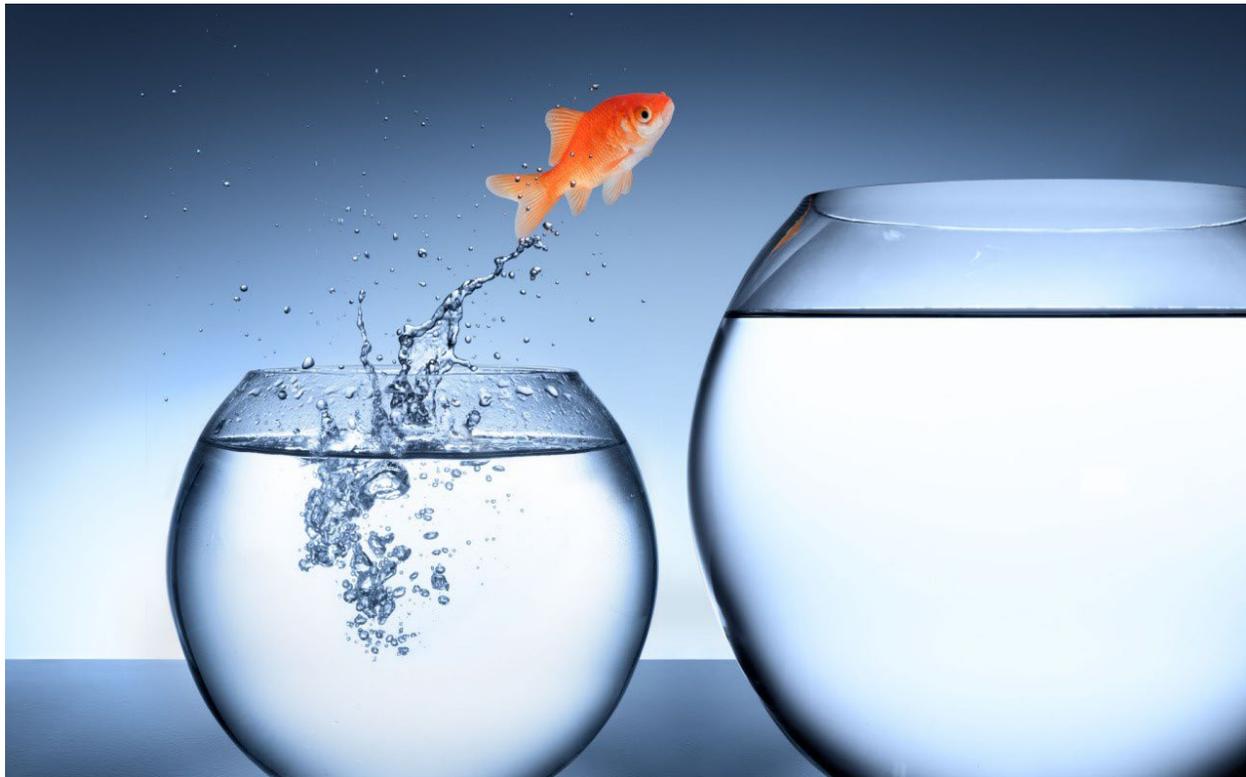


# Five Organizational Change Management Strategies to Improve Outcomes

Salvatore Schibell | Monday, November 28, 2022



Organizations must change to stay competitive. Companies need to react to internal and external influences that require something to change. This change can be attributed to new market demands, government regulations, legislation or other factors such as complying with the Centers for Disease Control and Prevention (CDC) guidelines during the pandemic. Regardless of the cause, contractors must plan for organizational change and carefully manage the process.

Change management is planning, coordinating and managing change in a business. It is the systematic approach and application of knowledge, tools and resources to deal with organizational change. In construction, this change can be company-wide or project specific. A project-level change is typically due to a stakeholder demand. The customer could want something different, or the federal, state or local government could have a new requirement. Whatever the case, the change must be made to continue operations.

Change can be expensive if it is not managed well. The average construction project is subject to a 5% to 10% increase in contract value due to change orders and contract modifications. Oxford Economics estimated the total global construction contract value to be \$10.7 trillion in 2020. This makes the global cost of changes to construction contracts between \$535 billion and \$1.07 trillion.

Contractors must manage every step of a change to control costs. Otherwise, overruns can significantly increase job costs. Here are five organizational change management strategies to improve outcomes.

## **1. PLAN FOR CHANGE**

Each stage in a project's lifecycle—business planning, project planning, design and construction—has unique deliverables that can be impacted by the change. Consider all possibilities and plan to overcome challenges.

## **2. EMBRACE CHANGE**

Change is unavoidable, so it is better to accept and embrace it. Encourage open book management. Make it a common practice to communicate what is going on in the organization with employees. Set stakeholder expectations by explaining the process for dealing with change. Establish clear guidelines for holding people accountable for their actions. Identify who is responsible for what. Make sure that everyone knows how vital their contributions are to the success of the project and company.

## **3. MANAGE CHANGE ORDERS**

Establish processes and procedures to manage change orders. Decide what steps need to be taken, who is responsible, what controls need to be in place, and acceptable completion timeframes to maintain stakeholder satisfaction.

## **4. USE TECHNOLOGY**

Project management software can help run every aspect of the job, from material ordering to scheduling work, deliverables and quality control. Project management software typically integrates with other applications such as billing, inventory and time management.

## **5. MONITOR AND MEASURE THE RESULTS**

Maintaining consistent oversight over implementation and rollout is important to ensure that things go smoothly. Keep a close eye on potential problems and address issues promptly. Define metrics to measure success and continually monitor them. And frequently communicate with stakeholders to gauge their perceptions and get relevant feedback.

Having a system for managing change can take the guesswork out of how to approach it. Keep everyone informed so they know what to do. Open lines of communication will ensure employees feel empowered to contribute to the change process. While some employees may not feel comfortable sharing their views with management, everyone should be able to voice their opinions and ask questions.

One of the most common causes of ineffective change is one-way communication. When communicating a change initiative, organizations typically send mass emails to employees telling them what will happen. Instead, employees should be encouraged to participate in the process, which will increase buy-in and commitment to the change.

Collaboration fosters creativity and innovation. Many organizations rely on innovative thinking to stay ahead of the competition. Collaboration allows teams and individuals to discuss ideas and

collectively come to a solution. Collaboration can also improve an organization's ability to cope with issues that need immediate attention. Companies will be able to pivot when innovative products enter the market or respond quickly to changes in consumer preferences.

Organizational change management can improve employee morale and satisfaction and help employees become more engaged and productive. It can also shorten production cycles and lower costs. Change management helps an organization remain in a continuous state of evolution and keeps employees motivated throughout periods of business change.



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