

LEARNING TO LISTEN: BACKGROUND CONVERSATIONS IN ENTERPRISE SYSTEM IMPLEMENTATION

Abstract

The research study described in this paper utilises the theoretical lens of background conversations to examine the phenomenon of resistance to change in a longitudinal case study of an enterprise system (ES) implementation. In order to reveal the complex nature of resistance, the research study adopts a social constructionist perspective, leading to findings which are significantly different from the majority of studies that employ a managerialist perspective that characterises resistance as a property of recalcitrant users. In this study, the communications of project team members and change recipients were used to understand why resistance had occurred and why the ES implementation had initially failed. The particular 'background conversations' revealed were those of complacency and complacent cynicism on the parts of the project team (change agents) and the users (change recipients) respectively. Using the lens of background conversations and thus understanding the backdrop against which various communications were conducted, enabled the researchers to understand and reconcile apparently irreconcilable reconstructed stories that were evident in the two groups. The theoretical and practical implications of the findings are discussed in the latter sections of the paper.

Keywords: IT project management, enterprise system implementation, communication, background conversations

1 Introduction

User resistance in IT project implementations has been the subject of much research, both in IS (Markus 1983, Lapointe and Rivard 2005) and in organisational studies (Mumby 2005, Fleming 2005, Prasad and Prasad 2000). Ford et al. (2002) draw many reasons for resistance from the literature, amongst these feeling threatened, fearful of consequences, fearful of ability to perform, defensiveness, resentment, and the desire to maintain existing social relationships. In much of this literature however, there is a tendency to view resistance as a one sided behaviour, with resistance occurring or located in change recipients who behave unreasonably, irrationally, and find barriers to obstruct change, with the change agents and sponsors often viewed as somewhat innocent victims of these dysfunctional behaviours (Dent and Goldberg 1999, Buchanan and Dawson 2007, Ford et al. 2008). The focus on the change agent's perspective locates resistance 'out there' in the individual or group (the change recipients), and tends to assume the perception of resistance is accurate, unbiased, and not caused by actions of the change agents and sponsors (Dent and Goldberg 1999, Buchanan and Dawson 2007, Ford et al. 2008). Such a view therefore sees solutions to resistance as 'finding' or 'identifying' the source of the resistance in the individual(s) or group, and then implementing strategies to deal with or overcome that source. Ford et al. (2002) argue that this represents an objectivist or modernist view of resistance, in which all change participants inhabit the same context and experience the same change initiative. From this perspective, change can be explained as a rational requirement for the organisation as it attempts to align itself with shifting realities in the business environment, and thus resistance and conflict seen as an unreasonable response by some whose behaviours need to be moderated in some way.

If however, a social constructivist view of organisations is adopted, a very different view of resistance and how to bring about change in organisations emerges (Ford 1999), where resistance is seen as an outcome of the constructed organisational context, the change agent-recipient relationship, and the ways in which this relationship is enacted through communication, interpretation and construction of multiple realities, some of which may see aspects of change as problematic in one way or another (Buchanan and Dawson 2007, Ford et al. 2008). From this perspective, resistance is not located in the behaviours of individuals or groups, but rather can be argued to be a "systemic and public phenomenon", evident in the conversations and interactions amongst change agents, sponsors and recipients (Ford et al. 2002:106). This elevates the criticality of discourse and communication in achieving satisfactory outcomes from changes initiatives (Ford and Ford 2008), and thus understanding the communication processes during implementation is pivotal to both understanding and predicting the success or failure of planned organisational change projects (Lewis and Seibold 1998). From this perspective, successfully implementing change is viewed as concerned with orchestrating and participating in a series of conversations against a background context through which an evolving changed context emerges, and in which both progress towards overall organisational objectives may be made and also breakdowns and resistance constructed which need to be heard if they are to be resolved (Ford and Ford 2008) and progress restored. However, Lewis (2000, 2007), and Johansson & Heide (2008) note that comparatively little research has been done explicitly on the series of conversations that comprise communication processes in implementation projects, nor on how these conversations stem from the contextual backdrop of the change project and might relate to the outcomes of the change initiative. Conducting research into this background against which conversations are foregrounded thus seems important if a better understanding of implementing change is to be built.

Our purpose in conducting this research is to investigate the background conversations occurring throughout an IT project implementation. This IT project was widely, but not universally, seen as problematic, certainly as a failure initially by project sponsors, change agents and change recipients, but which was ultimately implemented, went live, and is now successfully operating substantive parts of the organisation's business (more details will be provided subsequently in this paper).

