IT Change Management Challenges in Kenya

Stanley Mwangi Chege

Head ICT QA, Co-operative Bank of Kenya

Schege@co-opbank.co.ke

Abstract

This According to Jerry Luftman, Managing Information Technology Resources 3 edition (2012), "Most innovations fail, and companies that do not innovate die. In today's world the only constant is change. Many managers fear, misunderstand, and have very little training to handle change. Yet for the IT executive, managing change is a critical skill because the implementation of new systems always involves change. The responses to the annual Society for Information Management (SIM) survey showed that managing change is consistently among the top ten management concerns. Recent research and anecdotal evidence also show the importance of managing change. IT organizations are clearly in the business of managing change. They are constantly being driven by changing demands from the business as well as by changes in technologies; they also regularly drive or enable changes in the business. The objective is to maximize the effectiveness of people involved in planning, controlling and implementing change, while also minimizing the negative effects of change on the business. Managing change should be included as a fundamental part of strategic development, project management, and IT governance. A large percentage of IT systems fail to deliver the benefits because the process of managing change was not appropriately addressed".

Keywords: Change, Culture, Resistance

Introduction

Change management is a critical discipline for the success of any project. It should be considered as a critical success factor for any IT project. When undertaken correctly, it will lead so a successful IT project.

Model for managing change
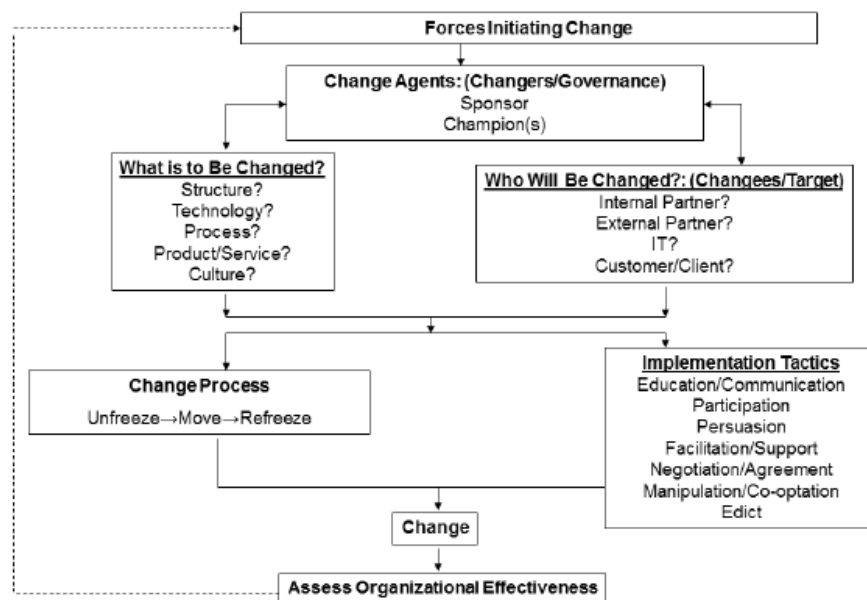
IT change begins when internal or external forces cause change agents to recognize the need to modify their organization's IT or business processes and/or services. These forces (which can be problems and/or opportunities for the firm) prompt management to decide to move toward transforming the organization. They are the inspiration behind new objectives..

Clearly defined change objectives enable management to identify more specifically what needs to be changed and whom the changes will involve. Will the change involve new equipment, new processes, or a different structure and/or culture? Who will it directly impact the most? Who might it impact indirectly or in ways not

immediately apparent?   Defining what needs to be changed and whom the changes will involve enables management to better plan how they will go about implementing the change. The Lewin-Schein model outlines the process of change. It involves three steps: unfreezing, moving and refreezing.
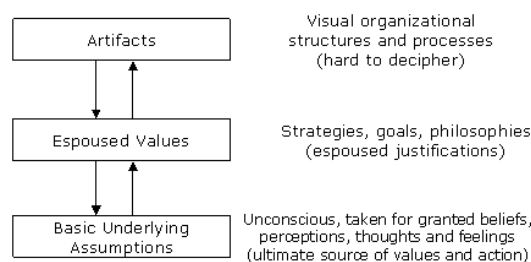
Unfreezing

The first step – unfreezing – involves ascertaining the support and/or help of the people that will be involved with the change. It often involves overcoming initial resistance to the change by getting the people to be more open-minded about the new approaches and/or ideas. The second step – moving – is the implementation of the change itself. It's the phase where management initiates the new processes or brings in the new systems and/or equip-ment. The final step – refreezing – ensures that the change lasts and becomes institutionalized within the organization. It often involves managing lingering resistance.

