



Management of Change

Preparing for a new Paradigm

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SAFETY MOMENT

CONTROLLING STRESS





COAA
Construction Owners



***Stressed out my ASS!
I am going to KILL the next Son of a
Bitch who says I look STRESSED!***



STRESS

We are faced with it everyday and might not know how to deal with it.

Important to learn how to deal with it as it affects performance and relationships at work and home

Can lead to distraction that can cause safety incident.

Can also make you more susceptible to illnesses.

STRESS

First step to manage stress is to identify your “Stressors” and determine if they are controllable or uncontrollable such as:

- **Not enough time**
- **Unexpected change**
- **Family problems**
- **Extra responsibility**
- **Personality clashes**
- **Money difficulties**



COAA

Construction Owners
Association of Alberta

STRESS

Next step is to deal or cope with stressors in positive way

•Acceptance

**Some things we have no control over so accept them
e.g. “Someday I’ll laugh about this!”**

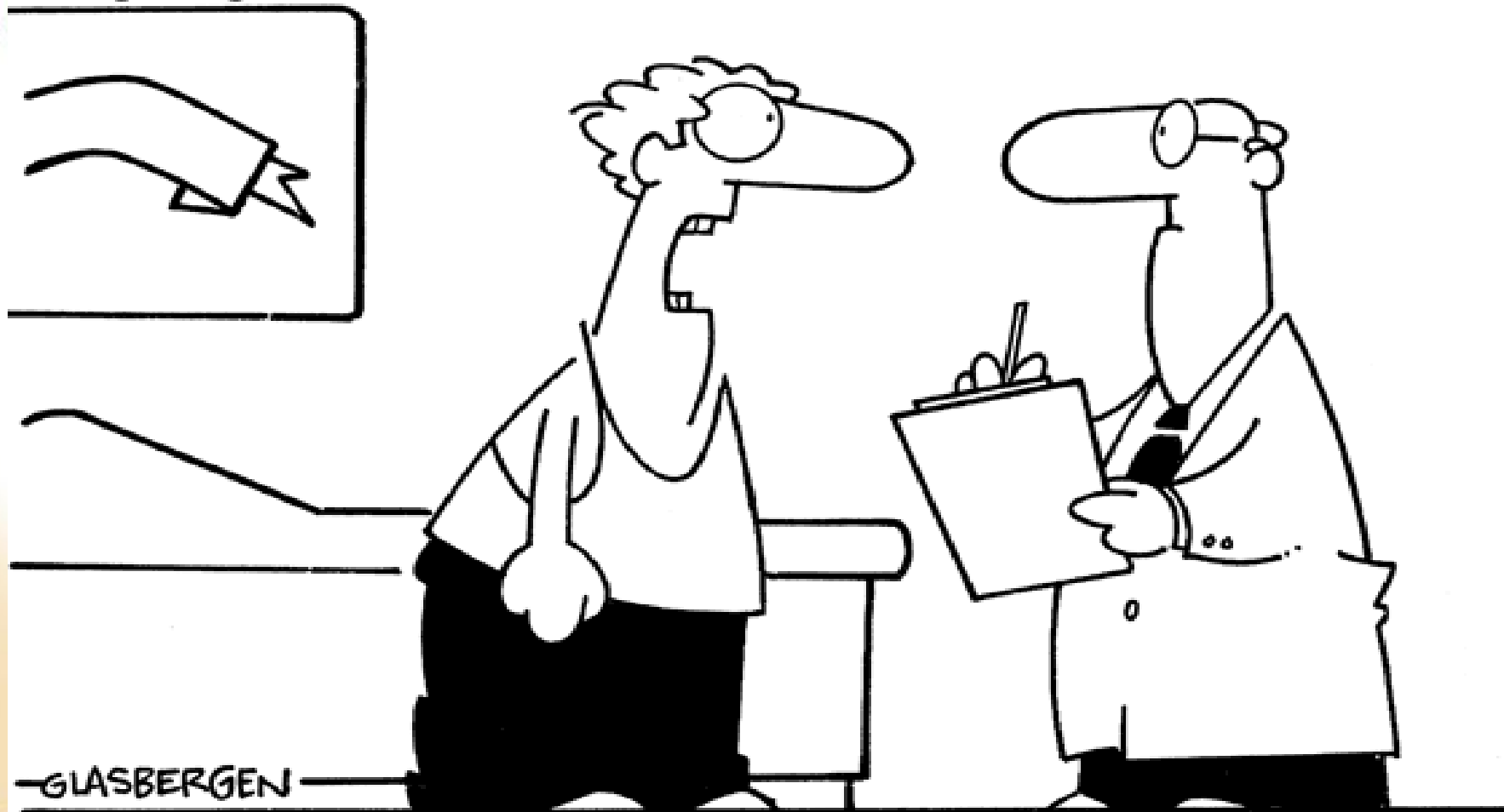
•Attitude

**Try to focus on positive
e.g. “What can I learn from this?”**

•Perspective

**Ask yourself “How important is this situation?”
Or “Will I even remember this in 5 years?”**

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**“I’m learning how to relax, doctor —
but I want to relax *better* and *faster*!
I want to be on the cutting edge of relaxation!”**

