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MANAGING CHANGE IN MANDATORY ADOPTION SITUATIONS

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*"What changed banking from an institution
to a business was, of course, technology."*
(Martin Mayer, *The Bankers*, 1997)

Over the past few decades, information technology (IT) has altered the nature of work and organizational structures in many industries. One such industry that has undergone dramatic changes is the banking industry. A survey of executives at 53 of the largest US banks indicates that 30% of those surveyed believe that the IS strategy has not been effectively communicated to the lines of business it is intended to support; conversely, only 9% of chief information officers in these banks held the same opinion (Hoffman 1994). This finding alludes to a fundamental organizational communication gap that has serious ramifications for new IT implementation efforts.

Part of this gap may be due to viewing IT implementation as a technical challenge, rather than an organizational change challenge (Boynton 1993). In fact, IT can be thought of as a "package of ideas" that encompasses how people work (Markus and Benjamin 1997). Thus, managing technological change can be viewed as a process of getting users to accept both the technology and the organizational changes embedded in the technology.

This research focuses on the IT implementation process employed by a bank holding company (BHC) that was formed in the mid-1980s. BHC has acquired nearly 30 banks over the last decade and is in the process of converting each of the individual banks' systems to a common hardware and software platform. In order to assess the change process undertaken by the BHC, this study employs qualitative and quantitative data collection methods. Qualitative data collection consists of individual and group interviews with representatives from the converted banks, the information systems subsidiary, and the BHC. Quantitative data collection is currently underway and consists of a survey distributed to approximately 2,000 employees at 20 banks.

Based on the preliminary qualitative research and review of the extant literature, an integrative model of technology change acceptance and benefits was developed. The study integrates constructs from the Theory of Reasoned Action (Ajzen and Fishbein 1980), the Theory of Planned Behavior (Ajzen 1991), and the Technology Acceptance Model (Davis et al. 1989) and extends them to include firm-level factors as predictors of attitude toward technology use under mandatory adoption. In addition, the research model incorporates a new dependent construct—perceived benefits of change—which encompasses the perceived performance impact of the technical and organizational changes inherent in the new system.

It is expected that when IT adoption is mandatory, successful technology implementation requires careful management of attitudes and relationships. Further, it is expected that firm-level influences (e.g., trust and work

redesign) significantly impact attitudes toward technology use which likely impact the perceived benefits of change. This research will begin to uncover the critical links between technical and organizational change processes so that firms can better manage expectations and achieve performance improvements.

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