Management needs to be skilled at pulling out the right approach for the people and the situations they find themselves in3. Effective communications especially thru participation has been found to be the most important vehicles for situations where people need to understand what the change in-volves, how it will impact them, and what will be expected of them. Persuasion is used to convince people of the rationale behind a change. Facilitation/support helps when a change is causing people stress and/or adjustment problems. Negotiation/agreement would typically be used in dealing with a party that has significant power to resist and is going to clearly lose as a result of a change. Manipulation/co-optation is used when management sees an opportunity to exploit the good nature, or even naiveté, of other parties to a change. And finally, explicit/implicit coercion is a last resort for when other methods have proved ineffectual.

Three levels of culture

The figure above shows the three levels of culture (Schein). Edgar Schein explains that organizational culture is a significant force in resisting change. He defines organizational culture as "pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems". Cultures are pervasive and complex and based on deep-seated assumptions that must be brought to the surface so that they can be understood.
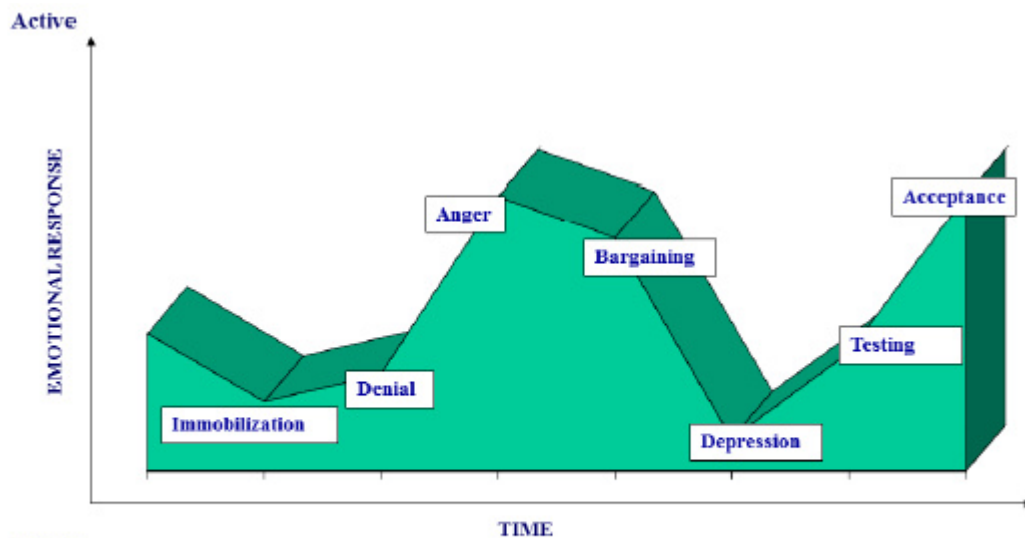
Conner's model of positive response to change
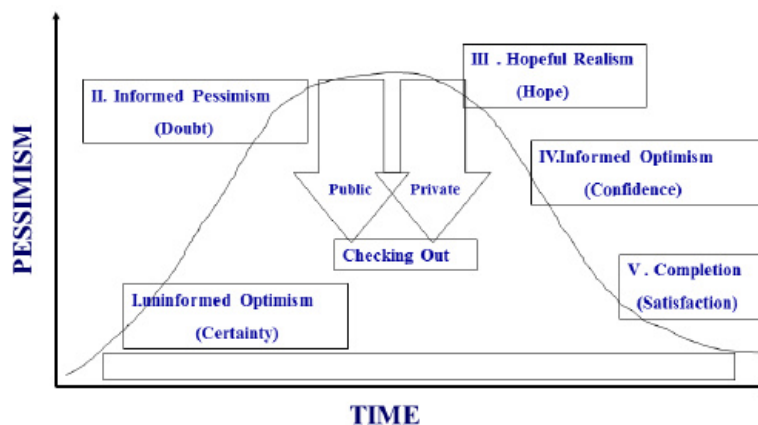
Conner's stages of positive response to change

The progressive stages are uninformed optimism, informed pessimism, hopeful realism, informed optimism and

finally completion.

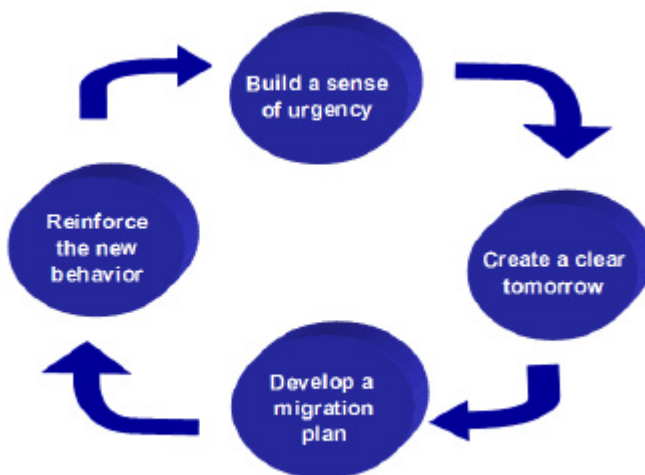**Conner"s model of negative response to change**

Conner's stages of negative response to change

The stages are immobilization, denial, anger, bargaining, depression, testing management resolve and finally acceptance.

