



Business Pressures, Organizational Responses, and IT Support Among the Top Corporations in Metro Manila

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Abstract - The efforts and uses of the Information Technology (IT) in different top companies is to provide complete, timely, and accurate transaction processes, communication and interaction. IT also reduce information overload, redundant data process, provide support for manager's decision making and provide a competitive advantage among its competitors. Furthermore, majority of companies in Metro Manila nowadays improved productivity through innovation in IT and applied new technology and developed new strategies that helped promote and facilitate their business, and streamlined their processes and enhanced decision making.

The proponent will discuss and describe the business pressures encountered by the interviewed / respondent companies; as well as their IT support in able to respond to these business pressures. The proponent would also discuss why IS / IT are important to modern organizations in Metro Manila, Philippines.

The data gathered (survey and interview results) from the respondent companies was used to discuss the business pressures confronting the top 100 corporations in Metro Manila namely in the following sectors: Service, Manufacturing and Merchandising Corporations, and how these companies respond to their business pressure. Based on the surveyed and interviewed respondents, there are three types of business pressures that the companies are facing now : Market Pressure, Technology Pressure, and Societal / Political / Legal Pressure.

Keywords - Business Pressures, Organizational Responses, Information Technology, Information System, IT Support.

I. INTRODUCTION

A. Background of the Study

Modern organizations must compete in a challenging environment. Companies must react rapidly to problems and

opportunities arising from extremely dynamic conditions. These companies often facing some business pressures that are confronting them, and they need to come up with some organizational responses or IT solution to solve these business pressures or business problem. [1] .

According to Stair and Reynolds [2], "Computer and information systems are constantly making it possible for organizations to improve the way they conduct business. And knowing the potential impact of information systems and IT support, and having the ability to put this knowledge to work can result in a successful personal career and organizations that reach their goals. Information Systems must be applied thoughtfully and carefully so that society, business and industry around the globe can reap their enormous benefits and solve business problems."

B. Rationale of the Study

The proponent has the interest to know the different business pressures facing by different top corporations in Metro Manila, Philippines. It is worth knowing because IT support to the organizations constantly helped companies to improve the way they conduct business and make sure that it continues to meet their goals and objectives, and to cut costs and increase profits. Innovation in IT has changed the way the company work in recent years.

C. Statement of the Problem

What are the some of the business pressures confronting the top modern organizations in Metro Manila Philippines, and how organizations are responding to these pressures ?



D. Objectives of the Study

The general objective of the study is to enumerate and describe the business pressures confronting the 86 corporations in Metro Manila, Philippines, and to determine the organizational responses and IT support adapted by these 86 corporations in Metro Manila in responding to all those business pressures.

E. Scope and Limitation

The respondent of this research study will be limited to 86 corporations in Metro Manila, Philippines.

The data gathering was assisted by proponent' students in Business Management Information System class (1st term AY 2009-2010), and it was limited to 100 top corporations based on their gross revenue in Metro Manila, Philippines which was stated in Business World Magazines (Volume 22) published early 2009. Business World Top 1000 Corporations in the Philippines is published annually by Business World Publishing Corporation, with editorial offices at 95 Balet Drive Extension, New Manila, Quezon City, Metro Manila, Philippines.

At first, the limitation of the study was limited to top 100 corporations based on their gross revenue which was stated in Business World magazines, but unfortunately, not all the 100 corporations responded. Some of them are not willing to be surveyed nor interviewed. Out of 100, only 86 corporations responded. In addition, only these 86 companies were accessible and located in Metro Manila.

The respondent also had a hard time to assess the data gathered from the companies. The data gathered was presented in narrative explanation format, this give the proponent a hard time in coding the data. Another limitation of the study was that there are some business pressures, IT supports and other important details and information were not mentioned or discussed clearly by the interviewee respondent of the corporation. And many companies also claimed that these information are kept confidential by their companies.

organizations. Organizations typically respond to these pressures with activities supported by IT.”

Figure 1 shows the relationships among business pressures, organizational performance and responses, and IT support. Here we focus on three types of business pressures that organizations face : market, technology and societal pressures. Organizations responding to these business pressures by implementing IT.

