



Mindset Conditioning and Behavioral Change

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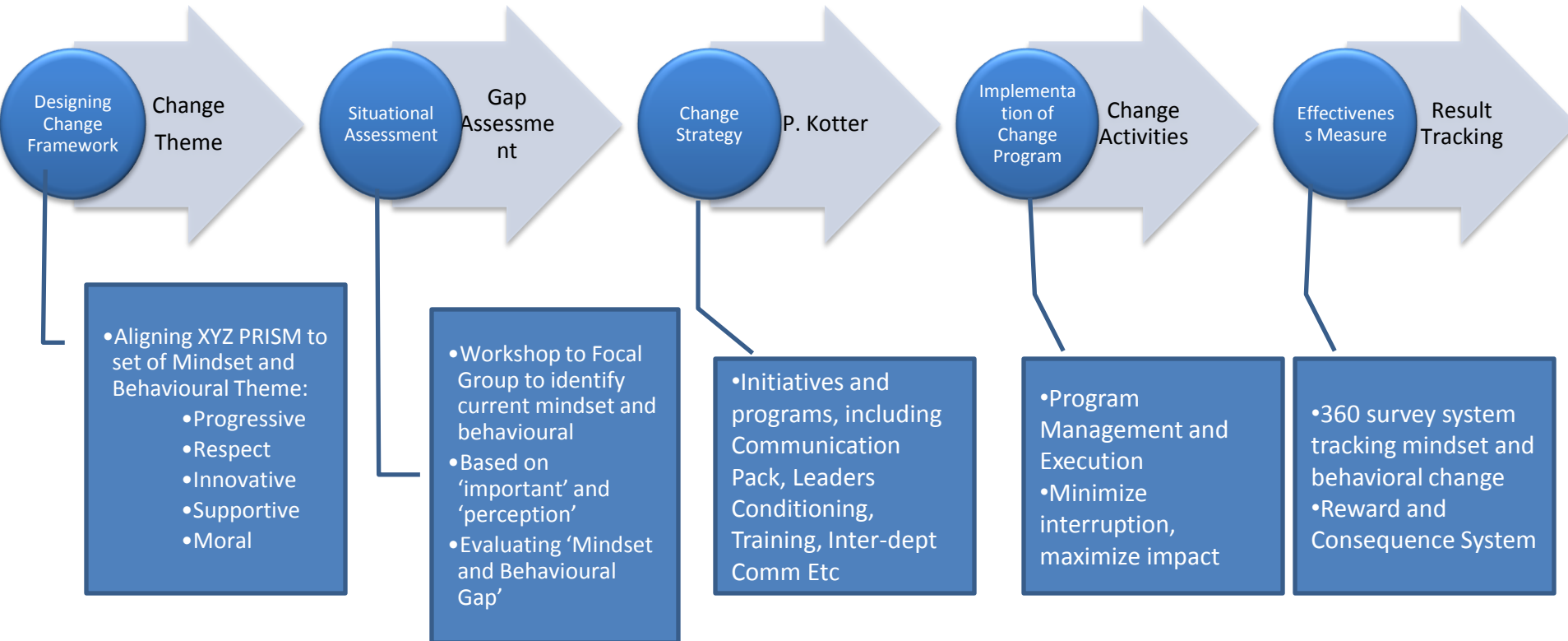
Project Background and Scope



- To design and implement a core value internalization change management project for XYZ which will include the following change steps:
 - Designing New Mindset and Behaviour Framework
 - Conduct Situational Assessment of Current Mindset and Behaviour
 - Designing Change Management Strategy
 - Implementation of Mindset Conditioning and Behavioural Change
 - Measuring effectiveness of Change Initiative



