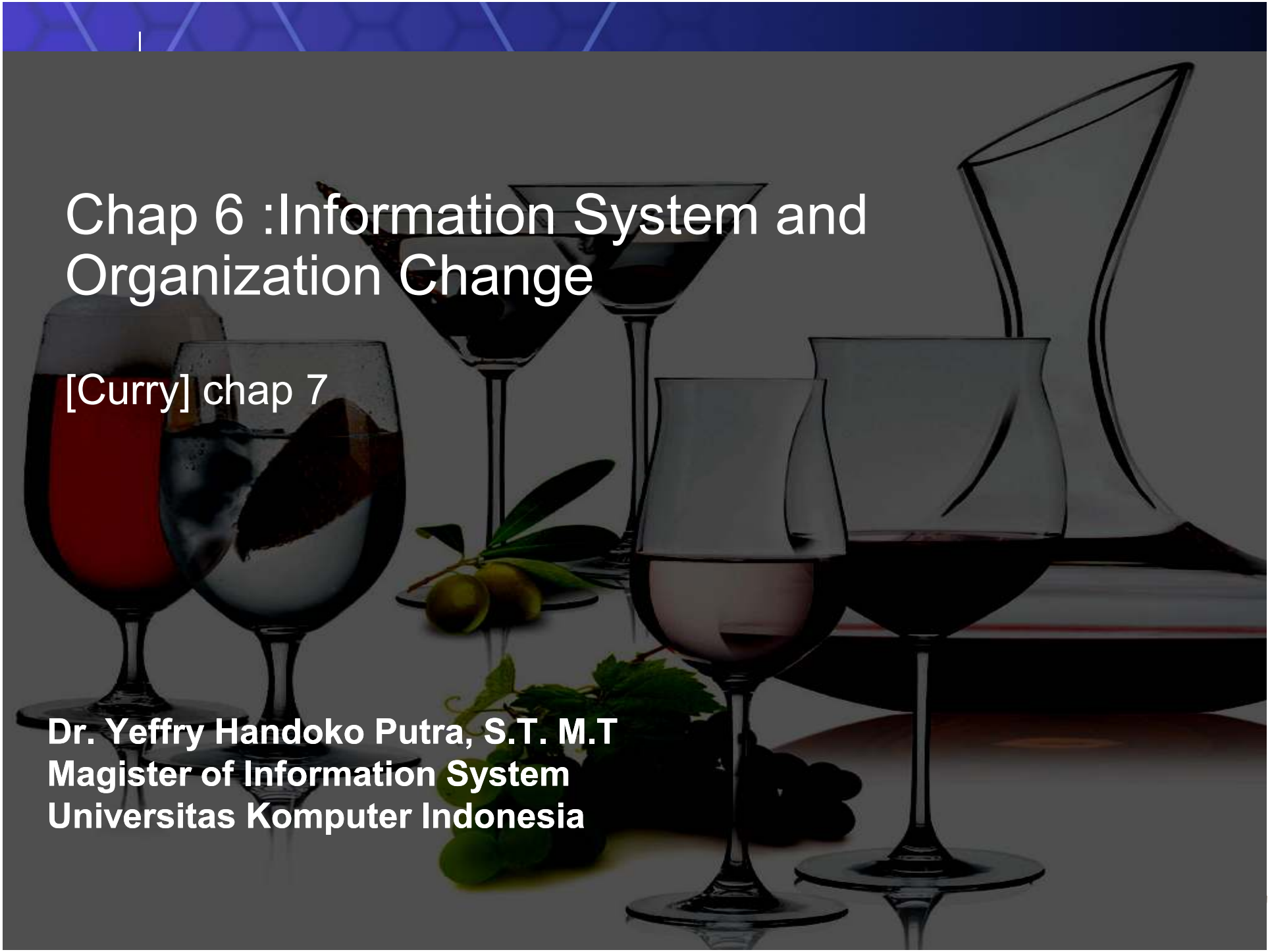


Chap 6 :Information System and Organization Change

[Curry] chap 7

Dr. Yeffry Handoko Putra, S.T. M.T
Magister of Information System
Universitas Komputer Indonesia

