

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS
SCHOOL OF COMMERCE



**CHALLENGES OF STRATEGIC INFORMATION TECHNOLOGY AND STRATEGIC
BUSINESS ALIGNMENT: CASE OF OROMIA INTERNATIONAL BANK S.C.**

*A Research Project Submitted to the Office of Graduate Studies Presented in Partial Fulfillment
of Masters of Business Leadership*

By
Tatek Negassa
GSD/7121/10

Advisor
Abeba Beyene (PhD)

April, 2021
Addis Ababa
Ethiopia

Declaration

I hereby declare that this study entitled “The Challenges of Strategic IT and Strategic Business Alignment case of Oromia International Bank S.C.” is my original work prepared under the guidance of my advisor Abeba Beyene(PhD). This paper is submitted in partial fulfillment of the requirement for the award of Master of Business Leadership and it has not been previously submitted to any diploma or degree in any college or university. I would also like to confirm that all the sources of materials used in this study are accordingly acknowledged.

Declared By: Tatek Negassa

Signature: _____

Date: _____

Statement of Certification

I certify that Tatek Negassa has carried out his research work under my guidance on the topic of “Challenges of Strategic IT and Strategic Business Alignment case of Oromia International Bank S.C”. This work is suitable for submission as a partial fulfillment requirement for the award of Master of Business Leadership.

Advisor: Abeba Beyene (PhD)

Signature: _____

Date: _____

ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

Business Leadership

**CHALLENGES OF STRATEGIC INFORMATION TECHNOLOGY (IT) AND
STRATEGIC BUSINESS ALIGNMENT: CASE OF OROMIA INTERNATIONAL BANK
S.C.**

By: Tatek Negassa

Approved by Board of Examiners:

_____ Advisor	_____ signature	_____ date
_____ Internal Examiner	_____ signature	_____ date
_____ External Examiner	_____ signature	_____ date

Acknowledgement

I want to acknowledge those people who contributed more for the success of this research. First and foremost, I am greatly grateful to my advisor, Abeba Beyene (Phd), from the University of Addis Ababa, School of Commerce, who has been supporting a lot during the research process. I learned many of the best parts of the research from her.

Next, I would like to thank the executive management and the IT Managements of Oromia International Bank S.C. for allowing me their valuable time while collecting data through interview.

Table of Contents

Declaration.....	i
Statement of Certification	ii
Acknowledgement	iv
List of Tables	viii
List of Figures.....	ix
List of Abbreviations	x
Abstract.....	xi
CHAPTER I.....	1
INTRODUCTION	1
1.1 Background of the Study	1
1.2 Problem Statement	2
1.3 Objectives of the Study.....	4
1.3.1 General Research objective.....	4
1.3.2 Specific Research Objective	4
1.4 Research question	4
1.5 Significance of the study.....	5
1.6 Scope/Delimitation of the Study	5
1.7 Limitation of the Study	6
1.8 Definition of Terms.....	7
CHAPTER II.....	9
LITERATURE REVIEW	9
2.1 Theoretical Literature Review	9

2.1.1 The Concept of Business Strategy.....	9
2.1.2 Porter Generic Strategy	10
2.1.3 The Concept of IT Strategy.....	10
2.1.4 Concept of Strategic IT Business Alignment.....	11
2.1.5 Motivation of Strategic IT and Strategic Business Alignment	11
2.1.6 Counter Argument on the Necessity of Strategic IT and Strategic Business Alignment.....	12
2.1.7 Levels of IT and Business Alignment.....	12
2.1.8 Challenges of Strategic IT and Strategic Business Alignment.	13
2.2 Empirical Literature Review	13
2.3 Conceptual Framework.....	14
METHODOLOGY	15
3.1 Research Setting	15
3.2 Organizational Context	15
3.3 Research Approach.....	16
3.4 Research Design	16
3.5 Population and Sample	17
3.6 The Instrument and its Validation Process	17
3.7 Data Collection Process	17
3.8 Ethical Consideration.....	18
3.9 Method of Analysis.....	18
CHAPTER IV	19
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	19
4.1. Response Rate.....	19

4.2. Demographic profile of respondents.....	19
4.3 Interview Results of the Challenges of IT Business Alignment	21
4.3.1 Lack of Communication Skill of IT.....	21
4.3.2 Lack of Measuring IT’s Contribution in Numeric Value.....	22
4.3.3 Poor IT Support	24
4.3.4 Lack of Banking Business Skill Development	25
4.3.5 Lack of Clarity of Business Need	27
4.3.6 Lack of Trust on IT Leadership Skill,.....	28
4.3.7Lack of Collaboration on Strategy Development	30
4.3.8 Lack of Understanding Technology.....	31
CHAPTER V	32
SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION.....	32
5.1 Summary of Findings.....	32
5.2 Conclusion	33
5.3 Recommendation	34
REFERENCES	36
Appendix.....	41
1. Organizational Structure of OIB	41
2. Interview Guide	42

List of Tables

Table 1 :Interview Details	18
Table 2: Demographic profile of respondents.....	19
Table 3: Interview question for Business and IT Executives	42

List of Figures

Figure 1: conceptual framework.....	14
Figure 2: OIB Organizational structure	41

List of Abbreviations

IT	Information Technology
MIT	Massachusetts Institute of Technology
CISR	Center for Information System Research
SAM	Strategic Alignment Maturity Model
OIB	Oromia International Bank S.C.

Abstract

This study aims to describe the challenges of Strategic IT and Strategic Business Alignment Case of Oromia International Bank S.C. The research has adopted qualitative research approach. The data were gathered through semi-structured interviews with six top and four middle level managers randomly selected using non probabilistic purposive sampling method, employees of the organization who have better knowledge and experience on strategic development of the Bank and then the data was thematically analyzed. The study reveals that, lack of communication skill of IT, lack of measuring IT contribution, poor IT support, lack of banking skill development, lack of clarity of business need, lack of trust on IT leadership skill, lack of collaboration on strategy development and lack of understanding technology were the main challenges of Strategic IT and strategic business alignment at Oromia International Bank S.C. To improve Strategic IT and Strategic Business alignment effectiveness, the researcher recommends the Bank to measure IT contribution in numerical value, automate IT support process, develop banking skill of the staffs through knowledge management, prepare business requirement in collaboration with IT and review, improve communication skill of IT through continuous training, improve IT leadership skill through exposure and give awareness training to all staffs on IT.

Keywords: *IT-Business Alignment, Strategic Alignment, Challenges*

CHAPTER I

INTRODUCTION

The paper makes an attempt to examine the challenges of strategic IT and strategic business alignment in the Banking industry of Ethiopia in general and Oromia International Bank S.C. in particular. To this end, this chapter introduces the research problem and the approaches to be used in addressing it.

This chapter consists of the background of the study, problem statement, research objectives, research question, significance of the study, scope of the study, limitations of the study, definition of terms, and organization of the study.

1.1 Background of the Study

Strategic IT and strategic business alignment is simply the degree of fit between IT strategy, business strategy, IT infrastructure and business infrastructure to meet the organization goals (Chan & Reich, 2007). The base for strategic IT and strategic business alignment was the research on strategic IT alignment that was first started in the late 1980s at the Center for Information Systems Research (CISR) at MIT with a goal of examining IT-led organizational transformation and found a series of relationship among strategy, structure, technology, people, and management processes (Coltman et. al, 2015).

According to Chebrolu and Ness (2013), strategic IT business alignment enables information technology to effectively respond to the business need of organizations. For financial institutions like Banks, which has an ever increasing competition; it is crucial to justify their heavy IT investments by coordinating their IT strategies with organization processes and business strategies and create new value propositions to customers. Strategic IT and strategic

business alignment is challenging to attain because of lack of knowledge of corporate strategy of the organization, lack of awareness and its importance of the alignment, and lack of knowledge of the industry and the business (Chan & Reich, 2007).

The finding on a case study research conducted in four commercial banks in Burkina Faso with branches in more than ten other African countries shows that the delay in task execution, the lack of time to acquire new knowledge, the insufficiency of cross-sectional trainings, the dependency on telecom operators, the heavy workload of banking staff and the reluctance to hire more personnel considerably challenges strategic IT and strategic business alignment within the banks in Burkina Faso as a developing country (Gbangou & Rusu, 2016).

The researcher will try to study the challenges of strategic IT and strategic business alignment from Perspective of Ethiopian Banking industry in general and Oromia International Bank S.C. in particular.

1.2 Problem Statement

Oromia International Bank S.C. has a vision of becoming the first choice Bank by adding real value to the shareholders' interest and wins the public trust by engaging highly qualified, skilled, motivated and disciplined employees and state-of-the-art information technology. The Bank has completed the second five years strategy on budget year 2018/19. According to strategic plan implementation review from 2015/16-2019/20 Fiscal year, very few targets were achieved and targets related to market share in terms of profit, deposit and digital banking customers are not achieved, different projects of the Bank not completed on time, functional strategies not developed (Oromia International Bank, 2019). The audit finding of the strategy motivated the researcher to study the challenges of strategic IT business alignment.

