

Chapter 10

Integrating Information Technology into the Corporate Culture and Processes

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ABSTRACT

Most of the Information Systems (IS) literature discusses the importance of managerial problems in the field such as how to evaluate Information Technology (IT) needed for effective intra-organizational communication and how to measure the value of changes influenced by IT. This paper uses a literature review detailing the importance of understanding the components of IS and how they affect one another and on the importance of the selection of IT by managers. This paper builds a case study on a large company in the United Arab Emirates (UAE) with approximately 35,000 employees world-wide represented in approximately 100 countries. We analyze the reasons behind the failure of integrating IT with the culture, people, and processes in a Market Research Department of this company. Finally, the case study discusses the consequences of failing to understand IS and provides recommendations for a better integration of IT within the department.

INTRODUCTION

Even though Information Systems (IS) has been around for centuries, only around four decades ago IS become very much dependent on Information Technology (IT). In order for the implementation of IT to be successful and effective in an organization, the IT must fit-in well with the system of the organization. Evaluating the changes that

are influenced by the implemented-IT will help understand the level of success or failure of the implementation process. Hence, it will be clear if the decision to purchase and implement a specific IT is a successful decision. To ensure the success of IT implementation in a given organization, it is important for the management and the people involved in the decision making process to understand what IS is and how it is related to IT.

This paper builds a case study in a Market Research department of a large company in the

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United Arab Emirates (UAE) with approximately 35,000 employees and with a vast operation worldwide represented in approximately 100 countries. This paper frames the consequences of failing to understand the best practices in selecting IT and of failing to understand what IS is and how IT implementation and upgrade might affect the various components of IS.

BACKGROUND

Literature related to Information Systems (IS) and Information Technology (IT) has been published for the past 50 years mainly in the area of Management Science simply because IS and IT affect all functions related to management (Banker & Kauffman, 2004). Most of the IS literature discuss the important managerial problems in the field such as how to evaluate IT needed for effective intra-organizational communication and how to measure the value of changes influenced by IT (Banker & Kauffman, 2004). In addition, many researchers focus on studying the link between information systems and managerial performance (Hamilton & Chervany, 1981a; Hamilton & Chervany, 1981b; Lucas, 1975).

Enterprise Information Systems are vital to the operation and management of every organization but the field is known to have constant technological change, therefore, organizations often find themselves struggling to keep up with changes when maintaining existing systems or evaluating new systems (Benbasat, Goldstein, & Mead, 1987; Díez & McIntosh 2009). Often, when investing in IS, organizations are interested in the benefit that they will gain from the investment. However, IS investments are hard to justify (Ragowsky, Ahituv & Neumann, 2000). Many researchers suggested that in order to justify an IS investment, organizations should look at specific functions instead of the entire entity (Gerstein & Reisman, 1982; Ragowsky, Ahituv & Neumann, 2000). In addition, it is also very important for

organizations to change the fundamental nature and structure of their work so that better use of IS can be realized (Keen, 1981). In fact, improving the efficiency and effectiveness of organizations, the traditional domain of the IS function (Bawden, 2008; Rockart & Morton, 1984). Keen (1981) predicts that IT and telecommunication systems will be the backbone of corporations and therefore they need to be properly managed. McFarlan and McKenney (1981, 1983) also point out the importance of proper management for the successful deployment of IT.

In the late 1990's and early 2000's we have witnessed the booming of IT. Many believe that information systems can help businesses use synergies, core competencies, and network-based strategies to achieve competitive advantage, justifying heavy investment in IT (Al-Gahtani, 2003; Al-Ashban & Burney, 2001; Blili & Raymond, 1993; Caldeira & Ward, 2002; Cooper & Zmud, 1990; Ein-Dor, Myers & Raman, 1997; Ives & Jarvenpaa, 1991; Yavas, Luqman & Quraeshi, 1992). However, in order to ensure the success of IT implementation, it is important for any organization to understand the difference between IS and IT and how they relate to each other. IS and IT adoption cannot be separated. There are four components to any formal IS used in an organization (Information Technology (IT), Process, People, and Structure according to Piccoli (2008). The four components of IS must work together in order for an organization to meet its information needs. IT is a very critical component in any modern IS. It is important to familiarize the people component of IS with the new IT implemented as studies indicate that there is a strong positive relationship between the perception of ease and the perceived effectiveness of any IT implemented to the actual amount of usage (Mahmood, 2001; Piccoli, 2008). It is also important to provide sufficient training to the people component of IS as this is evident to have a significant effect on the level of IT usage (Mahmood, 2001).

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