

MMIS Departmental Recruitment Seminar 2023



Understanding the Digital Investment Strategy of Firms: A Behavioral and Cognitive Theoretic Perspective

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Venue (Zoom):
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Abstract

In this study, we conceptualize a firm's digital investment strategy in terms of the scale and scope of resource allocation towards IT compared to industry benchmarks. We argue that firms are likely to adjust their digital investment strategy as a response to performance feedback, and managerial cognition will shape such response. Our results indicate that firms tend to allocate more resources towards IT and converge the IT deployment pattern towards the industry norm when facing performance shortfalls. Importantly, CEOs with exploration-orientated and future-oriented cognitive frameworks are more likely to adjust their digital investment strategy aggressively when responding to performance shortfall.

About the Speaker

Liang Zhao is currently a Visiting Assistant Professor at Northeastern University. He received his Ph.D. in Management Information Systems from Rensselaer Polytechnic Institute. Liang's research interests focus on digital strategies, digital platforms, and the mechanisms through which digitization is transforming firms, markets, and industries. Specifically, he focuses on the areas of competitive behaviors of firms and the role of digitization in shaping such behaviors.