Agenda

- **Steve Revay's Background**
- **Test Hypothesis**
- **Interviews with change agents**
- **Literature Search**
- **Work Face Planning**
- **Benchmarking**
- **Conclusions**

Background

- **Construction Claims Consultant**
- **Forensic analysis of construction projects**
- **Most projects in trouble experience significant changes**



Ingredients – Fixed Price Contracts

Poor Scope Definition: Extensive Growth / Rework

Acceleration: Overtime / Congestion

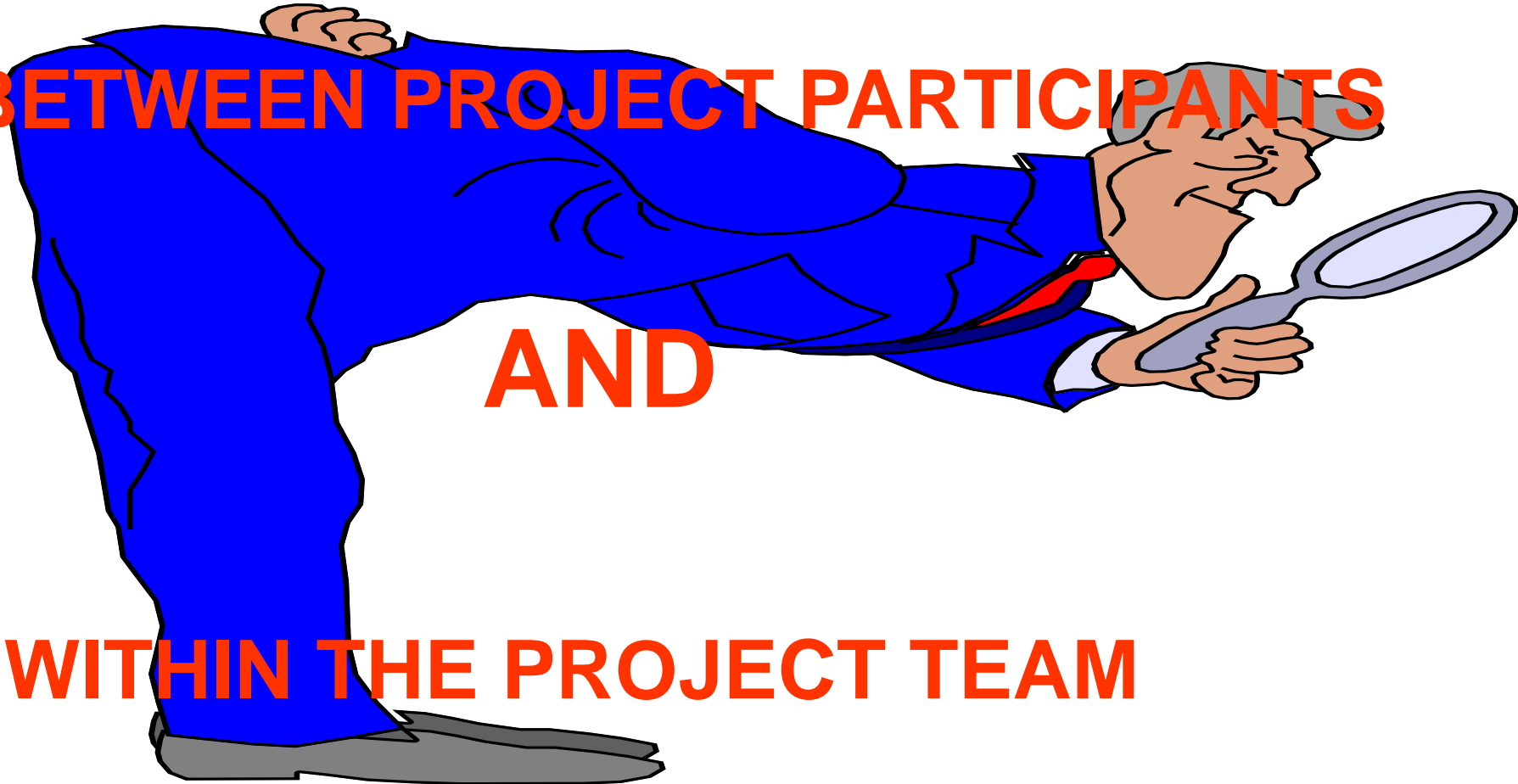
People : no communication and NO

TRUST

➤ BETWEEN PROJECT PARTICIPANTS

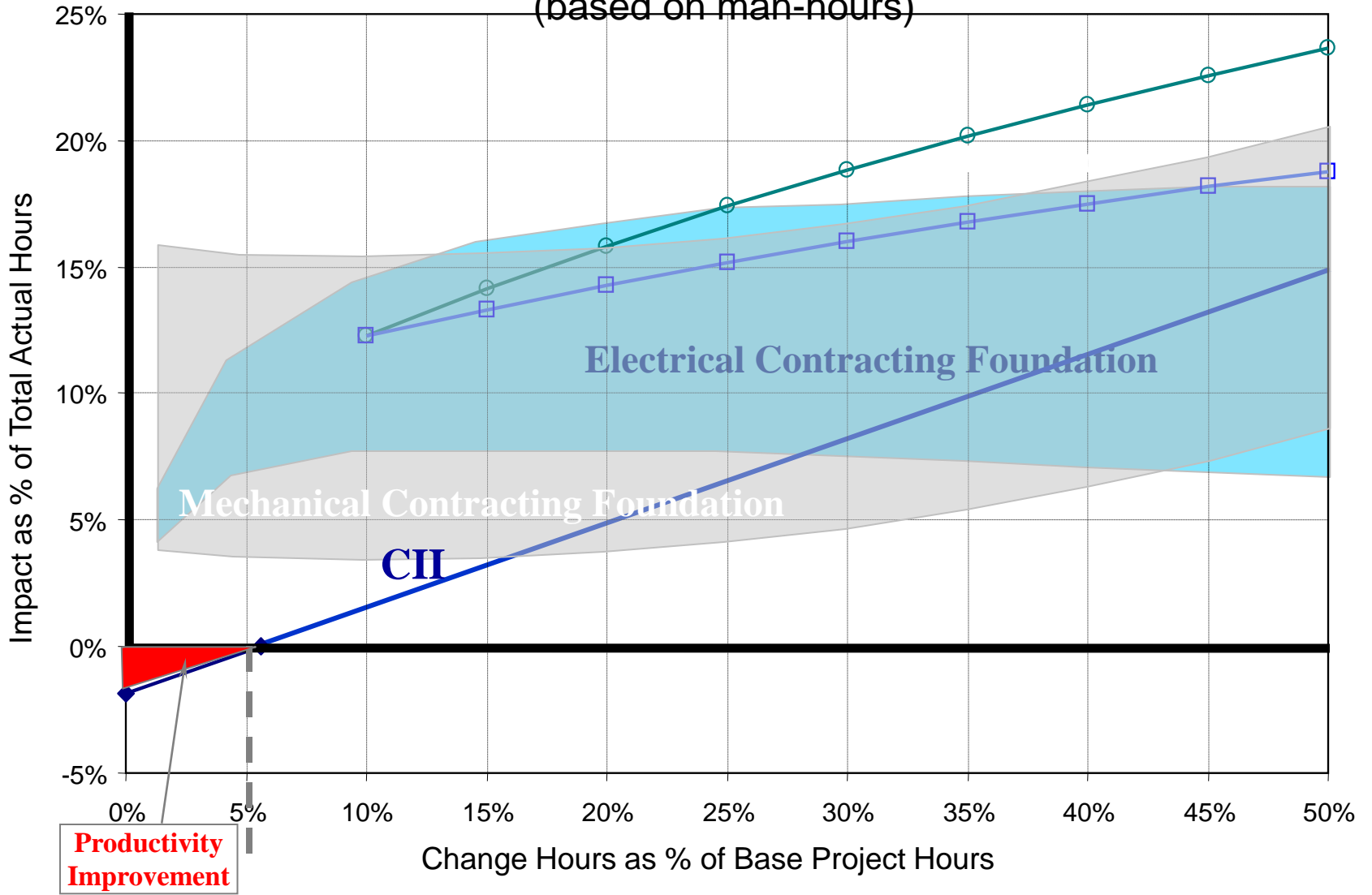
AND

➤ WITHIN THE PROJECT TEAM



Quantity of Change vs. Impact

(based on man-hours)

