

# IT-ORGANIZATION ALIGNMENT

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## ABSTRACT

Organizations bring-in information technology (IT) to automate their operations, speed-up the decisions and implementation and provide management with better control of organizational resources. Obviously, IT has to adjust with organization however, both organization and IT goes through restructuring process. So IT-organization alignment takes place by customizing the hardware and software as well as re-engineering the organization and management, but all this is easy to say than doing it successfully. Huge amounts of money are spent on the 'aligned infusion of IT' into the organizations however, given the differences of stakeholders both in IT and organization, alignment issues recur on several levels of alignment. This paper is a conceptual effort to bring together the core elements of the alignment problem with a view to develop a theoretical model to comprehend and thereby innovate solution models for different organizational situations.

## INTRODUCTION

The contributions of IT to organizations is not deniable (Glass, 1998) however, successful role of IT is not ensured only by purchasing IT artifacts rather several organizational, managerial and technological measures are required to smoothly phase-in the technology (Galliers, 1991). There are success stories (see for example, McFarlan, 1984; Henderson, J. C. and Venkatraman, N., 1992) but failure more rampant and wide spread (see for example, Lyytinen and Hirschheim, 1987; Ewusi-Mensah and Przasnyski, 1991; Tighe, 1996; Kirby, 1997; Glass, 1998; Sauer, 1999).

Both technical and human/organizational factors have been identified as the causes of failures (see for example, Checkland, 1981; Mumford, 1991; Drummond, 1996; McGrath, 1997; Sauer, 1999). Whatever, the causes almost all the organizations are vulnerable to failure of IT projects.

Reasons to the poor performance of IT-projects are many however, what research puts as the root of failure is "mis-alignment between IT and the organization (See for example, Ennals, 1995; Collins and Bicknell, 1997; Sauer, 1999)." It is however, maintained that "these problems are not difficult to understand, just difficult to fix (Mills, 1996)." Strategies can be suggested to increase the elements of alignment for example,

"IT is more responsive to business strategy in organizations which place heavy emphasis on innovation in their product and market strategies than in those which operate in a relatively stable product/market areas (Tan, 1995)." Innovation is possible only when mistakes are admitted thereby reducing the chances of uncertainty otherwise, "the activity of suppressing consideration of systems failures and problems can be dangerous (Ennals, 1995:4).

### The Issue

Whilst there is widespread agreement that organizations and IT strategies should be linked or interdependent (see for example, McLean and Soden, 1977; Galliers, 1987; Niederman et al., 1991; Tan, 1995) or even integrated (Galliers, 1991), however, "little evidence exists to show the nature of such interdependency and the ways by which linkages can be achieved in practice (see for example; Henderson, J. C. and Venkatraman, N., 1992; Willcocks, 1992).

### Levels of Alignment

Days have gone when IT was supposed to play 'back-office role' at the transaction processing (TPS) levels. Its intrusion has now stretched beyond these traditional boundaries. There are management information systems (MIS) for