TECHNOLOGY AND INNOVATION MANAGEMENT AWARENESS AND PRACTISE A CASE STUDY IN BRITISH AMERICAN TOBACCO GSD (KL) SDN BHD

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TECHNOLOGY AND INNOVATION MANAGEMENT $AWARENESS \ AND \ PRACTISE$ $A \ CASE \ STUDY \ IN$ $BRITISH \ AMERICAN \ TOBACCO \ GSD \ (KL) \ SDN \ BHD$

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A project report submitted in partial fulfillment of the requirements for the award of the degree of Master of Management (Technology)

Faculty of Management and Human Resource Development UNIVERSITI TEKNOLOGI MALAYSIA

OCTOBER 2010

To my Mother & Farther

ACKNOWLEDGEMENT

First and foremost, I acknowledge the constant support of my family. Thus, make possible for me to complete the project report entitled "Technology & Innovation Management Awareness and Practise a case study in British American Tobacco GSDKL Sdn Bhd. I would like to take this opportunity to express my gratitude to Dr. Aslan Amat Senin for her encouragement, support, supervision and guidance rendered throughout the entire project. Exceptional appreciation to British American Tobacco GSDKL Sdn Bhd for their assistance in participating in this project. Special thanks to my mother, farther and family members for their patience, continuous support and sincerity in order for me to complete this study. Last but not least, I would like to thank my friends and colleagues for their assistance and understanding throughout my studies.

ABSTRACT

Technology and innovation are two important elements in improving efficiency, productivity and competitiveness in organisations. Therefore, what differentiates successful organisations from others is their management of technology and innovation towards awarenees and practise. The objective of this paper is to investigate the Level of Understanding Technology and Innovation Management Awareness and Practise at BAT GSDKL Sdn Bhd based on Technology Audit Model developed by Garcia-Arreola (1996). It sought to assess the relationship between the employees' and organisation in managing technological innovation awareness and practices at BAT GSDKL Sdn Bhd. A descriptive research design was employed in this study, with data collected through the use of a two parts of questionnaire: the demographic data of respondents and the importance and performance on level of understanding of technology and innovation awareness and practices in BAT GSDKL Sdn Bhd by using the objective of this study. This study will be limited to the Local Management to the Senior Leadership Team in BAT GSDKL Sdn Bhd at Technology Park Malaysia, Bukit Jalil, Kuala Lumpur. Technology Audit Managment' questionnaires were used as an instrument to examine the respondents and interviews. Inferential statistics of ANOVA and T-test was used to examine the direct relationship involving the dependant variable: employees and organization toward level of understanding; and the independent variables: gender, race, designation, and education background. The result from this study is to assess the test is any significant assess on the organisation towards technology and innovation management awareness and practise BAT GSDKL Sdn Bhd and whereas second test as well revealed a positive relationship of statistically significant relationship between demographic factors of education and race among the tested variables through the nominal measurement. This test indicates that the variable had moderate impact on the strength between demographics factors and different level of understanding towards technology and innovation management awareness and practice. In furthering this study, it is also recommended for an indeed enhancement on the organisation understanding on toward technology & innovation management awareness and practise in BAT GSDKL Sdn Bhd.

ABSTRAK

Teknologi dan inovasi adalah dua elemen penting dalam meningkatkan kecekapan, produktiviti dan daya saing dalam organisasi. Oleh kerana itu, apa yang membezakan organisasi yang berjaya dari orang lain adalah mereka pengurusan teknologi dan inovasi terhadap kesedaran dan amalan. Tujuan makalah ini adalah untuk mengetahui Tingkat Pemahaman Teknologi dan Kesedaran Pengurusan Inovasi dan Amalan di BAT GSDKL Sdn Bhd berdasarkan Audit Teknologi Model yang dibangunkan oleh Garcia-Arreola (1996). Ini adalah unutk melihat hubungan antara pekerja dan organisasi dalam menguruskan kesedaran inovasi teknologi dan amalan di Sdn Bhd BAT GSDKL Sdn Bhd. Penilaian analisis deskriptif telah digunakan dalam kajian ini, dengan data yang dikumpul melalui penggunaan dua bahagian borang soal selidik: demografi data responden dan pentingnya dan prestasi pada tahap pemahaman teknologi dan kesedaran inovasi dan amalan-amalan di BAT GSDKL Sdn Bhd, dan di dibentuk berdasarkan objektif kajian iaitu di bahagian maklumat diri responden terhadap kepentingan dan pelaksanaan terhadap kefahaman terhadap tahap pengurusan teknologi & inovasi kesedaran dan amalan di BAT GSDKL Sdn Bhd . Analisis ini telah dihadkan kepada Pengurusan Lokal kepada Pengursan Senior di BAT GSDKL Sdn Bhd di Technology Park Malaysia, Bukit Jalil, Kuala Lumpur. Soalan-soalan 'Technology Audit Managment' digunakan sebagai instrumen untuk menguji responden dan kaedah wawancara. Dapat disimpulkan statistik ANOVA dan T-test digunakan untuk menguji hubungan langsung melibatkan pembolehubah dependen: pekerja dan organisasi terhadap tahap pemahaman, dan pembolehubah bebas: jenis jantina, bangsa, jawatan, latar belakang pendidikan. Hasil dari kajian ini adalah untuk menguji signifikan antara kesedaran terhadap teknologi dan inovasi pengurusan dan amalan BAT GSDKL Sdn Bhd dan sedangkan ujian kedua juga menunjukkan hubungan yang positif dalam hubungan secara statistik signifikan antara faktor demografi pendidikan dan bangsa melalui pembolehubah diuji melalui pengukuran nominal. Ujian ini menunjukkan bahawa pembolehubah moderat merupakan kekuatan antara faktor demografi dan tahap yang berbeza dari pemahaman terhadap kesedaran dan amalan. Dalam meneruskan kajian ini, juga disyorkan untuk meningkatkan tahap kesedaran dan amalah terhadap pengurusan technology dan inovasi di BAT GSDKL Sdn Bhd.

