WHILE CHANGE IS A NECESSITY FOR MOST BUSINESSES, EMPLOYEES are often resistant when it will challenge their day-to-day habits. When it comes to implementing new technology, the way in which change is managed can make the difference between success and failure.

Although change management has been an integral part of the implementation process for several decades, studies reveal that 60-70% of organizational change projects continue to consistently fail. Further, companies without effective change management are only able to capture a 35% return on investment.

As such, when introducing new technology to your company, a change management process that is managed in phases and leverages the necessary internal management resources is essential to success.

Before starting an IT implementation project, it's important to establish a clear and concise vision and direction for the process. Employees will feel more invested and valued while working toward a common goal and therefore the likelihood of a successful implementation increases.

The change management process for an IT implementation project can be broken into four key phases:

1) Conducting an impact analysis
2) Addressing employee concerns
3) Demonstrating “what’s in it for me”
4) Gaining alignment across the company
Phase 1: Impact Analysis

The first step to successfully managing change in an IT implementation is to determine who will be impacted and how. One option is to complete an impact analysis chart (as shown in Exhibit 1 below) to identify the specific stakeholders impacted and assign a level to indicate the severity of the impact based on selected attributes.

Let’s take a look at implementing a construction management software solution as an example. Since this a large and lengthy implementation process, all areas of the company are likely to be impacted – executives, accounting, IT, PMs, service managers, and field staff. The areas of impact can be broken down into five attributes: span of control, monitoring, job responsibility, job security, and utilization.

Span of Control
Span of control refers to the number of subordinates an individual has available. In the case of implementing a construction management software solution, span of control will increase slightly for both executives and IT, as new staff (internal or external) may need to be hired to assist in the transition process; for all other employees, span of control will likely remain the same. This can create fear, uncertainty, and doubt with certain managers, as they may feel less important or like they are losing control.

Monitoring
Monitoring the amount of direction and supervision an individual needs to complete a task will significantly increase across the business, as both management and employees will be required to learn how to effectively operate the construction management software system. Monitoring is often performed by a third party who will train managers on how to use the software to ensure those managers are able to train their staff.

Job Responsibility
Job responsibility will vary across the business. For example, IT will be greatly impacted by the changes, as they are tasked with ensuring the hardware and software are implemented correctly and handling any technical support going forward.

On the other hand, field employees, PMs, service managers, accounting staff, and executives will likely maintain the same level of job responsibility; however, their workload will change as they learn how to navigate the new system.

Job Security
Job security can be a sensitive topic when software designed to automate business processes is implemented. Once the new construction management software is put into place, the business can be more productive and grow with the same amount of staff. This could potentially reduce employee satisfaction and increase the overall resistance to change. The stigma that computers replace people also presents a potential challenge.

Utilization
New technology can result in a reduced workload for all employees. As such, each employee will be able to increase their efficiency and perform a greater number of tasks. Positions such as IT, field staff, and accounting staff are generally the most impacted in terms of the amount of work they are able to complete within a day. With a higher rate of utilization, employees can focus on more profitable tasks.

Phase 2: Understanding & Overcoming Employee Concerns

Once it is determined who will be impacted and to what extent their jobs will be affected, the next step is to understand employee concerns.

EXHIBIT 1: Sample Impact Analysis

<table>
<thead>
<tr>
<th></th>
<th>Span of Control</th>
<th>Supervision</th>
<th>Job Responsibility</th>
<th>Job Security</th>
<th>Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
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<td>2</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Accounting</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>IT</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>PMs</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Service Managers</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Field Employees</td>
<td>1</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>
Whether a new business processes is being implemented or a new software system is being integrated, uncertainty, angst, and doubt can quickly set in and create a negative atmosphere. Therefore, constant communication and feedback throughout the implementation process are imperative to combat these fears and help maintain employee engagement as well as ensure commitment.

Employee resistance is natural, especially if there is lack of communication as to why changes are being made. However, don’t discourage such resistance, but rather encourage employees to express and communicate their perceived challenges.

Here are three common employee concerns and ways to overcome them.

**Job Stability**

When new technology is implemented, employees commonly fear that their jobs will become less valuable, or worse yet, entirely obsolete.

For instance, since such technology as customer relationship management (CRM) systems and construction management software are designed to integrate, automate, and streamline business processes, employees often feel threatened or unappreciated.

Explaining the status of their roles and how they will be able to expand and/or improve upon their responsibilities can go a long way toward mitigating this concern.

