

## Association for Information Systems AIS Electronic Library (AISeL)

---

ACIS 2008 Proceedings

Australasian (ACIS)

---

2008

# Investigating the Social Dimension of Alignment: Focusing on Communication and Knowledge Sharing

Ramisa Kashanchi

*Victoria University of Wellington*

Janet Toland

*Victoria University of Wellington*

Follow this and additional works at: <http://aisel.aisnet.org/acis2008>

---

### Recommended Citation

Kashanchi, Ramisa and Toland, Janet, "Investigating the Social Dimension of Alignment: Focusing on Communication and Knowledge Sharing" (2008). *ACIS 2008 Proceedings*. 2.

<http://aisel.aisnet.org/acis2008/2>

This material is brought to you by the Australasian (ACIS) at AIS Electronic Library (AISeL). It has been accepted for inclusion in ACIS 2008 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact [elibrary@aisnet.org](mailto:elibrary@aisnet.org).

## Investigating the Social Dimension of Alignment: Focusing on Communication and Knowledge Sharing

Ramisa Kashanchi  
Janet Toland  
Victoria University of Wellington

### Abstract

*Strategic alignment has been viewed as one of the main concerns of management and IT executives. While the importance of alignment and the benefits that can result from it are not questioned, achieving and maintaining alignment is still a major concern facing organizations. This research focuses on the social dimension of alignment, and in particular on the two factors of communication and knowledge sharing. Five IT companies were selected for this empirical case study. The findings of the research revealed that the consistency of communication and knowledge sharing leading to alignment between IT and business objectives is of a high level. However the extent to which they can lead to alignment is affected by other factors that can inhibit or enhance their ability to achieve a seamless alignment outcome.*

### Keywords

Strategic alignment, social dimension of alignment, knowledge sharing, communication.

## 1. INTRODUCTION

In today's technologically driven world, organizations are investing heavily in their IT infrastructure with the aim of achieving a competitive advantage in the market place. In recent years, organizations across the business spectrum have come to the realization that they need to do more than simply invest in IT. Today, it is paramount that they use the IT tools and infrastructure at their disposal to support their business strategy. Only then can they aim to achieve a competitive advantage. This concept is known as strategic alignment. An IT strategy needs to fully take into account what the needs of an organization are in order to align IT with business strategy. Alignment provides benefits for organizations by enhancing their performance, profitability and efficiency. However despite the recognition of the importance of alignment and the associated benefits, it is still difficult to achieve, and is a major concern for managers (Benbya & McKelvey 2006).

One approach that can lead to sustainable long term alignment between IT and business is better utilization of human resources. This approach is identified as the "Social Dimension" of alignment. The social dimension of alignment focuses on people within an organization; in particular, but not exclusively those members of staff who are directly involved with the needs of business and IT. These people are the initial stakeholders in making alignment between IT and the business viable and workable. A key component is the very nature of the utilization of the social dimension in alignment

## 2. LITERATURE REVIEW

Alignment can help organizations in different ways:

1. by maximizing the return on IT investment;
2. by enabling organizations to achieve competitive advantage through IS;
3. by facilitating the ability of organizations to respond to new opportunities by providing direction and flexibility (Avison, Jones, Powell et al. 2004).

Strategic alignment has been shown to have a positive effect on organizational performance (Byrd, Lewis, & Bryan 2006). IS alignment and performance are correlated. Companies that have higher IS strategic alignment, are recognized to have greater performance (Chan 2002; Chan, Huff, Barclay & Copeland 1997; Rajiv & Yolande 2001).

Integrating IT and business strategy is imperative for alignment but not enough for alignment to be achieved (Benbya & McKelvey 2006). Ciborra (1991, cited in Chan 2002) and Van Der Zee & De Jong (1999) considered that alignment is not a state but a journey. It cannot be anticipated, rationalised or firmly planned but it is comprised of organizational learning on a continuous basis along with some experimentation. Luftman, Papp, & Brier (1999, pp. 2) stated that the achievement of alignment is "evolutionary and dynamic". Henderson

& Venkatraman (1999) also considered that strategic alignment is not an event but is a process of continuous change. The research by Benbya & McKelvey (2006) identified alignment as a continuous process with ongoing adjustment rather than an event with an end point.

For this research, alignment was regarded as an ongoing process. This is because studying alignment from the dynamic perspective enables organisations to achieve long-term alignment. As identified by many scholars, alignment is a recurring issue. One reason could be that it has been viewed from a static perspective. However, considering it from an ongoing perspective may enable longer-lasting alignment. Factors such as communication and knowledge sharing are ongoing processes and therefore can assist with both achieving alignment and sustaining it for a longer time.

