Chapter 15

IT Governance Institutionalisation:
A Case of Thai Hospital

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ABSTRACT

Information technology infrastructure in contemporary large-sized service organisations is growing exponentially in terms of purpose, kind, scope, and complexity. As a result, these organisations are adopting a variety of information technology governance practices to achieve sustained levels of service to meet organisational goals and objectives. This chapter presents a case study of information technology governance in a hospital. It shows that information technology governance practices need to be institutionalised in the social, cultural, technical, and structural environment to produce the desired organisational behavior of responsibility and accountability. It highlights the key success factors that have led to successful assimilation of these practices with business processes, job functions, and workflows in the case organization. This study, thus, expands the theoretical and practical views on implementation of information technology governance.

INTRODUCTION

Information technologies (IT) are the most critical resource of any organization. If implemented properly, it not only binds the organization together by enabling business processes, but also provides informed decision support for corporate planning and management. Although the criticality of IT in organisational environment is acknowledged and

accepted by every organization, yet they way IT infrastructure is planned, implemented, operated, and managed is a major concern. The development of various IT governance frameworks and methodologies in the last ten to fifteen years are research and industry's responses to allay these concerns. However, even IT governance practices have opened a Pandora's box, as to what is the right approach to implement them. The aim of IT

governance is to develop desired organizational behavior towards use and management of IT infrastructure through assigning responsibilities and accountabilities, to achieve alignment of IT infrastructure with business's operating model and to formalize integration of organizational activities, processes, and relationships.

IT implementation is the organizational effort to diffuse and appropriate information technologies within a user community. This user community has some aspirations attached to the use of technology, which characterise the values and interests of various social, political and organizational agents (Haider 2013). IT governance, therefore, needs to cover all human, social, technical, and organisational aspects and impacts of IT in organizations. IT governance, therefore, is not an isolated set of activities that could be implemented without considering the social, cultural, and cognitive makeup of the organization. Implementation and adoption of IT governance practices is a social process aimed at their institutionalization, such that they become embedded in the social, cultural, organizational, and technical environment of the organization. This entrenchment leads to endorsement of the organization from its operating environment, which results in employees accepting these practices as an integral part of executing routine business leading to their institutionalization. Institutionalization, however, is a social process of change that relies on coercive, mimetic, and normative pressures to bring about desired behavior among people. This paper presents a case of a hospital in Thailand, which has had considerable success institutionalizing IT governance.

The structure of this paper is as follows. Firstly, conceptual foundations of IT governance are discussed to explain its importance for contemporary businesses. The paper then discusses institutional theory to highlight how IT governance practices can be institutionalized. This is followed by research methodology and the case study that discusses the experience of a Thai hospital with IT governance. The paper then concludes with a discussion of implications for research and practice.

CONCEPT OF IT GOVERNANCE

Corporate governance is the cluster of processes, practices, policies, regulations and associations, relationships between various stakeholders, and organisational objectives that influence the strategic direction of an organisation and its management (Kooper, Maes & Lindgreen 2011). Corporate governance is significant in competitive economic systems (Buck & Shahrim 2005; Sattler, Schrader & Luthje 2003), when integrated with best practice in business processes (Aguilera & Jackson 2003; Chizema & Buck 2006). IT governance is a subclass discipline of corporate governance that emphasises responsibilities and accountabilities of business and IT executives who lead the organisation as well as execute its IT strategy to strengthen the alignment of business and IT (Van Grembergen 2004). Mainly, IT governance focuses on IT, business processes, and risk management (Kooper, Maes & Lindgreen 2011) including organisational structures and business relationships (Peterson 2004). IT governance strengthens organisational performance and business productivity by enabling organisations to adopt new technologies, align them with business processes, and allocate and control the required resources. These business procedures aim to improve organisational strategies, gain full capacity in the use of IT, and achieve business objectives. IT governance is, thus, the responsibility of the board of directors and executive management. It is an integral part of enterprise governance, consisting of the leadership, organizational structures and processes that ensure that the enterprise's IT sustains and extends the organization's strategies and objectives (IT Governance Institute 2007). IT governance enables management to deliver active business

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