Specifically, we were interested in learning what a communication lens, the theory of background conversations (Ford et al. 2002), would reveal about the failure and ultimate recovery of an enterprise system (ES) implementation. We were interested in understanding whether using this lens to analyse the perspectives of change agents and recipients would help understand the failure/success of the implementation, and also in whether an understanding of the theory of background conversations might assist project managers in the future to appropriately design communication strategies throughout the project life cycle such that they achieve better outcomes from change initiatives. The paper is structured as follows. In the next section, the theory of background conversations will be discussed, and our research will be clearly positioned against that which has preceded it. This will be followed by a brief discussion of our research approach and the details of the case on which we based our investigation. Following a discussion of our analysis and findings, both the theoretical and practical implications of this research will be presented.

2 Background Conversations

We use the term ‘conversation’ to include not just what is spoken and listened to amongst a group of people (monologues and dialogues) over a period of time, but also to include storytelling, symbols, artifacts, theatrics and the like which are used with or instead of spoken language (Boje 1991). While conversations are typically understood as explicit utterances or actions, they occur within a specific socially constructed context, and their communicative ‘value’ depends on shared background understandings and assumptions which are implicit, but which fundamentally shape the interpretations, understandings and messages which are conveyed amongst participants in the conversation (Ford 1999). Background conversations are thus defined as *“an implicit, unspoken “back drop” or “background” within which explicit, foreground conversations occur; it is both a context and a reality”* (Ford et al. 2002:108). In part our utterances and understandings rely on our implicit knowledge of and participation in background conversations, and as Ford (1999) argues, these are presupposed in our conversations. Within the context of an IT project therefore, there will be a series of observable events, activities and changes (first order realities) which occur independent of intentions, opinions, judgements and interpretations of actors within that context. Conversations about those first order realities however will be affected by second order realities (Ford 1999), the constructions and interpretations made about those first order realities by participants in a given context. In this way, stories told about a particular IT project initiative may vary substantially as actors communicate and establish local meanings through conversation, moderated through social practices and second order realities (Buchanan and Dawson 2007).

Three distinct, generic, socially constructed background conversation types, which themselves have been constructed in response to conversations about previous success and failure, have been argued to be associated with resistance to change. These are complacency, resignation and cynicism (Ford et al. 2002). The complacent background is built on previous success. The history of success engenders belief in the efficacy of what was done, and success is often attributed to attributes of the individual or group including the sorts of decisions made, skills and knowledge, capabilities, and actions taken, and hence the view that continuing to do the same things will be likewise successful in the future. Proposals for change can be met with resistance as people can view it simply as being unnecessary (Ford et al. 2002). Unlike complacent conversations, resigned and cynical conversations have their origins in failure. Generally in resigned background conversations, things are not regarded as being particularly good, but few hopes are held that things can get better. Resigned background conversations in which individuals and groups blame themselves or their organization for past failure, do not see themselves as good enough to be successful, and thus attempting to change is viewed as somewhat pointless, leading inevitably to another failure. Resistance to change initiatives occur in resigned conversations as people have internalised failure and see little hope of being successful in future change initiatives (Ford et al. 2002). The cynical background conversation is also constructed from failure, but in this case, the cause of failure is seen to lie elsewhere, in the shortcomings of others. Causes of previous failure have largely been

externalised, with failure being attributed to the incompetence or laziness of others, especially those in positions of superiority. Resistance to change is likely to occur when change is initiated from someone outside the group, and is typified by attacks on the credibility and competence of the change sponsors and agents, with resentment and derision regarding the change evident, and mistrust of those proposing the change (Ford et al. 2002).

The research reported in this paper was thus motivated by a number of things. Firstly, we wanted to empirically 'test' the theory of background conversations. Secondly we wanted to see whether or not this theory would help provide some insights and understandings into the vexing issue of IT project failure and success. Thirdly, we wanted to get greater clarity on whether participants in a particular change initiative all constructed similar (or different) conversations about the change, evidence of the background conversation in which they were engaged. The researchers were of the view that the theory of background conversations would prove a helpful way of gaining insights into the case of a failed but recovered ES implementation that is the subject of this paper.