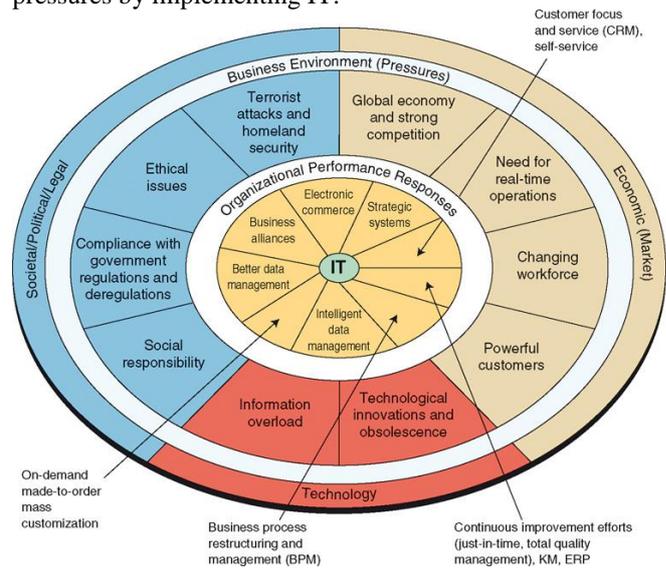


Fig. 1 : Schematic Diagram of the Conceptual Framework

B. Operational Framework

Adopted from the Conceptual Framework of Rainer and Turban (2009), the Business Pressures and Organizational Responses will serve as the variables of this study in terms of :

II. FRAMEWORK

A. Conceptual Framework

The conceptual framework of the study is based on (or adopted from) Rainer and Turban [1] which states the following : “The business environment is the combination of social, legal, economic, physical, and political factors that affect business activities. Significant changes in any of these factors are likely to create business pressures on

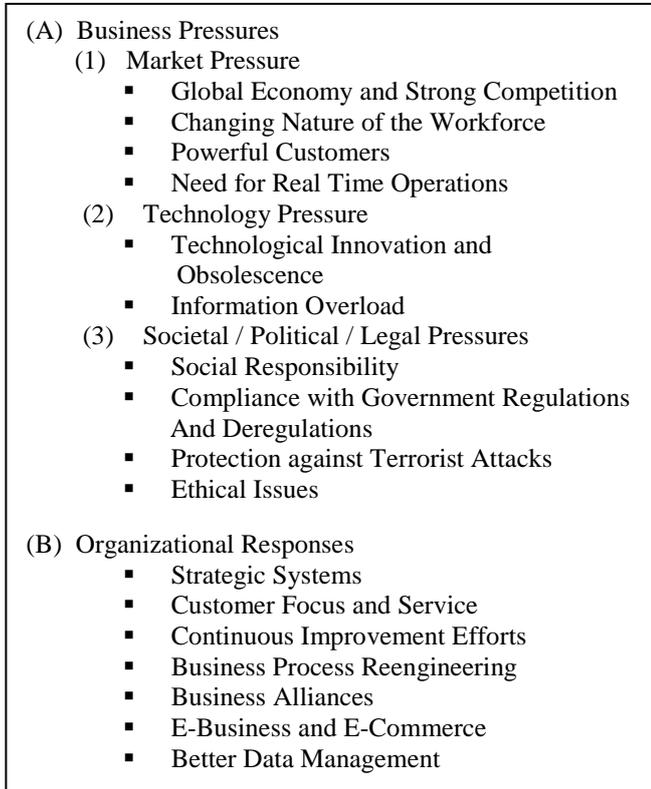


Fig. 2 : Variables of the study

III. RESEARCH METHODOLOGY

A. Research Design

The research design used was descriptive. The data gathered (survey and interview results) from the respondent companies will be used to discuss and describe about what Business Pressures encountered by 86 corporations in Metro Manila, as well as their Organizational Responses and IT Support.

Among the 150 list of corporations, only 86 companies responded. 38 companies (or 44.19 %) were Service companies which includes oil refineries, electric distribution, wireless service, banking, power service, port management, media, financial institution, utility, real estate, telecommunications, transportation, infrastructure, water, call center, and insurance companies. 12 companies (or 13.95 %) responded were Manufacturing companies which includes food, automotive, agriculture, beverage and beers,

pharmaceutical, pediatric nutrition, cement, packaging companies. And 36 companies (or 41.86 %) were merchandising companies which include shopping and retail, supermarket, warehousing, beauty products, LPG and Petroleum companies.