According to Elmorshidy (2013), IT strategy contributes positively to the creation of new business strategies or better support existing business strategy through the use of range of IT systems and capabilities potentially available to the organization and aligning business and IT improve decision-making, corporate agility, and make the services improved and efficient. Moreover, Dinda et al. (2015) argued that IT strategy must be considered at the highest levels of corporate strategies just like any other strategies and more efforts need to be directed towards aligning IT with Business strategies in order for organizations achieve corporate objectives.

The researcher further explained that, to achieve a competitive advantage, business and industry need to incorporate IT in their core business function. Lack of strategic IT and strategic business alignment in Oromia International Bank S.C. hinders the Bank to have effective decision making on business issues, not to have efficient service and not to achieve its corporate strategies of the three strategic periods.

Semi Annual Performance Report 2020/21 Financial year showed that the Bank has paid more than fifty percent of the total capital expenditure for procurement of different IT systems in the form of software, Hardware and Infrastructure like Core Banking system, IT Security operating Center development, Data Center development, Branch Network installation, Digital Banking Systems and even on the current budget year within six months (from July, 2020 to December, 2020) the Bank has paid Birr 52,831,708.13 (fifty two million eight hundred thirty one thousand seven hundred eight birr and thirteen cents) for IT investments (Oromia International Bank,2020). And, those procured IT systems have been functional through IT projects, which have not been successful.

As technology investment is considered as a critical factor for service delivery (Yuliansyah, 2015) and usually costly (Teo & Ang, 1999), achieving a strategic IT and strategic

business alignment contributes greatly to ensuring that IT investments result in improved organizational performance by using IT assets effectively to assist business management and practices and to functionally integrate with internal and external variables (Chebrolu & Ness, 2013). Kearans and Sabherwal (2007) also argued that greater strategic IT business alignment, would improve IT project planning by facilitating more rational IT investments, and improving the ability to estimate the resources required for various IT projects.

The stated literature shows that Oromia International Bank S.C. has a problem on strategic IT and strategic business alignment. The researcher will try to address the challenges of the Bank on effectively aligning strategic IT business of the bank.

1.3 Objectives of the Study

1.3.1 General Research objective

The general objective of this research is to examine the challenges of strategic IT and strategic business alignment case of Oromia International Bank S.C.

1.3.2 Specific Research Objective

The Specific research objectives of this study are:-

1. To Examine Strategic IT and strategic Business alignment at Oromia International Bank S.C.
2. To investigate the effectiveness of IT investments
3. To investigate the challenges of Strategic IT and strategic business alignment at Oromia International Bank S.C.

1.4 Research question

The research questions of this study are:-

1. How is strategic IT and strategic business alignment at Oromia International Bank S.C.?

2. How is the effectiveness of IT investments at Oromia International Bank S.C.?
3. What are the challenges Oromia International Bank S.C. (OIB) faces in IT Business alignment?

1.5 Significance of the study

This research has the following significances:-

1. It benefits Oromia International Bank S.C. to improve the value gained from IT investments by giving the way how to measure it when numerically value IT contribution to business.
2. It benefits Oromia International Bank S.C. to improve its IT Support that directly affect the efficiency of the banking business in satisfying their customer need. As IT support is one of the challenge of the IT and business alignment, the researcher recommend how to improve the IT support operation.
3. The findings of this research can be used as an input for Oromia International Bank S.C. for the third strategic period business strategy development that will cover financial period 2020/21 to 2024/25.
4. It benefits other researcher as a reference to study the challenges of strategic IT and strategic Business alignment in the context of Ethiopian Banking Industry.

1.6 Scope/Delimitation of the Study

Strategic IT and strategic business alignment has different dimensions. According to Chan and Reich, 2007 and Kurti et al., 2013, the dimensions include strategic dimension, intellectual dimensions, structural dimension, social dimension and cultural dimensions. From those dimensions, this study focused on the strategic dimension of IT and business alignment, in which the degree to which the business strategy and plans, and the IT strategy and plans,

complement each other at Oromia International Bank S.C and to what level the IT investments and projects were emerged from Business Strategy of the Bank and what challenges hinder the successful Strategic IT and business alignment at Oromia International Bank S.C.

The study took place at Addis Ababa, Oromia International Bank S.C., Head office units, who are responsible for formulating business and IT Strategies of the Bank. The researcher used qualitative research methodology that enables to look for range of ideas/feelings and different perspectives (Watkins, 2012) of IT and Business Managements of Oromia International Bank S.C. on Challenges of Strategic IT and strategic business alignment. Moreover, qualitative data instruments enables the researcher to use interview (Daniel, 2016) of the IT and Business Managements of the Bank to have wider understanding on challenges of strategic IT business alignment case of Oromia International Bank S.C.

This study was based on the assessment of second Business strategic period of Oromia International Bank S.C. that covered fiscal period from 2015/16 to 2019/20. The Bank has now started to develop the new strategy that will cover financial period from 2020/21 to 2024/25.

1.7 Limitation of the Study

This research paper covers only the head office functional units of Oromia International Bank S.C. The branch staffs who are the main implementer of the strategy of the bank are not included. Because of this fact, the strategic alignment of IT and business raised during implementation time.

This research paper is only qualitative research. Because of this fact, the data collected cannot be statically represented and measured, can only be represented from the perspective of the respondent. Moreover, the quality of this research is dependent on the experience of the researcher.

1.8 Definition of Terms

Alignment: The degree of fit and integration among IT strategy and business strategy (Mikalef, 2010).

Market share: One of the most influential determinants for the organizational competitive power is market share and the indicators are deposit, number of branches, and revenue share (Saravani et al., 2015).

Data Center: It is a set of servers, storage and network devices, power systems, cooling systems intended for large-scale service applications (Wang et al., 2015)

Security Operating Center (SOC): It is a basis of network security operations that providing continuous protection, detection and response capabilities against Information System threats, and continuous protection of vulnerabilities and real-time Information System incidents on the network (Miloslavskaya, 2016).

Core Banking System: It is a term used to define the services provided by a group of network bank branches, bank customers that may occurs their funds and other simple transaction from any of the member (Dehghan et al., 2015).

Digital Banking: It is a general term used for development of Banking Services and delivering products through Electronic Channels, such as the Automated Teller Machines (ATM), the internet and the Mobile Phone. It is also known as Electronic Banking, or Virtual Banking and that comprises of various Banking activities that can be conducted from anywhere (Rajan & Saranya, 2018),

1.9 Organization of the study

The research paper organized under five chapters. Chapter one mainly deals with the background of strategic and strategic business alignment based on literatures, the problem statement that initiates the researcher to do this paper and the significance of the study. Chapter two of this paper mainly deals with the concept of strategic IT and strategic business, their alignment and challenges from theoretical literatures perspective. Moreover, this chapter includes the challenges of strategic IT and strategic business alignment taking related empirical researches and then formulate the researcher formulates the conceptual framework of challenges of strategic IT and strategic business alignment from Oromia international Bank S.C. perspective. Chapter three of the paper generally deals about research methodologies the researcher used to collect and analyze the data. Chapter four includes the analysis and discussion of the collected data. Chapter five is about conclusion of the research and recommendation based on the conclusion.

CHAPTER II

LITERATURE REVIEW

This chapter in general deals with reviewing related literatures to define the main concepts of the study, show what has been done by other researchers on strategic IT business alignment and frame to the points the researcher want to study. The chapter has three major sections namely, theoretical literature review, empirical literature review, and conceptual framework.

2.1 Theoretical Literature Review

2.1.1 The Concept of Business Strategy

The term strategy derives from the Greek word “strategos” and it was referring to an elected war general and it’s concept created from the military and is based on the intent to defeat the enemy through some competitive advantage (Mukhezekule & Tefera, 2019).The strategy of an organization is developed by having an input of its strength, it’s weakness, the opportunities and challenges of the environment. Strategy describes the future target of the organization and the way the organization achieve it(NandaKumar et al, 2010) . Corporate-level strategy relates to the product/market choice(s) of a firm and answer the question of what set of businesses should be in (Beard & Dess, 1981; NandaKumar et al, 2010). According to Faziljanovna, and Gao (2016) business strategy is vital for guiding business operation as it directly impacts the outcome and result of firm performance. The researcher also added that, since choice of business strategy influences various organizational outcomes, forming and implementing optimal strategy to suit the context of business is of significant value in maximizing company profits.

