

Managing Information Technology: An Overview of Information Technology Governance

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Abstract : Today, investment on Information Technology (IT) solutions in most organizations is the largest component of capital expenditure. As capital investment on IT continues to grow, IT managers and strategists are expected to develop and put in practice effective decision making models (frameworks) that improve decision-making processes for the use of IT in organizations and optimize the investment on IT solutions. To be exact, there is an expectation that organizations not only maximize the benefits of adopting IT solutions but also avoid the many pitfalls that are associated with rapid introduction of technological change. Different organizations depending on size, complexity of solutions required and processes used for financial management and budgeting may use different techniques for managing strategic investment on IT solutions. Decision making processes for strategic use of IT within organizations are often referred to as IT Governance (or Corporate IT Governance). This paper examines IT governance - as a tool for best practice in decision making about IT strategies. Discussions in this paper represent phase I of a project which was initiated to investigate trends in strategic decision making on IT strategies. Phase I is concerned mainly with review of literature and a number of case studies, establishing that the practice of IT governance, depending on the complexity of IT solutions, organization's size and organization's stage of maturity, varies significantly - from informal approaches to sophisticated formal frameworks.

Keywords : IT governance, corporate governance, IT governance frameworks, IT governance components, aligning IT with business strategies

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