

## **Business and Information Technology Confederacy for Customer Relationship**

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### **ABSTRACT**

A very high-quality Human Resource Information System elevates the entire workforce, from the operational level workers to the strategic level of the organization. Today, organization is said to have more demand in the market if it is more competitive and volatile in terms of getting accustomed to technology that is at its peak. IT in business today plays a very important part in the growth of the organization as it has confined the core functionality of growth; and thereby, obtaining a better customer satisfaction and an extended and long lasting customer relationship and bonding. This will also lead to a consistent and a proactive customer bonding. The various applications in IT serves the company in terms of protection and security of the company's confidential data and content security, enhanced data backup, and also the need for the qualified users to access these critical information of the business. The major concerns of the Information System Managers are the establishment of strong alignment between the business of the organization and the Information Technology targeting the customer relationship. Hence, for managing and using the information which is a delicate task, it is better to instil latest software and IT tools to manage the task and reduce the chances of error or redundancy. This confer a better customer relationship with the business. This paper analyses on various key factors affecting or enhancing the alignment between the business world and the Information Technology today for better relationship with the customers. Also, it explores how the objectives, mission and plan of Information Technology is aligned and balanced with the objectives, mission and plan of the business today. The application of various tools like application software at different areas and departments of the organization helps in the advancement and efficiency of various activities within the department. Therefore, the technology here acts as a tool that depicts its behaviour depending on the size of the organization. Moving from manual Information system to an automated one with the help of a user-friendly tool gives a prospect to rationalize the business process and advance the course of action to cut cost. The technology today enables the data repository of Information System (IS) for strategic decision making like talent analysis of a person. The impact of the implementation of these IS tools helps in achieving the relational, operational or even transformational objectives. According to Joseph W. Weiss and Don Anderson

(2004), as the value of IT increases from low to high, the operational resources of the business transforms to strategic resources, and as the value still goes higher, the strategic resources are transformed to strategic weapons. Therefore, the level of IT/Business integration is rated higher proportionally from poor to extraordinary. This transformation will witness a major impact in the rating of customer relationship and customer satisfaction.

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**Key words:** Information System (IS), Information Technology (IT), Business Alignment, transformational, operational phase, transactional phase, managerial phase.

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### **Introduction**

This article explores the scope of the effectiveness and alignment of technology based system in various functional areas of business that is in par with that of the trendy technology era. The study says that the application and implementation of technology in running the various functions of the organization helps to attract, hire, retain and maintain the talent pool of the organization. The usage of technology, the usage of computers has increased incredibly at a rapid pace. Usage of Internet and World Wide Web (WWW) in developing a system has evolved the manual system into a completely automated system. Today, we see many organizations where almost all the major functions being automated – like, payroll system, and other administration activities. This also helps in reducing the cost of hiring personnel, and increases the effectiveness by obtaining better customer satisfaction. The various key factors affecting/enhancing the alignment between the business world and the Information Technology (IT) today converges to four basic areas: a) sharing of domain knowledge between the business managers and the IT professionals, b) Success in the implementation of Information Technology, c) interaction and communication between the business managers and the IT professionals, d) linkage between business and IT planning process. These key areas were well established that there was high degree of mutual understanding for short term alignment and, there was IT vision for future as long term alignment. For such alignment process, NASSCOM undertakes several development initiatives in the field of research, conducting events and formation of various forums to stimulate the growth of the sector (NASSCOM Annual Report – 2012 – 2013).

### **Research Methodology**

In the process of current trend in the IT tools, the transition from manual system to a completely automated system, there requires some re-engineering to be carried out in the basic functions of the company. This act will reduce the cost and streamline the process. This

tool automate as much of transactions as possible, and provide them to the line managers and the employees for their reference and use. Study shows that many of the organizations use IT tools only to manage basic administrative or HR functions such as payroll and compensation activities, record keeping etc. Today, by the application of these IT tools, most of the organizations, apply technology based systems, for their easy maintaining of the database, to make their task easier, to retrieve data at no time, to maintain the integrity of the information, security of information of employees and the organisation etc. Today, these tools have the potential to supplement the Decision Support System used by the top level managers for taking any kind of decisions.

There are different phases of handling the automation of various Information Systems at different departmental level itself. The operational phase or the daily transactional phase, the managerial phase which creates a relation between the lower level managers and the top level managers by means of creating regular reports, ad hoc reports and other exceptional reports, and, the strategic phase where it helps in decision making by the strategic level people of the organization.

