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## INFORMATION SYSTEMS IN ORGANIZATIONAL CONSTRUCT FOR SMALL AND MEDIUM ENTERPRISES

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### ABSTRACT

**Introduction:** *Organizational survival in today's volatile economic climate requires nimbleness, speed, and the capacity for process and product innovation.*

**Aim of the study:** *the main aim of the study is Information Systems In Organizational Construct For Small And Medium Enterprises*

**Material and method:** *The field of information systems (IS) is defined by ongoing technical advancements. The use of IS for commercial advantages is evolving at a similar rate.*

**Conclusion:** *This study represents a significant effort to interpret the SISF in the Indian setting.*

## 1. INTRODUCTION

### 1.1 OVERVIEW

Organizational survival in today's volatile economic climate requires nimbleness, speed, and the capacity for process and product innovation. While IS is widely believed to contribute to an organisation's adaptability, there is mounting evidence that suggest otherwise. Even though companies spend a lot of money on information systems, most of them fail to live up to expectations. Some of these are seen to be crucial to the long-term effectiveness and adaptability, or success, of information systems.

Understanding the present state of IS success and doing analysis to get perspective on the full process of IS success and its impact on company performance is helpful before making any specific proposals while considering the major aspects which determine the IS success.

With the recent fast growth of information technology, an increasing number of businesses are increasingly embracing computers, software, and cutting-edge management theory to improve their operations. The software created expressly for this function is called a



Management of Information System (MIS). A strong information management system is crucial for the success of small and medium-sized businesses (SME). Requirement analysis is the most important part of developing a successful MIS for a small or medium-sized business.

## 1.2 SMALL AND MEDIUM ENTERPRISES (SMES)

There is no doubt that a country's economy benefits greatly from the contributions of its small and medium-sized businesses (SMEs). Considering their limited resources, small and medium-sized enterprises (SMEs) are increasingly acknowledging the need of optimising their potential for job creation, technical innovation, inter-sectoral linkage promotion, export growth, and the cultivation of entrepreneurial skills. Their mobility helps to even out regional disparities because of their locational versatility. According to market researchers International Data Corporation (IDC) India, over 70% of Indian businesses fall under the SME segment, with an overall market estimated at around \$5billion in 2003. This is a clear indication of the potential of this segment, with the key characteristics of being extremely price conscious.

Given their strategic relevance in any debate about restructuring the industrial sector, the future of SMEs is of vital governmental concern. Compared to other developing nations, India's history of government assistance for the small-scale manufacturing sector since independence is quite long.

## 2. LITERATURE REVIEW

**Puspitawati, Lilis (2021)** Accounting information is becoming increasingly important for making long-term business decisions. Managers rely on accounting information to make informed decisions about the future of their firm, but the present state of the economy has made it impossible for many businesses to create high-quality accounting data, leading to the creation of ineffective financial strategies. Using a simple random selection technique, 312 managers from the total population of 472 managers at state-owned firms were selected for the study. Covariance-based structural equation modelling tests data in Lisrell (SEM).

**Canhoto, Ana & Quinton, Sarah & Pera (2021)** The synchronisation of digital strategies is a key challenge for managers and information systems experts nowadays. Using dynamic capabilities as the analytical lens, we look at how 43 SMEs from the United Kingdom, Ireland, Italy, and Spain have implemented digital alignment across five different industries.



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**Zsigmond, Tibor & Machova, Renata & Zsigmondová, Annamária (2021)** Throughout the last two decades, the subject of identifying the success determinants of transformation and strategic management has received a lot of attention. This article's objective is to assess the marketing tactics used by small and medium-sized businesses that provide catering and tourist services. 107 completed interviews served as the basis for the qualitative analysis. An Independence Test was used after developing two hypotheses. Using the Chi-square Test and Cross Table Analysis, it was possible to look at the correlation between two non-metric variables. The data gathered indicate that there is little correlation between the size of the company and strategy awareness. There is no correlation between the business's size and the rating of its primary success element. Research Limitation/Impact: The pandemic condition brought on by COVID-19 made it difficult to conduct research and collect data from SMEs. The interviews with corporate representatives could be done online since the study was constrained by outside factors. Originality/Value of Paper: This study looks at how well the SMEs participated in the study do at communicating with their staff about the company's values and objectives. It contributes significant insights in the area of strategy management, which benefits providers by enabling them to provide top-notch services.

