CEO's Key to IT Transformation & Organizational Agility

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Abstract

It is widely recognized that the success of companies in today's dynamic landscape hinges on their agility and ability to adapt swiftly. The CEO, being at the helm of an organization, holds a pivotal role in driving change and fostering agility within the company. As a CEO, you understand the imperative of managing change to achieve agility, a concept reinforced through numerous change management trainings and interactions with experts. Despite these efforts, you still find yourself grappling with the challenges posed by change.

Evidently, there is a critical gap in your change management training.

Ironically, while information technology (IT) stands as the foremost catalyst of change in contemporary business environments, conventional change management seminars often overlook the intricacies of managing IT-driven transformations. It may not be obvious, but managing IT-driven change is a very specialized skill needing a paradigm shift in mindset and approach.

Although IT is the primary agent of change and CEOs need to manage IT-Driven transformations, research indicates that the lack of support from CEOs and top management remains the primary contributor to IT project failures. The alarmingly high failure rates of IT and enterprise resource planning (ERP) initiatives should serve as a wake-up call for CEOs to reevaluate their approach to IT-driven change management.

Thankfully, a solution is now available. A new specialized training program introduces a unique novel skill, which the author calls "Behavioral IT" skill, a facet previously overlooked and unaddressed. CEOs now have the opportunity to refine their abilities in navigating resistance to IT-driven change, fostering organizational agility. And the good news is that technical expertise is not a prerequisite for effective leadership. CEOs and managers need not possess intricate IT knowledge – they only need to know Behavioral IT.

Cut **Cost**, Time & **Risk** of **ERP**/ IT Projects

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Secret of Agility – Adapting to Change

It is well known that companies which succeed today are the ones that have the agility to change. But adapting to change is not easy. The CEO is most suited to drive change in an organization and create an agile organization. Driving any change needs authority, and the CEO is the person who wields that authority on each and every person in the organization. The CEO, therefore, has to play an active role to drive the change in an organization and create an agile organization.

As a CEO, you very well know that organisations need to be agile in today's global dynamic environment to survive and grow. Agility implies ability to make rapid changes in organization structure and organizational processes keeping pace with rapid changes in technology and customer needs. But change succeeds only if it percolates down to the last employee, otherwise cracks appear. Technology may change fast, but people are their mindset and attitude are slow to change. At the same time there is a natural resistance to change. It becomes imperative for you as the leader to not only drive the change, which is relatively easy, but also to manage change which is not so easy. Managing change would mean percolating the change with the least resistance. You need the skills to continuously manage change and remain agile. You may have taken several change management trainings and consulted experts. But you still find yourself struggling to cope with the change. You wonder what is missing in your change management training.

Theory of Change Management Needs a Change

The Change Management trainings are indeed missing something important.

Here are two simple questions for clues:

First, what is the greatest driver of change today? No prizes for guessing, it is Information Technology (IT).

Second, what is the biggest hindrance to change? No prizes for guessing again - it's people, more significantly, people's attitude and behavior. I call it "the inertia of the mind".

That should be a sufficient hint to guess what was missing in the change management training. Though IT is the primary driver of change today they never taught you how to manage IT-Driven Change. Change management trainings cover

every other change, e.g., changes due to globalization, mergers, new government policies, etc., but it is an irony that very few cover how to manage changes driven by introduction of IT and IT tools.

As a result, managing people has a new connotation today – you need to learn how to manage the resistance of people reeling under the pressures of IT-Driven Change.

It may not be obvious, but managing IT-Driven change is a very specialized skill needing a mindset change which is commonly ignored in most of the change management trainings.

The change management experts who trained you themselves have not changed with time. There lies the problem. They need to upgrade themselves with the impact of latest changes due to rapidly changing technology, mainly Information Technology

Managing IT-Driven Change

It is a no-brainer to conclude that agility depends on people and their attitude to change. Since IT is the primary driver of change today, CEOs need to make special efforts to change their own and their employees' attitude towards IT and IT-Driven Change in order to create a successful agile organization.

While IT drives the change, people naturally and strongly resist the change. In an IT-Driven corporate world, you need to learn not just how to manage change, but to manage IT-Driven Change. You also need to know how to manage people's resistance, not just to change, but to IT-Driven Change. And that is a different ball-game altogether.

Change is unsettling. The problem is compounded by people's fear of technology. Most CEOs and managers are not comfortable with IT. "I just don't understand this technology" is a very common phrase shared in confidence by CEO and other senior managers in offices. IT scenario may look very euphoric, but ground reality in businesses is different. Industry researchers put the IT/ ERP failure rate to around 70%. There is a need of mindset change, and mindsets don't change so easily.

Problem: The CEO's Participation in IT is Low. Solution??

Although IT is the primary agent of change and CEOs need to manage IT-Driven change, research says that lack of CEO and top management support in IT is the primary cause of IT failure. High failure rates of IT and ERP projects should make CEOs sit up and notice. After all, IT failure is an opportunity lost by businesses to be so much more versatile and agile. It impacts their own success as a leader responsible for the organization's growth.

I recently attended a global conference in a leading Management Institute on "Causes of IT Failures". Several academicians and scholars from world over presented papers on the causes of failure of IT projects and IT Transitions. Most of them had just one thing to say, that "lack of Top Management involvement in IT Projects" is the primary cause of IT failures.

