



Chapter IV

Critical Success Factors for IS Implementation in China: A Multiple-Case Study from a Multiple-Stage Perspective

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Abstract

Whereas the literature indicates critical success factors (CSF) for IS implementation success, it is the thesis of this chapter that in situations involving government policy and business environments that are radically different from the West, there exist different and context-specific CSF; the focus of this chapter is on Chinese businesses. This chapter presents a multiple-case study, guided by a multi-stage perspective, consisting

of eight computer applications in four representative companies; for each company, two applications—finance and manufacturing requirements planning (MRP)—were studied. Findings suggest 10 factors shown critical for IS implementation success in the Chinese organizations. We highlight and discuss five novel factors especially relevant to the Chinese context. This exploratory work initiates a call for more in-depth investigations incorporating the dimensions of differing government policy and business environments for future research in this area. The findings also offer practitioners a set of guidelines in implementing IS applications in China.

Introduction

China's government has identified utilization of information technology (IT) as a key mechanism to achieving the country's modernization goals. A widespread acquisition and assimilation of information systems (IS) started in late 1970s among Chinese organizations. This continued into the 1990s and was further manifested after the country's entry into WTO in December, 2001. It has been reported that more than two-thirds of Chinese companies had implemented IS by 2001 (Chinese Economy and Trade Information Center, 2001). An even greater role of IS in Chinese companies is anticipated as they need to become more competitive in order to face challenges in the global marketplace. Nonetheless, the success rate of information systems implementation in China has been relatively low (Lu, Qiu, & Guimaraes, 1988). In general, IS implementations in Chinese firms are not as successful as in firms of Europe or North America (Zhu & Ma, 1999). Both academics and practitioners are keen on acquiring insights into this phenomenon.

China is a radically distinct context in both ethnic and cultural terms; it is highly conceivable that Chinese social behavioral patterns and business dynamics intervene with system implementation processes and that key success factors are deemed different than the Western context. Previous work on IS implementation in China (Dologite, Fang, Chen, Mockler, & Chao, 1998) largely has drawn on factors suggested in the existing (Western) literature and has tested them using surveys (Reimers, 2002; Zhang, Lee, Zhang, & Chan, 2002). Shanks, Parr, Hu, Corbitt, Thanasankit, and Seddon (2000) have investigated critical success factors (CSF)¹ for IS implementation in China in a case study using a stage model. However, the setting of the study, which involved a joint venture between a Chinese partner and a Japanese manufacturer, may not be a typical setup for Chinese businesses. Our literature review also extends to 30 studies on success factors for IS implementation published by key Chinese journals. The factors mainly fall into the following categories: management support, business process re-engineering (BPR), project management, and social and economic environment (Li, 1999; Lin & Zhu, 2002). The recommended approach

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