

The Role of IT Governance in Shaping Organizations' Technology Adoption Decision

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Abstract

The adoption of new technology is crucial for an organization's existence since it decreases the likelihood of human mistake while increasing productivity and communication speed. Every firm must pick the right technology and implement different tactics to increase performance and efficiency to thrive in the cutthroat market. The head of an enterprise often plays a key role in choosing and implementing appropriate technology. There are appropriate laws, norms, and governances that aid in comprehending the fundamental structure behind the adoption of new technologies. Its governance is under the control of the board of directors or senior management. Enterprise governance, which comprises of organizational structure, leadership, and policies, needs it as a key component. It ensures both the aims and objectives underpinning the technology acceptance model as well as the adoption of new technology. The board of directors, who have the primary power inside an organization, oversees determining how much it will cost to run that business and how productive it will be. The task also includes determining what requirements must be met to survive in a cutthroat market. The right application of codes and practises that can direct the board in choosing the most appropriate technology to fulfil the objectives is necessary since technology is always evolving. A good IT governance framework is required for assessing the rules and regulations for the appropriate usage of technology.

Keywords: IT Governance, Technology Adoption, Technology Acceptance Model, Information Technology, Corporate Governance

Introduction

Both people and businesses want to adopt new technology when there are specific potential benefits that might increase their competitiveness in the market. Technology adoption is the choice made by an individual or organization to acquire and employ new, cutting-edge

technology. Due to the environment's increasing need for technology and the rising failure rates of technology adoption in the company, a reliable tool for behavior forecasting has become an exciting topic for many enterprises. Employee attitudes as well as organizational goals, rules, and actions all affect how employees accept new technology. To adapt to new technology, the organization needs, nevertheless, to make sizable managerial commitments and efforts. Organizations must provide enough enabling circumstances, such as technology and resource support, to encourage individuals to utilize new technologies. People often reject or refuse to adopt the changes until they can be convinced that doing so would benefit them. For adopting a new technology or accepting or rejecting any technology, there is a perceived ease of use or perceived usefulness that is characterized as the function that helps to raise or enhance work performance. The user's perception of the ease with which they can learn to utilize a certain technology improves (Nazief, Yudatama, & Hidayanto, 2019).

The board of directors and executive management oversee IT governance. It plays a significant role in corporate governance. It comprises of the organizational and managerial structures and practises that make sure the organization's IT continues to run smoothly and expands the organization's objectives and strategies. Technology's increasing accessibility has exposed management ambiguity for many firms. The administration and maintenance of these complex and heterogeneous environments, which are filled with a variety of devices, and applications, has been both challenging and expensive for the information technology departments. IT has evolved from primarily supporting back offices to serving as the main enabler and facilitator of the entire organization. Without sufficient IT alignment, it is unlikely that any business would achieve and maintain long-term success through the supply of value to its stakeholders. The enterprise's overall strategy and IT must work together; this does not happen by accident. The firm must have participation from several levels and departments. proactive and laser-focused management is required. It demands ongoing work and top-notch abilities, either internal or outside supplied. It necessitates taking risks, but with prudent risk management. It also needs effective governance that can be seen (Paletta, Vieira, 2013 and Ahmad, Amer, Qutaifan, & Alhilali, 2013).

Any organization's success now depends on its use of information technology. Due to the expanding importance of this industry, information technology governance has been formed in businesses. To support and assist business objectives and to lower the risk associated with

information and technology, every firm must adopt the concept of IT governance. computer science Since the government immediately affects the value produced by organizational IT investments, its governance is an integrated part of corporate governance that focuses on it-related investment decisions that properly serve the demands of the business. A key element of enterprise governance is IT governance, which consists of organizational and leadership structures and processes that guarantee the organization's IT supports and furthers its strategy and objectives. The information technology government includes mechanisms that let companies and its executives create permanent rules and processes in certain situations and keep track of the results. The organization must have a proper governance plan in place. Any information technology governance model would most likely mirror the features of corporate governance because it is an essential component of corporate governance (Altemimi, & Zakaria, 2015).

