

EFFECTIVE IT GOVERNANCE IN HIGHER EDUCATION INSTITUTIONS: THE CONCEPTUAL MODEL

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IT GOVERNANCE (ITG) DEFINITIONS

The concept of IT Governance has been a subject of debating among scholars since there have been many definitions proposed by researchers.

Keyword: “**strategic alignment between business and IT**”



IT governance is sometimes referred to as part of the bigger discipline of **corporate governance** (Korac-Kakabadse & Kakabadse, 2001; Weill & Ross, 2004).

The **strategic alignment of IT with business**, such that maximum business value is achieved through the development and maintenance of effective IT control and accountability, performance management and risk management (Webb, Pollard and Ridley, 2006)

IT governance is **the process that ensures the effective and efficient use of IT** in enabling an organization to achieve its goals (Gerrard, 2010)

Relationship between IT and Business



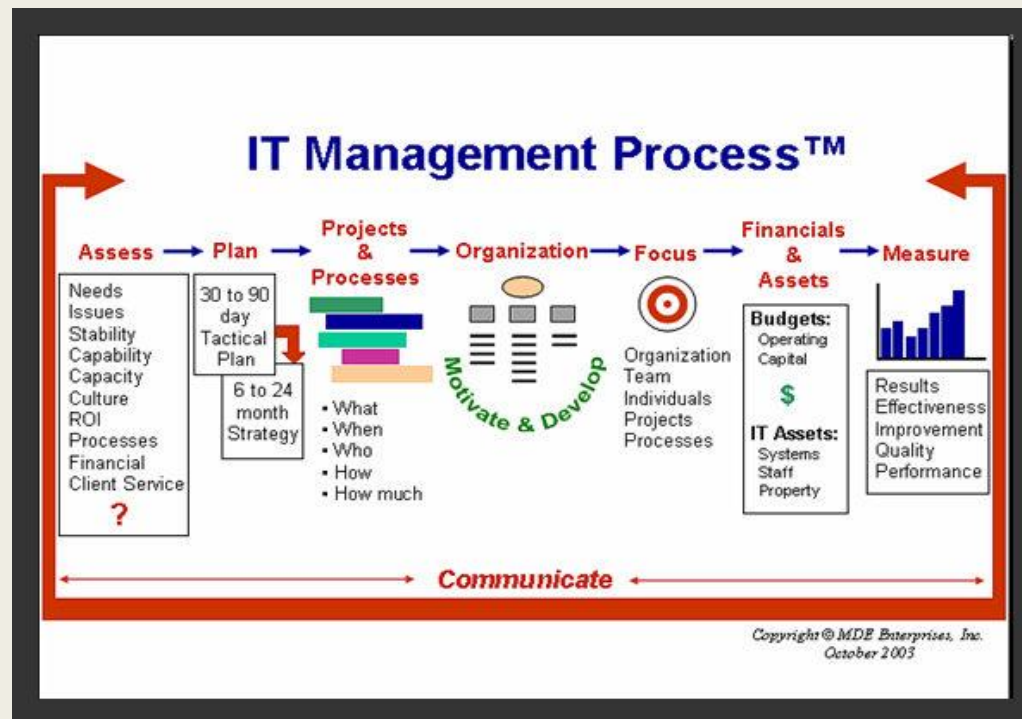
- Business activities became largely **dependent in IT systems**.
- Thus business **failure and success are increasingly dependent on IT**
- IT should deliver value to business and be **aligned with the organization's goals**.
- Response to **fast changes in business environment**.
- Ensure **business continuity**.



IT Management vs IT Governance

IT Management

focus on the supply of IT services, products and operations.



IT Governance

much broader and focus on present and future demand of IT and Business.



WHY ITG?

- Effective IT governance will guarantee alignment between IT and the business goals.
- Effective IT governance will warrant the appropriate employing strategic alignment between IT policy making and the business goals
- Organizations with unsuccessful IT Governance will suffer due to poor performance of IT resources such as inefficient operating costs, inaccurate information quality, and even the decease of its IT department.

