Digital Transformations in Non-Governmental Organizations – A Case Study on the Effect of Power Imbalances

IFIP Working Group 8.2
OASIS Pre-ICIS 2022 Workshop

Marie E. Godefroid
University of Siegen
marie.godefroid@uni-siegen.de

Ralf Plattfaut
Process Innovation & Automation Lab,
South Westphalia University of Applied
ralf.plattfaut@fh-swf.de

Björn Niehaves
University of Bremen
niehaves@uni-bremen.de

Extended Abstract

Following the call by Zmud et al. (2004) to expand and critically reflect IS theory for the social sector, we examine a digital transformation in a non-governmental organization (NGO). Building on the recommendations for critical research in IS (Howcroft and Trauth 2005), we study the effects of power imbalances in this digital transformation project. These power imbalances are especially complex in large international NGOs due to the alignment necessary between country offices and the NGO-specific culture.

In our study, we examine the case of a large international childcare NGO's efforts to start a digital transformation. The transformation's aim was to increase the level of automation by introducing a customer relationship management (CRM) system and an enterprise resource planning system (ERP). The project involved the six European country offices of that NGO, which show distinct differences in terms of size, IT capabilities, and culture. The project was started in 2020 with the German office in the lead. The German office planned to position itself as a service provider for the other offices. Steps to incorporate voices from the smaller offices were consciously taken, e.g., a Dutch-speaking consultant was hired to lead the marketing project group in which a person from the Finnish office was also integrated. Thus, the individuals aware were aware of the power imbalances: *"And from that point on, it was quite clear that this was a partially political assignment also because [the CEO of the Netherlands] [...] was trying to emphasize a Dutch voice in this whole project"* (Interim Manager).

However, despite an initially successful phase of requirements elicitation, the project soon soured. Issues with the first onboarding exercises of new countries onto the managed cloud platform of the German office arose. Here, the results of power imbalances between the different offices became visible. In parallel, the German office's perception that the project's complexity had increased to unmanageable levels grew. A key issue was the difficulty of finding a suitable vendor who could support the implementation across countries. In the end, this led to a decision by the German CEO to suspend the project. He asked the international headquarter to step in for the smaller countries, and Germany continued to implement its own system.

This development is lamentable due to the time and money spent by all the stakeholders and the past issues with international IT projects. Interestingly a phenomenon common across NGOs: *"And they all say oh no, don't start even with an international project it will be more costly, it will take so much time in the end and they are not delivering what you need."* (Marketing Manager Netherlands). So how can a laudable effort to employ economies of scale and align across country offices lead to negative corollary effects of a digital transformation for this NGO? Why could the whole project not mitigate the existing and openly-known power imbalances?

References

Zmud, Robert; Carte, Traci; and Te'eni, Dov, "Information Systems in Nonprofits and Governments: Do We Need Different Theories?" (2004). *ICIS 2004 Proceedings*. 86.

Howcroft, D., & Trauth, E. M. (Eds.). (2005). Handbook of Critical Information Systems Research. Cheltenham, UK: Edward Elgar Publishing.