3 Research Approach

The research reported in this paper is a longitudinal case study (Stake 2008), in which the authors were able to gain access to an Enterprise System (ES) implementation in Company Y (details in section 4). Our involvement commenced in early 2007, and is on-going, although data collection in terms of this particular implementation project ended in February 2010. Case study method enabled us to research an intensive study of a real-life, contextual and bounded phenomenon (an ES implementation in Company Y), and was instrumental in that it enabled us to research background conversations in this particular project context (Stake 2008).

The research is deliberately positioned in the social constructionist paradigm (Burr 2007), acknowledging that participants in this study create their own interpretations of reality based on their experiences and knowledge of it which inform their actions in an on-going dynamic process (Burr 2007). This enabled the researchers to acknowledge the existence of multiple perspectives and hence multiple 'truths' as to what transpired, and underscores the importance of context in locating these perceptions and interpretations (Burr 2007). Data was collected via semi-structured digitally recorded interviews, in which the participants were invited firstly to 'tell their version of events' and to freely express their perceptions with regard to the Company Y ES implementation project. Such an approach provides a reliable and valid method for extracting the interviewees' perceptions of reality (Elliot 2005, Czarniawska 1997). The researchers then posed more structured questions in an attempt to identify views on issues of particular importance to this research. In all, fourteen participants were involved in this case study, a total of 18 formal interviews were conducted of between 45-60 minutes, and there were numerous short telephone and email exchanges with three of the participants. Participants have been de-identified to maintain confidentiality, and the following convention adopted for labelling: AU=Australian CorpeX implementation project team member, and NZ = New Zealand employee of Company Y who had involvement in the ES implementation project. Seven people from the CorpeX Australia project team were interviewed, including the Regional IT Manager (AU1-7), and seven from Company Y including the Company Y IT manager (NZ1-7). The interviews were subsequently transcribed and subject to a direct approach to interpretation. We used the concept of background conversations to guide this analysis, but did not confine ourselves to the three types of conversations articulated by Ford et al. (2002). Rather, we were looking at the voice of each of the participants, and trying to elicit their background conversations. In keeping with the position of Buchanan and Dawson (2007), we view our data as a polyvocal view of the constructed social reality surrounding this ES implementation. There is no single truth, and we will endeavour to adopt a multi-story process and perspective on revealing the lack of shared understanding and empathy in this case.

4 The Case: The ES Implementation at CorpeX's Company Y

CorpeX is a large (over US\$12 billion annual net sales in 2009), global, US-based specialist chemical manufacturer and distributor. An on-going, world wide strategy of growth by acquisition was implemented in the late 1990s, and was accompanied by a phased implementation of their corporate ES which was progressively implemented from 1998. One such acquisition in 2006 was of a relatively small, but successful competitor in New Zealand (NZ), Company Y. As per previous practice, plans were put in place to integrate the Company Y business into the CorpeX international manufacturing and supply chain by bringing them into the existing regional instance of the ES. A small, experienced team from CorpeX Australia planned and drove the project, expecting to rely to a considerable extent on local managerial and IT staff in Company Y to manage the details of the implementation as had been done before in a string of successful implementations across Australasia. Unexpectedly, significant difficulties quickly arose. The project team complained they were unable to engage the local staff. Progress was slow. Staff at Company Y voiced doubts about the new system, its functionality, and about the project team. Eventually, with little mutual cooperation, the CorpeX project team forced the issue and went live with the new system in early 2007. It quickly became apparent there were many unresolved issues. Problems rapidly compounded and local staff blamed the ES for rapidly rising costs and falling productivity in Company Y.

The General Manager of Company Y complained to the Asia Pacific VP of CorpeX, who took the matter to the CIO of CorpeX in the US. This led to an independent review of the situation which recommended withdrawing the ES system, and temporarily reverting to the legacy system in mid 2007. Following efforts by the Australia-NZ IT manager to bring Company Y more into the CorpeX fold, a second attempt at implementation commenced in early 2009, with 1 July 2009 agreed as the new (2nd) "Go Live" date. All seemed to be progressing well, but just two weeks before the 2nd planned go Live, the GM of Company Y, in private consultation with the Regional VP, successfully lobbied for the further postponement of the cut over to the new system. The GM of Company Y repeated his old complaints about the system. A new (3rd) "Go Live" date was set for 1 October 2009, and, nearly three years after the initial failed attempt, Company Y went live on CorpeX's ES.

5 Discussion and Findings

In our analysis of the interview data, we did not take the majority of comments during the conversations as an objective statement of events. Certainly, some first order realities were reported and commented upon. For example, there was no dispute over the fact that members of the Australian project team periodically visited Company Y premises in NZ. Our interest was more in the second order realities articulated, such as the behaviour of both groups during those visits and interpretations associated with those behaviours, and how the stories told from both sides played out against the background conversations.

