN SOURCE CHANGE: MAKING CHANGE MANAGEMENT WORK

Strategy Creation	Implementation Planning	Communication
Cocreate Change Strategy	**Move Ownership of Implementation Planning to Employees**	**Focus Communication on Talking, Not Telling**

Open Decision Framework

Leader Guide to Cocreating Change Strategy

V2MOM Tool

Manager Guide for Driving Employee Ownership of Change Implementation

Change Enablement Toolkit

Adoption KPIs

Change Conversations

Cocreate Change Strategy

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OPEN SOURCE CHANGE: MAKING CHANGE MANAGEMENT WORK

Strategy Creation	Implementation Planning	Communication
Cocreate Change Strategy	**Move Ownership of Implementation Planning to Employees**	**Focus Communication on Talking, Not Telling**

Strategy Creation

Open Decision Framework
(redhat)

Leader Guide to Cocreating Change Strategy

Implementation Planning

V2MOM Tool
(salesforce)

Manager Guide for Driving Employee Ownership of Change Implementation

Change Enablement Toolkit
(Ingredion)

Adoption KPIs
(PHILIPS)

Communication

Change Conversations
(Liberty Mutual)

Most leaders believe they are including employees in creating change strategy, yet less than half of employees think they play a role in strategy setting.

LEADERS WANT TO INCLUDE EMPLOYEES, BUT EMPLOYEES DON'T FEEL INVOLVED

Leaders Recognize the Value of Including Employees

74% of **Leaders** Say They Include Employees in Creating Change Strategy
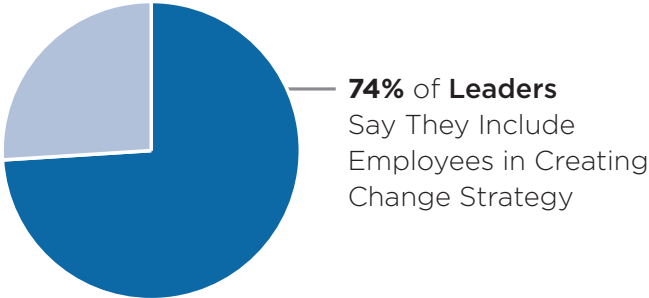
"Employees are closest to the customer. It's important I get their input to make good decisions."

VP of HR
Retail Company

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

Employees Don't Think They Play a Role in Setting Strategy

Only **42%** of **Employees** Say They Are Included in Creating Change Strategy
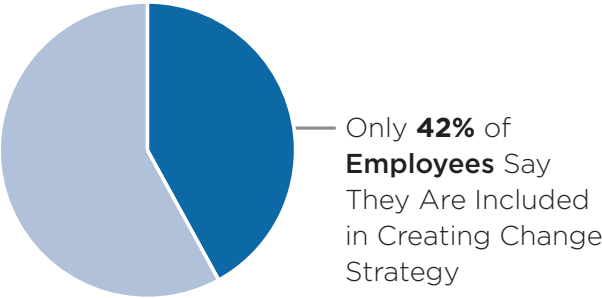
"When I get asked about strategy, leaders have clearly already made a decision about what they're going to do. Is what I have to say really going to make any difference?"

Employee
Manufacturing Company

n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Involving employees is challenging—it's hard to include the right people at the right time and in the right way.

LEADERS STRUGGLE TO INCLUDE THE RIGHT EMPLOYEES AT THE RIGHT TIME IN THE RIGHT WAY

"Involving more people takes more time, and it's hard to justify taking more time in a world that moves so fast. **I don't want us to fall behind the curve.**"

> SVP HR
> Pharmaceuticals Company

"I know we need to include employees, but I also don't want to be overwhelmed by too many opinions. **I wouldn't even know where to look in the workforce for valuable input**."

> VP HR Ops
> Financial Services Company

It's hard to include:

- The right **people,**
- At the right **time**, and
- In the right **way.**

Organizations tend to make one of two common mistakes when involving employees in decision making.

On one end of the spectrum of employee involvement, top-down approaches ask for feedback too late to truly influence decisions and engage employees.

Leaders' most common involvement strategies at this end of the spectrum, such as town halls and focus groups, have limited impact on change success.

Approaches at the other end of the spectrum, such as holacracy, include too many people, slowing down decision making and causing opinion overload.

STRIKING THE RIGHT BALANCE OF INVOLVEMENT IS CHALLENGING

It's hard to include:
- The right **people,**
- At the right **time**, and
- In the right **way.**

No Involvement   Full Involvement

Employee Involvement Continuum

Leaders set change strategy and then solicit employee feedback (i.e., after a decision has been made).

✗ Not enough people are at the decision-making table.

✗ Employee involvement comes too late and fails to influence decisions.

✗ Involvement doesn't adequately engage employees.

Leaders' most common involvement strategies are:

- Strategy Road Shows/ Town Halls,
- Focus Groups,
- Suggestion Boxes, and
- Informal Conversations.

But, these involvement strategies have **just a 1–2 percentage point impact on change success.**

Employees set change strategy.

✗ Too many people are at the decision-making table.

✗ Full involvement slows decisions.

✗ Full involvement leads to opinion overload.

Source: CEB analysis.

Organizations can strike the right balance of involvement through co-creation, engaging the workforce as active participants in making and shaping change decisions.

COCREATING CHANGE STRATEGY ACHIEVES THE RIGHT LEVEL OF EMPLOYEE INVOLVEMENT

It's hard to include:
- The right **people,**
- At the right **time**, and
- In the right **way.**

No Involvement   Full Involvement

Employee Involvement Continuum

Cocreating Change Strategy

Engage the workforce as active participants in making and shaping change decisions.

Source: CEB analysis.

COCREATE CHANGE STRATEGY

Cocreating change strategy helps organizations include the right people at the right time in the right way.

The three key hallmarks of cocreation include the following:

– **Selective Participation—** Leaders selectively include the most relevant employees.

– **Early Transparency—** Leaders communicate options for the future before choosing a certain path.

– **Differentiated Involvement—** Leaders scale employee involvement based on employee expertise and the change requirements.

Cocreating Change Strategy
Means Including...

✔ The right **people**

✔ At the right **time**

✔ In the right **way**

Selective Participation	Early Transparency	Differentiated Involvement
Don't try to include all employees. Selectively include the most relevant employees.	Don't share just your final strategic vision. Communicate to employees options for the future before choosing a certain path.	Don't use a uniform approach to gathering employee input. Involve select employees based on their unique expertise and the change requirements.

redhat.

Source: CEB analysis.

To promote more inclusive decision making, Red Hat created the Open Decision Framework.

The Open Decision Framework is based on Red Hat's open source principles: transparency, inclusivity, and customer centricity.

The process can be slow, and even painful at times, but Red Hat ends up making better decisions and, more importantly, acts on those decisions quickly and efficiently.

OPEN DECISION FRAMEWORK INVOLVES EMPLOYEES, NOT JUST LEADERS, IN DECISIONS

redhat.

OPEN DECISION MAKING

✔

✗

✔ Inviting diverse perspectives and ideas

✔ Managing expectations

✔ Explaining requirements, constraints, and trade-offs

✔ Engaging potential detractors (early and often)

✔ Staying engaged with those who reject solution

✔ Remaining open to new information and ideas

✔ Working together to get stuff done

✗ Giving everyone a vote

✗ Trying to please everyone

✗ Ignoring requirements and constraints

✗ Avoiding uncomfortable conversations

✗ Having endless debates

✗ Failing to execute

✗ Achieving consensus

Slower decision making leads to more effective and faster results because:

- All levels of employee are **involved,**

- Responsibilities are **clearer, and**

- **Reasons** for the project are understood and accepted, if not always liked.

"Red Hat strives for change management to happen during the decision process, not during execution."

Jim Whitehurst
Red Hat CEO

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides. com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015); CEB analysis.

COMPANY SNAPSHOT

Red Hat

Industry: Software

2015 Sales: US$1.5 Billion

2015 Employees: 8,300

Headquarters: Raleigh, NC

Red Hat helps leaders determine whom to include and whom to leave out in the decision-making process.

Leaders can experiment with how many people to include depending on the decision.

Rather than focusing on communicating what decision was made, leaders should be transparent about how and why they came to the decision and who was involved.

By creating an inclusive decision-making process, leaders expand their visibility into how the organization is working.

LEADERS CONSIDER WHO SHOULD BE INVOLVED IN DECISIONS

1. Whom Should I Include?

Who would be surprised by this?	**Who is likely to opt out or reject the solution?**
Who is knowledgeable about this and may not speak out?	

Are specific demographics or geographies affected?

Who might care about this despite not being directly affected?

Who is outspoken about this?
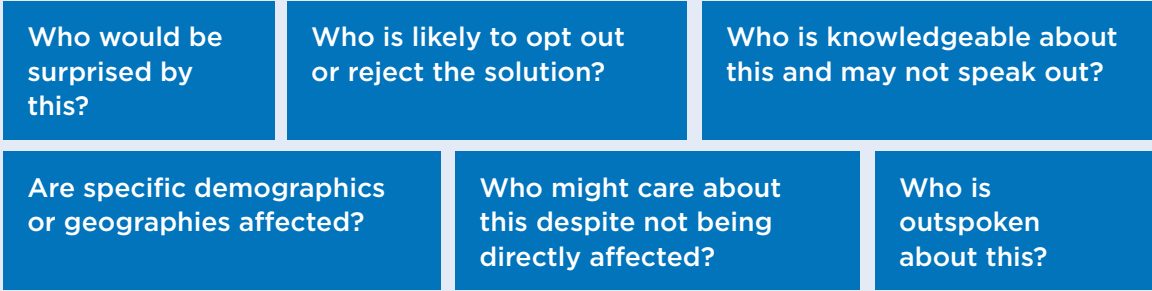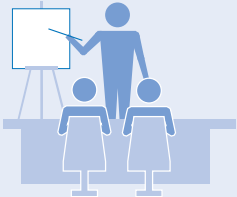
By asking these questions, leaders realize **whom to include and not include** in decisions.

2. How Should I Include Them?

3. Who Holds Me Accountable?

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides.com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015); CEB analysis.

Leaders should consider how to include relevant employees based on key criteria and should exercise discretion over employee involvement based on the decision being made.

SCALE OF INVOLVEMENT DIFFERS

redhat

2. How Should I Include Them?

Involve as many employees as possible. Leaders should seek to broaden employee involvement based on **open-source principles:** transparency, inclusivity, and customer centricity.

Ensure productive involvement. Leaders should:
- Create shared understanding of the problem or opportunity the organization faces,
- Set expectations up front for what is required of employees,
- Show employees how their involvement is shaping decision making, and
- Create a safe environment for employees to disagree and ask questions.

Use judgment based on constraints. Constraints include:
- The impact of the decision,
- Time constraints,
- Employee expertise, and
- Legal constraints.

Effective Employee Involvement

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides.com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015); CEB analysis.

Red Hat teaches employees the Open Decision Framework, leading them to hold leaders accountable for always making inclusive decisions.

EMPLOYEES HOLD LEADERS ACCOUNTABLE FOR OPEN DECISIONS

redhat

1. Whom Should I Include?

2. How Should I Include Them?

3. Who Holds Me Accountable?
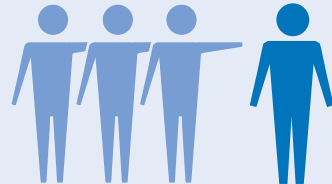
Leaders are accountable for making open decisions, even when it is hard, because:

- **Employees expect it—**Everyone at Red Hat is onboarded with the Open Decision Framework. All employees are accountable for knowing Red Hat's strategy and listening and engaging with their peers and leaders about it.
- **Peers expect it—**Other leaders expect explanations of how decisions are made. Leaders must defend and explain their choices to their peers.

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides.com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015); CEB analysis.

Note: Please refer to the appendix for additional material from Red Hat.

RED HAT IMPLEMENTATION QUESTIONS

Instructions
Consider the below questions to devise a plan for implementing Red Hat's approach at your organization.

1 Why do our leaders care about making decisions quickly? What false assumptions may they be making?

2 How "open" or inclusive is our current culture around making decisions? Do we preach equality but practice exclusive decisions?

3 What are our leaders accountable for after a decision is made? Do they explain how they got to a decision?

TOOL: LEADER GUIDE TO COCREATING DECISIONS

How to Use: Leaders can use these questions to think through how and when they can include select employees in decision making.

HR Business Partners (HRBPs) should encourage leaders to experiment with greater inclusivity depending on their comfort levels.

The Right People

- Which employee groups will experience this change firsthand?
- Which employee groups might this change affect indirectly?
- Who might not be materially affected by the decision but care about it? Does this change hit a nerve core to our culture and all our employees?
- Who normally sits at the decision-making table but does not need to be included?
- Would this decision benefit from including a skeptical employee?

At the Right Time

- Would sharing any of this information at this time have legal or regulatory ramifications?
- When should we bring employees on board?
- How often should we make progress updates?

In the Right Way

- How often will we work with selected employees?
- What approaches to involvement will we take?
- For employees not directly included in the change, what kind of information should they know?
- How will we share our decision-making process, not just our decisions?

Source: CEB analysis.

KEY TAKEAWAYS AND ACTION STEPS FOR HR LEADERS

Key Takeaways

1 Seventy-four percent of leaders say they include employees in change strategy, but only 42% of employees agree.

2 Organizations struggle to include the right people at the right time and in the right way. Conventional top-down, closed decision-making approaches aren't sufficient, but approaches like holacracy are too extreme.

3 Organizations should cocreate change strategy through selective participation, early transparency, and differentiated involvement.

Action Steps for HR Leaders

1 Train senior leaders on how and when they should include employees more in decision making.

2 Teach principles of co-creation during new hire onboarding to jump-start employee strategic thinking and emphasize the importance of employee involvement from the beginning.

3 Incorporate principles of co-creation into HIPO and leadership development programs by having participants run a mock strategy-setting session.

4 Hold leaders accountable for how they make decisions, not just the results of their decisions, by updating their objectives to feature co-creation.

5 Provide managers with guidance on how to cocreate at the team level.

Move Ownership of Implementation Planning to Employees

CEB

WHAT THE BEST COMPANIES DO

OPEN SOURCE CHANGE: MAKING CHANGE MANAGEMENT WORK

Strategy Creation	Implementation Planning	Communication
Cocreate Change Strategy	**Move Ownership of Implementation Planning to Employees**	**Focus Communication on Talking, Not Telling**

Strategy Creation

redhat

Open Decision Framework

Leader Guide to Cocreating Change Strategy

Implementation Planning

salesforce

V2MOM Tool

Manager Guide for Driving Employee Ownership of Change Implementation

Ingredion

Change Enablement Toolkit

PHILIPS

Adoption KPIs

Communication

Liberty Mutual

Change Conversations

In an attempt to create consistent and fast change, over 60% of organizations have leaders primarily own implementation plans.

MOST ORGANIZATIONS CREATE IMPLEMENTATION PLANS AT THE TOP

Leaders Primarily Own Implementation Plans at Most Organizations

62% of **Organizations** Use Implementation Plans Primarily Owned by Leaders
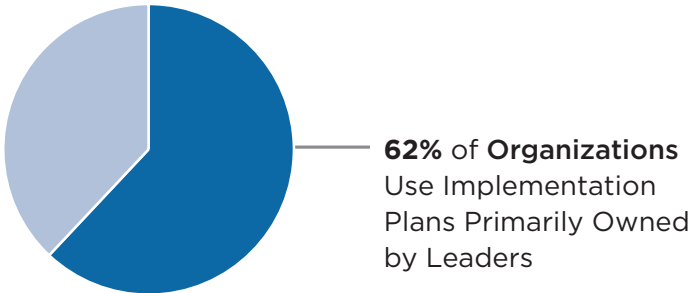
n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

Organizations Are Attempting to Create Consistency and Fast Execution

"We have a large and diverse workforce, but we need to **create consistent change,** so we ask our leaders to ensure implementation plans are consistent across business units."

CHRO
Retail Company

"The **fastest way** to get the workforce to start implementing this change is to have leaders work with our central change team, determine how the change will impact their employees, and then unroll those plans down."

SVP of HR
Pharmaceuticals Company

Rather than create consistency, top-down implementation plans scarcely or negatively affect change success.

Leaders cannot see how change really affects employees, and their plans lack relevance to the workforce.

Organizations should instead have employees own implementation planning to move the planning closer to where work actually gets done.

Employee-owned implementation plans allow employees to define success metrics, to-dos, obstacles, and changes to their network.

However, organizations should still put guardrails in place that ensure employees' implementation plans align with the organizational goal of the change.

IMPLEMENTATION PLANNING FAILS AS IT MOVES AWAY FROM WHERE WORK IS DONE

Top-Down Ownership of Implementation Plans Limits Change Success
Impact on Probability of Change Success

Change in Probability of Success

14

+11 Percentage Points

+4 Percentage Points

(1) Percentage Point

0

Leaders Primarily Own   Managers Primarily Own   Employees Primarily Own

(14)
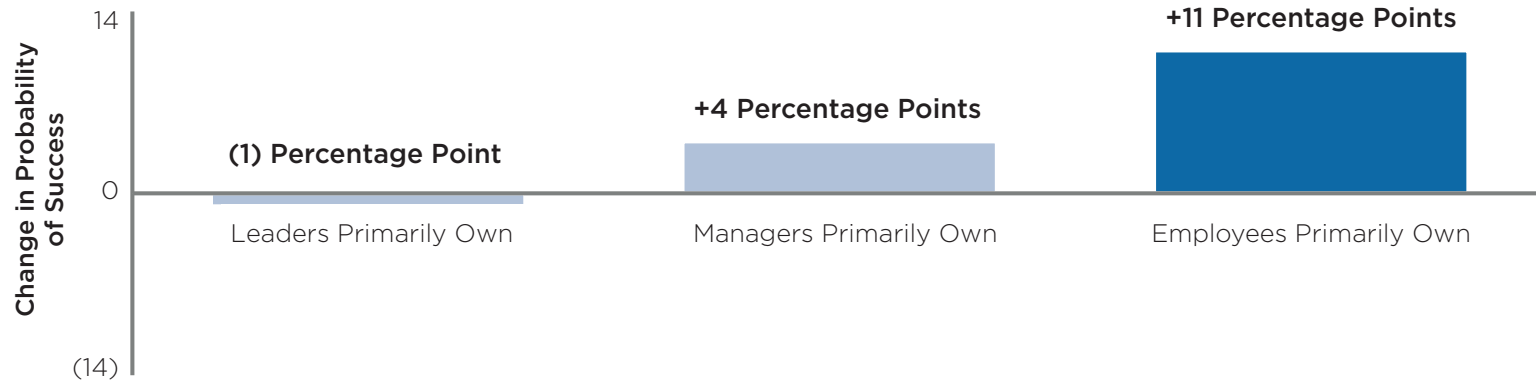
Leader-Owned Implementation Plans Lack Relevance to Employees

Seventy-two percent of leaders don't know what employees need to do differently because:

- They are **too far away from where work gets done**, and

- Change is virtually continuous, and **changes change frequently.**

Employee-Owned Implementation Plans Move Planning Closer to Where Work Happens

- Employees define goals, actions, obstacles, network needs, and success metrics. They can reprioritize quickly and increase their ownership of changes.

- Organizations provide guardrails by defining areas and degrees of employee ownership.

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

SOLUTIONS TO MOVE TOWARD EMPLOYEE-OWNED IMPLEMENTATION PLANNING

V2MOM Tool: Allow Employees to Create Personalized Change Plans

salesforce

Change Enablement Toolkit: Create Implementation Plans Based on Employees', Not Just Leaders', Perspectives

Ingredion.

Adoption KPIs: Measure Employee Behavior Change, Not Just Business Outcomes

PHILIPS

Degree of Employee Ownership

High

Low

SALESFORCE'S V2MOM TOOL

OVERVIEW

As a pioneer of the cloud computing industry, Salesforce realized that in a world of constant change, employees would be best positioned for success when company goals are transparent and employees can see how their own work aligns with those goals. Rather than creating a static annual business plan, Salesforce uses its V2MOM (vision, values, methods, obstacles, and measures) tool year-round to ensure organizational alignment and the ability to move quickly.

SOLUTION HIGHLIGHTS

- **Provide Inspiring Organizational Vision to Align Employees on Common Goals**
  Guide every employee to develop his or her own vision aligned with the organization's vision and goals.

- **Empower Employees to Support Organizational Goals in Their Own Context**
  Help employees prioritize how they spend their time and resources by allowing them to put the organization's goals in their own context.

- **Update V2MOMs to Keep Them Relevant**
  Employees update their V2MOMs whenever their or the organization's priorities shift, ensuring the tool remains relevant throughout the year.

- **Share V2MOMs to Create a Feedback Loop Between Employees and the Organization**
  Teams share and collaborate on their V2MOMs, ensuring everyone is on the same page and able to execute the changes.

COMPANY SNAPSHOT

Salesforce

Industry:	Software	Salesforce, the customer success platform and world's number one CRM, empowers companies to connect with their customers in a whole new way.
2016 Employees:	20,000	
2016 Sales:	US$6.67 Billion	
Headquarters:	San Francisco	

Salesforce cascades the company V2MOM throughout the organization so every employee can see how his or her work contributes to the overall vision.

V2MOM DRIVES EMPLOYEE UNDERSTANDING OF PERSONAL NEXT STEPS

salesforce

What is the V2MOM?

- A goal-setting tool that stands for vision, values, methods, obstacles, and measures
- V2MOMs keep Salesforce aligned, focused on priorities, and accountable for reaching goals.

Salesforce V2MOM!

CEO

Employee   Manager

My V2MOM

Component 1: Guide employees to develop their own vision aligned with the organization's V2MOM.

Component 2: Empower employees to put the company's goals in their individual context.

Component 3: Update V2MOMs to keep them relevant to evolving business priorities.

Component 4: Share V2MOMs transparently to create a feedback loop among employees, leaders, and the organization overall.

