The Influence of Management Information Systems on the Strategic Planning Process in Libyan Service Organizations

Emhemed Jamal Elganidi

UNIVERSITI UTARA MALAYSIA

2010
The Influence of Management Information Systems on the Strategic Planning Process in Libyan Service Organizations

A Thesis submitted to the College of Business
In partial fulfillment of the requirement for the degree
Master of International Accounting
Universiti Utara Malaysia

By
Emhemed Jamal Elganidi

Copyright @ Jamal Elganidi
Saya, mengaku bertandatangan, memperakukn bahawa
EMHEMED JAMAL ELGANIDI (803873)

Calon untuk ijazah Sarjana
(Candidate for the degree of) MASTER OF SCIENCE (INTERNATIONAL ACCOUNTING)

telah kertas projek yang bertajuk
(has presented his/her project paper of the following title)

THE INFLUENCE OF MANAGEMENT INFORMATION SYSTEMS ON THE STRATEGIC PLANNING
PROCESS IN LIBYAN SERVICE ORGANIZATION

Seperti yang tercatat di muka surat tajuk dan kuit kertas projek
(as it appears on the title page and front cover of the project paper)

Bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan
(mthat the project paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by
the project paper).

Nama Penyelia
(Name of Supervisor) : MR. SHAHMR SIWARAJ BIN ABDULLAH

Tandatangan
(Signature) :

Tarikh
(Date) : 10 OCTOBER 2010
DECLARATION

I agree and full responsible that this dissertation "The Influence of Management Information Systems on the Strategic Planning Process" in Libyan Service Organizations." is fully done by us. I bear full responsibility for checking whether material submitted is subject to copyright or ownership right.

Emhemed Jamal Elgauidi

(803873)

College of business

University Utara of Malaysia

06010 Sintok, Kedah Darul Aman.

October 2010
PERMISSION TO USE

In presenting this dissertation in partial fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the Sultanah Bahiyah Library may take it freely available for inspection. I further agree that permission for copying of this dissertation in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor or in their absence, by the Dean of Research and Postgraduate (College of Business). It is understood that any copying or publication or use of this dissertation or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my dissertation.

Request for permission to copy or to make other use of materials in this dissertation, in completely or in part, should be addressed to:

Dean of Research and Post Graduate Studies

College of Business

Universiti Utara Malaysia

06010 UUM, Sintok Kedah Darul Aman
ABSTRACT

Management Information System and strategic planning process are key part of the business success and organizational effectiveness. Management Information System is comprised of MIS outputs, integration and coordination (MIS), and Quality of information. This study investigates the influence of management information system on strategic planning process in Libya. Data were collected from executive in 21 organizations. Descriptive statistics were calculated and correlation analysis and regression analysis was used to test the hypothesized relationships.
ACKNOWLEDGEMENTS

First of all I am very thankful to Allah Subhanhu-Wa-Talah for giving me the strength for finish my thesis. Secondly I am very thankful for the outstanding cooperation of dedicated professional at Faculty of College of Business International Accounting and Graduate School made the creation of the thesis a pleasure. My supervisor, Mr. Shahrir Sivaraj Bin Abdullah enthusiastically support and backed the project and play a large role in completing the thesis. Thank you very much for the invaluable guidance, encouragements, suggestions, comments, and assistances through-out the period of this thesis. Your kind advice will encourage me to do further research in future.

I thank the faculty staff for valuable information, supply many insightful reaction, and suggestions for final works improvements especially for Prof. Dr Noor Aziz, Dean of Research and Innovation, UUM. Also, I am particularly grateful to all my colleagues, friends, and course-mates who in anyway help me through this research report.

Finally, I really appreciate the contribution of my mother, father, all the sibling and all my friends. All of you are wonderful helpmate. Thank you for everything
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE</td>
<td>I</td>
</tr>
<tr>
<td>DECLARATION</td>
<td>III</td>
</tr>
<tr>
<td>PERMISSION TO USE</td>
<td>IV</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>V</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td>VI</td>
</tr>
<tr>
<td>CHAPTER ONE: OVERVIEW OF THE RESEARCH</td>
<td></td>
</tr>
<tr>
<td>1.0 Introduction</td>
<td>1</td>
</tr>
<tr>
<td>1.1 Problem Statement</td>
<td>3</td>
</tr>
<tr>
<td>1.2 Objective</td>
<td>4</td>
</tr>
<tr>
<td>1.3 Research Question</td>
<td>4</td>
</tr>
<tr>
<td>1.4 Significance of the Study</td>
<td>5</td>
</tr>
<tr>
<td>1.5 Organization of Chapters</td>
<td>5</td>
</tr>
<tr>
<td>CHAPTER TWO: LITERATURE REVIEW</td>
<td></td>
</tr>
<tr>
<td>2.0 Introduction</td>
<td>7</td>
</tr>
<tr>
<td>2.1 Theory of Planned Behavior</td>
<td>7</td>
</tr>
</tbody>
</table>

