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The Dynamics of Strategic IT Alignment during IT-based Business Transformation

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IT alignment a key driver of organizational performance and an important and enduring issue for the IS discipline and practice. However, progress in the literature as been slow and learning is low. IT alignment is hampered by poor definition, inadequate guidelines to correct misalignment and static/cross-sectional analysis of what is essentially a dynamic issue.

This paper provides a novel model of dynamic strategic IT alignment. The model addresses the challenges of IT alignment over time. It analyses alignment between espoused business and IT strategies, at both Corporate and SBU levels, and enacted strategies in the form of an organization's shared IT platform and portfolio of IT, used and owned by individual business units. The model is tested empirically using a multilevel longitudinal case study.

We argue that this novel model of Dynamic IT alignment simplifies IT alignment, identifying the initial strategic choices to establish initial alignment and further choices to sustain alignment over time and as further strategic decisions are made. Importantly, strategic decisions that initially establish misalignment between IS and Business are irreversible and the resulting misalignment is not correctable until the next investment cycle.