Moving phase

Source: Belasco, "Teaching the Elephant to Dance", Crown Publisher NY.

The above figure shows Belasco's model of "teaching the elephant to dance". Firms must build a sense of urgency, create a new thinking and conditioning by painting a clear tomorrow, develop a migration plan and finally reinforce the new behaviour.

Four keys to implementing change

The following four overall keys to implementing change are discussed:

- Leadership Plus Facilitation
- Get the Right People Involved
- Team Building
- Secure Resources

Refreezing Phase

The third step is institutionalizing the new processes and systems to the extent that they become the norm for the organization. Sometimes people revert to old systems/methods even though new systems/methods were well introduced/implemented. For example, employees update the ―official database, ‖ yet maintain their own spreadsheets. Perhaps a manager contributes to the customer database, but keeps a card file for important customer information.

There are a variety of reasons for these examples of non-cooperation. In some cases the information system is not adequate. It does not do the job the manager needs. This is a legitimate criticism of the system and warrants addressing. In other cases, the managers simply do not want to change their old habits.

Oftentimes, a change threatens an individual's power, status, or income. In some instances, the new IT system redirects procedures and unintentionally dilutes a manager's position within the organization.

Pareto Rule in change management

The 80/20 Pareto rule can be reinterpreted to apply to managing change in several ways:

1) Determine which people in the target population are the top 20% business producers.

2) Spend 80% of the time you have budgeted for people issues with this top 20%

3) Spend 80% of your personnel development budget on the top 20%.

4) Study the work and determine what 20% of the job results in 80% of the return.

5) Train an assistant to do the remaining 80% so that the top producers can focus the top 20% of the work.

6) Enlist the top 20% to do the on-the-job training for the next 20%.

Allocating your effort and resources this way ensures that the goals of supporting the top-level people in the organization are not lost in the complex change process. This approach keeps the change agent's eye on the ball" throughout the ups and downs of the actual process.

Why Improvement efforts fail
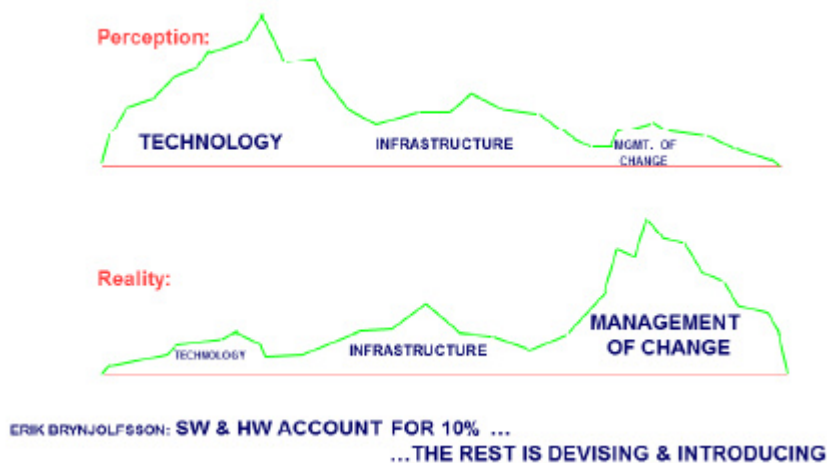
According to Brynjolfsson, when an organization embarks on an IT improvement effort, they expect 90% of the effort to go into finding or developing the best hardware and software for the solution, and only 10% of the effort directed toward management of the change. This perception is the opposite of the reality. The technical solution is usually the easiest part of the job. Getting the organization to embrace it is the difficult part.

Change means people

Type of Change	Finding
E-Business	59 percent of respondents cite politics/culture/communication as the premier e-business issue, not integration. (a)
ERP Second Wave	Prior to ERP go-live, 62 percent of issues are people issues and post go-live, 51 percent of the issues are people-related. Compare this to technology issues post go-live which are 19 percent. (b)
Reengineering	82 percent of CIOs say organization resistance to change is biggest barrier to reengineering success. (c)
CRM	Causes of failure 29%, organizational change, 22% company politics/inertia, 12% poor planning. (d)
Mergers and Acquisitions	75% failure mostly attributed to ineffective post-deal integration and culture shock

As the above figure shows, the people-related change management issues cause 51% failures of implementing IT systems while the technology only counts for 19%. As stated before, rational arguments presenting the need for change are not necessarily enough. Even a strong, well-presented case for change can be rejected because of the people involved. And, of course, the reverse is also true. No matter how weak or irrational a case for change may be, it may be pushed through by inertia alone.

