



Dispute Avoidance and Resolution (DAR) Project Communication and Change Management Strategy



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1. Why do we need an effective communication and change management strategy?

- Previous industry studies and research projects have analysed the strategies that facilitate:
 - the effective performance of projects and avoid disputes; and
 - the effective resolution of disputes.
- The DAR project will further analyse and clarify these strategies, with particular emphasis on the avoidance of disputes and the effective resolution of disputes.
- These strategies result in improved project time and cost, improved project quality, improved relationships between parties and a more enjoyable working environment.
- It is apparent that many clients, contractors and other industry stakeholders continue to be unaware of these strategies, and/or they choose not to implement them.
- An effective and targeted communication and change management strategy is required to enable the key industry decision makers to properly understand the benefits of effective project performance and effective dispute resolution, and to effect the necessary changes.



2. Why are the communication strategies adopted to date less effective than expected?

The communication strategies adopted by industry to date may be less effective than expected because, for example:

- The findings of industry studies and research projects are usually communicated to a general industry audience through written papers and/or seminars.
- The people that read the papers and/or attend the seminars are typically those people that have a prior interest in the topic and may, in general, comprise the people most likely to respond favourably to the findings.
- Certain managers may be “too busy” with “business-as-usual” to read the papers and/or attend the seminars, and/or they may not be prepared to make a unilateral decision to devote sufficient time and effort to properly understand the significance of the findings and/or to think through an action plan that would be required to implement the findings.
- People who are, by nature, comfortable with the status quo (regardless as to whether the status quo is effective), and who are reluctant to move from their comfort zone due to (for example) uncertainty and/or possible criticism, are unlikely to read the papers and/or attend the seminars and/or take unilateral action to implement the findings.



3. What are the characteristics of effective communication?

- Effective communication relates to clarity of understanding. (Please note, however, that the person receiving the communication may not agree with the information communicated.)
- Effective communication comprises both transmission and feedback. Transmission without feedback is unlikely to be effective communication.
- Communication may be verbal (written or spoken) or non-verbal.
- Verbal communication must provide clarity of understanding to the recipient. To be effective verbal communication must use terminology and a style of language that is readily and unambiguously understood by the recipient.
- Non-verbal communication includes facial expressions, body language, etc.
- A person's perception of a communication affects both transmission and feedback.
- Care should be taken to ensure that there should be no inconsistency between the verbal and non-verbal components of a communication.
- Face-to-face communication is most effective form of communication because it allows both verbal and non-verbal communication and immediate feedback.

(includes extracts from FMLink website re effective communication in the workplace)



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4. What are the characteristics of an effective change management model?

In about 1990 Jack Welch of General Electric developed a change management model after researching the characteristics of successful change models. The General Electric change model, as described in a 2001 paper by John Carrow, comprises six steps as follows:

1. Why change?
2. Establish the vision
3. Leadership from the top
4. Engage the workforce in planning and defining the new process
5. Measure and analyse progress
6. Maintain consistency and stay the course.

A 1999 “How to” guide to “Managing Organisational Change” by Queensland Health follows a generally similar step-by-step pattern and sets out some practical change management guidelines and strategies. A UK website (businessballs.com) also collates change management guidelines and strategies from various sources.

Slides 5 to 10 outline, in very general terms and where appropriate using quotations from the above sources, how each of the 6 steps in the General Electric change model may perhaps be applied to the DAR project.



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5. DAR Project Change Management Model

Step 1 - Why Change?

Explain the “why” before getting to the “how”.

People need to understand the logic of why change is required before they will turn their minds to how the change can be made.

In the context of the DAR project, Step 1 may include the preparation of a business case for change that sets out the quantitative and qualitative information that demonstrates the major time, cost, quality and relationship differences between efficient project performance and inefficient project performance.

Step 1 of the DAR project change management model may include, for example, the time, cost, quality and relationship benefits to all parties of avoiding the root cause of disputes, and the benefits to all parties of averting, minimising and (if all else fails) resolving any unavoidable disputes in a proactive and cooperative manner.



6. DAR Project Change Management Model

Step 2 - Establish the vision

Establish the vision for the new state of affairs after the change has been implemented. Explain what it will look like when you get there. The envisaged change must be realistic, achievable and measurable.

In the context of the DAR project, Step 2 may include, for example:

- a description of the strategies that facilitate the effective performance of projects and avoid the root cause of disputes, and how these strategies could be adopted on various categories of building and construction projects and/or procurement strategies;
- a description of the underlying principles of proactive dispute avoidance and resolution, including examples of proactive dispute resolution strategies (such as Dispute Resolution Boards and Project Mediation) and circuit breakers (such as statutory adjudication), and how these dispute resolution principles and strategies could be adopted on various categories of building and construction projects and/or procurement strategies.



7. DAR Project Change Management Model

Step 3 - Leadership from the top

The implementation of a change process in an organisation must be led from the very top of the organisation.

Accordingly, in the context of the DAR project, the DAR project communication strategy should be targeted at gaining the understanding, acceptance, commitment and support at top management level in each relevant industry organisation. That is, the target audience for the DAR communication strategy may comprise, for example, senior line managers and their functional advisers in:

- government departments;
- private sector client organisations;
- organisations that finance construction projects;
- contracting organisations (ie main contractors, consultants and specialist subcontractors);
- client and industry organisations such as APCC, PCA, ACA, MBA, HIA, ACEA, CCA, Standards Australia, etc.

The DAR project communication strategy for each organisation should be tailored as may be necessary to suit the requirements of the relevant senior line managers and their functional advisers, including where appropriate face-to-face communication to encourage active consideration of the issues and to obtain constructive feedback.



8. DAR Project Change Management Model

Step 4 - Engage the workforce in planning and defining the new processes

A key to successful implementation of change within an organisation is to engage the organisation's workforce in the planning and definition of the new processes. That is, the participation of the workforce should go beyond the workforce merely understanding and (hopefully) accepting "the vision", but by actively engaging the workforce in the change process.

Step 4 of the DAR Change Management Model would be implemented after the completion of the DAR Project.

It is proposed that the DAR project deliverables would include a step-by-step good practice paper on change management that may be used by an organisation as a basis for preparing a change management plan tailored to the requirements of the organisation. In this regard, for example, John Carrow's paper, the Queensland Health "How to" guide and the UK businessballs website (see slide 4) set out a number of change management strategies and guidelines relevant to step 4 that should perhaps be taken into account when implementing change within an organisation.



9. DAR Project Change Management Model

Step 5 – Measure and analyse progress

Step 5 would be implemented after the completion of the DAR Project. Issues relevant to step 5 that should perhaps be included in the DAR change management good practice paper would include, for example:

- establish and monitor evaluation strategies to confirm the progress of the change process – not just financial measures, but all measures around the process change;
- create short term wins – ie set goals that are easy to achieve. Celebrate incremental success;
- top management should ensure that change milestones are publicly celebrated;
- encourage constructive feedback, and reward and recognise progress and achievements.



10.DAR Project Change Management Model

Step 6 – Maintain consistency and stay the course

Step 6 would be implemented after the completion of the DAR Project. Issues relevant to step 6 that should perhaps be included in the DAR change management good practice paper would include, for example:

- maintain consistency and stay the course, despite “bumps along the road”;
- maintain ongoing progress reporting, highlight achievement and future milestones;
- reinforce the value of successful change via recruitment, promotion, new change leaders;
- weave the change into the organisation’s culture.

