ANTECEDENTS OF IT-BUSINESS ALIGNMENT FACTORS IN INFLUENCING SUSTAINABLE COMPETITIVE ADVANTAGE

A Thesis submitted to the Colleges of Arts and Sciences in fulfillment of the requirements for the degree of Doctor of Philosophy
Universiti Utara Malaysia

BY
DMAITHAN A. AL-MAJALI

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ABSTRAK

More extensive studies on the causal chain between Information Technology (IT) investments and firm performance have been encouraged by scholars. However, the results of empirical studies have been inconclusive. This is partly due to the exclusion of IT-business strategic alignment (known as strategic alignment). In particular, scholars have continuously called for research to address the antecedent factors that lead to the alignment. As a result, this study has successfully developed a causal model illustrating the relationships between strategic alignment antecedents, strategic alignment and sustainable competitive advantage. Specifically, this study has looked into the impact of IT-business strategic alignment antecedents in terms of leadership between business and IT managers, structures and processes between IT plans and business plans and examined IT managerial resources between business and IT managers, service qualities, values and beliefs, and IT implementation success on IT business strategic alignment in terms of alignment gaps. Finally, the impact of IT-business strategic alignment is also tested for its impact on sustainable competitive advantage. In order to explore the above research relationships, this study has utilized the positivism paradigm. Under this method, quantitative data was collected. More specifically, this study has tested the research model by conducting 172 survey questionnaires with public shareholding firms in Jordan. The results obtained from the structural equation modeling (SEM) technique and interviews have offered very valuable insights into the research questions. The results of the main survey questionnaire show strong evidence for the impact of the following variables: leadership, service quality, value and belief, IT managerial resources and IT implementation success, on IT—business strategic alignment. Conversely, SEM has failed to support the link between structure and process on IT business alignment. In addition, the results show strong evidence for the impact of the following: leadership, IT managerial resource and IT implementation success on sustainable competitive advantage. However, SEM failed to support the link between service quality, value and belief, and structure and process on sustainable competitive advantage. Furthermore, the results from the main survey questionnaire show strong evidence for the impact of IT—business strategic alignment on sustainable competitive advantage. Moreover, the results of the main survey questionnaire through the SEM show strong evidence for the mediating effect of strategic alignment on the relationships between value and belief, service quality and sustainable competitive advantage. This study has provided a detailed roadmap that researchers and practitioners can use in order to understand the resources required, and to realize the potential values of their IT investments. Future research is clearly needed to reveal better insights into the nature of these relationships.
PUBLICATIONS FROM THIS RESEARCH

The following conferences papers and publications have been produced from the research reported in this thesis:


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In the name of Allah, the Most Gracious, the Most Merciful. The more we realize how little we know, we come to understand that our accomplishments are not possible without the help of Allah. The following are just a few of the countless people who have helped me to complete my PhD Studies.

