# Inter-Organizational IT Governance Research: A Literature Review

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#### **ABSTRACT**

The current operational environment for organizations is changing, which has effects on IT functions and IT activities. Various forms of networks, collaborations, and alliances are operational models, which organizations are using to an increasing extent. This reality has brought with it a need for improved IT governance (ITG). ITG research for inter-organizational arrangements will be needed. In the research, the target is to identify the current state of the inter-organizational ITG research among the information systems (IS) domain. The literature review covers academic articles and conference proceedings during this millennium. The findings of the current literature review reveal that interest towards ITG research is still quite limited. The future view of inter-organizational ITG research is quite clear: more research will be needed in the inter-organizational area, which is the current playground for several organizations today.

#### **KEYWORDS**

Enterprises, Governance of IT, Information Technology Governance, Inter-Organizational, IT Governance, ITG, Literature Review, Public Organizations

#### INTRODUCTION

The importance of information technology (IT) for the success of organizations has been widely recognized (Ali & Green, 2012; De Haes & Van Grembergen, 2009). IT systems are crucial for the success of public and private organizations (Ali & Green, 2007; Amali, Mahmuddin & Ahmad, 2014; Sohal & Fitzpatrick, 2002). Current operational environment for organizations is changing, which has effects also to their IT functions and IT activities. Various forms of networks, collaborations and alliances are operational models, which organizations are using to an increasing extent. Simultaneously, digitalization is spreading new operating models with new processes and new business models everywhere. Public organizations are under financial pressures to develop their current IT services and to develop new operative models. Also, demands for digitalization and the rise of social media are driving public organizations to convert their IT services to better respond to new civil requirements. The role of IT is changing from support function to management guiding function even within public organizations. This reality has brought with it a need for improved IT governance. Gartner defines IT

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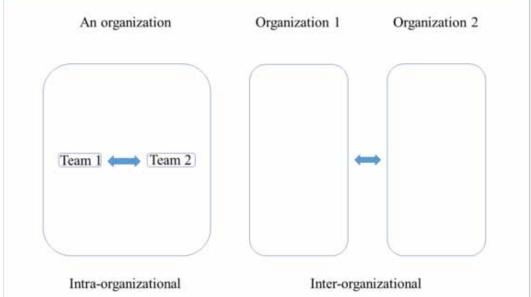
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governance as "the processes that ensure the effective and efficient use of IT in enabling an organization to achieve its goals (Gartner, 2019). According to ISO/IEC standard, IT governance (or governance of IT) is a "system by which the current and future use of IT is directed and controlled." Also, the "governance of IT is a component or a subset of organizational governance" (ISO/IEC 38500:2015, 2015). Being important for the success of the organization and being a subset of organizational governance, the importance of IT governance has been growing steadily (Heroux & Fortin, 2013). IT governance (ITG) established its position as a key success factor for companies during last decades (Ali & Green, 2007; Lunardi, Becker, Macada & Dolci, 2014; Zhang, Zhao & Kumar, 2016). With the help of effective IT governance, enterprises can get benefits out of the IT investments, which they have done and create advantages compared with less effective enterprises (Prasad, Heales & Green, 2010; Weill & Ross, 2004). Inter-organizational IT cooperation enables global business practises (Zarvić, Stolze, Boehm & Thomas, 2012). Currently, when both private and public organizations are networking and using various collaboration arrangements in order to success, ITG research for inter-organizational arrangements, i.e. ITG research for any IT related joint arrangements taking place between two or more organizations, will be needed. The difference between "intra-organizational" and "inter-organizational" is shown in Figure 1.

In the current research, the target is to identify the current state of the inter-organizational ITG research among the information systems (IS) domain. The IS domain has been selected due to the fact that ITG focuses on information systems. The IS domain is also the core area of the authors' research. The current research is done systemically through a traditional narrative literature review for the latest ITG related research articles (Boell & Cecez-Kecmanovic, 2015). The literature review covers academic articles and conference proceedings during the past 20 years, i.e. during this millennium, the timeline between the year 2000 and the present time using major databases and leading IS journals. The timeline of 20 years has been selected due to the fact that in the IS domain, the year 2000 was the year of Y2K bug, the "millennium bug", due to which new demands for information systems were set (Augustyn, 2019). 20 years represent a timeline, where in the IS domain, the latest IT development will be seen. To make the review process even more clear, it is also decided that books are left out

Organization 1 An organization

Figure 1. Intra-organizational vs Inter-organizational



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