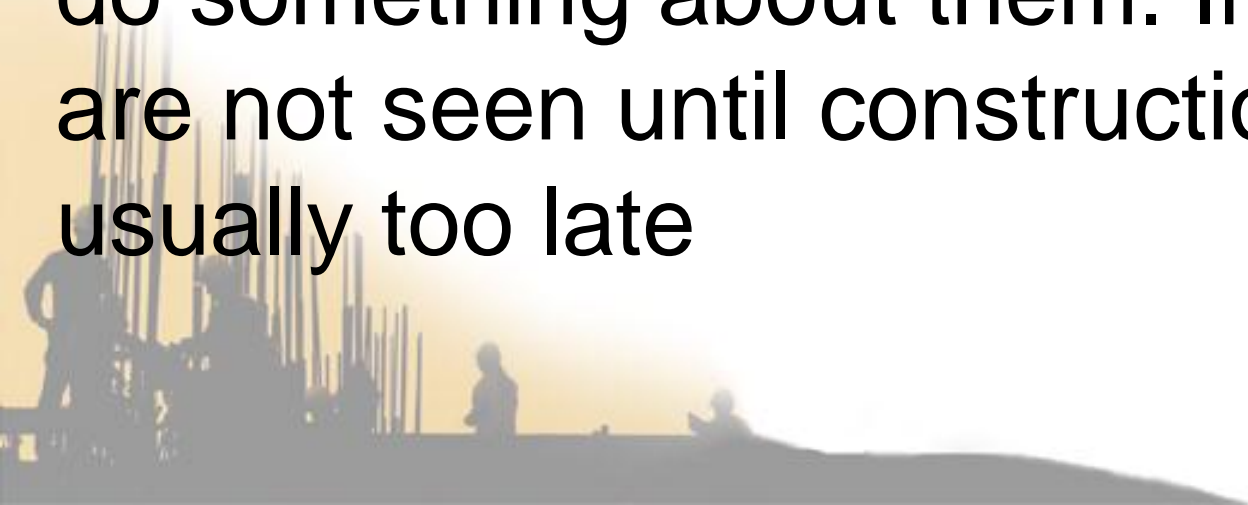




Industrial Megaprojects

Edward Merrow

It is far more important to be carefully monitoring engineering than construction! When problems start to show up in engineering, it actually may be possible to do something about them. If the problems are not seen until construction, it is usually too late



Hypothesis

- Organizational changes can be just as disruptive as scope changes
- Implementation of organizational change is similar to planning a project
- Particular emphasis on the team



Interviews

Change Agents

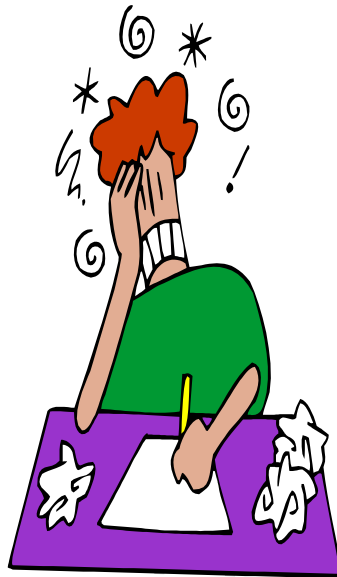




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Human Consequences of Change

- Dissatisfied
- Frustration
- Obstruction
- Resistance
- Talent flight



- Loss of experience
- Burnout
- Stress
- Destruction

Why do people resist change?

- Loss of authority or control
- Fear change creates more work
- People generally do not have open minds
- Seasoned employees fearful to level playing field with less experienced peers



Proving why change is good

- New approach saves time and money
- Use of new technology
- Opportunity to redeploy personnel in more productive positions



Facilitating Change

- Decide the change management desired process. Management Driven vs. Cultural Driven
- Need tools to facilitate/gauge cooperation
- Need experienced people/champions, management sponsorship, and facilitators





Organizational Change Management Roles

➤ Initiator

- Who initiated the change?
 - How was it provoked?

➤ Facilitator

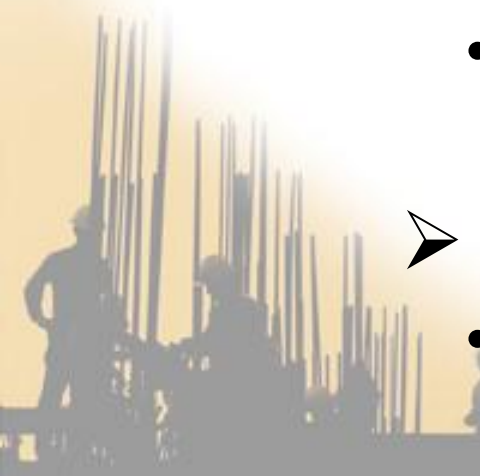
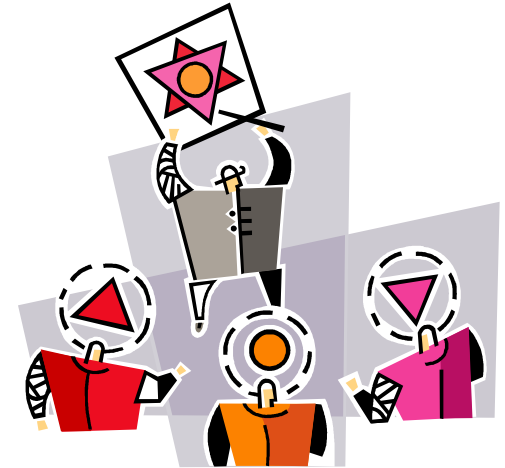
- Who is the facilitator?
 - Look for internal facilitators, if possible