Source: Salesforce; CEB analysis.

| OVERVIEW | COMPONENT 1 | COMPONENT 2 | COMPONENT 3 | COMPONENT 4 | RESULTS |

Employees use the broad, inspiring organizational vision provided in the V2MOM as a North Star to write their own vision.

PROVIDE INSPIRING ORGANIZATIONAL VISION TO ALIGN EMPLOYEES ON COMMON GOALS

Organizational V2MOM

The vision is **kept simple and inspires** employees to contemplate their own vision.

Vision	▪ Rapidly create a world-class Internet company or site for sales force automation.
Values	▪ World-class organization ▪ Usability (Amazon quality) ▪ …
Methods	▪ Hire the team. ▪ Finalize product specification and technical architecture. ▪ …
Obstacles	▪ Developers ▪ Product manager or business development person
Measures	▪ Hire X sales executives by the end of Q4. ▪ Achieve X% adoption by the end of Q3. ▪ …

Source: Salesforce; CEB analysis.

Employee V2MOM

First, employees **write their own vision** using the organizational vision as a North Star to guide them.

Vision
▪ Develop code for a state-of-the-art, cloud-based system.
▪ …

Values
▪ Exceptional customer service
▪ Quick response time
▪ …

Methods
▪ Learn new team's processes and culture.
▪ Work with teammates to create a prototype product.
▪ …
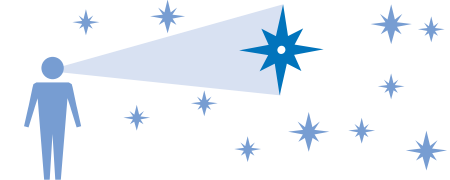
Employee

OVERVIEW | COMPONENT 1 | COMPONENT 2 | COMPONENT 3 | COMPONENT 4 | RESULTS

Open Source Change: Making Change Management Work   50

Next, Salesforce provides simple, prompting questions to help employees put the organization's vision in their own context and prioritize how they spend their time and resources to support organizational objectives.

EMPOWER EMPLOYEES TO SUPPORT ORGANIZATIONAL GOALS IN THEIR OWN CONTEXT

V2MOM Writing Guidance

Vision
In 1 – 3 sentences, what do you want to accomplish? What impact will it have? Keep it simple and inspiring.

Values
What 3 values are important as you pursue your vision? Values guide everyday decisions and tradeoffs.

Methods
What 4 – 8 things do you want to accomplish? Which are most important to you? Do they align with the Company V2MOM? Do they align with your manager's?

Obstacles
What is going to make accomplishing all of this difficult?

Measures
For each Method, how will you known you've been successful? Focus on measurable outcomes versus activities.

salesforce

Encourage employees to make the V2MOM their own.

No two V2MOMs should be the same because every employee supports the company's vision in a different way.

Source: Salesforce; CEB analysis.

OVERVIEW   COMPONENT 1   COMPONENT 2   COMPONENT 3   COMPONENT 4   RESULTS

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Employees update their V2MOMs when priorities change to ensure the tool remains relevant throughout the year.

UPDATE V2MOMS TO KEEP THEM RELEVANT

When Should You Update Your V2MOM?

To ensure you can use your V2MOM to prioritize your time, you should:

✔ Review progress quarterly with your manager and team. Course correct as needed;

✔ Update progress on your measures at least twice a year;

✔ Update V2MOMs to kick off new projects and initiatives to help reinforce the process and get everyone on the same page; and

✔ Discuss changing priorities with your manager, and update your V2MOM.

Employee   Manager

Employees update V2MOMs when organizational or personal objectives shift.

Managers review V2MOMs with employees and point out if there are methods or measures they have overlooked that could help them achieve their vision and meet their measures.

Source: Salesforce; CEB analysis.

OVERVIEW   COMPONENT 1   COMPONENT 2   COMPONENT 3   COMPONENT 4   RESULTS

Employees share and collaborate on V2MOMs within and outside their teams, ensuring everyone is on the same page.

Managers can notify their leaders of any misalignments between their team's and the organization's V2MOMs.

Employees can access anyone's V2MOM through the intranet on Chatter.

SHARE V2MOMS TO CREATE A FEEDBACK LOOP BETWEEN EMPLOYEES AND THE ORGANIZATION

Managers Review V2MOMs with Their Teams, Other Managers, and Leaders

Review Everyone's V2MOM as a Team

- At the highest level, do we share the same values?
- Can we learn from different methods that individual team members listed?
- What shared obstacles do we face?

Share V2MOMs with Other Managers

- Are other teams facing similar obstacles as my team?
- What can I learn from the methods and measures other teams are using?
- How can my team collaborate with others?

Raise Misalignment Challenges with Leaders

- What obstacles did I not realize my employees are facing that I can communicate to leaders to help solve?
- Are the organizational goals misaligned with my employees' goals? What may be the cause of this?

Source: Salesforce; CEB analysis.
Note: Please refer to the appendix for more materials from Salesforce.

OVERVIEW   COMPONENT 1   COMPONENT 2   COMPONENT 3   COMPONENT 4   RESULTS

Salesforce believes the V2MOM is one of the main reasons the company maintains alignment and quickly adapts behavior in a world of constant change.

EMPLOYEES CAN MOVE FASTER AND ACHIEVE BETTER RESULTS

V2MOM Allows Salesforce to Move Quickly

"At Salesforce.com, everything we do in terms of organizational management is based on our V2MOM. It is the core way we run our business; it allows us to define our goals and organize a principled way to execute them, and it takes into consideration our **constant drive to evolve.**

It is challenging for every company to find a way to **maintain a cohesive direction against a backdrop that is constantly changing,** but V2MOM is the glue that binds us together."

Marc Benioff
CEO
Salesforce

V2MOM Gives Employees More Autonomy
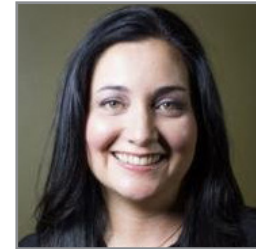
"One of the side effects of the V2MOM we found is that there is **newfound employee freedom.** Employees have set out for their manager what they've signed up to achieve, how they're going to do it, what's going to get in their way, and how they're going to measure their performance.

The manager can then just say, 'Fantastic— let me know how I can help,' and the employee can go off and execute on it."

Cindy Robbins
EVP of Employee Success (HR)
Salesforce

| OVERVIEW | COMPONENT 1 | COMPONENT 2 | COMPONENT 3 | COMPONENT 4 | RESULTS |

Q&A WITH L. DAVID KINGSLEY, SALESFORCE

L. David Kingsley

Vice President
Employee Success (HR)
Salesforce

Hear from **L. David Kingsley,** VP of Employee Success at Salesforce, on its best practice approach to driving employee ownership of change in this video.

How is this different from other organizations' goal cascades?
The V2MOM is a living, breathing document that our employees and leaders use and reference throughout the year. Our customers depend on Salesforce to be leading the next wave of innovation, so our company has to be aligned and nimble, even at our scale of 20,000 global employees and growing.

Are there additional objectives or performance standards employees are assessed against beyond the V2MOM?
Each manager is encouraged to reference the employee's V2MOM in check-ins and regular performance feedback conversations. It's critical that everyone is on the same page when it comes to expectations, status, and where help may be needed.

How do you make sure this allows employees to move faster rather than becoming another process to follow?
Because we run our small team meetings all the way up to Marc's [The CEO's] corporate meetings using the V2MOM, it is simply how our business is run. We believe strongly in transparency, prioritization, and collaboration. If it's not on the V2MOM, it's not happening.

How long does the V2MOM process take?
Marc publishes his V2MOM, and then our senior leaders have time to complete theirs, followed by our people managers and then our individual contributors. The whole process is designed to take about six weeks. And then the V2MOMs are updated throughout the year as customer and business needs merit.

How do you make sure it doesn't become a drag on the workforce?
Because there are no other strategy documents besides the V2MOM, everyone in the company knows how to build and use one, so no matter whose V2MOM you're looking at, you have a point of reference and can see where you plug in and can help**.**

SALESFORCE IMPLEMENTATION QUESTIONS

Instructions
Consider the below questions to devise a plan for implementing Salesforce's approach at your organization.

1   Why do your leaders hesitate to give control over to employees?

2   What information or support would employees need now to create their own implementation plans that they don't currently have?

3   How would the role and activities of the manager change if employees owned implementation?

4   What are the implications for how we set goals and reward employees for their achievements?

TOOL: MANAGER GUIDE FOR DRIVING EMPLOYEE OWNERSHIP OF CHANGE IMPLEMENTATION

How to Use: Even when employees primarily own change implementation plans, managers play an important role in helping them understand how change affects them.

Managers should have regular, informal conversations with their employees to help them better understand what change means for them.

Managers should also facilitate these conversations with their teams, not just individual employees, so employees can learn from each other.

Help Employees Understand the Goal of the Change

- How does this change align with your personal goals and values?
- How about with the goals and values of your teammates?
- If you feel the goal of this change is misaligned with your own goals, why?
- What do you need to know to understand the goal?

Identify Obstacles Employees Face

- What will be hard about making this change?
- What legacy processes may not be updated?
- What needs to be adjusted in either your own work or the work of your peers and leaders for this to work?
- Who might have experienced a similar change in the past that we can learn from?

Help Employees Identify Success Metrics

- How can we measure if we achieved our goals in the short term? In the long term?
- Is there a measure associated with cost or revenue? What about softer measures?

Give Employees Visibility into Networks

- Whom do you need to work with?
- Whom can I connect you with to help you?

Source: CEB analysis.

SOLUTIONS TO MOVE TOWARD EMPLOYEE-OWNED IMPLEMENTATION PLANNING

V2MOM Tool: Allow Employees to Create Personalized Change Plans

salesforce

Change Enablement Toolkit: Create Implementation Plans Based on Employees', Not Just Leaders', Perspectives

Ingredion.

Adoption KPIs: Measure Employee Behavior Change, Not Just Business Outcomes

PHILIPS

Degree of Employee Ownership

High   Low

CHANGE ENABLEMENT TOOLKIT

OVERVIEW

Ingredion realized that its leaders defined change management differently and often failed to use the necessary resources to manage change. To address this problem, Ingredion created the Change Enablement Toolkit, which encourages leaders to examine the change's effect on different employee groups and the risks associated with long-term behavior change. This approach ultimately led to more sustained change.

SOLUTION HIGHLIGHTS

- **Help Employees Understand the Whole Change to Align Them with Its Purpose**
  The **Case for Change** tool creates a story that communicates the complexity of a change to employees and aligns them with its purpose.

- **Anticipate the Change's Effect on Different Employee Groups**
  The **Stop, Start, Continue** tool makes leaders think about how change is relevant for different employee groups and how to best support behavior change in those groups.

- **Sustain Leaders' Attention to Change Even After They No Longer Play an Active Role**
  Although leaders want long-term behavior change, they often shift their attention quickly to the next priority after implementing the change. The **Risk Analysis** tool helps leaders appreciate the people risks of change that often don't manifest until after implementation.

COMPANY SNAPSHOT

Ingredion

Industry:	Ingredient Manufacturer	Ingredion Incorporated (formerly Corn Products International, Inc) is an ingredient provider based in Westchester, Illinois. The company processes corn, tapioca, potatoes, and other raw materials into ingredients for the food, beverage, brewing, and pharmaceutical industries and numerous industrial sectors.
2015 Revenue:	US$5.6 Billion	
2016 Employees:	11,000	
Headquarters:	Westchester, IL	

Leaders, under pressure to deliver, often fail to adequately consider employee risk, creating short-lived behavior change and causing change to fail at the top, not just the middle.

LEADERS FAIL TO UNDERSTAND EMPLOYEE RISKS OF CHANGE

Ingredion.

Leaders and Employees Experience Change Differently

Leaders assume employees experience the same type and volume of change as they do.

"I know there's a lot of change, but I think I've explained it clearly, so my employees are ready to execute."

Leader 1

Integration strategy

Pressure-test plan

Unroll communication

Leader 2

New CRM system

New sales process

Updated MBOs

Leader 3

New product

Beta testing
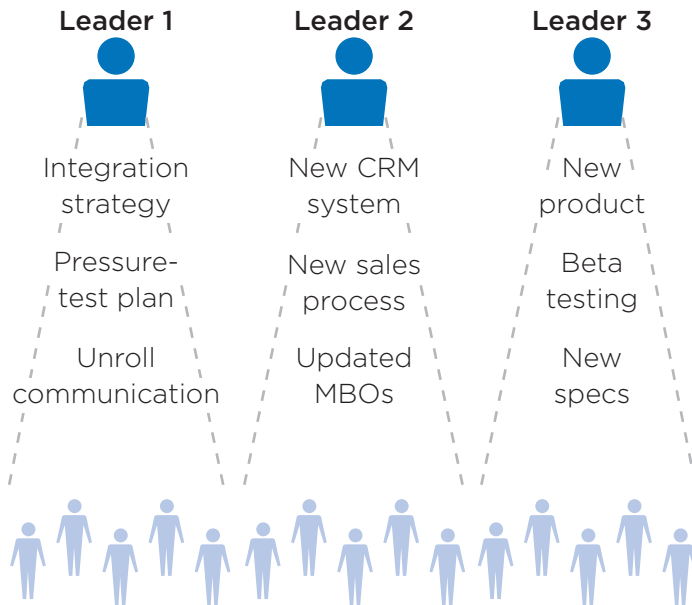
New specs

Employees are overwhelmed and unable to sustain long-term behavior change.

Leader 1   **Leader 2**   **Leader 3**

New Sales Process   New Product

New MBOs

New CRM Systems   Integration

Lots of Change Communication

"There are way too many changes for me to understand what things I actually need to do differently!"

Source: Ingredion; CEB analysis.

Ingredion created the Change Enablement Toolkit to help leaders understand how employees continue to be affected by change beyond the short-term business impact.

The toolkit is designed to be flexible such that leaders can decide to use only the tools most relevant for their project.

INGREDION'S CHANGE ENABLEMENT TOOLKIT HELPS LEADERS UNDERSTAND EMPLOYEE RISKS

Change Enablement Toolkit (Excerpt)

Prepare: Develop a case for change, gain buy-in and support, define the project team, and craft a communications approach.

Tool	What is it used for?
Readiness and Risk Scorecard ⭐	Helps determine the degree to which the organization is ready for the change
Case for Change ⭐	Builds the story and business case for change
Stop, Start, Continue	Identifies behaviors that need to change by employee group

Implement: Train employees for a smooth transition, maintain open communication, and keep a pulse on the change implementation

Tool	What is it used for?
Training Approach ⭐	Defines the primary audiences, their needs, and objectives for training
Check-In Discussion Guide	Checks on how the change is progressing in order to make adjustments

Sustain: Assess and manage risks, debrief with project team, reward successes and share knowledge with others

Tool	What is it used for?
Risk Analysis ⭐	Assesses the sustainability of the change, uncovers risks, and defines actions
Pulse Survey ⭐	Assesses the engagement level and impact after the change is implemented
Share Your Knowledge	Provides a forum for sharing lessons learned and connecting with change leaders

⭐ **Recommended tools for all changes.**

Source: Ingredion; CEB analysis.

1
The Case for Change tool helps leaders create a story that communicates the complexity of a change to employees and **aligns them with its purpose.**

2
The Stop, Start, Continue tool forces leaders to think through the **change's behavioral effect** on different groups of employees, which they often overlook or underestimate.

3
The Risk Analysis tool asks leaders to look at the **people risks of changes** that often don't manifest until after initial phases, when a leader's attention has moved on.

The Case for Change tool asks leaders to work with their teams to answer a series of guiding questions that allow employees to understand the change and its purpose.

HELP EMPLOYEES UNDERSTAND THE WHOLE CHANGE TO ALIGN THEM WITH ITS PURPOSE

Case for Change Tool (Excerpt)

Case for Change, Step 1: Guiding Questions
Background
How did we get here?
Current State
Where are we now?
Risk of Doing Nothing
What's not working and how will people and/or the business suffer if it continues this way?
Future State
What will it look like if we successfully make this change?
Benefits to the Business
How will this change benefit the business?
Success Measures
How will we know if this change has been successful? Three years from now, what will be evidence of our success?
Obstacles/Risks
What are the major challenges of implementing the change? What could get in our way?
Urgency
Why is now the right time?

Source: Ingredion; CEB analysis.

Leaders use the questions provided in the **Case for Change** tool to:

- Facilitate a discussion with their larger team about the change,
- Paint a picture of the future state of the change, and
- Create a few "change stories" depending on their audience and the amount of time they have to convey their message.

The Stop, Start, Continue tool makes leaders think about the change's effect on different groups of employees and how to best support them.

This approach counters leaders' assumptions that they know how employees experience change.

ANTICIPATE THE CHANGE'S EFFECT ON DIFFERENT EMPLOYEE GROUPS

Stop, Start, Continue Tool (Illustrative)

Component of the Change	Degree of Impact	Audience (who will be impacted)	Behaviors to Stop	Behaviors to Start	Behaviors to Continue	Timing of Impact	Actions to Support Change
Testing new technology platform	Medium	Project Leadership Team	Avoid only focusing on negative impact of the new platform	Learn the new technology platform and uncover areas for improvement	Surfacing issues or potential risks employees may have	End of the prepare phase	Spend time individually and as a group to uncover issues and bring forth to the vendor.
Discussion with customers on new technology platform	Medium	Project Leadership Team, employees, and customers	Not applicable	Inform customers of process and relationship improvements through new platform	Strong positive relationships	Middle to end of the implement phase	Inform customers of innovation and benefits

1 Consider effect on different employee groups.

2 Realize that change affects employees at different times.

3 Map out different interventions for affected employee groups.

Source: Ingredion; CEB analysis.

The Risk Analysis tool helps leaders realize the people risks of change that often don't manifest until implementation, preventing leaders from moving to the next priority too quickly.

SUSTAIN LEADERS' ATTENTION EVEN WHEN THEY NO LONGER PLAY AN ACTIVE ROLE

Risk Analysis Tool (Illustrative)

Risk Analysis

What Is It?
The Risk Analysis is a guide to help you assess the sustainability of the change (i.e., how likely it is to endure and become embedded in the organization). It will help you uncover potential risks and define strategies to minimize these risks.

When and Why Should I Use It?
You should use the Risk Analysis during the Sustain phase. The Risk Analysis will help you uncover potential risks that could limit the sustainability of the change if not addressed

What are the major risks to the change being sustained over time?	▪ Employees will revert back to legacy system or fail to use new system effectively ▪ Customer conversations are not centered around new system ▪ …
Who are the stakeholders (individuals or groups) that are most vulnerable to these risks?	▪ Customer facing employees ▪ Managers of employees using new system ▪ …
How will you address and/or mitigate these risks? **What specific actions will you take?**	▪ Training on use of new system for managers and employees ▪ Embedding new system into workflow ▪ …

Leaders consider the **people risks of changes that might manifest after the initial rollout,** when a leader's attention has moved on.

Leaders work with their teams and HR to create **action plans that ensure employees sustain behavior change.**

Source: Ingredion; CEB analysis.
Note: Please refer to the appendix for additional materials from Ingredion.

The Change Enablement Toolkit has allowed Ingredion's leaders to better understand the people risks of change, leading to better implementation of change.

LEADERS UNDERSTAND RISKS OF CHANGE IMPLEMENTATION, LEADING TO BETTER EXECUTION

Change Enablement Toolkit Forces Leaders to Think About Change Comprehensively

"From assessing organizational readiness to building a strong case for stakeholders to being thoughtful and conscientious about communications to evaluating the overall impact, the Change Enablement Toolkit **supports those driving critical changes by helping them to think comprehensively about all of the people and aspects involved.** As we began to use the tool to support a paradigm shift within our business, the team and I were impressed by the structure and rigor built into the process."

> Kris Nisavic
> Senior Manager, HR

"The Change Enablement Toolkit helps provide discipline and **leaves less to assumption when we're going through a change.** The process has improved our alignment and helped guide plans for better managing advocates and foes of the project. Most importantly, during a recent restructuring, the CET improved our depth of key messages to key stakeholders and IT employees, forcing us to challenge assumptions, plan contingencies, ultimately contributing to successful results thus far."

> Craig Shirley
> Vice President, Corporate HR

INGREDION IMPLEMENTATION QUESTIONS

Instructions
Consider the below questions to devise a plan for implementing Ingredion's approach at your organization.

1 Leaders frequently reject change management toolkits due to the time required to apply them. How can you help them prioritize which tool to apply to overcome their resistance?

2 How can HR help leaders realize the limitations of their change management capabilities without stepping on anyone's ego?

3 What are your leaders' blind spots when it comes to understanding how change affects employees? What tools can you create to help them better understand?

SOLUTIONS TO MOVE TOWARD EMPLOYEE-OWNED IMPLEMENTATION PLANNING

V2MOM Tool: Allow Employees to Create Personalized Change Plans

Change Enablement Toolkit: Create Implementation Plans Based on Employees', Not Just Leaders', Perspectives

Adoption KPIs: Measure Employee Behavior Change, Not Just Business Outcomes

salesforce

Ingredion.

PHILIPS

Degree of Employee Ownership

High   Low

Many organizations struggle to define change success.

Most commonly, organizations measure change success based on completion of objectives or positive employee attitudes.

These metrics, however, fail to effectively indicate if the change is succeeding as it's occurring.

MEASURE ADOPTION OF CHANGE, NOT JUST OUTCOMES

Organizations Struggle to Understand If Changes Are Successfully Implemented

51% of managers and employees say their leaders do not outline clear success metrics for change.

n = 6,686.

Source: CEB 2016 Workforce Change Survey.

50% of leaders don't know whether recent changes at their organization succeed.

The top three indicators of change success that organizations use are:

1. Completion of change objectives,
2. Positive employee attitudes about the change, and
3. Consistent implementation of changes.

Source: CEB analysis.

Challenge
These measures fail to show interim markers of progress (e.g., behavioral change) or if change is actually being implemented.

Philips realized that transformation teams focus too heavily on a new system or process's successful implementation instead of the behavior shift required from employees.

To shift some of the focus to post-implementation behavior change, the company's global Change Management Practice provides guidelines on setting deployment and adoption KPIs.