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DEDICATION

To My Mother, Sabah, and my Father, Abdelkarim, who constantly inspired me, had unending faith in me, and nourished the passion for learning; who indulged me for endless hours on numerous occasions with memorable conversations and lessons that have lasted a lifetime.
**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERMISSION TO USE</td>
<td>i</td>
</tr>
<tr>
<td>ABSTRAK (Bahasa Malaysia)</td>
<td>ii</td>
</tr>
<tr>
<td>ABSTRACT (English)</td>
<td>iii</td>
</tr>
<tr>
<td>PUBLICATION FROM THIS RESEARCH</td>
<td>iv</td>
</tr>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>vi</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>vii</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td>xii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td>xiii</td>
</tr>
<tr>
<td>LIST OF ABBREVIATION</td>
<td>xiv</td>
</tr>
<tr>
<td>CHAPTER ONE: INTRODUCTION</td>
<td></td>
</tr>
<tr>
<td>1.1 Background</td>
<td>1</td>
</tr>
<tr>
<td>1.2 Problem Statement</td>
<td>4</td>
</tr>
<tr>
<td>1.3 Research Questions</td>
<td>10</td>
</tr>
<tr>
<td>1.4 Research Objectives</td>
<td>11</td>
</tr>
<tr>
<td>1.5 Motivation of the Study</td>
<td>11</td>
</tr>
<tr>
<td>1.6 Scope of Research</td>
<td>12</td>
</tr>
<tr>
<td>1.7 Contributions of the Study</td>
<td>13</td>
</tr>
<tr>
<td>1.8 Thesis Structure</td>
<td>14</td>
</tr>
<tr>
<td>1.9 Summary</td>
<td>16</td>
</tr>
<tr>
<td>CHAPTER TWO: LITERATURE REVIEW</td>
<td></td>
</tr>
<tr>
<td>2.1 Introduction</td>
<td>17</td>
</tr>
<tr>
<td>2.2 Strategic Alignment Models</td>
<td>20</td>
</tr>
<tr>
<td>2.3 Gaps in the Literatures</td>
<td>35</td>
</tr>
<tr>
<td>2.4 Strategic IT-Business Alignment Antecedents</td>
<td>38</td>
</tr>
<tr>
<td>2.5 Strategic Dimensions of Alignment</td>
<td>42</td>
</tr>
<tr>
<td>2.6 Competitive Advantage</td>
<td>47</td>
</tr>
<tr>
<td>2.6.1 Strategic alignment and sustainable</td>
<td></td>
</tr>
<tr>
<td>Competitive advantage</td>
<td>52</td>
</tr>
<tr>
<td>2.7 Conceptualization of Strategic Alignment</td>
<td>54</td>
</tr>
<tr>
<td>2.7.1 Proposed Conceptual Research Model</td>
<td>59</td>
</tr>
<tr>
<td>2.7.2 Model Construct</td>
<td>62</td>
</tr>
<tr>
<td>2.7.3 The relationships</td>
<td>67</td>
</tr>
<tr>
<td>2.7.4 Hypotheses Formulation</td>
<td>68</td>
</tr>
<tr>
<td>2.8 Summary</td>
<td>70</td>
</tr>
</tbody>
</table>
CHAPTER THREE: METHODOLOGY

3.1 Introduction 72
3.2 Research Design 73
  3.2.1 Preliminary study 76
  3.2.2 Survey method 94
3.3 Research Execution 94
  3.3.1 Research Population and Sampling Frame 95
  3.3.2 Adequacy of the Sample Sizes 97
  3.3.3 The Development of Instrument Construct 99
  3.3.4 Questionnaires’ Translation 105
  3.3.5 Test Response Bias 105
  3.3.6 Data Collection Methods 106
  3.3.7 Reliability and Validity 109
3.4 Data Analysis Techniques 112
  3.4.1 Structure Equation Modeling (SEM) 112
  3.4.2 Hypothesis Testing 115
3.5 Summary 117