➤ Champions

- Utilize and promote champions
 - Sustain enthusiasm about positive changes

➤ Sponsor

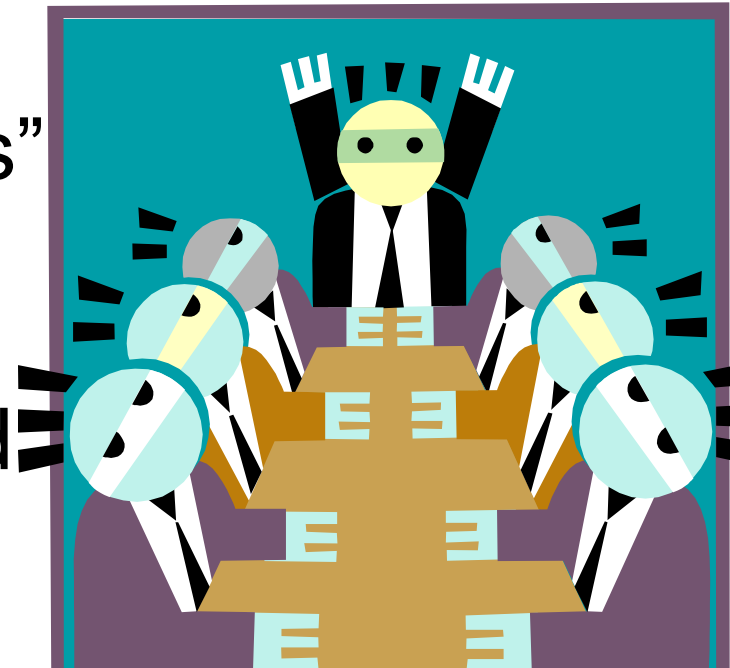
- Look for executive sponsorship
 - Officer responsible for change

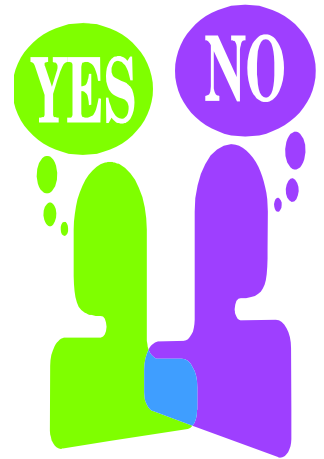


Management Driven Change Process –

High Level managers decide requirements

- Final solution rolled out
- End users told “here it is”
- Advantages
 - Implementation Speed
- Drawbacks
 - End user buy-in





Cultural Driven Change Process

Project core team.

- Advantage is buy-in from end users.
- Disadvantage takes time to implement.
 - More persons with opinions.
 - Consensus takes time.

Worst Case

Start with Cultural Change

**Run out of time / money /
patience**

Switch to Management Driven



Change requires strategic thinking and evaluation

- Establish direction and vision
- Empower staff through education and training
- Provide opportunities for visibility and growth
- Achieve outcomes
- Satisfy stakeholders
- Keep moving forward



Continuous Improvement

Growing together establishing goals

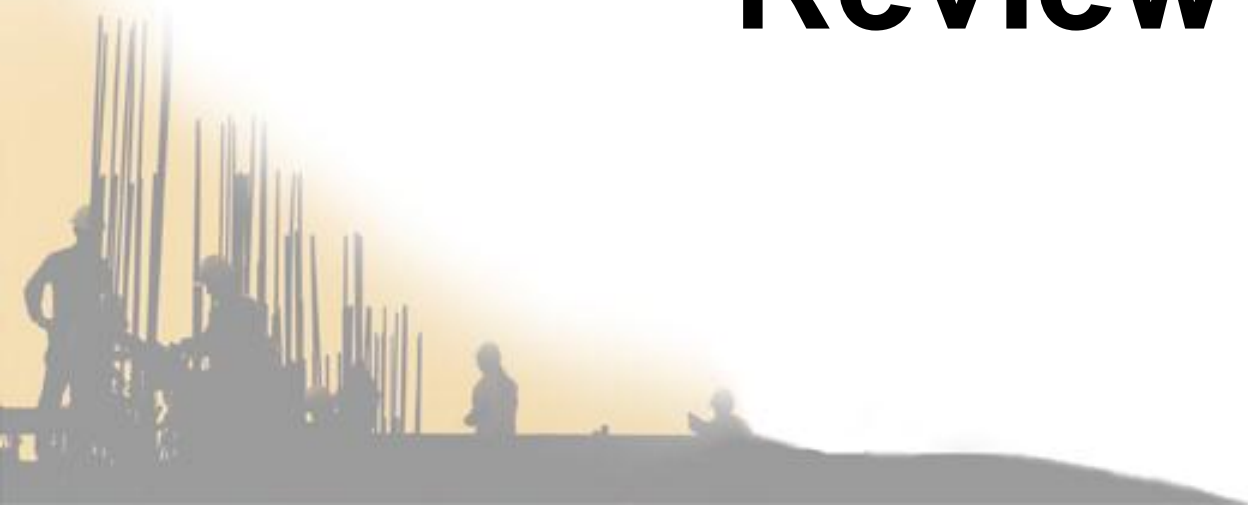
- Interviewing Staff and determining areas for process improvement
- Establish system design / test data with team members
- Incorporating comments moving forward

