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Adaptive IT Governance Models to Respond to Global Economic Uncertainty

Hana Shafira Hadi[1*]

[1] Universitas Diponegoro, Semarang, Indonesia

Abstract

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Global economic uncertainty triggered by geopolitical crises, pandemics, and digital disruption requires organizations to have adaptive information technology (IT) governance. This study aims to formulate an adaptive IT governance model through a literature review of 13 selected academic publications from last five years. The results show that adaptive governance includes dynamic capabilities, flexible organizational structures, data-driven decision-making, integration of technologies such as AI and cloud, and continuous evaluation. This model works in repetitive and reflective cycles of sensing, deciding, acting, and learning. These findings show that adaptive IT governance strengthens an organization's response to crises and increases digital resilience. However, the implementation of this model faces challenges such as organizational cultural resistance, limited resources, and the need for transformational leadership. This study provides a conceptual basis for organizations in designing resilient IT strategies amid global uncertainty.

*Corresponding author:
(Hana Shafira Hadi)

1. Introduction

In an era of increasingly complex and dynamic globalization, business organizations and the public sector are faced with increasing challenges in dealing with global economic uncertainty. This instability is triggered by a variety of factors, ranging from geopolitical turmoil, changes in international fiscal and monetary policies, to global health crises such as the COVID-19 pandemic that directly affect supply chains, consumer demand, and financial stability (Kumar et al., 2020). In this context, the role of information technology (IT) is becoming increasingly crucial as the backbone in supporting the strategic and operational adaptation of organizations to global dynamics. However, conventional IT governance models are often static and not responsive enough to respond to rapid and unpredictable changes. This encourages the urgent need for the development of an adaptive IT governance model.

Adaptive IT governance is defined as an approach that balances organizational stability and flexibility in using IT to create business value, increase operational resilience, and strengthen strategic capabilities (Miceli, 2021; Munoz et al., 2021). According to Tingey-Holyoak and Pisaniello (2021), the response to global economic uncertainty requires an IT governance framework that is able to facilitate data-driven decision-making, flexibility in the allocation of digital resources, and the ability to respond to external dynamics quickly and measurably. This is becoming increasingly important as many organizations are now under pressure to undertake digital transformation while managing new risks such as market volatility, technological disruption, and changing consumer behavior. Adaptive models in IT

governance enable organizations to not only survive, but also gain a competitive advantage through increased digital agility and antifragility (Shaffer & Gao, 2020). The adaptive IT governance model also takes into account synergies between organizational structures, processes, and cultures.

For example, Agile and DevOps-based approaches have been shown to increase organizational responsiveness in the face of rapid change, but still require a governance framework that governs accountability, risk management, and compliance (Afshan et al., 2021). In practice, adaptive governance does not only focus on technology integration, but also emphasizes human resource empowerment and transparent data governance (Yin et al., 2021). Furthermore, in a volatile environment, adaptive IT governance needs to be equipped with the ability to monitor macroeconomic, political, and cyber risk indicators in real-time. This demands the integration between Business Intelligence, Enterprise Architecture, and digital portfolio management functions strategically (Moscoso-Zea et al., 2019). The adaptive approach also accommodates the use of artificial intelligence and machine learning in prediction-based governance decision-making (Cavalcante et al., 2019).

Research on adaptive IT governance models is still limited conceptually and applicatively, especially in the context of facing global economic uncertainty directly. Some previous studies have emphasized more on compliance-based and regulatory governance, without paying attention to the aspect of responsiveness to crises (Bolisani & Bratianu, 2017; Antes et al., 2021).

Therefore, a comprehensive synthesis of literature is needed to develop an IT governance framework that is able to respond to global economic challenges in an

adaptive and proactive manner. This research aims to answer this need through a literature review approach that analyzes and synthesizes the results of the latest research on adaptive IT governance. The main focus is to identify key principles, determinants of success, as well as relevant governance model structures in the context of global economic uncertainty. It is hoped that the results of this research can be used as a conceptual and practical reference for organizations that want to design responsive and resilient IT governance in the midst of an ever-changing economic landscape.

2. Methods

This study uses a literature review approach as the main method in studying and developing an adaptive information technology (IT) governance model framework in responding to global economic uncertainty. Literature studies were chosen because this approach allows researchers to identify, analyze, and synthesize various relevant previous research results in a systematic and structured manner. This method not only helps to summarize existing knowledge, but also reveals research gaps and builds a theoretical foundation for the development of comprehensive conceptual models. The secondary data used in this study was collected from scientific articles published in reputable journals and indexed on Google Scholar.