VII
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>Theory of Reasoned Action</td>
<td>9</td>
</tr>
<tr>
<td>2.3</td>
<td>Technology Acceptance Model</td>
<td>10</td>
</tr>
<tr>
<td>2.4</td>
<td>Innovation Diffusion Theory</td>
<td>11</td>
</tr>
<tr>
<td>2.5</td>
<td>Management Information Systems</td>
<td>12</td>
</tr>
<tr>
<td>2.6</td>
<td>Strategic planning process</td>
<td>14</td>
</tr>
<tr>
<td>2.7</td>
<td>Relationship between strategic planning and budgeting</td>
<td>15</td>
</tr>
<tr>
<td>2.8</td>
<td>Relationship between management and the planning process</td>
<td>16</td>
</tr>
<tr>
<td>2.9</td>
<td>Planning and information</td>
<td>18</td>
</tr>
<tr>
<td>2.10</td>
<td>Planning Process and Firm Performance</td>
<td>20</td>
</tr>
<tr>
<td>2.1</td>
<td>Theoretical Framework</td>
<td>24</td>
</tr>
<tr>
<td>2.12</td>
<td>Hypotheses</td>
<td>24</td>
</tr>
</tbody>
</table>

**CHAPTER THREE: METHODOLOGY**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Research Design</td>
<td>25</td>
</tr>
<tr>
<td>3.2</td>
<td>Sample</td>
<td>25</td>
</tr>
<tr>
<td>3.3</td>
<td>Sampling Method</td>
<td>26</td>
</tr>
<tr>
<td>3.4</td>
<td>Instruments</td>
<td>26</td>
</tr>
<tr>
<td>3.5</td>
<td>Data Collection</td>
<td>27</td>
</tr>
<tr>
<td>3.6</td>
<td>Data Analysis Technique</td>
<td>27</td>
</tr>
</tbody>
</table>

**CHAPTER FOUR: FINDINGS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Introduction</td>
<td>28</td>
</tr>
</tbody>
</table>
4.2 Overview of Data Collected 28

4.3. Demographic Profiles of Respondents 28

4.4 Analysis 30
   4.4.1 Reliability Test 30
   4.4.2 Descriptive Statistics 31
   4.4.3 Correlation Analysis 32
   4.4.4 Regression Analysis 33

CHAPTER FOUR: FINDINGS 38

REFERENCES 41

APPENDICES 46
<table>
<thead>
<tr>
<th>List of figure</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Figure 2.1:</strong> Theory of Planned Behavior</td>
<td>8</td>
</tr>
<tr>
<td><strong>Figure 2.2:</strong> Theory of Reasoned Action</td>
<td>10</td>
</tr>
<tr>
<td><strong>Figure 2.3:</strong> Technology Acceptance Model</td>
<td>11</td>
</tr>
<tr>
<td><strong>Figure 2.4:</strong> Innovation Diffusion Theory</td>
<td>12</td>
</tr>
<tr>
<td><strong>Figure 2.5:</strong> Research Model</td>
<td>24</td>
</tr>
</tbody>
</table>
List of Table

**Table 4.1** Summary of Demographic Profile  
29

**Table 4.2** Reliability Coefficient of the Study Variables  
30

**Table 4.3** Descriptive Statistics of the Study Variables  
31

**Table 4.4** Pearson's Correlation Analysis of the Study Variables  
33

**Table 4.5** MIS outputs and strategic planning process  
34

**Table 4.6** Integration and Coordination (MIS) and Strategic Planning Process  
35

**Table 4.7** Quality of Information and Strategic Planning Process  
36
Chapter One

Introduction

1.0 Introduction

The business environment has become increasingly unstable and unpredictable in recent years, and business management has become also more difficult. In particular, increased competition has become a threat to the survival of businesses in more open to sectors. In this situation, strategic planning with a view to achieving organizational efficacy is critical (Porter, 1985). Nevertheless, the implementing of effective strategies will not ensure that an entity achieves organizational efficiency unless the organization has actually implemented those strategies (Jermias and Gani, 2004). This implementation requires the interposition of a particular form of strategic planning between the formulation of policies and their implementation (Mintzberg, Ahlstrand, & Lampel, 1998); furthermore, the strategy implementation requires instruments that help and control the effective implementation of the formulated strategies.

A management system consists of two dimensions: (i) information selection and (ii) information presentation. The first relates to the selection of appropriate management accounting information (Tillema, 2005). The second refers to the techniques of management control adopted by organizations, it includes traditional ones like strategic planning and budgeting (Jermias and Gani, 2004). The relationship between these two dimensions of the management information system determines the design of the management control system (Ferreira and Otley, 2006).

The business environment has become increasingly volatile and unpredictable in recent decades, and business management has become correspondingly more complex. In
The contents of the thesis is for internal user only
References


Bontis (Eds.), *The strategic management of intellectual capital and organisational knowledge* (pp. 477–483). New York: Oxford University Press.


