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A Framework for Understanding the Role of Business-IT Alignment in Organisational Agility

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CERTIFICATE OF ORIGINAL AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as part of the collaborative doctoral degree and/or fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

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Date: 15 June 2017

Abstract

The modern organisation finds itself in a complex dynamic environment. New forces in the marketplace such as globalisation and the digital economy have increased the need for rapid adaptation just to stay in business. These forces are juxtaposed with regulatory environments of increasing complexity that act to constrain the notion of the free market economy. How organisations respond to these conditions has occupied researchers across multiple disciplines. Then there is the role of technology. Information systems scholars have for a long time sought to understand the concept of business and technology "alignment", and even if such an idea still has relevance in the fast-moving digital world. What is clear is that virtually all large organisations, that use technology as a core business enabler, face a compelling set of circumstances as they seek to constantly adapt their business models and associated technology underpinnings to new commercial imperatives. How this organisational agility is created and maintained, is the subject of this thesis.

Whereas a wealth of multi-disciplinary research perspectives has created a significant body of extant work, there is a lack of a coherent, granular model of the organisational mechanisms that give rise to (or constrain) agility and particularly one that explicates the role of technology. This presents an opportunity for the development of a novel theoretical artefact that would make a contribution not only in theoretical terms, but also be of practical benefit to business and IT managers.

A theoretical model is developed that provides a conceptual bridge between the exogenous organisational environment that generates a need for change, and the internal organisational "machinery" – the people, the processes and the technology - that need to be reconfigured and redirected to achieve the new organisational imperatives. The timeliness of being able to achieve this change, and the constraints that operate on it, being the essence of the organisation's agility. A cross-disciplinary approach is taken that draws on from management and organisational science as well as information systems research. These perspectives are used to conceptualise the organisation in terms of socio-technical building blocks that admit a richer human behavioural dimension into understanding how technology is used operationally. The theoretical framework is then evaluated and refined with data drawn from three interpretive empirical case studies, representing three industry sectors.

The implications of the developed framework on understanding the microfoundations of organisational agility are discussed. In particular, by characterising the organisation in terms of an ecosystem of adaptive components, agility can be understood as an emergent phenomenon.

This research project contributes a new theory of organizational agility in two respects. Firstly, it provides a novel multi-level microfoundational model in terms of granular, socio-technical building blocks which specifically recognises the human behavioural role in the macro-level phenomenon of agility. Secondly, by elucidating microfoundational mechanisms, the theory defines a stronger causality model for the explanation of organizational agility phenomena. In addition, the research contributes to managerial practice by framing the "organisational agility problem" in terms of lower level, but familiar, management concepts such as business processes and the role of IT at the process level. By characterising the dependencies and interactions between the adaptive elements of the organisational ecosystem, this perspective provides the opportunity for understanding the consequences of management inventions, including those that might not be intended.

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