

Effect of Institutional Forces in Information Technology Governance in Universities of Sri Lanka

NalakaLankasena^a and SudattaRanasinghe^b And DamithaKarunaratna^c

PhD Candidate, Faculty of Graduate Studies^a and Senior Professor, Open University of Sri Lanka^b and Senior Lecturer, UCSC, University of Colombo^c

Introduction

Information Technology Governance (ITG) is a concept which suddenly emerged since 1990 and became an important issue in the information technology area (De Haes & Van Grembergen, 2008). IT governance has been defined as the responsibility of the Board of Directors and executive management. It is an integral part of enterprise governance and consists of the leadership and organisational structures and processes which ensure that the organization's IT sustains and extends the organization's strategy and objectives (IT Governance Institute, 2003, p. 10). According to a global ITG survey, conducted by ITG Institute in 2006 and with a sample of 695 organizations, 87% of participants considered IT crucial to the delivery of their business strategy, further perceiving that good ITG practices would improve the governance of IT resources (Lee, Lee, Park, & Jeong, 2008).

Although there are several researchers and practitioners have contributed to the understanding of IT governance across the world Sambamurthy & Zmud, 1999; Lee, Lee, Park, & Jeong, 2008; De Haes & Van Grembergen, 2004; Bhattacharjya & Changy, 2006; Weil and Ross, 2004; Luftmaan et al, 1999; Peterson, 2004, there are little evidence available in literature on the success stories of ITG. One of the reasons for the low success rate could be that the existing ITG concepts and frameworks have been proposed to enhance the internal efficiency of the organisation through IT is only considering the internal environment. The effects of institutional forces due to the external and internal environment have not been considered by these frameworks or concepts. In this study how the institutional factors effect on the success of IT governance in universities is the research question which was explored based on theoretical arguments and practical scenario of system implementation in universities of Sri Lanka.

Key Theories and Literature Review

According to institutional theory proposed by DiMaggio and Powell (1983) argue that structural change in organizations seems less and less driven by the need for efficiency. Instead, they posit that bureaucratization and other forms of organizational change occur as the result of processes that make organizations more similar without necessarily making them more efficient. There are more powerful forces in the external environment which lead organizations to become more similar to one another. Based on literature on prior research

Xue et al (2008) propose three broad factors that could affect the success of IT governance: an organization's IT investment characteristics, its external environment, and its internal context. But in this study considering the higher educational structure in Sri Lanka i.e. government funding, free education, the role of the UGC, role of the funding institutions, and the limited fund availability, the factor which is assumed as most effective in IT governance in University sector is the institutional/external force.

Three types of institutional forces have been identified by DiMaggio and Powell (1983). Coercive pressures are a set of formal or informal forces exerted on organizations by other organizations upon which the former organizations depend (DiMaggio and Powell 1983); it derives from such sources as government regulations and powerful business and funding partners. Mimetic pressures are observed when firms adopt a practice or innovation imitating competitors (Soares-Aguiar and Palma-Dos-Reis 2008). Normative pressures come from dyadic relationships where companies share some information, rules, and norms. It causes people in different firms who share a common set of values and norms to exhibit behavioral similarities in decision making (Xue et al, 2008).

Research Design and the Methodology

The foundation of conceptual framework comprises of two elements: Implementation aspects of IT governance and the influence of institutional theory on its success. The process of the implementation of the University Higher Educational Management Information System was analysed with the institutional theoretical aspects based on interviews and published and unpublished data in the Higher Educational Institutions in Sri Lanka. A series of face to face and video conferences based interviews were conducted with the IT professionals who has involved with the system. Influential institutional forces on implementation of IT systems were related to the aspects of ITG.

Key Findings

In the context of Sri Lankan universities, with coercive pressures, universities are forced to implement a certain information technology. The directions of the government, UGC and Ministry of Higher Education role is significant in changing the direction of IT decision making (Perera, Lankasena, Silva 2010). Government funding for Universities are utilized based on the direction given to Universities by the UGC. One reason for failing key IT projects which was employed in the recent past was due to poor consideration of the institutional coercive force. In some circumstances universities have changed as a direct response to government or authorities of higher educational institution's mandate. When mimetic and normative pressures arise, universities either imitate their successful peers or follow the industrial norms in making IT investments towards IT governance. Until the recent

past as the state universities are completely funded by the government and there was no private universities, impact due to mimicry was not very significant. However, today, as private universities are emerging the mimicry is also appearing as a force for implementing IT Governance. Normative force in the university sector is not significant as the coercive force. But, normative rules about organizational and professional behavior in the university scenario are important in creating similarity of orientation and shaping up of IT governance across universities. IT professional are with the view that certain IT systems are to be brought into our Sri Lankan universities as this has been general practice in most of universities in the world. Finally the IT governance frameworks or implementation strategies are to be reformulated considering the forces affect through the institutional forces.

Conclusions

In conclusion, in the context of the Universities in Sri Lanka, three institutional/external i.e. coercive, mimetic and normative forces effect differently by altering the power balance in the process of implementing and its success in IT Governance. Further studies could be done to identify how the internal environment and its forces affect in IT governance in Universities and their correlation with the institutional or the external forces.

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