Deployment KPIs assess how well a change enables employees to make the expected behavior changes.

Adoption KPIs determine whether employees are actually changing their behaviors and finding new ways of working.

MEASURE DEPLOYMENT AND CHANGE ADOPTION, NOT JUST PERFORMANCE

PHILIPS

Guidelines for Adoption KPIs

Deployment KPIs

Have people been equipped to work in the new way (e.g. training)?

# of pianos successfully installed

Adoption KPIs:

Are people working in the way that drive business value?

Performance KPIs

What is the business value we want to achieve?

% increased exercise for people
# hours escalator switch off
(due to less usage)

Adoption KPIs should be driving the right behavior and ways of working, leading to increased performance KPIs

Measured concepts	Examples
1. Adoption Time	1. Delta # of people using staircase per day
2. Adoption Usage	2. # of people using staircase
3. Adoption Correctness	3. # of people trying out but still taking escalator

Philips uses a short video about how to change people's behavior to using the stairs instead of the escalator as a fun way to illustrate the meaning of adoption KPIs.

Source: Royal Philips.

Q&A WITH GUYONNE SCHELLINGS, PHILIPS

PHILIPS

Guyonne Schellings

Director
Global Organization
  Development
Philips

Who is responsible for setting the adoption KPIs?
The Program Manager together with his or her program team is responsible for setting the right deployment and adoption KPIs in collaboration with the business. This is done after the business case and associated performance KPIs have been agreed with the business.

How are the adoption KPIs reported?
The agreed adoption KPIs are reported on a regular basis as part of the overall KPI status report. The report is used to track status and determine mitigation actions where needed. The reporting is also important to determine the handover moment to the standing organization and whether the change sticks.

What do program managers most struggle with in your experience?
It's easier to set the hard and tangible deployment and performance KPIs, like number of people trained or number of IT system installed. Describing the softer side in terms of new ways of working and behavior is often not looked at and is perceived as being more difficult to measure. Changing behaviors is crucial to sustain change in the long term. Adoption KPIs are meant to draw attention to this. The Change Management Practice provides guidelines and examples to support (transformation) teams.

About Royal Philips
Royal Philips (NYSE: PHG, AEX: PHIA) is a leading health technology company focused on improving people's health and enabling better outcomes across the health continuum from healthy living and prevention to diagnosis, treatment, and home care. Philips leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. The company is a leader in diagnostic imaging, image-guided therapy, patient monitoring, and health informatics, as well as in consumer health and home care. Philips' wholly owned subsidiary Philips Lighting is the global leader in lighting products, systems, and services. Headquartered in the Netherlands, Philips posted 2015 sales of EUR 24.2 billion and employs approximately 104,000 employees with sales and services in more than 100 countries. News about Philips can be found at www.philips.com/newscenter.

KEY TAKEAWAYS AND ACTION STEPS FOR HR LEADERS

Key Takeaways

1 Sixty-two percent of organizations rely on leader-owned implementation plans in an attempt to create consistency and speed of execution.

2 However, leader-created implementation plans have limited or negative impact, as leaders cannot see how change really affects employees.

3 Instead, organizations should let employees own implementation plans, which can improve change success by up to 11 percentage points. Employees are able to define the success metrics and details of implementation plans, while the organization provides guardrails to ensure alignment with the overall change goal.

Action Steps for HR Leaders

1 Meet with leaders to explain the reasoning behind employee-owned implementation plans and outline their role in the process (i.e., providing high-level guidance and oversight).

2 Encourage leaders to place themselves in employees' shoes to consider the risks of a change and how implementation requirements differ by employee group.

3 Meet with your change team and business unit leaders to identify critical outcomes necessary for the change to succeed. Communicate these outcomes to employees, but allow them to determine how they will achieve them.

4 Work with your HRBPs to create training content for managers on how they should provide consultation and approval to employee-owned implementation plans.

5 Define success metrics that assess employee behavior change and not just their attitudes to a change.

Focus Communication on Talking, Not Telling

OPEN SOURCE CHANGE: MAKING CHANGE MANAGEMENT WORK

Strategy Creation	Implementation Planning	Communication
Cocreate Change Strategy	**Move Ownership of Implementation Planning to Employees**	**Focus Communication on Talking, Not Telling**

Strategy Creation

Open Decision Framework

Leader Guide to Cocreating Change Strategy

Implementation Planning

V2MOM Tool

Manager Guide for Driving Employee Ownership of Change Implementation

Ingredion
Change Enablement Toolkit

PHILIPS
Adoption KPIs

Communication

Liberty Mutual
Change Conversations

Typical top-down communication strategies rely on three core principles that aim to tell employees how to change:

– Repeat change messages frequently and through various channels,

– Downplay any negatives of change, and

– Deliver clear and consistent messages.

TOP-DOWN COMMUNICATION FOCUSES ON TELLING EMPLOYEES ABOUT THE CHANGE

Communication Methods and Principles

Town Hall

CEO Blog

Leader Video

Director Q&A

To: Employees, Business Unit A
From: Your Business Leader
Re: We are on a wild ride!

I write today to share news of our continuing transformation journey...

This is an **exciting move that will benefit all employees** with more opportunities to grow their careers...

Bill and Melanie will depart the company to pursue other opportunities. They leave behind a team that is well positioned for success in 2016 and beyond.

Here is what we now need to do...

1 **Communicate, Communicate, Communicate**
Frequently tell employees about the change so they understand.

2 **Tell a Positive Story**
Build employee commitment by downplaying the negatives.

3 **Deliver Clear, Consistent Messages**
Tell employees how to change their jobs to get them to act fast.

Source: CEB analysis.

Yet frequent, positive, scripted communication only nominally improves change success.

COMMUNICATION THAT TELLS HAS LITTLE IMPACT ON CHANGE SUCCESS

Conventional Top-Down Approaches Barely Affect Change Success
Impact on Probability of Change Success
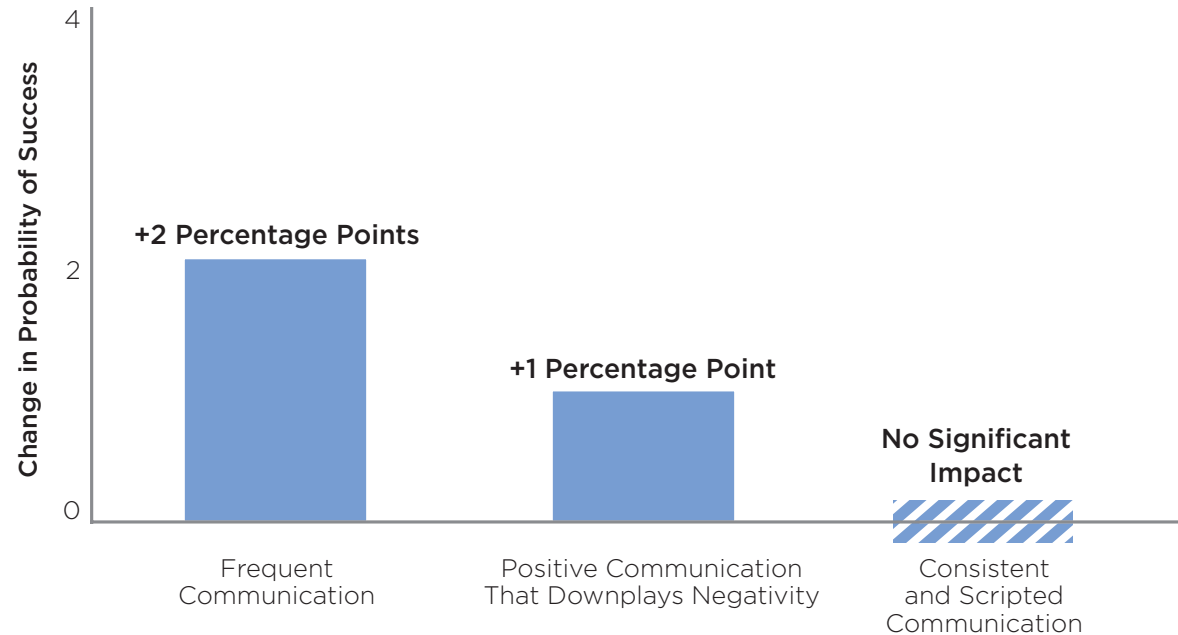
n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

Instead of telling employees what to do and how to feel about the change, organizations should engage them in conversations.

This talk communication should:

– Support peer-to-peer interactions,

– Address negative emotions openly, and

– Build dialogue with managers and leaders.

ORGANIZATIONS NEED TO MOVE FROM "TELL" TO "TALK" COMMUNICATION

Change Communication Approaches

Current Approach: Top-Down "Tell" Communication

1 Communicate, Communicate, Communicate
Frequently tell employees about the change so they understand.

2 Tell a Positive Story
Build employee commitment by downplaying the negatives.

3 Deliver Clear, Consistent Messages
Tell employees how to change their jobs to get them to act fast.

Goal: Build Employee Commitment

New Approach: Open-Source "Talk" Communication

Support Peer-to-Peer Interactions
Encourage employees to share change insights with peers.

Address Negative Emotions Openly
Allow employees to share negative reactions to improve feelings of control.

Build Dialogue
Give employees questions to use in dialogues with their peers and their managers to help them create an action plan for change.

Goal: Build Employee Capability

Liberty Mutual.

Source: CEB analysis.

Talk communication affects change success more because it improves employee understanding and reduces anger and anxiety.

TALK COMMUNICATION DRIVES CHANGE SUCCESS

Top-Down Tell Communication Has Less Impact Than Open-Source Talk Communication
Impact on Probability of Change Success
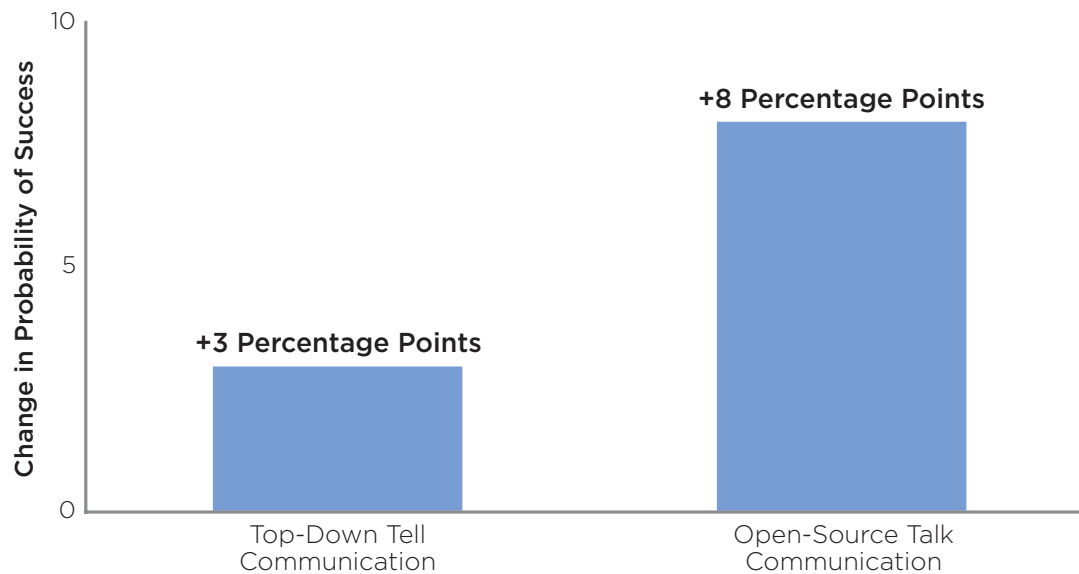
Why are open-source approaches more successful?

Talk communication:

1. Improves employee understanding and

2. Reduces anger and anxiety and increases hope and pride.

[Bar chart: Change in Probability of Success. Top-Down Tell Communication: +3 Percentage Points. Open-Source Talk Communication: +8 Percentage Points. Y-axis from 0 to 10.]

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
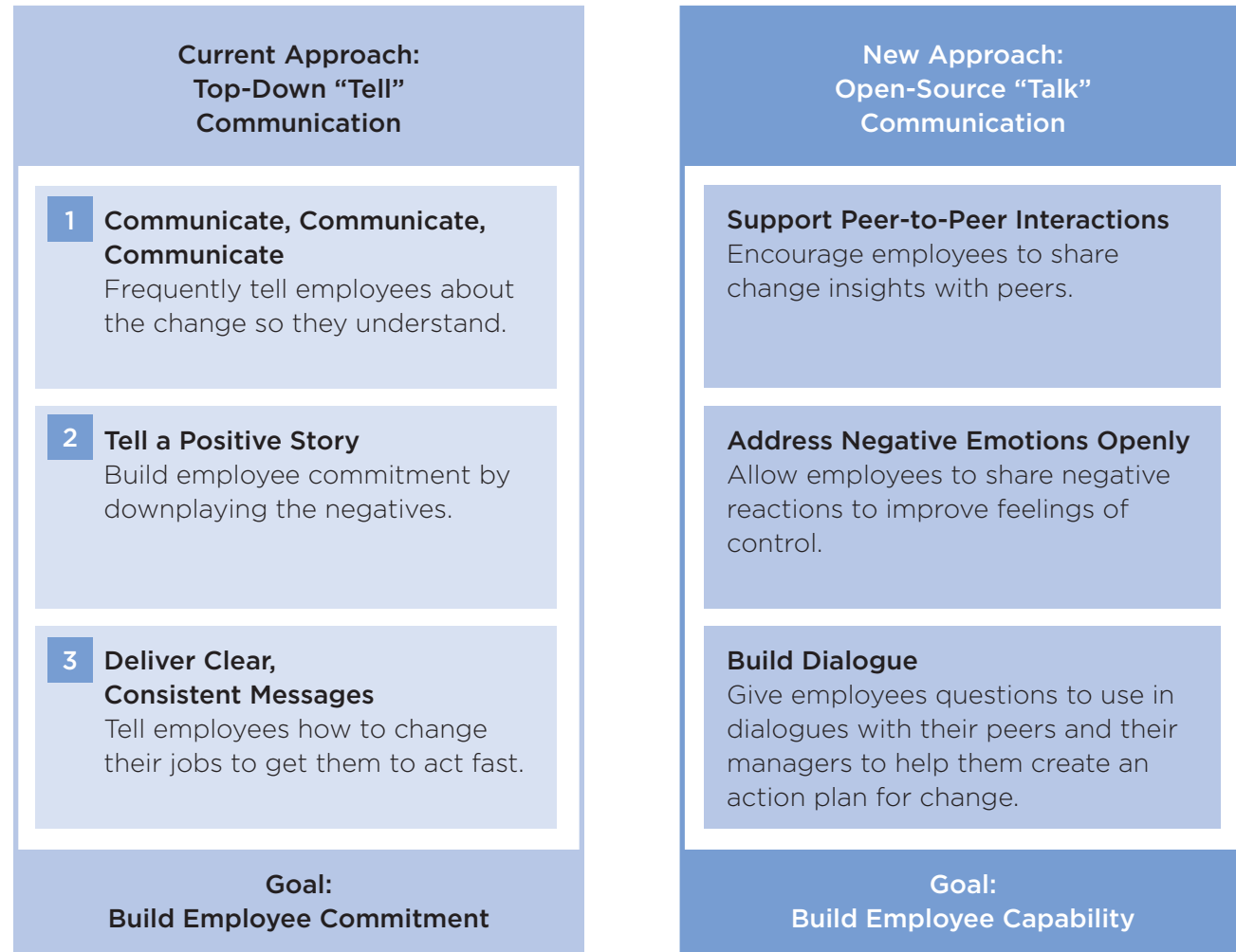Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

Enable effective talk communication by giving your HRBPs our toolkit for managing communication during change and your managers our guide to change communication.

In organizations using top-down tell strategies, only one-fifth of the workforce understands the change they are facing.

However, in open-source organizations that use talk communication, over half of the workforce understands the change.

TALK COMMUNICATION IMPROVES EMPLOYEE UNDERSTANDING OF CHANGE

Open Source Change Strategies Improve Understanding of Change in the Workforce
Percentage of Managers and Employees Who Understand Change[a]
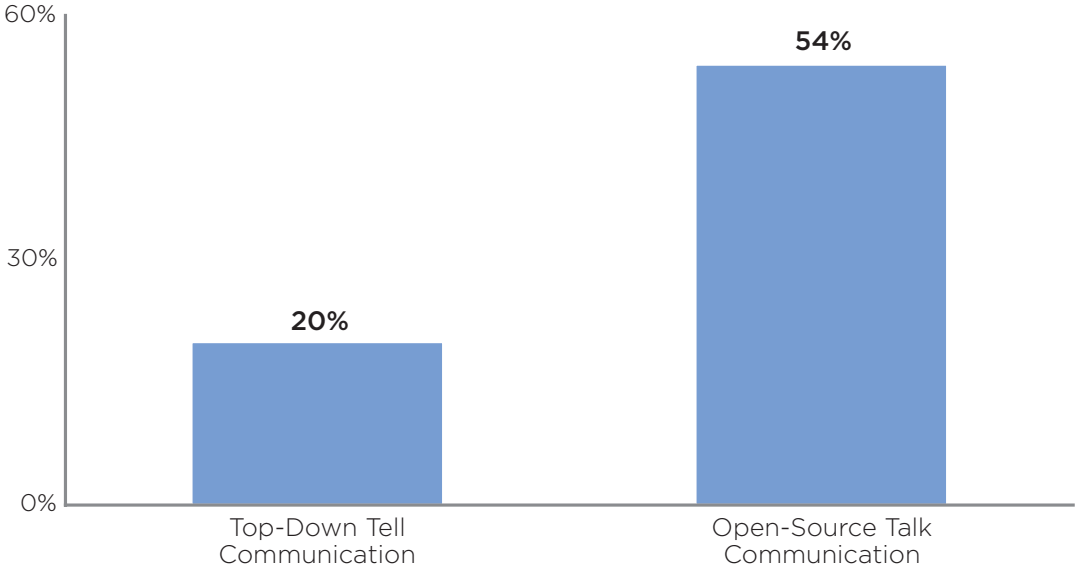
n = 6,686.

Source: CEB 2016 Workforce Change Survey.

[a] Respondents were asked whether they understood how the change affected their team's work, their responsibilities, their role in the change, and who they needed to work with in order to be successful. Those who understood two or more of these aspects "understood the change."

Despite using carefully crafted messages, top-down communication increases anger and anxiety among employees and reduces hope and pride.

Talk communication, on the other hand, creates more positive emotions.

TALK COMMUNICATION REDUCES ANGER AND ANXIETY, DRIVES HOPE AND PRIDE

Talk Communication Reduces Employee Anger
Percentage of Employees Expressing Anger

Top-Down Tell Communication	Open-Source Talk Communication
24%	5%
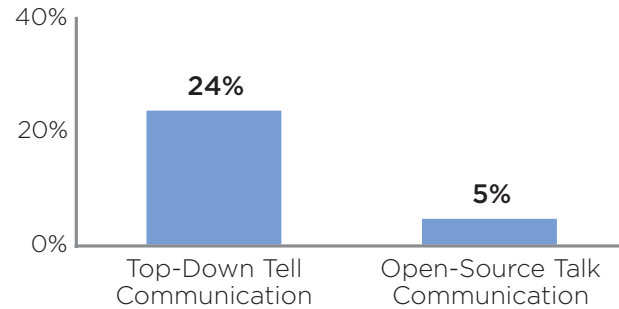
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Talk Communication Makes Employees Less Anxious
Percentage of Employees Expressing Anxiety

Top-Down Tell Communication	Open-Source Talk Communication
51%	29%
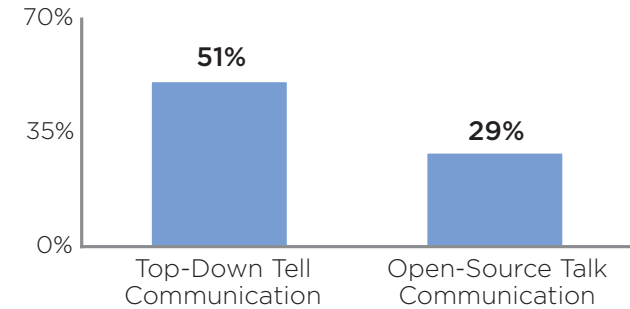
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Talk Communication Increases Employee Hope
Percentage of Employees Expressing Hope

Top-Down Tell Communication	Open-Source Talk Communication
17%	35%
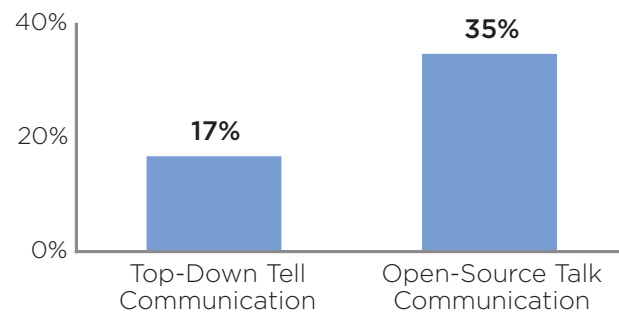
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Talk Communication Builds Organizational Pride
Percentage of Employees Expressing Pride

Top-Down Tell Communication	Open-Source Talk Communication
27%	59%
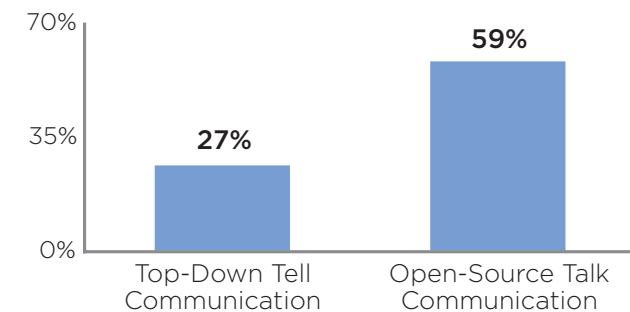
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Visit our website to learn how to identify and manage employee resistance to change.

