ITIL and Organisational Change: Tinkering & Kludging to Achieve Painless Change

Introduction

The increasing global interdependencies and accelerating pace of change demands more flexible and adaptive organisations (Malone and Crowston, 1991). Malone and Smith (1984) have defined organisational flexibility in terms of “vulnerability” and “adaptability”. Effective implementation of IT decreases vulnerability by reducing the cost of adjustment. Rochart and Short (1989) attribute the ever increasing need for managing interdependence to competitive pressures that include globalisation, time-based competition, increased market risk, and a greater emphasis on customer service and cost reduction. Bennis (1974:22) notes, “the organisation’s response to the environment will continue to be the crucial determinant for its effectiveness”.

Since post-industrial organisations are faced with increasing environmental complexity and turbulence, organisations’ need to process information and make decisions is substantially increased (Huber, 1984). The capabilities and flexibilities of computer-communication systems make them increasingly relevant to organisations by being able to respond to any specific information or communication requirement (Holt, 1992). Drucker (1985) has defined ‘organisation’ as “a structure in which information serves as the axis and as the central structural support”.

ITIL radically changes the underlying business processes and the information sharing methods used throughout an IT Department as well as the wider organisation. Benjamin and Levinson (1993) emphasised that for IT-based change to be effective, technology, business processes and organisation need to be adapted to each other.

This paper explores organisational change; taking an holistic view from the business, psychological and cultural perspectives. Contemporary research is
presented together with full referencing to enable the reader to further develop their knowledge and personal awareness.

The Adaptive Reorganisation - Research

Richard Whittington and Michael Mayer (2002) argue that ‘adaptive reorganisation’, the ability to redesign structures frequently, is now critical to organisational performance. Their initial research followed the top 50 companies in Britain from 1992-2000 and found that, in the 1990’s, they reorganised every 5 years. By 2000 major changes were taking place on average every 3 years with regular minor changes in-between. In April, 2002, Microsoft announced its fourth major ‘reorg’ in five years.

This pattern of change is driven by:

- Intensified competition and stock market turbulence – private sector and, consumerism and government pressures – public sector
- Pace of technological innovation
- Increased knowledge-intensity, as organisational design affects information flows.

The results of the research found that the results of major changes were often disappointing:

- Improvements in flexibility and responsiveness were accompanied by poor financial returns and lower morale and staff retention.
- With major change, expensive new information systems and complex new structures attract most attention while people are forgotten.

When asked about the aims of change, managers cited:

- customers
- market share and
ranking employee morale and retention lowest.

Employee Participation in Change

Despite commitment to communication, there was little employee participation in the design and implementation of change (Whittington, Mayer and Smith, 2002). Similar findings were found by Doyle, Claydon and Buchanan (2000) who reported the typical management assessment of change as, “mixed results, lousy process”.

Disharmonised Psychology

Change flies in the face of the general populace in that most human beings like and seek out certainty, consistency and security – we seek to maintain the status quo with which we are content. Change, therefore, creates a disharmonised psychology – within society, within the workforce. There is a limit to the amount of change individuals can tolerate without causing stress and disorientation by subjecting them to too much change in too short a time; Alvin Toffer (1970) described this as “future shock”. Not surprising then that change often creates resistance whether overt or covert.

Whittington and Myer (2002) argue that for change to be successful, the ‘soft’, human issues need to be integrated with ‘hard’ structures and systems. Consequently, this requires:

- Skilled change agents and
- Organisation characteristics such as a culture which welcomes change, appropriate management styles and supportive human resource policies.
Triggers for Change (External)

Triggers for change can be:

- new technology
- new materials
- changes in customers’ requirements and tastes
- activities and innovation of competitors
- legislation and government policies
- changing domestic and global economic and trading conditions
- shifts in local, national and international politics
- changes in social and cultural values.

Triggers for Change (Internal)

- new product and service design innovations
- low performance and morale, high stress and staff turnover
- appointment of a new senior manager or top management team
- inadequate skills and knowledge base, triggering training programmes
- office and factory relocation, closer to supplies and market
- innovations in manufacturing process
- new ideas about how to deliver services

Though the above sound reactive, this is obviously not always the case.

The High Velocity Environment

These days, we operate within a ‘high velocity’ environment (Eisendardt and Bourgeois, 1998; Buchanan, 2000) – in other words; repeated change, in which turbulent external conditions are translated into a complex stream of
initiatives affecting work and the organisation design, resource allocation and systems and procedures in a continuous attempt to improve performance.

