

## Chapter 83

# Exploring the Research Domain of IT Governance in the SME Context

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### **ABSTRACT**

*This research aims to explore the research domain of IT governance in the SME context. To meet this objective, a small systematic literature review procedure is used. Results indicate that IT governance in the SME context has been researched previously, albeit not extensively. There seems to be consensus among authors that IT governance is important for SMEs as well as larger organizations. Additionally, many authors indicate that SME specificities will likely influence the nature and implementation of IT governance in the SME context. There also appears to be no great variety in research strategies used in this niche research domain. Regarding the contemporary state of IT governance in SMEs, authors seem to indicate that there is room for improvement. Finally, there is no published framework for IT governance that is tailored for SMEs, although the need for this is directly reported in the literature. This paper concludes by discussing some potential directions for future research, starting from the state-of-the-art of the research domain.*

### **1. INTRODUCTION**

IT (Information Technology) governance is concerned with the capability of an organization to turn IT investments into value for the business (Weill & Ross, 2004). While a shared definition is lacking within the field of IT governance, there is consensus on a few vital aspects of IT governance among scholars: (1) that it should be an integral part of the broader area of corporate governance; (2) that it is concerned with aligning the use of IT with strategic business objectives; and (3) that both business and IT people

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should execute their responsibilities in the framework of IT governance. These considerations lead to the following definition, which is the current state-of-the-art position in the field of IT governance: *“Enterprise governance of IT is an integral part of corporate governance and addresses the definition and implementation of processes, structures, and relational mechanisms in the organization that enable both business and IT people to execute their responsibilities in support of business/IT alignment and the creation of business value from IT-enabled business investments”* (De Haes & Van Grembergen, 2015). Empirical research by Weill and Ross (2004) indicates that IT governance directly influences a firm’s performance, stating: *“effective IT governance is the single most important predictor of value an organization generates from IT”*. Despite this recognized importance, IT governance mechanisms are not as frequently used in SMEs (Small –and Medium Enterprises) as in larger organizations (Huang, Zmud, & Price, 2010), indicating that SMEs are still struggling with getting IT governance up and running. Furthermore, scholars are starting to argue that there is a lack of SME-centered theories that can lead to inferences about how SMEs should govern their IT assets (Devos, Van Landeghem, & Deschoolmeester, 2012). Indeed, almost all of the extant literature on IT governance deals with large organizations. It should be clear that the basic premise of IT governance (i.e. generating business value through IT) is important for SMEs as well as larger organizations. However, discussion arises that the contemporary state-of-the-art of IT governance research fails to offer SME-tailored insights.

A common reason for undertaking a literature review is to provide background for new research activity (Kitchenham & Charters, 2007). The main goal of this research is to review what has already been done in the IT governance research area with a specific focus on the SME context. Specifically, we are interested in gauging the state-of-the-art of this niche research domain and detect research opportunities. Hence the following general research question was put forward: *“What is the state-of-the-art of the research domain of IT governance in the SME context?”* To guide the research process, some more specific research objectives were identified:

- What research strategies are used in IT governance research in the SME context?
- What SME specificities are discussed that (potentially) lead to differences in IT governance in the SME context?
- What theoretical foundations of IT governance in SMEs are discussed?
- What is the contemporary state of IT governance in SMEs?
- What insights/guidelines are provided for the implementation of IT governance in the SME context?

After gauging the state-of-the-art of the research domain, some inferences can be made about future research opportunities. Accordingly, some major research opportunities will be discussed in more depth, starting from the contemporary state of the research domain.

## **2. RESEARCH METHOD**

Following Kitchenham and Charter’s (2007) guidelines, a small systematic literature review procedure was designed to gauge the extent of the existing IT governance research with a specific SME context. This systematic literature review approach is displayed in Figure 1.

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