2.1.2 Porter Generic Strategy

Michael Porters Generic Strategies showed that different strategies allow organizations to gain competitive advantage from cost leadership strategy, differentiation strategy and focus strategies perspective (Kabeyi, 2018). According to Kabeyi (2018) and Allen et al(2007),the first strategy, cost leadership or low cost strategy effectively implemented when the business designs, produces, and markets a similar product more efficiently than its competitors and emphasizes on creation of standard products at a low per-unit cost or consumers who are price-sensitive. The second strategy, product differentiation strategy tailoring products and services considered unique in the market and directed at consumers who are relatively price insensitive, so that firms following a differentiation strategy can charge a higher price for their products based on the product characteristics. The third generic strategy is focus which involves producing products and services that fulfill the needs of small groups of consumers in a target market or niche not attractive to, or overlooked by, larger competitors by either low price or best price.

2.1.3 The Concept of IT Strategy

Functional level strategy is a plan of action to support organizational resources such as Finance, Human resource and Marketing, Information Technology(Agwu & Onwuegbuzie,2017).It supports the overall business strategy and secondly it explain as how functional managers will Continue to achieve the set goals and objectives(Agwu & Onwuegbuzie,2017;Ngure,2013). Information systems (IS) strategy¹ is one of the functional strategy which has been an agenda for its application for more than 20 years called it “IS strategy” , others call it “IT strategy” and , while again others use a combination of both, “IT/IS strategy” have guided three central questions such as which business tasks should be supported by IT? How is IT to be used to support these tasks? Whose responsibility is it to provide IT-based solutions and services to the

business? The last question also includes the decision as to which tasks are to be performed in-house (insourcing) or rather provided by external suppliers (outsourcing)(Teubner,2013).

2.1.4 Concept of Strategic IT Business Alignment

Alignment refers to the agreement of things in relation to one another (Molina, 2010) and interchangeably used as fit (Chan & Reich, 2007). Strategic IT and strategic business alignment, which is used in different IT and business alignment literatures as strategic IT and strategic business alignment, is the linkages between business and IT at the strategic level to which the IT mission, objectives, and plans support business strategy (Charoensuk et al., 2014). According to Mikalef (2010),strategic IT and strategic business alignment is the degree to which the IT strategy share and support the business objectives and plans contained in the business strategy to create IT is in synchronization with the business, and vice versa with equal focus on the business strategy as well as the IT strategy.

2.1.5 Motivation of Strategic IT and Strategic Business Alignment

The research on strategic IT and strategic business alignment first began on late 1980s at Center of Information system research to examine the transformation of IT lead organization and found a five basic constructs related to each other: Strategy, Structure, Technology, People and management process as MIT90 framework (Coltman et al., 2015). And on the early 1980, the motivation came from IBM to align strategic long range IT planning and business planning (Chan & Reich, 2007). According to Chan and Reich (2007), different researchers motivated on strategic IT and strategic business alignment after looking different case studies done on the IT and business alignment performance implication that those companies effectively align their Business with IT outperform and increase their performance than those not done.

2.1.6 Counter Argument on the Necessity of Strategic IT and Strategic Business Alignment

Many scholars argue that alignment literatures are too theoretical and state that is not always necessary. They also mention the following drawbacks (Chan & Reich, 2007; Ciborra, 1997; Ullah & Lai, 2015). First, alignment is difficult if the business strategy is unknown and in process. Secondly, it is not an end by itself and challenging as the business environment is always changing. Thirdly, if the alignment is too tight, it is difficult to adapt the strategy to the changing environment. Fourthly, strategy by itself is not a clear concept for managers due to various unpredictable circumstances. Fifthly, IT should challenge and lead the business not to follow the business.

2.1.7 Levels of IT and Business Alignment

IT and business alignment is at organizational level, tactical level, system level, project level, individual level, internal level and external level (Chan & Reich, 2007; Ullah & Lai, 2015; Tan & Gallupe, 2006; Karim, 2013; Munoz & Avila, 2019). Organizational level ensures IT and business alignment from top management to lower management. Tactical level is totally involved with the synchronization of daily operational and functional activities of IT and Business units. System level ensures whether the IT systems are as per business objective of the organization. Project level deals with the degree to which an IT project's output is harmonious with the organization's IT strategy and the project's objectives. Individual level/cognitive deals with the degree to which IT executives and business executives align with each other. Internal level deals with the alignment between the business strategy and processes and the IT resource. External level is about aligning their business and IT strategies with industry.

2.1.8 Challenges of Strategic IT and Strategic Business Alignment.

According to Chan and Reich (2007) strategic IT and strategic business alignment is affected by knowledge of IT and business executives on corporate strategy, unknown corporate strategy. Moreover other researchers found that executive support, strategic involvement, mutual understating (Consensus), partnership (Inclusion), project prioritization (Prioritization), accountability (Accountability) and effective leadership are the challenges to strategic IT and strategic business alignment (Teo & Ang,1999).

2.2 Empirical Literature Review

As per the empirical studies made by Wang and Rusu (2018) ,Jonathan et al. (2019) and Gbangou and Rusu (2016) different challenges to strategic IT and strategic business alignment was identified on the case companies the researches taken place. The first challenge identified was lack of valuing the contribution of IT to the business numerically. The second challenge identified was unilateral communication of business partners or vendors through business executives only, so that IT team of the companies not directly negotiate with business partners and are required to pass their issues for Business executives first and this creates misunderstanding of issues. The third challenge was lack of making IT as a strategic partner while the business executives decide strategic issue of their company. The fourth challenge was IT inefficiency in problem solving resulted from delay in task execution because of the work load on the staff. The fifth challenge was problem of consistent employees' business and IT skill developments. The sixth challenge was unstable telecom network that stop the business and makes them vulnerable as any system failure from the network operators can significantly damage their operational capacity. The seventh challenge was lack of clarity of business need

which resulted in delay of response by IT, inefficient project management and inefficient IT Governance. The eighth challenge was lack of trust of Business Managers on IT Managers skill Because of their lack of business understanding by IT staff and lack of good judgment on business priorities. The ninth challenge was collaboration of IT and business executives on strategy development.

2.3 Conceptual Framework

. Based on the empirical literature review, the researcher develops the following conceptual framework