Literature Review

In research it was found that the focus of IT governance has changed away from delegating responsibility for decisions about what IT to use, how much to use, and who should use it. Currently, the major areas of attention for enterprises' IT governance are the strategic use of IT and the advantages that an organization stands to obtain from its IT implementation. The IT governance architecture is impacted by the organization's current internal and external factors, both favourable and negative. Examples of variables that affect an organization and its IT governance include the formulation and alignment of the IT strategy with the organization's plan, the selection of IT investments, the installation of IT controls, and the choice of overall IT risk management. The organization's primary governing decision-making body, the board, handles these unanticipated situations. IT strategies are created to impact organizational strategic goals and improve operational performance as a strategic enabler for an enterprise. Therefore, ensuring that the IT strategy is in line with the business plan should be part of the board's monitoring of the latter. The capacity to identify the IT capability needs for successful and strategic IT deployment should be made possible by the connection of the IT strategy to the business goals. Boards therefore make judgements on IT investments based on the necessary IT domain and the associated operational skills (Batyashe, Iyamu, 2016 and Ako-Nai, & Singh, 2019).

According to a research, Organisations must establish a comprehensive strategy focused on people, processes, and technology throughout the computing environment to manage the

combined working environment of IT. Additionally, it mandates that businesses cooperate with IT vendors that can assess their operational requirements and support the deployment, continuing management, and maintenance of the chosen solutions. Every firm must assess the difficulties associated with information technology before executing any plan. Organisations struggle with a variety of issues, including the requirement to simplify information and technology and lower costs while increasing professional productivity. Digital devices are growing more complicated day by day and require a costly maintenance and support system as consumers turn more and more towards them. To manage and serve customers while lowering IT costs and increasing long-term return on investment, organisations might implement a variety of hardware, application, and support methods within the company. Organisations are looking for various ways to boost employee cooperation and place a greater emphasis on teamwork by establishing a work environment that is dependable and safe to raise the productivity of professionals. Organisations offer connections and information access anytime, anyplace. Any organization may find it difficult to adopt new technology, but by raising the standards in the computing environment and increasing the time and expense needed to manage and support it, management or board of IT governance can reduce the complexity of IT and improve efficiency over time (Baskaran, Lay, Ming, & Mahadi, 2020).

According to research Organisations can specify their strategic orientation through governance, which includes their mission, vision, objectives, goals, expectations, and performance standards. They can then utilize this information to guide actions aimed at fostering business growth. But businesses need to make changes to their processes, goods, or systems through strategic business initiatives that are developed through the execution of projects. As a result, when projects are in line with the business strategy, they are seen as contributing to the achievement of organizational goals. The user is more likely to adopt innovation that they find simple to utilize. The implementation of sophisticated innovations may also impede employees from completing tasks, which would result in a decline in benefits. The top managers or board of directors of an organization need to design the IT governance framework in such a way that more emphasis is given to those technologies that are easy to use and are likely to be perceived by the employees in order to increase the technology adoption rate in the organization. For an organization to adopt more innovative and technologically advanced gadgets or software, which will eventually boost an organization's productivity, the corporate governance framework should provide innovation

compatibility standards. As technology becomes more complex every day, it may be challenging for employees to adopt certain types of technology. As a result, the organization needs to hire an internal IT expert who can assist other employees with adopting technology within the company. It facilitates the use of technology and tangibly improves organizational performance (Silva, Velásquez-Pérez, & Brand, L. F. Q. 2019).

The manager of the board of directors must include a training session in the IT governance policy to provide the foundation for technology adoption. Employee productivity may be raised through training, which ultimately leads to improved organizational performance. Their four training classes are crucial in the IT governance framework because they help to boost an organization's efficiency by helping to eliminate opposition and create confidence and the capacity to employ an invention successfully. According to studies, perceived usefulness plays a crucial part in the development of usage intention, either directly or indirectly through the mediating roles of customers and a positive attitude. Therefore, the company must give this element more consideration. It is proposed that to boost consumer connectedness, it is crucial for businesses to adopt emerging technologies at a faster rate. Usability influences usage intention. The implementation of such cutting-edge technologies, which are simple to use and devoid of any complexity, calls for its governance. The interface for internet and mobile applications must be user-friendly and efficient (Sepasgozar, Ramzani, Ebrahimzadeh, Sargolzae, & Sepasgozar, 2020 and Muawanah, & Gunadi, 2018).

