Strengths and Weaknesses of Global IS

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This paper provides insights into the strengths and weaknesses of global information systems. In order for organizations to meet technological, environmental, organizational requirements to improve their products, services’ competitiveness and quality, they need to be run and managed effectively. Thus organization’s management can use many strategies to reach the organizational objectives through reengineering, knowledge management, standardization, and automation. Many benefits for global organizations to gain from implementing global information systems such as saving costs, improve the task modularization, and access to a large skilled workforce. However, global IS has some weaknesses that organization managers have to be aware of before implementing their global IS such as the social impact of the workforce and the sensitivity of the information.
Strengths and Weaknesses of Global IS

The investment in information technology can provide organizations with direct competitive advantage in the global market. Organizations are obliged to use their worldwide network to ensure that their products, which produced in United States are appropriate for worldwide users. Thus the designated information systems have to be usable and appropriate for the global need. For example, lawyers of a large oil organization use the organization’s worldwide system to conduct the international contracts. In the international banking systems, the information systems use to calculate profits, manage the currency risks, and allow the organization to operate the market currency virtually around the clock. Consequently, global organizations have begun to respond to the global increasingly competitive market through adopting their global interactive strategies (Ives & Jarvenpaa, 1991).

Global eSourcing and Information Systems

In order for organizations to meet technological, environmental, organizational requirements to improve their products, services’ competitiveness and quality, they need to be run and managed effectively. Thus organization’s management can utilize many strategies to reach the organizational objectives through reengineering, knowledge management, standardization, and automation. In addition, the organizational use of information and communication technology has enabled the international sourcing that help managers achieve the organizational objectives (Yikun, 2010).

Global IS Strengths

Global information systems compensate the globalization in general for both organizations owned by many partners and organizations owned by no one.
Global IS Strengths of Multi Partners Organizations

The strengths of the global information systems reside at the benefits that organizations would harvest as a result of implementing them. Global information systems have essential benefits to global organizations through reducing the development duration of the organization’s software development model. In addition, global information systems benefit the organization in coast savings related to the use of the eSourcing, provide organizations with the opportunity to work development through cross-site modularization, organizational greater innovation, best practices transfer, and facilitate closer propinquity to customers and markets. Meanwhile, Global information systems are facing the challenges of the socio-cultural, geographical, and temporal distances. Thus both eSourcing service providers and client have to pay close attention to the whole eSourcing process including the hidden information system within the process (Yikun, 2010).

- **Cost Savings**

  Global information systems benefit organizations in the area of cost saving through the leverage of hiring cheaper employees from low-cost economy countries with low wage. As the global organizations need to be in full control over its coordination and communication overhead, they also need to select lower value-add, non-critical, and less complex tasks to be off-shored to achieve the organizational objectives (Yikun, 2010).

- **Improving the Task Modularization**

  The system structure is a mirror image of the organizational structure that designed it and team structured is determined by the product architecture, which helps managing the complexity of coordination. To harvest this benefit, organizations must set
the scoop of delivery baseline, develop an implementation plan, and agree to the
development process of delivering products and services (Yikun, 2010).

- **Access to Large Skilled Workforce**

  Global organizations have the opportunity to expand and develop their software
activities through including hundreds and thousands of highly skilled workers’
contributions regardless of their location to form virtual global organizations. However,
not all highly skilled desirable workers are available to join the organization. Thus to
harvest this benefit, the organization must identify and select the candidate countries and
analyze the social, cultural, and legal environment and generate list of the needed
workforce and countries that fits the organization’s global employment requirements
(Yikun, 2010).

- **Proximity to Customer and Market**

  Global organizations also have the opportunity to establish subsidiaries in
countries where the global software development allow the organizations to develop the
software close to their customers and to increase the local market’s knowledge. To
harvest this benefit, organizations need to sharing knowledge through revising their
management structure. The organizational information supporting systems should
incorporate the country-related market, appraisal databases, trade statistics, and industry
databases (Wang, Heng & Chau, 2010).

**Global IS Strengths of No Owner Organizations**

As earth is the only planet that mankind lives, it has become the mankind’s responsibility
to utilize the life resources and to protect and optimize the planet’s environment. However, the
reality shows that earth’s supply of the natural resources is in crisis after the extensive era of
industrialization. Consequently, the earth’s environment that mankind rely on is brutally
damaged by the human activities and the needed resources for living have become threatening
the living condition of human ubiquitously. Thus it is important for mankind to know,
understand, and manage the earth to protect it through the use of the information technology to
improve the life’s quality. To protect earth using the information technology, the concept of
Digital Earth showed up to realize that the virtual earth has dynamic and three-dimensional
features integrated with enormous amount of data (Guo, Liu & Zhu, 2010).

The earth’s three dimensions are the space science, information science and earth science.
The combination of the three science dimensions have profound a revolution in science and
technology and since it gives directions to understand the earth and manage it. The digital earth
concept has increased the human awareness of the importance of the information technology and
science to protect the planet earth. However, the awareness and addressing the social, cultural,
scientific, educational, and technical challenges is not the only resolution to protect the planet, but
the resolution is to allow human to access to all information that help to understand and persuade
the economic, environmental, and social issues that affect their nations and the planet earth. To
allow the mankind to access to all needed information, advances in communication technology,
networks, and space information technology systems have been established to create an earth
system science that results in the rise of digital earth data sharing platform (Guo, Liu & Zhu,
2010).

**Global IS Weaknesses**

The information systems development affects the structural changes of the traditional
organizations, society, and the human behavior. To increase the meaning of competences within
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an organization, internal structural changes have to be made and external changes through cooperation with other organizations has to be established (Kierzkowski, 2007).

- **Social Impact**
  
  Global information systems entail the execution of a group task. Therefore, stressing the importance of the individual effort is important to ensure the success of the group task. Global IS counts on virtual teams with different social, culture, languages, and backgrounds, which in some culture working in teams has negative impact on the team productivity and reduces the team performance not because of diminished ability, but because diminished effort owing to individuals lack of motivation to contribute their full potential (Blaskovich, 2008).

- **Information Capacity**
  
  Organization’s investment in Information Systems internally will increase the organizational information capacity by reducing the overload of information on the organization’s communication channels that usually occurs consequently to Global IS (Mani, Barua & Whinston, 2010).

- **Information Security**
  
  Organizations may use Global IS save cost of information technology. However, organization’s management has to evaluate the sensitivities of organization’s information, especially information regarding the organization strategic planning before implementing the global IS. In some cases, is not advisable of organization to use Global IS to handle certain information through outsourcing services or through virtual teams and keep the sensitive information in-house to have overall control over the organization’s strategic decisions (Gulla & Gupta, 2009).
Conclusion

Global information systems have essential benefits to global organizations through reducing the development duration of the organization’s software development model. In addition, global information systems benefit the organization in cost savings related to the use of the eSourcing through the leverage of hiring cheaper employees from low-cost economy countries with low wage, help organizations to expand and develop their software activities through including hundreds and thousands of highly skilled workers’ contributions regardless of their location to form virtual global organizations, and help organizations to establish subsidiaries in countries where the global software development allow the organizations to develop the software close to their customers and to increase the local market’s knowledge. However, global IS has weaknesses as well in regards of social impact on individuals’ performance within teamwork, the organizational informational capacity overload on organization’s communication channels, and the information vulnerability.
References