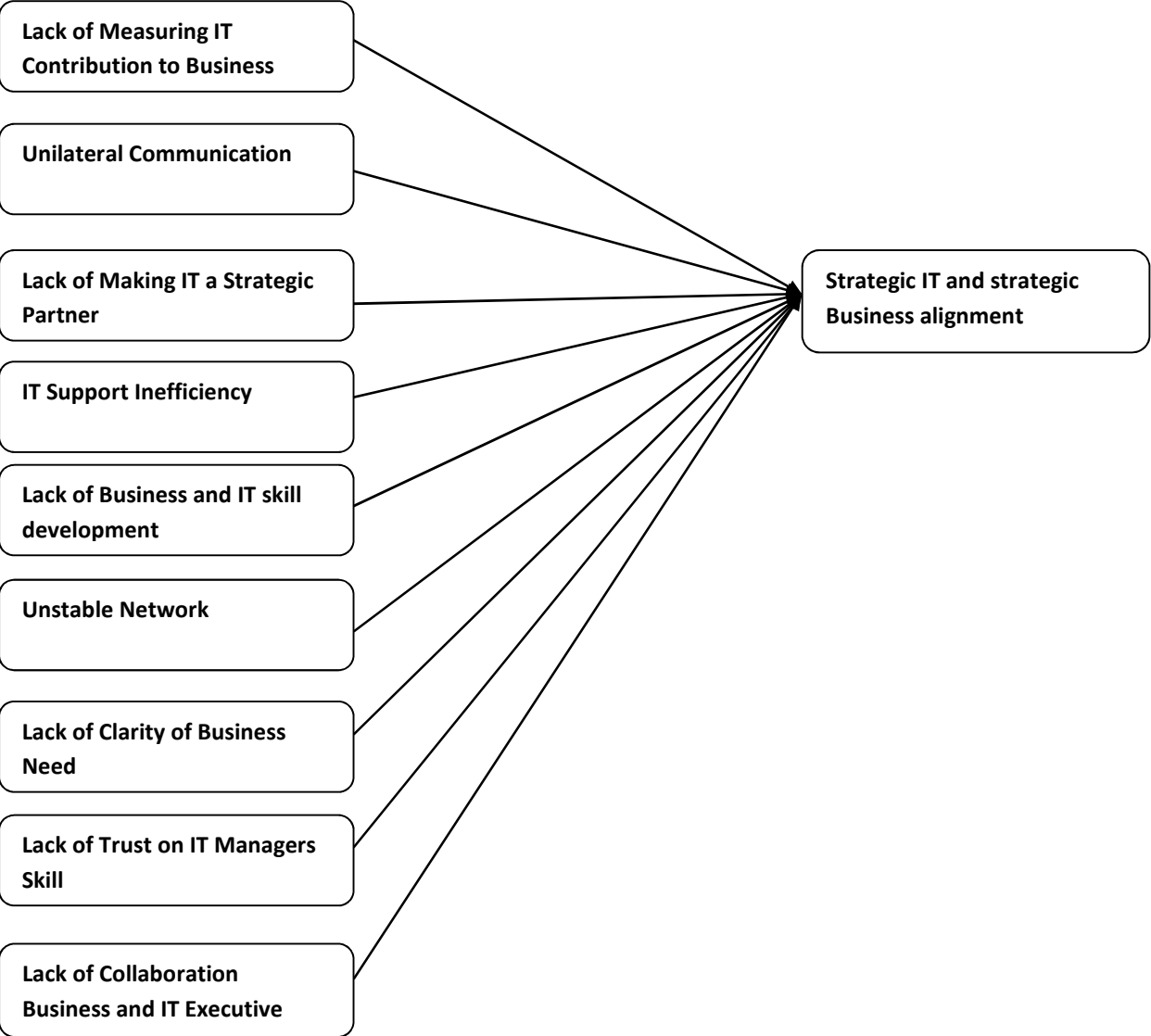


Figure 1: conceptual framework

CHAPTER III

METHODOLOGY

This chapter deals about research methodology and include research setting, organizational context, research approach, research design, population and sample, instrument and validation process, reliability and validity, data collection process, ethical consideration and method of analysis.

3.1 Research Setting

The focus of this research is on the head office of Oromia International Bank S.C., which is found at Addis Ababa, Bole, Africa Avenue Road, in front of Shewa Dabo, besides Getu Commercial Center.

From the Head office staff of the Bank, the study focused on Executive Management of the Bank (Advisor to the President office, Vice President Branch Operation, Vice President Credit and International Banking, Vice President Information Technology, Vice President Strategy and Change Management, Vice President Corporate Support), Information Technology (IT) units (IT Systems Operation Department, Electronic Banking Department, IT Modernization office and IT Security management office) and Strategic Management and Business Development Department

3.2 Organizational Context

Oromia International Bank S.C. is one of the private commercial banks in Ethiopia. It was established as per the Monetary and Banking Proclamation No. 83/1994, by the Licensing and Supervision of Banking Proclamation No. 592/2008 and other pertinent laws on September 18, 2008. The Bank has more than three hundred branches located throughout Ethiopia. In

2019/20 budget year, the Bank has got a net profit crossing 1 billion birr and became one of the top eight private Banks.

OIB envisions becoming the bank of its first choice by any stakeholders. Its mission statement is read as, “providing full-fledged and best quality commercial banking services within the pertinent regulatory requirement with due diligence to sustainable business by engaging highly qualified, skilled, motivated and disciplined employees and state-of-the-art information technology”. Its corporate values are “deeply pursued philosophy of operational excellence, believes, ground of typical sparkling culture of identity for reputation through which the bank is well known by others”. (www.orointbank.com, Oromia International Bank S.C. website)

3.3 Research Approach

To deal with the challenges of Strategic IT business alignment in case of Oromia International Bank S.C, the researcher used qualitative research approach because the qualitative research gives a freedom for participants of this research to respond for the questions raised as well as it can help for the researcher to learn from the participants’ experience. Moreover, qualitative research enables to understand human aspect in certain situation and Strategy IT business alignment has also a human aspect (Rahman, 2017).

3.4 Research Design

There are different types of qualitative research methods like an interview, focus groups, ethnographic research, content analysis, case study research that are usually used. The researcher used interview qualitative research method. The purpose of the research interview is to explore experiences, beliefs and/or motivations of individuals on specific matters. (Ryan et al., 2009). The researcher used the interview to capture the elicited data found at the mind of the respondents

and the interviewer (researcher) is a subject matter expert and has practical experience to easily understand the respondents.

3.5 Population and Sample

Oromia International Bank S.C. has more than 3000 staffs and the population of this research is the staff size of the Bank. In order to take sample from the population, the researcher used non probabilistic sampling design and purposive sample technique. Non-probability sampling researcher selects samples based on the subjective judgment of the researcher and judgmental or purposive sampling: researchers choose only those people who they think fit to participate in the research study (Forster,2001).Accordingly, the researcher on this study select purposely ten business and IT executives who have an experience on strategic development as a sample.

3.6 The Instrument and its Validation Process

The researcher used interview and personal observation for data collection in IT business alignment researches that helped the IT and Business executives to express their viewpoint on strategic IT business alignment, in private, without a framework imposed by the researcher (Bolderston,2012). The personal observation helped the researcher to validate the data collected using interview.

3.7 Data Collection Process

Interview guide was prepared and used as data collection tool before data collection was made. Then, the structured and unstructured interview made as per the guide to collect the data. The lists of respondents are shown below in Table 1.

Table 1 :Interview Details

Code	Position	Category	Interview Made	Duration of Interview
D-1	Vice President Information Technology	Information Technology	February 19,2021	36:25 minutes
D-2	Director IT Modernization office	Information Technology	February 17,2021	35:36 minutes
D-3	Director IT Systems Operation Department	Information Technology	February 17,2021	1:04 hour
D-4	Director-Electronic Banking Department	Information Technology	February 24,2021	27:59 minutes
D-5	Vice President Strategic and Change Management	Business	February 23,2021	19:56 minutes
D-6	Vice President Branch Banking	Business	February 26,2021	1:16 hour
D-7	Vice President Credit and International Banking	Business	February 24,2021	1:11 hour
D-8	Vice President Corporate Support	Business	February 27,2021	57:20 minutes
D-9	Advisor of the President	Business	February 22,2021	38:30 minutes
D-10	Director Strategic Management and Business Development	Business	February 19,2021	44:39 minutes

3.8 Ethical Consideration

An Amharic language was used as a media for interview. The participants were informed about the interview, their consents were asked to record their audio and the result of the analysis was communicated to the participants for validation.

3.9 Method of Analysis

For analysis of the data, the researcher was used thematic analysis by converting collected data which was recorded in audio into text, then checked against predefined themes from literature for analysis purpose (Braun et al,2014).

CHAPTER IV

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The objective of the study is to examine the challenges of IT Business alignment case of Oromia International Bank S.C. To achieve this objective, interview data was collected from the bank purposively selected IT and management/business professionals and top and middle level managers of OIB. The results of the interview are presented, analyzed, and interpreted in the following sections.

4.1. Response Rate

The interview contained interview questions based on interview guide used to collect data from the target population using non probabilistic purposive sample. Ten of the target interviewees were interviewed and one of the target was not interviewed by thinking no additional information can be gained. This showed that 90 % of the targets were interviewed.

4.2. Demographic profile of respondents

Table 2: Demographic profile of respondents

Items	Categories	Frequencies	Percentage
Sex	Male	10	100%
	Female	0	0%
	Total	10	100%
Age	26-30	3	30%
	31-40	4	40%
	41-50	2	20%
	Above 50	1	10%
	Total	10	100%

Items	Categories	Frequencies	Percentage
Education Level	Bachelor	1	10%
	Masters	9	90%
	Total	10	100%
Marital Status	Single	1	10%
	Married	9	90%
	Total	10	100%
Position	Middle Level Managers	4	40%
	Top Level Managers	6	60%
	Total	10	100%

Table 2 above presents the background information of the respondents. The sex of all respondents is males. This is an indication of the fact that higher level positions are usually dominated by males. The age of three of the respondents are 20-30 years, four of them 31-40 years, two of them 41-50 years and one of them is above 50. This is an indication of the fact that most of the respondents are young. The education level of nine of the respondents is Master's degree and the rest Bachelor Degree. This is an indication of the fact that the top and middle level management of the Bank has upgraded their educational level to update their knowledge. Nine of the respondents are married and one of them is single. This is an indication of the fact that married staffs are selected and believed to be committed if they are promoted to middle and top level managements.

4.3 Interview Results of the Challenges of IT Business Alignment

To achieve the objectives of the research interview was conducted with 10 Business and IT Managements of Oromia International Bank S.C. The results of the interview are presented below.

4.3.1 Lack of Communication Skill of IT

Communication is a challenge for strategic business and strategic IT alignment which is mainly reflects the unilateral communication between business and IT side due to the lack of awareness of sharing knowledge between business and IT(Wang & Rusu, 2018).Likewise, Oromia International Bank S.C. has invested on different IT systems from the very beginning of the establishment of the Bank. Different communications have been made between Information Technology Units of the Bank with the supplier of the IT systems during the IT project phases. Some of the respondents believed that, the communication made by IT with the vendor of the IT systems was not effective and keep the interest of the Bank in procuring the required and planned systems and selecting the right systems. One of the respondent word by word said that:

IT is autonomous in communicating vendors with technical view and as far as proposals with drawbacks and advantages are shown, the management decides. Banking requires collective decision and the financial decisions may override the technical one but the decision is based on the level of understanding of the management. (D-5).

