Case Study Analysis

Leveraging Social Capital to Obtain Top Management Support in Complex,

Cross-Functional IT Projects

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1. **Introduction**

    a. **Overview and History of the Organization**

    DesignCom, a prominent semiconductor design firm, faced increasing inefficiencies due to fragmented legacy systems across its departments. To address these limitations, the organization initiated a company-wide Enterprise Resource Planning (ERP) implementation project intended to, address inefficiencies from legacy systems and promote integration across its finance, procurement, and product engineering divisions (Liu, Wang, & Chua, 2015). While initial backing from top leadership was strong, the project encountered obstacles, particularly in divisions less familiar with IT system transitions. The procurement division, in particular, displayed passive resistance and limited engagement.

    b. **Main Organizational Behavior issue**

    Key organizational behavior issues that arose during this ERP implementation include a significant lack of trust between the IT team and divisional leaders, conflict stemming from resistance to change, and weak collaboration across departments (Ahmed et al., 2006). These challenges were compounded by limited ongoing involvement from top management in addressing day-to-day project bottlenecks. In a rapidly evolving tech firm like DesignCom, where agile coordination is essential for innovation, such issues pose a threat not only to project success but to organizational culture and efficiency.

    c. **Approach to the Issue**

    This case study applies Social Capital Theory as a lens for diagnosing and addressing these organizational challenges. The goal is to provide actionable

recommendations for building stronger relationships, enhancing engagement, resolving cross-functional challenges, and improving project execution by fostering trust, collaboration, and active involvement from top management (Liu et al., 2015).

A more nuanced view of DesignCom's internal dynamics reveals that top management underestimated the need for persistent engagement beyond the project's initiation phase. While executive endorsement was strong at the onset, its absence in critical feedback and realignment moments allowed interdepartmental silos to grow unchecked. The procurement division's disengagement can be traced to historical friction with IT and a lack of tailored communication that resonated with their day-to-day operational goals. Therefore, our analysis focuses on human factors, trust, cross-functional collaboration, and empowerment as central levers of change.

2. **Strategic Analysis and Problem Identification**

   a. **OB Theories and Frameworks**

This case centers on the use of Social Capital Theory, which emphasizes the role of networks and relationships in fostering trust and shared understanding. The theory is applied across three domains: structural (patterns of connection), cognitive (shared language and goals), and relational (trust and respect) (Liu et al., 2015). DesignCom's ERP team lacked sufficient ties in all three areas with key stakeholders, particularly in the procurement division. Without strong relational ties or aligned goals, misunderstandings proliferated, and divisional resistance grew.

Clan Control uses informal mechanisms to align goals through shared culture and values (Boonstra, 2013). The absence of such informal control mechanisms

limited the procurement division's willingness to align with ERP goals. Informal leadership and the use of shared values as a coordination tool could have fostered earlier buy-in and cultural integration across teams.

Communication Theory focuses on clarity, feedback, and active engagement to improve communication and understanding (Ahmed et al., 2006). Poor communication between divisions and IT reinforced existing silos and slowed progress, exacerbating mistrust and a sense of isolation. The lack of effective communication mechanisms also meant that early warning signs of disengagement were missed.

b. Swot Analysis

A SWOT analysis of the situation identifies several internal and external factors. The strengths include a skilled and experienced IT implementation team, executive support, and successful early rollouts in certain departments. (Jones, 2005). Its weaknesses include passive involvement from procurement, a legacy of failed IT projects that created mistrust, and a lack of shared understanding of project benefits(Liu et al., 2015). Opportunities include the possibility to build cross-functional bonds through joint planning and workshops; aligning cognitive frameworks through mutual goal setting, and leveraging successful divisions as internal champions, along with implementing more integrated feedback loops (Jones, 2005). Key threats involve deeply entrenched organizational silos, persistent mistrust and low ownership in high-impact divisions. This altogether increases the risk of project derailment without broad engagement and low participation in high-stakes divisions (Grabski & Leech, 2007).

c. Key Concept and Business Tools.

Relevant course concepts that underpin this analysis include team performance models, boundary spanner roles, and reinforcement strategies to encourage collaboration. These insights help inform how informal leaders can be cultivated and how feedback systems can be structured to address disengagement proactively. Informal leadership within the divisions and the influence of cross-departmental champions play a significant role in determining project success.

Moreover, applying communication strategies rooted in clarity and consistency, especially in times of change, would serve to unify messaging and mitigate misinterpretation. Communication channels need to be mapped to ensure that project updates, changes, and challenges reach all stakeholders in digestible formats. Recognizing informal power structures and building alliances through shared goals can transform reluctant departments into active partners in the change initiative.

3. Solutions and Recommendations

a. Proposed Recommendations

To address the identified organizational behavior issues, a multi-tiered strategy is proposed. First, DesignCom should strengthen structural ties by establishing consistent channels for cross-functional communication. Regular leadership roundtables, cross-functional workshops, and project retrospectives are essential. These efforts should leverage both virtual platforms and in-person engagements to foster familiarity and inclusion across teams. (Nahapiet & Ghoshal, 1998).

Next, cognitive alignment must be cultivated by involving department leaders in the co-creation of project objectives, joint planning, and mutual training to align understanding and expectations (Liu et al., 2015). Through this co-creation process, stakeholders are more likely to feel invested in the ERP's success.

Furthermore, the company should enhance relational trust through informal team-building activities, shared problem-solving opportunities, and public recognition of collaborative efforts. (Satheesh et al., 2023).These actions humanize the project and make it easier for stakeholders to empathize with each other's constraints and contributions.

DesignCom should assign experienced and well-respected IT liaisons to work closely with the procurement division and other hesitant departments. These liaisons should not only have technical skills but also the interpersonal ability to build rapport and trust. Biweekly leadership roundtables must be instituted to ensure alignment, share updates, and resolve issues promptly. Departmental workshops should be held monthly to address pain points, co-create solutions, and disseminate success stories. (Ahmed et al., 2006).

b. Implementation and Evaluation

To ensure sustained progress, DesignCom should implement structured monitoring of top management engagement through attendance and participation metrics in key meetings. (Satheesh et al., 2023). Engagement surveys and informal interviews should be conducted quarterly to assess alignment and capture concerns before they escalate. Success should be measured by the rate of ERP adoption,

reduction in cross-functional conflicts, and improved satisfaction among procurement and IT personnel.

By fostering social capital through intentional relationship-building, shared cognition, and trust-building strategies, DesignCom can improve both the execution and acceptance of its ERP project. These organizational behavior-focused interventions serve not only to rescue the current project but also to strengthen long-term cross-functional collaboration throughout the company.

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