B. Sampling Plan

The secondary data collected during 1st term Academic Year 2009-2010 from the corporation interviewed by BUSIMIS students as the basis of data for this research study.

C. Method of Data Analysis

Primary data was tabulated in a data set, and the data was analyzed using the frequency and percentage distribution. Since the data gathered presented in narrative paragraph form, content analysis will be used by the proponent in coding the data. And the data was presented also in frequency distribution table format and context narrative discussion.

IV. RESEARCH FINDINGS

The purpose of using the conceptual framework stated in the previous section is to determine the business pressures encountered, and organizational responses adapted by different corporations in Metro Manila. This would also describe the social context and corporate culture of the companies studied – the values and beliefs that determine what is admissible and possible within the culture of their corporations involved.

A. Business Pressures

TABLE 1 :
 FREQUENCY AND PERCENTAGE DISTRIBUTION RESULTS
 WITH REGARDS TO MARKET PRESSURES

	Frequency (n = 86)	%
1. Global Economy and Strong Competition	77	89.5 %
2. The Changing Natures of the Workforce	24	27.9 %
3. Powerful Customers	33	38.4 %
4. Need for Real Time Operations	21	24.4 %

In table 1, it shows that 77 out of 86 respondents (or 89.5 %) mentioned that the business pressure that they're facing right now was the global economy and strong competition. They mentioned that they need to have a better telecommunications system which can respond to their



globalization pressures. They have a lot of strong competitors, it increased competition for market share and labor resources.

33 out of 86 respondents (or 38.4%) mentioned that they have powerful customers. Customers are now more demanding, they ultimately want detailed information about products and services. They expect to have products and service with high quality and low cost, at the same time, product which is “free, perfect, and now”.

While 24 respondents (or 27.9 %) mentioned changing natures of the workforce. Work force is changing rapidly and becoming more diversified, many organization are becoming transnational.

And 21 respondents (or 24.4 %) mentioned that they need for real time operations. Respondents mentioned that their companies sometimes has the problem of “information float”, they need high-performance telecommunication technologies to reduce time lag. Many of the companies still experienced slow, paper-based, manual and mail-based transactions.

TABLE 2
 FREQUENCY AND PERCENTAGE DISTRIBUTION RESULTS
 WITH REGARDS TO TECHNOLOGY PRESSURES

	Frequency (n = 86)	%
1. Technological Innovation and Obsolescence	61	70.9 %
2. Information Overload	9	10.47 %

In table 2, it shows that 61 out of 86 respondents (or 70.9 %) mentioned that they are now facing technology pressures of Technological Innovation and Obsolescence. The companies are being pressure to have faster obsolescence or products, shorter life cycles, increasing quality standards and etc. They are forced to experiment and continuing innovation with computer technologies.

While 9 respondents (or 10.47 %) mentioned that they have Information Overload problem in their company. The respondents mentioned that Internet and other telecommunication networks have now increase the amount of information available to organization and individual. Many of their managers and employees are at a risk of “analysis paralysis” – which is bombarded with so much potentially useful information. That they feel compelled to consider vast amounts of it before taking action.

TABLE 3

FREQUENCY AND PERCENTAGE DISTRIBUTION RESULTS
 WITH REGARDS TO SOCIETAL / POLITICAL / LEGAL
 PRESSURES

	Frequency (n = 86)	%
1. Social Responsibility	36	41.9 %
2. Compliance with Government Regulations and Deregulations	18	20.9 %
3. Protection against Terrorist Attacks	5	5.8 %
4. Ethical Issues	15	17.4 %

In table 3, it shows that 36 out of 86 respondents (or 41.9 %) mentioned that they have Societal / Political / Legal Pressure of Social Responsibility. They mentioned that they have some social issues affecting their corporation. Some corporations were failed to accept Social Responsibility which result in employee dissatisfaction, a tarnished corporation reputation with the public, and some government sanctions.

Rank number 2, 18 out of 86 respondents (or 20.9 %) mentioned that they have compliance problem with government regulations and deregulations. They encountered some difficulties in terms of compliance to the government policies.

15 respondents (or 17.4 %) mentioned that they have some Ethical Issues problems. They mentioned that the use of I.T. is raising many new ethical issues, ranging from surveillance of email to the potential invasion of privacy of millions of customers whose data are stored in private and public databases, hacking issues, using of piracy software, violations of e-commerce law and etc.

