Chapter 86
The Role of Culture in IT Governance Five Focus Areas:
A Literature Review

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ABSTRACT

Information technology governance (ITG) is one of the top challenges of managers today and culture in different level can have an important role while implementing IT governance. This is a new and significant issue, which has not been investigated deeply. This paper sets out to provide a systematic review of the literature, focusing on the role of culture in IT governance. The literature review findings are categorized through the lens of IT governance's five focus areas which are IT strategic alignment, IT value delivery, Risk management, IT resource management and Performance measurement. This study contributes to the field of IT governance by reviewing and discussing the existing literature on the role of culture on IT governance. This literature review resulted that there are few research studies in this topic and many of the IT governance focus areas are not covered regarding the role of culture in these IT governance areas.

INTRODUCTION

In the current competitive business environment, the enterprises are greatly depending on the use of IT to create value for their business (Debreceny & Gray, 2013; De Haes et al., 2016). Information technology is potentially the key driver of economic capital in the 21st century and it is even changing the industries (Benbasat & Zmud, 2003; ITGI, 2003; Crowston & Myers, 2004; Sueyoshi & Goto, 2013; Workman,

2014; Venkatesh et al., 2016). Hence, IT governance, which deals with decision rights and responsibilities of people working with IT for gaining value from IT (Weill & Ross, 2004), is one of managers' top concerns (ITGI, 2003; ISACA, 2011). IT governance is strongly linked with the corporate governance. Corporate governance defines the division of power and wealth in the corporation. Corporate governance is influenced by culture (Licht et al., 2005) and consequently culture is a very important influencing issue in IT governance as well. There are many different uses of the term "culture," such as shared forms, ideas, symbols, values, ideologies, rules and collective norms and patterns, and, of course culture is not unique in this way and many definitions and aspects of it exist (Alvesson, 2012).

In fact, culture is blamed in many cases when IT governance fails to deliver value to the business (Kingsford et al., 2003). Culture should be considered with its both possible inhibiting and supporting effects on IT governance implementation (Ke & Wei, 2007). Still, there is a lack of research concerning the link between culture and IT governance. Therefore, this study aims at performing a systematic literature review on the relationship between culture and IT governance and to providing a future research agenda.

The role of IT within organizations is changing from an operational role to a more strategic one and this consequently stresses the need to make sure that IT is properly governed (Lunardi et al., 2013; Bergeron et al., 2015). IT governance is involved in the relationship between the ownership and control structures of the firm and IT performance (Ferguson et al., 2013). Successful implementation of ITG is a challenge for managers and yet we know very little about that (Debreceny, 2013, Jairak et al., 2015). It has also been suggested that culture plays an important role in the implementation and use of IT in organizations (Walsham, 2002). Culture has been often recognized as one of the impact factors when failures happen in IT implementation in organizations. With its potential constructive or catastrophic effect on organizations' management and operations culture should be reflected by managers while implementing IT governance (Dittes &Smolnik, 2016).

The literature on management shows that national and organizational cultures can affect companies' performance and there is a need for greater number of studies on the interdisciplinary fields that bridge IT and organizational studies and identify how they interact with each other. In the current dynamic work environment, both technological and institutional contexts should be considered to understand how organizations are operating (Orlikowski & Barley, 2001; Kingsford et al, 2003; Leidner & Kayworth, 2006; Kappos & Rivard, 2008, Orlikowski et al., 2016). Leidner and Kayworth (2006) believe that culture is a crucial dynamic, which explains the interaction among the social groups and IT in an organization. Claver et al. (2001) also states that the improvements in the organizational culture are required when organization are seeking to boost their information systems efficiency. Organizations need to match their technology with their organizational environment to achieve the optimized value from their IT (Hester 2013).

Additionally, when implementing IT governance, it is very challenging to respond to different technical, environmental and business changes. The speed and direction of change reaction in organizations influence the way a firm creates competitive advantage and deals with the new business environment challenges such as control and efficiency (Ventris, 2004; Harison and Boonstra, 2009; Chen et al., 2014). Laudon and Laudon (2007) argue that technology, task, structure and people are linked with each other and therefore changes in one of them influence the other three. The new technology used successfully by one company, may face failure in another due to organizational resistance to it and to differences in organizational cultures. However, the relationship between IS and culture remains a challenging topic for researchers and practitioners (Kappos & Rivard, 2008). It is considered that the gap spotting is a first

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