Born, change and die

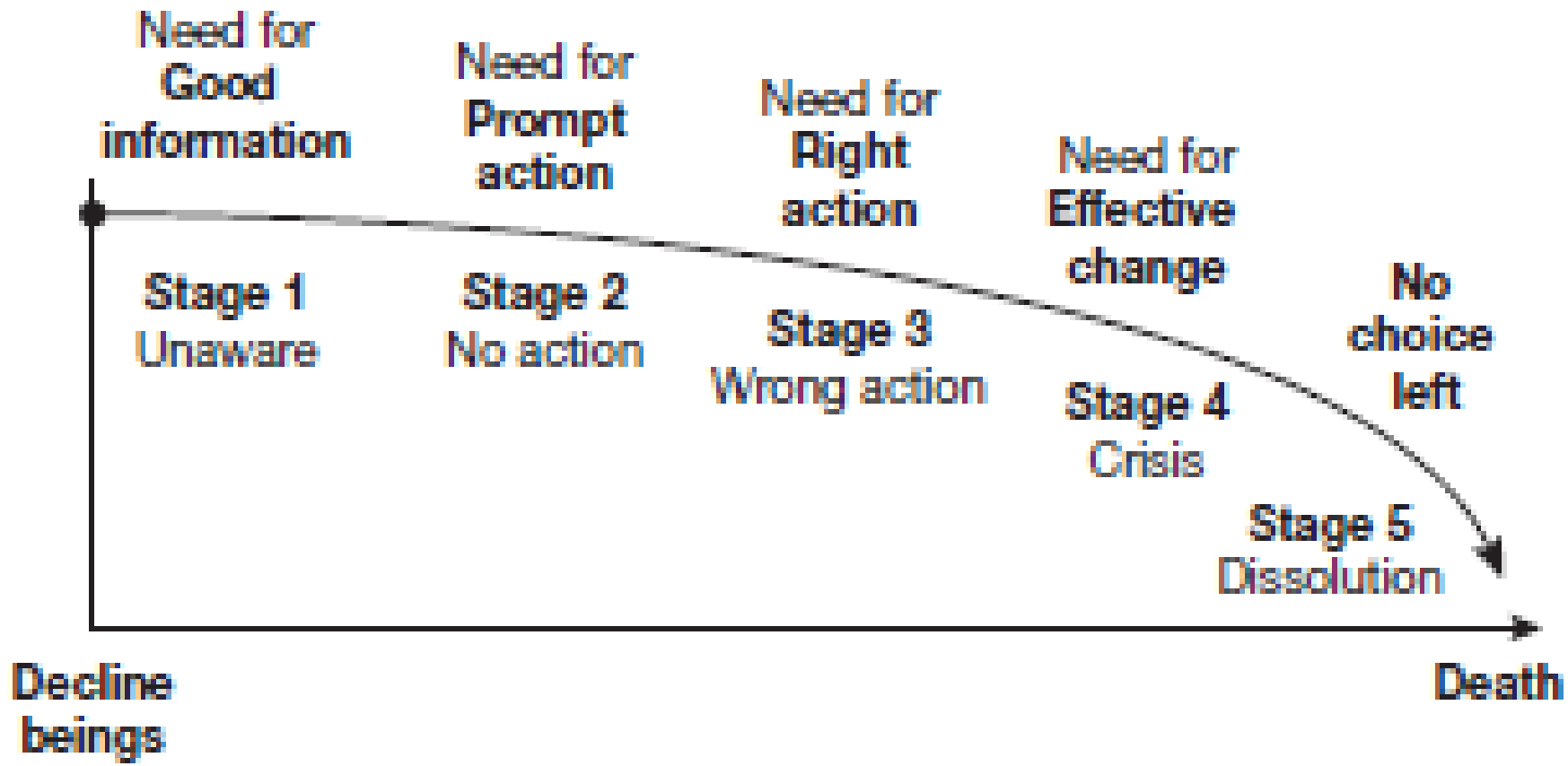


Figure 7.1 Organisational decline

Source: adapted from Weitzel and Jonsson (1989)

Change in Organization

- Structure and Culture
- People
- Process
- Support process
- Business Network Process
- Management Process

Reason for organisational Change

- Internal reason
  - *Resources have to be adequate and distributed*
  - *Technology may be introduced into the organisation*
  - *People within an organisation are themselves a* stimulus for internal change
  - *Priorities may need to be changed*
  - *Problems of different types arise within organisations* and these are often powerful motivators of change

It is good to change vission?