Simplified Change Process



Change Framework

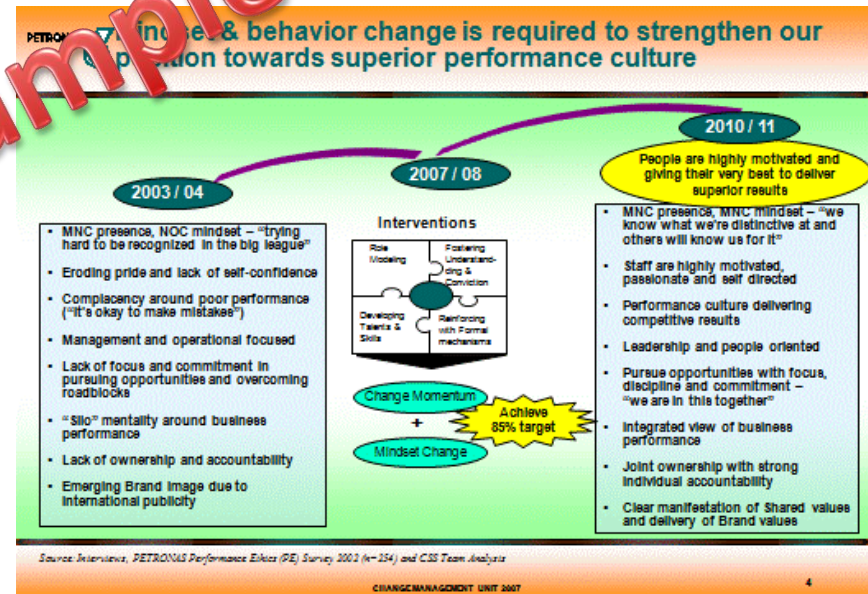


Designing
Change
Framework

Change
Theme

- Is the new vision of personnel quality.
- What is the CHANGE STORY?
- Observable and measured via 'degree of perception'.
- From 'current' to 'desired'.
- Participation from XYZ Change Champion, Change Agent and Focal Group is vital for correct implementation and inputs.
- Aligning XYZ PRISM to set of Mindset and Behavioural Theme:
 - Progressive
 - Respect
 - Innovative
 - Supportive
 - Moral

example



The Change Story.. (example..)



Why do we need to change our Mindset & behaviour?

Creating urgency!

- Industry consolidation become giant threat
- Globalization
- New players
- Rapidly maturing competitors assets
- Vulnerable to competitive pressures and environment shifts
- Potential retreat from overseas
- Continued reliance on legacy assets
- Gradual decline
- Complacent domestic giant

30 years later..

Next 30 years..

To be a technology company that inspires innovation towards providing excellent service and enabling value creation.

Started with.. example



XYZ Corporation Bhd acquired TM Payphone Sdn. Bhd. from Telekom Malaysia. The company was renamed XYZ Paypoint Sdn Bhd
Launching of “helo” brand for the payphone service during Minggu Saham Amanah Malaysia 2008 at Ayer Keroh, Melaka

Incorporation of XYZ Multimedia & R&D Centre Sdn. Bhd. and mySPEED.com Sdn Bhd as wholly owned subsidiaries.

Started a new business in Computers with Stratus, USA and Payphones with Landis & Gyr, Switzerland

Pernas NEC Multiplex Sdn Bhd. was incorporated as a joint venture local company between two entities i.e. Pernas Engineering Sdn Bhd (65%) and NEC Corporation, Japan (35%)





- Be innovative and have the assertive mindset to explore new frontier of businesses.
- The thrust to our success is sharing and exploring new ideas to create ground breaking solutions for sustainable business growth.

Progressive

- To proactively evolve and seek self improvement that will bring about positive yield and development to the company.
- Driven towards being a Market Leader in the ICT industry by seeking continuous growth & development in existing business and expansion into new markets.

supportive

- Cultivate a supportive culture throughout the organization to accelerate efficient business process.
- Promote the spirit of cooperation and collaboration to drive the engine of growth and better performance

Innovative

example

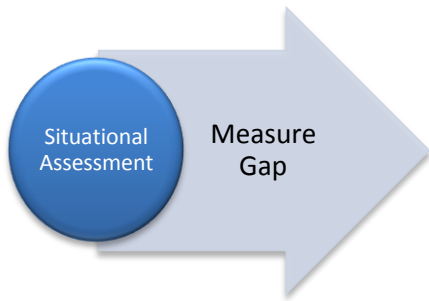
Respect

- Value, appreciate and respect the diverse group of people working in the organization, our elders and our family members.
- Central to this is positive interaction and working in harmony towards achieving synergistic and success.

Moral

- Winning the trust to our customers by acting with honour and conducting ourselves with good moral values.
- Motivating our people to embrace the highest level of ethics, integrity and exercise good judgment when performing our task both inside and outside our business.

