

Chapter 2

Diversity Orientation and Cultural Differences in the Implementation of Information Technology

Sylvie Merchant
Argosy University, USA

John E. Merchant
California State University, USA

ABSTRACT

While there has been a great deal of research on the application and implementation of Information Technology (IT), there is less research on the variables which can contribute to the successful strategic implementation of IT Strategy and its relation to the cultural/work values of the people involved in the implementation. This chapter presents a model that outlines an approach to consider in relating the correlation of IT Strategy and implementation to the Culture and Work values of the individuals in a particular cultural setting. Surveys were administered to working adults in Hong Kong, Taiwan, China and the United States in an attempt to determine how culture would dictate their attitude to IT issues. Questions were asked in order to capture their orientations in the work environment as well as what factors would be motivators to them in a work environment. Through chi-square and ANOVA tests, it was found that significant differences existed.

INTRODUCTION

In recent years, many companies, large and small, have been experiencing “the perils of going global”. The expanding interdependent global economy and the accompanying changes in the structure of competition are forcing many

companies to seek new ways to manage their businesses. There is a growing need for coordination in the areas of product design, production, and distribution across country units to achieve global economies of scale and provide consistent quality service to global corporate customers. This growth of multinational business has been accompanied by significant increases in international Infor-

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mation Technology (IT) operations. In order to support their world wide activities and provide integrated service to worldwide customers, many companies are developing systems which can be utilized in many different areas in the world. Yet the development of IT in a global environment is complex and significantly different from IT development within a domestic environment. Due to the differences existing in the political/legal, social/cultural, technological, and economic dimensions of the host country, as well as affiliate countries environments, the implementation of IT in a global setting could pose major problems.

The purpose of this research is to suggest one area for research in IT relationships with national culture and implementation. Our interest in this topic comes from our mixed ancestral backgrounds, years teaching at the university level, our own interest about cultural differences, and our having lived, taught, or visited many different countries. Specifically, we argue that knowledge of the cultural orientation of organizational employees will greatly facilitate IT strategic implementation, which in turn will contribute to a successful company. That is, the success of a corporation's success is significantly affected by the culture operating in an organization. Hunger and Wheelen (1996) point out that an optimal culture is one that best supports the mission and strategy of the company of which it is a part. Given the fact that 25 percent to 50 percent of an employee's behavior on the job is culturally determined (Gannon, 1994), one needs to understand the cultural values behind this employee. For management, the critical challenge is to help their employees become more competitive on the job and to relate better to the global problems and opportunities of the company. Because Americans and Chinese, as all cultures, exhibit different orientations to the job based upon their cultural background, companies need to develop not just a generally favorable culture but also specific cultural characteristics to maximize the performance of their employees. Its importance

is illustrated by the fact that "...IT has been an outsized contributor to economic development; currently, it contributes close to a fifth of China's GNP". (Fuller & Thun, 2006, p. 36)

BACKGROUND

One problem that we face is that there is no agreement on what elements need to be explored that facilitate the implementation of IT. Some arguments presented are that: (1) the internal condition that support strategy utilization include leadership, integration of IT, the strategic function and direct contact between IT and line divisions (Johnston & Carrico, 1988); (2) one needs to look at individual action and behavior in an organizational context (Swanson, 1987); and (3) technology, interdepartmental relations and the environment are the key factors in the transformational process (Daft & Lengel, 1986). This lack of agreement is understandable because the level of complexity inherent in any organization is a characteristic of the system's physical and social structure, and it is impacted by the total number of its individual sub-units, the number of different layers in the structural hierarchy, the number of different business processes that perform business activities, and the number and strengths of connections among all these sub-units, and between these sub-units and outside economic agents. A consequence of this lack of agreement is that researchers are left to suggest and develop their own approach to studying the influence of IT on an organization.

For the purposes of this research, especially as it relates to multinational corporations, it is argued that when managers attempt to implement IT in an organization staffed by foreign nationals, failure will occur unless the manager is able to bridge the gap between his culture and theirs. If one can make this transition, then the benefits for an organization that matches cultures are that it will become an optimal culture which:

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