

From the Editor: Introduction to special issue on ICT Governance, Strategic Alignment and Service Management

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Introduction

In 2004, *Information Systems Management* published a special issue on IT Governance, an emerging topic which has become recognised as a fundamental business imperative essential to realise the value of ICT investment. Since that earlier issue, many organisations have struggled to adopt the principles promoted by the IT Governance Institute and leading researchers such as Peter Weill, Jeanne Ross and Wim Van Grembergen.

One of the assumptions underlying research studies to date is that the IT resources are firmly under the control of the organisation. However, in reality, the situation for contemporary organisations is far more complex. Today, increasingly corporate data and applications reside on hardware assets owned by service vendors, employees and contractors. With complex sets of sourcing arrangements used for IT service provision, the challenge for many organisations is to ensure informed purchasing and to build capabilities to manage external supply so that business value can be leveraged from supplier performance.

In total, 12 quality submissions were received for this special issue and it was difficult to select the papers to be published. I am grateful to all the contributing authors, and in particular wish to thank the reviewers for their prompt and thorough evaluation of the papers and the effort they put in to providing valuable feedback to the authors.

This issue comprises seven articles which include reviews of recent research in the inter-related areas of ICT governance, alignment and service management as well as industry case studies and surveys of organisations in Australia, India, Belgium, the United States, and United Arab Emirates. These case studies are based on the application of popular frameworks such as Luftman's Strategy Alignment Maturity Model (SAMM), ITGI's Control Objectives for Information and related Technologies (CobiT) and OGC's Information Technology Infrastructure Library (ITIL). The content of these articles communicates and critiques the use of these practices to the target journal readership to address current management challenges of IT governance and service management.

One of the important themes that emerges from many of the papers is the importance of context in the adoption of such frameworks. Organisational history, environment and culture are important considerations and should be taken into account when implementing any of these prescribed frameworks.

Contents of the special issue

The lead article by Phyl Willson and Carol Pollard specifically addresses this issue by exploring IT Governance practice in a large multi-national organisation. The authors note the paucity of research on the reality of IT governance in organisations and the exploration of the factors that influence IT governance as it is actually practiced. Their in-depth content analysis of corporate documents and 25 interviews with senior business and IT managers of an Australian organisation revealed that the theoretical application of IT governance can be somewhat different from its application in practice and that historical context, visionary leadership and organisational culture are important factors influencing the operation of IT governance.

The second article is relevant in light of the recent Satyam governance scandal. Judith Simon, Robin Postin and Bill Kettinger recognise the critical role of offshore outsourcing of IT services and review leading academic and practitioner literature on the topic to develop a framework for mature offshore outsourcing governance. They conducted a case study of a leading U.S.-headquartered multinational company and its major Indian offshore vendors. By juxtaposing the case study experiences with the disparate literature on offshore outsourcing and IT governance, they proposed a model for mature offshore outsourcing governance.

In the third article, Steven de Haes and Wim van Grembergen consider how organisations are effectively implementing IT governance in day-to-day practice and its impact on business/IT alignment. They used a multi-method approach comprising six pilot case studies, a three-round Delphi study with 22 financial services experts, and a survey of ten large Belgian financial services firms. In particular, they examined the ease of use and effectiveness of a range of practices related to IT governance structures, processes and relational mechanisms. They found that business/IT alignment maturity is higher when organisations are applying a mix of mature IT governance practices; IT governance structures are easier to implement compared to processes; and IT relational mechanisms are very important at the start of IT implementation but decline in importance as the governance framework is embedded in day-to-day operations.

Also on the theme of IT-business alignment, the fourth paper by Imran Zaulkernan and Mohammed Khaiata develops a simple, flexible, and easy-to-use instrument to measure IT-business alignment maturity and identify major gaps in alignment. They used Luftman's Strategy Alignment Maturity Model (SAMM) as the foundation for the instrument. The instrument provides an aggregation procedure to summarize the alignment maturity level for high level executives and can be customized to incorporate the contextual parameters of a company. In applying the instrument to assess the alignment maturity level between IT and business in a rapidly growing company, they identified six major gaps across the various alignment areas.

The final three articles focus on IT service management, a topic growing in importance with increasing adoption of ITIL and the international standard on IT service management (ISO/IEC 20000). Although effective IT service management is essential for mature IT governance and critical for IT-business alignment, the topic has been largely ignored by IS researchers to date.

MaryAnne Winniford, Sue Conger and Lisa Erickson-Harris examine IT Service Management practice in the United States and the familiarity of practitioners with the associated terminology. They explain the cross-Atlantic influence of ITIL and service level management (SLM) as well as related terms such as business service management (BSM), CobiT, and IT governance. Their analysis is based on a large survey of service management implementation and understanding. The survey results indicated that less than half of the companies had implemented service management, no matter the term by which it is called. From an ITSM standards and frameworks perspective, little familiarity was found unless an organization had adopted IT service management. Even for respondents who have implemented service management, the survey identified conceptual confusion on exactly what constitutes IT services and confounding of the various terms of service management, service level management, business service management, IT governance and IT service management.

The sixth article is an exploratory study of the justifications, strategies, and critical success factors in successful ITIL implementation. Carol Pollard and Aileen Cater-Steel report on four organisations which have implemented IT service management using the ITIL V2 framework. Two organisations are located in the U.S. and two in Australia. The cases demonstrate a mix of implementation justifications and strategies. The authors use critical success factors (CSFs) suggested in the literature to compare against those attributed to these successful ITIL implementations. Some CSFs, including executive management support, interdepartmental communication and collaboration, use of consultants, training and careful software selection were confirmed. Three new CSFs were identified: creating an ITIL-friendly culture, process as a priority, and customer-focused metrics. Practitioner guidelines, to assist IT managers who are contemplating adopting ITIL for process improvement and organisational transformation, are also provided together some challenges encountered and their associated resolutions.

The final article considers the market potential in the United States for IT Service Management graduates. Sue Conger and Ramesh Venkataraman team up with two industry practitioners, Alex Hernandez and Jack Probst to report on a survey undertaken by the USA chapter of the itSMF (IT Service Management Forum). Currently, despite falling IS enrolments, very few universities offer courses related to the emerging discipline of IT Service Management. One barrier to adoption of IT Service Management in IT academic programs is the uncertainty that students can get jobs as a result of such education and knowledge. The results of this survey show that there is a market of at least 15,000 hires per year in the U.S. for undergraduate and graduate students who have ITSM skills, and that companies are willing to hire ITSM-trained graduates.

I hope both researchers and practitioners find the ICT Governance and Service Management issues raised in this special issue to be thought provoking and informative and that they contribute to the body of knowledge of these important disciplines.