

## Chapter 7.4

# Cross–Cultural Challenges for Information Resources Management

**Wai K. Law**  
*University of Guam, Guam*

### 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 exter-

nal 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

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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 infor-

mation 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

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