Strategic and Tactical Business-IT Alignment Barriers in Organizations Acting in Sweden

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ABSTRACT

In research, many barriers to BITA are presented based on different theoretical frameworks. However, these barriers are studied either from a pure theoretical perspective or with limited empirical scope. This consequently hinders the achievement of BITA in organizations. In this article the practitioners view of barriers to BITA are investigated aiming at producing a list of barriers which practitioners can use as a ground for better achievement of BITA. The list of barriers was identified by conducting three in-depth case studies on multinational organizations acting in Sweden along with two focused group discussions of researchers, and followed by a survey on 74 large and medium sized organizations on the Swedish market. The result of this study is a list of 45 barriers to BITA from the perspectives of business and IT practitioners.

Keywords: Barriers to Alignment, Barriers to BITA, BITA and Barriers, Business-IT Alignment, Strategic Alignment Model of Luftman

1. INTRODUCTION

Business-IT alignment (BITA) continues to be a top management concern since 2003 (Kappelman et al., 2014). It generally refers to a preferred condition in which the relationship between business and IT is optimized to maximize the business value of IT and to increase efficiency and effectiveness of organizational processes (Irani, 2002; Schwarz et al., 2010). Results from research on BITA have shown that organizations that successfully align their business strategy with their IT strategy can increase their business performance (Chan et al., 1997; Kearns & Lederer, 2000). In addition, BITA can support an analysis of the potential role of IT in an organization

(Bergeron et al., 2004; Tallon & Pinsonneault, 2011) and can enable the identification of emergent IT solutions in the IT marketplace that can provide the opportunity for an organization to change its business strategy and business infrastructure (Hu & Huang, 2006) or to achieve competitive advantage(s) (Tallon & Pinsonneault, 2011). Moreover, BITA can also be used to identify the gap between business and IT activities in order to determine where the improvements might be made (Luftman, 2004). However, the alignment is mostly in contrast to what is often experienced in organizations. It has been argued that due to different factors, business and IT domains are unable to smoothly bridge this gap (Silvius et al., 2009; Tarafdar & Qrunfleh, 2010). Not only researchers, but business and IT practitioners have also emphasized the importance of BITA in the results of the Annual Trends Survey of the Society for Information Management (2014) (Kappelman et al., 2014). Therefore, the research should place a special attention on BITA for providing practitioners the ways it can be used for achieving and sustaining BITA in their organizations. For today's modern organizations, the crucial question is not formulated around the importance of alignment, but for how to bring strategic benefits through achieving and maturing BITA (Gutierrez & Lycett, 2011; Leonard & Seddon, 2012).

The goal of this article is to identify a list of barriers for achieving and sustaining BITA from the perspective of business and IT practitioners. The need for such a list is not only academically rooted but also comes from practitioners who aim to apply BITA concepts in their organizations. This need has been identified during interviews with more than 200 different large- and medium-sized organizations as part of the teaching activities in IT management courses in our university for the last seven years in row. During the interviews with CIOs and key alignment managers in these organizations, the lack of knowledge on BITA and its challenges are proved to be one of the top concerns. Above all, achieving BITA has traditionally been seen as a part of Chief Information Officer's (CIOs) duties. That typically involved communication and strategy translation at executive levels (Luftman, 2004; Hu & Huang, 2006; Tarafdar & Qrunfleh, 2009). Today, successful BITA, however, entails much more at tactical and operational levels, and focuses on management activities that help in achieving cohesive goals across IT and business operations (Gutierrez & Lycett, 2011; Jentsch & Beimborn, 2014). Therefore, the barriers compiled years ago in BITA are strongly argued not to be the same as today as the CIO's role has changed a lot combined with dramatic changes in business models.

The result of this research shows an empirical list of BITA barriers identified at strategic and tactical levels of organizations. The classification into strategic and tactical supports researchers and organizations' managers to understand how different strategies are designed at strategic levels and then implemented at tactical levels with different standards. Therefore, this research also brings up new barriers and challenges to BITA regarding architecture and technology, IT metrics and relationships between IT and the business.

The remainder of the article is structured as follows: following this introduction, the research approach is presented in Section 2. In Section 3, the literature is analyzed to explore theories and existing barriers for achieving BITA. The empirical studies are presented in Section 4, for the case studies, and Section 5, for the survey. Finally, concluding remarks are presented in Section 6.

2. RESEARCH APPROACH

Dubé & Paré (2003) argue that for an empirical perspective in research, it would be ideal to derive from literature and then extend the results by iteration/s of empirical studies. Hence, the

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