The other respondent added that *“IT has a problem on selling its idea; they simply request budget approval. There is a problem from IT staff on anticipating the environment before budget approval”* (D-8). D-4 argued that communication problem is at Bank level not only IT and he word by word said that *“communication flow even not corrects. Decisions are not made based on exhaustive study. I am not sure whether we are even doing based on strategy”* (D-4).

The response of the interviewees indicate that communication gap is a big challenge for the Bank’s IT executives in exchanging information to their subordinate and business executives

as required to make valuable decisions on IT investments. The researcher observed that, communication skill gap is the issue of the Bank in general so that, the required information is not reached to the required unit of the bank at required time. This is mainly due to the problem on the communication channel the business and IT executives used to exchange information. They may use email, letters and telephone communications to exchange ideas and no standard put that define which kinds of information should be sent via letter, email or telephone.

4.3.2 Lack of Measuring IT's Contribution in Numeric Value

IT is perceived as a cost at company and lack of agreed upon metrics to measure the contribution of IT to the overall output of the bank is difficult and challenge for strategic IT and strategic business alignment (Jonathan et al,2019). In oromia International Bank S.C.(OIB) context all the respondents agreed that Information Technology is a backbone of the Banking business and contributes a lot in supporting the business in a general term. One of the respondents strengthened this idea by saying *“Banking service is not thinkable without IT”* (D-2). Another respondent added that *“IT is enabler”* (D-9), while another respondent argued that *IT is a business by itself. He stated that “IT by itself is a business; we can take card banking, mobile banking or other digital banking services initiated from IT and they are business products”* (D-4).

Even though the importance of the IT contribution was agreed, the respondents confirmed that the IT contribution to the business has never been quantified numerically into different measurable variables and this affects the IT unit's actual productivity. One of the respondent from IT unit said word by word *“IT contribution measurement requires standard methodology or framework to be implemented and a need to discuss on the protocols before*

implementation. The effort of IT is big but there is a problem of recognition and difficult to agree on issues” (D-3).

One of the respondent from the business added that “Till now systems are implemented but their impact was not assessed in terms of sales volume, profit, number of customers’ retention and acquisition. This challenges us to decide whether our IT systems are really as per our Business strategy” (D-5).

The response of the interviewees indicate that there is no effort made to convert the contribution of IT to the banking business to show the IT investments made are accordingly implemented by IT in such a way that IT systems benefit the bank to achieve its business target. The researcher observed and analyzed from financial statements of the Bank and activity plans of IT, the Bank invested more than 100,000,000(one hundred million birr) for the purchase of Core Banking system, data center establishment, Security center establishment and IT contributed to the business to change the IT investments into IT systems that are used to operate the Banking business. Those huge IT investments made by the bank are not evaluated numerically to check whether the investments are accordingly changed to IT systems that can benefit the Bank in achieving its business target .The Business and IT executives believed that the implementation of the core Banking systems (CBS) support the Bank in executing it’s business operation but they are not able to enumerate how much it support and what profit, deposit are incremented because of the implementation of this CBS. Beside the IT investments, the researcher observed that the IT efforts are not changed into numeric value that everyone can understand and so that, subjective judgments is given about the IT contribution to the Bank business.

4.3.3 Poor IT Support

The workload assigned to IT staffs in support area is often substantial in number and making it difficult to consistently meet deadlines and this results in poor IT support that is the challenge for strategic IT and strategic business alignment (Gbangou & Rusu,2016).In OIB IT units give a routine support to business units found at branches and head office units. The support requesting unit might call or write a letter to IT and most of the respondents agreed that the support given by IT is not satisfying the business in such a way that some telephone calls are not picked up, responses are not timely and there is no standard way of giving support. One of the respondent said that *“The Business units are not satisfied with the response of IT to issues. As per the survey done on customer service, IT became under the lowest three”* (D-10).A respondent from the business category strengthened this idea that *“There is a mindset problem in IT staff that they are hired to support the business, telephones are not picked up by IT and there is no incident registration system and because of this, there is a problem in responding fast”* (D-4).

Whereas, one of the respondent from IT strongly argued that *“IT support requestor always want immediate response and they don’t want to hear any procedure and may complain without fulfilling the requirements. We say we are satisfying and improving our IT support after Business staffs joined our IT support.”*(D-1) The other respondent from IT accepted that the IT support had a problem but the reason of the problem is not IT staffs rather lack of having IT support automation. He stated that:

There is no structured support, no standard tool used to register support and the channel used affect our support response. There is off hour support issues

when IT staffs are at home. There are also support issues dependent on third party for example Ethio telecom response for network issues. (D-3)

The response of the interviewees indicate that there is no effective IT support that enable the IT systems users (mostly branch staffs) that serves the customer at the counter are not properly using the IT systems because of lack of getting adequate IT supports. To this effect, digital banking customers who operate IT systems in the form of mobile banking, internet banking and card banking are not getting proper IT support that enable them to operate the IT systems to manage their saving and current accounts using digital channels. The researcher observed that sometimes the branch staffs encode wrong data into the core Banking system because of not understanding and not getting IT support at the right time and from the right person. Entering incorrect data really negatively affected the customer segmentation development and product development (which is dependent on customer segmentation).

4.3.4 Lack of Banking Business Skill Development

the IT department, the lack of business understanding among the IT personnel, for instance, can be explained by the lack of opportunity to learn from other units and this create a challenge for strategic IT and strategic business alignment (Jonathan et al, 2019).In OIB, Core operation of the Banking business is supported by Core Banking Business IT platform managed by IT. Most of the respondents agreed that Both IT and Business functions should develop their Banking Business skill to adapt themselves within the dynamic global Banking industry. Accordingly, there is a training budget approved annually but no need assessment done before the budget gets approved. Moreover, there is no business training given to IT. One of the respondents strengthened this idea by saying *“IT requires being multidisciplinary but there is*

nothing done by IT in developing their business skill, even though every year training budget has been approved. Well, there is no gap assessment done before training budget approval” (D-5).

One of the respondents from the IT category further described this idea as *“There is no document that clearly defines at what level IT should know the business” (D-3).* The same idea was reflected by another respondent from IT in a different way:

The scope of the training should be known. Is that Debit/credit, marketing? For me, it is enough to know the Bank objective, where OIB reaches. With this aspect, there is a lack of knowledge even within IT, and there is a difference among IT units on the understanding of the business. There is a need to have a business mind. (D-4)

The other respondents from business unit argued that the banking skill development is important for all Banking staffs by stating that, *“The banking knowledge is required for all, not only for IT. Universal Banker is required at this moment and the training content should be evaluated accordingly” (D-6).* Another interviewee word by word said that

Most of a time, the IT staffs comment as this is a business issue. However, this limits them in developing their business skill. IT can easily adapt itself to banking business, but it is difficult for business to adapt to IT. Bank operation is about debit and credit. The seasoned IT requires business knowledge. Service concept is difficult; it is about perception and it is variable. (D-8)

The response of the interviewees indicate that the Bank allocate a training budget annually based on the functional unit requests but the proper need assessment on the training has not been made by the Bank and the trainings not able to change the staff in making awareness of what the Banking business require and accordingly acting to satisfy the customers based on the knowledge gained from the training. The researcher observed that having a skill of satisfying customer is one of the concepts of the banking business and Banks strived to satisfy their customers by providing different products that are suitable for the customer and providing different channels to access those products. The customer services of the Bank are not good and

some clerical staffs are not even having the concept of customer service, they only focus on the availability of their IT system to serve and satisfy the customer. In general, the researcher believed that, the huge training investment, which is 2% of the general administration expense before depreciation, not making the banking staffs to the required banking skill.

4.3.5 Lack of Clarity of Business Need

Business staffs cannot rightly clarify their needs to IT department which affect the project as well as strategic IT and strategic business alignment (Jonathan et al, 2019). Business requirement development or request for proposal is one of the ways the Bank reflects its business need to the system vendor. As per the information from the respondents, there is a problem of clearly defining business need and this resulted in customization of their Core system frequently after it is going live, inconsistency among the actual system functionality with the demand of the business. Some of the respondents agreed that the problem is raised from business function, one of the respondents confirmed this as follows: *“Business users give you the title of their needs only; the detailed business requirement is expected to be developed by the IT, and IT has no business analyst to do this”* (D-1). The other respondent added that *“Business units expect that IT will solve everything for them. They don't want to explain the detail”* (D-10). The other IT respondent strongly put the business clarity as *“The business requirement is not clear and very poor and extra effort from IT is required. Because of requirement failures, customization issue occurred. The effect of poor requirement even affects the support”* (D-3).