5.1 The Australian Project Team Story

If one considers the stories and perspectives of the Australian project team firstly, there were a number of themes which emerged repeatedly. Firstly, very much in keeping with the research of Ford et al. (2002), the evidence of complacency in the discourse of the Australian team was quite surprising to us. Most of the Australian participants vocalised their previous success in implementing this ES in 14 separate locations across Australasia in the years preceding this case, and this success tended to be attributed to their skill and knowledge, their template for approaching these implementations, and so on. They were confident in their own ability to do this successfully, claiming there had been few problems elsewhere.

AU2: There were 14 [successful implementations], I suppose 5 significantly sized sites in Asia and probably 7 to 10 smaller sites...over a period of 2005/2006. Overall, they were quite successful projects. There was no major issues. Most of the sites went live without any major problems at all...The project leader had established a template

for how we were going to do this. We sort of have a pretty well-established template that was tested across all businesses and was rolled from site to site...I don't think we anticipated any problems...this was just an extension of the last couple of roll-outs...the confidence I had that we had 14 sites currently using the program in that sort of current template made me sort of feel quite comfortable.

AU6: I think we all had a professional attitude, we'd all worked on projects before and this is what we had to do from day one and as far as I'm concerned we did the right thing...Other businesses have coped, other businesses have not ground to a halt and had an attitude, "Oh well we can't use this system, we want to go back to our old Legacy System".

The New Zealanders did not quite share these perspectives.

NZ5: As I say, there was a lot of, dare I say it, stuff that was just decreed by Australia without any explanation as to why or how or any consultation even into how we'd done it currently. It was just a case of "Well you're going to change and do it this way.", "You should do it this way in Oracle because that's the way Australia does it," and we had a lot of those things.

NZ1: I think the major contributor was really lack of understanding and acceptance from Australia. Given that this was not the first implementation...there'd been many others which apparently we were told had gone quite smoothly and it was presumed that this was just another implementation. But it didn't go smoothly because we already had a very complex system that Company Y was dependent on and was not readily replaced by I1i. Sure some standard thing can be replaced...but I think it was just the lack of appreciation of the complexity of what we already had and the difficulty of making it fit into I1i.

The effect of this complacency on the part of the Australians was to clearly position the problem(s) with the New Zealanders, and this seemed to allow the Australians firstly to take the moral 'high ground' (i.e. the problems were not OUR fault), thus putting the New Zealanders in an inferior position where the problems were a result of their deficiencies (they lacked knowledge), their lack of engagement with the project (they would not engage with us), and/or laziness (they went home at 4.00pm), and the like. Problems and resistance to change were located 'over there' in the New Zealand camp.

AU3: We didn't feel very welcome on the New Zealand site...the first night, we got locked into the site, because everyone from New Zealand went home! And there didn't appear to be any sense of urgency to make sure things worked... No, people weren't real interested. And certainly, we sort of found that most of the sites we'd been to in Asia, people had this recognition that, "Oh, geez, this is probably going to be work for me for a week. I'm going to be immersed in this. Let's get it all right, and get back on with our lives." But I felt we didn't really see any great, not increasing effort from the New Zealanders, in terms of, like, to make sure things were resolved. It was just, sort of, "Oh, well, I'll just do that tomorrow."... At four o'clock, you should have shot a cannon through the place. No-one was really making a lot of effort to make it work.

AU5: There was an enormous amount of negativity towards what we were trying to do. I don't think I came across any person who was positive about doing it...If they were positive to you then they were negative behind your back to somebody else, to management or whatever on their side... They didn't want it, they didn't want to be involved. NZ1 was a classic example of that. His attitude was "Oh...not interested now". Even when we went live he said, "I'm going home now". Unbelievable! Four o'clock! He said, "I'm going home now"!

Again, a different perspective was offered by the New Zealanders:

NZ5: We had some communication with the Australian implementation team, but a lot of what happened was they implemented everything and then took off. So we had some email contact with them, but a lot of the time we knew what we were doing, what we needed to do to fix the problem. But we didn't have any help or at least it felt like we didn't have any help to get it done.

The Managing Director of Company Y was a key player in this implementation project. To the Australians, he was viewed as a subversive troublemaker, with much of the resistance encountered being attributed to his actions, or his influence over others, with numerous suggestions that the New Zealand employees were 'scared' of him and hence would not speak out against his opinion, or else they had allowed themselves to be manipulated by him.