LIBERTY MUTUAL'S CHANGE CONVERSATIONS

OVERVIEW

During a time of high-volume change, Liberty Mutual discovered its top-down communication made employees feel like changes were happening *to* them and did not effectively promote engagement and feedback mechanisms. In response, Liberty Mutual rolled out training and support for more employee-driven conversations to help employees understand and own change in their personal context.

SOLUTION HIGHLIGHTS

- **Identify Employees' Fears and Assumptions to Drive Change Ownership**
  Liberty Mutual organizes workshops for employees to discuss their emotional responses to change and transform their normal feelings of nervousness about change into a sense of control.

- **Provide Questions to Help Employees Personalize Change Actions**
  Question-based action plans instead of to-dos dictated from the top help employees think through the personal implications of change and drive productive change dialogue.

COMPANY SNAPSHOT

Liberty Mutual

Industry: Insurance

2015 Employees: More Than 50,000

2015 Revenue: US$38.5 Billion

Headquarters: Boston

Liberty Mutual is an international diversified property and casualty insurance provider that offers both personal and business insurance.

CHANGE CONVERSATIONS COMBAT NERVOUSNESS ABOUT CHANGE

Liberty Mutual.

Liberty Mutual's approach to change communication helps employees understand and own change in their personal context.

In some transformational efforts, leaders at Liberty Mutual realized that top-down communication was not enough to engage frontline employees.

To complement the traditional approach to change management and communication, change program facilitators delivered workshops focused on change ownership.

These workshops gave employees a voice in the change and provided them with a sense of co-creation versus the feeling that the change was being done to them.

Traditional Top-Down Communication

To: All Employees
From: Your CEO
Re: Welcoming Alpha Company

I am pleased to announce our acquisition of Alpha Company. **This is a very exciting move for our company and for all of us!** The agreement to acquire Alpha provides a variety of benefits to both our customers and our employees.

With this acquisition, **it is incumbent upon us to be more strategic and to think outside the box** to make this new partnership a success…

cmd237: ugh. ANOTHER "very exciting" acquisition. I feel like we're always the last to know…

amd275: i know and what does "think outside the box" even mean here??

cmd237: no idea…

Source: Liberty Mutual; CEB analysis.

Change Conversations

Component 1: Change Reactions Workshops Provide a Platform for Employee Concerns

Employees

Change Management Program Facilitator

Identify employees' fears and assumptions to drive change ownership.

Component 2: Question-Based Action Plans Drive Change Conversations

Provide questions, not directions, to help employees personalize change actions.

Source: Liberty Mutual; CEB analysis.

OVERVIEW | COMPONENT 1 | COMPONENT 2 | RESULTS

Rather than discouraging employees from sharing their negative feelings, Liberty Mutual allows employees to express their anxieties as a group.

Together, employees can reconcile and normalize their emotions.

By starting with the negative, employees are able to separate their feelings from their rational responses to change (without denying their emotions).

This separation enables them to take control of their change situation and own the behavior adjustments necessary for change success.

IDENTIFY EMPLOYEES' FEARS AND ASSUMPTIONS TO DRIVE CHANGE OWNERSHIP

Employee Change Reactions Workshop

Start by acknowledging employees' fears and worries
to allow employees to separate their emotions from their rational responses to change.

Encourage the team to take control
of finding solutions and addressing necessary behavior changes together.

Workshop Agenda

- Change Framework and Adaptability Group Discussion

- Pairs Discussion: Responses to Change
  - Name a time when you felt excited, apprehensive, anxious, or frustrated about a change at work.
  - What was the most productive thing you did (or could have done) to manage this change?

- Group Discussion Debrief
  - Based on your discussion in pairs, what tips would you offer on handling a change?
  - What traps would you warn people about?

- Closing Self-Reflection Exercise
  - What did you learn about your own reactions to change?
  - For this initiative to progress more effectively, what do you think could be done differently or better? By the company? By your department? By you?

- Distribute and Explain Action Planning Guides

Workshop Details

Who is involved?
Employees and teams affected by change

When are the workshops run?
Once the change is known

Who runs the workshops?
Change management program facilitators

How long do they take?
One to eight hours, depending on schedules and urgency

How frequently do you offer them?
Tailored to the operation's needs as part of a change effort strategy and curriculum

Source: Liberty Mutual; CEB analysis.

| OVERVIEW | COMPONENT 1 | COMPONENT 2 | RESULTS |

Rather than prescribing directions that tell employees what to do, Liberty Mutual helps employees translate organizational change communication into personal action.

Liberty Mutual guides employees to initiate productive dialogue with their peers and manager through question-based action plans.

PROVIDE QUESTIONS TO HELP EMPLOYEES PERSONALIZE CHANGE ACTIONS

Liberty Mutual

Action Planning Guide			
Questions I Need to Answer	**Do I have this info? Y/N**	**If no, how will I obtain this info?**	**By when?**
Why is this initiative important to Liberty Mutual?			
Why is this initiative important to my function?			
What changes could result from this initiative?			
How will my peers be impacted?			
How will I be impacted?			
How can I contribute to the successful implementation of this initiative?			

Use Questions to Drive Personalization

1. **Encourage employees to seek, not just receive, change information** by guiding them with questions that propel active involvement in change.

2. **Prompt employees to think like leaders** by asking them to apply their critical and strategic thinking skills to the change and its impact on their context.

3. **Ask employees to consider the peer-to-peer impact of change,** such as who they work with and how, in addition to what they do.

Source: Liberty Mutual; CEB analysis.

OVERVIEW	COMPONENT 1	COMPONENT 2	RESULTS

Employees at Liberty Mutual are now equipped with a sense of change ownership.

They better understand how change impacts them and have become active participants in change efforts.

CHANGE CONVERSATIONS LEAD TO GREATER UNDERSTANDING AND INVOLVEMENT

Employees feel a sense of **control over change.**

> "If we are going to be better, we need to be talking about it and planning. Talking about how we change individually and how to lead the organization to change are paramount to it."
>
> Employee
> Business Insurance
>   Underwriting

Employees learn how to **manage negative change reactions.**

> "I was able to put some of what I learned into practice during a talent review yesterday when a manager was discussing how someone on their team responded during a change in the organization."
>
> Employee
> HR

Managers and leaders grow more comfortable **not knowing** all the answers.

> "Employees feel they've been given permission to engage. It's okay for them to be out there and asking questions versus the old world of sitting tight and getting information when leaders were ready with it. We've also seen managers and leaders getting more comfortable with saying, 'That is a great question, but we don't have the answers to it yet and we are working through it.'"
>
> Precillia Redmond
> VP of Organizational
>   Effectiveness &
>   Strategic Project
>   Management

Source: Liberty Mutual; CEB analysis.
Note: Please refer to the appendix for additional materials from Liberty Mutual.

| OVERVIEW | COMPONENT 1 | COMPONENT 2 | RESULTS |

Q&A WITH PRECILLIA REDMOND, LIBERTY MUTUAL

Precillia Redmond

Vice President
Organizational
 Effectiveness &
 Strategic Project
 Management
Liberty Mutual

Hear from **Precillia Redmond**, VP of Organizational Effectiveness & Strategic Project Management at Liberty Mutual, on its best practice approach to change communication in this video.

How do the change reactions workshops differ from your approach to change in the past?
Traditionally, we took employees' negative reactions to mean they weren't adopters of change. In reality, employees can see the rational value of change but find it hard to decouple that from their emotional reaction to it. Now, we want to shepherd and normalize worrying in our workshops and then turn those feelings into something more positive with actions to address them.

Where did the idea for the question-based action plans come from?
The action planning tool was actually thought up by our managers during a session in which we had asked them what more we could do to help equip their individual contributors for change.

When do managers and employees receive change management training?
Managers and employees go through similar workshops and are taught a common set of frameworks, but at different times. Managers go through change training in the planning stage of a change initiative. For individual contributors, we've found it's more effective to train them once the changes are known. Employees generally struggle more with ambiguity than managers. Once we can tell employees how the world will look different, they can begin to think through how it will impact them personally.

How do you ensure employees engage with the question-based action plans beyond the workshops?
We make sure that managers are aware their employees are going to approach them with these questions and we expect them to engage in or even start the conversation. We are quite intentional about creating mutual accountability, so that this tool isn't just a piece of paper that employees in the room think is great but don't do anything with.

If you were strapped for resources, what would you strip away from this training?
It doesn't have to be an eight-hour training course where you go deep into models like we do. The key is to hold managers accountable for engaging with and supporting employees differently and to help them empathize and recognize individuals' emotional responses to change.

Could this workshop then be adapted to be run by a manager for his or her team?
At the moment, we intentionally do not include managers in the individual contributor sessions. We want to make employees feel safe putting their emotions out there, asking questions, and providing authentic feedback without the discomfort that may come from showing vulnerability in front of one's manager.

LIBERTY MUTUAL IMPLEMENTATION QUESTIONS

Instructions
Consider the below questions to devise a plan for implementing Liberty Mutual's approach at your organization.

1 How can we help leaders and managers overcome their fear of engaging with employees' negative emotional responses to change?

2 In a hierarchical organization, how can we give employees more control over change conversations?

3 How can we change employees' mind-sets from order takers to question askers?

4 If we don't have the time or resources for an entire day of change management training, which elements are most important?

KEY TAKEAWAYS AND ACTION STEPS FOR HR LEADERS

Key Takeaways

1. Typical top-down communication strategies rely on three principles—over-communicating, telling positive stories, and delivering clear and consistent messages—that aim to tell employees how to change.

2. However, these strategies hardly affect the probability of change success because they create mistrust, confusion, and resistance.

3. Instead, communicate in a way that encourages talking by:
   - Supporting peer-to-peer interaction,
   - Addressing negative emotions openly, and
   - Building dialogue.

Action Steps for HR Leaders

1. Reduce the amount of central change communication.

2. Provide opportunities for managers and employees to convey and discuss any negative emotions they have about the change at the start of the process.

3. Train leaders and managers on having two-way conversations.

4. Provide questions that help managers think through how change looks in their context rather than giving them change messages to simply repeat.

OPEN SOURCE CHANGE: MAKING CHANGE MANAGEMENT WORK

Top-Down Change	Cocreate Change Strategy	Move Ownership of Implementation Planning to Employees	Focus Communication on Talking, Not Telling	Open Source Change
■ Leaders set change strategy. ■ Leaders own implementation planning. ■ Leaders tell employees about the change and its benefits.	**red**hat. Involve Employees, Not Just Leaders, in Decisions Leader Guide to Cocreating Change Strategy	salesforce Allow Employees to Create Personalized Change Plans Manager Guide for Driving Employee Ownership of Change Implementation Ingredion Create Implementation Plans Based on Employees', Not Just Leaders', Perspectives **PHILIPS** Measure Employee Behavior Change, Not Just Business Outcomes	Liberty Mutual. Give Employees Questions, Not FAQs, to Engage with Change	■ Employees cocreate change strategy. ■ Employees own implementation planning. ■ Employees talk openly about change.

Executive Summary

EXECUTIVE SUMMARY OF KEY TAKEAWAYS AND ACTION STEPS

Move from Top-Down to Open Source Change Strategies

- The average organization has experienced five major changes in the past three years, of which only 34% succeeded.

- Although employees are capable of and willing to change, only 26% of employees effectively implement change.

- Organizations currently lead change from the top of the organization down, with leaders guiding the workforce through the change.

- The best organizations use Open Source change strategies, which use the workforce, not just leaders, to plan and implement change.

- Open-source strategies shift from:
  - Leaders setting change strategy to cocreated change strategy,
  - Leader-owned to employee-owned implementation planning, and
  - Communication focused on telling to communication focused on talking.

- Using Open Source change strategies, organizations can:
  - Increase the probability of change success by as much as 24 percentage points,
  - Reduce the time it takes to implement change by as much as one-third,
  - Decrease employee time spent on change by as much as 12.6 hours per week per employee,
  - Increase employee engagement by as much as 38 percentage points,
  - Decrease the number of employee resistors by as much as 19 percentage points, and
  - Increase the number of employees who feel ownership for making change successful by as much as 29 percentage points.

EXECUTIVE SUMMARY OF KEY TAKEAWAYS
AND ACTION STEPS (CONTINUED)

Cocreate Change Strategy

- Seventy-four percent of leaders say they include employees in change strategy, but only 42% of employees agree.

- Organizations struggle to include the right people at the right time and in the right way. Conventional top-down, closed decision-making approaches aren't sufficient, but approaches like holacracy are too extreme.

- Organizations should cocreate change strategy through selective participation, early transparency, and differentiated involvement.

Take Action

1. Train senior leaders on how and when they should include employees more in decision making.
2. Teach principles of co-creation during new hire onboarding to jump-start employee strategic thinking and emphasize the importance of employee involvement from the beginning.
3. Incorporate the principles of co-creation into HIPO and leadership development programs by having participants run a mock strategy-setting session.
4. Hold leaders accountable for how they make decisions, not just the results of their decisions, by updating their objectives to feature co-creation.
5. Provide managers with guidance on how to cocreate at the team level.

EXECUTIVE SUMMARY OF KEY TAKEAWAYS AND ACTION STEPS (CONTINUED)

Move Ownership of Implementation Planning to Employees

- Sixty-two percent of organizations rely on leader-owned implementation plans in an attempt to create consistency and speed of execution.

- However, leader-created implementation plans have limited or negative impact, as leaders cannot see how change really affects employees.

- Instead, organizations should give ownership for implementation plans directly to employees, which can improve change success by up to 11 percentage points. Employees are able to define the success metrics and details of implementation plans, while the organization provides guardrails to ensure alignment with the overall change goal.

Take Action

1. Meet with leaders to explain the reasoning behind employee-owned implementation plans and outline their role in the process (i.e., providing high-level guidance and oversight).

2. Encourage leaders to place themselves in employees' shoes to consider the risks of a change and how implementation requirements differ by employee group.

3. Meet with your change team and business unit leaders to identify critical outcomes necessary for the change to succeed. Communicate these outcomes to employees, but allow them to determine how they will achieve them.

4. Work with your HRBPs to create training content for managers on how they should provide consultation and approval to employee-owned implementation plans.

5. Define success metrics that assess employee behavior change and not just their attitudes to a change.

EXECUTIVE SUMMARY OF KEY TAKEAWAYS AND ACTION STEPS (CONTINUED)

Focus Communication on Talking, Not Telling

- Typical top-down communication strategies rely on three principles—over-communicating, telling positive stories, and delivering clear and consistent messages—that aim to tell employees how to change.

- However, these strategies hardly affect the probability of change success because they create mistrust, confusion, and resistance.

- Instead, communicate in a way that encourages talking by:

  - Supporting peer-to-peer interaction,

  - Addressing negative emotions openly, and

  - Building dialogue.

Take Action

1. Reduce the amount of central change communication.

2. Provide opportunities for managers and employees to convey and discuss any negative emotions they have about the change at the start of the process.

3. Train leaders and managers on having two-way conversations.

4. Provide questions that help managers think through how change looks in their context rather than giving them change messages to simply repeat.

Appendix

Survey Methodology and Demographics

Change Success and Strategies

Additional Quantitative Findings

Additional Qualitative Resources

CEB
WHAT THE BEST COMPANIES DO

Survey Methodology and Demographics

We studied performance on five types of change: culture change, organizational restructuring, expansion into new geographies or markets, senior leader transitions, and M&A.

TOP-DOWN AND OPEN SOURCE CHANGE STRATEGY INVESTIGATION

1. We surveyed over 6,600 employees and 100 heads of HR around the globe and interviewed over 100 heads of HR to test 500 potential drivers of successful change.

2. We asked organizations to evaluate the success of changes they initiated within the last two years based on their performance against goals such as the following:

- Cost Cutting
- Return on Investment
- Revenue
- Employee Performance
- Shareholder Value
- Employee Engagement
- Time Saving

Sample Categories of Drivers of Change Success

Change Communication Effectiveness	Change Strategies and Expectations
▪ Communication source (manager, leader, etc.) ▪ Frequency of communication ▪ Content and tone of communication ▪ Use of change champions/ambassadors	▪ Accountability, incentives, goal design ▪ Change success indicators ▪ Enterprise contribution ▪ Change strategy and expectations

Effectiveness of Change Behaviors	The New Change Environment
▪ Leader/manager change behaviors ▪ Change training effectiveness	▪ How work is changing ▪ How changes are changing

Source: CEB analysis.

3. We conducted regression analyses to identify the most significant drivers of change success.

Drivers of Change Success		
Strategic Decision-Making	Implementation Planning	Communication Strategy
▪ _____	▪ _____	▪ _____
▪ _____	▪ _____	▪ _____
▪ _____	▪ _____	▪ _____

We then measured success in the five types of organizational changes.

MEASURING CHANGE SUCCESS

Change Success Equation

Change success is measured by a weighted index of the importance of different change goals and how well the organization performed against these goals.

| Importance of Change Goals | ✕ | Performance Against Stated Goals | ＝ | Change Success |
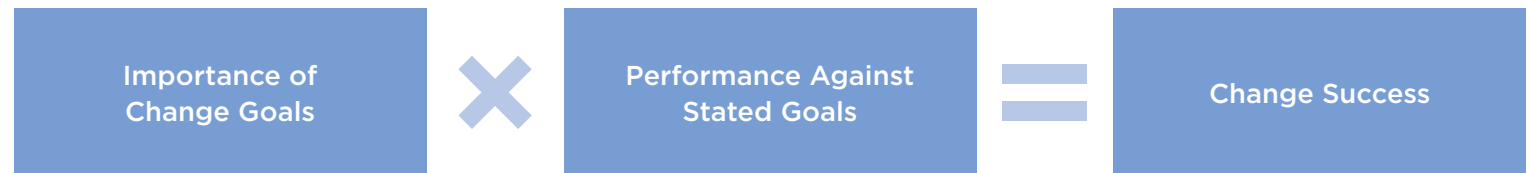
Evaluated by heads of HR for a recent organizational change

Goals include:
- Cost cutting,
- Revenue,
- Shareholder value,
- Time saving,
- Return on project investment,
- Employee performance,
- Employee engagement, and
- Other.

Evaluated by heads of HR against stated goals

For each goal, did the change:
- Underperform,
- Meet expectations, or
- Over-perform?

Source: CEB analysis.

Workforce drivers enable change success through change-enabling behaviors.

We conducted two surveys for this study:

– A global workforce survey of over 6,600 employees

– A global survey of over 100 heads of HR

In the workforce survey, we measured key change-enabling behaviors as indicators of change success.

We validated the impact of change-enabling behaviors on change success in the Head of Function Survey.

LINKING WORKFORCE DRIVERS TO CHANGE SUCCESS

Change Success Surveys

Workforce Survey

Head of Function Survey

Workforce Drivers of Change Success	Change-Enabling Behaviors *(Indicators of Change Success)*	Change Success
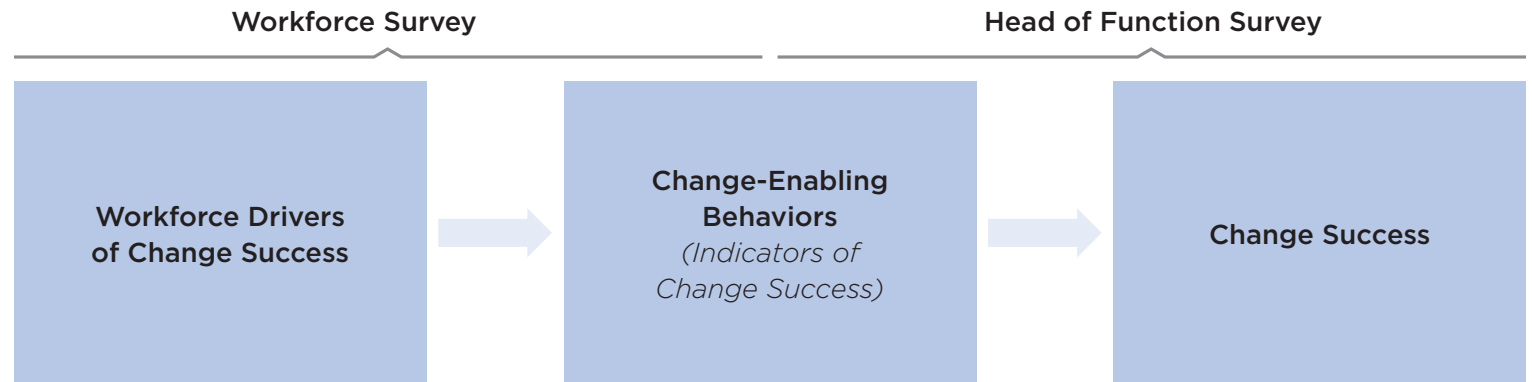
Source: CEB analysis.

The maximum impact charts in this guide show the change in probability of change success organizations can realize by moving from being very ineffective to very effective at a particular driver.

HOW TO READ MAXIMUM IMPACT CHARTS

Impact on Probability of Change Success
Illustrative

Organizations that implement driver 1 will improve their probability of change success by 6 percentage points.

Organizations that implement driver 2 will not improve their probability of change success (the impact is not statistically significant).