Situational Assessment



- Before XYZ can correctly identify initiatives to Change Mindset and Behavioural towards PRISM, current mindset and behaviour must be assessed, so as to be able to communicate with employees on 'what need to be changed', and what is the size of the gap.
- Without this, its hardly unlikely for XYZ to measure change success.
- Analytical visuals report will help XYZ leaders to communicate with the line more effectively.

PETRONAS PTS is the tool to measure the progress of mindset & behavior change in PETRONAS

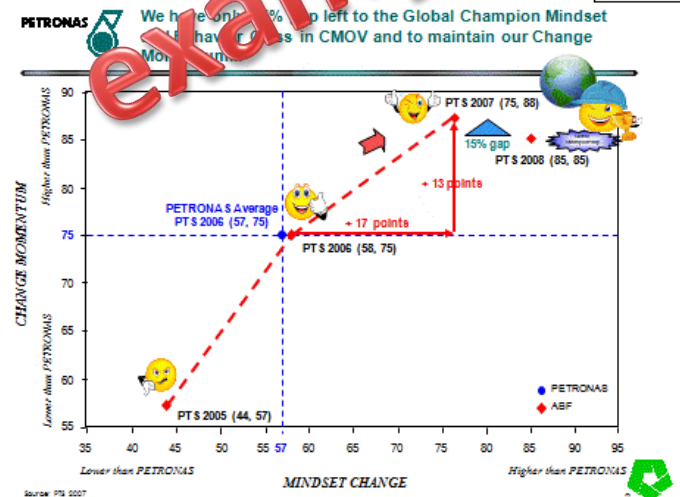
	From Limiting Mindset	To Global Champion's mindset
Courage	<ul style="list-style-type: none"> Fear of failure Harmony at any price Not trusting 	<ul style="list-style-type: none"> Willingness to take risks Constructive challenge Confidence in self and others
Meaning	<ul style="list-style-type: none"> Unconnected "It doesn't matter" 	<ul style="list-style-type: none"> "I can make a real difference" Performance linked rewards and consequences
Ownership	<ul style="list-style-type: none"> Victim Silo 	<ul style="list-style-type: none"> We can effect change One PETRONAS
Value	<ul style="list-style-type: none"> Nation building before profit Follow process, then results 	<ul style="list-style-type: none"> Economic value first "Start with the end in mind"

Change momentum

- Measures understanding and engagement of staff with CA
 - Compelling change vision
 - Understanding of CA
 - Observable change
 - Changes seen on business performance and leadership behaviors
 - Change energy
 - Excitement in the change journey

Mindsets and behaviors

- Measures progress along the four mindset themes:
 - Courage
 - Meaning
 - Ownership
 - Value



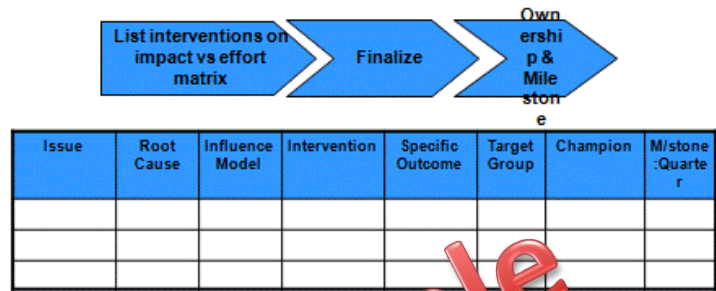


Change Strategy



- On how to induce change, making changes stick and continuous improvement, we adopt P. Kotter – Management of Change.
- With this strategy, we are able to get more ‘success stories’ from other organizations that has been doing the same initiatives.

PETRONAS Break Out Session 3: Prioritized, Ownership and Milestone



PETRONAS Comparison with Kotter's 8 Steps to Sustainance of Organizational Change.

	2005-2006	2007	Way Forward
Increase Urgency	1 st and 2 nd PTS was conducted to measure current state of mindset and behavior.	Frontline was conducted and the last PTS for CMOV and Change momentum will be conducted on the 3 rd Jan 08	New set of behavior will be identified and measured.
Building the Team	PTS Focal Group was appointed to validate survey result and design interventions.	Departmental Focal Person will be appointed to manage change.	Change and overall Focal Person at PETRONAS level will be appointed following the PTS 2008 result.
Get the Vision Right	ABF Corporate Agenda was design and endorsed by board, envisioning our presence on the year 2011.	Departmental leaders have reviewed the client charter, vision and mission statement, TSD, FIN, observed during KPI Cas. and departmental S&I.	All department shall live to their vision and continuously challenge their raison d'être to remain significant and contributing to this company.
Communicate for Buy-In	Excessive communication via chat, townhall, departmental meeting based on Corporate Agenda Comm Pack besides than CAR and Teambuilding.	Teambuilding members self conduct their gathering to share and also to improve relationship for better working environment.	Continually strengthen relationship for future interest.