OBJECTIVE OF THE STUDY & CONTRIBUTION

- This study develop the **effective of IT Governance evaluation model** that may be used by organizational management in the HEI in particular.
- This study **identifies the factors** that contribute to effective IT governance based on past literatures on this domain.
- The proposed model **need to be tested through empirical study** in the future work by others
- **The result of the study** can help to HEIs management to gain the effective IT governance implementation.
- This study will **contribute to the knowledge** of IT governance implementation in HEIs.

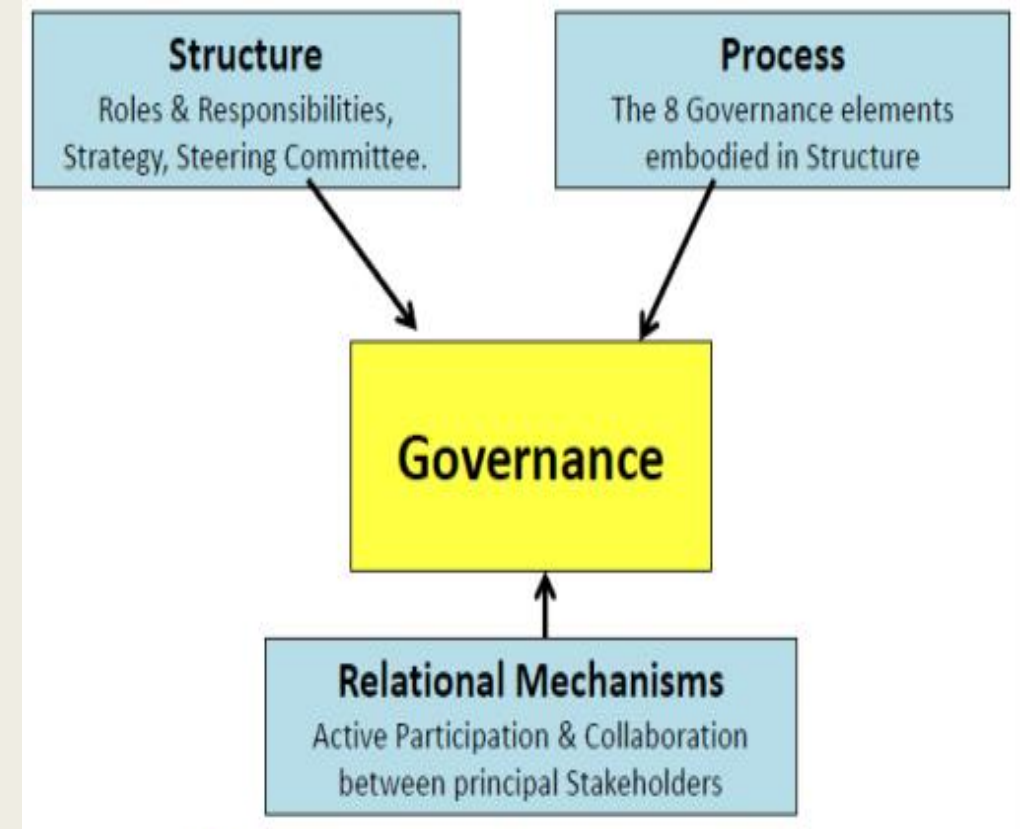
CONTINUED

- Based on the past literatures shown that most of studies on IT governance were conducted in business sector and private organizations, rather in public organization.
- IT governance implementation in higher education organization has different characteristics compared to private organizations.
- This research attempts to examine the effective of IT governance in HEIs sector and promotes in understanding IT governance and performance in public organizations in the ways.