**Kitsios, Fotis & Kamariotou, Maria (2021)** The present harsh situation might make it difficult for businesses, especially small and medium-sized ones (SMEs), to manage their finances. This could result in a loss of administrative, technical, and human resources, which would ultimately limit their ability to handle the crisis. In the realm of information technology (IT), SMEs need a roadmap for successful decision-making, and MCDA-based decision-making procedures foster innovation and entrepreneurship. The information was acquired from IS executives in 294 Greek Businesses. Managers may be able to comprehend how IS strategy helps the creation of novel technologies by using the findings of this article to identify chances to improve company development and innovation.

**Gavurová, Beáta & Cepel, Martin & Belas (2021)** The effects of gender, managerial training, and years in company on perspective are also investigated. The survey was administered online between September 2019 and April 2020 throughout the V4 countries. The findings were really interesting. When analysing the diversity of small business owners' perspectives on the proposition that strategic management is essential for corporate governance, it is useful to take into account how long SMEs have been in operation. Managers' perspectives on strategic management and strategic business risks are not influenced by the amount of time a SME has been in business, the managers' educational backgrounds, or the managers' sexual orientation. The results can serve as a springboard for developing national and regional strategies.



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### 3. METHODOLOGY

The field of information systems (IS) is defined by ongoing technical advancements. The use of IS for commercial advantages is evolving at a similar rate. A greater knowledge of how IT may be used to enhance organisational performance is required given the quick changes in organisational and IT structures. Process capacity, functional efficiency, and organisational effectiveness are some of the areas of attention in IS planning research. The greatest level of planning, however, is the strategic planning for IS, which focuses on how to leverage IT for strategic and competitive advantage. The strategic business planning streams are mostly followed by the research methodologies in the trend. Strategic IT planning and strategic business planning share formal methodologies, roles, research philosophies, and kinds of research methodologies.

#### 3.1 DATA COLLECTON

One of the essential elements of case research is the connection of data to the study dimensions. In case studies, many data gathering techniques are commonly used. The ideal scenario is for the results of the investigation to be supported by data from two or more sources. The study focuses on problems associated with developing strategies, including decision-making processes, power dynamics, and politics. Interviews are thus a suitable approach for gathering data. The "key informants" strategy is mostly used in the current study's interview data collection. Annual reports, IS goals, and IS strategy documents all underwent verification.

### 4. RESULTS

#### 4.1 CASE ANALYSIS OF SITE- 1

The information considered for the study is relevant to this site's two planning periods (1994–1997 and 1997–2000). The study is based mostly on a qualitative method, which involves pattern identification and, in the end, pattern comparison across locations. Nevertheless, the variables are labelled based on an Ito 5 rating scale to allow for easier comparison. The essential factors, which are assessed depending on certain characteristics, are used to determine how to measure the component variables of constructs. A scale of Ito 5 is used for measuring at the factor and variable levels. The average of the variables' factors is used to get the variables' measurements. By averaging the results of the variables, the constructions are determined and are shown in a table. For further study, a qualitative conclusion is generated along with the construct scores.



### 4.1.1 SISP Context

Two constructions make up the SISP context. The second component, called IS Organization, comprises of IS function's structural elements. The stability of the IS organisation and the degree of user participation. In the sections above, the examination of these two constructs is offered.

#### 4.1.1.1 IS CONTEXT

The IS Context is the initial component and includes the market position, corporate strategy, the existence of an IS vision, and the external IS environment.

