

Chapter 7

Culture Influence on IT Governance: What We Have Learned?

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ABSTRACT

Managers face enormous challenges today to plan the decision rights and responsibilities in order to reach desired IT behaviors which are aligned with business objectives of organizations. This is known as IT governance and is ranked as one of the firms' top concerns. Not surprisingly, it is crucial for organizations to find the affecting factors on IT governance and solve the problems associated with it. Culture in national, organizational or group level is an affecting factor in organizations that can play a role in IT governance and this role is rarely explored in academic research. This paper provides a literature review investigating the influence of culture on IT governance. The research purpose is to identify how culture and IT governance in the companies can be linked together and promote this area for future research. The literature review is done systematically and the findings are classified by using an IT governance framework with three main components of structures, processes and relational mechanisms. The results indicate there is an influence from national and organizational culture on IT governance. However, the number of studies is very few and there is still a lack of knowledge on how culture can influence IT governance. This research calls upon a further research on culture impact on achieving an effective IT governance implementation in organizations.

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INTRODUCTION

IT governance is crucial for every firm that is chasing for returns from its IT investments and also in gaining competitive advantages over other companies which do not have effective IT governance (Weill & Ross, 2004). A survey done by Information Systems and Audit Control Association (ISACA) in 2011 has revealed that enterprise-based IT management and IT governance is the second top important business issue (ISACA, 2011). The awareness on how critical IT governance is for the organizations has made the organizations eager to gain more knowledge about achieving effective IT governance. Significant previous work done by the IT governance researchers have focused on the IT position in a firm and different frameworks of IT governance (Weill, 2004; Brown & Grant, 2005; De Haes et al., 2011). Nevertheless, the research concerning the factors that can affect the IT governance is absent in comparison to the former mentioned fields (Willson & Pollard, 2009). A socio-technical perspective is taken by Chong et al. (2012) in which they examine coordinated communication, relational culture and attitudinal commitment as the factors affecting collaborative networks among more than two organizations in IT governance. Kingsford et al. (2003) also point to the influence of organizational culture on the federal IT governance model in their study. These examples indicate two distinguished messages: first, a large amount of research has been done regarding the importance of IT governance and its crucial role in organizations and second, the different factors that can affect the success of IT governance are still not explored in depth.

Culture influence on different aspects of IT has been intensively studied in IS research. However, the literature do not exactly focus on the influence of culture on IT governance. As one of the early studies we can mention to the research by Ein-Dor et al. (1993) signifying a list of national culture variables with an influence on information systems. The authors group these cultural variable in three groups of economic, demographic and socio- psychological. Further, it is emphasized by Ein-Dor et al. (1993) that more in depth research is necessary regarding the international information systems and cross-cultural issues of it. In addition, Chan (2002) examined the impact of informal structures including culture of the organization on IS alignment. She states that “a company culture and informal networks that empower personnel and provide a positive work environment promote alignment and excellence in IS services” (Chan, 2002, p.108). The author then asserts the informal organizational structure and culture as the most enduring aspects of alignment which needs more attention in IS research. Sherer et al (2011) also conducted a case study to analyze the role of national culture in implementing IT strategy. The authors suggest that the variation of national cultures in different countries should be considered when the company is deciding on “IT strategy”, “timing” and “customer readiness assessment”. Nickels and Janz (2010) in their research also conclude that the level of agreement on the prevailing of organizational culture and the level of strategic maturity are significantly associated. The authors suggest that the relationship between organizational culture and the maturity level of business and IT alignment needs more exploration.

Culture in different levels is one of the important factors that can influence the IT governance. We argue that national culture, organizational culture and culture in a sub-unit can play a role in achieving successful IT governance in an organization. According to Leidner and Kayworth (2006) the research on culture and Information Systems can be categorized in different groups. They also claim that very little research is done in the category that they call “culture, IT management and strategy”, which includes IT governance. The review performed by Leidner and Kayworth (2006) specifically points to the lack

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