

# Cross-Cultural Challenges for Information Resources Management

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## INTRODUCTION

Western organizations have led the globalization of business operations, especially in the deployment of multi-domestic strategy. The decentralized organizational control and customized operations support the fast penetration of huge global markets. Western management theory considers information the lifeblood of organization. The sharing of information lubricates the interlocking divisions within the organization, promoting the effective achievement of organizational goals with external business partners. However, in many regions of the world, information represents power, and managers often try to accumulate as much of it as they can while denying access to others (Oz, 2002). For others, the disclosure of information is considered a threat to the span of management control (Rocheleau, 1999). In some cases, administrators could be more interested in the scale of the information system and its associated budget, than the capability and functionality of the system (Kalpic & Boyd, 2000). These are examples of conflicting cultural values in a cross-cultural environment. The introduction of Western management approaches conflicts with regional administrative styles, diminishing the effectiveness of information systems (Raman & Watson, 1997; Shea & Lewis, 1996). Sensitivity to cultural differences has been recognized as an important factor in the successful global deployment of information systems. Minor information management issues potentially resolvable through improved communication in the west often manifest as major challenges in a cross-cultural environment.

## BACKGROUND

The literature provided thorough coverage on designs, development, and implementation of computer-based information systems (CBIS). Numerous studies examined various systems-solutions for organization needs (McLeod, 1998; O'Brien, 2002). However, the projected value of information technology has been formulated based on a rough assessment of the possibilities without full appreciation of the limitations due to resistance to organizational and social changes (Osterman, 1991). Increasingly, management realized that massive deployment of information systems on a global

basis, even with prudent management of the systems, has not been producing the desirable outcomes of value generation. Recent studies revealed the significant influence of cultures toward the success of transferring information technology beyond the Western world. National culture, organization culture, and MIS culture induced influence over the successful development and management of information resources (Hofstede, 1980; Raman & Watson, 1997). Shea and Lewis (1996) suggested the desirability of placing close attention to user absorptive rate in the transfer of new technology into a different cultural environment. It became apparent that adaptation of information system designs to new cultural environments was insufficient to guarantee successful implementation. User selection of technological features, driven by cultural preferences, could be a key factor for designing information systems in multi-cultural environments. Other studies reported the numerous obstacles of developing CBIS under various cultural settings, even with highly motivated leaders to support the deployment of information systems (Al-Abdul-Gader, 1999; Raman & Watson, 1997).

The information system function must enhance user effectiveness and efficiency in utilizing the information to improve value delivery for the organization. New challenges emerged as non-technical issues clouded the measurement of information system performance. A typical information system would be designed to provide information to users with common needs. Good data reports should contain all the required information with accurate representation of events. The reports needed to be generated in a timely fashion and in a format usable by the users (McLeod, 1998). However, individual users tended to value information systems for providing custom reports to meet individual needs in specific circumstances (Heeks, 1999). Inconsistent expectations in a cross-cultural environment crippled the effective management of information resources. Cultures carried different interpretations for timeliness, completeness, and relevancy of information.

Makeshift management decision generated new dynamics in several ways. In the spirit of promoting free information exchange, the department that owned the information system became obligated to provide information to others (Oz, 2002). However, the new responsibility seldom came with additional resources. The information owners became reluctant to supply information; doing so would take away

resource from other regular tasks (Davenport, 1997). Some managers shifted the data reporting responsibilities to other divisions, creating a bureaucratic nightmare for the users. Some ignored data requests, and others manipulated the data flows with respect to organizational politics (Oz, 2002; Rocheleau, 1999). Those working in the public sector faced the challenge of maintaining a delicate balance as they attempted to fulfill their responsibilities for both confidentiality and access to data (Duncan, 1999; Osterman, 1991). The problems would be more severe under a relationship-based culture where favors could not be declined.

Cultural backgrounds shaped the preferential information system model. In some cultures, managers would be intuitive, and feelings based, and have vague expectation for the performance of the information system. There would be more emphasis on group harmony and saving face than actual problem solving (Bjerke, 1999). Others would be more interested in meeting obligations, ignoring the source and validity of the reports. The controlling manager sought a complex and broad information system providing qualitative data (Kluckhohn & Strodtbeck, 1961; Lane & DiStefano, 1992; Shea & Lewis, 1996). All these personality extremes co-exist in a cross-cultural setting, making it more challenging to design systems than a single culture environment. The perceived value of information resources became less predictable in cross-cultural environments.

### CROSS-CULTURAL IRM CHALLENGES

The rapid expansion of Western influence on a global basis created an environment under the crosscurrents of Western corporate culture and regional cultures. In recent years, Western organizations have invested heavily in information technology (IT), turning it into an important tool, especially for the rapid expansion of business operations to global locations. Many organizations were surprised by the turbulence associated with the global deployment of information technology.

Management encountered new challenges as national workers joined the global team in serving customers from diversified cultural backgrounds. The national workers tended to hold on to their traditions, diluting the penetration of Western influence in the workplaces. The predominating regional workforce challenged Western corporate culture through their deep-rooted traditions and work habits. For example, a massive absenteeism could be expected on festival days, even without approved leaves or holidays. Timely arrival at a meeting could be accepted as up to several hours after the scheduled time. Mandated reports could be excused without penalty, and the uttermost concern to preserve group harmony over efficiency. Sometimes, this meant ignoring facts to restore stability and group harmony. Periodic acquisition of technology would be celebrated even without the appropriate

infrastructure support, preventing the proper usage of the technology. Cross-cultural IRM issues emerged as significant challenges in cross-cultural environments.

### Challenge 1: Information Resources Perception Challenges

*Even as IT is transforming the world, a majority of the world's population still has limited understanding of information as a resource. The concepts of information resources escape the mind of even seasoned managers in the Western world. Potential cultural myopia requires great efforts to communicate the principles of information resources management.*

#### Perception Challenge 1: Cultural Acceptance of IRM Practices

*In a cultural environment that lacks appreciation for information resources, management must champion data planning and skillfully align the information support needs throughout the organization.*

In cultures where gesture is more important than details, systematic failure to collect information would be accepted and forgiven. Information systems applications are often limited to payroll and accounting (Kalpic & Boyd, 2000). In some cases, the lack of adequate information is the key to assure continuing financial support, and the scale of the information system acquisition could be more important than the functionality. Organizations are unprepared to collect and store data to support meaningful decision support applications. A common pitfall is the underutilization of expensive information systems.

#### Perception Challenge 2: Information Resources Considered as Capital Expenditure

*Funding is a necessary but insufficient condition for information resource development. The lack of proper organizational infrastructure dooms information system projects.*

Deficiency in organizational data is often related to the lack of capital spending in IT resources. This perception underestimates the requirements for system analysis, data architecture development, data security and distribution, maintenance, technical support, and user training. Lack of organizational readiness stalls the deployment of information systems. Inflated expectation and uncoordinated usage of data services nullifies the value of the information systems. Erratic funding pattern destroys development projects, making it extremely difficult to retain technical personnel. Poor maintenance damages equipment and threatens data

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