Intra-Organisational Barriers to Business-IT Alignment

Gideon Mekonnen Jonathan, Stockholm University, Sweden
https://orcid.org/0000-0001-6360-7641
King Solomon Hailemariam, Addis Ababa University, Ethiopia

ABSTRACT

Business-IT Alignment (BITA) remains a challenging endeavour for many organisations despite the continuous attention it garnered among researchers and practitioners. The literature provides a list of factors determining whether organisations succeed to achieve BITA or not. However, BITA studies were conducted in a few industries in developed countries. This case study is aimed at addressing the lack of BITA studies in developing countries. The data was collected from a bank in Ethiopia through interviews and internal documents. The study employed thematic analysis, which revealed 21 intra-organisational barriers to BITA. Business and IT leaders may find the result of the study invaluable to plan activities that might overcome these barriers and improve BITA maturity, which in turn improves overall organisational performance.

KEYWORDS

Banking Sector, Barriers, Business-IT Alignment, Developing Country, Inhibitors, IT Alignment, Strategic Alignment

INTRODUCTION

Information Technology (IT) has become indispensable strategic resource for many organisations affecting how they do their work and configure their business processes (Cline and Guynes, 2001). Business leaders and entrepreneurs recognise the decisive role of IT in improving the overall organisational performance and realising the business value (Chan and Reich, 2007; Henderson and Venkatraman, 1993). Even though the use of IT has been found to contribute to the performance of organisations, this development has also required organisations to be mindful of the challenges of managing IT in such a way that it contributes to the achievement of the overall organisation objectives. This has brought the issue of strategic alignment, also referred to as business-IT alignment (BITA) to the fore. Since the publication of the first article (Henderson and Venkatraman, 1993) articulating the phenomenon, the alignment between the business strategy and the strategic choices of IT deployment has remained an important research topic in the IS domain. However, according to Luftman and Brier (1999), the critical role of BITA for organisations has already been recognised since the late 1970s.

The continued interest in BITA among researchers in the IS and related research domains is justified, given its relationship with improved organisational performance (Kafi and Kalika, 2005). Review of the literature indicates that the goal of BITA studies converges into three categories (Luftman, 2000; Reich and Benbasat, 2000; Rusu and Jonathan, 2017). The first set of studies are set out to develop and present BITA construct. Others attempt to develop ways of assessing BITA.

DOI: 10.4018/IJIDE.2020070102

Copyright © 2020, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
The remaining studies focus on identifying the internal and external organisational factors, also referred to as the enablers and inhibitors of BITA. However, despite the extensive empirical and conceptual studies, achieving and maintaining BITA remains to be challenging. The debate among practitioner outlets also seems to suggest the importance of BITA for many organisations. One of the most comprehensive IT trend studies conducted across industries in 793 companies (Kappelman et al., 2019) reveals that BITA has been consistently ranked to be among the top three concerns for IT executives for many years in a row.

Even though researchers are credited for the extensive BITA studies in the past three decades, Karpovsky and Galliers (2015) argue that most of these studies disproportionately dwell on conceptual debates while practical issues that could have helped organisations to achieve and maintain BITA are minimally attended. Empirical studies, on the other hand, are criticised for focusing on a few environmental contexts. For instance, most of the BITA studies are conducted in developed countries and few sectors (Jonathan and Rusu, 2018; Rusu and Jonathan, 2017; Yayla and Hu, 2009). Thus, Panda and Rath (2018) caution against generalising based on BITA studies from developed countries due to the structural and cultural variations between the developed and developing countries. Dedrick, Kraemer and Shih (2013) also found a disconnect between developed and developing countries in terms of the value derived from IT. Even though the availability of resources is cited as the primary source of this discrepancy, evidences suggest that country factors such as the cost and level of IT infrastructure, the level and availability of human capital, the dynamism as well as the openness of economy are found to determine how organisations manage IT and configure other resources (Dewan and Kraemer, 2000; Yayla and Hu, 2009). The choices in IT management practices and the application of resources to achieve the overall organisation goal is what determines BITA and its maturity (Chan, 2002; Luftman et al., 2017). The findings of studies investigating BITA in developing countries (e.g., Burkina Faso, India, Nigeria, and South Africa) also indicate that the intra-organisational barriers to BITA are related to such environmental factors as the availability of competent IT service providers, skilled IT personnel, as well as dependable IT infrastructure (Gbangou and Rusu, 2016; Jonathan et al., 2018a; Kekwaletswe and Mathebula, 2014; Singh and Desai, 2013). This paper, therefore, is set out to explore the intra-organisational barriers to BITA in Ethiopia as a developing country. In line with the objective of the study, the following research question is formulated:

What are the intra-organisational barriers to business-IT alignment for an organisation in a developing country?

The remainder of the paper is structured in five sections. First, a brief literature review of the extant BITA studies is presented. Section 3 discusses the methodological approach—the research strategy as well as data collection and data analysis methods along with the justification for the choices. Section 4 discusses the findings of the study. The final section presents the conclusion, limitations, as well as suggestions for future research.

BACKGROUND

IT is credited to have improved the efficiency of business processes and communication between different business units as well as between partner organisations (Cline and Guynes, 2001). Firms also claim to have reduced their costs, production and service delivery time, and human errors when they gradually introduce IT in their work. However, there is evidence suggesting, despite substantial investments in IT, many organisations fail to achieve the anticipated performance improvements. The lack of BITA is often cited to be the reason for these organisations’ failure in their attempt to derive value from their IT investment (Chan and Reich, 2007; Coltman et al., 2015).

Business-IT Alignment (BITA)

BITA, despite extensive research and a large volume of literature in the past decades, remains to be an interesting but a challenging endeavour for practitioners and researchers. A closer look at the
Gender Differences in ICT Use Among Small Business Owners in Ghana

Culture, Tradition and Technology: The Role of Library and Information Science Schools as Integrative Forces
Collence Takaingenhamo Chisita and Ismail Abdullahi (2014). *Information Access and Library User Needs in Developing Countries* (pp. 16-29).
[www.igi-global.com/chapter/culture-tradition-technology/77507?camid=4v1a](www.igi-global.com/chapter/culture-tradition-technology/77507?camid=4v1a)