Getting the best from IT-related change

Why Transition Partnerships did this research

We want to understand why so many who know about change still don't manage it well. IT managers are often frustrated that new systems are not fully utilised, and line managers are equally frustrated that business benefits are not realised. Trying to change attitudes after months or even years of investment in creating a new system is much too late. Instead, we want to learn profoundly about change, so that we can make it more productive.

Our aim is to discover what people actually do – how they manage change successfully – and how they can pass on the benefits of their experience.

Summarised here are the experiences and insights of a great range of people, all bringing about change and dealing with its expected and unexpected consequences. Maybe among the population of responsdents ther is a bias towards success. (One company known to us who chose not to participate said, "Not…..likely!" Their project had been a disaster.) We found that there is no precise blueprint for success. Nevertheless, we believe that you can find relevant pointers here – to more than repay your investment in coming to understand other people's aims and actions and reflecting on failure or triumph.

What our findings suggest will work for you

Recommendations for best practice

- Decide what you want to achieve and picture what success will be like.
- From the outset, demonstrate commitment through the behaviour of the top team.
- Maintain a clear sense of direction, focus and pace.
- From the beginning, identify all of the stakeholders, invest time in gaining and sustaining their involvement, and value their contribution.
- Listen and be receptive to feedback – discover and respond to people's differing perceptions of what the organization is like and what the change is about.
- Recognise that change always takes longer that you expect – to maintain momentum, deliver quick wins and acknowledge them.
- Attend to changing the culture as well as changing the technology.
- Notice and manage physical distance and isolation.
- Provide education to raise awareness of the change, and specific training for new roles as well as skills – create a process of continual learning.
- Use systems development approaches which encourage a high degree of user involvement and emphasise business requirements at all stages.
- Attend to alignment and integration of thinking and practice between business, organizational and IT specialists.
- **Communicate**, COMMUNICATE, **COMMUNICATE**.
- Do ALL of these things - **OVER** and **OVER** and **OVER** and **OVER**…..

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The research: design and implementation

How we conducted our enquiry

We were interested in discovering perspectives held by specialists in different disciplines; we selected line management, human resources and IT. Three versions of a detailed questionnaire were created, four hundred sets of these were distributed. **We analysed 152 individual responses from 63 separate organisations, including 38 complete sets.** Twenty-two organisations volunteered for additional structured interviews through which we explored experience and interpretations in depth.

The respondents

These are blue chip and household names, including building societies, banks, insurance companies, professional services and utilities, retail, manufacturing, engineering, pharmaceutical, transport, media, property and information technology organisations.

Eighteen of the major changes cited had to do with supply chain management and related needs; ten with organisation-wide improvements to financial, administrative and communication systems; nine with customer service; six with personnel/payroll systems. Two were about mergers and acquisitions, one about outsourcing of IT. The others were specialises, defying simple categorisation.

We received 55 Human Resources, 51 Information Technology and 46 Line Management completed questionnaires in time for inclusion. We have preserved the anonymity of the respondents.

Perspectives on success

Out criteria for major change involving significant IT were met by almost all of the responding organizations; only one-third, however, demonstrated evidence consistent with real success. We have examined what these dais, and compared the experiences of the others, to look for clues. This need not mean that these were failures: for example, ten organisations reported that it was too early to tell whether the change had been successful. *Perceptions of the same change by specialists within an organisation often differed*. **Importantly, the strong lessons are common across industry sectors and types of project.**

Perceptions of each other and of the organisation

The three most cited perceptions of TI were ‘automation of existing functions’ (49%), ‘technical experts who spend too much’ (47%), and ‘a major factor in gaining competitive advantage’ (45%). There were 28% who thought IT ‘a fundamental catalyst of organisational change’.

Respondents from the same organisation usually chose differently when asked for the metaphor describing their organisation. Of the 38 organisations that returned three questionnaires, **in only two instances could all three agree on the same description.** Much the most popular choice was ‘network’ (26%), with ‘wolfpack’ next (15%). Proportionately more line mangers used the latter. More IT manages chose ‘UDI’.

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Questions for you to address

- Do you **have a clear reason and focus for the change?** The single most quoted reason – by over 40% - was 'proactive decision by the organisation'. Sixty percent had 'technology' as a primary focus of activity and over 40% had 'culture change'.
- How well do you **understand the degree of change?** Two-thirds gave 'improving processes for present business' as their assessment of how radical the change was; just under half of the line managers identified the change as 'Business Process Re-engineering'.
- Can you **point to real benefits?** Increased 'efficiency of operations' was reported by 63%, and 46% claimed 'new competitive advantage'. The majority of our respondents said that 'business processes' (75%), 'employee productivity' (71%), and changing culture or values' (64%) were affected positively by the change.
- Can you **alter the ways things are done?** 'Organisational culture' (51%), 'power and politics' (48%), and 'present systems' (51% of IT respondents) were viewed as obstructing success.
- How often do you **check that you are communicating clearly?** Whilst 54% said the purpose was very clear to them only 9% of Line and HR and 20% of IT respondents thought it would be very clear to the rest of the organisation. Well over half (59%) reported that communication about the change helped its success considerably. *'Communicate' is the overwhelming message elicited from our interviews.*
- Do you **invest enough in education and training?** Over two-thirds of our respondents (78% of IT respondents) cited these as helping considerably. Nearly two-thirds of HR respondents provided specific training for new roles. Three-quarters chose 'actively monitoring the situation' and 'continuing education' as top factors to sustain and develop the change.
- Have you identified the stakeholders, gaining their ownership and alignment, and kept up your relationship with them to **maintain and recreate agreement as learning occurs and the plan changes?** User consultation and involvement was said by 61% to have helped considerably. Of line managers, 76% made changes in the light of feedback; for 65% if became a continuous process of change and organisational learning; and 54% considered problems carefully with a view to modifying the original plan.
- Do you **fully exploit IT?** We received positive responses from 56%; only 5%, however, were certain that they did so fully. Fewer Line Management respondents were convinced than those in HR or IT.

Considerations in managing the change

Responsibility

Interviews revealed that at least four multi-million pound projects were constrained from realising their potential benefits by top management's lack of vision. The degree of Managing Director involvement appeared limited in many organisations, occurring mostly at the initiation stage. An enthusiastic theme in our interviews was the necessity for commitment from the top. Respondents indicated that, during all four stages, who was actually responsible fell consistently short of what was formally intended. IT people were seen to be more responsible throughout the last three stages – some wanted more involvement from the outset.

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The effectiveness of the HR contribution appears in question. Only one-third of HR managers reported HR responsible during the planning stage, despite wide acceptance of the view that managing change, whether or not involving IT, is essentially about people.

Resistance to change

Resistance was not seen as a major issue. Of the line mangers, 61% responded that middle managers were fully engaged in making a success of the change. *Eight responding organisations did not identify resistance to change from any quarter.* Industrial relations caused little or no resistance for 80% of the line managers; in contrast, only 57% of human resources mangers took this view.

Integration

In response to a range of factors which helped or hindered, 40% indicated that integration of the elements of change helped, 17% took a negative view and 34% said that it made no difference. However, the problems of integration were repeatedly highlighted in our interview. Over half (53%) of respondents said that **the change will be sustained and further developed 'by understanding and handling the impact of the change in other areas'** and 46% believed that they would be 'exporting successful change to other business units'.

Systems development

The tools used for project management reflected an overriding concern with time and resources. Security of information was seen as high or as paramount by just under half (48%). The systems requirements stage of development was driven in most cases by business needs. However, **user participation appeared to be very limited at the design and modelling stage and was typically overtaken by technical considerations.** User involvement was markedly higher at all stages for in-house, rather than third party, IS development.

Use of outside consultants

Forty-six out of 63 organisations did use consultants. Of these, 87% used them to help with specific tasks, with 71% of line managers, 45% of HR managers and 49% of IT scoring this type of use positively. Almost three-quarters (74%) had consultants facilitate the work of people making the change: again, **line mangers were most positive as to the effectiveness of this process.**

To find out more…

A full report of this research is available. This contains practical examples of what respondents did, verbatim quotations from questionnaires and interviews, further developed implications for best practice, and additional analysis. Every participating organisation will receive a copy. We are also organising workshops where you can explore related issues in depth, and benefit by sharing experience and learning. To purchase the report or to obtain details of the workshops, please contact Alchemy of Coaching at the email address below.

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