The other respondent from business argued that the business clarity is expected from IT *“it is the IT who should know the future of banking business and should prepare business requirement. For the business unit to present clear requirement, there is a natural limitation*

because of inexperience of IT solutions and analytic knowledge. IT should think out of box.”
(D-7).

The response of the interviewees indicate that the business requirements of the Bank which is a pre requisite to develop a product as well as IT systems like Core Banking System has not been made appropriately and clearly to the benefit of the Bank in making to achieve its target. The expectation of the business and IT management on whom to prepare the business requirement is different. The researcher observed that the business units have not been involved as required while the Core Banking system business/functional requirement was prepared. It was prepared by IT adopting from other Banks and not prepared from the scratch as per the requirement of the Bank. Because of this fact, sometimes, the requirements are not clearly defined to the vendor with the detail required. Moreover, this impacts the system testing group, while checking the functionality of the system. That is why; the expectation of the management on what their CBS should be and actually be is different on some important areas.

4.3.6 Lack of Trust on IT Leadership Skill,

Business managers trust in IT managers skills as a factor hindering IT and business alignment because business managers do not separate the degree of skills of IT-relevant executives well(Wang & Rusu,2018).The Bank believed that the Banking industry is transforming itself daily and technology is becoming the competitive advantage to win the business. A proper technology platform is required to be implemented to satisfy the need of the customer based on the customer experience. Most of the respondents agreed that the role of Information technology is vital to transform the Bank and the IT units are not really playing their leadership role in making the Bank to be competent in digital technology and automate its service to bring customer excitement. One of the respondents strongly argued that:

There is a limitation on internal leadership capability around IT units. The Bank approves IT budgets as requested. IT requests different budget in next year again. The Bank does not get the result as per its investment. IT leadership capability is in question. OIB IT should not invent everything rather purchase what is invented. The management was depending excessively on IT. (D-7)

This respondent further argued that *“The management decides IT investments based on IT team proposal. Sometimes, detail comment was given by business on the technical proposal prepared by IT; this shows the limitation of IT”*. (D-7)

The other respondents strengthen the lack of IT leadership skill by saying *“I can say I am 70% satisfied by IT leadership. I am not able to see IT leader who have a stand for good benefit of the Bank. We are behind of some of the digital channel from the industry because of IT leadership.”* (D-9) .Another interviewee stated:

The IT executives are by nature technocrat and transactional. The IT management has a limitation on leadership. Leadership by itself is experience and requires managing human being, and IT executives opt to do the job by themselves rather than leading and making the job to be done by their subordinate. A leader requires viewing helicopter view. (D-10)

The response of the interviewees indicate that the Bank IT executives focus on solving routine IT tasks rather than transforming the Bank on IT by anticipating the future Banking industry. Moreover, the respondents believed that the top managements of the Bank are not getting the required support to decide on the IT investments that enable them to compete within the industry. On this regard, the researcher observed that, the IT executives of the Bank was involved on the routine IT support/development task before they were promoted to the management post. There was no training given to them that enable to change their mindset. Moreover, some of the IT executives are not acquired awareness on the business objectives of the Bank and they only focus on technology. It is a challenge for them to understand business that affects their system thinking.

4.3.7Lack of Collaboration on Strategy Development

Despite the fact that the business side considers IT to be an important asset for the delivery of services to the bank customers, it is not considered as an equal partner in development of strategy which affects the challenges of strategic IT and strategic business development(Wang & Rusu,2018). The Bank has developed two five years business strategies at different times. The IT unit was not part of the team who developed the two strategies. Because of that, the IT objectives stated on the Business strategy was not strong. This was witnessed as follows: *“IT management was not involved in strategy development. Business people develop it with very little involvement of IT and there was no detail IT strategy, other than saying ‘state of the art’ “(D-2). Another respondent support this idea by saying “on Business Strategy development, the focus is given to business strategy not to miss the targets, same level of attention is not given for IT strategies. IT is called after strategy development for information purpose” (D-3).*

Other respondents counter argued that there was collaboration within business and IT units for strategic development for this, they explain as strategies are led by the President and deliberated by Executive management Committee, on which IT is represented by Vice President Information Technology.

The response of the interviewees indicates that the Business units develop corporate strategy of the Bank with no or little involvement of IT functions. This results IT not to own the strategy and even not understand it. The researcher observed that the previous two corporate strategies was developed by two to three business staffs and IT was participated on kick off meeting of two half day period to give a comment on the strategy document already developed.IT did not get adequate time to read and understand the strategy on one hand. On the

other hand, on executive management meetings lead by the President, as IT is only represented by one member, its idea may be declined with the majority concept.

4.3.8 Lack of Understanding Technology.

Lack of awareness of IT for business executives creates a challenge for strategic IT and strategic business alignment (Wang & Rusu,2018). The respondents agreed that Information technology is the backbone of the Business and the leadership role to transform the Bank is given to it. In the previous discussion we discussed that collaboration is required to develop strategy. Similarly, the understanding of technology by business executives may challenge the IT business alignment.

One of the business respondent argued that *“Lack of understanding of IT, they are using technical jargon during communication”* (D-5), Other respondents from the business category described the same idea with different saying, *“The Business executives lacks technical exposure”*(D-6), *“IT skill for business people is difficult”*(D-7). The IT respondent also agreed on the idea *“the readiness of business executives to change their idea after discussion of IT is difficult and they are not able to understand us.”*(D-3)

The response of the interviewees indicates that the business executives are not aware of what the Banking business requires in terms of technology and they leave all the technology issues to the IT executives who have a limitation on understanding business. The researcher observed that some of the business executives not aware the banking technology and not comfortable to use the digital channels of the Bank like mobile, internet and card Banking. They complain on IT but not forward a guiding remark that enables the IT operation to improve it's service.

CHAPTER V

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter summarizes the findings of the research, conclude the research and recommend the way forward.

5.1 Summary of Findings

The data collected through interview from 10 Business and IT executives of OIB on Strategic IT business alignment was analyzed, interpreted and discussed in the previous chapter. The major findings of the study are summarized in the subsequent paragraphs. Generally, the research findings show that Oromia International Bank S.C. is not effective in respect to strategic IT business alignment and the challenges that affect the strategic IT business alignment identified.

Lack of communication skill of IT is the first challenge identified and respondents argue that the IT section was not able to communicate and sell its idea to the business units and to vendors properly to bring competitive advantage to the Bank.

Lack of measuring IT contribution in numeric value was the second challenge that affected the Bank not to show the actual performance of IT and its weakness as well.

Poor IT support was the third challenge of IT business alignment that affects the service efficiency of the Bank as well as customers in managing their account using digital banking platform.

Lack of banking business skill development is the fourth challenges of IT business alignment that affected the bank not to have the universal Banker or Seasonal IT who can respond to customer requests with very little involvement of senior staffs.

Lack of clarity of business need is the fifth challenge that affected the Bank in increasing customization cost and service in efficiency.

Lack of trust on IT leadership skill is the sixth challenge of IT business alignment that hinder the Bank not to anticipate the banking environment and transform the Bank digitally to compete with the industry.

Lack of collaboration on strategy development is the seventh challenge of IT business alignment which negatively affects the Bank in such a way that business and IT not have a shared and common vision.

The last challenge identified is lack of understanding technology which affects the decision of OIB business executives negatively on IT investments. All the identified eight challenges affect the IT business strategic alignment of OIB.

5.2 Conclusion

The researcher studied various challenges that affect the strategic IT business alignment in case of Oromia International Bank S.C. based on the conceptual framework developed as per empirical studies and is concluded that those challenges of strategic IT and strategic business alignments are found also be the challenges of Oromia International Bank S.C. except that of unstable network, as the Bank IT infrastructure and network is found to be good. The IT investments are found to be big but not measured in terms of creating value to the business and these challenges strategic IT and strategic business alignment of OIB. On the other hand, the new challenge of strategic IT and strategic business alignment which was not stated on conceptual framework is identified, which understands of technology. Therefore, in general communication skill problem, problem in valuing IT contributions, poor IT support, lack of business skill, lack of clarity of business need ,lack of trust on IT leadership, lack of collaboration during strategy

development and lack of understanding technology are challenges of strategic IT and strategic business alignment.

5.3 Recommendation

From the results of the study and the conclusions made above, it has been observed that the strategic IT business alignment at Oromia International Bank S.C. is not effective and there are factors that affect the alignment process not to be effective. Accordingly, the following recommendations and suggestions have been given for better IT business alignment of Oromia International Bank S.C.:-

1. The contribution of the Information Technology to the Bank should be quantified and significance should be compared against the key performance indicators of deposit and profit to know how much the IT investment benefit the Bank operation in achieving their target. The Bank may use Control objectives for Information Technology (COBIT) or Information Technology Infrastructure Library(ITIL) frameworks that enable to quantify the IT units contribution and relate the projects with business objectives. Consultants can be used to implement the frameworks.
2. Information Technology support process should be automated and support requests should be captured. By doing so, it is possible to monitor the status of issues any time and take action on the delayed one. The automation of IT support can be possible by implementing call center system that enable the customer to request an issue through the short code and implement incident management system that encode customer request and able to monitor the status of the request through reports.