In the operational phase, the daily clerical work, paper work, data collection, record keeping etc can be automated, whereby; time and cost can be saved to greater extent.

In the managerial phase, the managers create a relation with the outside customers, provide them with reports necessary for them, get the updated reports from the lower level managers and use them for certain decision making being done by the top level managers. This acts as an input for the Decision Support System – used by the strategic level people of the organization for getting one of the feasible solutions. This increases the timeliness and the service level of employees.

The strategic phase includes transition and transformation of various HR functions and other departmental functions and its scope. This transformation tightens up reengineering process to tailor the employee activities to satisfy the customer.

### **Findings and Discussions**

#### *Communication between IT professionals and Business*

The application of IT depends largely on the interactions and knowledge exchange between the line managers in business and the IT professionals. IT capabilities and the business are integrated into the business effectively. It is also noted that the personal relationship between the IT professionals and the business executives to certain extent plays a major role in manipulating alignment between the two. Previous study states that the IT planning process is the important time during which the alignment is imitated. The level of

communication and connection between business and IT processes positively influences the level of alignment. In certain organizations, the IT characteristics have high strategic value in terms of strategic decision making. Therefore, the need for IT knowledgeable managers to run the business became inevitable. The data communication between the business executives and the IT planners are affected because of shared domain knowledge and IT implementation success. Today, IT has become a major catalyst of business strategies in various areas like customization, quality check and promotion, automating the processes and improvement. Involvement of IT in organizations has boosted up the effectiveness, focussing on business imperatives. This kind of alignment has brought about positive linkage among the strategy, IT and the performance. According to NASSCOM Report, another major dimension of high growth of industry is reflected in the growing importance of vertical specific processes that require a high degree of vertical specific knowledge.. According to the report, more than 25 percent of the Indian BPO market today, delivers functions and processes that are specific to a particular industry. The analysis in the report shows more than 35% of the worldwide market. This growth was driven by adoption by buyers, and evolving supply side maturity across various service sectors. According to the NASSCOM report, a fivefold growth in the Indian BPO market will add nearly 2.5 percent directly to India's GDP from exports earnings and provide direct employment to about 2 million people. From people perspective, a fivefold growth will be a stress on the availability of talent pool at every level. Accordingly, the two major priorities that emerge for the organization or for the industry are: optimizing the current environment to continue the cost-arbitrage-led proposition and to innovate to build new and higher value propositions.

According to Jerry N. Luftman, Raymond Papp and Tom Brier (1999), there were six major enablers and the inhibitors in the IT-Business Alignment. The various enablers are Executive Support for IT, Involvement of IT in Strategic Management, IT understanding business, Business – IT Partnership, Prioritized IT Projects, IT signifying leadership. On the other hand, the various inhibitors are Lack of closer relationship between IT and Business that leads to weak alignment between the two, IT is not prioritized well, IT failing to meet its commitments due to technical errors, IT may fail to understand business trend, executives not supporting IT and IT requirements, and IT management may lack leadership.

Luftman(1999) exhibits various components of alignment which are essential for the IT-Business Alignment need to be satisfied. Business Scope, Governance and various competencies are the major components of Business Strategy. Skill sets, various processes, and the administrative structures are some of the components of Infrastructure and processes

of the Organization. IT Scope and Governance and competencies are the few of the components of IT strategy along with the architecture, skill sets and the processes.

#### *IT – Business Alignment Diagnosis*

There are various factors identified when a diagnosis is done on the IT/business alignment. They are the 4 C's – communication, commitment, clear direction and cross-functional integration. The IT- Business Alignment is carried out at 3 levels/tiers in the organization – enterprise/business level, divisional level and the functional level.