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

Post-industrial organisations today are knowledge-based organisations and their success and survival depend on creativity, innovation, discovery and inventiveness. In a National Research Council Report in 1987 MOT was defined as interdisciplinary field concerned with planning, development implementation of technological capabilities to shape and accomplish the operational and strategic objectives of an organization (Khalil TM, 2000). An effective reaction to these demands leads not only to changes, in individuals and their behaviour, but also to innovative changes in organisations to ensure their existence (Read, 1996). Companies of today are facing increased turbulence and complexity in the business environment. (D'Aveni, 1994) categorizes the situation in its extreme form as hyper-competition on creating both innovation and sustainable competitive advantage. This paper describes a conceptual model the technology and innovation management awareness and practise by BAT GSDKL Sdn Bhd. Especially in the last decades; company had to be seriously concerned with technology and innovation in order to be successful. The key to optimising organizational performance in the short-term and succeeding in the long-term is through innovation. Innovation is the only way to effectively close the gap between customer demands and decreasing resources. Innovation allows us to do more with less (Andrew Papageorge, 2003).

1.2 Problem Statement

Managing technological innovation in BAT GSDKL Sdn Bhd is important due to large capital of investment has been made by BAT GSDKL Sdn Bhd in the process of development and adopting of new technologies and measuring the technological innovation capabilities. BAT GSDKL Sdn Bhd is concerned with exploring and understanding technology and innovation awareness and practice as a corporate resource that determines both the strategic and operational capabilities of the firm in designing and developing products and services for maximum customer satisfaction, corporate productivity, profitability and competitiveness

In this research, the following questions must be addressed and to be considered apriority issues to BAT GSDKL Sdn Bhd. The central research question is subdivided into the following more specific research questions:

- i. What is the different level of understanding employee's awareness of technology & innovation management in BAT GSDKL Sdn Bhd?
- ii. What is the different level of understanding employee's practise of technology & innovation management in BAT GSDKL Sdn Bhd?
- iii. Is there a positive relationship between level understanding employee's awareness of technology & innovation management in BAT GSDKL Sdn Bhd?
- iv. Is there a positive relationship between the variables and the factor of demography?

1.3 Research Aim

The aim if the research attempts to provide an in depth level of understanding of the technology and innovation management in BAT GSDKL Sdn Bhd, from the aspects of awareness and practice using Technology Audit Model.

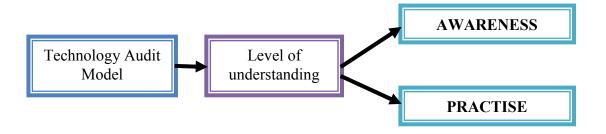


Figure 1.1 Research Aim

1.4 Research Objective

The objectives of the research were as follows:

- i. To determine the level of understanding towards technology and innovation management awareness in BAT GSDKL Sdn Bhd.
- ii. To determine the level of understanding towards technology and innovation practise in BAT GSDKL Sdn Bhd
- iii. To determine the relationship between factors (i) and (ii) by demographic factors such as gender, race, age, designation, work experience, and level of education in BAT GSDKL Sdn Bhd.

The concern of this research is to To determine the different level of understanding towards technology and innovation management awareness &

practise in BAT GSDKL Sdn Bhd. As well as to To determine the relationship between factors (i) and (ii) by demographic factors such as gender, race, age, designation, work experience, and level of education.

