CEO's Key to IT Transformation & Organizational Agility

Prem Kamble

Abstract

It is well known that companies which succeed today are the ones that have the agility to change. The CEO is most suited to drive change in an organization and create an agile organization. You very well know that as a CEO, you need to be able to manage change to be agile. You have taken several Change management trainings and met experts. But you still find yourself struggling to cope with the change.

Something crucial is missing in your change management trainings.

It is an irony that though IT is the biggest driver of change today, none of the change management seminars cover how to manage IT-Driven change. It may not be obvious, but it is a very specialized skill needing a mindset change.

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.

Fortunately, there is a way available now. There is just the right training for a new unique skill, which the author calls "Behavioral IT" skill, which unfortunately was not even identified, leave alone taught. CEOs can now hone their skills to manage this resistance to IT-Driven Change and ensure an agile organization. And the good news is that there is no need to know technology to be a good CEO. CEOs and managers don't need to know IT – They only need to know Behavioral IT.

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. 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 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.

It may not be obvious, but managing IT-Driven change is a very specialized skill needing a mindset change which is commonly ignored.

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.

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%.

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

The researchers have identified long back the cause of IT failure too. Lack of CEO's involvement and support in IT projects, they say, 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. It impacts their own success as a leader responsible for the organization's agility and growth. 70% failure in IT projects would mean opportunities lost by businesses to be so much more versatile and agile.

I 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 the same old 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 inadequate 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? 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 CEO's 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 CEO's 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.

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. 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. All that new they need to learn is how to manage *IT-Driven change* and how to manage people who are themselves reeling under the impact of IT-Driven Change, something that nobody taught them. 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 which 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 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.

References

1. Prem Kamble, Behavioral IT® - Managers Don't Need IT Skills - They Need 'Behavioral IT' Skills
   - http://pukamble.tripod.com/behavit
2. Prem Kamble, Behavioral IT® - A Multi-disciplinary Approach to Address the IT Woes of Businesses & Top
   Professionals in an IT-Driven World - https://papers.ssrn.com/abstract=3715332, also at
   http://pukamble.tripod.com/behavit2
3. Prem Kamble, Behavioral IT®: Is the IT Scenario Really So Rosy? https://papers.ssrn.com/abstract=3715570 , also at
   http://pukamble.tripod.com/behavit4
4. Prem Kamble, Behavioral IT® - Coping with IT Disruptions - https://papers.ssrn.com/abstract=3715359, also at
   http://pukamble.tripod.com/behavit3
5. Prem Kamble, Seminar for Top Management on Behavioral IT – http://pukamble.tripod.com/seminarbehavit
6. Prem Kamble, Behavioral IT: Managers' Success Key in an IT-Driven Corporate
   World http://ssrn.com/abstract=2597877

Prem Kamble

http://pukamble.tripod.com/blog

http://prem.totalh.net/blog

Your Feedback and comments: http://pukamble.tripod.com/mail