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Managing it investment and strategic alignment for firm performance: A comparative study in emerging economies

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Abstract
Studies on the impact of strategic alignment between managing IT investment and firm performance are limited. Drawing on the multi-theoretic lens such as the resource- The IT investments simply do based theory, and process theory this study examines the impact of managing IT and strategic alignment on firm performance as a comparative study between China and Sri Lanka. This study uses the primary data of 206 responses from Chinese and 182 responses from Sri Lankan IT and business managers. Accordingly, the findings revealed a strong and positive relationship in the hypothesized relationships. Further, the strategic alignment partially mediates the relationship between managing IT investment and firm performance between the above two countries context. This study opens for a greater understanding of the dilemma in the nomological linkage for the above relationship and contributes to the literature by lengthening the theory while suggesting insightful, and practical implications.

Keywords
managing IT, strategic alignment, firm performance, comparative study emerging economies

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Introduction

Though prior research shows the multifaceted effects of managing IT investment on firm performance (Wilkin, Couchman, Sohal & Zutshi, 2016), the mechanism through which managing IT brings firm performance is yet unclear(Ilmudeen, Bao & Zhang, 2022). Today, businesses are heavily investing huge amounts of money in IT investment, but the payoff from it is always a concern for managers and executives (Mithas & Rust, 2016; Peng, Quan, Zhang & Dubinsky, 2016; Wilkin et al., 2016; Xu, Zhang & Li, 2016). Despite the increasing amount of IT investment, managing IT and IT investment decisions have ever more become complex due its vague cost relationships, uncertain payoffs, rapid technological changes, and ever more uncertain business

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