Social Barriers in Business-IT Alignment in a Public Organization in Indonesia

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ABSTRACT

The social dimension of alignment plays an important role in business-IT alignment (BITA). The study aimed to get in-depth knowledge of barriers in BITA by identifying and analyzing factors that inhibit alignment from the social perspective using as case study the Ministry of Energy and Mineral Resources (MEMR) of the Republic of Indonesia. Based on the data collected through semi-structured interviews and internal documents from this public organization in Indonesia, the data was thematic analyzed. The findings of the study are 15 social barriers in BITA in MEMR from which the following five are new social barriers in BITA: uncoordinated IT initiatives; sectoral ego; frequent rotation of executives in organizational structure; poor understanding of IT for growing; and the lack of support by the business in IT initiatives continuation. The findings of the study can be considered by other public organizations that aim to improve their alignment between business and IT, and finally their public service delivery.

KEYWORDS

Barriers, Business-IT Alignment, Indonesia, Ministry of Energy and Mineral Resources (MEMR), Public Organization, Social Dimension

INTRODUCTION

Rapid information technology (IT) development in the recent years has influenced business activities in organizations. Instead of only supporting the business, IT nowadays plays a significant role in providing additional values to business activities to achieve business goals. The issue of alignment between business and IT has traditionally been one of the key focuses facing IT management. Reich and Benbasat (1996) have described alignment as the degree at which the mission and goals of IT support and are supported by the business objectives. On the other hand, 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.” According to the Kappelman et al. (2019) business-IT alignment (BITA) continues to be ranked in the top-ten most important IT management issues in the last ten years. But Chan and Reich (2007) have highlighted that the research studies on BITA have been mostly carried in private organizations. In fact, the nature of IT strategic use and its adoption in private organizations is different compared to bureaucracy-organizations such as public organizations. Moreover, business-IT alignment should be achieved not only in private

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organizations but also in public organizations which can lead to IT performance improvement and of the public service delivery. Many researchers argued that only a few BITA studies have investigated public organizations (Muhammad, 2009; Winkler, 2013; Walser et al., 2016). It is known that in an organization, failure to align IT with business strategy can lead to failure of other IT initiatives and due to unfavorable organizational outcomes (Ravishankar et al., 2011; Gerow, et al., 2014). To address the barriers that exists in achieving or maintaining business-IT alignment an organization should concentrate on maximizing the enablers and minimizing the inhibitors of the BITA (El-Mekawy et al., 2015). Thus, investigating the barriers in business-IT alignment is an important concern for any organization. In this study, we will use a theoretical framework of social dimension of alignment developed by Reich and Benbasat (2000). The social dimension of BITA have been investigated also by other researchers (Martin, et al., 2005; Hu & Huang, 2006; Tan & Gallupe, 2006; Gregor, et al., 2007; Kashanchi & Toland, 2008; Alaceva & Rusu, 2015). However, the social dimension of business-IT alignment has drawn less attention by researchers (Reich & Benbasat, 2000; Tan & Gallupe, 2006) compared to studies that focus on the intellectual dimension of alignment. Therefore, Martin, et al. (2005) have argued that organizations should pay attention to the social dimension as it is important for attaining business-IT alignment. Furthermore, the social dimension of business-IT alignment focus on the way people support each other, and how they are working together in business planning, and actively communicates between business and IT (Gregor et al., 2007).

Concerning the previous studies on business-IT alignment in organizations from Indonesia we have found that these have focused on the organizations from the banking sector (Iman & Hartono, 2007), as well as on small and medium enterprises (SMEs) (Saptadi et al., 2012), and organizations from the manufacturing sector (Wong et al., 2012), and healthcare industry (Fattah & Arman, 2014). On the other hand, business-IT alignment studies in the public sector organizations are very limited (Riandari & Pharmasetiawan, 2017) with no focus on social dimension of business-IT alignment in these organizations like public sector agencies (Martin, et al., 2005). Considering these facts, the problem addressed in this research is the lack of empirical research taken in investigating social barriers in business-IT alignment in Indonesian public organizations. To address this problem, the following research question is formulated: What are the social barriers in business-IT alignment in a public organization in Indonesia?

RESEARCH BACKGROUND

Business-IT Alignment Importance in Public Organizations

Public organizations required maintaining a wide range and high quality of services, adapting to political and social regulatory changes while in parallel achieving high performance for public service delivery. IT management plays as a central role in business activities, and the alignment between business and IT then become critical importance in public organization (Walser et al., 2016). The presence of IT as an important resource in improving quality and variety of public services also considered as the reason why business-IT alignment is important in public organization (Rusu & Jonathan, 2017). Some studies that have been found reporting the implication of business-IT alignment in public organization is Garcia and Pardo (2005), who investigate the success factor for e-government. The study showed that the lack of alignment between organizational goals and IT projects is one of the challenges that influence the e-government initiatives. Gregor et al. (2007) presents a detailed case study of an Australian public agency where a high degree of alignment is recognized and found that the close alignment between business strategy and IT resulted in strong business and technical performance of the public organization. Muhammad (2009) investigated the effect of antecedents of IT alignment to the organization and argued that the high level of IT alignment in public sectors contribute to the government performance improvement which is represented by improved public service delivery. The business-IT alignment would improve the work and collaboration between
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