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Investigating the Link Between Multinational Strategy-Structure and Management of End User Computing

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Abstract

The goal of this paper is to investigate the link between existing organization strategy-structure and the management of end user computing, in a multinational setting. This paper attempts to answer the question: Is there any consistency between the multinational strategy-structure and its end user computing strategy? The factors influencing the degree of fit between the organization strategy and end-user strategy will also be identified. Recommendations based on the preliminary investigation are made for tackling some of the problem areas. This preliminary investigation is followed by a detailed survey of multinational corporations. Though the results from the survey are not currently available, the initial results from the case studies in this research are presented and discussed.

Initial findings indicate an extremely loose fit between organizational strategy and end user computing strategy. Respondents indicate the need for formation of global teams, and the presence of a strong information technology department as critical to the successful management of end user computing (EUC) within the organization. Organizations in the initial investigation indicate that there is definitely a lack of "formal" global EUC strategy in their organizations. They find the best approach is a combination of delegation and the "hands off" approach. This hybrid approach is discussed more clearly in the case study presented at the end of this article.

Management of End User Computing in Multinationals

It is important to clarify that the term "multinationals" is the more general usage of the term and does not refer to the headquarters-subsidary typology introduced by Bartlett and Ghoshal (1989). Though it must be noted that this typology plays a critical role in the final goal of this study.

The globalization trend in the 1990's makes it pertinent for companies to adopt global strategies or redefine new ones. Developing and implementing global strategies involves the monitoring of a complex set organizational and environmental variables. Developing an information technology infrastructure that can enable an organization to successfully implement its global strategy can facilitate this. Ives and Jarvenpaa (1991) point out that "carefully crafted investments in global information technology can offer firms an opportunity to increase control and enhance coordination while opening access to new global markets and businesses."

EUC is an important technology resource, which needs to be managed effectively in multinational organizations. In fact, management of end user computing was ranked #18, in the 1991 study on information systems management issues, conducted by Niederman et.al. (1991). These multinationals have a lot to gain by harnessing the power of end user computing in the global business environment. But this cannot be achieved without an effort to find the best possible strategy for managing this critical resource. Also, there must be some level of fit between the overall organization strategy and the end user computing strategy. This goal is further complicated by multi-faceted nature of end users and the almost impossible task of grasping the global issues that are identified below.(Deans et.al., 1991).

Though these issues truly confound the attempts to develop any formal strategy for managing end user computing, multinationals do realize the importance of the global environment variables. Though most companies currently lack policies, rules, regulations standards for end user computing (EUC) they do attempt to deal with it informally. Based on the authors' preliminary investigation of multinationals it is clear that most of them follow some form of "mixed or hybrid approach." This may include combinations where the headquarters makes some informal recommendations for policies, standards etc. while the subsidiaries implement these policies by adapting to the local computing environment. Almost all the respondents felt that it would be a mistake for headquarters to impose their solutions on subsidiaries. They felt that the only way this may be possible is by setting up a global team, which could then decide on a reasonable EUC strategy for the organization. But the overall benefits from such effort may be marginal and could lead to further complications.

List of Issues in the Global Environment

Environment	Issues
Political/Legal	- transborder data flow restrictions, legal restrictions on hardware and software, telecommunications deregulation etc.
Technological	- regulatory strategies, vendor support in foreign countries, price and quality of telecommunications, level of IT sophistication, etc.
Social/Cultural	- local cultural constraints, language barriers, work habits, etc.
Economic	- National infrastructure, export restrictions etc.

Source: *Compiled from Deans et.al., 1991*

Company A: Case Study

The company examined in this case study is a well-known company in the computer industry. They are known for their innovative style of management and superior products in the computer printer market. The end user support style is designed around two main functions - job type and application. The company has standardized most "internally" developed applications but follow a "hands off" policy regarding most other applications. There is high degree of standardization of hardware for sales personnel since it allows a efficient support mechanism. Managers in the company felt confident that the "hands off" policy works better with their subsidiaries and collaborations in other countries. They seem to trust the ability of their counterparts in other countries to determine their own standards for business operations, including end user computing. The only exception was the development of inter-organizational systems. They did not seem to have much information about such development initiatives but felt the need for greater level of standardization in this area.

Based on the initial survey and discussion with managers from these multinational companies it is clear that a hybrid (mixed) approach may be the best alternative. This will largely depend on the organizational structure and strategy. Currently, there does not seem to be a consistent link between the Bartlett and Ghoshal (1989) typologies and the multinational EUC strategy. This may change when the aggregated data is analyzed.

References

Available upon request.