AU4: there was a feel or a culture that, "Well let's not make this work", but I think again if I speak out of school it's probably been driven from the leader at the time then who was encouraging that type of behaviour.

AU7: New Zealand is a bit of a funny place because the GM controls that site very strongly and he has his favourites. His favourites very much go on what he tells them to do...People in that circle struggled to adapt to it.

So what you kind of heard back from them was only negatives and never positives and when you went into a meeting with the GM and he had all the other people in there they all just looked to him for advice... whenever we left the country it kind of reverted back to this GM thing. Like I said, if you've not got a leader that supports it, then it really struggles to get it going.

AU7: I think the regional manager had the GM telling him that "I put on 10 extra people because of this thing and it's killing my business and that's why I'm not making money". Never mind the whole New Zealand economy going south and various other things happening at the same time. So, he said, "I will pull the system" and I think he did it for two reasons, one is to support his General Manager of the facility.

The Australian Project team were typically also keen to point out how much they had tried to help. This also seemed to stem from the complacent background, but was tinged with what Fleming (2005) describes as the 'benevolent patriarch': "We were good, the New Zealanders weren't particularly, so we really had to help them". The New Zealand team did not always perceive these actions as helpful.

AU6: I was there to hold their hands too and walk them through the whole process basically.

AU4: As I said, whereas we have tried to be supportive and listen and help it reaches a point where if we have people still deliberately going outside, we have to deal with that.

AU7: Again a kind of lack of understanding of the system despite being explained it - they kind of didn't get it. Then, when it fell over a couple of times we had to work our way through and explain why the same things were happening.

NZ7: I mean there was "this is how Australia do it", sometimes that was beneficial for us, sometimes not.

Against this complacent background conversation, a couple of other key themes emerged repeatedly. One had to do with the relatively recent acquisition of Company Y by CorpeX. The Australian team seemed to think that Company Y staff should wake up to the fact they were now part of CorpeX, and thus ought to just accept and adopt CorpeX's goals and objectives, ways of working, and the like. They recognised that the New Zealanders were not too happy about the takeover, but showed little empathy that maybe along with the acquisition might have come uncertainty, insecurity, and the like. And this is interesting, given the fact that the Australians themselves had once been a standalone company, which was acquired by CorpeX. It seemed as though part of their reconstructions of events against their complacent background was a justification of their behaviours as looking after the interest of the organisation (CorpeX), and thus fault for the failure by implication could be sheeted home to the New Zealanders who clearly did not have the welfare of CorpeX as a sufficiently high priority.

AU2: this was a business that had only recently been purchased, and I'm not quite sure that they were that happy about being purchased...they put a CorpeX sign out the front, but there has been no real visible CorpeX influence onto the organisation, other than the odd visitor coming and walking through and shaking hands, they were left doing things as they were. And I think that a down side of this project was, it was the first real CorpeX stamp on the business.

AU6: I definitely think that the attitude of some people has got to change. This attitude, "Oh I don't work for CorpeX, I work for Company Y" they've got to understand that they're part of a large organisation. Even the week before when I was in New Zealand a rep told me he worked for Company Y, I said, "No, you work for CorpeX", "No, I work for Company Y". I said, "NO, Company Y is owned by CorpeX, we're all CorpeX, we're one big happy family". They've got to be told that they're part of CorpeX now. We're going to implement some software that's used globally and it's worked successfully globally so please don't have this attitude that, "No, you're not part of CorpeX".

From the New Zealand perspective, there were lingering concerns that irrespective of whether or not they were part of CorpeX, the corporate ES would not prove adequate to run their business.

NZ1: We could see the logic from CorpeX's perspective and having everybody on one system but we knew we had identified so many things which the corporate system would not handle that Company Y was dependent on. We knew it was very difficult but that didn't stop everybody trying their best to make it work.

The second theme was "Oh, it was just the Australia/NZ thing"! Despite being close allies, Australia and New Zealand have a fierce rivalry (Moldofsky 2001), usually played out in good spirit in various sporting contests, with neither side liking to lose to the other. The culture of the countries bear many similarities, but these do not necessarily make for harmonious working relationships (see Grainger and McKay 2007), especially when one group takes the superior position.

AU4: They see Australia a bit as the Big Brother who keeps whacking them.