Strategic alignment is widely considered to have two dimensions; the intellectual dimension and the social dimension (Martin, Gregor & Hart 2005; Reich & Benbasat 1996; Sambamurthy & Zmud 1992, cited in Reich & Benbasat 2000). The intellectual dimension focuses on the strategies, structure and planning methodologies in organisations (Sambamurthy & Zmud 1992, cited in Reich & Benbasat 2000). Reich & Benbasat (1996, pp. 57) defined the intellectual dimension as “the state in which a high quality set of interrelated IT and business plans exists”. The intellectual dimension consists of formal mechanisms and processes of achieving alignment such as strategic planning, business enterprise modelling, use of tools and administrative governance arrangements and processes (Martin et al 2005). The social dimension of alignment has been identified by Reich & Benbasat (1996, pp. 57) as the “the state in which business and IT executives within an organizational unit understand and are committed to the business and IT mission, objectives, and plans”. Martin et al., (2005, pp. 29) define social alignment as the “management support for IS, the processes used in business planning for IS and the communication of plans”. This dimension concentrates on the people involved in the ‘creation of alignment’ (Reich & Benbasat 2000). The model proposed by Reich & Benbasat (2000) identifies four factors that influence the social dimension of alignment (Figure 1).

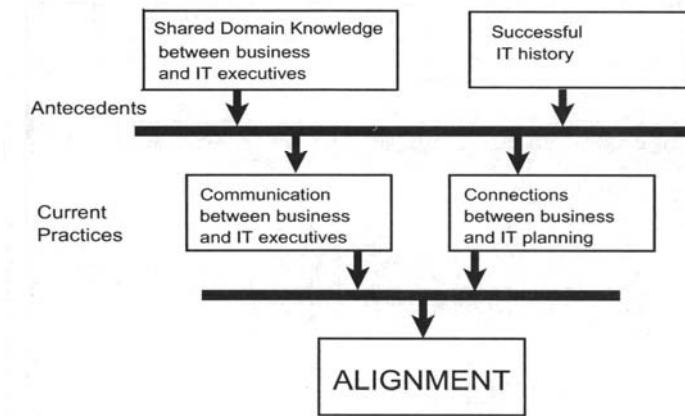


Figure 1: Reich & Benbasat (2000, pp. 85) Factors that Influence The Social Dimension of Alignment

1. *Shared domain knowledge between business and IT executives*: the better IT and business executives understand and participate in each others' key processes the better the alignment will be.
2. *Successful IT history*: the more successful the previous IT implementation the more trust business executives have in IT and the more motivation to communicate with the IT department, which leads to better alignment.
3. *Communication between business and IT executives*: the communication between business and IT executives can positively affect the level of mutual understanding and alignment.
4. *Connections between business and IT planning processes*: the more IT executives are involved in business planning the more they can understand and support the business objectives, leading to better alignment.

Reich & Benbasat (2000) have discovered that all the above factors influence short-term alignment (shared understanding of existing objectives) but sharing domain knowledge between business and IT executives leads to a more long-term alignment (similar IT vision).

This research was guided by Reich & Benbasat (2000), and investigated the social dimension of alignment by concentrating on communication and knowledge sharing. This study is differentiated from that of Reich & Benbasat (2000) in three ways:

1. This research studied knowledge sharing rather than shared domain knowledge; this is because alignment was considered as an ongoing process.
2. Their research identified that communication and knowledge sharing can enhance alignment. Communication can enhance short-term alignment, whereas shared domain knowledge is the only factor identified by them that can enhance long-term alignment.
3. They considered shared domain knowledge as an antecedent to communication. However, this research considered knowledge sharing and communication in parallel.

The research done by Reich & Benbasat (2000) considered shared domain knowledge as a construct. This research, considers 'shared domain knowledge' as a process, this is because for alignment to be effectively achieved it needs to be considered as an ongoing process.

### **2.1 Communication and Knowledge Sharing**

Communication can enhance alignment because it can ensure that business and IT potential are integrated effectively (Rockart, Earl, & Ross 1996). "For alignment to succeed, clear communication is an absolute necessity" (Luftman & Brier 1999). Luftman (1997) identified that the extent to which IT and non-IT executives have personal relationships is an important factor influencing alignment. Raggad (1997) identified that in order to enhance alignment IT and line managers need to communicate and understand each other, but to get strategic advantage they need to have a partnership. The lack of communication between IT and business managers has been identified as causing disagreement in interpreting organizational goals and strategic objectives.

