Barriers in Business-IT Alignment in a Large Company in Manufacturing Area

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ABSTRACT

Business-IT alignment (BITA) continues to be a top management concern for the last ten years. Moreover, organizations managers are still looking to understand the barriers between the status of alignment and misalignment. The barriers in BITA differ from a business area to another and particularly the authors have not found any research studies concerning the barriers in BITA in the manufacturing area in Sweden. Therefore, the research question is: What are the strategic, tactical, and operational barriers in business-IT alignment in a large company in manufacturing area? The research strategy is case study, and the data was collected through semi-structured interviews and also from company’s internal documents and it was analyzed using thematic analysis. The findings of this study are a number of thirty barriers in BITA that includes six new barriers in BITA at operational, tactical and strategic level.

KEYWORDS

Barriers, Business-IT Alignment (BITA), Manufacturing, Operational Barriers, Strategic Alignment, Strategic Alignment Maturity Model (SAMM), Strategic Barriers, Sweden, Tactical Barriers

INTRODUCTION

In the annual study of IT Issues and Trends conducted by Society for Information Management in 2018, business-IT alignment (BITA) is mentioned to be a top management concern for managers in different organizations (Kappelman et al., 2019). According to Luftman (2000, p. 3), business-IT alignment (BITA) is defined as “applying IT in an appropriate and timely way, in harmony with business strategies, goals, and needs.” Since the organizations are dynamic, there is a need to keep IT aligned with the ongoing changing needs of the organizations (Kappelman et al., 2017). In general, BITA means that the entire business entity and the entire IT entity are aligned starting from the strategic level to the operational level (Charoensuk, Wongsurawat, & Khang, 2014). According to Leonard & Seddon (2012), there are two motivators for alignment studies. One is strategic benefit brought by alignment, and the other is that alignment is considered a key issue for information system (IS) managers. Moreover, alignment of business strategy with IT strategy could improve organizational performance (Chan et al., 2006; Luftman et al., 2017). Hence an unsuccessful alignment could lead to wasted resources and unsuccessful IT initiatives, which affect the organizational and financial

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outcome in a negative way. The use of IT resources in an effective way by aligned firms allows them to leverage IT in order to take advantages of the market, to generate a sustainable competitive advantage, and also to increase the profitability (Gerow, Grover, Thatcher, & Roth, 2014).

Barriers exist in both statuses of achieving business-IT alignment and sustaining it. Addressing alignment is considered a difficult issue for practitioners in organizations without identifying the existing barriers. Accordingly, there is still a lack of studies of the factors that influence BITA, and particularly in the Swedish manufacturing area, that means that still there is still a need to identify these barriers and improve BITA (El-Mekawy, Rusu, Perjons, Sedvall, & Ekici, 2015a). To address this knowledge gap we have formulated the following research question: “What are the strategic, tactical, and operational barriers in business-IT alignment in large companies in manufacturing area in Sweden?”

RESEARCH BACKGROUND

Business-IT Alignment Importance and Models

The alignment concerns were highlighted in the late 1970s where it was one of the top research studies. And most of the studies for the last decades are still in a rudimentary stage (Aversano, Grasso, & Tortorella, 2012). The topic of BITA takes high importance in the IS researches, and it is considered significant not only in practice but also in the academic area (Parappallil, Zarvic, & Thomas, 2012). The expanded reliance of the organizations’ activities on information systems increased the importance of alignment, which led the organizations to support the projects by IT to enhance their businesses. (Gutierrez, Orozco, Serrano, & Serrano, 2006). Aligning IT strategy with business goals and objectives is considered a big reason that leads multinational organizations to succeed in the global market with high competitive (Nkoyock & Spiker, 2012). However, barriers can exist in both cases of achieving and sustaining alignment, and therefore they need to be identified in a clear image. (El-Mekawy, Rusu, Perjons, Sedvall, & Ekici, 2015b).

Many studies have been conducted for the alignment concepts, dimensions, and frameworks that aimed to achieve the required degree of alignment (Alaceva & Rusu, 2015). Henderson & Venkatraman (1993) proposed the Strategic Alignment Model (SAM) to achieve alignment, and Luftman refined the SAM model (Gutierrez et al., 2006). According to Luftman (2000), the Strategic Alignment Maturity Model (SAMM) focuses on six criteria: communications, competency/value measurement, governance, partnership, scope and architecture, and skills that are evaluated on five levels of strategic alignment maturity, which are: Initial Process, Committed Process, Established Process, Improved Process, and Optimized Process (Luftman, 2000). The SAMM model is a practically and popular one and has the following advantages: firstly, the model provides a complete strategic alignment process that includes both cases of alignment and maturity by minimizing inhibitors and maximizing enablers. Secondly, the model covers several areas through six criteria, and this helps to identify the enablers and inhibitors of alignment by better understanding the relationship between business and IT. Thirdly, the model has been used for assessing BITA by researches and also in some industries (El-Mekawy et al., 2015b). Furthermore, SAMM (Luftman, 2000) is considered a validated instrument that can be used for small, medium or large sizes of organization (El-Masri, Orozco, Tarhini, & Tarhini, 2015) therefore SAMM (Luftman, 2000) has been used in this research.

Barriers in Business-IT Alignment

BITA aims at deploying IT to support business strategy, and that requires executive-level to implement planned applications. The relationship between the C-level and the IT managers at middle-level and functional managers can be strained, which could lead to problems in communication. This can cause a lack of cooperation that could lead to a lack of tactical alignment, and will create a gap between IT to support the business strategy and the implemented IT (Tarafdar & Qrunfleh, 2010). According
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