WHY ARE ORGANIZATIONS STRUGGLING TO ACHIEVE IT-BUSINESS ALIGNMENT? A GLOBAL BENCHMARKING STUDY TO IDENTIFY THE GAPS IN IT-BUSINESS ALIGNMENT

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Abstract - Since Covid, most of the top executives recognized that without IT in all edges of their organizations, they just cannot operate well. Executives, academicians' management consultants and researchers have long stressed the need for IT and business units to align their priorities and strategies. IT has become so pervasive that all IT professionals must have digital flexibility skills and be comfortable in learning, adapting, building, maintaining, and configuring IT solutions to business problems.

Businesses today are looking to derive new values from IT applications in order to increase competitiveness, improve productivity, and at the same time increase efficiency. As part of this, the business units often drive the IT decisions, vendor selection, and more. Sometimes It's not until the end of the process that IT executives are brought in to sign off and implement the IT solutions, and this approach often drives the animosity between IT and business professionals resulting in poor outcomes.

When alignment is missing, IT might work but it will be unable to deliver the business requirements. Organizations will have solutions that end up being bridges to nowhere, or business problems that aren't properly solved. Instead, if the business and IT professionals work together harmoniously for the entire duration of the project, best decisions can possibly be achieved with the expertise and knowledge of the professionals across the organizations.

According to the IT trend survey published by Society of Information Management (SIM) in 2022, alignment of IT with Business is ranked among the top 2 in the list of top 10 management issues of organizations. Since 2011 it is ranked among the top 2 management concerns. Since more than three decades it is been on the management's radar indicating the importance of Strategic Alignment Maturity between IT and Business.

Organizations need to address strategic alignment maturity components (e.g., communications, partnership, IT metrics, governance, human resources, and technology scope) to identify the degree of alignment.

This article presents the analysis of IT- Business alignment from service companies. Luftman's alignment survey was used to collect the data from the IT and business executives from 26 companies over the past 14 months (Educational institutions – 8, Hotels – 4, Hospitals – 6, IT service companies – 8). We received a total of 164 responses. The results were analyzed and benchmarked against Luft man's data from 240 global 1,000 organizations. Analyzing the responses has provided lot of insights and lessons learned about the IT-Business alignment maturity from service companies.

This article will leverage the concepts of Luftman's strategic alignment maturity model to assess whether IT enables or inhibits companies' performance with respect to business transformation.

Keywords – Alignment of IT-Business, Business-IT Alignment, IT-Business Alignment