

Chapter XVIII

Information Technology Consulting and the Implementation of Information Technology

Michaela Wieandt

Technische Universität Berlin, Germany

ABSTRACT

IT consulting seems to be of growing importance within organizations. The tendency towards complex large-scale IT consulting projects requires a more detailed exploration of the implementation process on the organizational level. Given that these projects contribute to or create organizational change (i.e. Markus, 2004), power relationships are assumed to influence the implementation of information technology. This paper examines the collaboration between IT consultants, employees and project managers within IT consulting projects, considering aspects of power negotiation and power politics within organizations. Based on the literature on IT consulting and IT project implementation, major risks and challenges of the implementation process as well as possible solutions will be identified and analyzed. Following Giddens' theoretical framework of structuration theory (Giddens, 1984), an actor's access to authoritative and allocative resources as well as his position and strategies in relation to power are explored. It will be shown that IT consultants may have a central position within the constellation of an IT project, depending on their strategies of impression management and charismatic leadership (Sosik & Jung, 2003).

INTRODUCTION

Throughout the recent market consolidation of the ICT sector since 2002, IT consulting grew within the segment of IT services due to the stabilization of prices in 2005 (Rothberg, 2006; see also chapter

XVII in this volume). The data on rates vary and range from annual growth rates to 2010 of 1.9 % (Kennedy Information, 2004) to 5.2 % (Rothberg, 2006). However, IT consulting is expected to grow in future years (EITO, 2006, p. 64). The market growth of IT consulting, therefore, seems to indicate

its increasing importance in regard to the implementation of information technology and large-scale IT projects in organizations.

While there exists a lot of research on the issue of IT implementation in organizations (for an overview see Jasperson et al., 2002; recent works include Gillard, 2005; Constantinidis & Barrett, 2006; Markus, 2004; Symon & Clegg, 2005), the role of external IT consultants in the process of implementation has been barely explored. Given their key positions as project leaders, their position within organizations and levels of collaboration with managers and employees on the organizational level throughout the implementation process require further exploration.

In contrasting the perspectives of organizations and consultants, this article aims to explore the collaboration of IT consultants with the project team within the organization (usually consisting of a project manager and team members in departments involved in, or affected by, the new technology) during the implementation process. Based on the structuration theory approach in organization theory (see Giddens, 1984; Ortmann, Windeler & Sydow, 1997), I will show the major challenges of IT implementation based on the nature of the project (i.e. time and budget constraints, embeddedness, knowledge transfer and teamwork; see Sydow et al., 2004), the nature of external consulting services within organizations, and power relationships.

Following Giddens (1984), power is conceptualized as closely related to action and provides access to allocative and authoritative resources. It is seen as a major instrument in the alteration of structures (i.e., of an organization), particularly as perceived by actors.

IT implementation will be analyzed in its social and organizational environment, structured by a certain organizational culture, the work habits and the power relationships of the people involved (Bloomfield & Danieli, 1995; Markus, 2004; Clegg & Simon, 2005). Following the distinction provided by Markus (2004), the focus will be on IT projects which imply a “technochange,” i.e., a technological change which leading to an alteration of “organization behaviour and outcomes” (Markus, 2004, p. 6) and thus of power relationships within the organization (Orlikowsky, 1992; Ortmann et al., 1990; Friedberg,

1995; McKinlay, 2002). These IT projects are large-scale, meaning they affect many departments or even the whole organization, and last one year or more. They require the appropriate identification of user requirements, demand a definition of “users” or “user representatives,” reflect or influence power interests and the strategies used by actors (Symon & Clegg, 2005). The level of communication between users and developers (Gillard, 2005) may affect the power loss or gain of certain actors because it often results in the resistance of employees; for example their non- or misuse of the new system. Precise communication is important in avoiding what Markus (2004) calls cultural and incentive misfits (or incompatibilities) within the technological solution. This demonstrates that the collaboration between the project team and its co-workers is structured by power politics and power relationships, which in turn are structured by resources available to the actors and the actors’ strategies themselves (Friedberg, 1995).

In this context, IT consultants are believed to fill the gap between users and developers, providing both with an adequate technological solution for the organizations’ performance improvement as well as the “right” translation and analysis of the users’ needs during the process of implementation (Bloomfield & Danieli, 1995). On the other hand, as Ernst and Kieser (2003) point out, IT consultants follow their own interests in looking out for career prospects and taking care of their client potential, on which they depend. For example, the importance of organizations having an IT strategy is particularly promoted by management consultants such as McKinsey (Marwaha & Willmott, 2006; Craig & Tinaikar, 2006). As claimed by Bloomfield and Danieli (1995), the aim of IT consultants’ strategies is to “create a niche and persuade clients that they are in it” and to “portray themselves as obligatory passage points” (Bloomfield & Danieli, 1995, p. 28, see also Bloomfield & Vurdubakis, 2002).

The article is organized as follows. The background will provide definitions of power, resources and strategies based on Giddens’ concept and an extension of the ideas of Ortmann, Sydow and Windeler (1997), as well as IT project-related issues involving IT consultants. In the main body I will examine some of the challenges involved in

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