AU5: I don't know whether or not it would have been the same if it had been America that had come in and said, "We're going to do this". Whether it's the Australia/New Zealand sort of rivalry that, "This is better than what you've got, so you've got to do it". Maybe that sense of community is so strong and nationalistic pride or something that, "Why should an Aussie tell us that we have to do this? Ours is better". Because that was one of the things that was proposed at one time, "Maybe you should be using our system because our system is better".

Some of the Australian interviewees had been involved in the project only after the first failed implementation attempt: they were brought in to the project as they were viewed as possessing specific skills and experience of such implementations elsewhere when subsequent efforts to implement were made. Our interviews with them were after the system had finally gone live for the final time, and it seemed they were just starting to acknowledge that maybe, the Australian team had been part of the problem all along, and that the project could have (and should have) been approached quite differently.

AU4: Maybe when at the end of the day their message was "We just want to make sure we protect our business and protect our customers", maybe we didn't listen enough early on about their concerns, which is why they were so strongly opposed to it. Maybe we didn't. Maybe that's a lesson for CorpeX which can happen is that we don't listen; we're so Gung-ho about hitting a target and hitting a KPI that we didn't listen to the people, so maybe that's a lesson.

5.2 The New Zealand Team Story

Interestingly, the New Zealanders exhibited some complacency, albeit against a different context. Their discourse was likewise full of complacent comments, indicating that they thought their business was fundamentally different to all others that CorpeX had acquired (and therefore the CorpeX ES was quite unsuited for their business requirements), their legacy system was better than the corporate ES (and hence, why should we change?), they claimed to have good IT expertise locally (unlike the relatively incompetent Australians who periodically appeared), and prior to the acquisition, they had been a successful business (so why can't everybody just leave us alone?). When the system finally was successfully implemented, a number of the New Zealanders commented that this was due to their own efforts, as opposed to those of the Australian project team.

NZ3: Our business is completely different. New Zealand was completely different than a lot of other business units within CorpeX. Their process times for orders in particular were very, very lengthy to enter and very, very lengthy to close off. It caused us a lot of hiccups with deliveries to customers. We lost a lot of business over it and we also had a major hiccup with the pricing transfer.

NZ7: They were coming from Australia but as I say inhouse we've got a lot of computer savvy people which is definitely what helped us this time.

NZ5: it's the system they use globally and that's the way it's going to be. The obvious term that was used a lot is so "Big Brother can keep an eye on you."

NZ3: [speaking of the second implementation] We actually made it work. We made it work ourselves. So we had a lot better training this time and a lot more input from the local people.. We knew this time that there was no going back, so I think we made it work. The time before that there was just too many gaps that weren't looked into before it was put into place...As I said before, our type of business in New Zealand was completely different than a lot of other business units in CorpeX... I'm not going to jeopardise any business for the sake of a computer system. I think this time round we haven't jeopardised business.

The Australian project team was made keenly aware of the New Zealanders' feelings.

AU3: They had a very strong sense of "We know best, our system is better, why doesn't it [the new CorpeX ES] work this way?... there are some for whom their previous IT system was the best in the world and nothing can match the system of course that they had set up"

AU7: we got told very much that the data in [the legacy system] was very, very good. The data in [the legacy system] was terrible, as you would expect in a legacy system but we couldn't get them to accept it.

The complacency in New Zealand however was tinged with cynicism (the CorpeX ES will never work here), and it was folklore that two previous owners of the business who had also acquired Company Y at some stage in the past had tried unsuccessfully to introduce a new IT system. They

voiced a concern about a perceived lack of leadership in the project. Their cynicism seemed fuelled by perceptions that they were not listened to by the Australian project team, that basic requests were not attended to, and that they were generally left in the dark about plans and requirements, which they seemed to construct as a deliberate attempt to cause them to fail. True to the theoretical prediction of the cynical background, they voiced criticisms over shortcomings perceived in the Australian project team.

NZ1: I was never aware of any top person who was organising this as a project. But there was just information like an impression almost that sort of filtered down from somewhere higher in CorpeX, another country that we were going to be going onto the Oracle system. But there didn't seem to be anybody that was actually organising it. There were guys in Australia who seemed to have been given the task of trying to make it happen but I would say they were relatively junior level...I'm sure they were perfectly competent within their IT roles to date but I don't think they were the right level or type of person to be running the project.