CHAPTER FOUR: QUANTITATIVE ANALYSIS

5.1 Introduction 119
5.2 General Demographic Analysis for the Sample 119
5.3 Test of Response Bias 121
5.4 Response Rate 122
5.5 SEM Analysis Strategy 123
5.6 General Data Examination 124
  5.6.1 Missing Data Analysis 124
  5.6.2 Test of Multivariate Assumptions in SEM 124
  5.6.3 Normality Assessment 124
  5.6.4 Linearity 125
  5.6.5 Multicollinearity 126
  5.6.6 Sample Size 126
  5.6.7 Test of Scale Reliabilities 127
5.7 Measurement Model 128
  5.7.1 Estimation and Model Fit 129
  5.7.2 CFA Procedure 134
  5.7.3 Assessment for Exogenous and Endogenous Variables 137
  5.7.4 Model Modification 138
  5.7.5 Assessing the Unidimensionality of the Constructs 140
  5.7.6 Assessing the Reliability of the Constructs 142
  5.7.7 Assessing the Validity of the Constructs 143
5.8 Structural Model Analysis 145
  5.8.1 Hypotheses Testing of the Study 147
  5.8.2 Result of Strategic Alignment As a mediating Effect 150
5.9 Summary 151
## CHAPTER FIVE: CONCLUSION AND DISCUSSION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Introduction</td>
<td>153</td>
</tr>
<tr>
<td>5.2 Discussion of Findings</td>
<td>154</td>
</tr>
<tr>
<td>5.2.1 To identify whether IT-business strategic alignment Influence sustainable competitive advantage.</td>
<td>155</td>
</tr>
<tr>
<td>5.2.2 To Determine if the Proposed Antecedents Affect Strategic Alignment.</td>
<td>156</td>
</tr>
<tr>
<td>5.2.3 To Determine if the Proposed Antecedents Directly Affect Sustainable Competitive Advantage.</td>
<td>163</td>
</tr>
<tr>
<td>5.2.4 To identify if Strategic Alignment Mediates the Relationship Between the Proposed Antecedents and Sustainable Competitive Advantage.</td>
<td>166</td>
</tr>
<tr>
<td>5.3 Summary of the Research Investigation</td>
<td>171</td>
</tr>
<tr>
<td>5.4 Contribution of the Research</td>
<td>174</td>
</tr>
<tr>
<td>5.4.1 Theoretical Contributions</td>
<td>175</td>
</tr>
<tr>
<td>5.4.2 Practical Contributions</td>
<td>178</td>
</tr>
<tr>
<td>5.5 Limitation of the Study</td>
<td>181</td>
</tr>
<tr>
<td>5.6 Further Research Consideration</td>
<td>182</td>
</tr>
<tr>
<td>5.7 Conclusion</td>
<td>183</td>
</tr>
</tbody>
</table>

REFERENCES | 186
APPENDICES

Appendix A: The English Language Research Questionnaire 202
Appendix B: The Arabic Language Research Questionnaire 207
Appendix C: Cover Letter to Firm 211
Appendix D: Translated Cover Letter to Firms 212
Appendix E: Test of Response Bias 213
Appendix F: Assessment of Normality 214
Appendix G: Assessment of normality 215
Appendix H: Q – Q Plots of each construct 216
Appendix I: Linearity 218
Appendix J: Multicollinearity Statistics 219
Appendix K: Reliability of Constructs 220
Appendix L: Correlations among the Study Constructs 223
Appendix M: Regression Weights 224
Appendix N: Standardized Direct Effects 224
Appendix O: Standardized Indirect Effects 224
Appendix P: Preliminary study 225
LIST OF TABLES

Table 2.1 Strategic Alignment Perspective 26
Table 2.2 Critical Success Factors for Aligning IT Plans with Business Plans 44
Table 2.3 Major Results of the IT Alignment Planning Process 45
Table 3.1 Informant profile 78
Table 3.2 The Groups and Cods 78
Table 3.3 Summary of Themes 92
Table 3.4 Sample Size (S) For A Given Population Size (N) 98
Table 3.5 Reliability Coefficient for Multiple Items in Pilot Study (n = 30) 100
Table 3.6 The Research Questionnaire’s Items 103
Table 3.7 Summary of Survey Field Work 109
Table 4.1 Firm Profile in the Study Sample (N = 172) 120
Table 4.2 Test of Response Bias 121
Table 4.3 Summary of Response Rates 123
Table 4.4 Reliabilities of the Scales (N=172) 128
Table 4.5 Measurement Model Fit Indices 140
Table 4.6 Properties of the Measurement Model 141
Table 4.7 AVE and Square of Correlations between Constructs 145
Table 4.8 Summary of Proposed Results for the Theoretical Model 149
Table 4.9 Mediating Effect of Strategic alignment 151
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>The MIT90s framework</td>
<td>21</td>
</tr>
<tr>
<td>2.2</td>
<td>The Henderson and Venkatraman’s (1993) strategic alignment model</td>
<td>22</td>
</tr>
<tr>
<td>2.3</td>
<td>The Baets’s (1992) model</td>
<td>29</td>
</tr>
<tr>
<td>2.4</td>
<td>Dimensions of strategic fit</td>
<td>34</td>
</tr>
<tr>
<td>2.5</td>
<td>Traditional aspects of alignment</td>
<td>38</td>
</tr>
<tr>
<td>2.6</td>
<td>Business unit IT alignment roadmaps align BU Information requirements with the BU strategic plans</td>
<td>46</td>
</tr>
<tr>
<td>2.7</td>
<td>Research conceptual model</td>
<td>61</td>
</tr>
<tr>
<td>3.1</td>
<td>A SEM Model with an Example of Direct and Indirect Effects</td>
<td>117</td>
</tr>
<tr>
<td>4.1</td>
<td>Measurement model</td>
<td>133</td>
</tr>
<tr>
<td>4.2</td>
<td>Final structural model</td>
<td>146</td>
</tr>
</tbody>
</table>
### LIST OF ABBREVIATION

