

Kaden Salazar

Week 2 Reading Assignment 2

Information Assurance and Security CIS 563

Dr. Charles Butler

September 7, 2025

A board of directors is the group of people that represents the shareholders of a public corporation, acting as a liaison for them, to whom they hold a fiduciary duty (Legal Information Institute, n.d.). Beyond this fiduciary responsibility, boards must also ensure the long-term strategic health of the organization, which increasingly relies on information technology (IT).

IT is no longer just a support function but a driver of innovation, operational efficiency, and competitive advantage. For this reason, directors must understand how IT aligns with business goals. Without this alignment, organizations risk inefficient investment, cybersecurity vulnerabilities, and missed growth opportunities. Nolan and McFarlan (2005) argue that boards cannot delegate oversight of IT entirely to management because IT decisions often carry enterprise-wide implications for competitiveness, risk exposure, and shareholder value.

Research has shown that board-level IT governance enhances organizational performance by ensuring both risk protection and value creation (Caluwe et al., 2021). Boards play critical roles in IT governance through behavioral control, strategic oversight, and advisory capacities, which help align technology with corporate strategy. For example, boards can guide management in evaluating IT risks, ensuring investment discipline, and fostering innovation. These actions create trust among stakeholders, improve organizational resilience, and support sustained profitability.

Empirical evidence also highlights why direct board involvement in IT is crucial. According to Kuruzovich and colleagues (2012), governance practices such as CIO-board

communication, strategic IT investment rationale, and information exchange quality are strongly associated with IT-business alignment. Their study found that governance practices involving the board explained 35% of the variance in IT alignment outcomes, underscoring the tangible impact of director oversight. The findings suggest that boards are more likely to engage in IT governance when IT is perceived as strategically important, and this involvement provides access to resources, ensures proper management, and facilitates alignment between IT and organizational strategy.

These perspectives illustrate why boards must possess a clear understanding of IT's role in the organization. Without such understanding, companies risk ineffective investments, operational vulnerabilities, and a lack of innovation. With it, boards can foster IT alignment, enable resilience against digital risks, and ensure that technology supports the firm's broader mission.

References

- Caluwe, L., De Haes, S., Wilkin, C., & Huygh, T. (2021). How Boards of Directors Can Contribute to Governing IT. *Proceedings of the ... Annual Hawaii International Conference on System Sciences*. <https://doi.org/10.24251/hicss.2021.731>
- Kuruzovich, J., Bassellier, G., & Sambamurthy, V. (2012). IT Governance Processes and IT Alignment: Viewpoints from the Board of Directors. *2012 45th Hawaii International Conference on System Sciences*. <https://doi.org/10.1109/hicss.2012.394>
- Legal Information Institute. (n.d.). *Board of Directors*. Cornell Law School; Legal Information Institute. https://www.law.cornell.edu/wex/board_of_directors
- Nolan, R., & McFarlan, F. W. (2005, October 1). *Information Technology and the Board of Directors*. Harvard Business Review. <https://hbr.org/2005/10/information-technology-and-the-board-of-directors>