NZ1: From a quite early stage we had an overall sense that things were not going well and were not going to go well. We had quite a number of occasions when we in New Zealand internally met and came up with lists of things that we could see were not covered. We'd try to get this taken on board by the people in Australia but we were not being listened to. We were given a deadline which worked a couple of times but the instruction from Australia was this time we're going to make the deadline ready or not, we're converting. We weren't ready. There's no way we were ready.

NZ6: We had this disaster of an implementation a year earlier. It will happen again. It's been a topic of discussion since day one...We've lost a lot of customers, lack of training, support from Australia was non-existent. It was pretty much "Here's your system. Good luck."

The Managing Director who was so negatively portrayed by the Australians, was viewed as offering strong support, of being 'tough' with the Australians in insisting that they respond to requests for help, information, advice and the like, and in being 'the voice' that complained about the unrealistic time schedule imposed on them by Australia. He 'knew' that there was no way the system could go live on the date set, and the cynical background was reinforced when on repeated occasions, his prophecies turned out to be correct. Many of the New Zealanders expressed appreciation of his support and efforts to uncover and escalate the 'real' problems they were experiencing.

NZ5: the GM always has had quite an interest in technical and also in IT sort of things, and obviously the implementation of Oracle into this site was a big deal for him because obviously if it causes him to lose customers then it's a problem for him. So in that regard – and he is the sort of person that looks after his people. He wants to know his people aren't stressed out, are able to do their jobs efficiently, aren't going to have problems because of the system. So in that regard his support was invaluable because he did a lot of the behind-the-scenes talking with people, going "Look, we really do have a problem here," and that sort of stuff.

In part, the complacency of the New Zealanders seemed to arise from their history of success as Company Y. The fact that we present this case as CorpeX and Company Y is in itself telling, as they were actually all CorpeX! We feel that their reconstructions were very much in line with acting in the interests of their organisation (Company Y), with CorpeX seeming a distant entity, which only became a major irritation when the decision was made to bring Company Y into the corporate ES. One can speculate that some of the difficulties here arose because of inadequate attempts by CorpeX to bring Company Y "into the fold".

AU5: they just couldn't see past the fact that their system in their minds was better. I think that's part of it, that they don't feel like they're part of CorpeX necessarily, so maybe to them they couldn't see any benefit in being linked into the rest of the world or the rest of the CorpeX site that was on Oracle. They had this attitude "We exist, we do our own thing, we don't need someone else to look over our shoulders. We don't need to be looking at Australia's stocks or China's stocks or whatever, it doesn't matter, we're not interested".

We saw no explicit reference in the interviews with the New Zealanders of the "Australia/New Zealand thing". However, there were many disparaging remarks made by the New Zealand team, evidence of their cynicism, and leaving us to conclude that they did not appreciate being told what to do by the Australians, and certainly did not look up to them.

NZ1: Australia is more of a...consultancy help desk...I guess it probably was there to advise but not necessarily actually do anything.

NZI: People here generally saw - well some of the Australians I should say, not all but some of them - as being kind of a bit arrogant.. one particular individual who was perceived here as being extremely arrogant.

5.3 Comparing the Stories

Perhaps it is not surprising that in what proved to be a frustrating and disappointing experience for both groups, especially the events leading to the first go-live date and subsequent withdrawal, there were sharp difference in perspective in the meanings apparently ascribed (second order realities) to events and behaviours evidenced (first order realities). What was of interest to us as researchers however, was the extent to which we believe the background conversations of the respective cohorts served to influence and shape the reconstructed stories that were recounted to us during the interviews. For instance, if one accepts that a complacent background conversation was the backdrop of the discourse of the Australian project team members, their reconstructed stories are consistently presenting a perspective which in effect says:

“It was not our fault. We have many successful implementations under our belts. We are good at this. They (the New Zealanders) refused to engage. They did not make adequate effort. Their resistance was irrational, and we could find hardly any evidence to support their outrageous claims of problems with the system. They need to understand that this is a good system, there are lots of benefits for CorpeX, and they need to just get on with it. Working on this project has been a really bad experience.”

We speculate that part of their motivation might have been to persuade us of their competence. By contrast, the complacent and cynical background conversation of the New Zealanders was the backdrop to stories which were reconstructed along the lines of:

“How can you blame us? We were kept in the dark about what was going on after the takeover by CorpeX. We are a successful business. Our customers are important to us and value our products and services. We had an excellent information system in place which had served our every need for years. We didn't need a new system, especially not the one they insisted we implement, as it was inferior in almost every way to our existing bespoke system. They told us it was a benefit for us to be able to look at regional stock levels. Why would any of us want to look at stock levels around Australia? Our business is very different to the others acquired by CorpeX. We knew this would never work. But they (the Australian project team) would never listen to us. When we asked for simple clarification and help along the way, we didn't get much. They just kept telling us we had done the wrong thing. We nearly killed ourselves trying to achieve the unrealistic go-live date which they arbitrarily imposed on us. Working on this project has been a really bad experience.”

