



Chapter II

Information-Induced Strategic Alignment: Toward a Semiological Analysis

Ra'ed M. Shams
University of Bahrain, Bahrain

Frederick P. Wheeler
University of Bradford, UK

The concept of strategic alignment between organizational policies for business and information systems (IS) has not been defined previously in informational terms. In this paper, we define informational aspects of organizational behavior in three semiological dimensions: pragmatics, semantics and syntactics. We also introduce dynamics as a fourth dimension to address time-related changes. We demonstrate the importance of these ideas in the analysis of strategic alignment by taking recent examples to show how informational attributes are often implicitly discussed in the literature. We believe that the precise definition of the informational aspects of alignment is a necessary prerequisite for the advancement of understanding in this important area.

INTRODUCTION

Undoubtedly, Information Technology (IT) is essential for capturing, processing, storing and transmitting data in large and small organizations. The effective deployment of IT enables organizations to sustain competitive advantage in the marketplace (Cash & Konsynski, 1985; Konsynski, 1993) and obliges them to consider the alignment of their IT and their businesses. Organizations that manage to align their IT with their organization's capabilities harvest better utilization of their IT investments (Sabherwal & Kirs, 1994) and have an overall better organizational performance (Chan, Huff, Copeland, & Barclay, 1997; Sabherwal & Kirs, 1994; Teo & King, 1999).

An organization could be in a certain state of alignment at any point of time. This state is achieved through complex processes based on actions taken by all strategic, tactical and/or operational levels in the organization to gain inter/intras synergy between internal and external policies. Although alignment generally refers to arranging policies in different areas so that they relatively match or correspond with one another, the precise definition of alignment in terms of business/IS relationship context still needs further clarification. Henderson and Venkatraman (1993) differentiate in their capstone paper between "traditional views on linkage" and "strategic alignment." The former refers to the automation and support of business processes by IT; while strategic alignment implies a more fundamental and strategically important role for IT. They define (Henderson & Venkatraman, 1993, Table 1) strategic alignment as, "selecting appropriate *alignment* perspectives for achieving business objectives" (our emphasis). Similarly, Luftman's (2001) definition of alignment addresses the processes in which *alignment* can be achieved between IT and business departments. Consequently, the central concept of alignment is inadequately defined due to the recursive use of the term "alignment." Other researchers have restricted the notion of alignment to certain processes or attributes such as understanding and commitment (Reich & Benbasat, 2000), coordination of objectives and views (Burn & Szeto, 2000) and communication and management processes (Prairie, 1996). Therefore, there is a need for a comprehensive, multiattribute definition, when discussing alignment, because unthinking acquiescence to rhetorical exhortations to align IS with the business may result in unintended consequences.

Consider the results of research into decision making in complex environments. If alignment is interpreted as tight coupling of systems, the resulting "stiffness" in complex interacting organizational systems will increase the likelihood of failure (Perrow, 1984). But, this does not rule out the need for certain levels of tight coupling—to elevate the organization's efficiency while still allowing for innovation through change (Butler, Price, Coates, & Pike, 1998)—or creativity through

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