

Corporate Governance of Enterprise IT: Research Study on IT Governance Maturity

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Abstract : Despite the financial crisis and ongoing need for cost cutting, companies all around the world heavily invest in information systems (IS) and underlying information technology (IT). Information systems (IS) play very important role in modern business organizations supporting its organizational efficiency or, under certain circumstances, fostering business model innovation and change. IS can influence organization competitiveness in two ways: supporting operational efficiency (IS as a main infrastructure for the current business), or differentiating business through business model innovation and business process change. In either way, IS becomes very important to the business and needs to be aligned with strategic objectives in order to justify massive investments. A number of studies showed that investments in IS and underlying IT resulted in added business value if they are truly connected with strategic business objectives. In that sense proliferation of governance of enterprise IT helps companies manage, or rather, governs IS as a primary business function with executive management involved in making a decision about IS and IT. The quality of IT governance is rising with the large number of decisions about IS made by executive management, not IT departments. The more executive management is engaged in making a decision about IS and IT, the IT governance is of better quality. In this paper, the practice of governing the enterprise IT will be investigated on a sample of the largest 100 Croatian companies. Research questions posed here will reveal if there are some formal IT governance mechanisms, are there any differences in perceived role of IS and IT between CIOs (Chief Information Officers) and CEOs (Chief Executive Officers) of the sampled companies and what are the mechanisms to govern massive investment in enterprise IT.

Keywords : IT governance, governance of enterprise IT, information system auditing, operational efficiency

Conference Title : ICEMM 2015 : International Conference on Economy, Management and Marketing

Conference Location : Berlin, Germany

Conference Dates : September 14-15, 2015