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25. Using Information Technology in Technical and Operational: Factors to Assess Strategic Alignment

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Abstract

The strategic use of information technology (IT), better known as strategic alignment has significantly increased, as a result of the strong dependence of organisation activity on information system (IS) and their related technology. Strategic alignment is considered as a key element to improve performance on organisations, enhance efficiency and allow organisation to be more competitive in their respective industry. One of the first step towards achieving strategic alignment is to have adequate means to measure it. Current assessment approaches, though are mainly focused at the strategic level but provide little insight at tactical and operational level which are recognized as important areas for achieving strategic alignment. Furthermore most of the existing approaches are tested in large organisations and there is little research on assessing the effectiveness of these approaches for small and medium enterprise (SMEs). this paper proposes an alternative instrument rather than focusing only at the strategic level. it aims to have a better understanding by measuring alignment at tactical and operational level/ finally this paper presents the finding of applying this instrument on an SME.

Introduction

The strategic use of information (IT) better known as strategic alignment has increased in its significance as a result of the strong dependence of organisational activity on information system and their related technologies. consequently organisation want to ensure that IT investment are made on those projects that improve business performance and competitiveness (Tallon, Kraemer & Gurbaxani 2000). Furthermore IT executive consider strategic alignment as one of the main challenges that the organisation has to face

Strategic alignment however has been subjected to different interpretation in theoretical and particular studies and it is difficult to find a common agreement which is reflected on the variety of definition found in the literature. for example strategic alignment has adopted different pseudonyms like integration.

Assessing Strategic Alignment

current assessment approaches can be classified in two types, first those approaches that measure alignment to support its relevance the impact of IT on business performance and its relation with financial benefits or its business IT value. second, research approaches that help in the understanding of the alignment phenomena and alignment to help the organisation to improve their current situation. represented research of each type is discussed in the following sections highlight their advantages and limitation.

Assessment to Support the Relevance of Strategic Alignment

Although executives are sceptical of the payoffs of IT investment due to its difficulties in achieving tangible benefits (Weill and Broadbent, 1998) Tallon (2003) provides evidence that corporation with clear strategic goals for IT achieve higher level of strategic alignment therefore higher IT business value (Tallon, Kraemer & Gurbaxani 2000, Tallon, Kraemer 2003) in addition a key contribution from tallon's work is the unit of analysis while most of the literature focuses the alignment analysis at firm level. Tallon focuses on process level to obtain deeper insight of alignment. A survey was developed to measure the payoff across the processes in the value chain; this survey was duplicated to address both the business and the IT strategy. despite the fact that he found that strategic alignment can improve the business value of IT the authors also found that highly tight strategies between IT and business strategy could prevent organisation from the flexibility required to react in a changeable environment (Tallon, Kraemer 2003). also known as the alignment paradox. thus the business value of IT depends to some extent on the organisation ability to link its strategic process with the IT strategic process with flexible framework.

Assessing To Improve Strategic Alignment

early work on the this topic assess alignment in order to identify which component drives the alignment the role of top management the role of IT management and their performance criteria (henderson, venkatraman 1999). this type of assessment allows the company to understand how the components of alignment are related but not how to achieve such alignment. similar research assesses the organisation alignment through a web tool but again the result is a description of which perspective are strong or weak in the organisation based on the SME model (papp 2005). in practice the web tool provide little support to managers in order to improve

alignment as it is not possible to determine factor produce which perspective. on this research the unit of analysis is the whole corporation and empirical research is provided.

An Alternative Instrument To Measure Strategic Alignment

The previous section presented a brief review of current approaches to assess strategic alignment. from this review the following limitation were identified: first the current assessment measure alignment at strategic level without integrating the tactical and operational. second the lack of instrument to measure alignment within the organisation to promote continuous improvement.

Questionnaire Design Considerations

The instrument proposed in this paper aims to measure the factor that impact alignment maturity (as described on SAMM model) from the strategic perspective and the current practices at tactical and operational levels. when some factors show low maturity it may be possible to identify the reasons of this happening to make the corresponding that allow improving that factor hence the alignment. the instrument is based on the alignment dichotomy paradigm which argues that the information system plan should be aligned to the business plan (ISP-BP) and the business plan should be aligned to the information system plan (BP-ISP) both these types of alignment increase the organisation understanding of IT that helps to prioritize IT projects.

Case Study Data Analysis

Table No 1

participant	comm	metrics	governance	partnership	architecture	skills	maturity	level
A	2.72	2.60	2.74	3.24	2.33	3.60	2.87	S
B	3.00	2.67	3.39	3.88	2.33	4.40	3.28	S
C	3.16	2.87	2.52	3.00	3.00	3.00	2.92	S
D	4.40	4.67	4.17	4.41	4.00	4.40	4.34	S
E	3.96	3.93	3.83	3.94	3.00	3.40	3.68	T
F	2.56	2.07	2.49	3.06	1.67	3.80	2.61	T
G	3.40	2.40	3.30	3.53	1.67	3.60	2.98	T
H	2.60	2.80	2.81	3.35	2.67	3.40	2.96	T
I	3.42	3.73	3.39	3.59	2.33	4.00	3.41	O

Conclusion

This study represents a contribution to assess strategic alignment in SMEs using the alignment maturity factor defined by Luftman (2000) which provides a solid support of measuring in organisation. the development of the questionnaire according to the SME characteristics contribution to develop an instrument able to assess the alignment maturity at different organisational levels. this paper of part of an on-going research in the area of strategic information system planning, focused on strategic alignment. for example the result confirm that metrics is a factor that needs improvement and also was found functional managers perceive they were not evaluated by those metrics consequently they use them rarely. this type of result helps management to better understanding how to improve their current practices. Finally the refinement of this approach and its application in wider context can lead to the proposal of a strategic alignment methodology that could use the proposed instrument to improve the complex relationship between the identified factor by continuously assessing the organization alignment maturity.

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