The Effect of Complementarities Between IT and Organizational Resources on Firm Performance

Saggi Nevo
York University, snevo@schulich.yorku.ca

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The effect of complementarities between IT and organizational resources on firm performance

Saggi Nevo
Schulich School of Business
York University
snevo@schulich.yorku.ca

ABSTRACT

The business value of IT, as measured through its impact on organizational performance, has been hard to pin down. Previous studies, employing a variety of methods, have produced mixed results. This thesis proposes a modified approach for ascertaining IT-related benefits. Based on the resource-based view (RBV) of the firm and the general systems theory (GST), this thesis develops and tests a conceptual model exploring the effect of complementarities between IT and organizational resources on firm performance. The model is being tested using data from a large scale cross-sectional survey of firms from multiple industries. The thesis also develops a framework that identifies the properties of IT and organizational resources that enhance the propensity for mutual compatibility and complementarity. This framework enables the determination of potential IT business value that, in turn, leads to better informed decisions regarding IT investments. Overall, the thesis extends the RBV to include the evolution of strategic resources, provides a tool for practitioners with which to evaluate IT benefits, and adds to the existing knowledge on the impact of IT on organizational performance.