The inclusion criteria applied include: (1) the article must discuss topics related to IT governance, organizational adaptation to the global economic crisis, digital transformation in uncertain conditions, and adaptive models in technology

management; (2) the article is available in open access or has clear metadata for analysis; (3) The article contains methodological and conceptual elements that can be extracted for the benefit of theoretical synthesis. The search process is carried out with the help of advanced academic search engines and supporting tools to identify the most relevant documents based on citation rate, thematic relevance, and recent publication output. At least 13 key documents were selected and studied in depth, consisting of international journals, conference proceedings, institutional whitepapers, and policy reports. Content analysis was conducted on the selected articles to identify central themes, proposed conceptual models, determinants of the effectiveness of adaptive IT governance, and challenges of its implementation in a global context.

The thematic coding approach is used to group research results based on key dimensions such as organizational structure, decision-making process, role of technology, economic risk, and uncertainty characteristics. After thematic grouping, the synthesis process is carried out to form the conceptual framework of the adaptive IT governance model. The validity of this literature review process is strengthened by triangulating sources and cross-referencing between various articles as well as validation of synthesis of established governance theories, such as well as adaptive frameworks such as Dynamic Capabilities and Agile Governance. In the interpretation process, attention is paid to the diversity of geographical and sectoral contexts of the sources used, to ensure that the resulting model is generic and flexible in its application. This method ultimately aims to build a thorough theoretical and practical understanding of how organizations can design, implement, and evaluate

IT governance that is adaptive and responsive to global economic uncertainty. The literature approach used also allows for multidisciplinary integration of the fields of information technology, strategic management, and the global economy, thereby making a holistic contribution to the development of crisis-resilient and dynamic governance models.

3. Results

3.1. Strategic Urgency and Dynamic Capabilities

The synthesis of recent scholarly literature confirms that adaptive IT governance has emerged as a vital strategic necessity in the context of an increasingly unpredictable global economic landscape. Organizations are being challenged by a combination of disruptive forces including volatile international markets, post-pandemic supply chain fragility, geopolitical instability, rapid technological change, and climate-related risks. In this volatile setting, traditional IT governance models typically hierarchical, bureaucratic, and sequential are increasingly viewed as insufficient. These conventional systems struggle to keep pace with real-time demands, often resulting in delayed responses, missed opportunities, and organizational inertia.

In contrast, the adaptive IT governance model offers a more flexible, iterative, and responsive approach to managing information systems. It is grounded in the concept of dynamic capabilities, a theoretical framework popularized by Teece, which highlights an organization's ability to sense changes in the environment, seize opportunities, and reconfigure internal competencies accordingly. These capabilities

are operationalized in four interdependent stages: sensing, deciding, acting, and learning. Sensing involves the early detection of changes in both the internal and external environment. Organizations deploy monitoring tools, predictive analytics, and risk indicators to identify signals such as shifts in customer preferences, market trends, or cyber threats.

Deciding centers on evidence-based decision-making processes. Organizations synthesize data from multiple sources, enabling informed and timely decisions across various organizational layers. Acting involves the implementation of strategic decisions through agile execution, often leveraging modular IT architecture, cloud-based solutions, and automation tools. Learning constitutes the systematic evaluation of outcomes, drawing insights from both successes and failures to feed into the next iteration of the governance cycle. This cyclical and feedback-oriented structure ensures that organizations can adapt continuously, not only reacting to change but proactively shaping it. The model's relevance spans across industries and organizational sizes, from multinational corporations to small public institutions.

3.2. Implementation Architecture and Sectoral Insights

Implementation of adaptive IT governance relies heavily on the integration of advanced digital technologies. Studies highlight the use of cloud computing, big data analytics, AI-driven automation, and IoT (Internet of Things) as core enablers. These technologies provide the foundation for real-time responsiveness and strategic flexibility. For example, Tingey-Holyoak and Pisaniello (2021) demonstrate how adaptive forecasting tools utilizing AI and historical data can generate scenario-

based projections to inform policy and operational decisions in volatile commodity markets. Moreover, distributed governance structures are a hallmark of successful adaptive IT governance. In contrast to centralized decision-making controlled by CIOs or IT boards, distributed models empower frontline business units that are closest to digital operations and customer interactions.

Williams et al. (2017) and Afshan et al. (2021) report that organizations using this approach benefit from faster decision cycles, stronger cross-functional collaboration, and increased innovation. This is facilitated by unified digital collaboration platforms, such as cloud ERP systems, which break down data silos and enhance strategic alignment across departments. In practice, adaptive IT governance also emphasizes strategic dashboards that combine internal and external indicators. These dashboards monitor metrics such as system latency, cybersecurity breaches, macroeconomic volatility, currency exchange rates, and market behavior in near-real-time. Yin et al. (2021) found that organizations equipped with such decision-support systems could respond to external disruptions significantly faster than those using static or delayed information channels.

