PRACTICES OF INFORMATION SYSTEM PLANNING IN MALAYSIA

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ABSTRACT

Although there has been research on Information System Planning (ISP), most of this was carried out in America, Europe or Singapore. There are very limited studies done on IS planning in Malaysia. This paper examines IS planning in the context of the most important sectors in Malaysia such as banking or insurance, manufacturing, education, public sectors or government sectors, telecommunications, IT Services and trading sector. Furthermore, the paper also examines how the decision making process is done in an organization. By looking at the overall survey, it can be concluded that all of these sector respondents agree that there is a need for a specific department or unit to handle the decision making process. Furthermore, managers, who are involved in the decision making process sometimes use historical data to assist the decision making process in all types of industries.

INTRODUCTION

Information System Planning (ISP) has become an increasingly important topic for both researchers as well as practitioners. ISP is the process of identifying a portfolio of computer-based applications that will assist an organization in executing its business plans and business goals.

ISP includes all planning activities that are directed towards identifying opportunities for using information technology to support the organization's strategic business plans and to maintain an effective, efficient IS function. ISP identifies applications with a high impact and the ability to create an advantage over competitors.

ISP is a top concern to most chief executives since many companies are currently seeking new ways to leverage information technology (IT) to streamline internal operations, lower costs and differentiate products or services in order to complete more effectively in the global environment. The writer has reviewed the literature (Anon., 2002, Lederer and Mendelow, 1993 and Premkumar and King, 1994) before conducting the research.

To summarise, there were very few studies to examine IS planning activities in Malaysia. Most of the studies were done in America, Europe and Singapore. In order to collect information on Malaysia, the author has classified the main sectors in Malaysia and used questionnaires to gather the information.

METHODOLOGY

The data gathering is done through conducting a survey by distributing the questionnaire throughout seven industries. This questionnaires consists of 19 questions in all, which can be categorized into three sections. The first section seeks information on an organization's background. The second section

Table 1. Number and percentage of respondents based on sectors.

Sector	Number of Respondents	Percentage
Education	60	29.27
IT Services	50	24.39
Public Services/Government Sectors	30	14.63
Manufacturing	20	9.76
Banking/Insurance	20	9.76
Telecommunication	15	7.32
Trading	10	4.88
Total	205	100

focuses more on the decision making also known as policy planning and the final section deals with the implementation of the decision.

The data collected by distribution of the questionnaire to respondents from various levels of management and also from the seven different industries shown in Table 1.

RESULTS

There were 205 respondents from various levels of management as well as from different sectors. The majority of respondents are from the education sector which is 29.27% whereas the minority of respondents are from the trading sector which is only 4.88% of the overall respondents. The percentage of respondents based on sector is shown in Table 1.

IMPORTANCE OF INFORMATION SYSTEM IN ORGANIZATION

Need for IS in an organization

The author illustrates the importance of Information System (IS) in the different kinds of industries. In the overall analysis, 72.2% from 205 respondents strongly agree the support of IS is very important in their organizations, followed by 7.8% who disagree or strongly disagree on its importance. This shows that IS plays an important role in an organization which will lead towards the decision making process.

The author also analyzed the percentage of allocation for various types of industries. The author concludes that the IT Services (52%), Banking / Insurance (45%) and Education sector (35%) respondents from their respective sectors stated that the percentage allocation given to IT Department is more than 14% compared to the Trading (70%) and Public sector. 53.3% of the respondents from the respective sectors state that the percentage allocation of IT Department is just less than 3%. In both sectors, the placement of the IT Department in their organization is not as important as in the other sectors.

IMPLEMENTATION OF SISP

Involvement During Implementation of SISP

Here, the author emphasizes the issue of involvement of various levels of management during the implementation of SISP which is summarized in Table 2.

The Implementation of SISP in the Education Sector

In this section, the author illustrates the