Specific Challenges in Kenya

Kenya and Africa have are in a unique time and period. It is a period of continuous change. The forces of changes are internal and external. External forces include political, economic, social, technological and environmental and legal/regulatory. Kenya and Africa are now emerging economies and the ace of change has shifted to a higher gear.

IT project are being implemented in line with Vision 2030. According to Vision 2030, IT is a key driver and enable of the economy. One of the ICT flagship products include the building of the Konza city for as business process outsourcing and ICT hub. The concentration of this project in the physical facilities, amenities, hardware and infrastructure. This is the wrong focus because Kenya can become an IT hub without huge facilities and buildings. What is required is more change management of people in terms of mindset and culture. Skills in the outsourcing and call centre effectiveness is required. IT human resources should be trained on new technologies and processes in the area of outsourcing and business process offshoring.

Since business process outsourcing and offshoring to Kenya will host many foreign companies, there is need for IT human resources to be trained in the impact of globalization. Globalization is a phenomenon that requires the understanding and respect for foreign cultures, languages and norms.

Localization barriers

- Languages
- Cultures/Values
- Business Practices
- Tastes
- Competitors
- Proximity to local customers
- Risk
- Cost
- Food
- Authority
- National /Regional Protection
- Laws, regulations, tariffs
- Communications weaknesses
- Labor Unions
- Transportation
- Quality of Labor
- New Technologies
- Organization

The figure above shows some of the barriers a global organization (transnational) will face while doing business in a foregin country. In the case of Kenya, we need to take cognizance of this barriers and work towards alleviating them or completely removing them. This way mmore foreign companies will invest in Kn Kenya and the IT project undetake will be successful. As can be seen from the above figure most of the barriers are subtle,cultural issues and not technological barriers. Most of the resistance would come from people and not technology and infrastructure. The focus woyld be counselling and training of people. People need to feel involved and supported by the changes for them to play along.

References

Brynjolfsson, Erik, http://ebusiness.mit.edu/erik/

Edgard   Schein,   Three   levels   of   Culture. http://www.valuebasedmanagement.net/methods_schein_three_levels_culture.html

Schein, Edgar, Organizational Culture and Leadership. 2nd Edition, Jossey-Bass 1992 ISBN 1-55542-487-2

Conner, Daryl, Managing at the Speed of Change, Random House, 10022.

John Kotter and Leonard A. Schlesinger; Choosing Strategies for Change

Harvard Business Review 1979

Kanter, Rosabeth Moss, *Evolve*, Harvard Business School Press, 2001, p. 256-7.

Prahalad and Doz, *The Multinational Mission: Balancing Local Demands and Global Vision*, Free Press, 1987

Luftman, Jerry N., *Competing in the Information Age*, Oxford University Press,

Bjerke, Bjorn, *Leadership and Culture*, Edward Elgar, 2001, ISBN#1-84064-627-6

Deep and Sussman, *Smart Moves for People in Charge*, Perseus Books, 19

Schein, Edgar, *Organizational Culture and Leadership*. 2nd Edition, Jossey-Bass 1992 ISBN 1-55542-487-2

Belasco , James, *Teaching the Elephant to Dance*, http://www.belasco.com/elephant.htm

Johnson, MD, Spencer, *Who Moved My Cheese*, G.P. Putnam's Sons1998

Larson, Carl E., and LaFasto, Frank M.J., *TeamWork: What Must Go Right/What Can Go Wrong*, Sage Publications, 1989.

Kegan, Robert and Lahey, Lisa Laskow, ―The Real Reason People Won't Change,‖ *Harvard Business Review*, November 2001.

Luftman, J. and Kempaiah, R. (2007) Key Issues for IT Executives 2007*, MIS Quarterly Executive* , Vol. 7 No. 2/Jun 2008.

Luftman, Jerry N. *Managing information technology resources 3rd edition 2012*,

Establish Konza technology City. http://www.vision2030.go.ke/index.php/projects/details/Economic/40

Stanley Mwangi Chege is currently head of ICT Quality Assurance at Co-operative Bank of Kenya. He previously worked for Lafarge Africa as regional IT quality services manager. He holds a Bachelor of Science degree in IT. He holds many professional certifications. Some of these are CISA, CISM, CISSP, CRISC, CGEIT, PMP, MBA.

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage: http://www.iiste.org

CALL FOR JOURNAL PAPERS

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. There's no deadline for submission. **Prospective authors of IISTE journals can find the submission instruction on the following page:** http://www.iiste.org/journals/ The IISTE editorial team promises to the review and publish all the qualified submissions in a **fast** manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

MORE RESOURCES

Book publication information: http://www.iiste.org/book/

Recent conferences: http://www.iiste.org/conference/

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library , NewJour, Google Scholar