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M. Huysman  
*Vrije Universiteit*

Michael Newman  
*Vrije Universiteit*

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# **Coping with Rapid Change: The Case of the Dutch Social Security System**

**M. H. Huysman**

**M. Newman**

Department of Economics  
Vrije Universiteit

## **Introduction**

The preliminary findings presented in this paper are based on current research conducted by the two authors of this paper. The aim of the empirical research is to study how Local Social Securities (LSSs) in the Netherlands deal with translating changing legislation and policies into software that impacts the provision of social security services. Since there does not exist sufficient theoretical knowledge on this issue from which to derive hypotheses, the research is exploratory and mainly inductive. By studying the social dynamics in depth, our aim is to uncover new findings about information systems development (ISD). Such insight is conceptually relevant as it should contribute to the existing middle range theories of ISD. It also has practical value since the framework presented in the paper can be used by actors in the field of information system (IS) management as a tool to analyze and evaluate coping strategies employed by IS departments also facing turbulent environments. To our knowledge, there has not been an attempt to gain a comprehensive understanding of how IS departments cope with or might cope with situations of rapidly changing environments. Such research is worthwhile because managing change is relevant to every organization dealing with information systems, and is crucial to those which experience rapidly changing environments.

The case of the Dutch Social Security System is highly relevant as it represents a perfect example of an organization in a constant state of flux. Because of changes in governmental legislation, policy, technological changes, etc. LSSs are confronted with continual exogenous changes.

## **The Research Sites and Method Used**

At the moment 572 municipalities exist in the Netherlands each having its own LSS. As a result of a long-established decentralization policy, each LSS is empowered to choose its own ISD approach. We have found that the approaches to IS provision do differ markedly in practice across the LSSs with varying degrees of effectiveness. The total organization, therefore, represents a naturally occurring social experiment. While the information requirements are very similar throughout the Netherlands, the "treatments" used to provide this information differ greatly across the LSS. A comparative research approach (Yin 1989) will be used in which different ISD approaches, processes and outcomes are compared.

We want to study four major Dutch cities, a sample of medium sized cities and a further sample of small towns. Research evidence will be obtained from interviews with people working at LSSs, people active in the local and national government, software suppliers, and other actors relevant to ISD at LSS. In addition to interviews, information will be obtained from documents and observations.

The research is mainly explorative, meaning that interesting ideas emerge while doing research. In fact, we started the research by looking at a single problematic ISD project at one large city in the Netherlands. Soon it became clear that almost every city in the Netherlands was facing problems with ISD and that cities were using different strategies to cope with these problems. Given the emerging nature of the research, we will explore during the course of research various theoretical models that might structure our findings (cf. Newman and Noble 1990). Potential conceptual frameworks are theories on organizational learning and decision making, power, actor network theory, and institutionalism (cf. Clegg 1989, Law 1994, Levitt and March 1988, March and Olsen 1989, Scott and Meyer 1994).

The material from which the present ideas are derived consist of in total 21 tape recorded and fully transcribed interviews and information obtained from documents such as governmental reports, bulletins of the LVO (a government change organization), newspaper reports, and research documents.

## **Sources of Exogenous Changes Facing LSSs**

The following represent a partial list of sources of exogenous changes we have found in our initial interviews with LSS personnel.

### *Governmental Legislation Producing Mandatory Changes*

An example of a major mandatory change is the introduction of the NABW (the New SSA) in January 1996 which induced some drastic changes some of which still need to be implemented. To date, the number of LSSs that have 'successfully' implemented an IS that corresponds to the specific requirements of the New Social Security Act can be counted on the fingers of one hand.

### *Elections/Political Programs*

Changing the political color within the local government often results in a change in policy regarding the Social Services with a greater emphasis on policies to reduce fraud, for example.

### *Technological Developments*

Technologically-driven changes may involve designing or buying totally new systems or adjusting the existing systems to the latest developments.

### *Institutional Pressures, Centralization/Decentralization*

An important institutional pressure that the LSSs are facing is the tendency either to centralize or decentralize the organization, or to find some sort of a mixture between the two.

## **Constraints and their Corresponding Coping Strategies**

As part of our study, we have already identified several constraints that the LSSs have to cope with. These include history, culture, lack of expertise, software suppliers, technological rigidity, budgets, time, publicity and structure.

For each constraint we have found examples of coping strategies. For example, the lack of time to change software has put high pressure on the LSSs. The new Social Security Act had to be implemented by all 572 LSSs by January 1st 1996. Most LSSs failed to meet this deadline. While some LSSs made a genuine attempt to meet the deadline, others seemed to cope by simply ignoring it (cf. Brunsson 1989).

## **Conclusions**

The present study presented the first preliminary findings of a longitudinal multiple case studies at different LSSs. Our research started in January 1997 and will continue for at least three years. During these years we hope to study the management of change at LSSs in more detail. This study will not only cover past processes and (critical) events, it will also address the processes as they take shape in situ. In order to do so, we are at the moment in the process of getting access to several LSS in order to pilot study the social dynamics of ISD in more detail and over a longer time interval.

The findings presented in this paper are based on a select group of LSSs and therefore suffer from limitations of a small sample (Miles and Huberman 1984). Also, there are various actors in the field that have not yet been interviewed, such as people working with the systems and the designers of the systems. Their accounts will make the stories more detailed as well as more complex.