Knowledge has been described as the most important strategic resource. It is viewed as organizational capability and a source of sustainable competitive advantage (Bassellier & Benbasat 2004). Knowledge based activities, including knowledge creation and integration, knowledge accumulation and utilization as well as knowledge learning and sharing are important as they enable organizations to obtain and sustain competitive advantage. These activities together comprise knowledge management (Fang, Tsai, & Chang, 2005). Knowledge management defined by Swan et al. (1999) is any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organizations. This definition of knowledge management is also adopted to fulfil the purpose of this thesis.

Knowledge sharing has been defined by Nelson & Coopriders (1996, pp. 410) as "an understanding and appreciation among IS and line managers for the technologies and processes that act their mutual performance". Understanding and appreciation are the two significant elements of shared knowledge. Keen (1988, pp.52 cited in Nelson & Coopriders 1996, pp.411) states that "the relationship between IS and business managers has to be one of mutual understanding—not of the details of each other's activities, knowledge, and skill bases, but of the other's needs, constraints, and contribution to an organizational venture partnership". Fang et al.(2005) state that knowledge sharing is not the same as communication and conflict resolution but to effectively share knowledge these two factors are significant.

## **3. RESEARCH DESIGN**

The research method chosen for this study is qualitative. The research is interpretive, in that it is exploratory and the researcher depends on the participants' views, thoughts and ideas. The research took place at the participants' site and interviews were the main method for data collection. Five cases were chosen for this research, all of which are IT companies. IT and business people's understanding of each other's language, goals and needs has always been a problem in organisations, and an important obstacle to achieving alignment between IT and business. The sites selected for this study are typical as they are all small and medium size IT companies. The companies are public and private organizations providing IT solutions and products and services to their clients. The participants were selected from CEOs, CIOs, Managing Directors and other senior level positions in IT organizations. These people were chosen to participate in the study as they have a good knowledge of strategic alignment in their organization at the strategic and tactical level. Having this background enables them to contribute highly to the study by providing the researcher with a good knowledge of the alignment practice in their organizations, and the affect of knowledge sharing and communication in enhancing alignment.

There are three main reasons why this research focused on IT companies. These are as follows:

Firstly, IT is an important sector in N.Z. It is the provider of solutions as well as products and services. Therefore, as the purpose of this research is to study strategic alignment and the effect of two antecedents (knowledge sharing and communication) on enhancing alignment, it is interesting to identify whether or not these companies practise strategic alignment internally in their organizations. This is because the more strategic alignment there is between IT and business inside these companies, the better the value of products and services, and importantly, the solutions are they providing for their client companies.

Secondly, since the main business is IT, the business people working in IT companies have IT knowledge, as they are all IT professionals. In other organisations, such as in the government sector or insurance companies, the IT department is similar in size to other departments such as finance, HR, etc. In these companies, IT is viewed as a tool and enabler that can provide solutions to business needs. IT and business do not understand each other's language, goals and needs, and as a result, communications and knowledge sharing are neither effective nor productive. In IT companies, however, since they are all IT professionals, the IT people have business competencies and business people have IT competencies. As a result, the shared domain knowledge in these companies appears to be higher than in any other organisations. The greater the shared domain knowledge between IT and business people, the greater their understanding should be of each other's short-term and long-term plans, and consecutively, more knowledge sharing should be taking place.

Thirdly, these IT companies are the best practice cases in terms of the social dimension of alignment, which is the focus of this research. Shared domain knowledge can enhance knowledge sharing. Therefore, to investigate the effect of knowledge sharing and communication on alignment, the IT companies were a better choice than any other organisations. This is because the shared domain knowledge is greater in these companies, and as result, the knowledge sharing is also high, and better responses and results could be obtained from investigating these companies. However, as with any sample, there are disadvantages with sampling IT companies. For example, the results obtained from these companies might not apply to other non-IT companies, or might not impact upon them as such.

Two interviews were conducted in each organisation, one with a representative of IT, and one with a representative of business. Having a representative from each side of the organisations provided the researcher with two perspectives on alignment and the effect of communication and knowledge sharing on this.

## **4. FINDINGS**

This section presents the finding of the empirical research.

