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PANEL 9

INFORMATION TECHNOLOGY AND TOMORROW'S ORGANIZATION: THE POTENTIAL FOR CHANGE

Panel Chair: Lynda M. Applegate, Harvard University, USA

Panelists: John L. King, University of California, Irvine, USA
Klaus Lenk, University of Oldenburg, Germany
Daniel Robey, Florida International University, USA
Robert W. Zmud, Florida State University, USA

The 1980s have been a time for organizations to rethink what it means to be effective. Familiar strategies, rigid hierarchies, and costly, swollen middle management ranks have become the targets of major organizational reform. The pace of change during the last decade has been dramatic and disconcerting. For example, looking just at the United States, after a decade of almost no growth during the 1970s, the number of U.S. patent applications filed per year rose by 17 percent and the number of shares traded daily on the New York Stock Exchange increased by more than double. The impact on people has been equally dramatic. During the first half of the 1980s, more than 13 million Americans lost their jobs; by 1987, one third of these remained unemployed or had left the work force. Those who found employment often earned less than they had before. White collar workers were especially hard hit during this period; it has been estimated that in 1985 alone, six hundred thousand middle managers lost their positions in the wake of mergers or acquisitions. Such changes are not just a U.S. phenomena. A 1985 study of 190 European companies found that 90 percent had undergone organization change since 1979 with 33 percent reporting "radical change." Japan and European companies have emerged as world class competitors, neutralizing U.S. postwar economic dominance and firmly establishing global economic markets. The possibility of a "united Europe" and the astounding political events in Europe at the end of the decade presage a period of unparalleled opportunity and anxiety as we enter the 1990s.

Will the 1990s see the emergence of a "New Organization" that corresponds to the changed world around us? The answers are yet unclear, but there can be no doubt that competition and survival in the coming decade are demanding more dynamic, flexible and adaptive organizations that must simultaneously compete on cost, quality and timeliness. Already many organizations appear to be preparing for this challenge by downsizing and delayering, and by altering organizational structures and management processes. The academic literature bulges with predictions of the organization of the future: network organizations, information-based organizations, team-based or cluster organizations, high commitment, participative organizations, and fast-cycle organizations. While the details of these visions vary, a unifying thread runs through all: effective use of advanced information technology will be critical.

In 1989, at the Tenth International Conference on Information Systems, a panel entitled "The New Social Physics" explored this issue. The view of the panelists was that information technology definitely played a role in the changes taking place in organizations and it would play an increasingly critical role in the organization of the 1990s. Research in this area was extremely difficult, however, because the influence of information technology could not be directly observed or easily isolated from the important social, institutional and economic drivers of change. The outcome of the panel was a call for research that examined the mechanisms through which information technology could have a socially and organizationally transforming effect. The panel members exhorted researchers to conduct studies that provide a theoretically-grounded, longitudinal perspective on the characteristics of emerging organizations and the change process through which they will evolve. This panel will address these challenges from several different perspectives.

Lynda Applegate will open the panel by addressing the research challenges and issues. She will present the results of a longitudinal field study conducted in ten companies, each one in the process of a corporate-wide organization change initiative. This research has provided a description of the emerging organization designs, the organization change process as it has unfolded over the past ten to fifteen years, and the role of information technology in the transformation. Frameworks for longitudinal field research in this area will be proposed.

John King will then challenge the current speculations about the role of computerization as a tool to permit radical alternations in organization structure, especially as it relates to the replacement of the hierarchy as the dominant organizational form. His comments will address the likely and unlikely elements in the current visions of a "de-

INTRODUCTION TO MINI-TRACK: INFORMATION TECHNOLOGY AND TOMORROW'S ORGANIZATION

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During the past decade, the convergence of technological, economic and political forces has led many organizations to rethink their structures. The pressure to reevaluate and, in fact, to change structure is likely to continue or even increase in the next decade. Information technology has a critical role to play in these changes. It is, at once, a catalyst for change and a key mechanism that can enable that change. The three panels in this mini-track explore some of the issues surrounding the role of *information technology in tomorrow's organization*. The panels present a mix of concept and experience and vary from broad to specific.

The first panel, "**Information Technology and Tomorrow's Organization: The Potential for Change**," is the broadest of the three and focuses on the conceptual issues. The panel members start with the premise that tomorrow's organization *must* be quite different from today's and that information technology will play a critical role in transforming organizations. The panel will then explore alternative forms that tomorrow's organization may take, the change processes by which these forms might be reached, and the specific role information technology can take in bringing about these changes. The particular challenges facing European organizations will be addressed by members of the panel.

"Global organizations" face some special problems. Diverse cultures must successfully be melded together across dispersed geographic locations and time zones without destroying their uniqueness. Existing organizational models have not been able to meet this challenge. The second panel, "**Information Technology and Tomorrow's Organization: New Models for the Global Enterprise**," examines this problem. The panel members will present several evolving models for global organizations and some early practical experience with these models. Information technology plays a central role in each of these models.

The third panel, "**Information Technology and Tomorrow's Organization: Coordination and Control in Devolving Organizations**," focuses on the role of information technology in reducing hierarchy, both within single organizations and in broader collectives (e.g., industries). The panel members will identify and examine some of the research issues which become important as organizations rely on information technology to support the process of devolution.