CHAPTER THREE

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3.1 INTRODUCTION

This research is basically a case study in Malaysia banking and an exploratory in nature to seek right strategic management on implementing information technology. A few reputable financial institutions would be reviewed and a firm would be selected as a model for analysis based on certain criteria. Then, the case study would be analyzed and provide recommendation on formulation and implementation information technology (IT).

3.2 TYPE OF RESEARCH

The review of financial institutions would be based on the size of the firm (i.e. more than 200 branches), population (i.e. employees of 5,000), and establishment (i.e. more than 20 years in Malaysia). In this case study, this research would give information to narrow any uncertainty and helps focus on decision making. Then, this research would be done on the basis of exploratory study.

Exploratory study is conducted here in order to clarify such ambiguous problem whether it exists in this practical world or not. By doing so, it could be gained better understanding of the dimensions of such problems. Then, it would be known how that could be improved further on. As conclusion, the purpose of such exploratory research is a progressive narrowing of the scope of the research topic and a transformation of the discovered problems into defined ones, incorporating specific research objectives.

After that, there are four techniques to choose for obtaining insights and gaining a clearer idea of a problem. These are secondary data analysis, pilot
studies, case studies, and experience surveys. In this research, a case study basis has been chosen.

3.3 SELECTIONS OF COMPANIES

Today, in banking industry, there are only ten anchor banks, which recognized by Bank Negara could have license to operate in Malaysia. These banks should meet all the requirements set by Bank Negara in term of financial and capability. For the rest that could not achieve the requirements would have to merge with these anchor banks.

Therefore, this research would basically to focus on such anchor banks, which listed in Bank Negara. The first choice is Southern Bank. This bank is selected because the set up is not in large scale whereby there are only around 88 branches in Malaysia and could be classified as anchor bank. Even more she is the first bank who introduced the telephone banking system.

Then, the second choice is Public Bank. They have been concentrated in banking industry for more than 30 years. It is very interesting to know that the secret of handling their changes in accordance to information technology changing. Again, public bank is listed as anchor bank.

The third choice is May Bank. It is the largest bank in Malaysia and it has the most branches in Malaysia.

The fourth choice is HongLeong Bank. It has been well known in public and very successful by involving in many sector i.e. property and etc.

The fifth choice is RHB Bank. It has been developed very fast in banking industry and as well in other sectors.
3.4 INTERVIEW PROCEDURE

The selected companies would be invited through posted mail. In the mail, the research questionnaire has to be enclosed in order to make them prepared. If any of selected companies has responded, the venue, date, time and person in charge would be arranged for interview.

The research questionnaire should be prepared as follows:

RESEARCH QUESTIONNAIRE

The following is the coverage of the questions that the author used as the basis for semi-structured interviews with IT representatives from organizations selected for research. Open questions were used wherever possible and other details were collected if appropriate.

Company's background

- The establishment of the company.
- The branches that the company have.
- The location of their head office.
- The quantity of employees in the head office.
- The quantity of staff in the IT department.
- The organization structure of the company.
- The management structure of IT department.
General issues on IT

- The definition of IT.
- The competitive advantage for using IT.
- The amount of IT investments over the last 5 years.
- The primary objectives of those IT investments.
- The motives for introducing IT.
- The different of the company in IT compare with competitors.
- The methods of monitoring competitor's use of IT.
- The area of use of IT increasing.
- The way that IT changed the business' competition.

Top Management Briefing

- The person who identified IT opportunities.
- The set up for each IT project.
- The authorization of approving IT project.
- The person who implement the project.
- The perception by management on the potential of IT.

Corporate Strategy

- The corporate strategy of the company.
- The link between IT strategy with business strategy.
- The affect of IT investments in the corporate strategy especially in this economic crisis.
Organization structure

- The affects of IT on the organization structure.
- The major changes in the structure especially in this economic crisis.
- The difficulties in managing these changes.

IT strategy formulation process

- The approaches that taken to scan for technology opportunities.
- The framework that adopted in decision-making process.
- The developing of IT system.
- The development stages/phases of the IT system.
- The degree of integration with the business planning process.

Project Management

- The structure of IT project management.
- The methods that used to evaluate IT investments.
- The critical success factors of IT project.
- The potential implementation barriers.
Management of change

- Any internal resistant to change?
- The education and training that provided to external & internal customers.
- The organization culture plays a critical role in management of change.

Future trends

- The competitive advantage that might be important in future banking industry.
- The achievement of this competitive advantage.
- The impact of future development in IT that affect business.
- Any potential problems with continued IT investment.
3.5 ANALYSIS TECHNIQUES

There are not any special analysis techniques in this research. Basically, this research forms under the category of qualitative method. Therefore, it depends very much on the set up of questionnaire and the time of interview.

The main concern is to detect and avoid respondent error that incorporates response bias. This would most like happen in such survey or research.

3.6 SUMMARY

The purpose of this chapter is to explore the research methodology. By doing so, the ultimate finding is targeted and understood the process of such research.

Despite of five invitation letters sent to respective bank, there are all rejected except Public Bank.