MANAGEMENT PROCEDURES FOR REALIZING INFORMATION TECHNOLOGY BENEFITS IN MALAYSIA

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Abstract
The increasing use of information technology (IT) applications in construction companies requires process management for the realization of IT benefits. Studies on the management of IT benefits to maximize expected benefits, avoid or minimize problems and barriers, and ensure successful IT implementation and realization of IT benefits are lacking. This study aims to investigate the procedures for managing the realization of IT benefits in construction companies. Approximately 103 questionnaires were used. Some procedures for the management of the realization of IT benefits in terms of implementation strategies and evaluation techniques were determined. We found that construction companies do not use a formal standard procedure for managing the realization of IT benefits and lack clear implementation and evaluation strategies/techniques. This study contributes by drawing management attention to understand that IT benefits require management interference to be realized, thus highlighting the need to adopt a procedure for managing and realizing IT benefits.

Keywords
IT benefits; managing IT benefits; realizing IT benefits; procedure for realizing IT benefits.

INTRODUCTION

Numerous organizations and companies tend to invest in information technology (IT) projects to increase work efficiency and reduce delays and errors. Previous studies show that successful IT implementation in the construction industry delivered numerous benefits in terms of work effectiveness, efficiency, and performance (Alshawi et al. 2003). Construction companies in Malaysia fall into seven categories based on tendering capacity Ringgit Malaysia (RM) and the paid-up capital (RM) [Construction Industry Development Board (CIDB), 2007, 2008]. The research scope of this study includes Grade Seven (G7) construction companies. G7 construction companies consist of at least two persons having five years of experience in construction, with one holding a degree in a construction-related field and the other holding a diploma in a construction-related field or a degree in another field. A G7 company should have capital of not less than RM 750,000 and must have unlimited tendering capacity beyond RM 10 million (CIDB, 2008).