# The Dynamics of Alignment:

# Resolving Strategy Ambiguity within Bounded Choices

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**Declaration:**

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Bruce Campbell

17th November, 2007

M4. *So what makes up the information system?*

M1. *Business. Process. People. That's the system.*

M4. *So the system is the business, the processes within that business, and the people who operate the processes in that business. That's an information system?*

M1. *…. Business, process, people. That's it. And that's what you've always got to focus on when you're looking at an IS system.*

M4. *So how can an information system, then, be misaligned with the business?*

(Exchange between two business managers in a focus group held 28th August 2003)

**Dedication:**

This thesis is dedicated to my father whose last regret was that he would be unable to see its completion.

**Acknowledgements:**

Firstly, I would like to acknowledge the participants of this research. Without them it would not exist.

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# Abstract

Alignment of information systems (IS) with business activities has been an important problem for practitioners for many years even though there has been considerable research in the area. A criticism of some past research into IS/business alignment is that it has ignored organisational complexity and context. This is partly due to the dominant paradigm in use within IS research. One result of this paradigm is that there are numerous prescriptions provided in the literature for improving alignment but little in the way of theory development that explains the behaviour of practitioners when confronted with the task of attaining alignment.

To address these criticisms a grounded theory approach was adopted using a coding family that encouraged the discovery of systems of interaction between variables rather than assuming linear causality. Data was collected via three unstructured focus groups that limited the effect of prior reading of the literature, an important consideration when conducting a grounded theory study. These were followed by semi-structured individual interviews. The instruments for the latter were developed after the focus group interviews were analysed, so reducing the impact of a priori reading.

Analysis of the focus group interviews found that the major concern of practitioners was aligning IS strategies to either business strategies documented in business plans or the business strategies in use. This is a similar result to earlier alignment research. As a result of analysis of the focus group interviews the research question stabilised.

This research investigated how factors within an organisational setting impact the ability of senior IT managers to identify, then act upon, the business strategies in use.

It confirmed many of the enablers and inhibitors to alignment identified in earlier research. However, it also identified two variables that are rarely given prominence in the literature: the mental models held by managers; and the motivation and

measurement schemes applied to managers. It is believed that both these variables have a significant impact on the alignment of IS and business strategies.

The theory developed here demonstrates that a system of variables will tend to encourage IT managers to either collaborate with their business peers, or retreat from the business and concentrate on providing a low cost reliable technical IT solution. In the former situation alignment of IT managers' actions to those of their business peers is encouraged. In the latter situation there will be little alignment between business and IS strategies nor between the actions of business and IT managers.

A feedback loop of actions by actors within the system tends to reinforce the situation making a change in response extremely problematic. This, then, helps explain the intractable nature of alignment that has been observed for many years.

# Table of Contents

# Table of Figures