The Effects of Diagnostic and Interactive Performance Measurement Systems on Organisational Commitment and Job Satisfaction: The Perception of Information and Communication Technology Practitioners in Hong Kong

by

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Submitted on 31st July 2013
for the partial requirement of the degree of
Doctor of Business Administration
Faculty of Business and Law
The University of Newcastle, Australia
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Acknowledgments

Sincere gratitude is due to my supervisor, Dr Canon Tong, who has consistently shown great patience and professionalism in providing valuable insights, direction, and effective responses to my queries. Canon’s sharp critique of the content, his attention to detail, and technical advice, as well as his patience, confidence, and encouragement, have been invaluable in guiding me through the research process and writing up the dissertation.

Special thanks go to my mother, who encouraged me to explore this opportunity and provided me with tremendous mental support and understanding during this difficult and long journey. She has stood by me unconditionally and compassionately, always putting family as her first priority, and sacrificing herself for our wellbeing. My heartfelt thanks for her enduring love, care, and support. This doctoral study is dedicated to her and is in memory of my grandfather, Cheung Wai Lam, in heaven. I am indebted to him for his love, guidance, and endless support. Having persistence and endurance in completing one’s promise was his motto in life; now I fully understand what this means.

I would also like to thank my colleagues and friends who rendered their assistance in the process of data collection. I am extremely grateful to them.

Last, but by no means least, for my father who I believe is very proud of my academic achievements of which this is surely the pinnacle.
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<td>ANOVA</td>
<td>Analysis of Variance</td>
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<tr>
<td>BS</td>
<td>balanced scorecards</td>
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<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
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<td>critical ratio</td>
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<td>Exploratory Factor Analysis</td>
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<td>FDI</td>
<td>foreign direct investment</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>ICT</td>
<td>information and communication technology</td>
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<td>JDI</td>
<td>Job Descriptive Index</td>
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<td>HKSAR</td>
<td>Hong Kong Special Administrative Region</td>
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<td>KMO</td>
<td>Kaiser-Meyer-Olkin’s</td>
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<td>MCS</td>
<td>Management Control System</td>
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<td>OECD</td>
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<td>PDA</td>
<td>personal digital assistant</td>
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<td>PMS</td>
<td>performance measurement system</td>
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<td>Structural Equation Modeling</td>
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<td>UNCTAD</td>
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Abstract

The rapid and accelerating development of information and communication technology (ICT) has caused an unprecedented expansion in Hong Kong’s ICT industry and a simultaneous increase in the demand for ICT practitioners. With the intention of helping ICT-related companies in Hong Kong retain valuable employees, this research identifies the effects of diagnostic and interactive use of performance measurement systems (PMS) on organisational commitment and job satisfaction.

From a critical review of related literature, two research questions and twenty-five hypotheses were formulated to explore ICT practitioners’ perceptions of job satisfaction, organisational commitment, and PMS. An Internet-based anonymous questionnaire, using measures adopted from previous validated research, collected the research data. Six thousand invitation emails sent to randomly selected ICT practitioners in Hong Kong provided 299 responses for statistical analysis.

Findings indicate that diagnostic and interactive use of PMS positively influences the job satisfaction and organisational commitment of employees, and suggest that job satisfaction and organisational commitment are correlated. The study also found that employees’ position in the organisation and the nature of the business influences both job satisfaction and commitment, but that their marital status only influences job satisfaction and not organisational commitment; other demographics have no influence on either satisfaction or commitment.

Results from this study provide insights for managers and owners of companies in Hong Kong’s ICT sector by suggesting how they can formulate appropriate strategies to reduce staff turnover. The research contributes to the literature related to the appropriate use of PMS in ICT organisations as a means of improving organisational commitment and job satisfaction.