3. The third recommendation is, the Bank should improve the business and IT skill of the staffs by preparing the right modules and sharing the knowledge to the staffs through knowledge management tools daily.
4. The business need should be prepared by business and IT staffs together and should be reviewed thoroughly by senior staffs about its feasibility and correctness before communicating to the business vendors. This can be coordinated by IT modernization office of the Bank that is responsible for IT projects.
5. The Bank should improve the leadership skill of the IT executives through experience sharing of other Banks in the industry, by providing related on job training after gap analysis and giving leadership training before assigning to the management post and a refreshment training after assignment.
6. The strategy development should be done in collaboration of IT and business executives and once the strategy are developed, awareness should be given to all staffs to have shared vision and ease of implementation.
7. The communication skill of IT staffs should be improved through training as well as deploying the proper communication channel and standard across the Bank.
8. As technology is the backbone of the Banking business, awareness training should be given by IT to all business executives on banking technology and its trend to make the business units decide the right platform for the Banking operation that brings a competitive advantage.

REFERENCES

- Agwu, M.E. & Onwuegbuzie H.(2017) Strategic importance of functional level strategies as effective tools for the achievement of organizational goal. Archives of Business Research, pp 338-348.
- Allen,R.S., Helms,M.M.,Takeda,M.B. and White,C.S. (2007) Porter's Generic Strategies:An Exploratory Study of their Use in Japan, Journal of business strategies
- Amakobe, M. (2016) IT and business strategic alignment constraint, Colardo Tech. University
- Bayzidnejad, M., Kafche, P. and Shafeai, R. (2012) alignment of IT with Business Strategy in the Banking Industry of Iran, Institute of Interdisciplinary Business Research,Vol 4,No 2
- Beard, D.W.and Dess,G.G. (1981) Corporate-Level Strategy, Business-Level Strategy, and Firm Performance , Academy of Management Journal, Vol. 24, No. 4, 663-688.
- Braun,V. and Clarke,V. (2006) Qualitative Research in Psychology, University of the West England, pp. 77-101
- Bolderston,A.(2012) Conducting a Research Interview, a British Columbia Cancer Agency, Surrey, British Columbia
- Braun,V. , Clarke,V. and Terry,H.(2014) Thematic Analysis , Palgrave Macmillan, pp.95-113
- Buqa, A. and Fung, C. N. (2019) Scoping Digital Business Strategy in Banking: A comparative study of Italy, Sweden and Switzerland, University of Gothenburg, Department of Applied IT
- Chan,Y.E. and Reich,B.H. (2007) State of the Art IT alignment: What Have We Learned?, Journal of Information Technology ,pp 297–315
- Charoensuk,S., Wongsurawat,W., Khang, D.B.(2014) Business-IT Alignment: A Practical Research Approach, Journal of High Technology Management Research ,pp 132–147
- Chebrolu, S. B. and Ness, L. (2013) How Does Alignment of Business and IT Strategies Impact Aspects of IT Effectiveness?, International Journal of Applied Management and Technology, Volume 12, Issue 1, pp 1–15

- Ciborra, C.U. (1997) Deconstructing the concept of strategic alignment, *Scandinavian Journal of Information Systems*, pp 67–82
- Coltman, T., Tallon, P., Sharma, R. Queiroz, M (2015) Strategic IT alignment: twenty-five years on, *Journal of Information Technology*, pp 91-100
- Daniel, E. (2016) “The Usefulness of Qualitative and Quantitative Approaches and Methods in Researching Problem-Solving Ability in Science Education Curriculum”, *Journal of Education and Practice*, Vol.7, No.15
- Dehghan, M., Ghafoorifard, M., Shamsi, B., Heydari, S.H.S. (2015) “The Effect of Implementing Core Banking Services on Profitability: Case Study of All Branches of a Private Bank in Mashhad”, *International Journal of Management, Accounting and Economics*, Vol. 2, No. 6
- Dido, D.N. (2020) Banking Sector Reform in Ethiopia , *International Journal of Business and Social Research*, Volume 10, Issue 05
- Dinda, W.A., Kevin, N. M., Kibaara, D., Njoroge, A. M., Njagi, K. M. (2015) Aligning IT/IS goals with business objectives; facilitating knowledge discovery for enhancing organizational performance: A review study, *Scientific Research Journal (SCIRJ)*, Volume III
- Elmorshidy, A. (2013) Aligning IT With Business Objectives: A Critical Survival and Success Factor in Today’s Business, *The Journal of Applied Business Research*, Volume 29, Number 3
- Faziljanovna, M.D., Gao, Y. (2016) Effective Business Strategy for International Strategic Performance: An Empirical Study of Chinese Construction Firms, *International Journal of Management Science and Business Administration*, Volume 2, Issue 3
- Forster, J.J. (2001) Sample surveys: nonprobability sampling. In, Smelser, N.J. and Baltes, P.B. (eds.) *International Encyclopedia of the Social & Behavioral Sciences*. Oxford, UK.
- Gbangou, L. P. D. and Rusu, L. (2016) Factors Hindering Business-IT Alignment in the Banking Sector of a Developing Country, *Elsevier B. V*, pp 280 – 288
- Janicijevic, N. (2012) Organizational culture and strategy, University of Belgrade Faculty of Economics Department for Business Economics and Management, pp 127-139
- Jonathan, G.M., Hailemariam, K.S., Debay, W.L. (2019) Business-IT alignment in the Banking Sector: A Case from a Developing Country, *The 13th Mediterranean Conference on Information Systems (MCIS)*, Naples, Italy

- Kabeyi,M.J.B (2018) Michael porter’s five competitive forces and generetic strategies, market segmentation strategy and case study of competition in global smartphone manufacturing industry, International Journal of Applied Research,pp 39-45
- Karim,K.A.A (2015) Business and Information System alignment for Competitive Advantage, A thesis submitted in partial fulfilment of the requirements for the degree of Master of Science in Business Information Technology, Middlesex University.
- Kearns,G.S. and Sabherwal, R. (2007) “Strategic alignment between Business and Information Technology: A Knowledge based view of Behaviours, Outcome and Consequences”, Journal of Management Information System, Vol. 23, No. 3, pp. 129–162
- Kurti,I., Barolli, E., Sevrani, E. (2013) Critical Success Factors for Business – IT Alignment: a review of current research, Romanian Economic and Business Review ,Vol. 8, No. 3
- Mikalef, P. (2010) Business/IT Maturity and Alignment Issues, Institute of Information and Computing Science, 3380076
- Miloslavskaya, N.G. (2016) Security Operations Centers for Information Security Incident Management, National Research Nuclear University MEPhI (Moscow Engineering Physics Institute), Moscow, Russia
- Molina, E.J.S. (2010) Strategic Business and IT Alignment Addressing Assessment and Governance, Industrial Information and Control Systems KTH, Royal Institute of Technology Stockholm, Sweden
- Mukhezakule,M. and Tefera,O.(2019) The Relationship between Corporate Strategy, Strategic Leadership and Sustainable Organisational Performance: Proposing a Conceptual Framework for the South African Aviation Industry, African Journal of Hospitality, Tourism and Leisure, Volume 8 (3)
- Muñoz,L. and Avila,O.(2019) Business and Information Technology Alignment Measurement - a recent Literature Review, Department of Systems and Computing Engineering, School of Engineering, Colombia
- NandaKumar,M.K,Ghobadian,A. and O’Regan,N(2010) Business-level strategy and Performance,The moderating effects of environment and structure, Management Decision ,Emerald Group Publishing Limited, pp. 907-939