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGFI</td>
<td>Adjusted Goodness – of – Fit Index</td>
</tr>
<tr>
<td>AVE</td>
<td>Average Variance Extracted</td>
</tr>
<tr>
<td>BU</td>
<td>Business Unit</td>
</tr>
<tr>
<td>BP</td>
<td>Business Planning</td>
</tr>
<tr>
<td>CA</td>
<td>Competitive Advantage</td>
</tr>
<tr>
<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
</tr>
<tr>
<td>CFI</td>
<td>Comparative Fit Index</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CIO</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>EFA</td>
<td>Exploratory Factor Analysis</td>
</tr>
<tr>
<td>GFI</td>
<td>Goodness- of- Fit Index</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
</tr>
<tr>
<td>IFI</td>
<td>Incremental Fit Index</td>
</tr>
<tr>
<td>ISP</td>
<td>Information System Planning</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>IS</td>
<td>Information Technology implementation Success</td>
</tr>
<tr>
<td>LS</td>
<td>Leadership</td>
</tr>
<tr>
<td>MIT</td>
<td>Massachusetts Institute of Technology</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information System</td>
</tr>
<tr>
<td>MR</td>
<td>Information Technology Managerial Resource</td>
</tr>
<tr>
<td>NFI</td>
<td>Normed Fit Index</td>
</tr>
<tr>
<td>RMSEA</td>
<td>Root Means Square Error of Approximation</td>
</tr>
<tr>
<td>SA</td>
<td>Strategic Alignment</td>
</tr>
<tr>
<td>SAM</td>
<td>Strategic Alignment Model</td>
</tr>
<tr>
<td>SEM</td>
<td>Structural Equation Model</td>
</tr>
<tr>
<td>SP</td>
<td>Structure and Process</td>
</tr>
<tr>
<td>SQ</td>
<td>Service Quality</td>
</tr>
<tr>
<td>SUS</td>
<td>Sustainable Competitive Advantage</td>
</tr>
<tr>
<td>TLI</td>
<td>Tucker-Lewis Index</td>
</tr>
<tr>
<td>VB</td>
<td>Values and beliefs</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

In this chapter, the researcher will describe the background of the research, statement of the problem, research questions, research objectives, motivation of the study, scope of the research, thesis structure, and finally expected contributions this study is expected to make.

1.1 Background

Due to globalization of businesses, most companies have to compete in a borderless environment. Challenges and opportunities are tremendous in this rapidly changing world. In such an environment, achieving competitive advantages requires the business organizations to be flexible and agile. The term “competitive advantage” has traditionally been described in terms of the attributes and resources of an organization that allow it to outperform others in the same industry or product market (Collis & Montgomery, 1995). Thus, the concept of competitive advantage is described as the organization’s ability to provide more values than its competitors. In other words, it refers to the degree to which the organization, under free market conditions, meets the demands of the market with maintaining and growing its profit levels simultaneously.
The contents of the thesis is for internal user only
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