### **4.1 IT Strategy and business strategy**

This question was asked in order to identify strategic alignment specifically from the IT strategy and business strategy perspectives. This is because it has been shown that in organizations which have their IT and business strategy moving in the same direction, both IT and business are involved in each others strategic planning. IT plans and objectives support business plans and objectives, showing a high level of strategic alignment.

Overall three out of five organizations identified that they have a strong business strategy with the IT strategy emerging from it. The IT team is not involved in business strategic planning but supports the business strategy. The participants from the other two companies stated that their IT and business strategy are integrated. In addition they claimed that IT and business are both involved in each other's strategic planning. However one participant from one of these two organizations disagreed and had a similar point of view to the participants from the other three organizations.

### **4.2 Communication and Knowledge Sharing**

To investigate how these two factors can enhance alignment it is necessary to look at the other factors that affect and enhance communication and knowledge sharing themselves. These factors were identified from the literature review.

Factors for communication are:

1. the flow of communication;
2. the frequency of communication;
3. the technology used;
4. the managers and media choice; and
5. the communication channels richness.

For knowledge sharing factors include:

1. competence of the IT and business people;
2. factors affecting knowledge sharing in general;
3. incentives; and
4. IT and business partnership.

Determining the effect of these factors on communication and knowledge sharing will identify the extent to which they are affecting alignment.

#### 4.2.1 What is the Difference Between Communication and Knowledge Sharing?

The participants in this study defined communication as being instantaneous, day to day, at the information level, operational and involving sharing of information that can happen all the time and between all people in the organisation. They mentioned that communication can be both structured and non-structured. They stated that information can be communicated but not necessarily acted on.

The participants mentioned that the difference between communication and knowledge sharing lies in the level of detail. For example people can communicate and give information of what they are doing. But detail of *“what they're doing it, why they're doing it, who they're doing it to, what they're doing it for, that's about knowledge”*. In addition they stated that the better the communication the better the knowledge sharing.

The participants of this research defined knowledge sharing as accessing and exploiting someone's knowledge and expertise in order to deal with some circumstances and applying information for specific situations. In addition they defined knowledge sharing as presenting information and making sure that all of the information is available and accessible. They mentioned that knowledge sharing is specifically for the purposes of sharing knowledge that happens in specific planned situation. For example it can happen through the quarterly meetings, the monthly meetings, team meetings or graduate recruitment. They added that knowledge sharing *“is through formal communications if you like between the IT and the business”*.

The participants identified that knowledge has a real business and strategic value and is something that people can act on rather than it being just theory. They defined that *“knowledge sharing requires follow up and understanding and the ability to execute against the data that makes up the knowledge”*. In addition they stated that *“knowledge is the benefits and the value of what people doing and sharing that across the organization”*.

The participants identified that knowledge sharing as compared to communication is more structured, specific and formal. It is formal communication between people and it often involves more people than communication, which can be one to one. They added that the availability of knowledge can be communicated. They identified that to have knowledge sharing it is necessary to have communication. Their view is supported by Fang et al.(2005) also mentioned that to effectively share knowledge communication is an important factor.

### 4.3 Communication

The factors affecting and enhancing communication are as below.

#### 4.3.1 Flow of Communication

The findings of this empirical study identified that in the three companies they have both formal and informal communication. Informal communication takes place on the interaction between internal systems and the external part of the business and across all levels of the organization and it is ongoing. Formal communication can be on formal planning processes, on policy and strategy and processes.

#### 4.3.2 Frequency of Communication

The findings identified that the frequency of informal communication for all organisations varies. In general it has been determined that the frequency of formal and informal communication between IT and business in all organisations is high. This means they have good understanding of each others' activity but it is not clear whether or not they support each others' activities. The literature identifies that frequent communication can enhance mutual understanding and as a result can lead to alignment. But the findings of this study do not fully support this as it has been revealed that even though all companies have frequent formal and informal communication, two of the companies do not have good alignment and the other three have strong alignment. It could be concluded from the findings of this research that frequency of communication does not necessarily lead to alignment.

#### 4.3.3 Technology

This research has identified the different technologies used by organizations to communicate. The use of technology facilitates communication in organizations and the better and easier the communication between IT and business the greater their mutual understanding of each others' purposes and activities. As a result the better the alignment will be. However the preferences for communication technologies differ with each company depending on the work that needs to be done and the group preferences. Most participants mentioned that they use email more than other technologies.

#### 4.3.4 Managers and Media Choice

The findings supported the literature as it has been identified that for three companies the use of communication channels depends on:

- the nature of the task and what they are trying to communicate;
- the urgency of the task;
- the groups' preferences; and
- the message or the audiences or the mixture of both.