Moving forward past prior mistakes

- Develop strategies to move forward for continuous improvement
- Build and support staff to embrace new concepts

Literature

Review





Change Implementation

**Thomas Edison quote: Genius is 1%
inspiration and 100% perspiration**

**“Company executives frequently rate
themselves high generating ideas and low in
the implementation of the ideas”**

**“The other side of innovation” – Govindarajan
& Trimble**

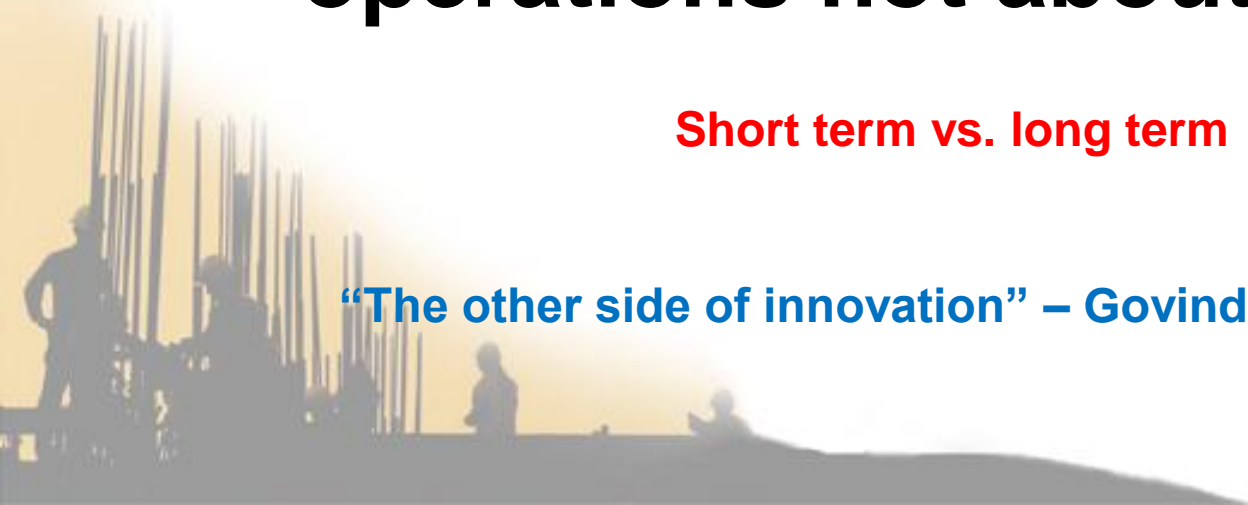


Why do organizations resist change

Organizations are about ongoing operations not about change

Short term vs. long term

“The other side of innovation” – Govindarajan & Trimble





The Biggest Mistakes in Managing Change

by Carol Kinsey Goman, Ph.D.

1. *Not understanding the importance of **people**. 60-75 percent of all restructuring failed -- not because of strategy, but because of the "human dimension."*
2. *Not appreciating that **people** throughout the organization have different reactions to change. Lesson learned: Some people are naturally more "change-adept."*
3. *Treating transformation as an event, rather than a mental, physical and emotional process.*



The Biggest Mistakes in Managing Change

by Carol Kinsey Goman, Ph.D.

4. Being less than candid. Under the rationale of "protecting" people, we presented change with a too positive "spin."

5. Not appropriately "setting the stage" for change.

6. Trying to manage transformation with the same strategies used for incremental change.



The Biggest Mistakes in Managing Change

by Carol Kinsey Goman, Ph.D.

8. Believing that change-communication was what employees heard or read from corporate headquarters.

Bulletins vs. water cooler

*9. Underestimating **human** potential. And when we underestimated potential, we wasted it. This was our worst mistake.*





