



UNIVERSITI TEKNOLOGI MARA

EFFECTS OF TRIGGERS OF CHANGE ON BUSINESS
SYSTEMS AND WORK PROCESS

BY

RAJA MUNIRAH BINTI RAJA MUSTAPHA
FACULTY OF OFFICE MANAGEMENT & TECHNOLOGY

JULY 2009

ABSTRACT

Forces such as increasing globalization, demographic change, European enlargement, and the emergence of networked organizations stimulate the emergence of new forms of organization and collaborative working. While it is recognized that implementing organizational changes impacts both employee and organizational health, there is a lack of research that utilizes these known impacts to empirically build functional models that are predictive of future change event outcomes, in particular how change affect work process. The objective of this study is to determine the extent to which drivers of change influence business systems and how these environmental changes affect work process. Data was analyzed based on the 162 questionnaires returned and a series on multivariate analyses were conducted to test the hypotheses formulated. Results indicated that the environmental factors that trigger change in organizations as posited in this study, are, in fact, significantly related to all the business system variables – MIS, HRIS, ERP, Organising Systems and Works Systems. However, environmental scanning hypothesized to moderate the effect of change triggers on business systems only showed significant effect for only one variable. Environmental scanning capability, generally does not appear to moderate the effect of change on business systems. The business systems variables – MIS, HRIS, ERP, Organizing Systems and Work Systems contrary to the hypothesis of this study did not affect or show consistent influence on work processes. Of the moderators, Stakeholder Power and to some extent Slack Resources showed some effect. It appears from this study that the impact of business systems variables on work processes is limited and is conditioned by the presence of two of the above mentioned moderators. The inner most core technical of the organisation as Thompson opined is insulated from environmental changes. Therefore, more studies are required to fully understand the dynamics of change within organizations brought about by environmental triggers.

ACKNOWLEDGEMENT

Alhamdulillah, this research project would not have materialized if not for the many individuals and units who were instrumental in its completion. My gratitude goes to all the respondents who have contributed significantly in providing feedback, input and sharing their thoughts on issues highlighted in this study. Deepest appreciation goes to UiTM and the Faculty of Office Management & Technology for providing me time off and the support to embark on this study. Finally, special acknowledgements are for family who is the source of my strength and is always there when I need them.

Table of Contents

CHAPTER 1	3
INTRODUCTION	3
Problem Statement	5
Research Objectives	6
Research Questions	6
Significance of Study	6
Definition of Terms	7
CHAPTER 2	9
LITERATURE REVIEW	9
Triggers of Change	10
Environmental Scanning	14
Business Systems	14
Size of Organization	17
Organizational Structure – degree of formalization	18
Slack Resources Available	20
Nature of Business Competition	21
Stakeholder Power	21
Impact of Change on Work	22
Conceptual Framework	25
CHAPTER 3	28
METHODOLOGY	28
Research Design	28
Sampling and Sampling Frame	28
Unit of Analysis	29
Selection of Respondents	29
Instrument	29
Data Collection	30
CHAPTER 4	32
FINDINGS	32
Profile of the Sample	32
Goodness of the Measures	37
Measures and Reliability Analysis	46
Descriptive Statistics and Correlation among Variables	47
Testing the Model and the Hypotheses	50
Effect of Drivers of Change on Business Systems (RQ1)	50
Effect of Business System on Work Systems (RQ3)	51
Moderation Effect of Structure, Slack Resources and Stakeholder Power on the Relationship between MIS and Works System Variables.	53
Moderation Effect of Structure, Slack Resources and Stakeholder Power on the Relationship between HRIS and Works System Variables.	55
Moderation Effect of Structure, Slack Resources and Stakeholder Power on the Relationship between ERP and Works System Variables.	58

CHAPTER 1

INTRODUCTION

Organizations today face unprecedented challenges in maintaining commercial survival and success. This is true for organizations both large and small, profit and non-profit. Success requires a keen strategic understanding of external and internal influences in order to respond in ways that will ensure the organization's survival and success. Forces such as increasing globalization, demographic change, European enlargement, and the emergence of networked organizations stimulate the emergence of new forms of organization and collaborative working (Schaffers, 2005). New forms of organization stress the importance of mobility and sharing of information and knowledge that are also key aspects of workplace innovations.

Undoubtedly, work, paid and unpaid, has always been an integral part of peoples' lives. Yet over the past thirty years, the way in which work and life outside work fit together has altered dramatically. Changing social conventions and inexorably shifting demographics have changed the workplace and the work that is done. Triggers of change like Information Technology (IT) has dramatically altered organizational behavior and procedures and enabled a diversity of workplace scenarios. Other triggers of change like, the economy, politics, and socio-cultural change have also forced organizations to create and innovate their services and products (Jones, 2003). New business systems and managerial styles emerged as a result of change programs. These organizational changes have not just brought about improved managerial and business systems but consequently new work process. With information more accurate, plentiful, and freely available, IT allows for the easy exchange of know-how and facilitates problem solving. Because of the changes in the business environment and the emergence of business systems and