British American Tobacco GSDKL Sdn Bhd is one of the global information technology (IT) facilities and services unit, that has been selected to form a single virtual organization to provide IT shared services for British American Tobacco's businesses in the Asia Pacific region and globally. British American Tobacco Group Service Delivery is an organization that provides IT shared services for British American Tobacco's businesses in the Asia Pacific region and globally. Based in Technology Park Malaysia, British American Tobacco Group Service Delivery's four main lines of services are, Data Centre and infrastructure Management, Business Application and Technical Support, Business and Project Consultancy as well as IT Skills Development and Training. As a Centre of Excellence in IT shared services - we energise, develop, retain and attract the best individuals who have the ability and drive to deliver competitive advantage.

British American Tobacco has been in business for more than 100 years, trading through the turbulence of wars, revolutions and nationalisations as well as all the controversy surrounding smoking. The business was formed in 1902, as a joint venture between the UK's Imperial Tobacco Company and the American Tobacco Company founded by James 'Buck' Duke.

Despite its name, derived from the home bases of its two founding companies, British American Tobacco was established to trade outside both the UK and the USA, and grew from its roots in dozens of countries across Africa, Asia, Latin America and continental Europe. As core technology developments take longer than shorter product and service initiatives, by separating research and invention from product and service development, companies can achieve stretch without incurring too much risk.

Technology and innovation is about achieving business strategies and competitive advantage through the application of contemporary technology based solutions. Areas covered by technology include business analysis and consultancy, project management and information management.

About BAT Group Service Delivery (Kuala Lumpur) Sdn Bhd

IT is a £400m operation serving over 43,000 customers in 132 markets. We manage 10 Global IT systems, 180 Regional Systems, and over 1800 local systems with over 35,000 PCs. There are a single unified Function with three key subfunctions: The support functions (HR, Finance, Legal) along with Strategy, Planning & Transformation provide support services to the other sub-functions.

IT KPIs

These are the draft set of Key Performance Indicators (KPIs) we will use to measure the performance of the Function. We aim to measure these in Q3 2010 and will roll-out fully in 2011.

KPI Metric	Description	
IT Cost per User	Value Driver: Productivity A measure of total IT P&L cost divided by the number of IT users – an indicator of overall efficiency of IT when compared to other organisations	
IT Reputation (% Senior Stakeholders scoring at or above agreed Target)	Value Driver: Responsibility A measure of customer (i.e. Business) satisfaction with all aspects of IT as measured through interview & survey conducted as part of the Quarterly Account Plan review. Score is 1-4 and is a qualitative assessment of delivery against account plan vs expectations	
Applications per 1000 Users	Value Driver: Productivity A measure of the number of applications we support per 1000 users – an indicator of how effective we are in designing, deploying and migrating users to fewer global systems	

IT Incidents per User	Value Driver: Productivity A measure of the number of recorded Service D esk incidents in a month divided by the number of IT users – an indicator of IT Delivery & Service quality and availability.
% Projects Delivered to Time,Budget & Scope	Value Driver: Productivity Only applicable to IT component of projects. Design-Build-Test plan (inc agreed changes) vs actual
People (% of our People with Talent Capabilities meeting our Requirements)	Value Driver: Winning Organisation A measure of the % of our people that meet the required Technical capabilities based on our requirements.
IT Investment Forecast Accuracy	Value Driver: Productivity A measure of how accurate the IT Investment (money & resources) forecast is as measured as a % variance to actuals during a financial year. Measured each quarter through the QPR cycle
Business Value Enabled	Value Driver: Productivity Demonstrate how IT gives Business Value through IT investments made in Business projects and their associated Benefits Realisation

1.5 Hypotheses

There are three hypotheses that will explain the above discussion:

- i. There is positive relationship between employee's and management towards different level of understanding of technological innovation awareness in BAT GSDKL Sdn Bhd.
- ii. There is positive relationship between employee's and management towards different level of understanding of technological innovation practise in BAT GSDKL Sdn Bhd.

iii. There is a significant difference between gender, age, position, tenure, skills, and academic level in terms of level of understanding of technological innovation awareness in BAT GSDKL Sdn Bhd.

1.6 Significant of the Study

This study is significant to employees of BAT GSDKL Bhd Sdn to know the different level of understanding towards technology and innovation management awareness and practice.

- i. The result of this research can be used to provide a useful guide to the employees to improve their awareness.
- ii. The result of the study will contribute much to the enhancement of the technological and innovation management practise in the organization BAT GSDKL Bhd Sdn further.
- iii. The result of this research would provide the insight and valuable reference specifically to this company regarding technology and innovation management awareness and practice.
- iv. Finally, this study would be equally useful reference for academics in universities, college, and the future researcher, who are interested in studying the technology and innovation practise at their workplace. This research will also open their minds and view in a strong passion, commitment, beliefs and wider understanding of the topic.

