An extended platform logic perspective of IT governance: managing perceptions and activities of IT

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Abstract

Over the years, Information Technology (IT) has struggled with how to create an effective structure and processes. It is our main thesis that if organizations focused more on implementing a sound IT governance strategy, it might help senior executives to manage not only the IT-related activities, but also the perceptions between IT and the rest of the organization, and, in doing so, foster a more successful IT organization. Using six case studies conducted within the oil and gas industry, we explore differences in perceptions toward IT and in the organization of IT activities. Using an Extended Platform Logic Perspective, we note differences and similarities between the firms, with respect to IT capabilities, relational and integration mechanisms, measures of success, and relationships with the business units. Our results suggest that our colleagues-in-practice have evolved from focusing on one-way architectures within a centralization/decentralization context toward a two-way relationship-oriented approach to managing the IT structure. We conclude by offering some thoughts on how IT executives can help to shape perceptions of IT within their firms and explore how academics can begin to help our colleagues-in-practice as they struggle with the governance of the IT function.

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1. Introduction

One of the most enduring problems faced by the Information Technology (IT) function is how it should organize and structure itself. The term ‘governance’ has been used to broadly describe the policies, structures, and management processes involved in managing the IT function (Brown and Sambamurthy, 1999; Weill and Broadbent, 2000). Indeed, implementing a sound IT governance strategy is believed to be key for having a successful IT function in organizations (Brown, 1997). It is our main thesis that if organizations focused more on implementing a sound IT governance strategy, it might help senior executives to manage not only the IT-related activities, but also the perceptions between IT and the rest of the organization, and, in doing so, foster a more successful IT organization.

In this paper, we use six case studies that were conducted within the oil and gas industry to explore the broad issue of IT governance. In operationalizing ‘IT governance’ we chose to use the notion coined by Sambamurthy and Zmud (2000)—that of ‘organization logic for the IT function’ and especially their ‘platform logic model’. This allows us to move beyond the more basic centralization–decentralization issue of governance, to focus on the practical IT capabilities, relational architectures, and integration architectures that are currently being used in ‘successful’ IT organizations. By focusing on these capabilities and architectures, we hope to elucidate new opportunities for the IT function.

We should like to add that the motivation for our work comes from the Sambamurthy and Zmud (2000) call for researchers to better understand the challenges and discoveries of contemporary IT management. They argue that the academic community should begin by examining the logic for organizing IT activities. With the call in mind, we shall apply the platform logic model to IT governance. However, as we discuss in Section 2, we will first extend the original model and add a new dimension to the model: a metric of success. Our ‘extended platform logic model’ will then be used as a theoretical lens to interpret the governance arrangements within six organizations. We believe that by understanding how IT responds to environmental and business imperatives in the structuring of required IT capabilities, and the integration and relational architectures that derive from those capabilities, we will then be able to explain the differences in perceptions that appear to exist between IT and rest of the organization (Ward and Peppard, 1996; Enns and Huff, 2000; Peppard and Ward, 1999).

2. Governing the IT function

Historically, IT governance has been strongly associated with the structure or configuration of the IT function, thus reflecting the locus of responsibility for making IT management decisions. Three possibilities are typically identified. Organizations in which the locus of responsibility for making IT management decisions belongs to a corporate or a central unit are said to be centralized; if it belongs to a business unit or department it is...
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