Among all of the technologies used, the majority of participants identified that they use email the most as:

- it is easy to communicate with people who are geographically dispersed;
- it provides a history of the communication;
- it enables communication with lots of people at the same time; and
- it is quick, convenient and always available.

Only two participants mentioned that the phone is the technology they use to communicate the most as it is easy and because of its speed and accessibility.

#### 4.3.5 Communication Channels and Mutual Understanding

The findings of this empirical study revealed that face to face communication is the richest means of communication, which can enhance mutual understanding between the people communicating. However all participants agreed that it is impossible to have face to face communication at all times and it is not affordable or timely. Therefore other channels like email; intranet, instant messaging, video conferencing, etc need to be used. In regards to email as opposed to face to face communication three companies identified that email can be taken out of context and might cause misunderstanding and words might get misinterpreted and it is difficult to get priority and acknowledgement. However despite this fact participants identified that email is still the major communication channel used in organizations.

#### 4.3.6 How Does Communication Enhance Alignment?

All participants in this research referred to communication as a fundamental enabler of alignment between IT and business. They mentioned that without constant communication alignment is impossible. In addition they identified that communication raises awareness of the other side of the company in regards to the changes coming about, new structure, roles and responsibilities in the organization. However it needs to be through different channels that are relevant to different situations.

Three of the companies identified different communication style and lack of communication as reasons for the misalignment between IT and business. Two of these companies stated that having more and clearer communication between IT and business was a strategy to reduce the alignment gap. Therefore these organizations emphasized the importance of communication. The literature supports these findings as lack of communication has been identified as one reason for a disconnect between IT and business (Wang, 1997). In addition Rathnam, Johnsen, & Wen (2004/2005) identified that difficulty in communication between IT and business and not using the same terminology are barriers to alignment

### 4.4 Knowledge Sharing

This section concentrates on identifying the effect of knowledge sharing on alignment between IT and business. Four of the companies identified both formal and informal knowledge sharing, which happens through weekly meetings and monthly management meetings. They all have identified that they share knowledge through technologies such as intranet, SharePoint and collaboration tools. In the other company there was disagreement in participants' responses. The factors affecting and enhancing knowledge sharing are as below.

#### 4.4.1 IT and Business Competence

In this research three companies identified that IT people have good business knowledge and business people have good IT knowledge. They determined that they can effectively communicate using the same terminology and have better mutual understanding and as a result achieve better alignment. Therefore IT and business competence can result in better alignment. In the other two companies there were disagreements in responses and alignment was weaker in those companies.

#### 4.4.2 Trust and Communication

Many things are identified in the literature that could affect and enhance knowledge sharing in organizations. Factors like trust and ability to influence have been identified as enablers of shared domain knowledge (Nahapiet & Ghoshal 1998; Nelson & Coopriider 1996). Trust encourages people to exchange information and the ability of some people to influence other increases appreciation and understanding between groups working together (Nahapiet & Ghoshal 1998; Nelson & Coopriider 1996).

In addition to trust, the factors commonly identified by participants as affecting and enhancing knowledge sharing between IT and business were communication, technology and having time to communicate. Among these the most important ones identified to be communication and technologies. Among technologies specified by participants like email, intranet, online collaboration tools such as collaboration sites, Wikis and SharePoint, are used the most for knowledge sharing.

#### 4.4.3 Knowledge Sharing Incentives

In this research four companies identified incentives for knowledge sharing in terms of:

- recognition and appreciation;
- providing training budgets;
- time for managers and staff to share knowledge,
- participating in conferences to network and share ideas and gain new ideas; and
- financial incentives in terms of revenue and profits

The important point here is that incentives might facilitate knowledge sharing and knowledge sharing might depend on incentives even if it does not necessarily lead to alignment. This was revealed through one of the companies, which identified that they have knowledge sharing and incentives to share knowledge but their alignment between IT and business is not good.

#### 4.4.4 IT and Business Partnership

This research showed that in three of the companies there are close relationships between IT and business. In the other two companies the relationship is not as good as it should be. In these two companies the alignment is also not strong. So it does seem the companies that have a good partnership and relationship between IT and business have greater alignment than those that do not have a partnership.

#### 4.4.5 How Does Knowledge Sharing Enhance Alignment?

Three of the companies in this research identified that knowledge sharing is an important and critical factor in achieving alignment. Previously all three had identified that they have high levels of knowledge sharing across the company. The other two companies did not provide clear answers to this question.