The capacity to synthesize and act upon a wide range of indicators enhances the organization's strategic visibility and preparedness. Beyond the corporate sector, the application of adaptive IT governance is expanding into public administration and critical infrastructure domains. Cavalcante et al. (2019) illustrates how adaptive digital infrastructures in the agricultural sector using AI-based early warning systems have increased community resilience to climate variability and market instability. Similarly, Miceli (2021) documents project delays in European wind energy

development as a consequence of rigid IT governance systems, which were unable to accommodate policy shifts and technological innovation in a timely manner. These case studies reveal that adaptive IT governance is not only a private-sector imperative but a national development and sustainability concern. From a technical standpoint, Dietrich and Russell (2021) emphasizes the need for dynamic evaluation mechanisms. Performance measurement in adaptive systems must go beyond traditional indicators like server uptime or IT budget variance. Instead, new metrics are being adopted, such as adaptability to shifting workloads, speed of incident response, and system contribution to strategic pivoting. These dynamic KPIs are central to performance auditing, crisis management, and stakeholder accountability in fast-moving environments.

3.3. Organizational Transformation and Structural Challenges

Despite its theoretical appeal and demonstrated benefits, the practical implementation of adaptive IT governance is not without challenges. One of the most frequently cited obstacles is organizational resistance to decentralization. Many legacy organizations especially in traditional industries or government institutions continue to perceive IT as a support function rather than a core driver of strategy. This perception leads to reluctance among senior leaders to cede authority to decentralized units, limiting the speed and effectiveness of adaptive governance. Additionally, the capacity gap faced by small and medium-sized enterprises (SMEs) poses a significant constraint. Limited financial resources, low digital literacy, and underdeveloped IT infrastructure reduce the ability of SMEs to implement real-time monitoring, decision-support tools, or integrated dashboards. Without targeted

investments in capacity-building, these organizations risk being left behind in the transition toward adaptive systems.

Another critical challenge involves the cultural shift required to support adaptive practices. Adaptive IT governance thrives in environments that are experimental, collaborative, and tolerant of failure. This necessitates a departure from top-down control and siloed workflows toward cross-functional teams, continuous learning, and agile mindsets. It also requires transformational leadership that champions innovation, data-driven decision-making, and stakeholder empowerment. Furthermore, the adaptive governance model places high demands on policy agility and regulatory alignment. Organizations must establish flexible governance frameworks that can evolve in response to emerging threats, market shifts, or stakeholder expectations. This includes developing policies for dynamic risk assessment, ethical data use, privacy, and digital sovereignty. Public sector institutions, in particular, can benefit from integrating spatial data, socio-economic indicators, and real-time analytics into their service delivery systems.

Importantly, adaptive IT governance is not only about efficiency and risk mitigation it is a foundational enabler of organizational antifragility. Drawing from Taleb's concept, antifragility refers to the ability not just to withstand shocks but to grow stronger as a result of them. Adaptive systems convert disruption into innovation by embedding learning into the core of decision-making. In doing so, they enable the organization to thrive in a world of perpetual volatility. Finally, the literature calls for greater alignment between IT governance and strategic foresight. This means moving beyond reactive change management to a proactive orientation

that anticipates future scenarios, identifies inflection points, and explores new business models. In this regard, adaptive IT governance becomes a tool for strategic renewal, enabling continuous reinvention of value propositions, operational models, and institutional identities.

4. Conclusion

This research aims to explore and formulate an adaptive information technology (IT) governance model in response to global economic uncertainty. Through a systematic literature review approach to various scientific publications from last five years, it was found that adaptive IT governance models are a strategic response to rapid and unpredictable external dynamics. This model not only focuses on technology structures and policies, but also integrates the principles of dynamic capabilities, agile governance, and the use of digital technologies such as AI, big data, and cloud computing in decision-making and risk management. The main findings of this study emphasize that adaptive governance is cyclical and iterative, involving the stages of sensing, deciding, acting, and learning as a continuous organizational learning cycle. This approach allows organizations to proactively detect environmental changes, make data-driven decisions, flexibly implement technology solutions, and conduct evaluations for continuous improvement.

This model also drives a shift in organizational structure towards a more distributed and collaborative governance system, where IT decision-making is no longer centralized but shared among relevant operational units. Practically, this model can be implemented in various sectors by adjusting the scale and capabilities

of the organization. In the private sector, this model supports business agility and digital resilience, while in the public sector, it improves service effectiveness and crisis response. While adaptive IT governance models promise many benefits, challenges such as organizational resilience, resource limitations, and digital divides need to be managed with an inclusive and progressive implementation strategy. Thus, adaptive IT governance is not just a technical solution, but an integral strategic approach to achieve resilience and competitiveness in a global era full of uncertainty.

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