I told some of the academicians that it is now old story that IT fails because of insufficient support from CEO's and the Top Management. But what next? What are academicians doing to solve this long recognized problem? It is time now to act on this problem and find a way to overcome it. What are we doing to correct this situation and ensure their participation? Is there any research on why they don't get involved? What stops them from doing so when they know that the stakes are high? Is it a lack of interest in IT or lack of understanding? Most significantly, what can be done to ensure that CEOs start participating? After all, it is a question of their success and failure. I could not get an answer from the academicians.

I searched in research papers and could not find any substantial work done in this area. All research appears to have got stuck at identifying the cause of the problem, but has not gone beyond to find a solution.

It is now time to go beyond and ask questions like - why is there a reluctance to get involved? What is their discomfort with IT? Is it due to their fear of IT? What exactly is the barrier? Is it a mental barrier? Can the barrier be breached? Is there a training or skill that can help CEO's overcome this barrier and get involved? If it is resistance or fear of IT, can we devise methods to overcome this fear?

The author has tried to go beyond this roadblock during his long stint as CIO. With his very close interactions with CEOs during IT/ERP implementations, he has found that in most cases, this reluctance to get involved in IT projects stems from a feeling of awe about IT, a fear of IT originating from the feeling that they don't know enough of IT. IT they feel is a very vast and complicated subject, and they simply don't know where to start. There is an innate resistance and fear of learning IT. This subconscious feeling of inadequacy with respect of their knowledge of IT keeps them from participating in IT related discussions. Some also have a deep-seated fear that they would make a fool of themselves. So more often than not, the CEOs are more comfortable delegating the responsibility to the COO/ CXO. I have seen CEO who wish and sometimes even pass instructions to CXO and CIO to sort out the problems between themselves and not escalate to him/her.

Having gone a step further as to why CEOs don't participate, Prem has also found a solution (and practiced too) to ensure that their fears are addressed and they become catalysts to change rather than barriers to change. He has a good news for them.

Need for Specialized Training to Manage IT-Driven Change

CEOs, with their position of authority can be the catalysts of change. Paradoxically, IT department, which is the trigger or driver of change, have no authority over any of those who have to imbibe the change if IT has to be successful.

In such a situation, the IT department looks upon the CEOs to assist in bringing about a change and wielding the authority which can make their lives simpler. The CEO has a role cut out in this path towards driving change and agility. But the CEOs have been avoiding it and at best delegating IT to more junior officers because of want of the right skills, and to some extent their own fear of technology.

If people's fear of IT and their attitude towards IT is the deterrent for agility and change, there is every reason to focus on efforts to overcome this fear of IT, reduce the stress of people by comforting them and addressing the attitude issue. CEOs need to equip themselves to handle this situation.

So far, the emphasis on training during IT projects has been very lop-sided. While there has been sufficient emphasis on honing the technical skills of the IT people, building CEO skills (and the skills of senior colleagues) to handle IT-Driven change and its impact on people has been grossly ignored. After all, the leadership team (the "Change Drivers" team which is an equal partner in the IT game with the IT team) too needs to enhance its skills to be able to imbibe and handle the change brought about by IT. That is the primary cause of around 70% failures in IT projects.

Quite often, during ERP implementations, I have asked the CEO to actually sit before the computer and fill out a few forms to enter data as a normal clerk or executive would do. More often than not, the CEO is pleasantly surprised that the whole process is fairly simple and not as difficult as it is made out to be. The clerk does not need to know technology, but only how to use a technology tool. Similarly, the CEO too does not need to know IT, but how to manage the change and the resistance to change.

There is a need of mindset change from industrial age mindset to information age one, and mindsets don't change so easily.

Good News! The Barrier Has Been Broken

There is good news for the CEO's – they don't need to know the hard skills of technology to be a good CEO and IT-Driven Change Managers. Fortunately, there is a way. There is just the right training for a new change-management skill which unfortunately was not even identified, leave alone taught. Introducing Behavioral IT®! CEOs can now hone their skills to manage this resistance to IT-Driven Change and ensure an agile organization. There is an innate resistance and subconscious fear of learning IT. And the good news is that CEOs and managers don't need to know IT – They only need to know Behavioral IT® which is a soft skill specially to manage IT-Driven change. Behavioral IT® is easy for them to grasp as they already know how to manage people and how to manage change. Unfortunately, so far, nobody taught them how to manage IT-Driven change and how to manage people's resistance to IT-Driven Change. Behavioral IT fills that gap.

Behavioral IT not only teaches how to manage IT-Driven Change, it also exposes some of the myths of this technology. Myths have created unreal expectations from IT and lead to conflicts and friction within the organisations, leading to failure. To cite just one, we all call the computer a super machine. Computer is actually a much inferior machine. Surprised? Behavioral IT opens your eyes to this reality so that you set the right expectations.

Behavioral IT provides CEOs with just the right technical, social, psychological, behavioural and change management skills to fill the leadership gap with respect to IT-Driven Change. Behavioral IT helps drive their organizations to agility and quick market response. Behavioral IT can be called the IT Soft skills required to manage today's businesses. Behavioral

IT has a set of Dos and Don'ts for CEOs which turn out to be real assets in the highly sensitive environment of IT implementations. More details of Behavioral IT are available in the references [Ref1 to Ref4].

The author has also put together a training containing just the soft skills that CEOs need to have to be good IT-Driven Change managers [Ref5 Seminar..]. Behavioral IT trainings contain some very simple ideas, which unfortunately are not taught in any schools nor are being talked about in any forums.

Further details of what exactly is Behavioral IT are available in this paper in SSRN Journal (and also here) and the contents of the Behavioral IT seminar are available here.

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