Chapter 6.2
Managing and Practicing OD in an IT Environment: A Structured Approach to Developing IT Project Teams

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ABSTRACT

This chapter introduces a framework for improving success in information technology (IT) projects by leveraging the organization development (OD) practitioner’s expertise in fostering cooperation and learning in teams. It argues that IT project failure can be addressed and prevented by building teams that anticipate and recover from issues of communication, goal clarity, and internal support. The author intends this framework to provide a foundation for OD practitioners and IT project teams to engage the domain knowledge of each in order to successfully execute projects that are cooperative, focused on improvement through learning, and ultimately dedicated to more productive outcomes for the organizations they serve.

INTRODUCTION

Failure was not an option for the eRecords project. The health, safety, and lives of its constituents were at stake. The initiative sought to create a client-server application and database to replace the hundreds of thousands of paper files a government agency used to track those in its care. These files contained the most sensitive bits of information on each benefit recipient, and the decisions made from these files were literally a matter of life and death. The government had allocated millions of dollars in funding to eRecords (a pseudonym), and the project was publicly supported and promoted at the highest levels of government. Multiple agencies contributed financial and human resources. The best-known, most expensive contractors formed an integrated team to develop and implement the new system. The project personnel were virtually an all-star team of the best and brightest in their field. Every possible resource was devoted to the initiative’s success, and the lives and careers of thousands were riding on it.

And yet, eRecords failed.

In fact, it didn’t just fail—it failed spectacularly. eRecords failed in the most public pos-
sible ways, leading to internal investigations, government audits, and an ongoing presence on the front page of the newspaper. Its staff fled for safer positions, its management scrambled to shift blame, and its sponsors were publicly humiliated and demoted. The project exceeded its schedule more than threefold, consumed many times its projected budget, and delivered fewer than half of its promised benefits. The application continues in use to this day, and every day it is used it exacts an escalating cost in lost time, unnecessary work duplication, and user frustration. Far from being an isolated example of IT project failure, it illustrates the norm.

Kurt Lewin on the last day of his life told Ronald Lippitt, “Interdependence is the greatest challenge” (Weisbord, 1987, p. 104). He was remarking on the hazards individualism presents to groups working together toward common goals, and, 60 years after his death, the father of organization development (OD) could just as easily have been addressing a group of information technology (IT) project managers. Despite linking people around the world with new and innovative uses of technology, IT project teams continue to contribute tremendous waste and dysfunction to their organizations and clients through their failure to work together effectively.

IT professionals, the premiere knowledge workers, are among the most individually gifted professionals in the world. They are able to interpret the processes of the physical world to a digital form, enabling quantum leaps in productivity and creating new opportunities in industry, government, and service organizations. Their work contributed US$255 billion in IT project spending in the United States in 2002 (The Standish Group [Standish], 2003), and over US$1 trillion globally (Microsoft Corporation [Microsoft], 2002).

Yet, project waste reached $55 billion in the U.S. that year, over 20% of total IT project spending (Standish, 2003). Assuming a proportional global success rate, IT project waste could easily top a quarter of a trillion U.S. dollars each year.

If global IT project waste is over a quarter of a trillion U.S. dollars each year, is it the case that modern technology is too complex to be developed and deployed predictably? No. Graduates of elite project management programs like the one at Boston University—many of whom manage knowledge work in large IT projects—consistently cite the following reasons for the failure of IT projects:

- poor communication,
- unclear goals, and
- lack of senior management support.

Ten years of research into project success and failure by the Standish Group supports these findings (Standish, 2003). In other words, these hundreds of billions of dollars in waste are attributable not to failures in the technology itself, but rather to the human systems that create the technology.

OD is a field devoted to improving organizational effectiveness. The recurrent issues in IT projects—communication, clarity about objectives, and leadership alignment and support—are precisely the opportunities OD addresses. While the OD practitioner has not traditionally been a key member of IT project teams, the persistent issues these teams face indicate a strong need, integral role, and clear challenge for teachers, managers, and practitioners of OD.

**PERSPECTIVES ON OD AND IT**

Failure in IT projects can be defined as exceeding a projected budget, taking longer than the estimated schedule, failing to meet agreed-upon quality requirements, or (most common) some combination of the three. Some of the more common types of IT projects include:

- software application development (creating new software packages),
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