+6 Percentage Points

No Significant Impact[a]

Change in Probability of Success

Driver 1   Driver 2
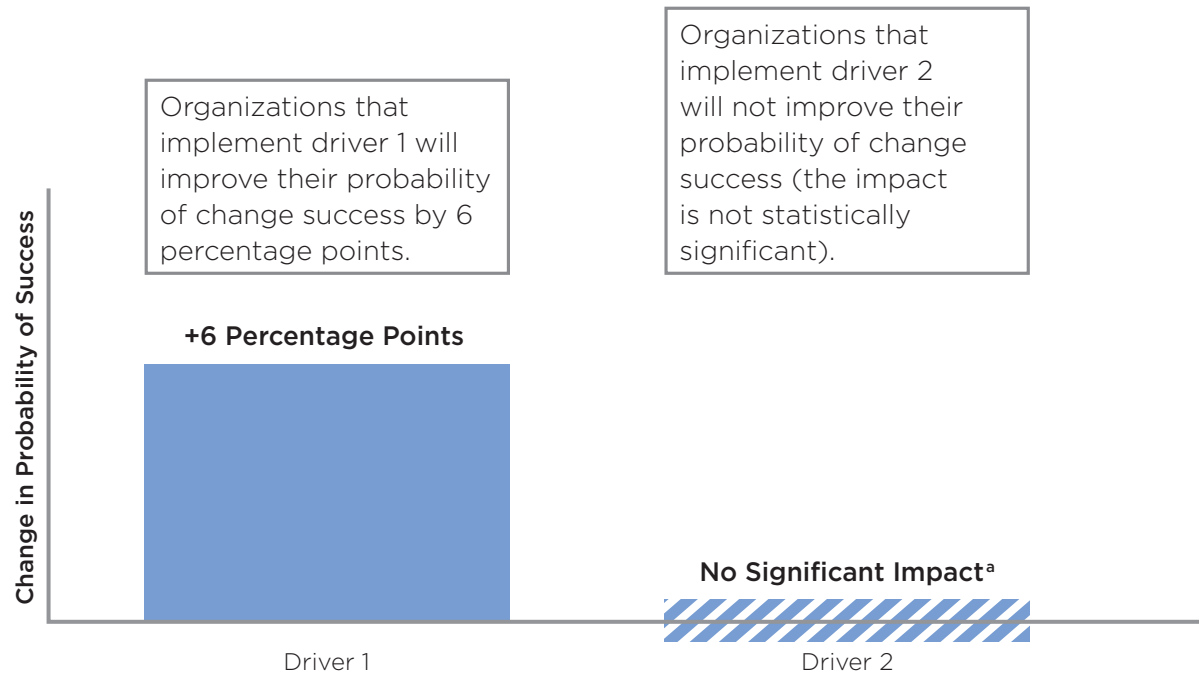
Source: CEB analysis.

[a] No statistically significant impact on change success (positive or negative) was observed.

DIFFERENTIATORS OF CHANGE SUCCESS

What differentiates successful changes from failed changes?

☐ Differentiator of Change Success[a]

⬚ Not a Differentiator of Change Success

✔ HR Owns or Influences

Uncontrollable Factors

Environmental Factors

- New Competitor
- Regulatory Actions
- Economic Volatility
- Emergency (e.g., Natural Disaster)
- Scandal
- Other Environmental Factor

Controllable Factors

Change Decision Factors

Quality of Decision

- Alignment of the Change Decision with Organizational Need *(7.0% importance[b])*
- Goal Definition *(8.0% importance[b])*
- ✔ Negative Impact on Employees Minimized

Decision-Making Process

- Availability of Relevant Information *(10.0% importance[b])*
- Stakeholder Involvement in the Change Decision *(0.5% importance[b])*
- Past Organizational Experience with the Change
- Time to Make the Change Decision

Change Implementation Factors

Employee Communication

- ✔ Differentiation of Communications' Messages *(4.0% importance[b])*
- ✔ Frequency of Employee Communication *(8.0% importance[b])*
- ✔ Clarity of Need for Change *(5.0% importance[b])*
- ✔ Communication Channel Used *(4.0% importance[b])*

Infrastructure

- ✔ Alignment of Talent Processes to the Change *(5.0% importance[b])*
- Alignment of Technology and Systems to the Change *(0.5% importance[b])*
- ✔ Alignment of Organizational Culture to the Change *(1.0% importance[b])*
- ✔ Alignment of Workflows and Processes to the Change
- Alignment of Commercial Infrastructure to the Change

Change Process

- Tracking of Success Metrics *(6.0% importance[b])*
- ✔ Change Implementation Roles and Responsibilities *(6.5% importance[b])*
- ✔ Leader Authority to Adjust Change
- Time to Execute Change

Capability Factors

Capability of Managers of Change

- ✔ Managers of Change Having Change Management Skills *(7.0% importance[b])*
- ✔ Managers of Change Having Organizational Knowledge *(9.0% importance[b])*

Capability of Senior Leaders

- ✔ Leader Deployment to Appropriate Roles

Capability of Employees

- ✔ Retention of Key Employees *(5.0% importance[b])*
- ✔ Employee Deployment to Appropriate Roles *(6.5% importance[b])*
- ✔ Employees Having Information About the Change *(6.0% importance[b])*
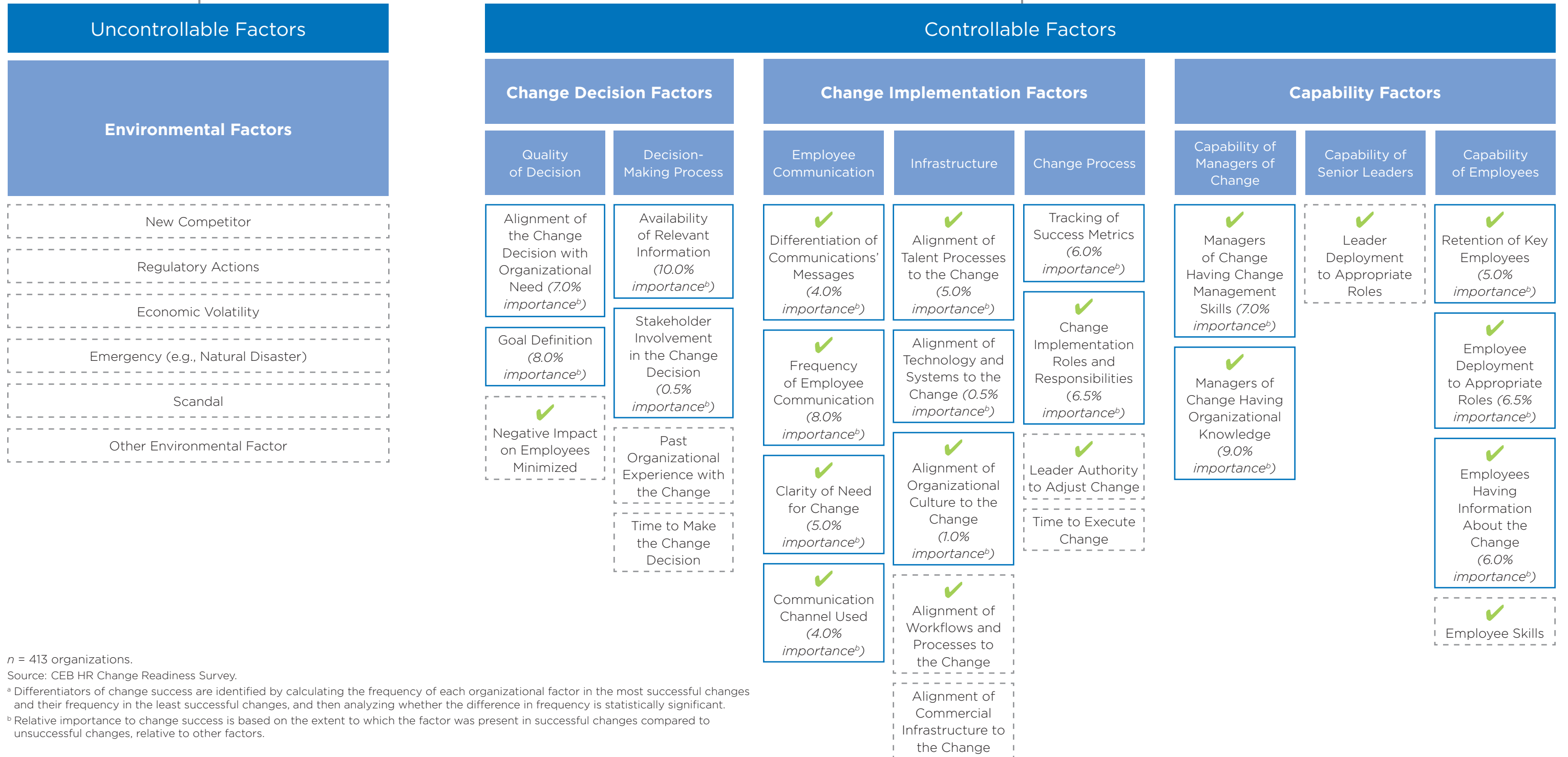- ✔ Employee Skills

n = 413 organizations.

Source: CEB HR Change Readiness Survey.

[a] Differentiators of change success are identified by calculating the frequency of each organizational factor in the most successful changes and their frequency in the least successful changes, and then analyzing whether the difference in frequency is statistically significant.

[b] Relative importance to change success is based on the extent to which the factor was present in successful changes compared to unsuccessful changes, relative to other factors.

We surveyed over 6,600 employees in different regions, industries, functions, and seniority levels.

2016 WORKFORCE CHANGE SURVEY DEMOGRAPHICS

Workforce Survey Participants by Region

Region	Percentage
Asia	18%
Australia and Oceania	2%
Europe, Middle East, and Africa	42%
North America	35%
South America	4%
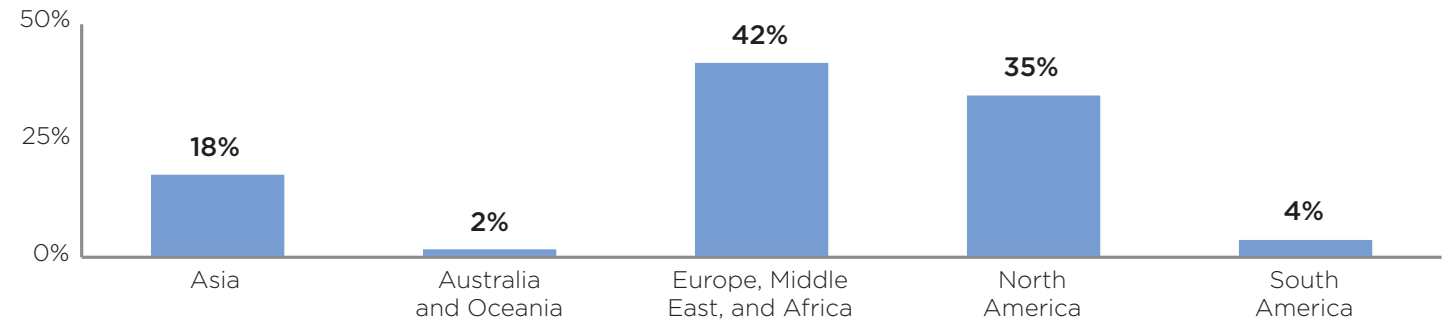
n = 6,686.
Source: CEB 2016 Workforce Change Survey.
Note: Total does not equal 100% due to rounding.

Workforce Survey Participants by Level

Level	Percentage
CEO	5%
Functional Head	3%
General Manager	6%
Executive Vice President	1%
Senior Vice President	1%
Division Head/Vice President	2%
Department Head/Director	8%
Mid-Level Manager	20%
Mid-Level Non-Manager	20%
Entry-Level Manager	8%
Entry-Level Non-Manager	14%
Other	12%
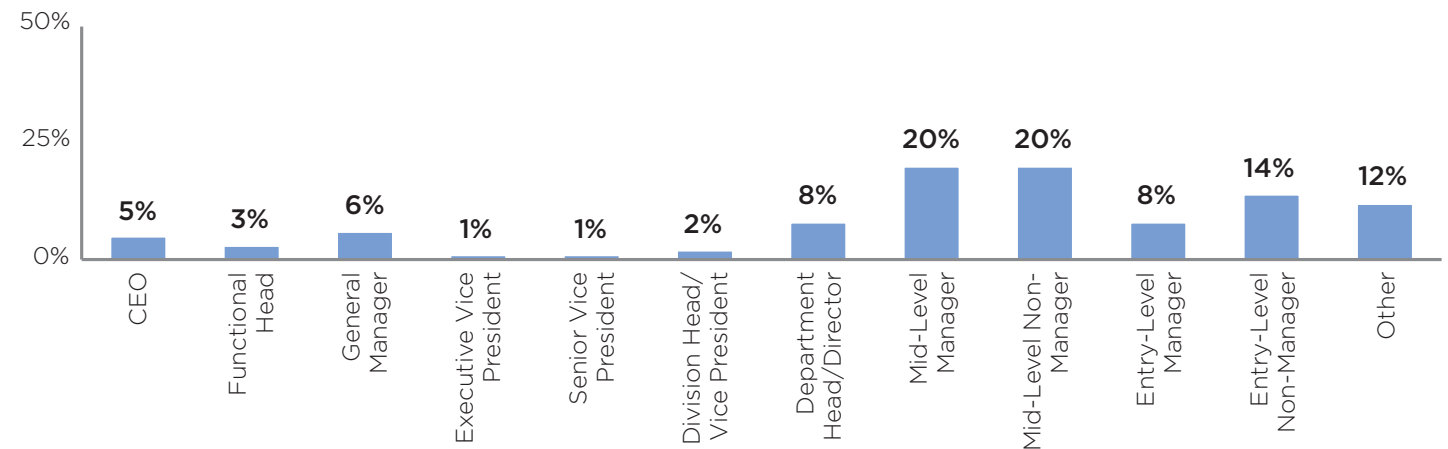
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Most respondents worked in the government.

2016 WORKFORCE CHANGE SURVEY DEMOGRAPHICS (CONTINUED)
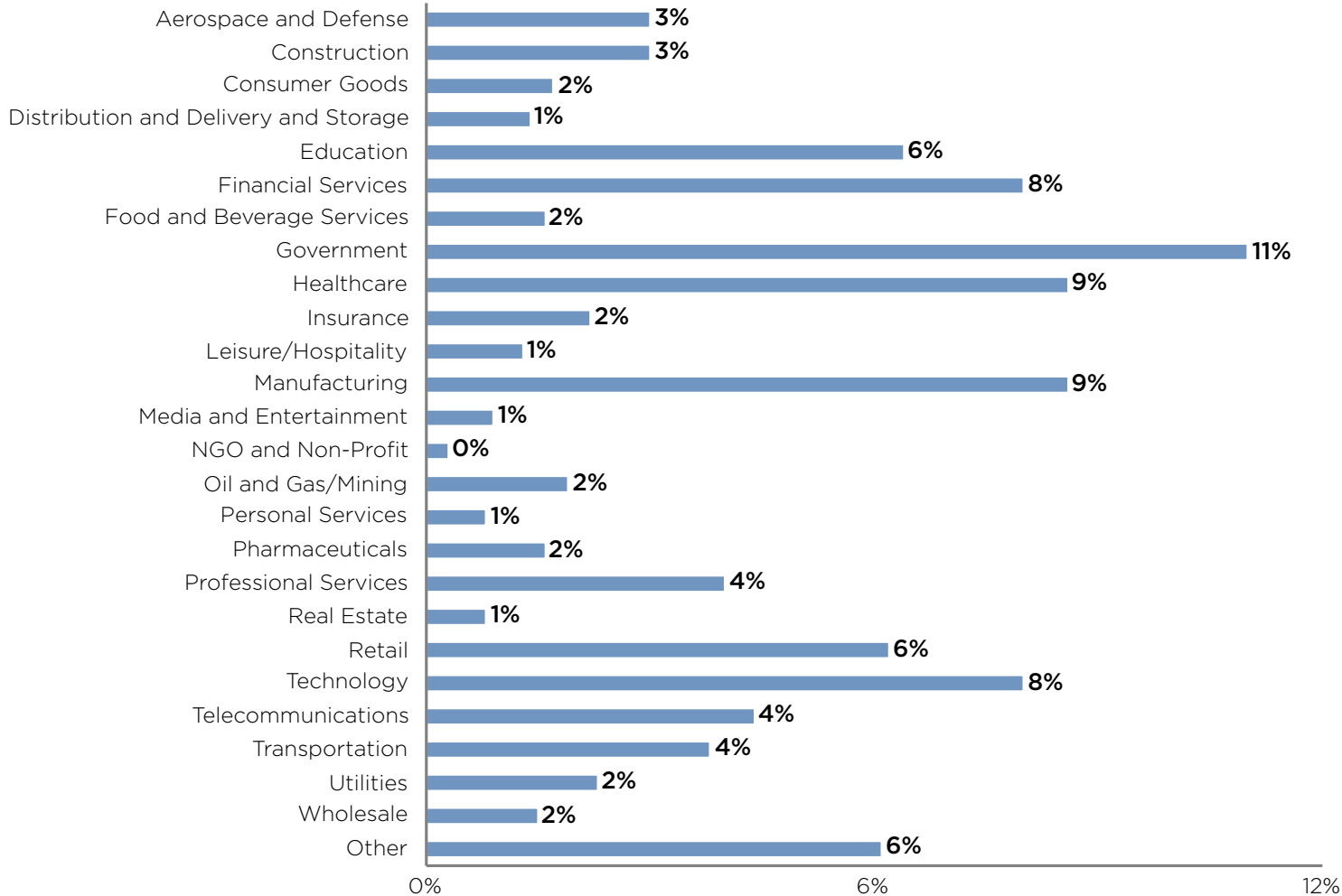
Workforce Survey Participants by Industry

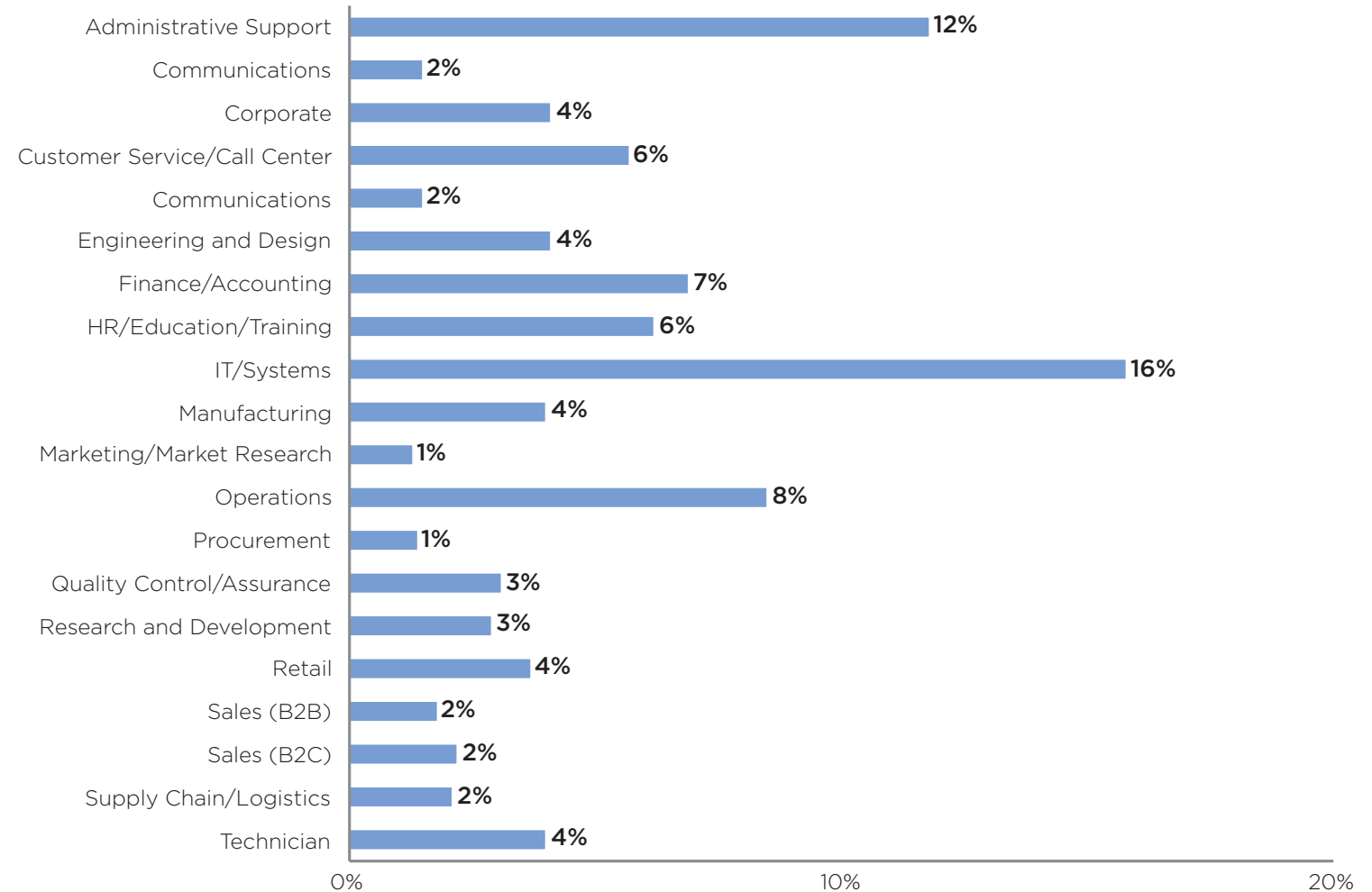| Industry	Percentage
Aerospace and Defense	3%
Construction	3%
Consumer Goods	2%
Distribution and Delivery and Storage	1%
Education	6%
Financial Services	8%
Food and Beverage Services	2%
Government	11%
Healthcare	9%
Insurance	2%
Leisure/Hospitality	1%
Manufacturing	9%
Media and Entertainment	1%
NGO and Non-Profit	0%
Oil and Gas/Mining	2%
Personal Services	1%
Pharmaceuticals	2%
Professional Services	4%
Real Estate	1%
Retail	6%
Technology	8%
Telecommunications	4%
Transportation	4%
Utilities	2%
Wholesale	2%
Other	6%

n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Most respondents worked in IT/Systems.