- Ngure,J.(2013) Functional Level Strategies and the Effectiveness of Saape Ltd, University of Nairobi
- Oromia International Bank S.C. (2019) Strategic plan implementation review from 2015/16-2019/20 FY, Strategic Management and Business Development Department
- Oromia International Bank S.C. (2020) Semi Annual Performance Report2020/21 FY, Accounting and Treasury Department
- Rajan, A.P. and Saranya, G (2018) Digital Banking Services: Customer Perspectives, Journal of Emerging Technologies and Innovative Research, Volume 5, Issue 12
- Rahman,M.D. (2017)The Advantages and Disadvantages of Using Qualitative and Quantitative Approaches and Methods in Language “Testing and Assessment” Research: A Literature Review (2017) ,Journal of Education and Learning; Vol. 6, No. 1
- Ryan,F.,Coughlan ,M. and Cronin,P. (2009) Interviewing in qualitative research: The one-to-one interview, International Journal of Therapy and Rehabilitation; Vol. 16
- Saravani,Z., Tash, M. N. S. and Mahmoodpour, K.(2015) Evaluation of Bank Market Share and it’s Affective Determinants: Sepah Bank, International Research Journal of Applied and Basic Sciences ,Vol (9)7 ,pp 1003-1009
- Sibanda, W., Ndiweni, E., Boulkeroua, M., Echchabi, A., Ndlovu, T. (2020) Digital technology disruption on bank business models, Int. J. Business Performance Management, Vol. 21
- Tan, F. B. and Gallupe, R. B. (2006) Aligning Business and Information System Thinking: a cognitive approach, IEEE Transactions on Engineering Management,Vol.53, No. 2,
- Teo, T. S. H. and Ang, J. S. K (1999) Critical success factors in the alignment of IS plans with business Plans, International Journal of Information Management , pp 173—185
- Teubner, R.A.(2013) Information Systems Strategy Theory, Practice, and Challenges for Future Research, Institute for Information Systems Westfälische Wilhelms-University of Munster, Germany
- The Africa Report Magazine (2020) Ethiopia further opens up sectors to diaspora and foreign nationals, Strangernot Danger

Ullah, A. and Lai, R. (2015) A Systematic Review of Business and Information Technology Alignment , La Trobe University

Wang,B.,Qi,Z.,Ma,R.,Guan,H.,Vasilakos,A.V. (2015) A survey on data center networking for cloud computing, ELSEVIER

Wang,J. and Rusu,L. (2018) Factors Hindering Business-IT Alignment in Small and Medium Enterprises in China, Procedia Computer Science, pp 425–432

Watkins,D.C.(2012) Qualitative Research: The Importance of Conducting Research That Doesn't "Count" , Society for Public Health Education, Vol. 13, No. 2,pp 153–158

www.orointbank.com website Oromia International Bank S.C. yearly bulletin for Budget year 2019/20

Yuliansyah,Y. (2015) Attributes Influencing Strategic Alignment In The Service Sector: An Indonesian Banking Sector Case Study, International Journal of Business, Economics and Management, Vol. 2, No. 2, pp. 34-48

Appendix

1. Organizational Structure of OIB

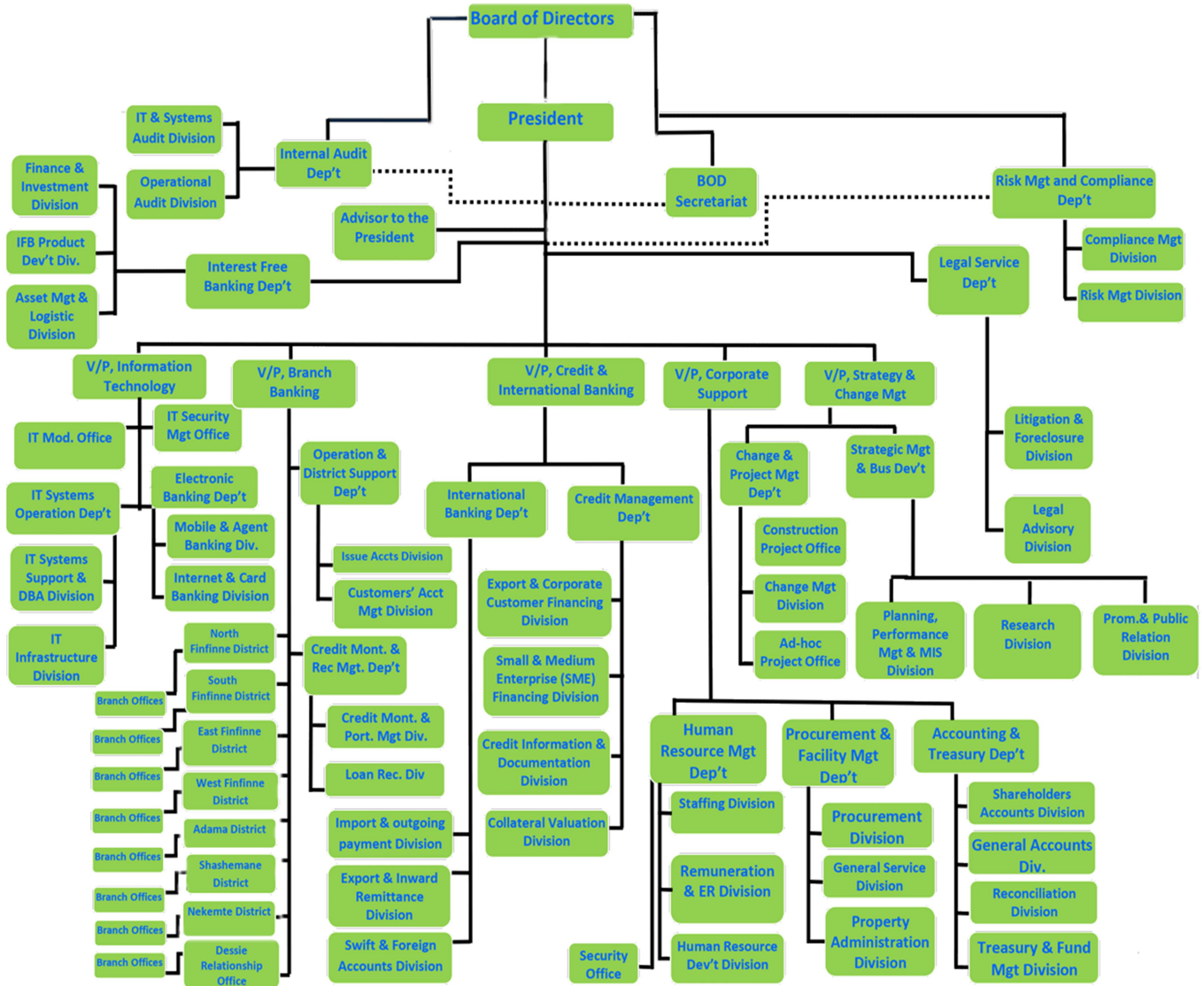


Figure 2: OIB Organizational structure

2. Interview Guide

ADDIS ABABA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS

SCHOOL OF COMMERCE

MASTER OF BUSINESS LEADERSHIP

Interview Questions for IT and Business Managements of OIB

Purpose: The purpose of this research is to find the challenges of strategic IT business alignment case of Oromia International Bank S.C. and the questions included in this interview addresses this aspect. You are selected for this interview based on the experience you have in developing corporate strategies of the Bank.

Instruction:-

1. Consent must be provided by you (participant) that you voluntarily took part in the interviews.
2. Interviews will take place during scheduled contact sessions and expected to take 25 minutes -50 minutes.
3. Consent must be made by you to record your audio and if you are willing, your responses will not be identified by your names (codes will be used to identify you).
4. The questions under the below table will be asked during the interview conducted with you. T
5. After completion of the interview, the researcher will transcribe the interview, and request you to confirm whether the transcribed version is correct.
6. The researcher can use this information for this study. At any time after the study will be completed, you have the opportunity to request about the results and findings of this study.

1.1.1 Interview Question for Business and IT Executives

Table 3: Interview question for Business and IT Executives

S. N.	Interview Question	Purpose of the question
1	What do you think about the effectiveness of Strategic IT Business Alignment in OIB?	To check the view of the participant about IT business alignment at OIB
2	What do you think are the challenges for Strategic IT Business alignment in OIB?	To check the view of the participant about the challenges of IT Business Alignment at OIB
3	What do you think about measuring IT contribution to business in OIB?	To check whether IT contribution to business is measured
4	What do you think about communication of	To check whether there is unilateral

	IT Systems vendors with IT executives in OIB?	communication by Business
5	What do you think about the involvement of IT executives in strategic development?	To check Collaboration of Business And IT Executives
6	What do you think about the decision of IT in affecting Strategy of the Bank?	To check whether IT is a strategic partner
7	What do you think about the experience of the bank in developing business and IT skills through continuous trainings?	To check Business Skill Development
8	What do you think the performance of IT systems in OIB?	To check unstable Network Performance
9	What do you think about the clarity of business requirements forwarded to IT in OIB context?	To check Business requirement clarity
10	What do you think about the satisfaction of business executives on IT in OIB context?	To check the business trust on IT
11	What do you think about the alignment of IT projects with business objectives/tactics?	To check Business requirement clarity
12	What do you think about the IT investments with respect to the value gained from it? What do you think about the measurement of IT investments in terms of different business metrics?	To check the effectiveness of IT investment To check how the Bank measure the IT investments
13	What do you think about the decision of IT executives in OIB in benefitting the bank?	To check the business trust on IT
14	What do you think about the response of IT in OIB for issues forwarded to it ?	To check whether the delay of IT in problem solving