Chapter 15
Preparing for Information Technology Driven Changes

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ABSTRACT

For a business, profitability and positioning are two most important measurable end results. Technology advancement and digitization highly influences the change management process. Innovation is key to survival and information technology is expected to act as a cause as well as tool for change. The changing business environment demands well-thought of approach towards change management. The focus area being: reasoning the need for change, different ways for approaching the change, continuously fine tuning processes and analyzing what works and what not. The chapter aims at identifying drivers and inhibitors of change, preparation and establishing parameters needed for measuring change, importance of role played by change agents and change leaders, approaches for strategic execution and evaluation of change process. Besides, the chapter focuses on comparing acquiring of IT infrastructure with options for outsourcing.

INTRODUCTION

The process of effectively and efficiently controlling, managing and measuring the performance of resources at its disposal has always been considered as a challenge for any business organisation irrespective of whether it’s a product based company or a service-oriented undertaking. A resource can be visualized as an entity (real or perceived) that directly or indirectly contributes to the firms positioning and profitability. For a business the value of its resources is measured in terms of its contribution to this very purpose. It therefore becomes crucial for the businesses to mobilise, allocate, combine and utilize their resources rationally and economically. Traditionally men, money, machines and material have been recognized as major resources; however the rational and economical use of these resources can be made possible if and only if organisations recognizes and acknowledges information to be an important business resource and direct its effort towards generating actionable information that acts as input to decision-making process.

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This is evident from the definition of information as provided by G.B. Davies - “Information is data that has been processed into a form that is meaningful to the recipient and is of real or perceived value in current or progressive decisions” (Jha, 2013).

The meaning of the term technology as found in various dictionaries are: “the application of mechanical and applied sciences to industrial use”, “the sum total of the technical means employed to meet the material needs of society”; “the technical terms used in science, arts etc.”; “study or use of mechanical arts and applied sciences; these subjects collectively”. A firm that uses information technology (IT) infrastructure to generate and disseminate information across the organisation is classified as a digital firm.

The evolution of IT over the last few decades has impacted society’s perception on importance of information. The impact has been fourfold:

- **Storage**: Store more than what has been previously conceived;
- **Manipulation**: Realign information, increase understanding and discover new relationships;
- **Distribution**: Distribute information quickly, efficiently, cheaply and in the language understandable to the recipient and
- **Creation**: Creation of new information society facilitated by the newer and evolving technologies (Meadowcroft, 2014).

The explosion of information technology and the changing needs of the stakeholders and economic pressures have all contributed to the need for the organization worldwide to significantly modify the way they handle business processes. The use of information technology is directly linked to enormous increase in;

- Computer’s power (processing capabilities);
- User friendliness (graphics user interface or GUI);
- Connectivity (global networks); and
- Artificial Intelligence (matching human thinking process) (Oakland & Tanner, 2007).

Any technology that is regarded to be highly innovative reaches obsolescence sooner rather than later with another successful innovation taking its place. Change is the only variable that remains constant. According to Shoham and Perry (2009), change is “Whatever a person himself or other people – reasonable people – consider replacing one situation with another, as long as the change does result simply from the passage of time, it is new, substantial and both relevant and significant”. Change management is a structured approach that helps move individuals, groups, teams, and organisations from a current state to a desired future state.

**FOCUS AREAS: DRIVERS AND INHIBITORS OF CHANGE MANAGEMENT**

Change management when looked at from organizational perspective aims at empowering employees to accept and embrace changes within its controlled business environment. Barcan (2010) envisages change management as creating, maintaining and systematically evaluating the changes in organisation. Hiat (2010) provides with most practical and useful definition for the term change management as “the process, tools and techniques to manage the people-side of business change to achieve the required business outcome and to realize that business change effectively within the social infrastructure of the workplace”.