Chapter 13
Alignment: The Activity Domain in the Centre

Alignment, or fit, concerns how various components of an organization work in concert to meet the needs of its environment. The motivation for addressing alignment is that the performance of the organization is a consequence of the fit between these components. Maintaining the fit becomes a necessity for survival in a changing economy. Common components mentioned in connection with alignment are externally oriented ones such as strategies, goals and needs of the business, and internally oriented ones such as information technology (IT), processes and knowledge.

Although IT has changed dramatically since the 1980s, IT and business alignment is still the number one concern for IT executives (Luftman & McLean, 2004). In the era of globalization, ever escalating turbulence of the market, and increasing complexity of products, alignment pose immense challenges (e.g. Chan, 2002; Earl, 1996; Hackney, Burn, Cowan, & Dhillon, 2000; Opdahl, 1997; Regev & Weggmann, 2003). Some of the difficulties are:

- There is an ambiguity of how to define alignment, and what components are relevant for alignment.
- Central concepts in alignment such as “business goal”, “business structure”, “informal organization structure”, etc., are inherently vague (Chan, 2002).
- Alignment spans several organizational boundaries. With increased organizational dynamics such as outsourcing, alliances formation, etc., inter-organizational aspects need to be considered.

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Outsourcing, for example, implies that the control of alignment concerning the outsourced functions will be lost.

- Alignment spans not only technical issues but also social ones such as how to align different informal structures and organizational cultures (ibid).
- There is an apparent lack of theoretical foundations from which alignment issues can be addressed. There is a lack of theories that can provide an integrative, socio-technical view on alignment and at the same time are possible to operationalize (e.g. Martinsons & Davidson, 2003).

A particular kind of alignment concerns the alignment between business strategies and what Zack has called “knowledge strategies”:

Many executives are struggling to articulate the relationship between their organization’s competitive strategy and its intellectual resources and capabilities. They do not have well-developed strategic models that help them to link knowledge-oriented processes, technologies, and organizational forms to business strategy, and they are unsure of how to translate the goal of making their organizations more intelligent into a strategic course of action. They need a pragmatic, yet theoretically sound model of what I call knowledge strategy. (Zack, 1999, p. 126, italics in original)

The importance of aligning business (B) and knowledge (K) strategies is well recognized (Abou-Zeid, 2008). In order to operationalize alignment, these strategies should be grounded in a common foundation from which general definitions or theories can be transformed into elements that can be manipulated, measured, or observed in practical situations. In particular, such a foundation must consider the socio-technical nature of alignment (Tuomi, 2002), i.e., the social and technological context in which alignment takes place, must be considered.

In Section 3, I discussed the inherent problems of using the concept of knowledge as a point of departure for operationalizing theories that aim at taking social and cognitive aspects into account. I suggested that the concept of “capability” is more productive for this purpose since capability is something that can be assigned to both human actors and mediational means – the objectivated and objectified aspects of capability respectively. The use of “Capabilities” rather than “knowledge” indicates a deliberate intention to include mediational means as inseparable parts of actions. Wertsch (1991) maintains that action and mediational means are so deeply intertwined that it is more appropriate to speak of “individual(s)-acting-with-mediational-means” rather than individual(s) alone when referring to the agent of action. However, since the prevalent literature conceptualizes the B/K strategy alignment in knowledge terms, I will keep this terminology throughout this chapter. The reading of “K” should, according to my perspective, be read “capability” rather than “knowledge”.

The purpose of this chapter is to permeate the alignment area from the ADT perspective. In doing so I will focus on the alignment of B and K strategies, since this can be apprehended as a wider scope than the more tangible alignment of, say B strategies and IT strategies. The reason is that knowledge according to ADT is directly related to the work object of the activity domain. It is in the activity domain that capabilities of both humans and mediational means are enacted, and mediational means are, among other things, ISs and IT. Thus, business strategies and IS/IT cannot be directly aligned since that would “short-cut” the enactment process in the activity domain.
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