

### Building a Vocabulary of Change Technology

the processes, mechanics, and interactions of human behavior required to convert raw material into finished offerings.

## Making a Choice

Richard Walton articulated what he referred to as the choice inherent in the introduction of new technology into a work setting.<sup>28</sup> One of the most fundamental choices managers face when introducing new technology, he noted, is whether to apply that technology in a way that merely automates existing processes or in a manner that transforms those processes.<sup>29</sup>

Using new technology to automate existing processes essentially leaves the status quo in place. I used to get information through paper memos, a manager in an automated workplace might say. Now I get the same information over our network. Or, When it comes to introducing and supporting new products, those guys in Japan never got on board before we had SAP, and they still don't know even though we now have SAP. One company—a state-run mass transit operation—banned employees from sending e-mails, regardless of their contents, to anyone in other departments or functions without going through their boss. Functional silos remained intact.

### Theory into Practice

When introducing new technology, organizational leaders face a choice: to use that technology to automate existing processes or to use new technology to support transformed behaviors.

The second option for introducing new technology is one that applies technology in such a way that supports transformed behaviors and alters the required skills. Some executives resist the transforming strategy for fear of losing control and disrupting required discipline. "There has been a fear of letting it out of our hands," said one corporate vice president in reflecting a widespread resistance to the use of IT to share performance data up and down the company. "That is why information is so carefully guarded .... Traditionally, we have thought that such data can only be managed by certain people with certain accountabilities and, I hesitate to say, endowed with certain skills or capabilities."<sup>30</sup> But other leaders, including the chief of staff of the U.S. Army, see the transforming strategy as a way of supporting the end of "business as usual" and the institutionalization of new behaviors.

## Sequencing New Technology in Change Implementation

No one questions that new technology can have a powerful, transformative impact on the manner in which work is conducted, becoming a vital contributor to outstanding performance. However, as with other "hardwiring" interventions, organizational leaders must deal not just with the *what* question—what new technologies can we call on—but the *how* and *when* questions as well. How will the new technologies be introduced and when will they be added to the mix? Effective change implementation calls on new technology to enable and reinforce new behaviors.

### Theory into Practice

New technologies can be introduced as a way to support desired behavioral changes.

## Conclusion

Leaders find interventions designed to alter the hardwiring of their organization—structures, systems, and technologies—especially appealing. That appeal flows from the well-reasoned theory that structure and systems impact behavior. Because behavior must be altered as part of the change effort, the thinking goes, why not call upon new structures and systems early in the implementation effort to drive that change?

Time and time again, such interventions end up in disappointment. Instead of encouraging new behaviors, structural change can provoke resistance, even sabotage. (Lou Gerstner ran into both at IBM.) Any change, when imposed from above, risks energizing resistance from the very employees whose behavior needs to change.

The impact of incentive and technology changes coming too early in the implementation process runs an even greater risk. Leaders run the risk not just of failing to alter long-term patterns of behavior but of altering patterns of behavior in an unintended, even unwelcome way. That risk is enhanced when implementation starts from an inadequate and noninclusive diagnosis or from inadequate training to ensure employees are capable of exercising the new behaviors.

When formal structures are changed in Step 4 of the implementation process, they are experienced as reinforcers of new behaviors. Desired patterns of new behavior are now recognized and supported, and become built into the new hardwiring of the organization.

## Discussion Questions

1. In comparing the efforts at Macy's and IBM, how do you explain the differences in the way managers reacted to the organizational changes?
2. It has been said that, given the growing complexity and dynamism of the world of business, all organizations will have to adopt some type of a matrix structure. Do you agree or disagree with that argument? Explain.
3. What is it about incentive systems that makes them so attractive to leaders attempting to implement organization change? Can you think of examples when it would be useful to create new incentives early in a transformation process?
4. Can you think of examples from your own experience—at work or in the classroom—where the manner in which your performance was being measured and rewarded worked against the goals you were trying to achieve?