

Measuring Business Strategy and Information Systems Alignment

Authors : Amit Saraswat, Ruchi Tewari

Abstract : Purpose: The research paper aims at understanding the alignment of business and IT in the Indian context and the business value attached to such an alignment. Methodology: The study is conducted in two stages. Stage one: Bibliographic research was conducted to evolve the parameters for defining alignment. Stage two: Evolving a model for strategic alignment to conduct an empirical study. The model is defined in terms of four fundamental domains of strategic management choice - business strategy, information strategy, organizational structure, and information technology structure. A survey through a questionnaire was conducted across organizations from 4 different industries and Structure Equation Modelling (SEM) technique is used for validating the model. Findings: In the Indian scenario all the subscales of alignment could not be validated. It could be validated that organizational strategy impacts information strategy and information technology structure. Research Limitations: The study is limited to the Indian context. Business IT alignment may be culture dependent so further research is required to validate the model in other cultures. Originality/Value: In the western world several models of alignment of business strategy and information systems is available but they do not measure the extent of alignment which the current study in the Indian context. Findings of the study can be used by managers in strategizing and understanding their business and information systems needs holistically and cohesively leading to efficient use of resources and output.

Keywords : business strategy, information technology (IT), business IT alignment, SEM

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