

The Alignment Between Information and Communication Technology (ICT) Strategy and Business Strategy of Professional Conference Organizers

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Abstract

The concept of ICT/business alignment has been discussed in the literature, but almost always in the context of large firms from the manufacturing and retailing industry. In addition, prior research has predominantly conceptualized and operationalized ICT/business alignment at the firm level; very few attempts have been made to explore the issue at the process level. In this study, we examine the key concept of strategic ICT/business alignment at the business process level rather than at the dominant firm-level. A unified framework that captures the antecedents of strategic ICT/business alignment, the strategic alignment, and performance outcomes is proposed and empirically tested in the context of the Australian professional conference organizers (PCO); partial least square (PLS) technique is suggested for the data analysis. The contribution of this study is twofold. First, it adds to the tourism literature by exploring the strategic alignment issue from the perspective of the tourism event sector. Second, it contributes to the alignment literature by adding insights from the business process perspective to explain the relationship between the achievements of alignment and various firm specific IS resources as well as the contingency factors.

Keywords: Professional conference organizer (PCO); Strategic alignment; Information communication technology (ICT)

1 Introduction

The importance of information and communication technology (ICT) to the Meetings, Incentives, Conferences (or Conventions) and Exhibitions (MICE) industry has been increasingly realized by both practitioners and academics and a fair amount of research has been devoted to examine it. Research conducted in this area has been focused on the adoption and application of ICT by various stakeholders in MICE industry, such as client associations, convention and visitor bureaus, venues as well as delegates (Digance, 2002; Greenhill, 2001; Yuan, et al., 2003). However, the Professional conference organizer (PCO), the 'executive arm' of the convention committee and client organization (McCabe,

et al., 2000), has been somehow neglected by the academics in the MICE tourism literature in regards to their adoption and application of ICT despite the fact that they are increasingly becoming more technology-dependent.

While the importance of ICT has been well recognized by the PCO and they are increasingly relying on technologies to get their job done, however, the adoption and application of ICT remains as a big challenge to the PCO given the following considerations. Firstly, most PCOs are relatively small in size (fewer than 20 people), similar to their counterparts in other industries, they have also suffered from resource poverty such as financial, time and expertise constraints (Thong, 2001). They may not have the necessary in-house IS expertise or a formal IS department to plan and implement IS related activities in line with their business strategies, inadequate IS related resources possessed by the PCO may hamper them from fully realize the strategic value from their investment in ICT.

In addition, the unique business model in PCO also presents another challenge to their strategic use of ICT due to a wide range of suppliers and a diverse profile of their customers (client associations, delegates, and sponsors/exhibitors) who are involved in the process of service provision. The extent of their respective ICT literacy creates a big challenge to the PCO in terms of developing a wide range of ICT applications so as to cater to different level of ICT capability of various stakeholders. On the other hand, it also indicates that the sophistication of ICT use in the PCO may largely be subject to the extent of ICT adoption by their partners and clients. Thus, it would be interesting to investigate to what extent various internal and external factors are shaping and influencing the adoption and application of ICT in the context of PCO. Therefore, the critical role of the PCO in MICE industry, its unique characteristics and the significant implication in relation to the strategic use of ICT urge us to conduct this research. To the best of the author's knowledge, no attempts have been made so far to examine the issue of strategic use of ICT by the PCO; this study is an attempt to fill this gap. More specifically, this study seeks to examine the strategic use of ICT from the lens of alignment between ICT and business strategies. The following section will review the literature of strategic alignment between ICT and business.