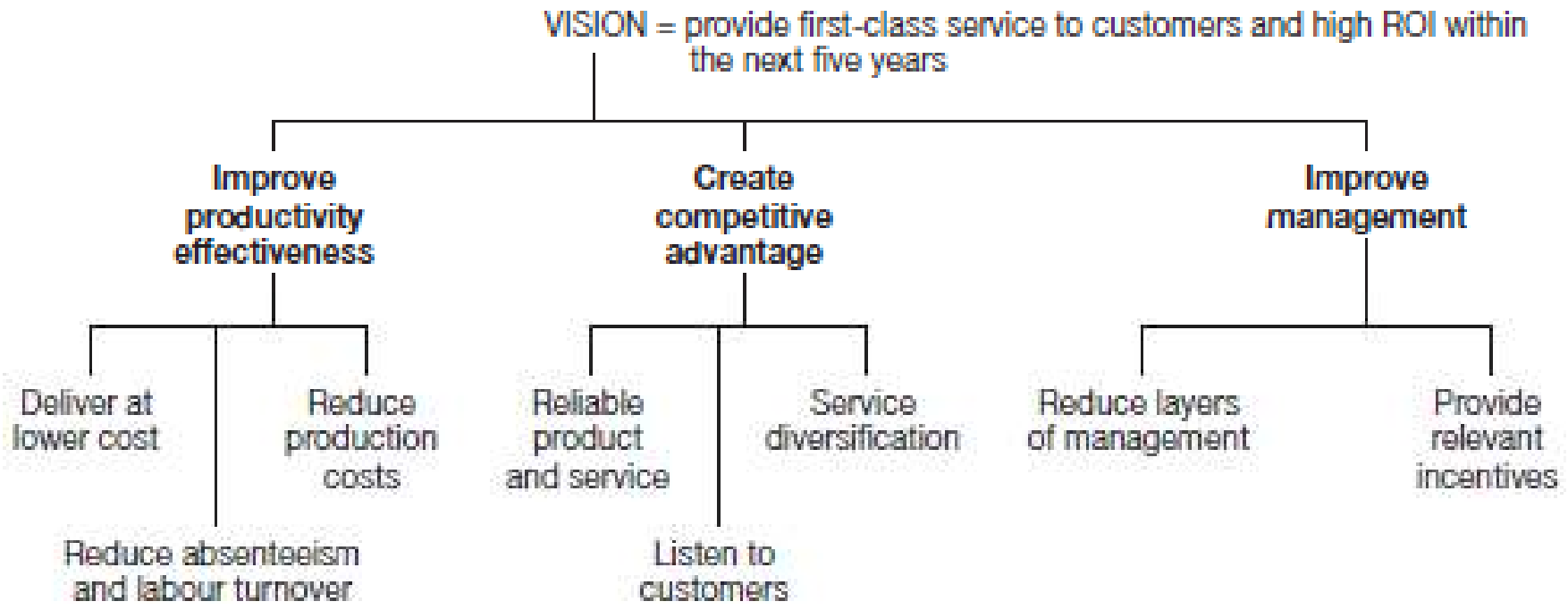


Figure 7.2 Developing a new business vision

Reason for organisational Change

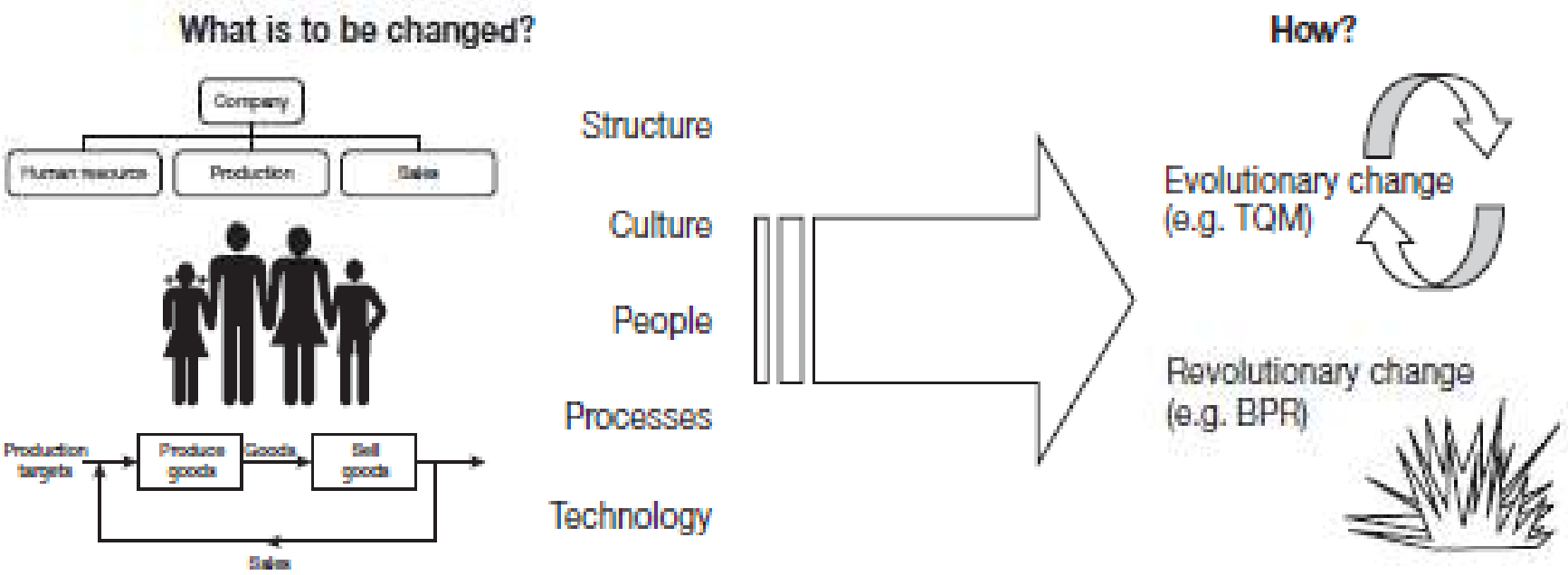
- External reason
  - Culture
  - Demographic
  - Legislation
  - Political Climate
  - Economy
  - Technology Advance
  - *Competition and increasing customer demands*
  - *Inter-organisational relationships create powerful* synergies
  - Public Opinion

Forces Again Change

Forces for change	Forces resisting change
New technological opportunities	Fear of change
New skills	Complacency
Greater job satisfaction	Confidence in current skills
More responsibility	Threat to ego
Job made easier	Threat to status quo
Competitive advantage	Higher workload
Corporate survival	More demanding job

Figure 7.3 Forces for and against change
Source: adapted from Martin and Powell (1992)