5.4 Theoretical Implications

We argue that the theory of background conversations (TBC) was very helpful in making sense of the apparently contradictory versions of events, and behaviours from both sides which initially seemed to us to be irrational and irreconcilable. By taking a social constructivist stance, we were able to see the stories as being shared constructions and reconstructions of mainly second order realities which made sense against the background conversation shared by a particular group. This enabled us to tell two versions of events (presented in 5.3 above), and each of these ‘made sense’ when each is considered as congruent with and constructed from the background conversation. No version is *the* correct one. Rather than apportioning blame therefore, we can accommodate these conflicting stories. Our experience in this case suggests that TBC was very useful in supporting sensemaking in this failed, but ultimately successful ES implementation.

It also raises the question of whether there may be other background conversations which characterise failed change initiatives. For example, in this case, we found that the NZ group did not fit the categories articulated by Ford et al. (2002) precisely, and thus we suggest that there may be other types of background conversations which help understanding in different contexts. We suggest that at the very least, we have revealed a new, hybrid category, *complacent cynicism*, which shares characteristics of both. This suggests a need for further research to explore other possibilities. This research has also revealed that changes agents and recipients do not necessarily share the same context and background conversation. In this case we have ample evidence that change agents (Australian project team) and change recipients (New Zealanders) were engaged in different

background conversations and contexts, despite the background conversations both being classified as complacent.

TBC also aided us in making sense of this failed implementation. As change agents and recipients constructed and reconstructed their realities against their respective background conversations, both groups were unable to 'hear' the other, and hence conversations and behaviours were perceived and interpreted against background conversations which in effect served to get in the way of achieving an intersubjective shared understanding. We would assert that these circumstances may contribute to IT project failures, and thus that remedying these failures to listen and hear, may help to deliver better outcomes. Further research is clearly needed in this regard.

5.5 Practical Implications

This research reveals the importance for those involved in change initiatives of learning to listen: learning to try to put aside the comfortable and familiar ways of knowing and seeing, and to deliberately try to understand how others are thinking, interpreting and responding in the context of change projects. The background conversations in a sense serve to blinker people to the intentions of others, and can, as was evidenced in this case, result in damaging communication breakdowns and attendant damaging behaviours and reactions. It seems critical that change agents (project managers) in particular learn to listen to background conversations and learn ways of acting to help avert miscommunication and damaging toxic relationships developing in the course of a project.

From a practical point of view, this study raises interesting questions as to whether or not this work might inform the articulation and development ultimately of some sort of diagnostic tool for project managers to use, perhaps even before they run into trouble. Such a tool could be used as an aid to change agents and sponsors to help identify situations in which the background conversations of various stakeholder groups involved in a project are serving to contribute to miscommunication and a failure to understand and interpret as intended the behaviours and discourse of the various parties. This could lead to a much improved understanding of how project managers and change agents could intervene to avert breakdown, and act to shape the background conversations so that improved outcomes might be achieved. It may be that these interventions may be quite different at different stages of the project life cycle. These suggestions will also require further development and empirical investigation.

6 Conclusion

The research reported in this paper shows that a social constructionist perspective together with the notion of background conversations is a helpful and insightful way in which to view and analyse perceived resistance to change in IT projects, not least because it challenges the foundations of traditional thinking and research about 'user resistance'. The research indicates that this approach can be used to make sense of conflicting stories and perspectives, and further, can profile and understand each organisational group's 'reality' in a coherent, sensible and sensitive way. It clearly suggests that it is critical for the thinking and behaviours of both the change agents and change recipients to be constantly considered, and gaining insights into background conversations may be one way of doing this, allowing reflection on the emergent relationships and behaviours. The research further shows that the notion of background conversations can be used to condense the important elements of resistance into themes that can be understood and responded to without trivialising the nature and source of the resistance. The authors thus believe that both the social constructionist perspective and the theoretical notion of background conversations have important implications for IT project management. Further research is clearly required to identify effective ways of tapping into such background conversations during a project, and a better understanding of the appropriate responses a project manager might take when confronted with background conversations not conducive to good project outcomes.

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