#### 4.1.1.2 Competitive Position

Market share, financial performance, leadership in terms of capacity to address new market difficulties via product- and cost-related strategies, and the ability to innovate are all components of a competitive position.

The following table shows the average of the three scores, which are all totalled.

Variable	Score
Competitive position	4

The same process is used as before to analyse the other variables. All of the variables' factors' measurement information is displayed.

#### 4.1.1.3 Business Planning

The Board of Directors meets once a year to discuss business planning, including setting broad organisational objectives and discussing Suzuki and the company's joint initiatives. The MD asserts that the company's business planning procedure is well regarded due to the engagement of senior management and the efficiency of the timeframe. Departmental meetings once a week help to further assure top-down planning and execution. The firm used to not have any long-term planning since the main objective was to fulfil demand and resolve any underlying problems. The first 10-year perspective plan, however, was created after a thorough examination of the business and economic environment. Production levels, marketing tactics, quality standards, and the degree of Technology exploitation are all covered by the strategy.



Variable	Score
Business planning	4

#### 4.1.1.4 Existence of IS Vision

Efficient manufacturing, sales, service, and financial management all begin with a solid grounding in systems and computerization. According to the company's annual report from 1987–1988, "we would continue to develop our capabilities in this area in the future to handle the rising complexity of our business as we diversify our goods and markets." A report on the success of IT in the business was given by one of the former MDs at a national conference. There was never a time when the IT budget was carefully examined with a view to cutting costs. When cost-cutting measures were implemented recently across the board for the whole organisation, the IT department was the only one that was unaffected. The MD declares, "We are happy of our firm's standing as a major user of IT, as it has provided the company with noteworthy advantages.

Variable	Score
Existence of IS vision	5

#### 4.1.1.5 External IS Environment

The GM said, "The accessibility of technology has been a concern for us" (ITD). "Large suppliers of such items were not accessible to provide help when the firm wished to adopt an integrated package for all internal systems," claims the GM (ITD). According to DM(SM) the techniques have not been much constrained by the availability of technology. The technical and regulatory settings, however, did not support the concept for protecting the dealers and suppliers online using VPNs, according to DM (SMD) and DGM (Marketing). Also, for the same reasons, the strategy for boosting e-commerce with clients, suppliers, and dealers was postponed. They go on to say that these elements have a significant impact on their strategic uses of IS. No IT efforts have been postponed or abandoned, according to DM (Mat & S), due to a lack of funding or for any other reason. Technology environment, legal environment, and the price of goods and services each received ratings of 3, 3, and 5, respectively.

Variable	Score
External IS environment	4





Table 4.1 provides a summary of the IS context variables' scores. The construct score is calculated from the average. The qualitative finding that highlights the construct's main finding is shown in the table below.

**Table 4.1 a build score IS First Site Context**

Variable	Score
Competitive position	4
Business planning	4
Existence of IS vision	5
External IS environment	4
Average score for the construct	4

Even if the emphasis shifted from manufacturing to marketing due to competition demands, the firm remains the industry leader. The business has a structured long-term planning process and a three-year strategic plan, both of which involve IS as a crucial component. The business benefits from a favourable IS environment that supports it IS objectives.

Table 4.2 provides a summary of the IS organisation variables' scores. The construct score is calculated from the average. The qualitative result that highlights the construct's main finding is shown below the Table.

**Table 4.2 score for the IS Organizational Construct at Site 1.**

Variable	Score
Structure of IS organization	4
Stability of IS organization	4
Level of interaction with users	5
Average score for the construct	4

The organization's IS department has a distinct centralised structure, reporting, and stability. For both proactive and reactive corporate IS needs, the IS department has been



able to maintain solid relationships. They have aided in the planning and execution of the SISP.

## 5. CONCLUSION

This study represents a significant effort to interpret the SISP in the Indian setting. Our case study-based empirical and exploratory research has allowed us to isolate and quantify the most important factors in formulating IS strategies. The study's goals included examining the background, implementation, and results of SISP in India and offering a strategy for its implementation.

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