And 5 respondents (or 5.8 %) mentioned about protection against terrorist attacks. Since Sept. 11, 2001, many organizations in USA have been under increased pressure to protect themselves against terrorist attacks. And in Philippines, the companies in Metro Manila also has the fear of being hacked, they want to protect their system by providing security systems, surveillance cameras that will help them to prevent cyber-attacks.



B. Organizational Responses

TABLE 4
 FREQUENCY AND PERCENTAGE DISTRIBUTION RESULTS
 WITH REGARDS TO THE
 ORGANIZATIONAL RESPONSES BY THE COMPANIES

	Frequency (n = 86)	%
1. Strategic Systems	30	34.9 %
2. Customer Focus and Service	52	60.5 %
3. Continuous Improvement Efforts	27	31.4 %
4. Business Process Reengineering	9	10.5 %
5. Business Alliances	19	22 %
6. E-Business and E-Commerce	8	9.3 %
7. Better Data Management	12	13.5 %
8. Others	25	29.1 %

In table 4, it shows that highest frequency count was 52, 60.5 % respondents mentioned customer focus and service. The companies paying more attention to customer and their preferences, they use all the efforts in meeting their customer demands. They even provide trouble shooting advise or help lines, and use IT to support customer service.

Rank number 2, 30 out of 86 respondents (or 34.9%) mentioned that they used Strategic Systems approach to solve their business problems. This would able to provide the organizations with strategic advantages in meeting their organizational objectives, enabling them to increase their market share, to better negotiate with their suppliers, or to prevent competitors from entering their markets.

Third highest, 27 out of 86 respondents (or 31.4%) mentioned that they have continuous improvement efforts to face their business pressures.

25 out of 86 respondents (or 29.1%) mentioned that they used team based structure, TQM (Total Quality Management), Cost Benefit Analysis, Just In Time, and etc. The companies emphasize improvement efforts to their productivity and quality.

On the other hand, 19 respondents (or 22 %) mentioned that they have form some business alliances. In response to some of the competitive pressure of the global economy, many companies mentioned that started to have alliances with other companies, even with their competitors, and it can be very beneficial. Some of their alliances were

sharing resources, establishing permanent suppliers-company relationships, creating joint research efforts and etc. Many companies now uses temporary organizational structures focused on specific projects, it aims to include any members of the organization who can make a contribution to the project.

While 12 respondents (or 13.95%) mentioned that the came up with better data management. Companies data was processed into information, and it was properly stored in databases.

Only 9 respondents (or 10.5%) mentioned Business Process Reengineering. The companies mentioned that they reengineered or redesign their organization. They automate all their manual system into computerized systems. And this result to flexibility in management, making their business processes effective, efficient and adaptable. And it also provides supports rapid and paperless transaction among their suppliers, manufacturers and retailers.

Lastly, 8 respondents (or 9.3%) mentioned E-Business and E-Commerce. Many companies adapted E-Commerce, ranging from electronic transfer of funds between buyers and suppliers, to Internet-based marketing, to intranet- and extranet- based information networks for both inter- and intra- organizational support.

V. CONCLUSIONS / OBSERVATIONS

The proponent embarked on this study in order to list down the business pressures and organizational responses based on the surveyed and interviewed from 86 corporations, and to disseminate them in the academic and business community. For the result findings of business pressures, rank number one was the global economy and strong competition. Second highest was the Technological Innovation and Obsolescence. Rank number three was Social Responsibility pressure. On the hand, for the result findings of Organizational Responses, it shows that rank number one was their customer focus and service. Rank second was the Strategic Systems approach. Rank number three was the continuous improvement efforts to confront their business problems.

Based on proponent’s observation, in this changing times, new technology and consumer wants must challenge these corporation to find innovative ways in dealing with their business or face the consequences of becoming irrelevant. The proponent would like to quote the statement of Rainer and Turban [1] that : “The business environment is the combination of social, legal, economic, physical and political



factors that affect business activities. Significant changes in any of these factors are likely to create business pressures. Organizations typically respond to these pressures with activities supported by IT. IT and IS are integral to our everyday life, IS field also offers many job opportunities, and lastly, all functional areas in a company utilize the use of IT and IS.

REFERENCES

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