2016 WORKFORCE CHANGE SURVEY DEMOGRAPHICS (CONTINUED)

Workforce Survey Participants by Function

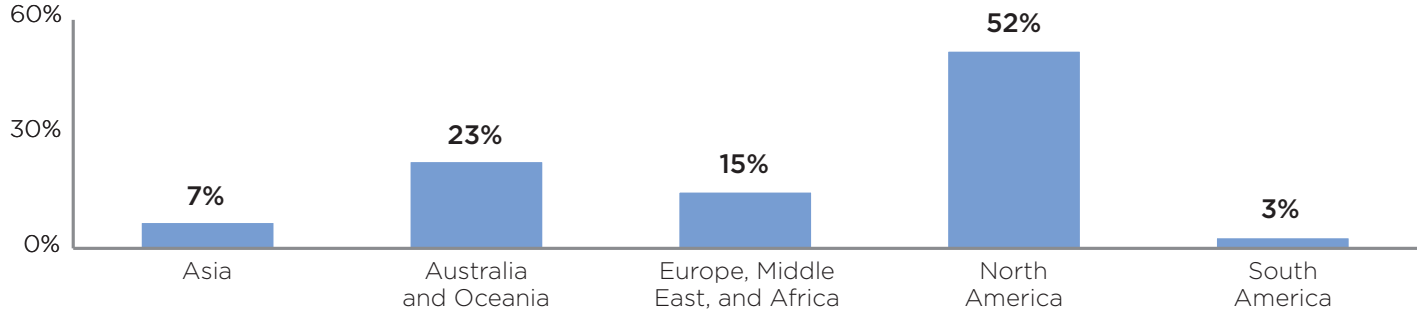| Function	Percent
Administrative Support	12%
Communications	2%
Corporate	4%
Customer Service/Call Center	6%
Communications	2%
Engineering and Design	4%
Finance/Accounting	7%
HR/Education/Training	6%
IT/Systems	16%
Manufacturing	4%
Marketing/Market Research	1%
Operations	8%
Procurement	1%
Quality Control/Assurance	3%
Research and Development	3%
Retail	4%
Sales (B2B)	2%
Sales (B2C)	2%
Supply Chain/Logistics	2%
Technician	4%

n = 6,686.
Source: CEB 2016 Workforce Change Survey.

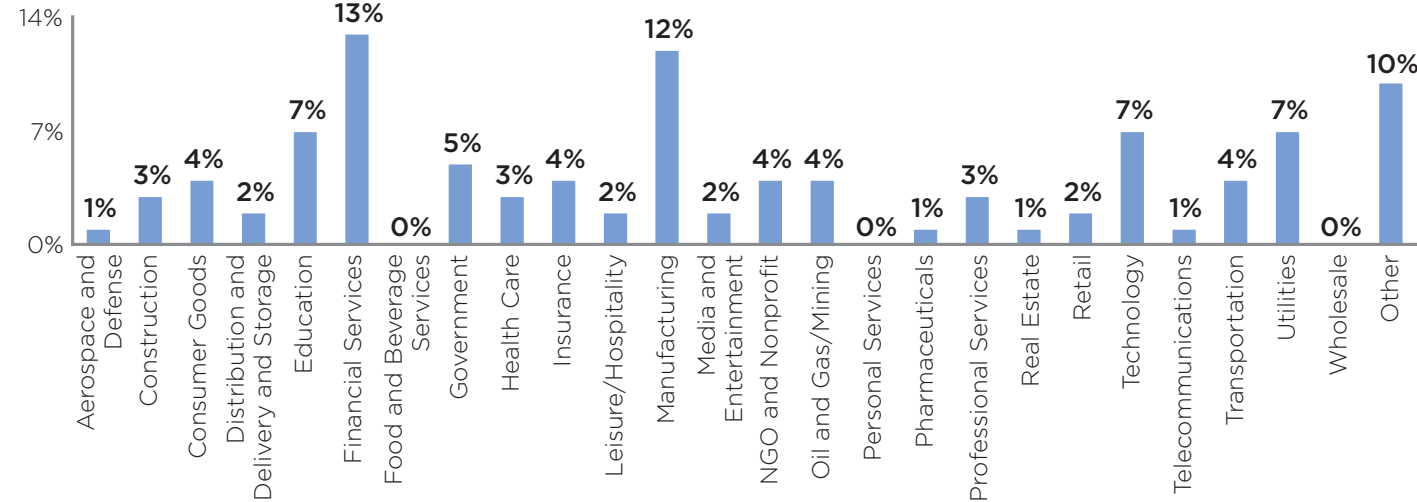We surveyed over 100 heads of HR in different regions, industries, organization sizes, and seniority levels.

2016 CHANGE MANAGEMENT HEAD OF FUNCTION SURVEY DEMOGRAPHICS

Head of Function Survey Participants by Region

Region	Percentage
Asia	7%
Australia and Oceania	23%
Europe, Middle East, and Africa	15%
North America	52%
South America	3%

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

Head of Function Survey Participants by Industry

| Industry	Percentage
Aerospace and Defense	1%
Construction	3%
Consumer Goods	4%
Distribution and Delivery and Storage	2%
Education	7%
Financial Services	13%
Food and Beverage Services	0%
Government	5%
Health Care	3%
Insurance	4%
Leisure/Hospitality	2%
Manufacturing	12%
Media and Entertainment	2%
NGO and Nonprofit	4%
Oil and Gas/Mining	4%
Personal Services	0%
Pharmaceuticals	1%
Professional Services	3%
Real Estate	1%
Retail	2%
Technology	7%
Telecommunications	1%
Transportation	4%
Utilities	7%
Wholesale	0%
Other	10%

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.
Note: Total does not equal 100% due to rounding.

Most participants were heads of HR.

2016 CHANGE MANAGEMENT HEAD OF FUNCTION SURVEY DEMOGRAPHICS (CONTINUED)

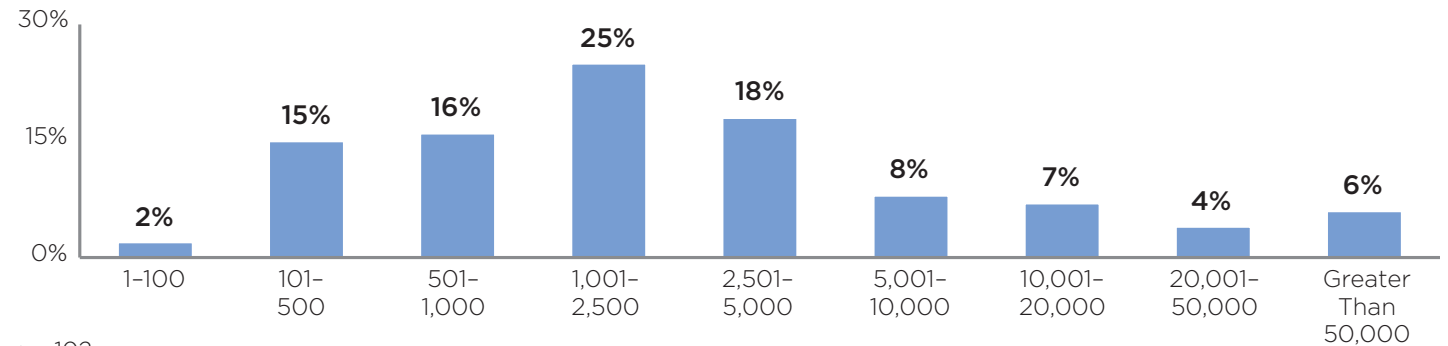## Head of Function Survey Participants by Level
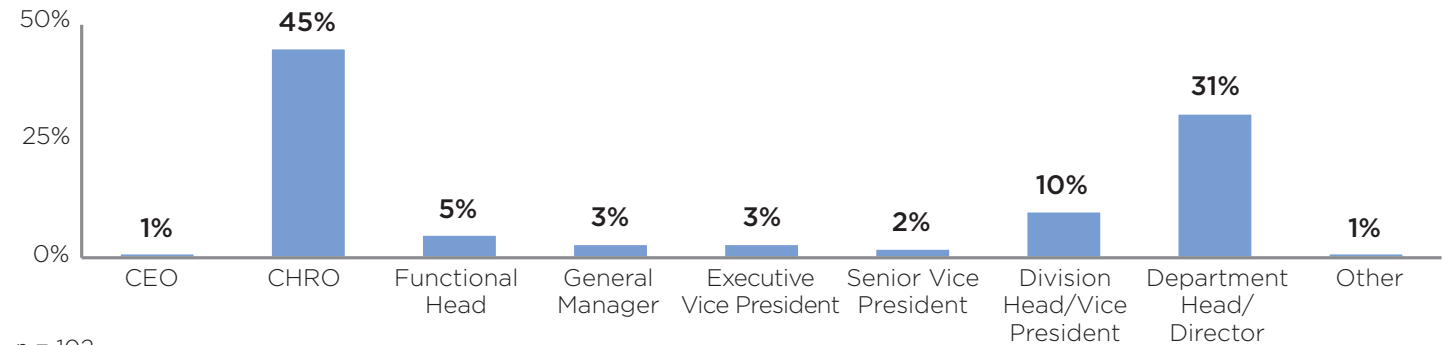
n = 102.
Source: CEB 2016 Change Management Head of Function Survey.
Note: Total does not equal 100% due to rounding.

Head of Function Survey Participants by Organizational Size

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.
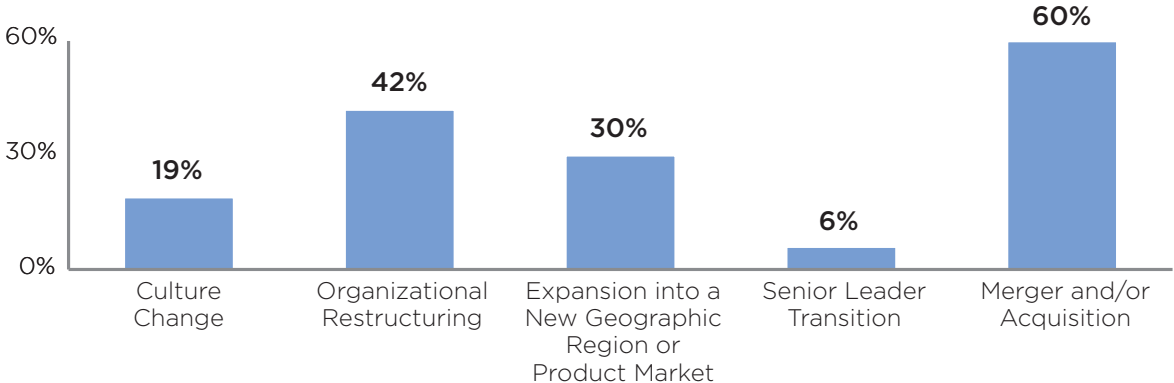Note: Total does not equal 100% due to rounding.

Change Success and Strategies

CEB
WHAT THE BEST COMPANIES DO

Only a minority of changes succeed for most types of change and regions.

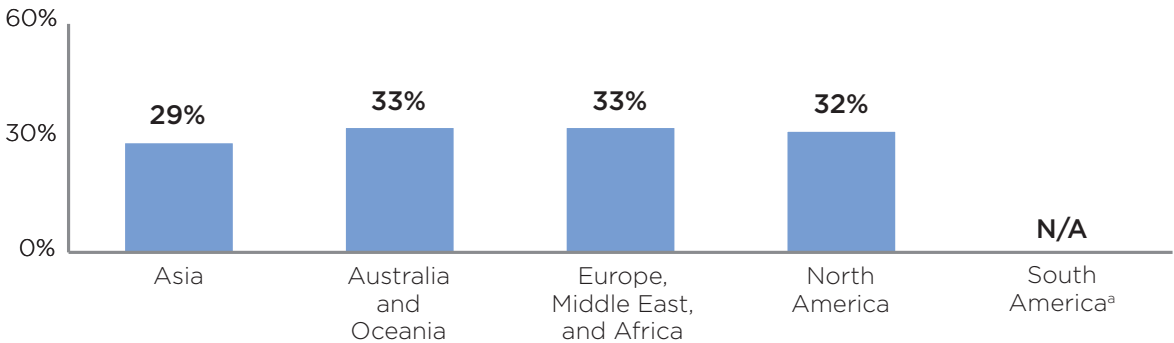Mergers and/or acquisitions tend to be the most successful type of change.

CHANGE SUCCESS BY CHANGE TYPE, REGION

Change Success by Change Type
Percentage of Changes That Succeed

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.

Change Success by Region
Percentage of Changes That Succeed

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.
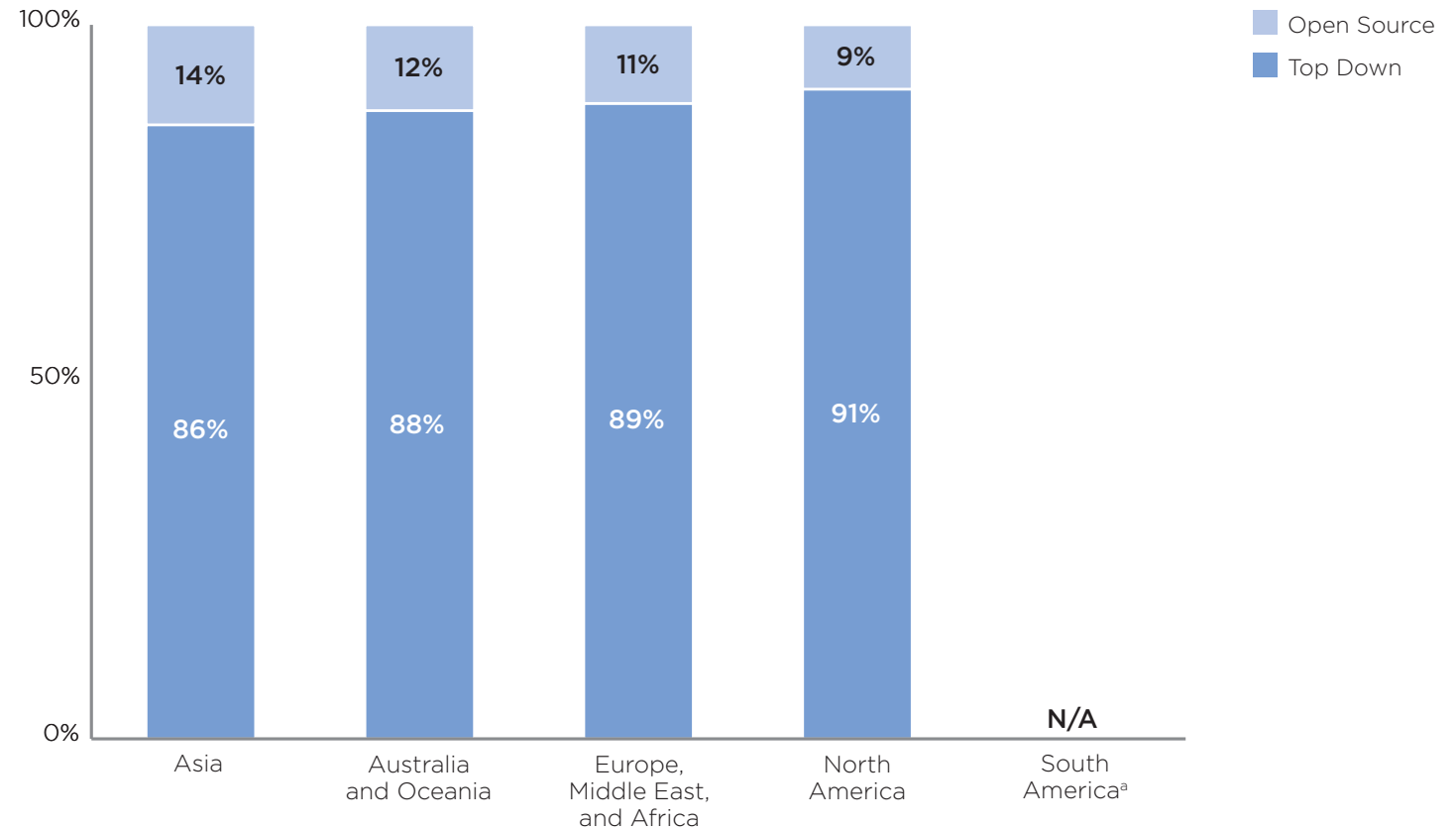[a] Insufficient sample size.

Changes are mostly managed from the top down in all regions.

Asia uses open-source strategies more than other regions do.

CHANGE STRATEGIES BY REGION

Change Management Strategies by Region
Percentage of Changes Managed by Top-Down and Open-Source Strategies

Open Source
Top Down

Region	Open Source	Top Down
Asia	14%	86%
Australia and Oceania	12%	88%
Europe, Middle East, and Africa	11%	89%
North America	9%	91%
South Americaª	N/A	N/A

n = 102.
Source: CEB 2016 Change Management Head of Function Survey.
ª Insufficient sample size.

Cocreating change strategy applies to all types of changes, as employees are able to contribute valuable input based on their unique frontline exposure.
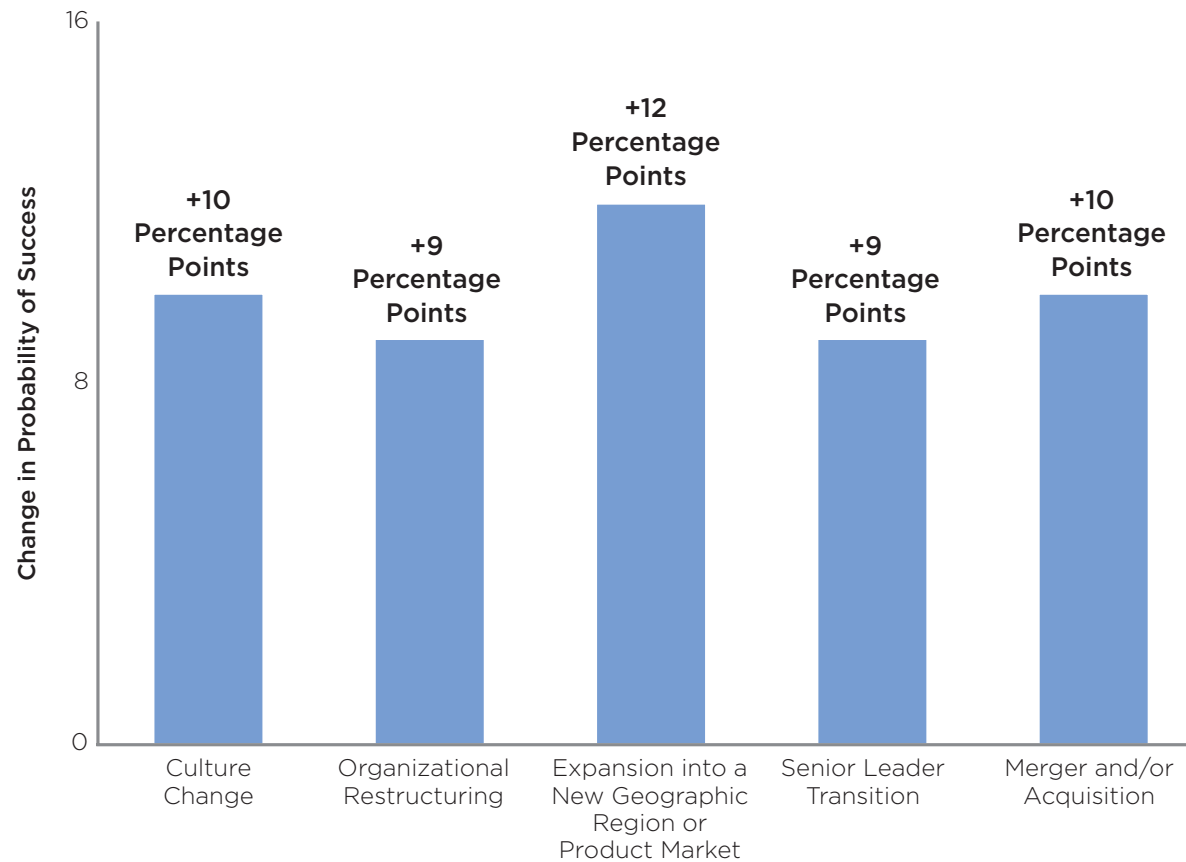
At a minimum, organizations need employees to feel involved in the organizational trajectory.

However, you may want to adjust particular components of the strategy given the type of change.

IMPACT OF OPEN SOURCE CHANGE STRATEGY BY CHANGE TYPE

Impact of Employees Cocreating Change Strategy on Change Success
Impact on Probability of Change Success by Type of Change

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

Employee ownership of implementation planning applies to all types of changes, as employees generally know how a change is affecting them better than their leaders or even managers do.

At a minimum, organizations should let employees define how change will affect their work and their networks after a change.

However, you may want to adjust particular components of the strategy given the type of change and employees' knowledge of different parts of the organization and success metrics.

IMPACT OF OPEN SOURCE CHANGE STRATEGY BY CHANGE TYPE (CONTINUED)

Impact of Employee-Owned Implementation Planning on Change Success
Impact on Probability of Change Success by Type of Change
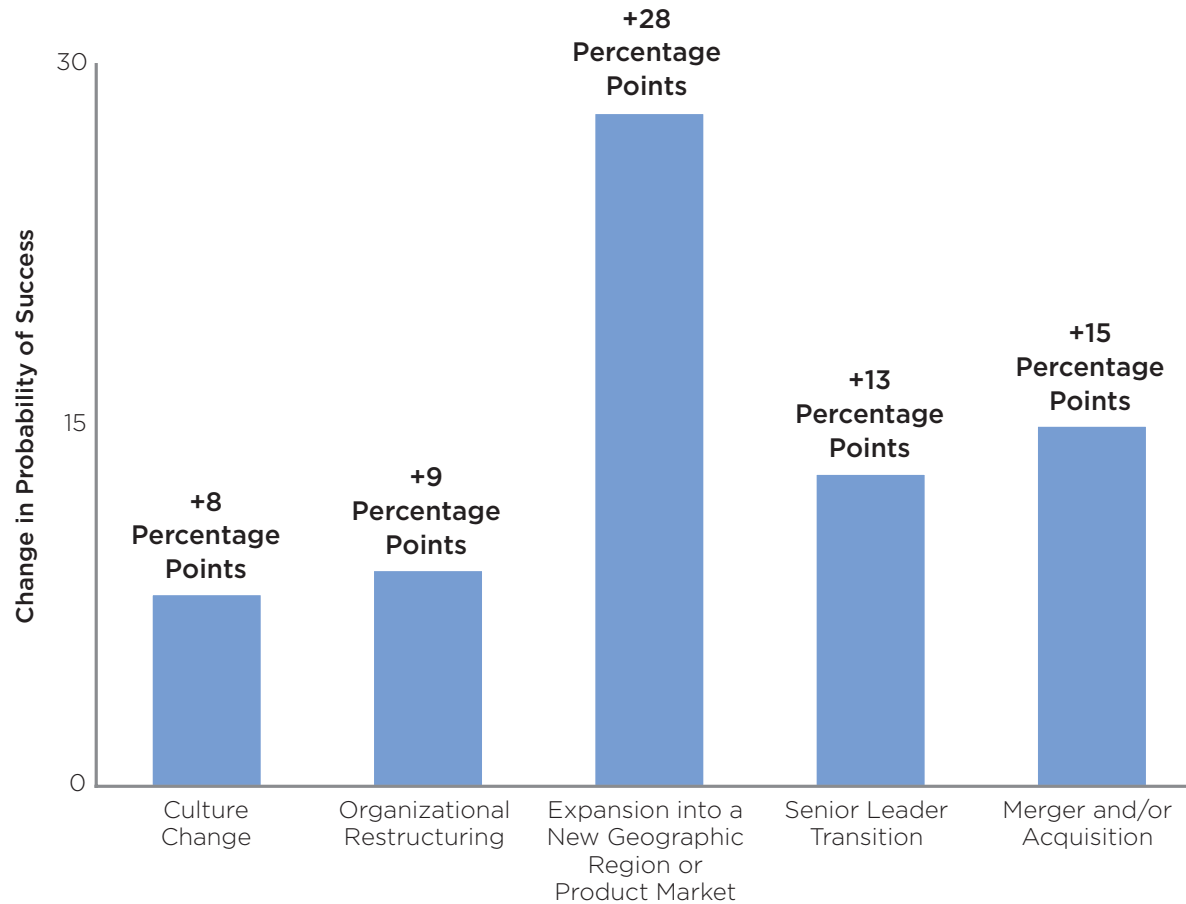
n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

Talk communication applies to all change types because employees always appreciate open conversations and having their worries addressed directly.

