Chapter 12

Resistance to change: Technology implementation in the public sector

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To help you understand causes of resistance to organizational change

To realize differences among cultures especially in a change context

To evaluate the role of unions in change

A public owned company decided to implement a technological project to make their services more effective. Changes were related to a new information technology system implementation that will enable a number of major organizational changes such as changing work processes and practices. This effort faced many hurdles and especially resistance from employees. Resistance to change which means lack of support to a change project is a very well known cause of failure in change projects. This case study aims to analyzing change recipients' reactions to a technological change and their impact on change success. Researcher was ensured access to a vast array of documents detailing the rationale of this change initiative. Archival data were also available and these included consultancy reports, memoranda of this and previous changes and copies of staff attitude surveys. A number of interviews were also conducted. The real name of the company is not disclosed and the interviews taken by the author were strictly confidential.

Setting up the scene

This organization employs 500 employees and its aim is to process public employees' retirement applications. The average age of employees is 48 years old and their level of education is 10% hold a postgraduate degree, 25% university graduates, 60% completed upper secondary education and 5% completed a six year basic education. This organization is characterised by bureaucracy, predictability, stability and control. The structure is rigid and promotions are based on seniority and years of service and there is secure employment and predictability. The problem of this organization is low productivity which in some cases citizens' requests are processed with a delay of ten months to two years while same requests in other European countries are processed in two to three months. Apart from these delays, citizens/customers report other problems such as mistakes, rudeness and long queues. Low productivity and daily arguments between citizens/customers and employees has attracted medias' attention.

Employees feel that their contribution is not valued and they are not getting paid well. Julie who is the only employee in the HR department commented '*Management teams come and go. But we stay here and we make the effort. Every time the government changes, we have a new management team with good intentions. Intentions are not enough. They have never invested on training and development. They only ask for things they never give*'. Interview results showed that promotions are not based on performance results but on seniority combined with who you know. It is not the good performers who succeed in this organization but the networkers or the members of a very strong union that exists. Another finding was that there is shared feeling among employees that

nothing can be changed and every time that there is a change project nothing will happen at the end.

On the contrary, the management team believes that employees enjoy a very good work environment which is free of stress. Employees have jobs for life and there is no pressure for results or a goal setting process. The management team agrees that salaries are quite low representing limited job requirements and workload. They blame employees and the union for failing in other change projects that were suggested in the past. The management team decides to update their services by implementing a technological system, transform all their files and archives into electronic ones and train their people on how to use it. This decision was supported by the government who had to be aligned with European legislation and informed the management team that they have to implement this project following a very strict timetable.

Description of the change

Top management's decision to invest on technology was followed by a bureaucratic process of open call for proposals to identify the most suitable consultants and technology providers to implement the project. Then the top management team invited all the managers in a meeting to inform them about the aims and objectives of this project and to celebrate the positive impact that this project will have on organization's future.

During this meeting, managers expressed some concerns about the tight timetable of the implementation and focus their attention on the fact that 'it is not how we do things around here'. That means that some employees have computers on their desks but they are not used to deal with citizens' applications electronically. John who manages the

biggest team of administrators said 'It *is not only that they are not using technology, it is*

that they don't trust technology. I heard many times that if you don't keep a hard copy

you are lost'. Julie (the HR person) informed the top management team that IT

competencies are quite limited in this organization since only 30% of them know how to

use basic programmes such as word. She also suggested to start investing on training

soon enough to avoid negative reactions to technology use since employees will need to

learn a new software program developed to meet their organizations' needs.

The top management team sent out a written invitation to gather all employees in

an open meeting where the change project was officially announced. The purpose of this

meeting was to celebrate the change project launch and focus on its anticipated positive

impact on daily operations. However, employees started asking tough questions and

express complaints about general people management issues and salaries which led to

tensions, arguments and negative climate. This meeting added up to the existing climate

of suspicion and lack of trust between employees and the top management team.

Three months later, the consulting company and the provider who undertook the

project came to map the processes and ask for specific requirements. Consultants formed

meeting and invited people to participate in order to get insight information about how

their systems work and exchange views on their real needs and specific user

requirements. These visits and frequent meetings created some negative comments and

there were rumors in the corridors that didn't help the implementation of this change.

First comments from people participating in these meeting were

' there is no chance that I am going to use this system. I am happy as it is now', 'never

mind, we have seen this over and over again. People get huge amount of money for

consulting services and nothing is implemented at the end. So I am not worrying' 'I am very close to retirement so it is not for me' 'it is not a bad idea but I cannot stay overtime to learn how to use it'.

The top management team for the first time called supervisors to inform them about the decisions they made and they ask for co-operation. Supervisors commented that the training hasn't been started yet and therefore it is very difficult for them to persuade their people to start using these computers.

Resistance to change

During the next two months, consultants realized that they had to deal with two main problems. Huge delays because the union has started blocking their way in collecting vital information and data and resistance to change which is first seen as direct or indirect refusal for co-operation.