In research it was found that resources and talent are the two key factors that determine which IT governance frameworks to choose, implement and use. The knowledge of specific people and groups inside the company was the foundation for the utilisation of resources and talent. Employees buy-in, which frequently manifests as persuasion by the focal actors, determines whether innovation in a company succeeds or fails. This impact extends to management. Employee attitudes towards innovation must alter for IT governance frameworks to be effectively chosen, implemented, and managed. Employee attitudes towards the innovation will be either good or negative depending on whether they think the innovation is real or not. Corporate executives employ IT governance, a collaborative decision-making process, to make sure that IT investments are successful. Depending on whether IT management within the corporate entity a centralised organization, a decentralised organization, or a combination of both

is, the IT governance process can take on many shapes inside different firms (Vatanasakdakul, Aoun, & Chen, 2017).

Objective

- To assess the role of IT governance in shaping organizations’ technology adoption decision

Methodology

This study is descriptive in nature in which data is obtained from 185 respondents who have used IT governance framework in the organization. In the above mix of all businesses have been covered. A checklist question was used to analyze and interpret the data. In a checklist question respondents choose “Yes” or “No” for all the questions.

Table 1. Role of IT Governance in Shaping Organizations’ Technology Adoption Decision

SL. No.	Statements	Yes	%Yes	No	%No	Total
1	IT governance increases the job satisfaction by increasing technology adoption rate in the organization	152	82.16	33	17.84	185
2	IT governance increases the productivity of employees by employing technology acceptance model	169	91.35	16	8.65	185
3	IT governance increases the innovation compatibility in employees	159	85.95	26	14.05	185
4	IT governance solves complex problem related to Information Technology	142	76.76	43	23.24	185
5	IT governance monitors the need of new technology and ensures timely implementation	145	78.38	40	21.62	185
6	IT governance enables the organization to manage IT related	162	87.57	23	12.43	185

	tasks effectively					
7	IT governance removes various bottlenecks and provides competitive advantage	166	89.73	19	10.27	185
8	IT governance framework increases the efficiency of an organization	155	83.78	30	16.22	185

Table 1 shows that 91.35% respondents agree that IT governance increases the productivity of employees by employing technology acceptance model, while 89.73% respondents agree that IT governance removes various bottlenecks and provides competitive advantage. 87.57% respondents agree that IT governance enables the organization to manage IT related tasks effectively, while 85.95% respondents agree that IT governance increases the innovation compatibility in employees. 83.78% respondents agree that IT governance framework increases the efficiency of an organization while 82.16% respondents agree that IT governance increases job satisfaction by increasing technology adoption rate in the organization. 78.38% respondents agree that IT governance monitors the need of new technology and ensures timely implementation while 76.76% respondents agree that IT governance solves complex problem related to Information Technology.

Conclusion

According to the studies mentioned above, it is crucial to integrate user-friendly technologies if you want your IT governance model to be effective and for your company to accept new technology faster. Employees choose technologies that are simple to use and reject those that are more complex. When designing the IT governance structure, keep in mind that staff should have access to training and learning opportunities so they can get familiar with any complicated technologies that may emerge. To keep up with the rapidly evolving technological landscape, organizations must boost their workforce's capacity for innovation. To boost an organization's profitability and efficiency, the top management must foster innovation compatibility across the organization and give the appropriate training. To tackle issues sooner, the IT governance structure must boost user and IT professional productivity. According to previous definitions, an

IT governance decision involves a committee composed of boards and executives from all internal business divisions. IT governance, a key facet of comprehensive corporate governance, is under the control of the board and senior management. Governance reflects the organizational policies, structures, and leadership that make sure IT promotes and supports the objectives of the enterprise. Despite not formally requiring board-level oversight of IT, this approach underlines the need to integrate IT management and direction with the rest of the company.

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