* Footnote
Source: Source



PETRONAS Comparison with Kotter's 8 Steps to Sustaining Organizational Change.

	2005-2006	2007	Way Forward
Empower Action	KPI was cascaded via IPC and change interventions were treated equally important as business targets.	Mid Year Performance review will be conducted structurally after Oct Shutdown.	IPC, MYPR and PRA will be conducted independently by leaders for respective department.
Create Short-Term Wins	Top Management and Leaders continuously recognized staff success by acknowledging it in meeting and small celebration.	Staff being given privileges to proudly present their teamwork and effort in special ceremonies e.g. Energy Saving, EBC and Datalogger.	Staff to continuously self managed their ideas and realize it for the benefit of the company.
Don't Let Up	Via Teambuilding and Feedback and Coaching, staff were continuously motivated to not to give up on downtails.	After several unplanned shutdowns, staffs are more prepared with the forth coming shutdown, reminding each other not to repeat mistakes.	Lessons learnt will be utilized more effectively.
Make Change Stick	Way Forward	Way Forward	Way Forward

* Footnote
Source: Source





Change Activities

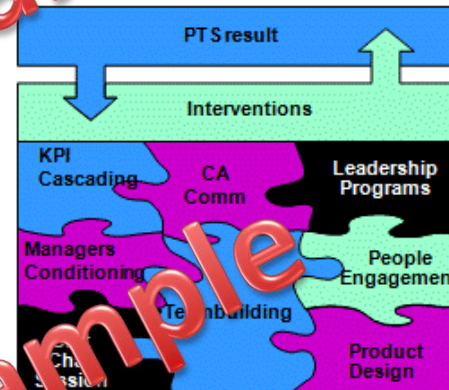
Implementation of Change Program
Change Activities

- From gap measurement result and change strategy, change activities will be list out and planned properly to maximize output, minimize interruptions and change damages.
- To list a few effective change activities:
 - Managers/Leaders communication pack.
 - Teambuilding designed to deliver specific change theme.
 - Posters and other communication means.
 - Training for specific mindset and behaviour change i.e. KPI setting, cascading and monitoring, Financial Logic Tree, Meeting Effectiveness, Root Cause Problem Solving

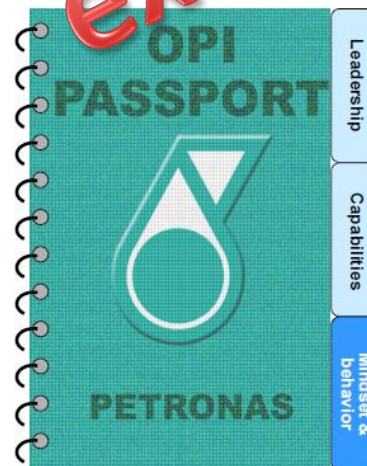
PETRONAS We have not through 12 major interventions and more than 100 chat sessions since 2006..

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example



example



Module 6: KPI Setting & Cascading

This module aligns staff at all levels around the common performance goals at of the organization by setting KPIs that

- Embed the organization's value creation mindset (e.g., ethane production for GPP-A, \$ value of reserves developed for PMU)
- Focus actions on critical business outcomes and activities
- Encourage leadership development, capability-building and mindset change
- Cascade down to the lowest levels