IT GOVERNANCE IMPLEMENTATION

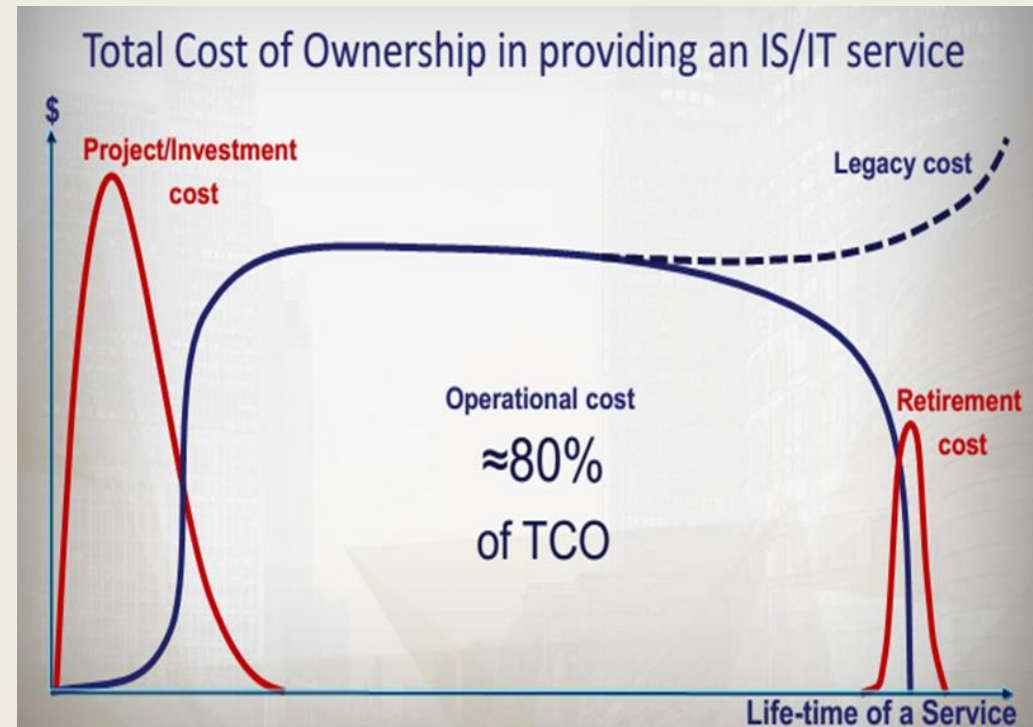
ITG is implemented through **structures**, **processes** and **relational** mechanisms.

- IT governance **structures** enable **contact between IT and business management**.
- IT governance **processes** relate to **formalizing the procedures** that make and monitor strategic IT decisions,
- The **relational mechanisms** relate to the **collaborative relations between business and IT management** (De Haes & Van Grembergen, 2009)



LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

- To achieve effective IT governance, an organization need to employ well-understood, transparent governance mechanisms and well-designed (Weil & Ross,2004)
- The importance of IT governance shown that organizations with greater IT governance obtained profits 25% higher than those with the limited on their IT governance



IT Steering Committee

- The effective IT governance is positively associated with a shared understanding of business and IT and active involvement of **IT steering committees** Bowen, Cheung, & Rohde (2007)
- Prasad, Heales, and Green (2010) conclude that the steering committee is positively related to the level of IT-related capabilities.

H1: The presence of an IT steering committee will significantly relationship the level of effective IT governance

Involvement of Senior Management in IT

- Senior management involvement had a significant positive effect on the level of effective IT governance (Vaswani, 2003)
- Likewise, a lack of senior management involvement has been shown to lead to negative outcomes in IS planning, and even failure to plan for IS (Salmela, Lederer, & Reponen, 2000)

H2: Involvement of senior management in IT will significantly relationship to effective IT governance.