Knowledge sharing happens when the IT and business plans are created. Three out of five organizations identified earlier that the formulation of business and IT plans happen at the same time in these organizations. The findings confirm that these organizations have strong alignment.

If IT and business have knowledge about each other and speak the same language, this enables them to have greater understating and provide greater support for each others' activities and objectives. This leads to better connections between IT and business strategy and hence greater alignment. Therefore knowledge sharing is an important factor in enhancing alignment but does not necessarily lead to alignment. As shown previously, two of the companies do not have good alignment but in one of them knowledge sharing is high. So from this it can be concluded that those companies that have good communication and good knowledge sharing do not necessarily have good and strong alignment.



## 5. DISCUSSION

This section is summarized in figure 2. The lines represent the factors leading to alignment.

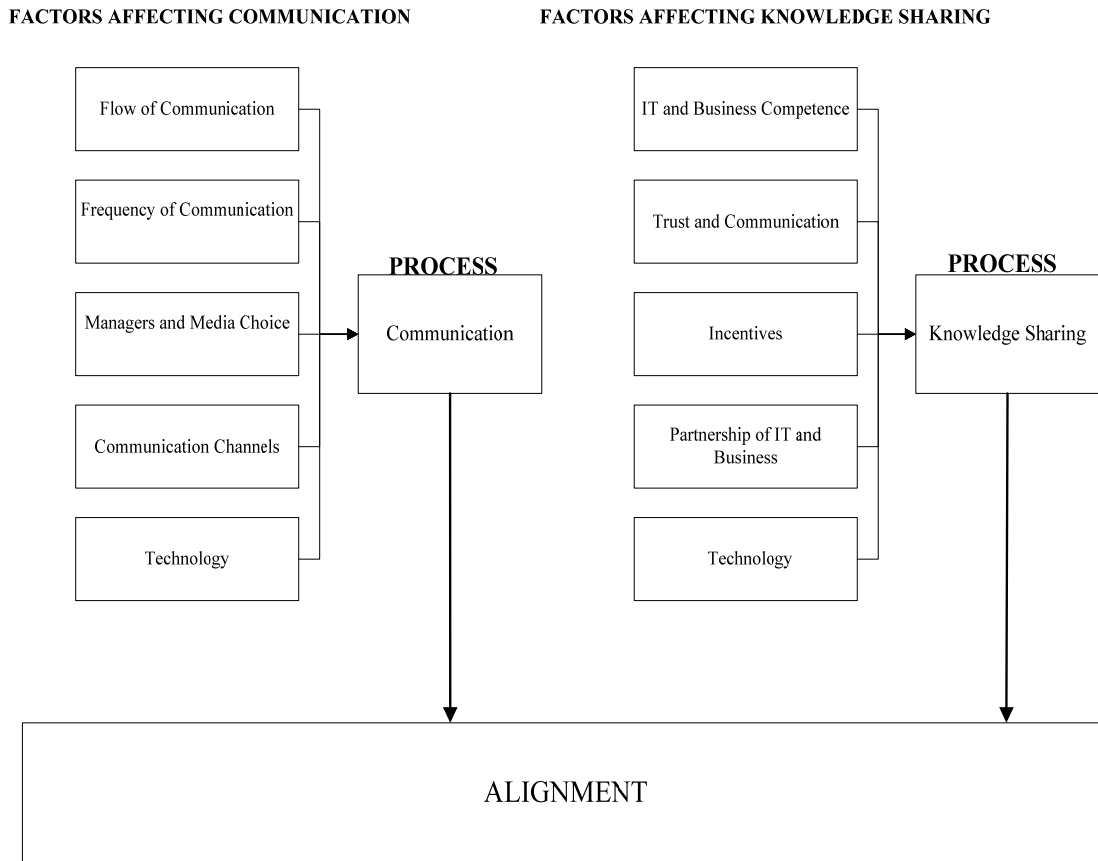


Figure 2: Factors Influencing Alignment

Communication and knowledge sharing were identified as factors that can enhance alignment. The antecedents of communication and knowledge sharing are shown in Figure 2. These factors strongly and directly affect communication and knowledge sharing, however indirectly they affect alignment. They can enhance or inhibit the ability of communication and knowledge sharing to effectively lead to alignment between IT and business.

In this research, among five companies, two identified explicitly that they do not have strong alignment. The other three companies have good alignment; business people have IT knowledge and they are communicating and sharing knowledge of each other's activities.

The structure of the companies can affect the flow of information. The more communication there is between IT and business the better the mutual understanding between them, which results in greater alignment.