Change Management 101

Fred Nickols

Empirical – Rationale

People are rationale and will follow self interest once revealed

Normal – Reductive

People are social beings and will adhere to cultural norms and values



Change Management 101

Fred Nickols

Power – Coercive

People are generally compliant and will generally do what they are told

Environmental – Adaptive

People oppose loss and disruption but they adapt readily to new circumstances



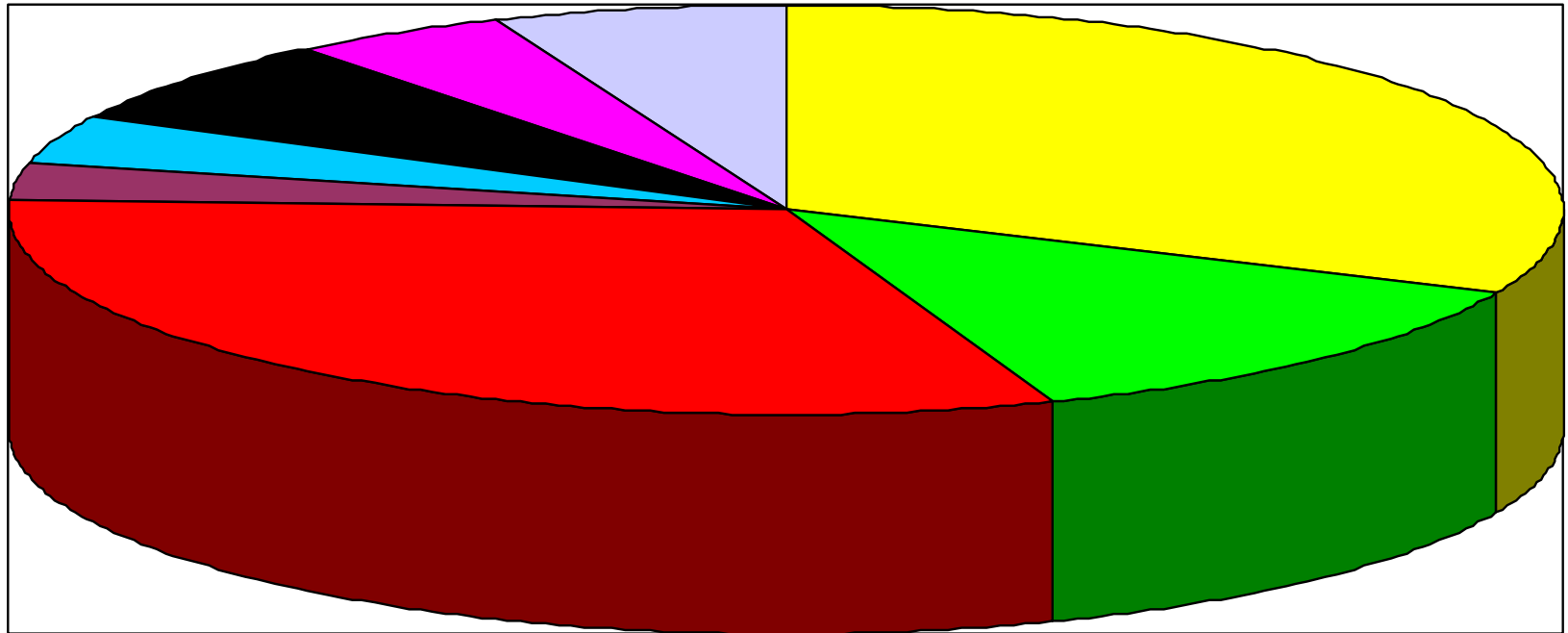
Workface Planning

Obvious cost

Benefits not readily apparent



WorkHour Study CII



■ Direct Work - 32%

■ Waiting - 32%

■ Personal Breaks - 4%

■ Transporting - 4.6%

■ Travelling - 13%

■ Late & Early - 3%

■ Tools/Materials - 7%

■ Drawings - 6.4%



Why Benchmarking in Alberta

The Alberta Report – a Government/Industry Partnership

Construction Owners Association of Alberta

Alberta Finance and Enterprise - Industry Development Branch

- Alberta was experiencing major cost overruns on its mega-projects
- Many of these mega-projects were in Alberta's oil sands sector
- Oil sands are an important and growing sector of Alberta's economy
- Something had to be done to rein in rising construction costs, Alberta was being viewed as a high cost jurisdiction in which to do business

Top 5 Factors

Rank	Cost	Schedule	Productivity
1	Amount of Unplanned Overtime	% Engineering completion prior to Construction Start	% Engineering completion prior to Construction Start
2	% Engineering completion prior to Construction Start	Business Market Conditions	Amount of Unplanned Overtime
3	Business Market Conditions	Craft Labour Skill	Business Market Conditions
4	Craft Labour Skill	Quality of Field Level Supervision	Quality of Field Level Supervision
5	Coordination with Plant Shutdown	Weather Conditions	Craft Labour Skill