Let’s again use the construction management software system implementation example. With the ability to automate and integrate accounting throughout the business, the accounting staff may feel threatened and concerned about their positions.

Therefore, it is important to demonstrate that while their jobs may change, all accounting personnel will still be required to manage and complete their daily tasks. In fact, their jobs are likely to become easier and more streamlined, which should help increase their overall job satisfaction.

Communicating with and reassuring employees that their jobs are stable will increase their engagement throughout the transition process.

**Fear of the Unknown**

Taking away an established process and replacing it with an unfamiliar system or solution can cause panic and create additional resistance to change. To help manage this fear, implement the solution gradually.

Let’s take the example of implementing a construction management software solution with mobile capabilities. Replacing pen and paper tasks with a mobile device and new software system all at once may create resistance. But, by slowly rolling out the new software system, employees will be less likely to feel overwhelmed by the process. They will not only be able to learn how to use the new software solution at their own pace, but they also are more likely to feel involved in the process. With time to practice using the system, employees can become familiar with and confident in using the software once in the field.

Since technically-savvy employees are more likely to become champions of such change, consider enlisting them to learn the new software first, essentially serving as a beta or pilot test group. As the initial kinks are worked out and any mistakes learned from the first round of the implementation are corrected, the beta testers can help rally the rest of the staff and also highlight specific benefits for each individual as the software is rolled out to the rest of the employees.

**Lack of Trust**

Mistrust often stems from both a lack of faith in the company’s direction and the ideology that management is solely focused on improving the bottom line rather than on employees. A lack of trust with both management and the direction of the business can further increase resistance to change.

The best way to ensure trust is to maintain communication with all employees and demonstrate the need for change. Let’s once again take the example of implementing a construction management software solution. If the solution’s benefits are not properly communicated to employees, then they are not likely to trust or have faith in the process.

Showing employees that there is a plan in place and involving them throughout the process will go a long way toward improving their relationship with management. From the outset of the project, clearly communicate the reasoning and objectives for the implementation through multiple methods such as face-to-face meetings, e-mails, demos, etc.
Engaging employees in the transition process and providing specific details on how their jobs will improve will pave the way for a much smoother and effective implementation.

**Phase 3: What’s In It for Me?**

After employee concerns have been understood and addressed, the next step is to demonstrate how the new IT solution will directly benefit employees.

Even though employees are now on board with implementing a new IT solution, skepticism may still remain. Employees may still only see the work that will be required to put the system in place – not only will they be required to learn a new system, but they will also need to change the way they do their jobs. This can lead to a lack of effort and further disconnect between employees and the business.

To prevent this disconnect, it’s critical to demonstrate “what’s in it for me” with regard to employees. To help prove to employees how a new IT system will benefit them specifically, use concrete examples of how their daily tasks will become easier and more efficient.

Let’s once again look at the example of implementing a construction management software solution with built-in mobile technology.

For accounting staff, integration and automation benefits will reduce the amount of data entry for accounting staff, reduce mistakes, and save time identifying and correcting mistakes.

For field employees, a solution with mobile capabilities will allow them to do more directly from the field. With the ability to access previous work history, complete work orders, and submit hours worked right from their mobile device, tablet, or laptop, time-consuming trips back to the office will be reduced. The technology will also reduce the amount of required paperwork and eliminate the risk of lost or damaged documents.

Employees who are shown concrete benefits are much more likely to buy into the process and be engaged throughout the transition. Be open and honest with employees about the work and training required to learn the system, but also illustrate the rewards.

**Phase 4: Achieving Alignment & Moving Forward**

Once the impact analysis has been completed, employee concerns have been determined and overcome, and the benefits of implementing the IT solution have been demonstrated, the next step is to achieve complete alignment across the business.

At this stage, all employees should see the value in implementing the IT solution for both themselves and the business overall. It is important that an executive sponsor is designated to ensure the lines of communication are open and there is transparency throughout the process.

Ideally, an executive sponsor is determined in the early stages of the IT implementation to assist in the change management process; however, it is at this stage where his or her involvement becomes critical. The executive sponsor should hold regular status meetings and assign checkpoints to ensure the IT implementation is on track. Keeping employees involved in the process not only helps them stay engaged, but also allows them to provide feedback.

**Conclusion**

Change management comes down to one simple fact: The more effective companies are at managing change, the more likely their projects are to succeed. The steps outlined in this article can help overcome the many objections, concerns, fears, uncertainty, and doubts that may arise during an IT implementation.

**Endnotes**


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