

# Chapter 34

## IT Alignment: Stakeholder Dynamics Perspective

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### ABSTRACT

*This chapter seeks a deeper understanding of stakeholder dynamics as a critical social component influencing IT strategy alignment. Perez-Batres et al. (2012) recognized the paucity of research on alignment dynamics, mainly stakeholder dynamics. Stakeholder theory, primarily Mitchell et al. (1997) identification model, is used to determine stakeholders' saliency throughout an ICT strategic project in a Saudi public hospital. However, stakeholder theory is static and does not help in tracing how saliency is gained and lost through time, and hence interpreting the influence on the alignment process. Therefore, this research utilizes the appreciative systems concepts of Geoffrey Vickers as dynamizing instrument to understand saliency dynamics and their influence. Results show that stakeholder dynamics resides in the nature of the relationship they pursue with each other.*

### INTRODUCTION

Contemporary organizations, whether public or private, are investing hugely in Information and Communication Technologies (ICTs) (Moghaddasi, Asadi, Hosseini, & Ebnehoseini, 2012). However, senior managers and IT directors are concerned that investing in sophisticated ICTs is not enough. They are aware that they need to leverage ICT infrastructure and processes in a certain way to meet the desired needs and capabilities of their organizations. This process is referred to as IT strategic alignment. Therefore, to achieve a sustainable alignment between IT and business strategy it is imperative that IT strategy considers the needs of the organization. Yet, despite the realization of how eminent IT alignment is, practitioners as well as researcher are still finding it problematic (Ivero, Fryk, & Rapp, 2013), and they feel that IT alignment happens in a complex social context that has to be addressed for the alignment process to succeed (Reich & Benbasat, 2000). One approach that can result in a high level of alignment

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is having a better understanding of stakeholder dynamics, which is the main objective of this chapter. It seeks understanding ‘how’ stakeholder dynamics develop in a complex IT project context, and how these dynamics impact alignment process.

The Ministry Of Health (MOH), which is the main provider of healthcare services in Saudi Arabia, is investing a large amount of money and effort in developing the information technology infrastructure and information systems in its hospitals (Alghaith, Brown, & Worthington, 2013). The reason behind this huge investment is the national ICT-based schemes. Almalki, Fitzgerald, and Clark (2011) described that among the future challenges that the Saudi healthcare system encounters are the implementation of strategies such as the e-health strategy, the national HIS scheme and the cooperative health insurance plan. However, the MOH is having misgivings about the outcome of such investments, as it does not have a clear strategy on how to improve and follow-up the ICT strategies already applied in some MOH automated hospitals. Therefore, the MOH supported this case study and provided the researcher with an access to three public hospitals to carry out a pilot study. The pilot study showed that the ICT strategic projects seemed to be facing serious barriers in relation to the dynamics of internal and external stakeholders, for example the MOH, ICT main providers and subcontractors, top management, staff of the ICT departments, and key-users. Hence, this research is concerned about understanding how stakeholder dynamics develop and influence throughout time on IT strategy alignment over time.

Based on that, exploring stakeholder dynamics—mainly the emergence of stakeholder saliency dynamics and their influence over time on IT strategy alignment—is broadly shaped by three premises (Alghaith et al., 2013). The first premise is the significant strategic role that Information and Communication Technologies (ICTs) play in various industries. The potential benefits that ICTs can offer to organizations to improve their performance in the long-term are immense, and therefore have become of central interest to both academics and practitioners. The second premise is the criticality of grasping the contexts of ICT strategic projects through which IT strategies are translated. A report for the Council of Health Services (CHS) in Saudi Arabia (CHS, 2009) — which is a national council responsible for healthcare strategies — stated that ICT strategies are experiencing substantial obstacles related to the social context, and thus encouraged researching such intricate context. The final premise stems from IT project management literature, mainly the social process perspective. Nelson (2007) described that ICT strategic projects are generally considered as being challenging not only because of the technical factors but also because of stakeholder-oriented and social processes factors, which are both important when aligning IT projects to business strategy and needs.

The remainder of this chapter is divided into four sections. The first section is the literature review. It covers two aspects of the literature, which are the contextual and the interpretive. In terms of the contextual literature, the IT project studied in this research is strategic and approached through an IT alignment lens. Consequently, it is important to visit the literature of the IT strategy, IT alignment and IT project management. On the other hand, the interpretive framework discusses stakeholder theory and the appreciative systems concepts.

The second section addresses the methodological philosophy of this study. In particular, it explains the single case study approach that is adopted to collect and analyze data in order to answer the main research questions. The third section discusses the research findings and proposes a base for an IT alignment mechanism in relation to stakeholder dynamics. Finally, the fourth section provides a conclusion that sums up this study.

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