What and how of organisational change



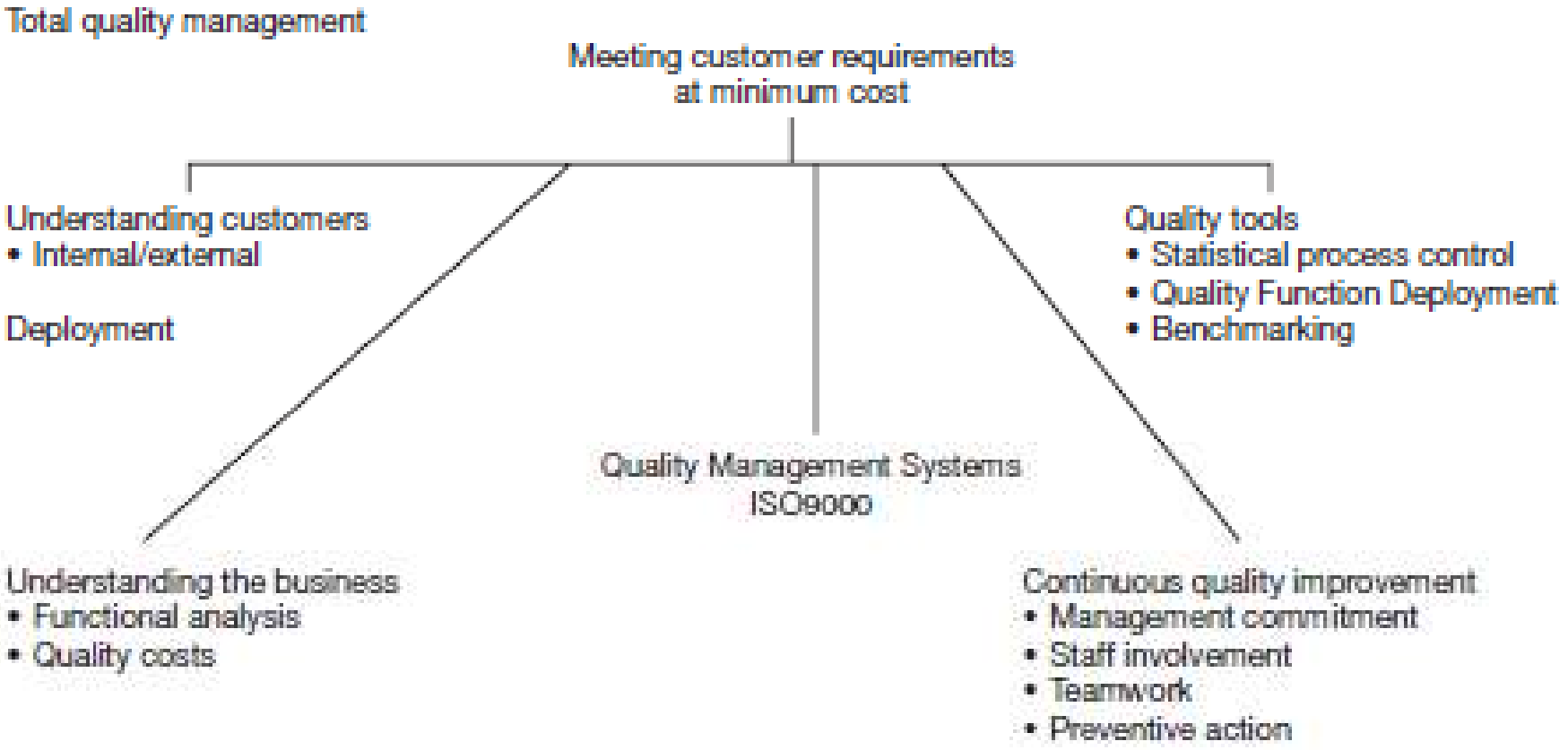


Figure 7.5 Evolutionary change: total quality management

Source: adapted from Munro-Faure and Munro-Faure (1993)

Contiunous Improvement (Kaizan) dan BPR

Table 7.1 Continuous improvement/BPR – evolutionary/revolutionary change

Element	*Continuous improvement*	*BPR*
Change	Incremental	Quantum leap
Focus	Current practice	Fresh start
Scope	Function by function	Cross-functional
Participation	Bottom-up	Top-down
Risk/rewards	Low/moderate	High
Type of change	Work design	Structure, culture
Role of IT	Non-essential	Key enabler

Source: adapted from Earl (1994: 11)

7 stages to BPR Success

1. confirm business vision and customer values
2. identify aims for each process
3. evaluate effectiveness of existing processes
4. set new performance standards and targets
5. redesign the business processes
6. implement the redesigned processes
7. evaluate process performance and refine processes

3 common reason for BPR failure

1. lack of senior management commitment
2. poor communication among those involved in BPR
3. poor implementation of the redesigned processes

Table 7.2 Potential problems in BPR implementation

Problem type	*Examples of problems*
Management support	Lack of top management support for new values and beliefs Lack of senior management leadership Lack of BPR champion Lack of top management understanding of BPR
Technological competence	Lack of IT expertise Limited telecommunication infrastructure Limited database infrastructure Lack of IS participation and assistance in BPR
Process delineation	Scope of re-engineered process inappropriately defined Failure to identify process owners Difficulty in establishing performance improvement goals
Project planning	Lack of strategic vision Lack of appropriate planning Lack of alignment between corporate planning and IT planning
Change management	Failure to anticipate and plan for organisational resistance to change Absence of management systems to cultivate required values Failure to consider existing organisational culture Difficulty in gaining cross-functional cooperation Unreasonable expectations Failure to communicate reasons for change Lack of training and compensation for employees
Project management	Failure to assess project performance Too much emphasis on analysing the existing process Poor communication among re-engineering team members and with other organisational members The BPR effort takes too much time Lack of appropriate BPR methodology