1.7 Scope of the Study

To achieve the research objectives, the scope of the study will be focused on several components identified as technological innovation management awareness & practice, its location, population sample, and the level of employees practice towards managing technological innovation are as follows:

- i. Research is confined at BAT GSDKL Bhd Sdn based in Kuala Lumpur.
- ii. The research is only used by BAT GSDKL Bhd Sdn and not by other staff from others BAT subsidiaries.
- iii. The samples of respondents in this study comprised of the employees different level of job grade and function in BAT GSD Sdn Bhd. The employees consist from local management to the senior leadership team management level.
- iv. The researcher is using the Technology Audit Model as the basis and reference. TAM model has been proven and widely used in previous research guidance. The Technology audit model (TAM), developed by Garcia Arreola in 1996, is supportive in sense of determining current technological status, surviving areas of opportunity, and taking advantage of the company's strongest capabilities (Khalil 2000).

1.8 Limitation of the study

This study will focus on the technology management practise at BAT GSDKL Sdn Bhd. Hence, this research only focused on studying there are several limitations among the employees.

- This study only focuses on the permanent employee's located at BAT GSDKL Sdn Bhd at Technology Park Malaysia, Bukit Jalil, Kuala Lumpur.
- ii. The impact is that the research result will not represent the overall level of staff in BAT GSDKL Sdn Bhd.
- iii. This research does not involve other outsourcing companies and other provider contractors. Only the BAT GSDKL Sdn Bhd was chosen for the purpose of this research.
- iv. This research does not involve employees from BAT Globe House (UK) Holding and BAT Malaysia Berhad. Only respondents from BAT GSDKL Sdn Bhd employees based in Kuala Lumpur, Malaysia were chosen for the purpose of this research. The sample of this research is the Simple Random Sampling where all 150 employees and 3 employees' experts from top management were tasked to answer the distributed questionnaires and interview session.

1.9 Conceptual and Operational Definitions

Technology can be defined as theoretical & practical knowledge and skills which can be used MOT ≡ Knowledge management ≡ technological capabilities of the company. In respect of that, technological capability of the company is the ability to effectively and successfully exploit the Management of Technology knowledge. Technological capability has a strategic impact on company's competitive position in its business environment. With the increasing complexity of the business environment, MOT focuses more and more on managing the processes and employees who are involved with them (Thamhain, 2005). The culture of an organisation may be a contributing factor in the extent to which creativity and innovation occur in an organisation (Johnson, 1996; Judge et al.,1997; Pienaar, 1994; Shaughnessy, 1988; Tesluk et al.,

1997; Tushman and O'Reilly,1997). The current organisational culture and the demands of creativity and innovation may lead to a conflict situation. The following terms are conceptually and operational defined in this study:

I. Employees' perceptions toward technology and innovation practise in the company. Understanding and perceptions of the environment act as guiding mechanisms. The practices and procedures that come to define these perceptions are labeled climate. (Scheider, 1996).

In this study innovation is linked and refers to level of employees' entities at the organising: processes, relationships, commitment and belonging. Resulted in nemurous inventions of a wide variety that help employees' and organisation to work effectively to manage technology and innovation in the company.

II. High achievers spend a lot of time thinking about how to do a job better or how to achieve something important. Timmons (1991, p. 193) comments that this fact could be explained as a continuous struggle between a person and certain self-imposed standards. The organisation system model explains the interaction between the organisational sub- systems (goals, structure, management, technology and psycho-sociology).

This complex interaction, which takes place on different levels, between individuals and groups within the organisation, and with other environment, can be seen as the organisations and the external primary determinant of behaviour in the workplace. The patterns of interaction between people, roles, technology and the external environment represent a complex environment which influences behaviour in organisations.

III. Innovation is holistic in nature. It covers the entire range of activities necessary to provide value to customers and a satisfactory return to the

business. As Buckler (1997) suggests, innovation "is an environment, a culture almost spiritual force – that exists in a company" and drives value creation. Innovation maybe viewed as three fairly distinct phases which are often viewed to be sequen-tial but in reality are iterative and often run concurrently.

In this study technological innovation refers to the value add of the end product or service to its customers directly, and technological innovation improves the work process of creating, developing, producing, delivering and servicing the product.

IV. Organizational culture seems to be a critical factor in the success of any organisation. Successful organisations have the capacity to absorb innovation into the organisational culture and management processes (Syrett and Lammiman, Tuchman and O'Reilly, 1997).

In this study, consistency is a cultural trait that is positively related to effectiveness of technology and innovation practise in the company. Consistency has both positive and negative organisational consequences. The positive influence of consistency is that it provides integration and co ordination. The technological culture refers to the organisation adaptation to practise the technological and innovations. Resulted in a set of shares beliefs, behaviors, assumptions, values and artifacts that a organisation develops as it learns to cope with the external and internal aspects of survival and success.

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