IT and Organizational Alignment: Impact and Value

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1. Introduction

Responsibility for realizing the benefits of IT investments and the success of these benefits is not just the responsibility of the IT organization. An IT project can be completed perfectly, on-time, and on-budget, and still fail to succeed and realize the intended business benefits that justified the initial investment. True IT benefits realization and investment return only occurs when Business Units and IT work as partners with shared knowledge, joint commitment, and shared accountability for the success or failure for the project. Benefits also occur when they are measured, calling for jointly agreed on measures of success that are actually demonstrated at the end of an IT project. These measures of value and impact can be in many forms. Often value manifests as intermediate impacts in the value chain.

The IT literature contains a great deal of knowledge on IT-Business alignment and shared knowledge, but is "light" on shared commitment and accountability, especially when tied to the actual impact of this alignment (dependent variables). This mini-track extends the existing scholarly literature and fills the gap between the discussion of IT-Business relationships and the actual demonstration of impact. We believe that this Mini-track continues the HICSS tradition of showcasing theoretically sound and ground-breaking research that reflects, interprets, and leads the realities of IT organizations as an integral part of businesses. As IT is held more responsible for organizational performance, we, as academic researchers, hope to show that the IT-Business relationship is essential to achieving validated and meaningful investment performance.

2. Contents of the Minitrack

The six papers presented in this minitrack cover the two areas of IT – organizational alignment and the measurement of IT impact. They illustrate the considerable breadth of the field and the wide range of research methods used to investigate these very important issues.

The first paper, by By Qing Hu and C. Derrick Huang, is entitled "Aligning IT with Firm Business Strategies Using the Balanced Scorecard System." This paper presents a case study that describes how the Balanced Scorecard can be used as a framework for aligning business strategies with IT initiatives. In this study, the Balanced Scorecard proved to be a successful vehicle for strengthening the connection between IT and the business planning process.

The second paper is entitled "Modeling the Impact of Alignment Routines on IT Performance: An Approach to Making the Resource Based View Explicit." Written by Heinz-Theo Wagner, Tim Weitzel, and Wolfgang Koenig, this paper examines the role of routines in IT – Business alignment. The authors present a model based on the resource-based view of the firm and show how routines can be considered resources, capable of leading to a sustained competitive advantage, and are a central component of alignment between IT and the organization.

The third paper, by Hajer Kefi and Michel Kalika, is entitled "Survey of Strategic Alignment Impacts on Organizational Performance in International European Companies." This paper uses structured equation modeling to describe how alignment is an emergent variable that is derived from both business strategy and IT/IS strategy.

The fourth paper, by Kim Huat Goh and Robert J. Kauffman leads off the second set papers that deal with IT Impact and value. It is entitled "Towards a Theory of Value Latency for IT Investments." This paper describes how the value of IT investments flows and changes over time.

The fifth paper, by Glenn R. Cook and Tom Housel, entitled "Where to Invest in Information Systems: A CRM Case Study," examines how the knowledge value-added approach can be used to examine the value that information systems adds to business processes.

The sixth and final paper, "Using Process Theory to Analyze Direct and Indirect Value-Drivers of Information Systems," by Shivraj Kanungo, examines how the process view can be used to describe how IT investments contribute to an organization's overall value.

3. Acknowledgements

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