Working Together

Benchmarking

&

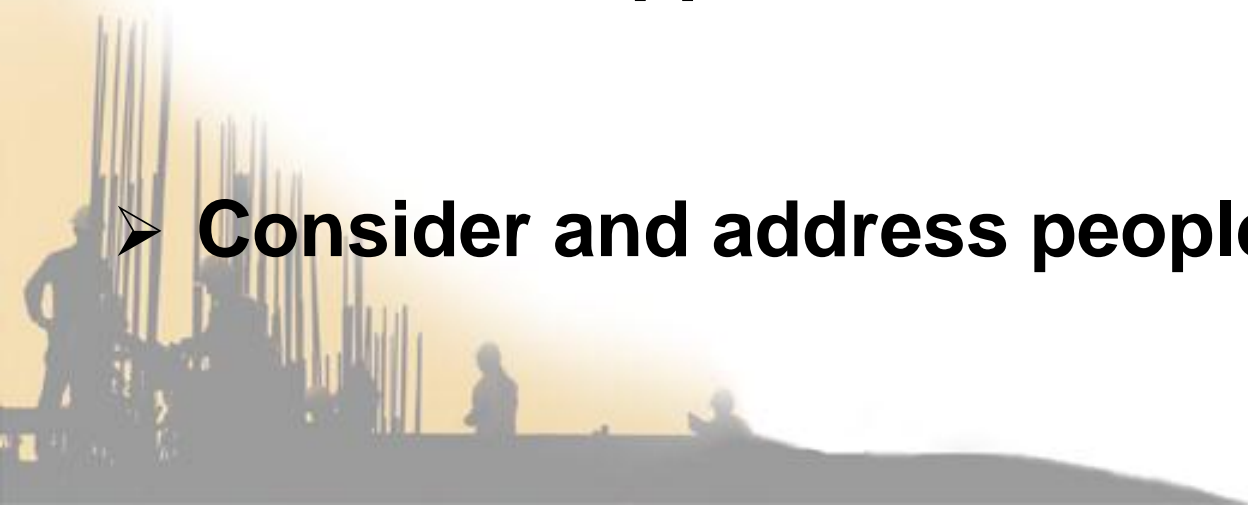
Workface Planning



Conclusions

Implementing change

- **Treat like a project**
- **Decide on approach**
- **Consider and address people issues**



- Develop the process inventory: identifying and prioritizing the process list
- Establish the foundation avoid scope creep
- Draw the process map; Flowcharting and documenting
- Estimate time and cost and verify the process map introducing the process and cycle time and gaining buy-in
- Apply Improvement techniques: Challenge everything

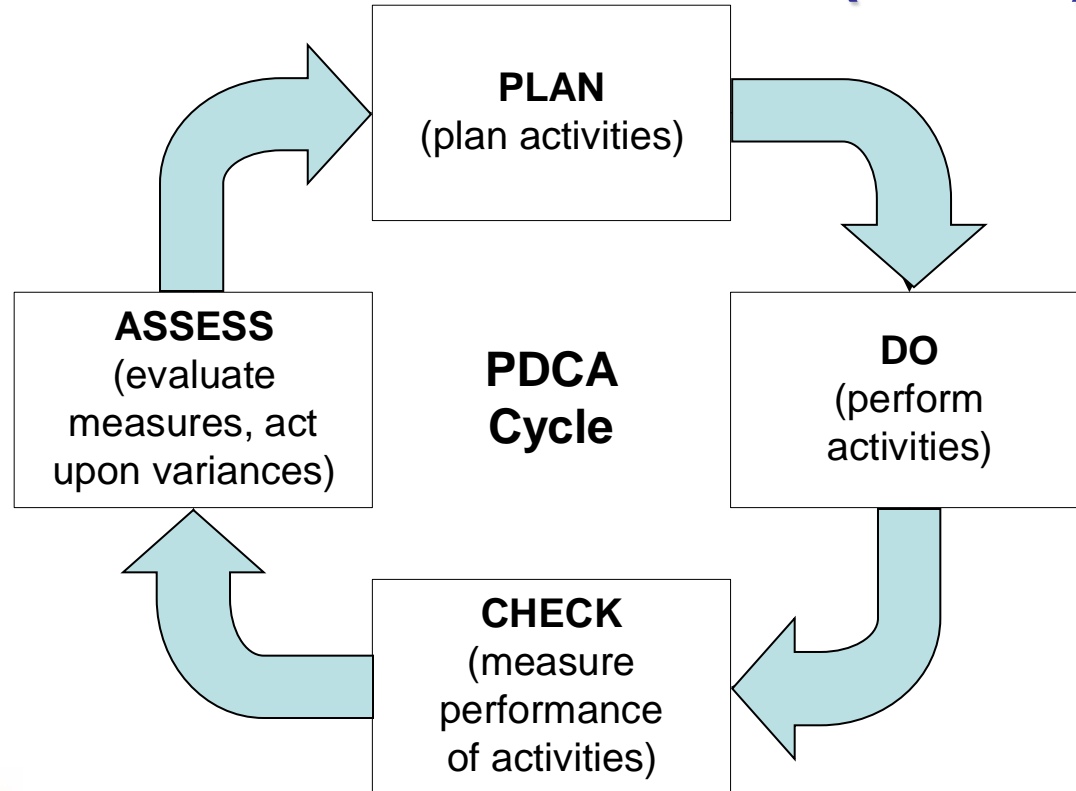


The Power of Business process Improvements

Susan Page

- Create internal controls. Tools and metrics making it real
- Test and rework making sure it works
- Implement the change: preparing the organization
- Drive Continuous: embracing the new mindset

Plan-Do-Check-Assess (PDCA)



Based on the time-tested Deming or Shewhart cycle..