IT Governance: On the way through developing and integrating effectively

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Abstract
For modern businesses with high levels of technology, IT governance frameworks with guidelines reflect the responsible actions of the Board and executive management and also maintain the organisation’s fit and well-being. However, these responsible groups must ensure the organisations are in a risk-free situation and avoid negative influences which may affect organisations. IT infrastructure is the key factor for organisations, as a result of changing business tasks and integrating business activities, in order to work effectively with more returns. The literature has discussed the potential of businesses to employ IT to enable organisations to integrate job functions with IT resources, without boundaries, to avoid problems, and minimise risks. Therefore, organisations can employ an existing IT infrastructure and combine it with new technologies, new systems and applications, and the skill and competency of employees, to use new technologies smartly and proficiently. Thus, these relevant issues raise the significant question of IT governance in organisations and IT domains, due to the need to control and manage processes and resources within and across organisations. This paper proposes to examine the most appropriate solution for Boards, to align strategy and operate organisational integration by effectively implementing IT infrastructure and IT resource management within organisations.

Keywords
IT Governance, IT infrastructure, IT resource management, Strategic Alignment, Organisational Integration, Operational Efficiency, Resource Flexibility, Interoperability.

1. Introduction
Governance is a first priority of organisations as it supports people, relationships, management and collaboration between and among internal and external organisations (Cheema and Maguire 2001) through people development (Malloch-Brown 2000) as well as issues related IT management (Brown and Sambamurthy 1999). Corporate governance is the link between organisations and Boards which decide and manage strategic control and monitor performance of the organisations to observe negative influences and harmful issues as well as assign the rights, power and responsibilities to top management, the Board of Directors, shareholders, stakeholders and leaders of organisations (Luo 2005). Thus, corporate governance assists internal development and an organisation’s mechanisms as well as seeking to reduce unnecessary activities and costs among shareholders, stakeholders and executives.
Organisations are sensitive concern to the risks which affect the business and its information, and respond by adopting Information Technology (IT) to support the business in terms of maintaining, processing and allocating important business information assets (Posthumus and von Solms 2004). Likewise, IT seeks to identify the methods needed to build successful organisation plans and processes by implementing IT governance to provide more assistance to top management - such as business-IT enabling, activities, insights or problem-solving by using IT (Schwarz and Hirschheim 2003). Moreover, the methods and processes found within existing IT governance frameworks are variable, in order to gain effectiveness in achieving IT-business alignment. This research intends to provide an overview of the existing body of knowledge on strategic alignment and organisational integration in the IT governance discipline.

The focus of the literature analysis lies on strategic alignment and organisational integration with respective contributions from IT governance research perspectives. The aim is to form an associated analysis of the model and frameworks in the literature on IT governance frameworks to integrate within organisations as well as business/IT alignment and IT strategies. This will be explored through the relationship and incorporation of management in IT governance, between business and IT, to gain competitive advantage and higher profits for organisations. It also looks for ways to align business and IT strategies, to support business effectively, as well as identifying techniques to achieve best practice by employees to enhance outcomes. Therefore, this paper seeks to identify the management systems of organisations of various roles and responsibilities to support and examine the ongoing use of internal processes related to IT. This research also applies a qualitative interpretive method through case studies by concentrating on specific case studies and employing cross analysis to resolve research concerns. It also proposes to support top managements in the adoption, implementation and alignment of business and IT strategies, along with organisational integration, by deriving value from the use of IT infrastructure and IT resource management in the business environment. It also seeks to support provide insight into decision-making in terms of risk management and responsibility.

2. Literature Review

2.1 IT Governance

Corporate governance is about the directions and processes that organizations should adopt and employ to achieve business objectives while minimizing risks; this combines risk monitoring and assessment of high-level work performance (Bhattacharjya and Chang 2006). IT governance is a popular issue which is seen as vital worldwide, placing it as one of the main component of corporate governance due to the encompassing power of information systems and the connected technology infrastructure in all domains of an organization’s processes (Bhattacharjya and Chang 2006). IT governance is an alignment of management with organizational structures and processes to support and ensure that IT can effectively maintain and carry on the organization’s business, as well as meet the organization’s strategy and achieve business goals by delivering value to the business, and minimizing risks (ITGI 2003; Bhattacharjya and Chang 2006; Ali and Green 2009).

2.2 Strategic Alignment

Strategy is a combination of obligations and procedures seeking to develop capabilities and increase competitive advantage (Liao 2005). Business strategy links the organisation’s structure to support its core business and beat competitors (Liao 2005). There are three types of business
characterisations, which are identified as “defender, prospector, and analyser” (Raymond 2008). A “prospector” is a company which deploys new technologies and searches for new markets; a “defender” keeps the company in a good position in the market, while an “analyser” handles and looks after the business by decreasing risk and increasing business prospects (Raymond 2008). Therefore, all leaderships and executives should consider both business risks and opportunities by aligning them with IT capabilities to avoid and protect against failure in the future.

**Figure 1:** Olson’s Strategy pyramid and operations

Source: (Olson 2008).

