

# Risk Management Made Simple

Welcome to the FREE Online Newsletter about **Systematic Risk Management**  
for **executives** and **management professionals**  
from **Risk Wise Inc.** and **Diana Del Bel Belluz**

## August/September 2008

### In this issue...

- **Feature Article: Overcoming Resistance Part 2 – Why You Can't Afford to Ignore Their Feelings** (page 1)
- **Secure Your Place in the 'Inner Circle'** (page 3)
- **New Subscriber Bonus** (page 3)
- **Bonus Resource: Making It Stick** (page 4)

"Diana Del Bel Belluz is **an articulate thought-leader** in the field of risk management."

**Edward Robertson**  
Manager, Enterprise Risk  
Management  
Government of British Columbia

## FEATURE ARTICLE: Overcoming Resistance Part 2 – Why You Can't Afford To Ignore Their Feelings

By Diana Del Bel Belluz, M.A.Sc., P.Eng.

There are two key things that are critical to the success of any change management initiative: **'the plan'** and **'the people'**. In Part 1 of this series on overcoming resistance, we covered 'the plan' for change that deals with the resistance of about 20% of your people. **In this issue we'll focus on 'the people' and how to deal with emotional resistance.**

**Because fully 60% of your people will experience emotional resistance to the change you want to implement, you can't afford to ignore their feelings.**

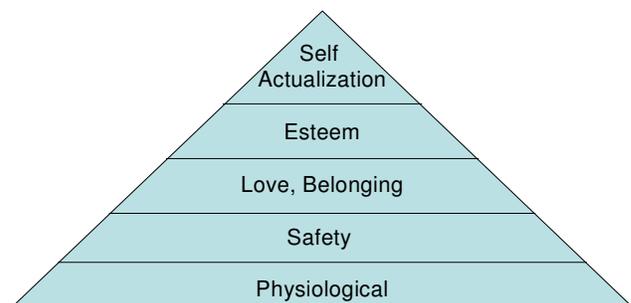
Face it; if the majority of your people are actively pushing against your risk management enhancement, you cannot succeed. However, if you look after your people, you will have a high probability of successfully systematizing risk management in your organization.

Emotional resistance to any change stems from an **individual's feelings of uncertainty and vulnerability** about how it will affect them. **It is only human to be concerned about personal implications of a change.**

**The key for a risk management leader is to make sure you look after your people** by listening for clues as to how they are feeling and addressing their emotional concerns about the changes in risk management behaviour you are expecting them to make.

I find **Maslov's Hierarchy of Needs** is a helpful model to identify sources of emotional resistance.

### Maslov's Hierarchy of Needs



**Here are some tips for dealing with common sources of emotional resistance.** They are organized according to Maslov's Pyramid.

1. **Physiological** – This level of the pyramid is about bodily comfort. If your organization has undergone numerous recent changes, your people may resist risk management because they are suffering from change fatigue. You may hear them say things like "I'm used to the old way – please not another change, we've already had too many this year!"

Continued on page 2...

**If your people are change weary, you may need to scale back the amount of change you implement** or perhaps postpone the change until your people have the physical and emotional energy to absorb it.

2. **Safety** – This level of the pyramid pertains to security and stability. If a person's resistance is due to fear about changes to their current role, they may ask you questions such as "How will this affect my job?" or "Will I lose control?"

**When your people are feeling vulnerable, you need to provide timely information** about the change **and plenty of assurance** that risk management is not a threat. To do this you will need to have their trust.

**Trust is much more about your actions and the base of past experience your people have with you and the organization** than it is about the words you say regarding the risk management enhancement you are implementing. **Do your people find you reliable?** Do you provide the kind of support and assistance that you say you will?

If you haven't yet had a chance to demonstrate your trustworthiness, **start building up trust in your relationships now** because you'll need a hefty amount in your 'trust account' to overcome emotional resistance to risk management.

3. **Belonging** – This level of the pyramid pertains to relationships with other people. If the resistance is about issues of 'belonging', you may hear your people ask about "Who else will be following the risk discipline?" or "Who cares if I use these risk management tools?"

**To deal with issues of belonging, you need to garner the support of your senior leadership team.** Work with your executives to ensure they set the kind of example that communicates, through both their actions and words, how risk management is to be practiced by everyone in the organization.

**You can also motivate your people by involving them in the planning and execution of the change.** Seek their feedback. If you hear a statement such as "I don't want you to take away the good features and functionality of the old system", pay special attention. It may be a warning sign that you have overlooked something of value in your zeal to implement a new and 'improved' way of doing things. **Trust and work with your people.**

4. **Esteem** – This level of the pyramid is about the need to be competent, achieve, have status and approval. If the resistance comes from your people's concerns

over how they are perceived by themselves and others, you may hear questions such as "Will I have the knowledge and skill required?" or "What's wrong with the way we've been doing things up until now?"

**Ensure you acknowledge and respect each individual's experience and knowledge** about how risk management can help them and the people within their sphere of influence.

5. **Self-Actualization** – This level of the pyramid is about the need for self-fulfillment and peak experiences. Your people may resist systematizing risk management because they fear that it will impose a formulaic decision-making process that will remove all opportunities for applying their judgment.

**Show them how the tools and discipline you are providing actually enhance their ability to make effective, defensible, and transparent decisions.**

## TWO POWERFUL MOTIVATORS FOR CHANGE

**Self Interest.** The bottom levels of Maslov's pyramid are sometimes called **Maslov's Basement** because they are characterized by base self-interest.