Employees also benefit from peer discussions to understand how others have changed their behaviors.

However, you might wish to emphasize different aspects given the type of change.

IMPACT OF OPEN SOURCE CHANGE STRATEGY BY CHANGE TYPE (CONTINUED)

Impact of Communication Focused on Talking on Change Success
Impact on Probability of Change Success by Type of Change
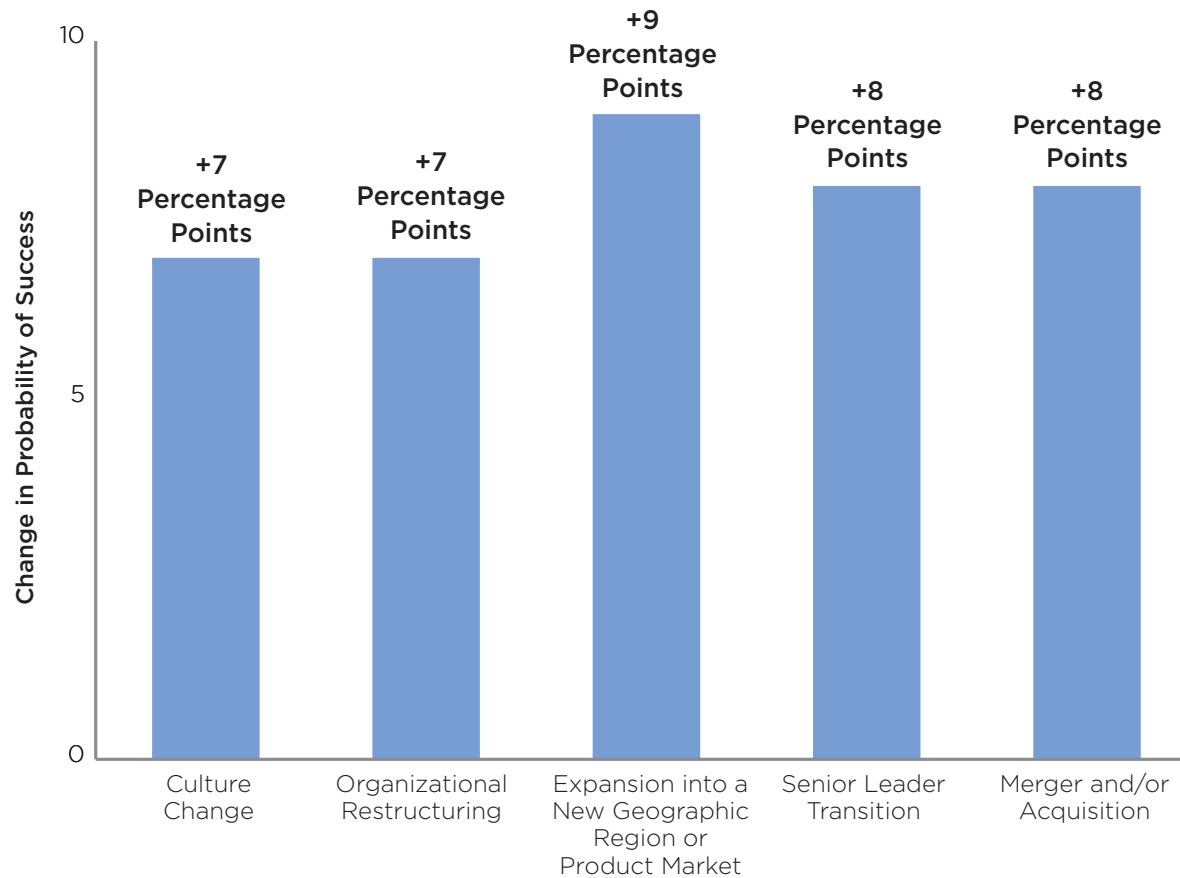
n = 6,686 (Workforce Survey); 102 (Head of Function Survey).
Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

Open Source change strategies increase engagement, discretionary effort, and intent to stay, whereas top-down change strategies do the opposite.

IMPACT OF OPEN SOURCE CHANGE STRATEGY ON TALENT OUTCOMES

Change Management Strategy's Impact on Engagement[a]

+30
Percentage
Points

(8)
Percentage
Points

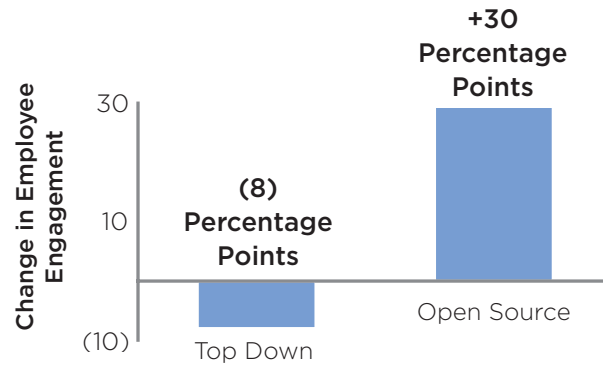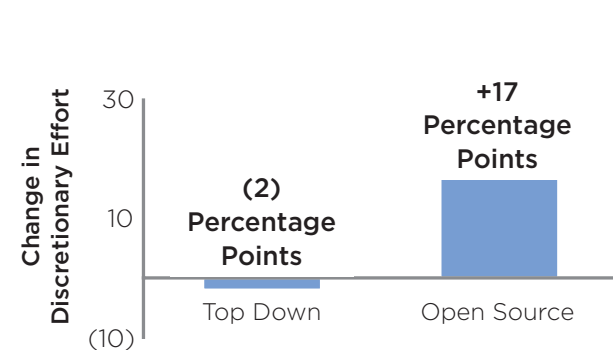Change in Employee Engagement

30

10

(10)

Top Down

Open Source

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).

Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

[a] Engagement is calculated by measuring employees' energy, pride, and optimism as defined by CEB's ClearAdvantage framework.

Change Management Strategy's Impact on Discretionary Effort

+17
Percentage
Points

(2)
Percentage
Points

Change in Discretionary Effort

30

10

(10)

Top Down

Open Source

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).

Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.
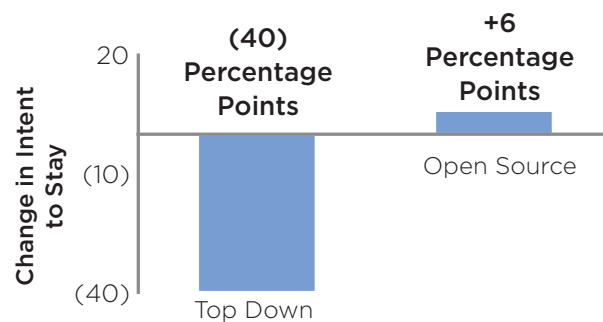
Change Management Strategy's Impact on Intent to Stay

(40)
Percentage
Points

+6
Percentage
Points

Change in Intent to Stay

20

(10)

(40)

Open Source

Top Down

n = 6,686 (Workforce Survey); 102 (Head of Function Survey).

Source: CEB 2016 Workforce Change Survey; CEB 2016 Change Management Head of Function Survey.

Additional Quantitative Findings

CEB
WHAT THE BEST COMPANIES DO

Workforce understanding of change drops significantly from more senior to entry-level employees in organizations that use top-down strategies.

Over 50% of functional heads in top-down organizations have a strong understanding of the change they are facing, but only 20% of entry-level employees do.

In open-source organizations, however, about 60% of all employees understand the change.

TOP-DOWN CHANGE STRATEGIES REDUCE CHANGE UNDERSTANDING

Top-Down Change Strategies Reduce Understanding of Change in the Workforce
*Percentage of Respondents Understanding Change by Seniority[a]*
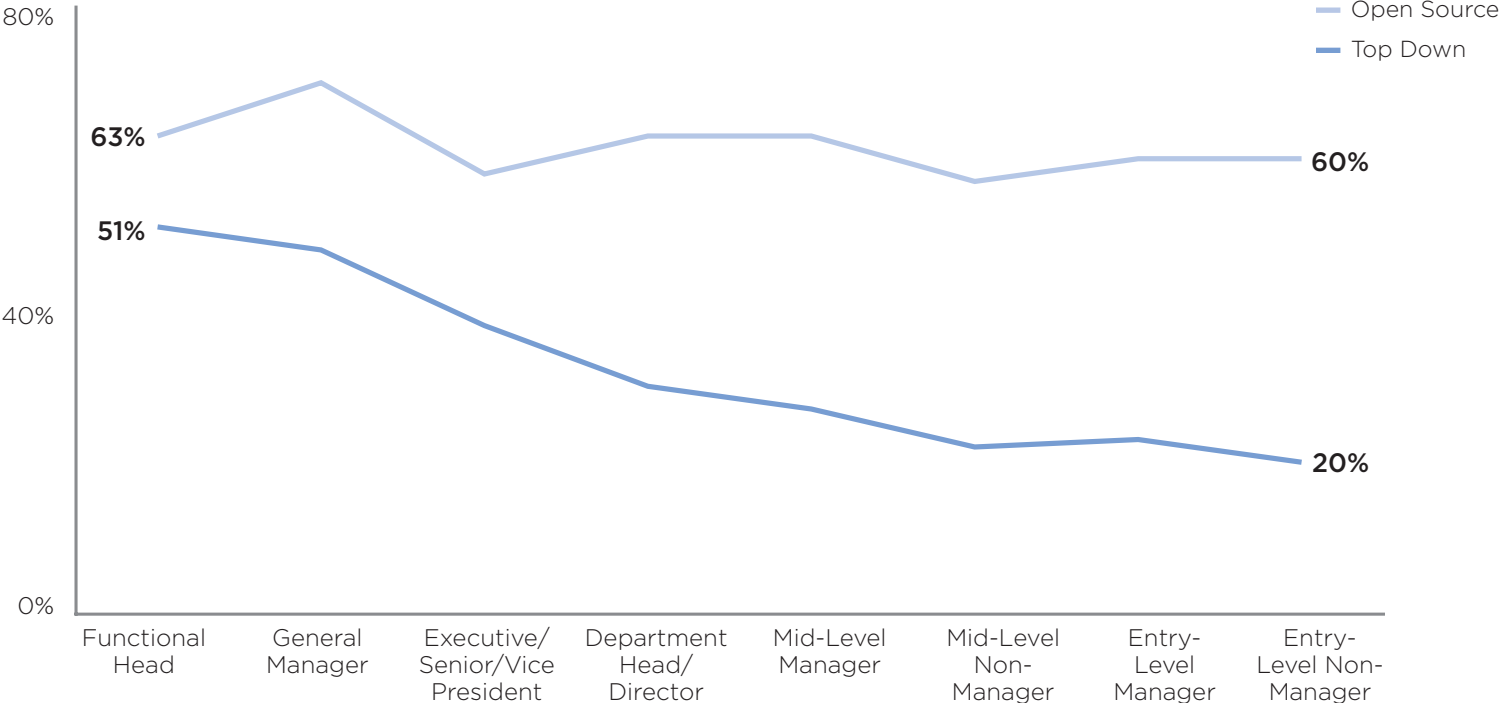
n = 6,686.
Source: CEB 2016 Workforce Change Survey.
[a] Based on those who understand most change implications.

Leaders are more likely than managers or employees to resist change.

Resistors are employees who try to avoid change-related tasks and responsibilities and who are likely to spread negative opinions about the change to others.

LEADERS ARE MORE LIKELY TO RESIST CHANGE

Percentage of Respondents Who Are Resistors by Seniority

	Leader	Manager	Employee
	31%	19%	18%
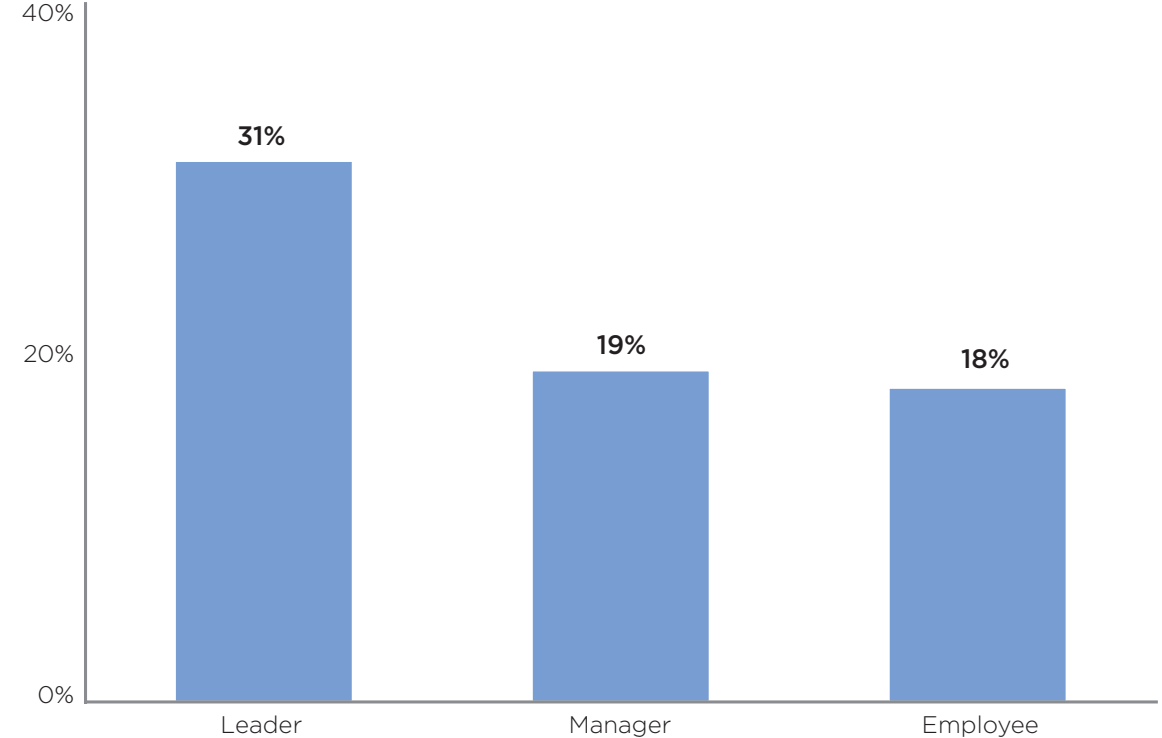
n = 6,686.
Source: CEB 2016 Workforce Change Survey.

Additional Qualitative Resources

WHAT THE BEST COMPANIES DO

FROM INSIGHT TO APPLICATION: CHAPTER 1

Examples of Cocreated Change Strategy

1 **Decision: Purchasing Enterprise-Wide IT Platform**
- Leaders involve employees who have varied levels of comfort with technology, such as:
  - Younger employees who are early adopters of modern technology,
  - New hires joining your organization from tech-savvy organizations, and
  - Employees who self-identify as slow adopters when it comes to new technology.
- Leaders give everyone involved in the decision a vote; don't let the most-senior participants or most-vocal employees own the decision alone.

2 **Decision: Restructuring the Sales Team**
- Leaders involve employees who represent various touchpoints in a product or service life cycle, including employees in Product Development/R&D, Marketing and Advertising, and Sales.
- Leaders involve employees who reflect the average employee in their function (based on level, tenure, performance, etc.) and not just leaders or HIPOs.
- Leaders have the entire group create the business case for restructuring the sales team to ensure all participants inform the decision.

3 **Decision: Post-Acquisition Integration**
- After an acquisition is finalized, leaders involve employees from both organizations to determine how to integrate the two organizations. Employees should represent various levels, critical job types and functions, and locations.
- Managers ask smaller teams of employees from both workforces to, for example, determine 1) which product and service lines to integrate first and how to integrate them, 2) which functions and teams to integrate first and how to integrate them, and 3) key steps for beginning cultural integration of the two organizations.
- Managers have each sub-team present its decisions to the broader group for feedback and to finalize the decisions.

FROM INSIGHT TO APPLICATION: CHAPTER 2

Examples of Employee Ownership of Implementation Planning

1 **Situation: Integration with a Potential Competitor**
- To provide a clear vision of the integration, leaders of the acquiring company explain transparently to their teams that company X was acquired to remove a competitive threat.
- Employees are responsible for proposing three actions for how they could collaborate with their new colleagues.
- Employees independently determine how and if they need to change their day-to-day work to support the integration.

2 **Situation: New CRM Technology**
- The organization runs a training to explain clearly which functionalities are necessary and where employees can experiment to best meet their objectives.
- Leaders set a clear end date for full adoption of the new technology.
- Employees create a plan for how they will transition their work pattern and flow from the old to new technology.

3 **Situation: New Behavioral Model**
- Members of the change team and change champions hold conversations with employees articulating how they arrived at the new model to ensure employees don't pursue dead ends.
- Employees define which measures will indicate that their team is successfully exhibiting the new enterprise-wide behaviors.
- Managers lead discussions with their teams about how they will support each other to adopt new behaviors.

FROM INSIGHT TO APPLICATION: CHAPTER 3

Examples of Communication That Focuses on Talking

1 **Situation: Restructuring**
- The communications team minimizes the amount of town halls and central e-mail campaigns.
- HRBPs facilitate employee feedback sessions to openly and frankly discuss the restructuring with their peers without retribution.
- Employees identify how the restructuring will affect them and their teams.

2 **Situation: Market Expansion**
- The leadership team tells employees what they don't know about entering the Latin American market and asks them for input.
- Employees are encouraged to ask peers, managers, and leaders about doubts they may have about the planned market expansion.
- Managers are given questions, not consistent talking points, to talk about the new market expansion with their teams.

3 **Situation: Leadership Transition**
- Managers facilitate team meetings to solicit employee worries as a result of the exit of a popular GM.
- Employees identify what could or should be done differently with the new leader after they learn about the change.
- Employees reflect on what they learned about their own reaction to the news of the transition and how to move forward through small-group meetings.

KEY TAKEAWAYS FOR THE WORKFORCE: CHAPTER 1

Cocreate Change Strategy

Leaders	Managers	Employees	HRBPs
▪ Don't default to making decisions in the interest of speed; consider where employees can be more involved. ▪ Determine who should be involved in cocreating change strategy based on their knowledge and expertise, not seniority or previous involvement in similar decisions. ▪ Set risk parameters to prevent "bad" experiments. ▪ Identify which issues employees are particularly sensitive to, and consult employees early when considering changes related to these trigger points. ▪ Share how you are making decisions, not just the results.	▪ Give employees the opportunity to be involved in determining what changes need to occur and how. ▪ Encourage experimentation among your teams rather than just telling them what to do. ▪ Facilitate discussions about change strategy rather than just completing change orders received from the top.	▪ Don't wait for the organization to tell you to change; attempt to solve barriers and problems, and communicate what didn't work to your peers and your manager. ▪ Come to discussions with peers, managers, and leaders prepared to contribute productively to the change plan. ▪ Learn about the context for change and industry trends so you can contribute value.	▪ Challenge executives to involve employees in change strategy decisions. Ensure their processes and plans include time for feedback. ▪ Teach employees how to give constructive input on strategy. ▪ Tell leaders which decisions will be particularly sensitive to the workforce or particular teams.

KEY TAKEAWAYS FOR THE WORKFORCE: CHAPTER 2

Move Ownership of Implementation Planning to Employees

Leaders	Managers	Employees	HRBPs
▪ Don't try to control exactly how employees implement change; allow them to create their own plans. ▪ Check in with your teams, and ask them what unanticipated barriers they are facing. ▪ Communicate a clear change vision to your team, not just tactical goals and objectives of the change. ▪ Be prepared to adjust your change strategy if many of your teams are experiencing obstacles or are not aligned with the change. ▪ Check in on teams to ensure the success metrics they chose are correct and they are performing well.	▪ Work with your team to develop a change implementation plan and identify the right objectives to pursue after a change. ▪ Don't just depend on official feedback channels; informally communicate problems that arise during implementation planning up to leaders and to other managers. ▪ Ask your team to identify and define behaviors to stop or start. ▪ Force employees to own decision making by closing your door sometimes—the always-open-door manager is not always the best manager. ▪ Work with your team to identify the most relevant success metrics for the plan you have created.	▪ Reflect on the change in the context of your own and your team's role and the barriers and priorities you face. ▪ Talk to your peers to analyze the change and validate your thoughts on implications for you and your team. ▪ Use change occasions to deepen your understanding of the business strategy.	▪ Facilitate team sessions to help teams map change implementation plans. ▪ As implementation planning is pushed down the organization, coordinate between teams, central functions, and leaders to ensure pieces of the plan aren't forgotten about or left behind. ▪ Help teams define new behaviors and develop action plans. ▪ Review talent processes to align them with changes.