The study of change is paradoxical because:

- as the triggers and consequences of change are complex, establishing cause and effect is problematic
- change has to be analysed at different levels – individual, group, organisational, social (all of which are interrelated)
- change has to be studied as a process; a series of unfolding events and not as static or time-bound
- change that affects a large number of different stakeholders may be difficult to analyse as there may be no agreed agenda for judgement
- change can only be understood in terms of continuity, with respect to what has not changed.

The research of change and its effects widely varies. During the 20th Century, literature concerning change focussed on making things happen – and faster. At the beginning of this Century, the opposing view is now strongly evident, that we need to slow things down and perhaps keep some things the same. Behind this turnaround lie the problems caused by high-velocity, adaptive reorganisation.

Problems for the Business : High-Velocity, Adaptive Change

- Initiative Decay : where the benefits of previous change are lost as the organisation moved onto new initiatives. The British National Health Service Modernisation Agency (2002) criticised the ‘improvement evaporation effect’ where new processes and increased performance are not maintained.
Initiative Fatigue: people become tired of constant demands to do things differently, work better, work smarter, work harder. Research indicates that initiative decay is widespread and affects all organisational levels including management (Buchanan, Claydon and Doyle, 1999). Initiative fatigue lowers enthusiasm for and commitment to more change.

Painless Change: Tinkering and Kludging

Eric Abrahamson (2000) presents a compelling argument for ‘painless change’ based on ‘dynamic stability’. This involves small and continuing changes such as the redesign of existing practices and business models rather than creating new ones.

To change successfully, Abrahamson argues, organisations should stop changing all the time because this generates cynicism and burnout. Change needs to be carefully paced, with major initiatives interspersed with periods of smaller changes, implemented by ‘tinkering’ and ‘kludging’.

Tinkering - fiddling with the nuts and bolts of what we already have rather than trying to create something new.

Kludging - tinkering on a larger scale; by creating new divisions or businesses e.g., internet businesses that combine conventional procurement and merchandising with software and marketing knowledge.

Nick Morgan (2001) describes the contemporary workplace as ‘one continuous change initiative’ in which change fatigue is rampant.
How Much Change Can You Tolerate?

So, how much change can your business tolerate? Psychology has suggested that the relationship between arousal and sensory stimulation on the one hand and human performance on the other varies systematically in the form of an inverted U function – known as the Yerkes-Dodson law.

Yerkes-Dodson hypothesis argues that the human task performance is increased by arousal, stimulation and pressure; this gives credence to the saying “I work best under pressure/to a deadline”. However, this hypothesis also argues that if the pressure continues to mount, the individual will eventually reach a point at which they become stressed and exhausted and performance will fall. So, can business change induce such pressure? Buchanan, Claydon and Doyle (1999) found that over 60% of managers said that people in their business were suffering from initiative fatigue. In a second study (Doyle, Claydon and Buchanan, 2000), just under half of respondents claimed that the pace of change was causing middle management burnout. With each change, people have to spend time:
- learning new tasks,
- implementing new systems and procedures
- developing new knowledge
- using new skills and behaviours
- and, all the above under severe time pressure due to having the `day job' to do as well.

When change is too frequent, individual arousal levels may be driven beyond their optimum performance points.

Senior and Middle Manager Emotional Responses to Change

Mike Broussine and Russ Vince (1996) asked 86 senior and middle managers for their feelings about change at work. Emotional responses included:

- anxiety, fear, dread
- fear of personal catastrophe
- anger, violence, revenge
- opportunity for personal development
- denial and rationalisation
- paradox, optimism and pessimism
- powerlessness and debility
- destabilisation, alienation
- a journey to endure

The researchers concluded; “the paradoxical, sometimes contradictory and generally messy emotional reality that managers experience in a period of tremendous change”.

Contemporary Change Barriers & Success Factors

Change Barriers: Top Ten – 1 High, 10 Low.

1. competing resources
2. functional boundaries
3. change management skills
4. middle management
5. long IT lead times
6. communication
7. employee opposition
8. HR issues (people, training)
9. initiative fatigue
10. unrealistic timetables

Change Success Factors: Top Ten – 1 High, 10 Low.

1. ensuring top sponsorship
2. treating people fairly
3. involving employees
4. giving quality communications
5. providing sufficient training
6. using clear performance measures
7. building teams after change
8. focusing on culture and skill change
9. rewarding success
10. using internal champions.

(Adapted from Price Waterhouse Coopers Consulting (PWC) and Mariket Opinion Research International (MORI) Global Change Management Study, 1997. The study included interviews with key change managers in global sample of 500 companies. 70 questions, 150 companies in the UK, 150 in the USA and 50 in the Far East and Australia.)

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References:


