

Chapter 7

The Human Side of Information Systems: Capitalizing on People as a Basis for OD and Holistic Change

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ABSTRACT

In this chapter the authors explore the relationship between Information Systems and Organization Development, highlighting the value that Holistic Change Interventions can introduce when applied to IS/IT areas, mobilizing Individuals, Groups and the whole Organization to promote Organizational Effectiveness. A “soft” approach to Organizational Change is proposed, focusing on main internal aspects which are determinant for Organizational Performance, including Organizational Culture and Values, Leadership, Work Teams, and Employee Engagement. The approach is illustrated by a successful “real-world” Transformational Change Program which has been developed, within an IT Unit of a major financial organization, following an Action Research paradigm. The intervention has integrated two main cycles – a first one covering the strategy determination and behavioral preparation for further action, and a second one devoted to a coordinated implementation of strategic actions which have emerged from the first cycle – where communication, engagement, action and improvement have been the most relevant attributes of the whole process. From a Research perspective this successful Change intervention has served to develop and test, within context, a Framework of Critical Success Factors for Holistic Change, which is described on its management implications, and covering distinct areas and dimensions. Also, the high potential of Action Research, to promote Holistic Change within real organizational settings, and, simultaneously, to address complex research issues, questions, objectives, and test hypothesis, is deeply illustrated within this chapter.

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INTRODUCTION

Contextualization

The relationship between Information Systems and Organizational Change is, often, explored along the path's direction from Information Systems to Organizational Change. This includes two main typical perspectives: (1) the integration of the organizational side of change as a non-negligible dimension within IS/IT Programs (strategic, preventive view); and (2) the appraisal of the impact of IS/IT changes over Organizational effectiveness (evaluative view).

However, the reverse direction – highlighting the value that Organizational Development and Change can introduce when applied to IS/IT areas, through People – is a rich research domain, not so often explored within this context.

In fact, Individuals, Groups, the Organization as a whole, and its interactions, form the basis of the traditional “People, Process & Technology” triangle, having a special impact over Organizational Effectiveness.

So, this reverse direction, promoting IT Organizational Development, should be considered, as a forward path towards the preparation of IS/IT People, in context, to face their responsibilities of serving the whole organization.

Also, within these technical areas, “hard” dimensions (product, process, risk, control and service) are, often, overemphasized by best practices’ (e.g., COBIT, ITIL, CMMI and PMBOK) adoption projects, minimizing the critical importance of the human factor as a base ingredient of any comprehensive approach to Organizational Effectiveness.

As a consequence of this restrict vision some important Organizational Development and Change aspects, including Organizational Culture and Values, Leadership, Work Teams and Employee Engagement, are relegated to a minor dimension.

The current chapter, based from a Strategic Management perspective on a Resources-based View (Hitt, Ireland, & Hoskinsson, 2009) and focusing on main internal aspects which are determinant for Organizational Performance (Burke & Litwin, 1992) highlights the relevance of key concepts, relationships, processes and critical success factors of organizational improvement.

It illustrates these aspects with a successful “real-world” Transformational Change Program which has been developed, within an IT Unit of a major financial organization, following an Action Research paradigm (Shani & Pasmore, 1982).

From a change perspective, the organizational intervention configures a 2nd order planned change, thus, transformational (Porras & Robertson, 1992), built at the level of a single entity, with development induction through a cycle of goal formulation, implementation, evaluation and modification of goals based on what was learned (Van de Ven & Poole, 1995) and materializes a double-loop (Argyris, 2002), generative (Senge, 2006), organizational learning and development process. These concepts (allowing us to typify the kind of envisaged change and the associated approach) will be further clarified by the literature review.

The intervention has integrated two main cycles:

1. Strategy determination and behavioral preparation for further action, and
2. Coordinated implementation of strategic actions, which have emerged from the first cycle.

The first cycle has targeted the enhancement of a Service Culture, the development of harmonized Leadership practices, and the promotion of Employee Engagement and Participation, through an integrated set of highly participative actions.

Communication, engagement, action and improvement were the most relevant attributes of the process.

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