KEY TAKEAWAYS FOR THE WORKFORCE: CHAPTER 3

Focus Communication on Talking, Not Telling

Leaders	Managers	Employees	HRBPs
▪ Don't just echo the company line; share your own opinions and doubts with employees, and be open to receiving theirs. ▪ Allow employees time to process the implications of a change rather than expecting them to process them at the same pace you did. ▪ Tell employees how you think their jobs should evolve, but leave room for them to disagree.	▪ Drop corporate scripts and make the change message specific to your context. ▪ Don't judge employees' receptivity to change based on their initial emotional reaction; allow them time to come to terms with the change.	▪ Work with your peers to identify questions and concerns about the change that you want to review with your manager. ▪ Don't passively consume communication—question messages, and contribute to discussions.	▪ Vet corporate communication to ensure messages align with the context of the business unit you support, and customize communication when necessary. ▪ After a change, hold regular discussion forums with employees that allow them to express negative feelings without their managers present. ▪ Understand the challenges and barriers employees face, and act as a feedback channel.

WHAT IS AN OPEN DECISION?

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides.com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015)

WHO TO ENGAGE IN AN OPEN DECISION

WHO TO ENGAGE

- **Build diversity of thought**

Whose problem are you trying to solve?	Who will have to do the work?	Who else will you need or want help from?
Who could be impacted?	Who has solved a similar problem?	Who might care about this, despite not being impacted?
Who is likely to reject or opt out of the solution?	Who would want to be involved or informed?	Who are your sponsors?
Participation	**Meritocracy**	**Community**

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides.com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015)
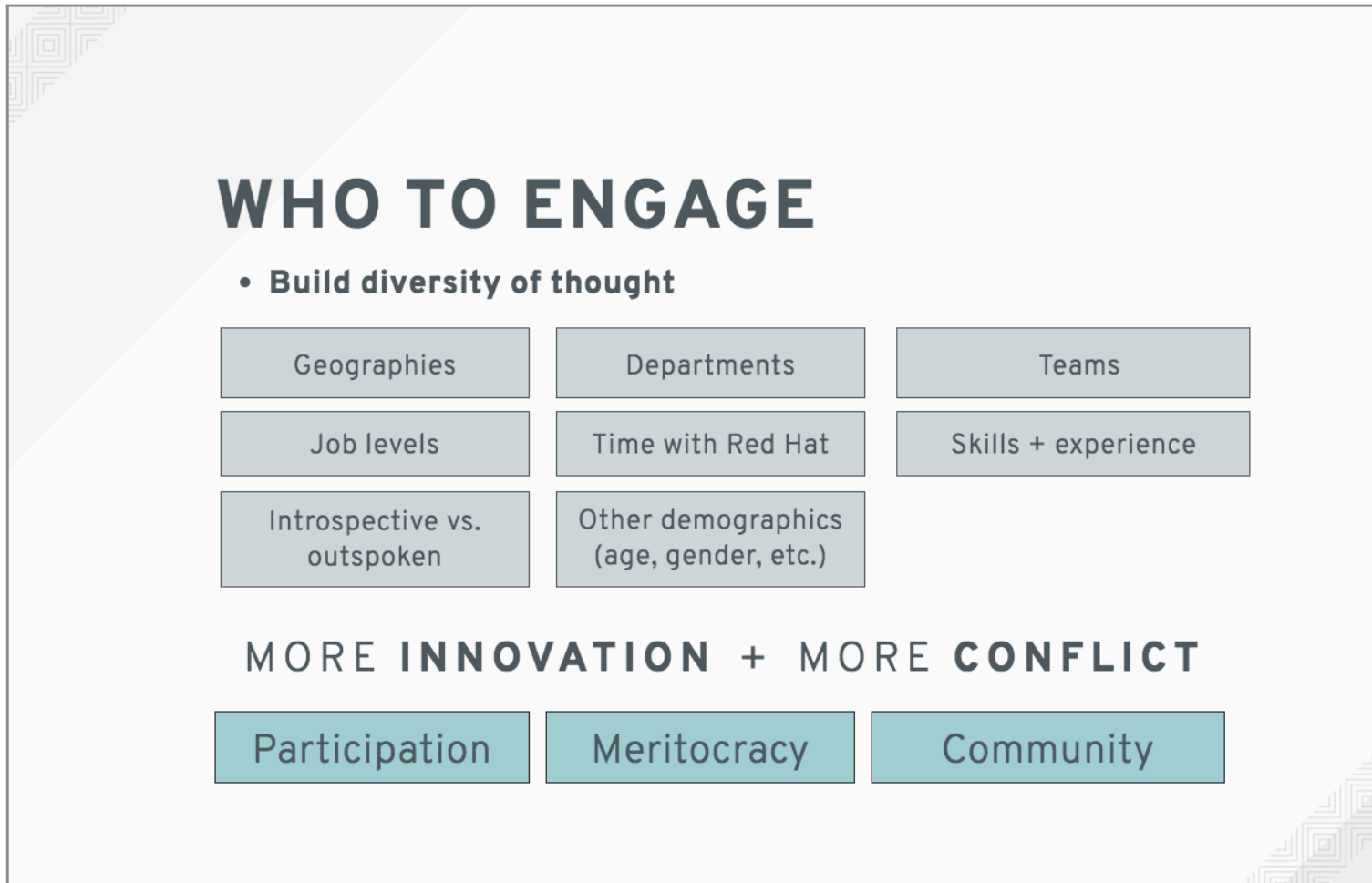
WHO TO ENGAGE IN AN OPEN DECISION (CONTINUED)

Source: Rebecca Fernandez, "Open Decision Framework," Red Hat, http://redhat.slides.com/rfernand/deck-1-3-3-4-6#/, Accessed May 2016; Jim Whitehurst, *The Open Organization: Igniting Passion and Performance* (Boston: Harvard Business Review Press, 2015)

A GREAT V2MOM IS THOUGHTFULLY CRAFTED

Keep it short
Your statements should be focused and easy to remember.

Words matters
Be thoughtful in your word choices. The words you choose make a difference.
Ex. You can 'empower' by giving authority or you can 'enable' by providing tools.

Order is important
The order you list your Values, Methods and Measures shows their priority. When using your V2MOM to guide decisions, the priority is key.

Make it your own
No two V2MOMs should be the same. Every individual and team supports the company vision in a different way. This should be reflected in your V2MOM.

Source: Salesforce.

GUIDE FOR EMPLOYEES TO UPDATE THE V2MOM

USE YOUR V2MOM TO INFORM DECISION-MAKING THROUGHOUT THE YEAR

Your V2MOM is an awesome tool for prioritizing where you spend your time and resources

Review progress quarterly with your manager and team. Course correct as needed.

Update progress on your Measures at least 2x/year

If priorities change, discuss them with your manager and update your V2MOM

Create V2MOMs to kickoff new projects and initiatives – it helps reinforce the process and gets everyone on the same page!

Source: Salesforce.
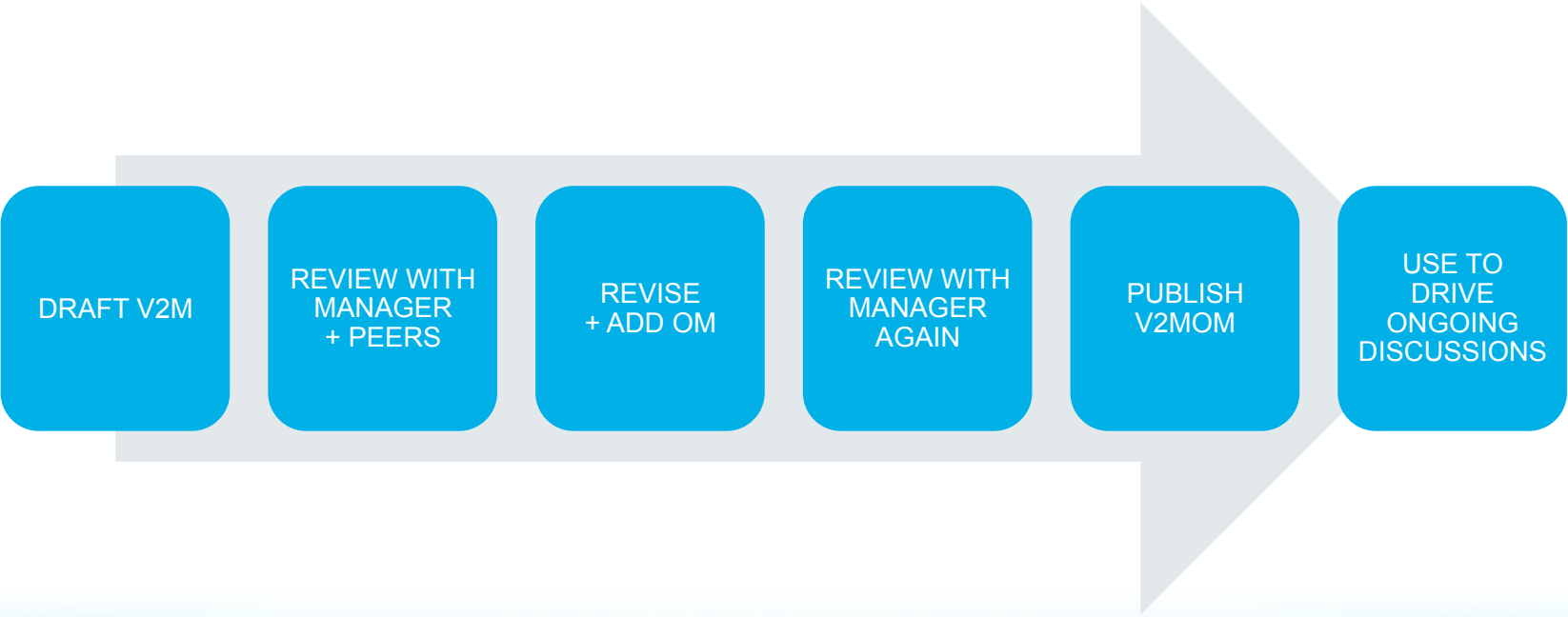
EMPLOYEE PROCESS FOR COMPLETING THE V2MOM
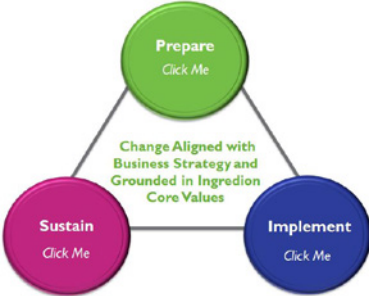
FOLLOW THIS FORMULA FOR SUCCESS

| DRAFT V2M | REVIEW WITH MANAGER + PEERS | REVISE + ADD OM | REVIEW WITH MANAGER AGAIN | PUBLISH V2MOM | USE TO DRIVE ONGOING DISCUSSIONS |

Source: Salesforce.

CHANGE ENABLEMENT TOOLKIT OVERVIEW

Ingredion.

Change Enablement Toolkit

Change Enablement is defined as: *A holistic, people-focused approach to transitioning individuals, teams, and organizations from where they are to where they need to be in order to drive enduring business success*

To enable change, there are three critical phases, each of which includes resources and tools as a guide:

PREPARE

Develop a case for change, gain buy-in and support, define the project team, & craft a communications approach

Tool	What is it used for?
Readiness and Risk Scorecard	Helps determine the degree to which the organization is ready for the change
Case for Change ⭐	Builds the story and business case for change
Defining Roles & Responsibilities	Identifies the individuals needed to lead and manage the change
Change Network Charter	Defines the purpose and responsibilities of the Change Network
Stakeholder Analysis ⭐	Identifies individuals and groups who will be impacted by the change
Stop, Start, Continue ⭐	Captures components of the change and describes behaviors that need to change
Stages of Adoption to Change	Describes the transition from current to future state
Communications Plan ⭐	Outlines the change messages for each target audience
Communications Checklist	Helps construct appropriate messaging based on best practices

IMPLEMENT

Train employees for a smooth transition, maintain open communication, & keep a pulse on the change implementation

Tool	What is it used for?
Training Approach ⭐	Defines the primary audiences, their needs, and objectives for training
Training Plan ⭐	Outlines specific training materials needed, ownership, and timing of delivery
Check-In Discussion Guide	Pulse check on how the change is progressing in order to make adjustments

SUSTAIN

Assess and manage risks, debrief with project team, reward successes & share knowledge with others

Tool	What is it used for?
Risk Analysis ⭐	Assesses the sustainability of the change, uncovers risks, and defines actions
Project Team Debrief ⭐	Gathers input on the success of the change effort
Pulse Survey ⭐	Assesses the engagement level and impact after the change is implemented
Achieve Recognition	Recognizes team members who have played a significant role in the change
Share Your Knowledge	Provides a forum for sharing lessons learned and connecting with change leaders

Source: Ingredion.

CASE FOR CHANGE TOOL

Case for Change

WHAT IS IT?

The Case for Change includes a series of guiding questions, which will help create a compelling and concise business case for change. It will help your team to identify the current state, the desired future state, the benefits of the change for the business, the impact of the change, and the risks or challenges brought about by the change. This insight will help you build your "change story."

WHO SHOULD USE IT?

Use the Case for Change to facilitate a discussion with your Project Team, and consider including your Steering Committee (those who set the overall vision and align business objectives) and/or Executive Sponsors for additional perspectives on the business value. Typically, the Project Lead or Change Expert would facilitate this discussion. Once the "change story" has been created, consider sharing it with other stakeholders to gather input and refine the story as needed.

WHEN & WHY SHOULD I USE IT?

Use the Case for Change to create a compelling story and business case for the change. Articulating the benefits to the business and describing why the change is critical will help you build sustainable leadership alignment and support.

The Case for Change will:
- Begin to describe "what's in it for me?" and "what's in it for the business?" to senior leaders and/or stakeholders
- Paint a picture of the future state
- Develop a concise story that resonates with your target audiences
- Build a sense of urgency among senior leaders and/or stakeholders

HOW DO I USE IT?

There are two primary steps included in this tool:

- **Step 1:** Use the guiding questions to facilitate a discussion, likely with your project team. Capture your thoughts using the template provided.

- **Step 2:** Read the tips on storytelling as a way to build alignment, engagement, and support for your change. Then, take the ideas you captured in Step 1 to build a draft of your "change story." You may decide to create a few different stories depending on your audience and the amount of time you have to convey your message.

Source: Ingredion.

CASE FOR CHANGE TOOL (CONTINUED)

Step 1: Guiding Questions	
Background How did we get here?	[add comments]
Current State Where are we now?	[add comments]
Risk of Doing Nothing What's not working and how will people and/or the business suffer if it continues this way?	[add comments]
Future State What will it look like if we successfully make this change?	[add comments]
Benefits to the Business How will this change benefit the business?	[add comments]
Success Measures How will we know if this change has been successful? Three years from now, what will be evidence of our success?	[add comments]
Obstacles/Risks What are the major challenges of implementing the change? What could get in our way?	[add comments]
Urgency Why is now the right time?	[add comments]

Source: Ingredion.

Step 2: Building your Change Story

Now that you've answered the questions above, the next step is to use this insight to build a change story that resonates with your target audiences and/or stakeholders.

Why do stories matter?

- They take something complex and make it simple
- They help us relate to something that could feel unfamiliar or overwhelming
- They connect the "head" (i.e., facts, data) with the "heart" (i.e., emotion, values, purpose) – this creates a more meaningful message that stays with people over time

What makes a story effective?

- It illustrates a broader purpose
- It generates a new level of understanding
- People connect with it – e.g., they can see themselves benefiting from the change
- It taps into some element of people's emotions, feelings, and thoughts

What are some examples of stories used in business?

1. **Evidence-Based Stories**
   This is most effective with audiences who are skeptical and/or data driven. The story is used to prove that you will deliver the results or outcomes you are promising by using evidence or past experiences to support your case. They often follow a simple structure: 1) what was the problem, 2) what was the solution, and 3) what results were achieved.

2. **Bridging the Gap**
   This is effective for generating energy and engagement. The story is used to paint a clear picture about how the future state will differ from the current state. You can emphasize how the future state will make people's lives easier; positively impact the business, etc. It is often effective to move back and forth between the current and future state as a way to engage people and spark action.

3. **Hero's Journey**
   These stories often invoke emotion and insight for audiences. The story involves describing a specific person or situation from beginning to end. The storyteller describes how the experience unfolded over time and eventually reveals the meaning of the story.

Take what you've learned about storytelling and create a draft of your change story. You might create multiple versions depending on your audience, the amount of time you have, etc.

Source: Ingredion.

STOP, START, CONTINUE TOOL

Ingredion.

What Is It?

The Stop, Start, Continue Exercise breaks down the larger change into individual components and then describes the behaviors that will need to stop, start, and continue for the impacted audience.

Who Should Use It?

Use this workbook with the Project Team. You may also choose to include the Executive Sponsors and/or Steering Committee in the discussion. Also, if there are other critical stakeholders who you believe will have a unique perspective and/or input, consider including them in the discussion. Typically, this discussion is facilitated by the Project Lead or Change Expert.

When & Why Should I Use It?

You should use the Stop, Start, Continue Exercise when you are preparing to form and launch a new change project. Ideally, the Stakeholder Analysis should be completed PRIOR to the Stop, Start, Continue Exercise. The Stop, Start, Continue Exercise clearly defines cultural, organizational, technical, policy, and process changes, their perceived impact (low, medium, high), and the relative importance of the change events. This exercise also identifies impacted audiences for training needs and potential content as well as providing insight into possible resistance and how to prepare for it.

How Do I Use It?

1) Start by identifying the components of the change. Breakdown the change into smaller changes that can be itemized and qualified.

2) Determine the degree of impact to the change by stakeholders (i.e., will this component of the change have high impact, medium impact, or low impact on the stakeholders?).

3) Specificy the stakeholders impacted (audience impacted by component of the change).

4) Identify the behaviors the audience should no longer do to be successful (STOP).

5) Identify the behaviors the audience should begin to do to be successful (START).

6) Lastly, identify the behaviors to continue doing to be successful (CONTINUE).

7) Determine the approximate timing for the behavior changes to occur within the audience.

8) Detail the actions/strategies needed to allow for and support these behavioral changes.

Stop, Start, Continue

Degree of Impact (low, medium, high)	Audience (who will be impacted)	Behaviors to Stop	Behaviors to Start	Behaviors to Continue	Approximate Timing of Impact	Actions/Strategies

Source: Ingredion.

RISK ANALYSIS TOOL

Ingredion

Risk Analysis

WHAT IS IT?

The Risk Analysis is a guide to help you assess the sustainability of the change (i.e., how likely it is to endure and become embedded in the organization). It will help you uncover potential risks and define strategies to minimize these risks.

WHO SHOULD USE IT?

The Project Lead and Project Team should work through this tool. If a Change Network is established, consider including them in the discussion, as they likely have a perspective on the potential risks and/or barriers to sustaining the change. For large groups, you may consider having a separate discussion with your Change Network or invite a subset of the Change Network to provide feedback.

WHEN & WHY SHOULD I USE IT?

You should use the Risk Analysis during the Sustain Phase. This could be used in combination with the Project Debrief, if desired. The Risk Analysis will help you uncover potential risks that could limit the sustainability of the change if not addressed. Resistance is normal and to be expected. Identifying the areas where resistance or a lack of engagement could occur will help you take actions to minimize those risks.

HOW DO I USE IT?

The Project Lead and/or Project Team can use the guiding questions to facilitate a discussion and capture thoughts on the template provided. This may also be a valuable discussion with the Change Network (if applicable), since they are likely closer to the business and may have a better sense of the potential risks or barriers.

Source: Ingredion.

RISK ANALYSIS TOOL (CONTINUED)

Ingredion

Risk Analysis	
What are the major risks to the change being sustained over time?	

	Potential Resistance / Risks	**Likelihood of Resistance** *1 = Very Unlikely, 2 = Somewhat Unlikely, 3 = Neutral, 4 = Likely, 5 = Highly Likely*
Expect some resistance. Assess the likelihood of these common types of resistance using the scale as defined. Add your own resistances or risks to the list and rate their likelihood.	Executing the change without being fully "on board" or engaged	
	Changing initially but then reverting to the "old way"	
	Refusing to participate in subtle ways	
	Withholding information	
	Undermining the credibility of those leading the change	
	Fostering political games	

Source: Ingredion.

RISK ANALYSIS TOOL (CONTINUED)

Ingredion

Who are the stakeholders (individuals or groups) that are most vulnerable to these risks?	
How will you address and/or mitigate these risks? **What specific actions will you take?**	
How can you leverage your Change Network to act as ongoing change agents to sustain the change?	

Source: Ingredion.

LIBERTY MUTUAL'S CHANGE FRAMEWORK

Source: Liberty Mutual; Control/Influence Model.

DISCUSSION GUIDE FOR CHANGE WORKSHOP

Liberty Mutual™

Pairs Discussion: Responses to Change	
Time when I felt excited, anxious, apprehensive or frustrated about a change at work?	
Why?	
Most productive thing I did (or could have done) to manage this response?	

Source: Liberty Mutual.

SELF-REFLECTION GUIDE FOR EMPLOYEES

Self-reflection and Close

What was the most surprising or interesting thing you learned today?	
What did you learn about your own reactions to change?	
For <initiative> to progress more effectively, what do you think could be done differently or better, relative to another change you have experienced?	
By the company	
By our department	
By me	

Source: Liberty Mutual.

ACTION PLANNING GUIDE

Action Planning Guide

Questions I need to answer	Do I have this info? Y/N	If no, how will I obtain this info?	By when?
Why is <initiative> important to LMI?			
Why is initiative important to <function>?			
What are the drivers for implementing <initiative> in <function>?			
When will <initiative> be implemented?			
What benefits can be expected for LMI, customers, employees, other?			
What changes could result from <initiative>?			
How will my peers be impacted?			
How will I be impacted?			
What new skills will I need?			
How can I contribute to the successful implementation of <initiative>?			

Source: Liberty Mutual.