

Measuring IT Value

As organizational systems evolve into the foundation for traditional organizations to become “e-organizations”, information technology will become viewed as a primary part of the organization, rather than as a support function. As this transition occurs, IT groups will be held increasingly accountable for their value contribution to the overall performance of the organization, rather than just being measured on internal performance.

This mini-track addresses issues related to measuring and explaining the performance impacts of IT investments. To do this, the papers in this mini-track focus on organizational dependent variables that show the value of IT investments. Some examples of organizational performance are financial (market valuation, stock returns), profitability (ROA, ROI, inventory turnover) or operational (product quality, customer-service, time to market, time to volume, cycle time).

Central to this mini-track is the explanation of how IT impacts performance and empirical evidence or frameworks of the variables moderating these impacts. The goal of this track is to showcase work that focuses on construct development and validation of dependent variables that represent IT value and contributions to business, not for profit, and government organizations.

The six research papers present some insight into the relevant issues and obstacles in developing a framework for performing this type of valuation. The results as well as the conclusions that the authors draw are intriguing and will help provide a greater understanding of issues surrounding firm payoffs from information technologies and how we assess them. In addition, the expansion of theoretical models into industry specific terms provides additional contributions for academics and industry practitioners.