Association for Information Systems
AIS Electronic Library (AISeL)

International Conference on Information Systems (ICIS)

1989

PANEL 16 GLOBAL INFORMATION TECHNOLOGY: THE STRATEGIC SYSTEMS OF THE 1990s?

Rudy Hirschheim
University of Houston

Follow this and additional works at: http://aisel.aisnet.org/icis1989

PANEL 16

GLOBAL INFORMATION TECHNOLOGY: THE STRATEGIC SYSTEMS OF THE 1990s?

Panel Chair: **Rudy Hirschheim**, University of Houston

Panelists: **Maryam Alavi**, University of Maryland, College Park
                      David Feeny, Templeton College
                      Sirkka Jarvenpaa, University of Texas, Austin
                      Blake Ives, Southern Methodist University

The corporate environment of today is very different from what it was a decade ago. The market is considerably more competitive, volatile, and complex; obtaining and retaining high quality staff continues to plague personnel departments; drug related problems are skyrocketing; executive "burn-out" is rising at an alarming pace; and the rate of technological change continues its unrelenting rise. It is little wonder that organizations worry about their futures, about how they should prepare themselves for the dramatic changes which are confronting them today and which will likely be even more dramatic tomorrow.

Perhaps one of the most important changes is that of globalization or internationalization of business. This challenge is both an opportunity and a threat: those who position themselves to take advantage of the globalization of markets may reap dramatic rewards. Concomitantly, those who are ill-prepared risk their very existence. Industry in the United States appears to be in a particularly precarious position. Once the dominant force in worldwide trade, this domination in most industries is little more than a memory. One by one, the dominant position of the United States in trade has disappeared, losing initially to the Japanese but now to countries such as South Korea, Taiwan, Hong Kong, and Singapore (the so-called "Four Tigers"). First, it was the manufacturing industries which experienced the competition: steel, automotive, consumer electronics, and clothing. Now, even the service sector is under siege. Banking, a bastion of Western domination, is being overrun by the Japanese, with seven of the ten largest (and most profitable) banks now headquartered in Japan. Nor is the competition confined to the Far East. Europe, traditionally riddled with internal, national rivalry, is uniting in 1992 to become a key player in global competition. Moreover, a unified Europe with a single marketplace of approximately 300 million people promises to dramatically intensify global competition.

Given the seemingly unprepared state of industry in the United States to compete in this global marketplace, how should United States industry respond? One area where the United States may still have some advantage is in the application of information technology (IT). With IT, the possibility of competitive advantage may be obtained. Information technology, with its ability to compress time and space, and share and distribute resources over geographical boundaries, offers opportunities for organizations to leverage advantages of market size, geographical scope or market niche. The literature is rife with examples of competitive advantage through information technology. There are, however, fewer reported examples in the international arena. Yet some exist. IBM, for example, uses its worldwide communications network to facilitate the modification of its products to meet local needs and requirements. American Airlines, which some time ago exported its data preparation work to the Caribbean, has begun selling this service to other firms. A major United States bank, having installed a worldwide communications network, found that they could profitably sell some of their spare capacity to a few large Latin American customers. These customers found that the bank's network provided a better quality phone service than they could obtain from their local carrier. Another major international bank uses spare capacity on its communications network to provide value added services to customers in Europe.

Global IT is, however, not very well understood. While we can see that it provides a unique set of opportunities, it concomitantly has associated with it a unique set of problems. Problems with language, culture, national infrastructure, currency restrictions, availability of IT staff, trans-border data flow laws, and trade union constraints are but a few. Moreover, these problems are often not immediately obvious.

Perhaps the biggest worry of all, though, is the lack of interest in globalization in business schools in the United States. According to the Porter and McKibbin study on the future of management education and development, American business schools have yet to "become really serious about the international dimension of management" (Porter and McKibbon 1988, p. 319). Porter and McKibbon worry about "whether American business school graduates can afford

to continue to be as parochial -- as culturally and internationally naive -- as they have been in the past" (p. 320). The lack of interest in internationalization is even more obvious in IS departments. Although one can find IS research which has some "international" content, such papers are typically either replications of American research in a different country or comparisons of approaches in different countries. Little concern is given to the implications on multinational IT development, operation, and use.

This provides the raison d'etre for the panel. We wish to explore in more detail what, if any, work is being done in the global IT arena and what are the key research questions which we, the IS research community, should be exploring. To this end, we have invited four panelists to discuss their work which addresses the broad area of global information technology.

Our panel plans to be a springboard for ICIS'90 in Copenhagen by exploring the role of information technology in the globalization of business. After short presentations by the panelists, we hope to involve the audience in a debate on the technological, social, legal, political, economic, and cultural considerations associated with the internationalization of business.

REFERENCE

Porter, L., and McKibbin, L. *Management Education and Development: Drift or Thrust into the 21st Century.* New York: McGraw-Hill Book Company, 1988.