Chapter 10

E-Service and Organizational Change: A Process Model

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ABSTRACT

The pervasiveness of e-services offers organizations a new way to serve and engage their customers. Organizational change issues must be recognized and addressed to increase service quality and satisfaction of e-service. However, relevant research is limited. In this paper, the authors conduct a longitudinal in-depth case study of a successful e-service-induced governmental transformation and propose a three-stage change management model. First, the authors reveal the dynamic process of the e-service-induced organizational change. Second, the authors explicitly identify the role and influence of ICTs and customers in the change process, which is important in studying e-service-induced organizational change due to the boundary nature of e-service. Lastly, their three-stage change management model acknowledges the improvisational and technocchange process of the e-service-induced change and can be used either as a theoretical framework or a practical management tool.

INTRODUCTION

E-services have been proliferating since the prevalence of the Internet and the WWW. Numerous websites have been posted on the Internet, either private or public, providing a great number of services. However, providing services over the Internet involves many challenges, which are not only about the new channel or technological matters (Massad et al., 2006; Shah et al., 2009). Organizations have to deal with the paradox or tension between the established traditional ways
and “e” ways of doing business, and the integration between the “e” front office and back office. E-service is considered to be a new paradigm for business in the electronic environment (Rust & Kannan, 2003). Organizational change issues have to be recognised and addressed to increase the service quality and satisfaction of e-service, especially for those long-established large organizations with their complex and rigid bureaucratic structures and ingrained cultures (Alter, 2010; Chu & Smithson, 2007; Jackson & Harries, 2003).

The relationship between information technology and organizational change has recently been one of the major concerns in the field of information systems (Markus & Robey, 1988) and organizational studies (Barrett, Grant, & Wailès, 2006; Zammuto Griffith, Majchrzak, Dougherty, & Faraj, 2007). However, although there is a vast amount of research on e-business (see the review by Wareham et al., 2005) and e-service (see the review by Rowley, 2006), few studies consider the issue of organizational change (Chu & Smithson, 2007). Most of them address the variance theory, and not the process of change. Since organizational change is a continuous process, process research is a valuable aid to understanding issues pertaining to anticipating and managing the process of change (Boudreau & Robey, 1999).

e-Service is a boundary object linking an organization with its customers. The adoption of e-service may be considered as being an isolated application which does not affect the rest of the organization, but it often induces or initiates change, whether or not managers plan or expect it, and this change needs to be managed or directed. There are different approaches to organizational change management, including planned, emergent, and improvisational. So, which approach is better in managing e-service-induced organizational change, or does e-service-induced organizational change need a different approach?

Corresponding to the research gaps, this paper addresses the question: what managerial approach, especially from the perspective of process theory, is appropriate as a change management strategy in a bureaucratic organization setting while introducing e-service? As the process of the managerial approach is our major concern, we conducted a longitudinal in-depth case study of a successful governmental transformation which was induced and enabled by the introduction of a citizen online complaint handling service, the Taipei Mayor’s Mailbox. The Mailbox may be the first and probably the most successful of its kind in the world. The development of the Mailbox has transformed the focal government into being more responsive and citizen-centric. The discourse of the evolution of the Mailbox and related organizational change strategy is very precious in understanding the dialectic interactions among the different forces. Based on this case, we propose a process model to manage e-service-induced organizational change.

This paper is organised as follows. It begins with a brief literature review of ICT-related organizational change approaches and the role played by ICTs in the change. The next section describes the development of the Mailbox and the change process of the government. Then, the stages identified in the case are discussed and a process model is proposed. Finally, a conclusion and recommendations for future research are presented.

**ICT-RELATED ORGANIZATIONAL CHANGE MANAGEMENT**

Since there are different assumptions of the nature of change, either deliberate or emergent (Mintzberg & Waters, 1985), different management approaches have been proposed to cope with these different assumptions.

The planned change approach was initiated by Lewin, according to whom a successful change project involves three stages, namely, unfreezing the present status, moving to the new status, and refreezing this new status. This approach to change management recognizes the need to discard old