

**INTERPERSONAL CONFLICTS AND ITS MANAGEMENT  
IN INFORMATION SYSTEM DEVELOPMENT AT  
KERTIH INTEGRATED PETROCHEMICAL COMPLEX  
(KIPC) KERTEH TERENGGANU**

**BY**

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## **Executive Summary**

The general purpose of this research study is to determine whether working in a team is common or expected to raise an interpersonal conflict between project team members. The scope of this research study is based on information system development projects. Similar to other projects that are being executed by a team through a specific period of time, ISD projects team members include application developer or programmers, project leaders, project managers and the end users as well. A questionnaire has been distributed to 3 main external application service providers (Teliti Computers (M) Sdn Bhd, Protellus (M) Sdn Bhd), CSA (M) Sdn Bhd and to 1 in-house ISD project team at Kertih Terminals Sdn Bhd, 1 of many operating units in KIPC.

As information system plays a big role in supporting management, engineers, finance and administrative personnel in all operating units at Kerteh Integrated Petrochemical Plant (KIPC) at Kerteh Kemaman Terengganu; including to Malaysia economic growth as KIPC alone contributes to around 20 percent gross domestic product. The importance of identifying such conflict and conflict management styles will help other operating units to use this research study as a guideline to reduce the rate of failure on ISD projects including to other projects as well. The other purpose of this research study is to determine the style used for conflict management,

and whether such conflict does have an impact on ISD project outcomes. Findings from 1 operating unit and 3 suppliers on 6 ISD projects is revealed as per Table 5.0 and Figure 12.0; and that on all ISD projects, interpersonal conflicts do existed during the ISD project development phases based on all criterias set that is interdependence, disagreement, interference and negative emotion as per research study conducted by John Lamp, Graeme Altman, and Timothy Hetherington (2003) including by Henri Barki and Jon Hartwick (1999, 2001).

From 6 ISD projects obtained from 60 questionnaires sent over to selected group of respondents, 1 ISD project has been identified to be an overrun project but was considered by senior management of Kertih Terminals Sdn Bhd as successful ISD project. The reasons for overrun projects were due to bigger specification requested by ISD end users after the specification requirement studies were completed previously. This additional requirement has led to longer schedule and higher expenses.

The research findings revealed that ISD end users did not gave their full cooperations during the system requirement studies. As stated in research study conducted by John Lamp, Graeme Altman, and Timothy Hetherington (2003), ISD projects that are heavily based on the end-user interface and the use of state-of-the-art technology including the lack of understanding of such technology to the end-user including the lack of understanding of the

application developers with end-user and business needs is a potential source of conflict. It was made known by ISD project managers from 1 overrun ISD project that end users did request additional requirements only after they have seen the prototype during the ISD project development phases as they is no prototyping used during the system requirement study. The reasons for end users not giving their full cooperation during the system requirement study were due to no information system prototype used that could lead to lack of understanding of the application developers with end-user and business needs. Although such request was a last minute request, project manager for 1 overrun ISD project have agreed to fulfill those additional requirements. This led to bigger ISD project specification as per Table 9.0.

ISD projects managers have been identified as capable in handling conflict resolutions. The outcomes were considered positive such as problem solving, avoiding, compromising, yielding and forcing. Data analysis results from Table 6.0 and Figure 13.0 have shown that majority respondent have chosen ideal conflict management style including combination of those styles to overcome conflicts.

All factors that contribute to positive outcomes such as reward systems listed as per Table 4.0 and Figure 5.0, physical working area as per Figure 9.0, working environment as per Figure 10.0, adequate working experience as

per Figure 7.0 and adequate level of qualification as per Figure 8.0 from all 6 ISD projects have been identified positive by majority respondents. The results of this research have shown that project complexity on all 6 ISD projects as per Figure 6.0 were at average of medium. This research has concluded that conflict does exist in ISD projects conducted in KIPC and proper application of conflict management style; satisfied reward system, proper physical working area, working environment and adequate working experience and qualification could have led to positive outcomes of those ISD projects.