

Fresh ideas on the management of IT

Introduction

Management thinking has provided us with new and different ways to handle organisational change and managing people. This article considers the impact this thinking has on the management of IT and looks at a specific example of procuring new systems. From this we look at some suggestions for the skills and attributes that an IT professional needs to have in today's world.

Embracing complexity

In management science, the accepted world view is based on a Newtonian or mechanical paradigm. That paradigm helped science to move forward because it introduced a scientific method that supported experimentation. The rules are simple and are based on the premise that we can predict the future from the past. Putting in more sausage meat will produce more sausages. We tend to treat organisations like machines, assuming that the past is a good indicator of the future and that problems can be broken down into smaller, independent areas that need to be treated separately.

And yet, this is not our experience of reality. In the real world, we know that things do not go to plan, that unforeseen consequences happen and the world changes, sometimes to make our plans irrelevant. In fact, we need to go further and state that progress is not linear – sometimes there are tipping points where suddenly a huge effect is felt and in other cases there is no change whatsoever despite strenuous efforts.

Complexity theory teaches us that we need to see organisations as systems that are connected to other systems, and that we cannot treat people as cogs in a machine. At any given point, there are a number of different possible futures, but we cannot predict which one will emerge. Each situation is different and we cannot simply find a solution and then replicate it. Local solutions can spread to global situations, but they may not. Complexity theory teaches us that the world is constantly evolving and so we had better have a dynamic response to it rather than treating it as a static world.

Adaptive performance management

The ideas of adaptive performance management are based on Beyond Budgeting which has evolved as a whole way of managing organisations. The philosophy of beyond budgeting moves away from rigid plans, but does have goals. It gives managers more freedom, but makes them accountable. It moves away from annual budgeting rounds, but does have processes for planning, forecasting and allocating resources that are continuous and interactive. It moves away from comparison to budget as the only means of cost control to relative performance measures that encourage improvement in performance.

A key feature of adaptive performance management is a focus on delivering the organisational strategy. One of the biggest obstacles in terms of implementing strategies is that the budget-setting process is not aligned to the strategy, but exists in a vacuum – based on the organisational structure in functional silos. Similarly, performance is not measured by the extent to which you have delivered the strategic outcomes, but focuses on whether you met the budget.

Strategy-focused organisations

Kaplan and Norton had spent some time developing their ideas for the balanced scorecard, but quickly realised that organisations that were successful in their use of the scorecard were focusing more effectively on their strategy. And their success was based on a better understanding of the links between the actions we take and the resulting outcomes. In their second book, they explain that an organisational strategy is really a series of hypotheses based on the assumptions we make about cause and effect relationships. This is still based on a mechanistic world view, but now adds a question mark. We should use the feedback and information we gather about results and outcomes to help us understand how valid those hypotheses were. We should keep an open mind, so that we can adapt plans to reflect our learning.

Adaptive procurement

Traditional approaches to procurement follow the mechanistic world view in the sense that they start by identifying the problem and breaking it down into its components in order to put forward solutions. As a result, a business case will be put together which sets out the problem and proposed solution, predicting the benefits and costs with a reasonable degree of certainty. Nothing too much wrong with that – unless the certainty is actually groundless. Complex implementations that involve significant changes to the ways of working for the organisation are likely to be less predictable and it is likely that many new factors will emerge as you go through the process of selecting and implementing a new system.

For major new implementations, we need to consider alternative processes that are more adaptive and that allow organisations to learn during the process. So, for example, the traditional approach assumes that we can identify all the detailed requirements for a new system and produce a complete functional specification. That forms the basis of an invitation to tender against which prospective suppliers quote and the contract is drawn up. In this scenario, the supplier is entitled to assume that the customer knows what they want. In effect the customer carries all the risk as they have to get the specification right or pay extra.

An adaptive approach will acknowledge that the customer does not necessarily know exactly what the solution will look like, but they do know what the business benefits should be. The customer starts the procurement process by selecting a supplier who will be able to work with them to develop the solution that will deliver the business benefits. The criteria for this selection relate to the ability of the supplier to work in partnership, the quality of the relationships you are expecting and the understanding the supplier shows of the goals of the project. Contractual relationships will be staged and will focus on the delivery of the business benefits rather than on the delivery of a system. The process is an iterative one rather than straight-line and the early stages may take much longer. However, this is much more likely to result in a successful implementation.

Adaptive procurement processes mean that you are working with the supplier as a business partner rather than an adversary, so you will need to change your approach to fit the new paradigm

Successful implementations

In complex change processes, a thorough project plan will not be enough to guarantee success. You need to build your team so that there are strong bonds within the team and a shared view of the aims and goals. The team needs to be able to continuously reflect and adapt to new learning.

You still need to plan, but only plan in detail for the short-term. However, you do need to have long-term goals and clarity over the overall vision of what has to be achieved. You will need to communicate the goals repeatedly.

Engaging with stakeholders and keeping the plans flexible will allow you to take on board the feedback and learning. You need to “go with the flow” sometimes to win or retain support from a wide group of people, so being prepared to change the order in which you do things may help. Build on what works! If you can, pilot elements of the programme and use the opportunities that arise – it may not be only difficulties that arise. Your informal networks and contacts within the organisation may be just as valuable as the formal project management mechanisms so make allowance for these to be picked up.

You may need to allow for local variation. Remember that standardisation is not always a good thing and local solutions may be better or may provide you with fresh insights.

Skills and attributes of today's IT professional

All of this means that an IT professional needs to be more than a technician. You need to be able to build positive working relationships and respond to the feedback you hear from listening properly to people. You need to be flexible and able to adapt plans and accept challenges to long-held beliefs. You need to lift your head up from detailed project plans to see the longer-term vision and business benefits, and talk about those business benefits to others.

Given the importance of a successful implementation and the impact that will have on the organisation's strategic goals, it is perhaps surprising that senior IT professionals still find themselves one or two rungs down the senior management ladder. IT professionals need to position themselves better and move the debate away from technical specifications and mechanical planning into the realm of organisational benefits.

This is a challenge for IT professionals, but, in the long run, engaging in discussion about benefits and arguing for an approach to change which is realistic and achievable will significantly increase your influence within the organisation.

Further information

Jean Boulton's ideas on complexity
www.embracingcomplexity.co.uk

Beyond Budgeting Round Table
www.bbrt.org

The Strategy-Focused Organization
by Kaplan and Norton 2001