Figure 1 illustrates a strategy pyramid with different functional strategies which allow people in the organisation to make better decisions within and across the enterprise and also support company responsibilities. In order to implement these strategies, they need to focus on different functions and operations based on particular accountability and special job requirements including fundamentals. IT through its process-enabling and strategic-advisory capabilities provides the foundation to the constituent functional strategies that contribute to overall business strategy.

Strategic alignment provides the rationale for using particular technologies for business processes operation (Sawyer 2008). It views and focuses on all dimensions of the organisation from top to bottom levels, through appropriate strategies that bring suitable technology together with appropriate processes to improve business performance. Strategic alignment is an ongoing and long term project which aims at the continuous process of change as well as focusing on strategic renewal of the organisation (Chen 2008). Strategic alignment is about merging capabilities and abilities of information technologies to evolve business demands, enabling IT and business managers to view strategic alignment from a process or results perspective (Avison 2004). Poor outcomes are likely to result from ineffective strategic alignment, indicating that organisations need to improve operations with higher capabilities (Byrd 2006). In order to gain consistent results, strategic alignment needs to develop abilities and processes to maintain effective business outcomes.
2.3 Organisational Integration

Inter-organisational information process integration is one of the main concerns of practical project teams when collaborating and sharing information over systems (Zhu and Augenbroe 2006). Collaborative systems support business and technological requirements in terms of information sharing, interoperability and changes; there are three components of collaborative systems, which are (1) systems (2) group and (3) organizational (Michelis, Dubois et al. 1997; Zhu and Augenbroe 2006).

Integration addresses the process of exploration, in which organizations try to investigate and seek out the most suitable assets for their organizational abilities and competences, to improve working processes and capabilities (Matsusaka 2001; Ozbas 2005). There are three main assumptions models of integration which are (1) integration changes due to negotiating power over profits; (2) efficiency is accomplished constantly over re-accommodation, and (3) top managements are well-educated and understand the particular knowledge to implement efficient results (Grossman and Hart 1986; Hart and Moore 1990; Ozbas 2005).

Organisations gain greater business benefits by expanding process integration intensity, across more tiers (Sheth, Van der Aalst et al. 1999; Basu and Kumar 2002; Huang, Chu et al. 2008) by producing their outputs through different departments and operating across various functional work processes (Rummler and Brache 1995). The performance of organizations is capitalized by concentrating on the competence, productivity and usefulness of each division. However, functional optimization does not directly link to organizational optimization and is not compatible with the concept of integrated processes (Davenport 1993; Hammer and Champy 1993; Rummler and Brache 1995; Walker and Black 2000). In terms of process achievement, it depends on the combination of participants in the process through effective integration (Walker and Black 2000).

Figure 2 illustrates a model of economic structures which influence organizational integration, through the impacts from economic structures, resulting to both incentive and control mechanisms. According to both mechanisms, external satisfaction allows employees to think and feel that they are business owners and manage their privileges themselves (which is based on the design of an incentive structure as well as achieving internal satisfaction and measuring satisfaction). External satisfaction is based on the incentive structure which is created for the specific ownership system allowing employees autonomy. In terms of internal, external and measure satisfactions, these forms are the components of the ownership system which produce high satisfactory, low impressive and high organizational commitment attitudes to the organization. Organisational integration will decline or even disintegrate, if employees have bad experiences in the workplace, encounter work problems or feel uncomfortable in the way they work (this may be due to suffering and loss, technological issues, discrimination, and unfairness). Otherwise, organizational integration will achieve satisfaction.

3. Research Methodology

This research applies an interpretive approach and also employs a qualitative approach for data collection from participating organisations by using interviews and personal observation along with qualitative surveys. These processes and approaches support opportunities to examine IT governance, comprising business and information strategies with the responsibilities of different top managements, to gain more positive business performance. The objective is to achieve highly satisfactory results by discovering, from existing conditions and by enhancing existing working processes, methods to gain better solutions. The goal is to indicate how the implementation of IT
governance initiatives in organisations can be aligned with business objectives and the requirements of organisations, as well as forcefully highlighting ways to align IT with business procedures and performances. The goal is to study the relationship of IT governance and embedded mechanisms for risk management, decision support, responsibility and involvement between different functions of the business, in order to investigate a possible framework for IT governance as a core component of corporate governance. This research takes as its key problem-question, ‘How does implementation of an IT governance framework contribute to the value profile of the IT infrastructure in achieving business objectives and meeting its needs?’

Figure 2: The model of economic structures and organizational integration
Source: (Chiu 2003)

4. Conclusions
This proposal summarises the framework of IT governance which links a business and its IT successfully to maintain organisational integration and enable it to operate more effectively. It is vital to concentrate on the business objectives which lead organisations to adopt technology from the point of view of enabling the business to gain a healthier competitive advantage. This research also seeks to identify possible advice to assist top executives in terms of supervision in IT governance by learning and using more IT to develop the business. That objective aims to assist executives to direct middle management to work appropriately and confidently. However, they must examine all projects carefully to avoid disaster or further dissipate the existing assets, time and payouts. This proposal anticipates supporting Boards, top managements, leadership, shareholders and stakeholders to recognise and comprehend the importance of IT governance;
moreover, it seeks to mentor business directions and processes by advising them to study approaches most likely to influence organisational outcomes.

**References**