Consultants concluded that resistance to change seems to block the project and informed the top management team. People resisted for a number of reasons. Firstly, technology will facilitate goal setting and performance management. More specifically, there were a number of employees who didn't perform well and caused delays in dealing with citizens' applications. These people justified their behaviours by blaming other departments' inefficiencies and delays. Up to now it was impossible to check and track down the progress of an application. As a result, it was impossible to measure the efficiency of an employee in dealing with an application. Being able to measure the quantity of daily process application will create problems for those who choose not to

perform. Jackie who is a newcomer with a postgraduate qualification and experience from a private bank commented

' When I came here, I had nothing to do. I didn't even have an office. Two weeks later my supervisor left me some applications to examine and make a recommendation. I studied this subject but I didn't have the experience so I asked my colleagues. I was very surprised to see how knowledgeable they were. They knew what they were talking about and they were really willing to co-operate with me. I completed my cases in a month and went to my supervisor's office to make a presentation. I remember that my colleagues were really angry with this because as they informed me this number of cases usually takes six months to be completed. They made explicitly clear that they didn't want me to go there again in less than six months and can easily blame other departments' etc for these delays.

Secondly, the new system created confusion and stress. Some employees understand its benefits but they were reluctant to start using it because either they didn't have the competencies and they didn't believe in themselves enough to start learning them or they couldn't accept the idea of using technology to support their daily functions. Stress and confusion were more apparent in older employees. For example some older employees admitted in a private conversation that they were afraid of 'losing face' in front of younger employees who were more competent in technology use. One of them said *' I have 30 years of service here and a young boy comes who could be my son or my grandson and arrogantly told me- this is useful to play cds and not as a tea or coffee holder, if you know what I mean'.*

Thirdly, the role of the union didn't facilitate the implementation process. They decided to campaign against the change and organized group meetings and face-to face-communication to persuade people not to participate. Their main argument was that technology implementation may be beneficial but its use should be rewarded and an extra allowance for technology use should be added to their main salary. So they decided to negotiate and asked for a small pay rise because employees had to learn new competencies that they would use for the organization. This wasn't possible and was rejected by the top management team because the change project was an expensive one. As a result union decided to call for non participation.

Finally, there was lack of trust between the management and its employees. The organization was characterised by poor change history which means that many change initiatives started but they weren't implemented or half implemented at the end. In the past, the top management paid expensive consultants to implement a series of improvements in the organization and persuaded people to invest on time and effort. But at the end management was replaced and those who came didn't built on the existing change but preferred to start a new one. As a result, the majority of the people didn't believe in change.

However, there were a number of people who welcomed this change and started supporting them. It was a minority but they had strong arguments and were involved in discussions among colleagues expressing their opinions. Nick who works in the logistics said '*it was about time to see this positive change. We suffered enough from not having a fast and reliable electronic system. I am really happy and ready to start the training'*.

Suddenly the top management team decided not to approve training budget and suggest organizing on the job training. Some employees were competent in using the new system and they could show it to the rest of the employees. The management team believes that this is not only a cheap way of train all the workforce but also an effective one.

What happened at the end

Eighteen months later the system is ready to be used. It was decided to keep the old system in parallel to avoid major disruptions. The use of the new system wasn't easy for the following reasons. Firstly there were departments where younger employees had to show to their supervisors how to use the new system and the older ones didn't feel comfortable to ask more questions and sort out problems. Secondly, some people thought that only those who how know how to use technology had to be involved in change and therefore there were some arguments and tensions among employees. Supervisors had to support their employees in using the new system but this wasn't always the case since they also needed support. The top management team decided to pay overtime those people who would like to stay beyond their normal work hours but the union prevented the majority of people from participating. Again there were many delays, citizens were really frustrated and again this organization was on the news for offering poor services. The management team decided to stop the old system to put pressure on the employees to start using the new one more often.

In almost three years from the first announcement, this change was finally implemented in this organization. However, it cost more than initially was planned and there were many tensions and arguments during change implementation which had a

negative impact on employees' morale. During the first months of the implementation

queues were longer and citizens' complaints more often. There are still a number of

people which is a minority but still faces problems in this technology use. Overall, the

change was implemented, it costed more, it was more time consuming and the key users

talked about many mistakes in system planning and implementation.

Discussion Questions

1. What were the major sources of resistance?

2. What strategies do you suggest to deal with this resistance?

3. What was the leadership role in this case?

4. Please read the paper by Bruch, H., & Sattelberger, T. (2001). Lufthansa's

    Transformation Marathon: Process of Liberating and Focusing Change Energy.

    Human Resource Management, 40(3), 249-259.

    1) Analyse the role of the HRM and union in transforming Lufthansa

    2)   make a comparison between Lufthansa and your case regarding the role of HRM

        and union in change implementation

    3)   identify success and failure factors related to change implementation in both

        cases

5. Please evaluate the role of consultants in this case and analyse what you would have

    done in a different way

Suggested Additional Readings

Armenakis, A., & Bedeian, A. (1999). Organizational change: A review of theory and

        research in the 1990s. *Journal of Management, 25*(3), 293

Judge, T. A., Thoresen, C. J., Pucik, V., & Welbourne, T. M. (1999). Managerial Coping

    With Organizational Change: A Dispositional Perspective. *Journal of Applied*

    Psychology, 84(1), 107-122.

Oreg, S. (2006). Personality, context, and resistance to organizational change. *European*

    Journal of Work and Organizational Psychology, 15(1), 73-101.

Piderit, S. K. (2000). Rethinking resistance and recognizing ambivalence: A

    multidimensional view of attitudes toward and organizational change. *Academy of*

    Management Review, 25(4), 783-794

Wanberg, C. R., & Banas, J. T. (2000). Predictors and Outcomes of Openness to Changes

    in a Reorganizing Workplace. *Journal of Applied Psychology, 85*(1), 132-142