You have probably thought through the potential benefits of risk management for the organization when you prepared the business case for it. But **to get your people on board, you'll need to put yourself in their shoes and answer the question "What's in it for me?"** Then motivate them to change by pointing out exactly what's in it for them.

**The Collective Good.** It can be extremely motivating for people to appeal to their need for the higher levels of Maslov's Pyramid also called **Maslov's Loft**. For example, there is a wonderful opportunity for 'self-actualization' by involving your people in the co-development and leadership of your risk management implementation initiatives.

## The Risk Wise bottom line...

**The 60% of your people who will exhibit emotional resistance to risk management are also your biggest source of potential 'converts'.** You need to figure out 'what's in it' for your people **individually and collectively** and then appeal to both their self-interest (Maslov's Basement) and the greater good (Maslov's Loft) as powerful motivators to adopt risk management.

**Please e-mail me your best story of overcoming emotional resistance** at [Diana.Belluz@riskwise.ca](mailto:Diana.Belluz@riskwise.ca)

## Secure your place in the 'Inner Circle'

### Are you on top of the latest developments in risk management?

If you don't seek contact with leading risk managers and thinkers outside of your day-to-day activities, **you run the risk of quickly getting stuck and stale.** If you have sole responsibility for leading risk management in your organization, you may **benefit from monthly teleconference meetings with a small group of your risk management peers who work in other organizations.**

When you join the *Risk Wise* 'Inner Circle' for Risk Management Leaders, we take care of the logistics so you can:

- **Gain access to the latest advances in risk management** brought to you by your *Risk Wise* facilitator and the members of your 'Inner Circle' group.
- **Experience the 'mastermind' advantage** that you can only get through regular conversations with your peers.
- **Compare notes on a monthly basis with up to eight other risk management leaders\*** who work in different organizations and learn about emerging risk management practices.
- **Get peer support** that you can only receive from your fellow risk management professionals who belong to your 'Inner Circle' group.

**The next 'Inner Circle' group starts on September 25<sup>th</sup> 2008\***

With the latest knowledge and the support of your peers, you will be able to **create significant breakthroughs in your risk management journey.**

To learn more and reserve your spot in the *Risk Wise* 'Inner Circle' program, visit:

<https://www.riskwise.net/InnerCircle.html>

\* To maximize the benefits, each 'Inner Circle' group is restricted to only 8 members.

### NEW SUBSCRIBER BONUS

**Don't miss out** on future issues of *Risk Management Made Simple* monthly E-Zine. **Subscribe and the E-Zine will be delivered (at no charge) directly to your e-mail inbox**

**Subscribe online at [www.riskwise.ca](http://www.riskwise.ca) and receive your NEW SUBSCRIBER BONUS:**

**A complimentary copy of *Moving Beyond the Risk Map to Operational Vigilance*.**

**You'll learn how to convert your static risk map into a tool for timely management action.**

**Pass it on!** Please share this E-Zine with people in your network.

## BONUS RESOURCE: Making It Stick

By Diana Del Bel Belluz, M.A.Sc., P.Eng.

**Is risk management alive and well in your organization?** As a risk management leader, your main goal is to get people in your organization to take something that they do intuitively, but perhaps not consistently, and make it much more systematic and deliberate. This means **getting the management discipline so ingrained into your people's psyches that it becomes part of their routine behaviour** and an integral part of your organization's culture.

It's relatively straight forward to issue policies, disseminate knowledge, and provide tools and frameworks for risk management. But **it is very hard to transform the way people think and act.** Getting risk management to 'stick' is particularly challenging because it requires taking abstract, complex concepts and making them live and breath in your organization.

**Chip Heath and Dan Heath** provide practical insights on how to make ideas stick in their book *Made to Stick: Why Some Ideas Survive and Others Die*. This book is full of useful insights for dealing with the type of emotional resistance discussed in this month's **Feature Article**. The authors draw on the work of psychologists, education researchers, and political scientists, and on their own experience (Chip is a professor of organizational behavior at the **Stanford Graduate School of Business** and Dan is a consultant at **Duke Corporate Education**) to argue that great ideas are made, not born — and that you can drastically improve the stickiness of ideas [including risk management concepts] by following 6 key principles. The book focuses on **6 Key Principles of Sticky Ideas** that are essential tools for all risk management leaders:

1. **Simplicity:** How to strip an idea to its core without turning it into a silly sound bite.
2. **Unexpectedness:** How to capture people's attention, and hold it.
3. **Concreteness:** How to help people understand your idea and remember it much later.
4. **Credibility:** How to get people to believe your idea.
5. **Emotional:** How to get people to care about your idea.
6. **Stories:** How to get people to act on your idea.

**To read a chapter of the book, including a brief synopsis of the 6 principles, visit:**

<http://www.madetostick.com/excerpts/>

## About Us



**Diana Del Bel Belluz**  
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**Diana Del Bel Belluz, M.A.Sc., P.Eng.,** is a risk management advisor who **helps executives in large organizations to implement systematic and sustainable risk management practices.** Since 1990, Diana has been doing **leading-edge risk work** for companies in a wide range of industries and government organizations.

In addition, Diana **advances the field of risk management** by **teaching** university courses and management training seminars, **speaking** at conferences and **authoring** publications on a wide range of risk management topics.

**To learn more about Risk Wise,** contact Diana Del Bel Belluz directly at: [Diana.Belluz@riskwise.ca](mailto:Diana.Belluz@riskwise.ca)



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