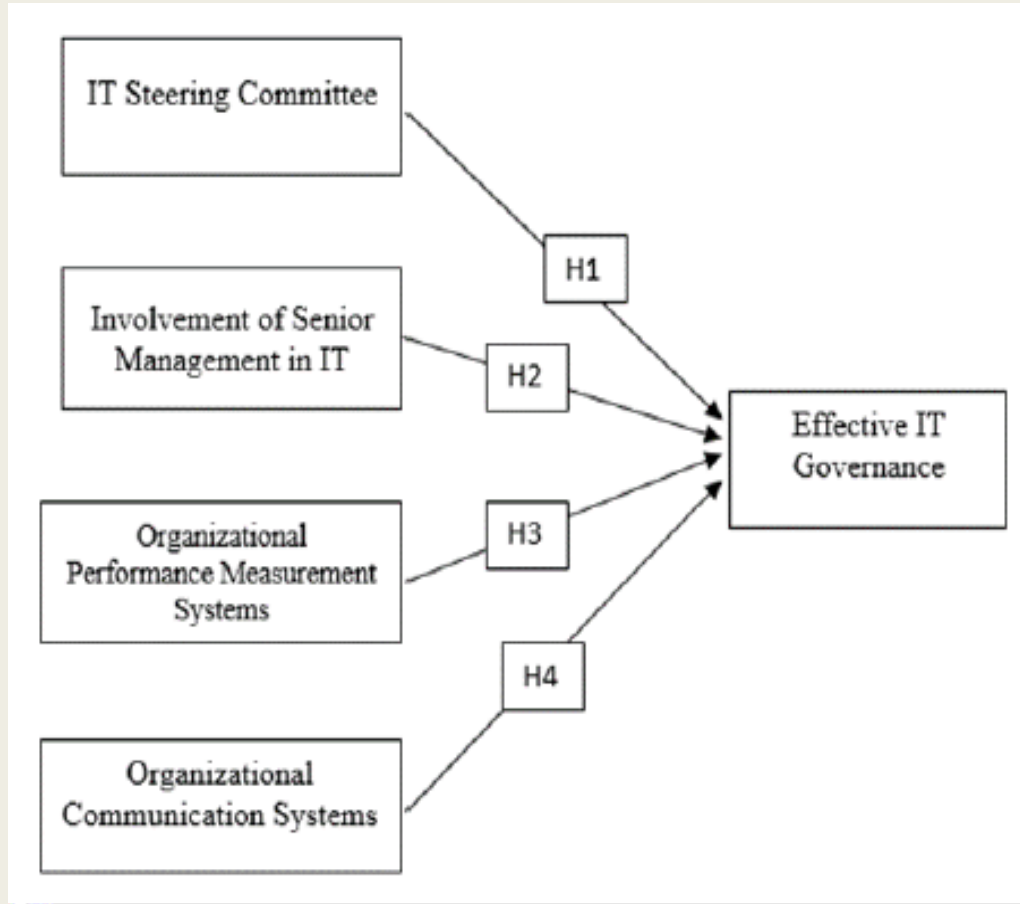
Organizational Performance Measurement System

- To achieve the strategic agenda of senior management level in HEIs, the effective performance measurement mechanisms, such as an IT balanced scorecard, IT charge back systems, are necessary.
- One of the IT strategy committee's duties is to supervise the implementation of IT project and applications. Such a system enables the senior management level to detect and correct any deviations and change the strategy when necessary (ITGI, 2003)
 - *H3: The implementation of an organizational performance measurement system will significantly relationship to effective IT governance.*

Organizational Communication System

- In order to get good participation and collaboration in the organization, the Effective IT governance requires close relationships between the business and IT so that there will be better understanding between both areas (Callahan, Bastos, & Keyes, 2004)
 - *H4: Organizational Communication System will significantly relationship to effective IT governance.*

THE PROPOSED MODEL



- This evaluation model derived from past studies on ITG such as Shelly et al., 2015); Ali & Green (2012)
- In order to confirm the model, the significances of the relationship among the variables need to examine as a next step from this study.

CONCLUSION

- As emphasized by researchers such as the effective IT governance related to individual and organizational level of unit analysis.
- One of the more significant findings to emerge from this study is that how to evaluate the effective IT governance that focus on organizational level.
- This paper has presented a testable model describing all the relationship between antecedent of IT Governance effectiveness in HEIs.
- The model has to be empirically verified to confirm the relationship between variables.
- The future step need to examine a validation of evaluation model by others by collecting data in particular university as a single case study.

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