2 Literature review

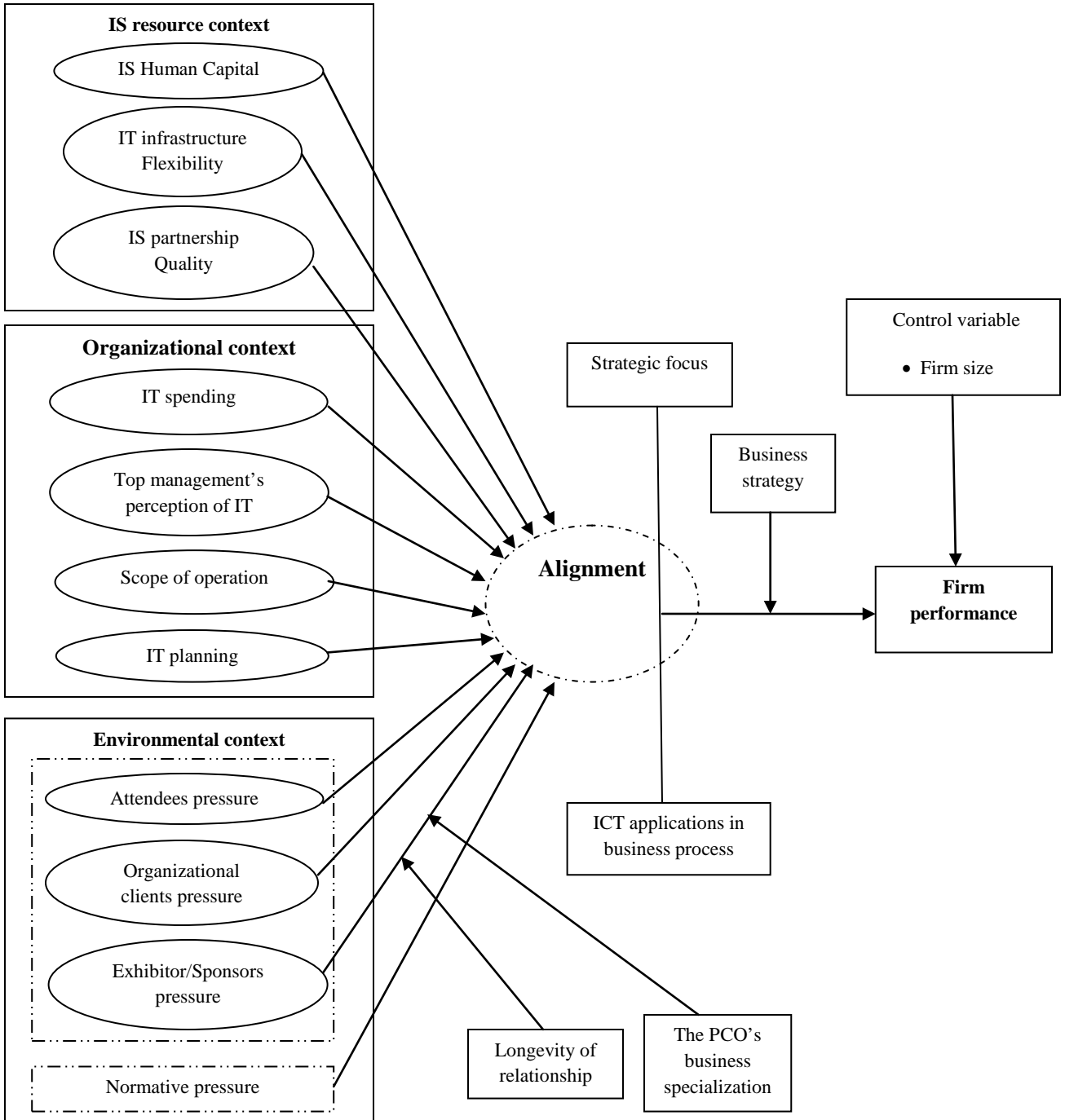
Strategic alignment between business and ICT has consistently appeared as a top concern for IT practitioners and company executives (Luftman & McLean, 2004). Numerous articles in the area of information systems have examined the necessity and desirability of business/ICT alignment and its importance is now well recognized. According to Chan, et al.(1997), strategic alignment can be broadly defined as “the fit between business strategic

orientation and IS strategic orientation” (p125). Other similar definition include that of Reich & Benbasat (2000) and Luftman & Brier (1999). Whilst these definitions have provided the general framework for the investigation of the issue of strategic alignment, they have been predominantly visualized alignment at the firm level. To focus on alignment in a firm-level context, as earlier research has done, fail to capture the fact that whether a firm is pursuing a tight alignment in areas that matter most to the success of their business, misalignment in another areas may pose less of a threat to firm performance, competitiveness, or firm survival. In other words, alignment should be examined not just from the perspective of the extent of fit at the firm level but whether firms are chasing the right type of fit at the functional level, given the specific mix of processes or activities that comprise their business strategy (Tallon, 2007).

Hence, we argue that by conceptualize strategic alignment at the process level will provide more insightful view to examine the alignment issue. A process approach could point out the key processes where alignment is weak and in need of remedial managerial attention (Tallon, 2007). Such insights provide highly practical value to management in respect to better deploy their IT resources into key business processes that in line with their business strategic focus. Adopting from Oh & Pinsonneault (2007), we define the strategic alignment in this paper as the extent to which the portfolio of ICT application is aligned with the business objectives of the firm. Specifically, we assume that ICT strategy is reflected in the pattern of a firm’s development of its ICT applications (Tallon, et al., 2000). Alignment refers to the degree to which the ICT application portfolio converges with business strategies such as reducing cost and improving customer services. Similarly to Oh & Pinsonneault (2007), we also conceptualize and operationalize ICT and business strategic alignment based on the realized ICT strategy (i.e., the pattern of deployment of ICT applications).

3 Theory/issues

Adopting contingency theory, this study endeavors to investigate to what extent the IT and business factors combined with the context in which the PCO operate are influence their respective state of alignment between ICT and business strategy. In this study, we posit that alignment is contingent on organizational and environmental context and the existence of those factors determines a firm’s level of the alignment. In addition, as resource based view (RBV) theory emphasizes the ‘heterogeneity’, ‘inimitable’, ‘immobile’ feature of resource as the pre-condition to create economic rents, strategic alignment as a type of firm-specific resource can be expected to create sustained competitive advantages as it possesses all those attributes. So based on above analysis, we propose a research model by incorporating IS resources, organizational context, environmental context, strategic ICT/business alignment and firm performance.



4 Conclusion and discussion

The results of this study are expected to help better understand to what extent the strategic alignment between ICT and business in small firm is determined by firm IS related resources and other contingency factors. This study also contributes to the alignment literature by conceptualize and operationalize strategic alignment at process level, which is different from the previous research dominated by firm level thinking. In addition, the value discipline theory have been used in this study to develop specific profiles of alignment in the value chain, in so doing, we build upon a growing body of research in the IS literature that recognizes the practical and academic value of the Treacy & Wiersema (1995) typology. In terms of managerial implications, the findings of this research can provide some insights to the small firm managers as to how can better ICT alignment be achieved from a resource perspective and what contingency factors would facilitate or inhibit the alignment. This study also provides a holistic picture of the current state of the application of ICT in the business processes in the PCOs, so it provides the managers with some guidance as to better plan and concentrates their current and future IT investment in certain business process in value chain in order to better realize IT business value.

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