#### *4 C's – The Path to Alignment:*

1. Communication
2. Commitment
3. Clear Direction
4. Cross-functional integration

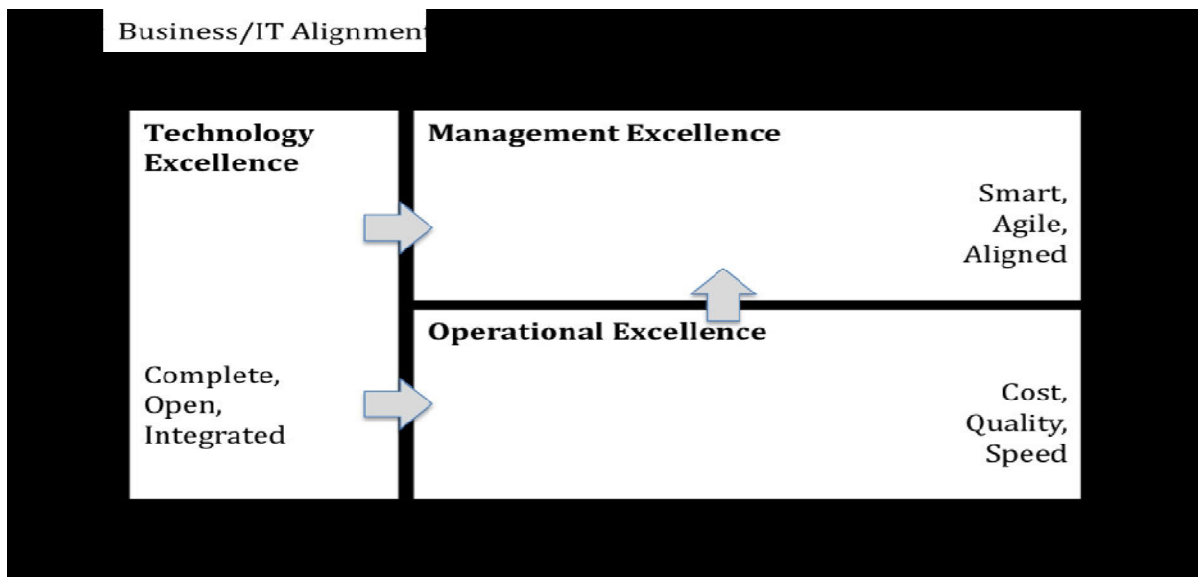
*Communication:* Every employee in the organization understands the strategy and therefore, has a clear expectation, and there is also a feedback system that is bi directional.

*Commitment:* There is a mutual trust and respect between the employee and the employer, partnership and sponsoring of major projects.

*Clear Direction:* There is a clear link and transparent standards in the hierarchy of the organization.

*Cross-functional integration:* The cross-functional integration helps in utilizing IT to support the company to attain its goals, encourage in innovations in the organization. This kind of integration helps in inter-departmental communication and better work environment in harmony.

Figure 1 shows the interrelation and coordination between the technology excellence with that of Management and the Operational Excellence. It is the technology excellence that can enable and bring the management excellence and operational excellence to greater heights. An effective IT strategy in terms of excellence need to be complete, open and integrated. Cost, quality and speed are the major impact factors of operational excellence. IT enables the organization to function on the efficiency edge and, release the resources.



**Figure 1:** Business and IT Alignment, Frank Buytendijk, Toby Hatch, Thomas Oestreich (2009)

### Advantages of IT and Business Alignment

1. The Information Technology (IT) being aligned with Business strategy provides a well established planning approach which enables the inclusion of all staff at all levels – bringing employee engagement to a certain level.
2. All the activities taken in the organization in alignment with IT are recorded and hence well documented.
3. There is always a kind of knit between the business heads and the IT professionals which goes in par for the better functioning of the organization.
4. This kind of alignment brings about a need for accurate data for information supply to different departments and maintenance of the same.
5. The alignment also brings out better infrastructure and better communication between the IT professionals and the business heads.
6. The information provided by the IT department are effective, efficient and in a productive manner which is one of the basic factor that business heads are looking for.
7. This alignment scales the organization to global centre of excellence in all global contexts, providing ownership of process and aligning it with strategic objectives.
8. This increases employability and access untapped talent pools by creating better linkages with all current systems.

### Challenges in IT/Business Alignment

The alignment of IT and business is not an easy task. Every change in the organization culture due to the innovations in IT had to be accepted by the employees and not to blame the

changes. The organization should holistically look IT as catalyst and integral part of the long-term success of the organization. Another challenge is the intellectual property sharing between customers and suppliers.

### **Conclusion**

Over the period of years, many components and factors affecting IT – Business alignment has taken its form in the form of enablers and inhibitors. The alignment is established to a greater extent: whereby the customers/employers are highly satisfied with the implementation of technology in business. This has lessened the complexity of tracking and retrieving voluminous information of the business. This alignment has enabled in concentrating on improving relationship between business and other IT functional areas, leading to mutual participation and cooperation.

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