

**IT GOVERNANCE:
A FRAMEWORK PROPOSAL, AND
AN EMPIRICAL STUDY**

THESIS ABSTRACT

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Abstract

Every organization engages in the use of information technology (IT).

The role and impact of IT on organizations have significantly changed since 1970s. IT has evolved from its traditional “back office” role toward a “strategic” role being able to support current business strategies and also to shape new business strategies (Keen, 1991; Venkatraman, 1991). Nowadays, most of the managers agree on necessity of considering IT as an “organizational strategic player” (Boynton, et al., 1994; Orlikowski and Barley, 2001; Sambamurthy, 2000; Venkatraman and Henderson, 1998). As organization’s strategy changes over time, IT has to change too.

Recently, increasing attention has given by business management to the topic of IT management, and to the emerging concept of IT governance.

Many articles in the IT literature discuss and theorize the concept of IT governance, using different lens of analysis such as business and IT alignment (Armstrong and Sambamurthy, 1999; Bakos and Treacy, 1986; Henderson and Venkatraman, 1992; Lederer and Mendelow, 1987; Lederer and Sethi, 1988; Luftman, et al., 1999; Reich and Benbasat, 1996; Tavakolian, 1989), relationship between Chief Executive Officer and Chief Information Officer (Feeny, et al., 1992), IT management and IT use (Boynton, et al., 1994), IT function (Agarwal and Sambamurthy, 2002), and the role of IT (Sambamurthy, et al., 2003; Kaarst-Brown, 2005).

IT governance reflects the broader corporate governance principles (Weill and Ross, 2004). Thus, understanding of underpinning of corporate governance could help to understand why IT governance is a topic with such increasingly relevance either for academics or for organizations and professionals.

Corporate governance concerns the structures and processes among stakeholders (i.e. shareholders, board of directors, top and business management, employees, and customers) with the objective to assure accountability and improve organizational performance (Cadbury Committee, 1992; Dunlop, 1998; Ho, 2005; OECD, 1999; Shleifer and Vishny, 1997).

As corporate governance goal is to align actions and choices of managers with the interests of stakeholders (Hawley and Williams, 1996; Letza, et al., 2004; Shleifer and Vishny, 1997), IT governance goal could be to align actions and choices of IT managers with the interests of stakeholders.

The concept of IT governance emerged the late 1990s when Brown (1997) and Sambamurthy and Zmud (1999) wrote about the “IT governance arrangement and framework”. They said that IT governance arrangements represent “an organization’s IT-related authority patterns”.

IT governance’s objective is to define structures, processes, and mechanisms to define decision making rights and responsibility about main IT issues, to control and monitor the effectiveness of such decisions, and to mitigate IT-related risks in order to achieve organization’s objectives.

Drawn on the above literature analysis, I propose a reconceptualization and a framework for IT governance, which is a system of organizational arrangements – like structures, processes, and mechanisms – established by the top management, which objectives are to:

- align IT and organization’s strategy and objectives,
- define decision making rights and responsibility about main IT issues,
- control and monitor the effectiveness of such decisions,
- mitigate IT-related risks, and
- contribute to design of and to achieve the organization performance.

Both the reconceptualization and the framework intend to provide understanding of accumulated knowledge about IT governance through a broad literature review, to provide a new lens of analysis of IT governance, to identify gaps in knowledge. Considering some of these gaps in knowledge, a research model is proposed for exploring, in particular, the antecedents factors’ of the IT involvement into Top management team.

This model is empirically tested. A total of 1361 CIOs, or responsible for IT decisions, were interviewed. The response rate was of 68%.

Results show as the main antecedents of the IT involvement into Top management team are the IT responsible autonomy level, the reporting level of IT responsible, and the innovation capacity of organization.

Finally, some research propositions are presented, which regard, for example, the relationships among the use of IT governance framework, the use of IT for cost reduction, the use of IT for competitive thrus, and the organizational innovation level.

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