3-years Mindset Change Education Program



Year 1

Year 2

Year 3

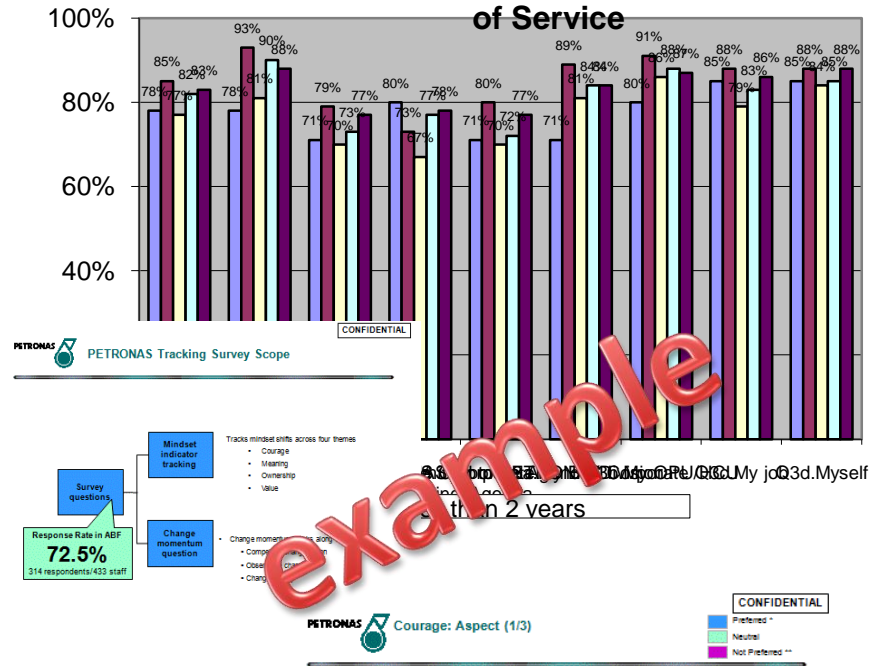
- ① Introduction to Personal & Professional development
- ⑨ Effective teamwork
- ⑪ Leader to Leader conversations
 - ⑫ Situational Assessment (SA)
 - ④ Overall equipment effectiveness (OEE)
 - ③ Value matrix
 - ② Using logic trees to understand financials
- ⑧ Root Cause Problem Solving (RCPS)
- ⑩ Influence model
 - ⑤ Performance dialogues
 - ⑥ KPI Setting & Cascading
 - ⑦ **Stage gate process for bad actor acceleration**



Effectiveness Measure

- To measure effectiveness of each interventions and also activities done, a 360 survey shall be conducted at least 1/year for 3 to 5 years (based on our professional experience).
- The survey shall be available both online and offline to ensure at least 90% of employee participated.
- Results will be communicated and team will be rewarded (or responsible to consequence).
- Survey analysis will be interpreted and communicated to Change Team (Champion, Agent and Focal Group).
- The team will then strategize on communicating the result to the mass.

Compelling Change Vision Score by Years of Service



Detail ABF results: 'fear of failure' to 'willingness to take risks'

From 'fear of failure' to 'willingness to take risks'	40	34	26
In my OPU/UCU, I have seen my colleagues being blamed when their effort was unsuccessful	45	23	21
My immediate superior encourages me to take calculated risks (i.e., having considered the pros and cons)	12	42	46
If I fail, my mistakes will be remembered and impact my reputation and/or my career in PETRONAS	53	22	13
In my OPU/UCU staffs reacted when they take entrepreneurial risks (i.e. undertake initiatives beyond their job scope, for the good of PETRONAS)	31	46	23

Legend: Preferred (Blue), Neutral (Green), Not Preferred (Red)

* Agreement to a positive statement or disagreement to a negative statement
 ** Disagreement to a positive statement or agreement to a negative statement



Project Costing

Activity	Mandays	Cost	Remark
Designing Change Framework	13	RM21,000	Copyright of XYZ
Conducting Situational Assessment (survey Vision Vs Mindset & Behaviour	10 (2 weeks)	RM10,000	At least 10% of employee population.
Strategizing Change	3 (3 days)	RM21,000	3-5 years plan with standard communication pack.
Implementing Change Initiative	Tba	RM150,000	RM1500/pax : 1. 5 change modules training , 3 days training. 2. 1 teambuilding 3. 1 yearly facilitation of change intervention.
Measuring Effectiveness	15	RM30,000	Online-web based and offline-manual services include survey and analysis.
Grand Total	Project Duration: 3 years	Project Cost: RM232,000 (without logistics) With 30% deployment deposit.	Cost per staff (1000): RM2,320 Days interruption: 12 days for staff 20 days for Champion, Change Agent, FGS



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Thank you

**KINDLY CONTACT OUR PERSONNEL FOR
FURTHER DETAILS AND SERVICE
AGREEMENT.**