Chapter 7
Explorative Study on the Influence of National Cultures on Business/ IT Alignment Maturity

A. J. Gilbert Silvius
Utrecht University of Applied Sciences, The Netherlands

Steven De Haes
Antwerp Management School, University of Antwerp, Belgium

Wim Van Grembergen
Antwerp Management School, University of Antwerp, Belgium

ABSTRACT

A key success factor for a successful company in a dynamic environment is effective and efficient information technology (IT) supporting business strategies and processes. Organizations that successfully align their business strategy and their IT strategy outperform their non-aligned peers (Chan et al., 1997). In recent surveys IT executives consistently name IT to Business alignment their top-concern. The alignment between business needs and IT capabilities is therefore still a prominent area of concern. This paper aims to contribute to the understanding of the alignment challenge by exploring the impact of (national) cultures on the maturity of business / IT alignment (BIA).The paper relies on Hofstede's framework of cultural dimensions (Hofstede, 1980) to understand the concept of national culture. After a brief introduction on BIA and Luftman's framework for measuring BIA maturity (Luftman, 2000), the authors analyze the influence of Hofstede's cultural dimensions on the variables of BIA maturity. This conceptual exercise is than tested in a small-scale empirical exploration by comparing BIA maturity scores of Belgium and Dutch financial institutions. The results support a potential effect of national cultures on BIA maturity, especially in 'governance maturity' and 'skills maturity', but not all expected results are confirmed.

INTRODUCTION

Information technology (IT) is changing the way companies organize their business processes, communicate with their (potential) customers and deliver their services (Avolio, 2000). A key success factor for a successful company is an effective and efficient alignment of the way IT is supporting business strategies and processes. The necessity and desirability of aligning business needs and IT capabilities is examined in numerous articles (Pyburn, 1983; Reich & Benbasat, 1996; Chan et al., 1997; Luftman & Brier, 1999; Maes et al., 2000; Sabherwal & Chan, 2001) and its importance is well recognized (Cumps et al., 2006). The annual survey of top management concerns by the Society for Information Management (www.simnet.org) ranked 'IT and Business alignment' as the no. 1 concern in five of the last seven years (Society of Information Management, 2003, 2004, 2005, 2006, 2007, 2008, 2009). In the years that it did not make the top spot, alignment ranked as the no. 2 concern. The alignment between business needs and IT capabilities is therefore still a prominent area of concern.

After many years of research into business / IT alignment (BIA), Chan and Reich (2007) list over 150 studies, the prominent position of BIA as one of the top concerns, indicates that business and IT executives still face issues and questions that are not tackled by research (Chan & Reich, 2007; Silvius, 2007). One of these questions concerns the impact of culture on BIA. Several authors (Watson et al., 1997; Kaarst-Brown & Robey, 1999; Baker, 2004) suggest a relationship between the effectiveness of BIA and the culture within an organization. Other authors show that national cultures affect the way IT is used or perceived (Veiga, Floyd & Dechant, 2001; Livonen et al., 1998). This paper aims to explore the way national culture affects the maturity of BIA in organizations.

The study of the impact of culture on the alignment of business and IT is important because organizations are increasingly depending on IT for their communication and business processes. Information has become ubiquitous in many organizations and IT is therefore one of the most important resources of production and knowledge. However, embedding IT in organizations requires careful consideration of the organization's culture and the culture of its surrounding country (Ross, 2001; Westrup et al., 2003).

The central question that this paper addresses is how national culture influences the alignment of business and IT in organizations. After a brief paragraph on the concepts of BIA, and a framework for studying national cultures, we explore the relationship between culture and BIA. The last part of the paper presents a small-scale empirical study to explore the expected influence from national culture on BIA maturity.

BACKGROUND

The central question in this paper, how does national culture influence the alignment of business and IT in organizations, resolves from a research program aimed at exploring and understanding the differences of BIA in theory and in practice. With this knowledge the theory on BIA can be further developed.

Step one of the research was a literature review on the topic. The literature review focused on the following questions.

- How is BIA defined and interpreted?
- Which theories are developed on BIA?
- What was the development path of BIA?

This literature is not reported in his paper, but some relevant parts are included in the paragraph defining BIA.

The second step in the program was a number of focused group discussions in order to explore the practical side of BIA. The discussions were aimed at exploring the following questions.

Related Content

Attributes of Communication Quality in Business Process Outsourcing Relationships: Perspectives from India-Based Insourcing Managers

Arjan J. Knol, Egon Berghoutand Albert Boonstra (2011). *International Journal of IT/Business Alignment and Governance (pp. 35-55).*

www.irma-international.org/article/attributes-communication-quality-business-process/54733

IT Backsourcing: Insights and Implications From a Global Survey With IT Practitioners

Benedikt von Bary, Markus Westnerand Susanne Strahringer (2019). *International Journal of IT/Business Alignment and Governance (pp. 20-34).*

www.irma-international.org/article/it-backsourcing/250868

Enterprise Architecture: A Snapshot from Practice

Michael Clarke, Jon G. Halland Lucia Rapanotti (2013). *International Journal of IT/Business Alignment and Governance (pp. 1-10).*

www.irma-international.org/article/enterprise-architecture/84978

SOA Governance Considerations for Successful Project Management

Konstantinos Koumaditisand Marinos Themistocleous (2015). *Modern Techniques for Successful IT Project Management (pp. 245-264).*

www.irma-international.org/chapter/soa-governance-considerations-for-successful-project-management/123794

A Value Framework for Technology Potentials: Business Adoption of Emotion Detection Capabilities

Stefan Kochand Kemal Altinkemer (2021). *International Journal of Digital Strategy, Governance, and Business Transformation (pp. 1-13).*

www.irma-international.org/article/a-value-framework-for-technology-potentials/302636