The literature shows that frequency of communication enables alignment. But in this study even though all organizations have frequent communication, two of them do not have good alignment. So this factor may or may not affect alignment.

The managers' media choice depends on the nature of the task they are performing. Managers are willing to choose channels that provide them with better information and help them get the most from their communication. Therefore, better communication leads to better understanding between people. As a result they can better support each other's objectives, which mean better alignment.

When discussing communication channel richness, all participants agreed that face to face communication enhances mutual understanding but that it is not feasible to have face to face communication all the time.

Technology definitely affects and facilitates the way communication and knowledge sharing is taking place in organizations. All of the organizations identified different technologies that they use to communicate and share knowledge. Therefore technology has the ability to enhance communication and knowledge sharing, and as result it enhances alignment.

The competence and knowledge of IT and business in each others' field is an important factor enhancing knowledge sharing between them. The findings revealed that this factor is important in enabling IT and business people to share knowledge, to understand each other better and to better support one another. Therefore this factor can be an indicator of alignment and the stronger this factor the better the alignment will be. In the other two companies there were disagreements in responses and alignment was weaker in those companies.

Organizations have identified that the most significant factors impacting knowledge sharing are trust, communication and technology. The greater the trust between people, the greater the information exchange and knowledge sharing, which results in greater mutual understanding and better alignment. But it has been identified that even though knowledge sharing is high in the majority of companies, in one of them, alignment is not strong. So again these factors may or may not lead to alignment.

With regards to incentives four of the companies have stated that they do provide incentives to encourage knowledge sharing but one of these companies identified a lack of strong alignment between IT and business. So this factor again may or may not lead to alignment between IT and business. In the other company there is no incentive provided for knowledge sharing between IT and business.

In regards to partnership the findings have been supported by the literature showing that closer the partnerships between IT and business and the more involvement they have in each others planning and the more likely their activities can lead to better alignment. So the greater the partnership between IT and business the greater the alignment is between them.

## 6. CONCLUSION

This research investigated the social dimension of alignment and the role people can play in making alignment a success for any organization. The two factors studied by this research are communication and knowledge sharing between IT and business people with an intention to respond to the following questions:

- What is the role of communication and knowledge sharing in enhancing alignment?
- What factors does communication depend on; how does this affect, enhance or inhibit its ability to align business and IT objectives?
- What factors does knowledge sharing depend on; how does this affect, enhance or inhibit its ability to align business and IT objectives?

Communication and knowledge sharing have been emphasized by many researchers as an important enabler of alignment but the effectiveness of these factors and the extent to which these factors can enhance alignment are rarely studied. This research studied this matter in detail by identifying the factors that communication and knowledge sharing are influenced by and depend on.

Communication has been emphasized as a factor that can enhance alignment. This research has also identified it as a strategy to reduce the alignment gap from the perspective of the studied companies. However although all participants identified communication as a key enabler of alignment, this research showed that more frequent communication does not necessarily lead to alignment between IT and business.

This is also the case for knowledge sharing. Three of the companies identified knowledge sharing as a vital factor in achieving alignment between IT and business. They have undertaken different strategies to enhance knowledge sharing, with the hope that this would enhance alignment. However in two of the companies this has not been successful. In one of these companies despite a great level of knowledge sharing the alignment between IT and business was poor. So the same conclusion could be reached that greater knowledge sharing between IT and business may not lead to alignment between them. In addition, other positive factors like incentives trust and organizational structure may not necessarily result in greater levels of knowledge sharing and thus alignment.

We can conclude that communication and knowledge sharing are important tools for alignment but some of the factors that are affecting them might inhibit the extent to which they can effectively enhance alignment. In fact, the strength of alignment depends on the nature of organizations and to what extent they are meeting these challenges. Even with a greater level of communication and knowledge sharing other obstacles might overshadow any tangible benefits; as a result inhibiting business to IT and IT to business alignment. Very simply, bad management or the wrong business model would adversely affect any progress towards the goal of alignment.

In the final analysis the extent to which communication and knowledge sharing can lead to a successful outcome for business to IT and IT to business alignment is potentially very likely. However research has shown that communication and knowledge sharing alone can be affected by other external factors that could inhibit or enhance the final desired alignment outcome.