Table 7.3 IT opportunities in BPR

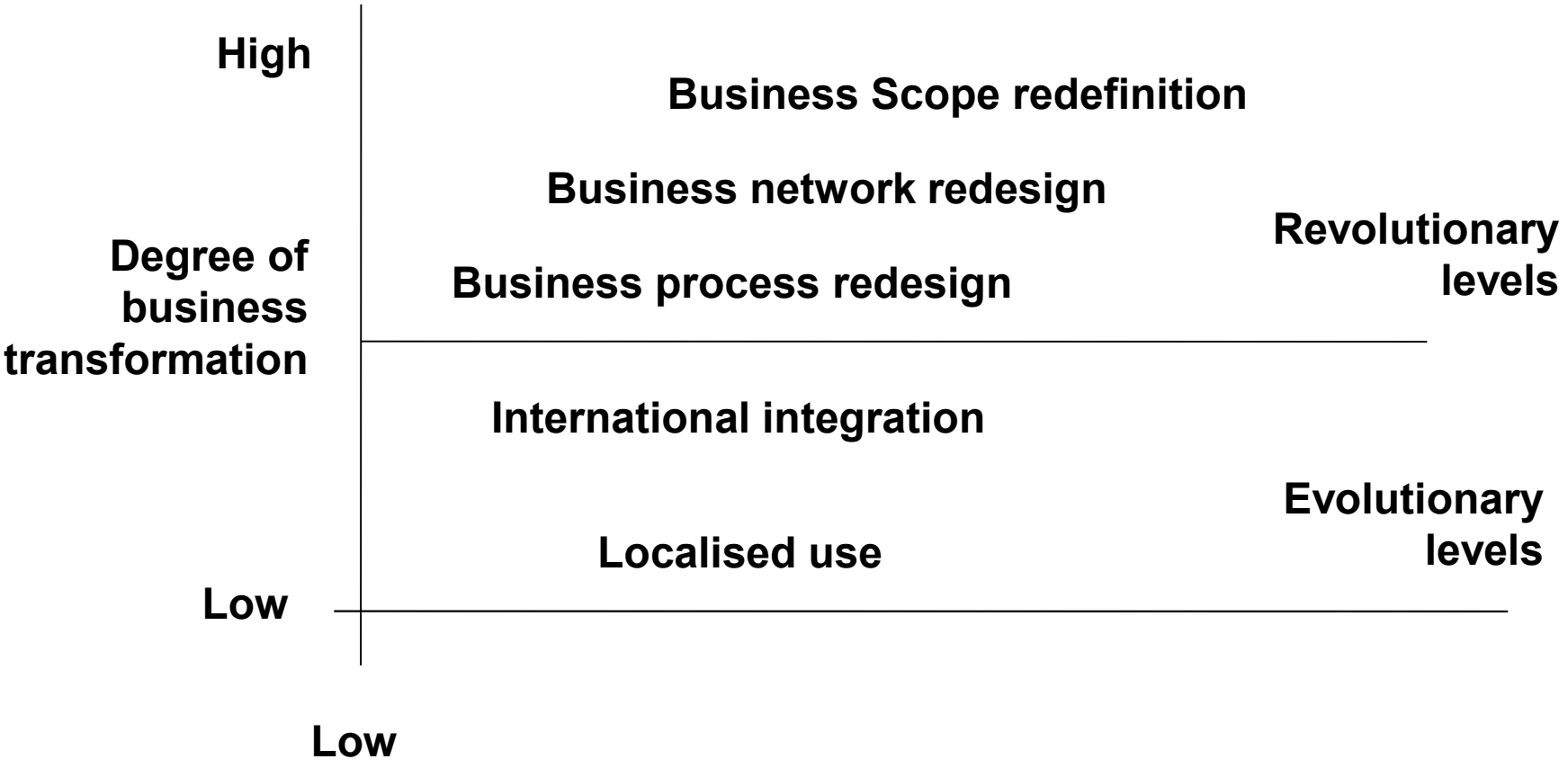
Aims	*Processes*
Reduce production costs	Automate tasks Eliminate repetitive activities More direct information flows
Reduce coordination costs	Integrate tasks Distribute and collect information Eliminate time and distance constraints
Reduce information costs	Monitor tasks Analyse information Provide decision support Retain expertise Model processes

The Impact of IT on process innovation

Impact	Explanation
Automation	Eliminating Human Labor from a process
Informational	Capturing process information to aid understanding
Sequential	Changing process sequence or enabling parallel operations
Tracking	Closely monitoring process status and products
Analytical	Improving analysis of information and decision making
Geographycal	Coordinating process accross distance
Integrative	Coordinating between tasks and processes
Intelectual	Capturing and distributing intellectual assets
Disintermediating	Eliminating intermediaries from a process

Five levels of IT-enabled business transformation

Source: adapted from Venkatraman (1994)



The recursive relationship between IS/IT and BPR

Source: adapted from Davenport and Short (1990)