Change Management: 
The Need for a Systems Approach

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ABSTRACT
The rate with which change occurs has increased dramatically over the years. At the same time, the change management literature is full of claims about the high failure rate of change implementation programmes in organisations. In this position paper a case is made that change initiatives frequently fail because they are not holistic in nature. The paper argues that change can be managed more effectively if the various interconnected and interacting elements of the system are identified, the divergent interests of the various stakeholders are recognised, and the entire change process is managed systemically. As the failures of change efforts are commonly related to human issues, as opposed to technical factors, involving all stakeholders in the change process is expected to reduce resistance and to create a higher level of psychological commitment among employees towards the proposed change. The paper then looks into the implications that this holistic way of thinking has for information systems development and argues that information systems should not be implemented as a means to solving a problem but instead be treated as a significant tool to help address a complex mix of organisational issues. Information system strategy must be in line with the organizations’ corporate strategic plan and information systems must be related to a continually changing organisational context and a turbulent business environment.

Keywords: Complexity, Information Systems, Organizational Change, System Approach, Systems Thinking

INTRODUCTION
The rate with which change occurs has increased dramatically over the years and organisations are now faced with highly dynamic and ever more complex operating environments (Paton & McCalman, 2000). It is generally agreed that the pace of change that managers face has never been greater than in the current continuously evolving business environment, with a broad spectrum of private, public and not-for-profit organisations going through significant functional transformation (By, 2005; Self et al., 2007).

Standard textbooks on change management use different ways to describe or classify organisational change. Jick and Peiperl (2003), for example, use Ackerman’s (1986) classification of organisational change into developmental, transitional and transformational. Managing developmental change is relatively easy as it is about plotting a direct course from point A to point B, where both beginning and end points are well understood and not very far apart. Transitional change is more complex, as it involves many transition steps during which the organisation is neither what it once was, nor what it aims to become. The management
task in this type of organisational change is more complex and may include launching several new processes at once, analysing risk and uncertainty, and looking after the needs of the change recipients. Finally, in transformational change, the new state is usually unknown until it begins to take shape out of the chaotic death of the old state. This type of change is the most radical type of organisational change and is often initiated when other options appear to have failed.

Change is a mix of external forces and individual action (Scott, 2003) and, as the need for it is often unpredictable, it tends to be reactive, discontinuous and quite often triggered by a situation of organisational crisis (By, 2005). In their effort to become more attentive and responsive to environmental trends, as well as customer needs and expectations, organisations tend to encourage greater collaboration and knowledge transfer across functional areas, which also results in changes to their structures (Graetz & Smith, 2005). The demands of the external environment, together with the fierce competition that most businesses face and the current global economic situation, have made it even more imperative for organisations to apply significant changes to their structure, processes or other organisational aspects.

As the element of change is a constant feature of organisational life, both at an operational and strategic level (Burnes, 2004), and given the importance to any organisation of its ability to identify where it needs to be in the future and how to manage the changes required getting there (By, 2005), the area of change management is a topic of wide research. Most change management research concerns how organisational change is implemented and how stakeholders react to it, with different researchers studying the content of change, its implementation processes, as well as the environmental factors that may motivate organisations to change (Neves & Caetano, 2006). Armenakis and Bedeian (1999) have found the field of organisational change to be robust and responsive to contemporary organisational demands.

Although the importance of change in organisations is easily recognised, the outcomes of change initiatives often fail to meet anticipated objectives. The change management literature is full of claims that change failure is the norm rather than the exception, with change outcomes often failing to meet anticipated objectives (Griffith, 2002; Self et al., 2007). Quinn (2004) reports that as many as 50% of all change initiatives fail, whereas other authors (e.g. Balogun & Hope Hailey, 2004; Higgs & Rowland, 2000) estimate that figure to be as high as 70%.

This paper argues that change initiatives often fail because they are not holistic in nature. As a result, these initiatives focus only on parts of the problem situation rather than the whole, take little account of the interactions between the parts, and aim to arrive at quick solutions that bring immediate benefits. The paper takes the position that change can be managed more effectively if the various interconnected and interacting elements of the system are identified, the divergent interests of the various stakeholders are recognised, and the entire change process is managed systemically. The paper then looks into the implications that this holistic way of thinking has for information systems development and argues that information systems should not be implemented as a means to solving a problem but instead be treated as a significant tool to help address a complex mix of organisational issues. As a result, organisations will need to employ systems ideas in order to facilitate change implementation (Kogetsidis, 2010).

THE LIMITATIONS OF CHANGE MANAGEMENT METHODOLOGY

Operating in today’s continuously evolving and highly complex business environment it is not surprising that managers turn to advisers,
HERMES: A Trajectory DB Engine for Mobility-Centric Applications
*International Journal of Knowledge-Based Organizations* (pp. 19-41).
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