## REFERENCES

- Avison, D., Jones, J., Powell, P., et al. (2004). Using and validating the strategic alignment model. *The Journal of Strategic Information Systems*, 13(3), 223-246.
- Bassellier, G., & Benbasat, I. (2004). Business competence of information technology professionals: conceptual development and influence on IT-Business partnership. *MIS Quarterly*, 28(4), 673-694.
- Benbya, H., & McKelvey, B. (2006). Using coevolutionary and complexity theories to improve IS alignment: a multi-level approach. *Journal of Information Technology*, 21(4), 284.
- Byrd, T. A., Lewis, B. R., & Bryan, R. W. (2006). The Leveraging influence of strategic alignment on IT investment: An empirical examination. *Information & Management*, 43(3), 308-321.
- Chan, Y. E. (2002). Why have not we mastered alignment? The importance of the informal organisation structure. *MIS Quarterly Executive*, 1(2), 97-112.
- Chan, Y. E., Huff, S. L., Barclay, D. W., et al. (1997). Business Strategic Orientation, Information Systems Strategic Orientation, and Strategic Alignment. *Information System Research*, 8(2), 125-150.
- Fang, S.-C., Tsai, F.-S., & Chang, K.-C. (2005). Knowledge sharing routines, task efficiency, and team service quality in instant service-giving setting. *Journal of American Academy of Business, Cambridge.*, 6(1), 62 - 68.
- Henderson, J. C., & Venkatraman, N. (1999). Strategic alignment: Leveraging information technology for transforming organizations. *IBM Systems Journal.*, 38(2/3), 472-485.
- Luftman, J. N. (1997). Align in the sand. *Computer world :leadership series*, 3(2), 1-11.
- Luftman, J. N., & Brier, T. (1999). Achieving and sustaining business-IT alignment. *California Management Review.*, 42(1), 109 -123.
- Luftman, J. N., Papp, R., & Brier, T. (1999). Enablers and Inhibitors of Business- IT Alignment. *Communications of the Association for Information Systems*, 1(11), 1-33.
- Martin, N., Gregor, S., & Hart, D. (2005). The social dimension of business and IS/IT alignment: Case studies of six public- sector organisations. *Australian Accounting Review.*, 15(3), 28 - 39.
- Nahapiet, J., & Ghoshal, s. (1998). Social Capital, Intellectual Capital, and the Organisational Advantage. *The Academy of Management Review*, 23(2), 242 - 266.
- Nelson, K. M., & Coopriider, J. G. (1996). The contribution of shared knowledge to IS group performance.(information systems organizations). *MIS Quarterly*, 20(4), 409 - 429.
- Raggad, B. G. (1997). Information systems concepts: a guide for executives. *Logistics Information Management*, 10(4), 146.
- Rajiv, S., & Yolande, C. (2001). Alignment between business and IS strategies: A study of prospectors, analyzers, and defenders. *Information Systems Research*, 12(1), 11.
- Reich, B. H., & Benbasat, I. (1996). Measuring the linkage between business and information technology objectives. *MIS Quarterly*, 20(1), 55 - 81.
- Reich, B. H., & Benbasat, I. (2000). Factors that influence the social dimension of alignment between business and information technology objectives. *MIS Quarterly* 24(1), 81- 114.
- Rockart, J. F., Earl, M. J., & Ross, J. (1996). Eight imperatives for the new IT organization. *Sloan Management Rev*, 38(1), 43-56.
- Rathnam, R. G., Johnsen, J., & Wen, H. J. (2004/2005). Alignment of business strategy and IT strategy: a case study of a Fortune 500 financial services company. *The Journal of Computer Information Systems*, 45(2), 1- 8.
- Swan, J., Nowell, S., Scarbrough, H., et al. (1999). Knowledge Management and Innovation: Networks and Networking. *Journal of Knowledge Management*, 3(4), 262-275.
- Van Der Zee, J. T. M., & De Jong, B. (1999). Alignment is not enough: Integrating business and information technology management with balance business scorecard. *Journal of Management Information Systems*, 16(2), 137-157.
- Wang, C. (1997). Making the most of machines: the human factor *Management Development Review*, 10(1), 15-17.

## **COPYRIGHT**

Ramisa Kashanchi and Janet Toland © 2008. The authors assign to ACIS and educational and non-profit institutions a non-exclusive licence to use this document for personal use and in courses of instruction provided that the article is used in full and this copyright statement is reproduced. The authors also grant a non-exclusive licence to ACIS to publish this document in full in the Conference Papers and Proceedings. Those documents may be published on the World Wide Web, CD-ROM, in printed form, and on mirror sites on the World Wide Web. Any other usage is prohibited without the express permission of the authors.