

Chapter 6 Conclusions and Future Research Directions

6.1 Summary

To enhance competitive advantage and survive in the global market, it is necessary for the financial service industry to invest a huge amount of money in IT. With the reformation of domestic policy in recent years, across-industry mergers have become the current trend in the financial service industry. It not only costs companies a lot of money to integrate and update IT infrastructure but also stimulates the demand for IT. In addition, extensive use of the Internet not only provides companies with new markets and opportunities but has also made companies attach great importance to issues of information security and relevant IT applications.

We find that IT investment in the financial industry is more and more large and unavoidable. Thus, it is very important for companies to find an appropriate approach to assess and manage their IT capital. However, traditional accounting methods have not been enough to show the true value of IT capital due to the existence of intangible assets. Therefore, an appropriate approach to assess IT capital is indeed needed.

In this research, we propose the capital-oriented view to develop the IT assessment approach and take tangible and intangible assets into account as well. Based on three IT assessment views, the research of intellectual capital, and types of information system, we construct the dimensions and indicators of IT capital and verify the applicability of indicators by interviewing five IT managers in the financial service companies.

According to the result of indicator applicability evaluation, we find that IT capital in the financial service industry has become more and more like a kind of capital and intangible assets. It is because that the contribution of IT capital is mainly generated from the interaction and cooperation with other intellectual capitals within the organization. In order to have a good understanding of the contribution of IT, the top priority of organizations should invest IT in the right place upon the industrial characteristic and business vision and use better methods of management to apply IT. As IT capital has a good interact with intellectual capitals, the effect and contribution of IT capital on firm performance would be obvious to be found and easy to be evaluated.

6.2 Future Research Works

This research has developed the performance indicators of IT capital and verified their applicability with IT managers from five companies, who are leaders in their industry segment. Due to time and resource constraints, there is still some

improvement and further research that can be carried out, which is described as follows.

- *Verifying the applicability of performance indicators through a large-scale questionnaire survey.* In this research, we only selected five companies as research samples. For the internal validity of this research, there is still room for improvement. It can adopt a large-scale questionnaire survey to increase sample size and verify the validity of IT capital indicators further.
- *Developing an IT management method according to the performance indicators and IT capital questionnaire.* We expect to find an approach to help managers manage and assess their IT capital in the future through the result of questionnaire designed by this research.
- *Studying the impact factors between IT capital and company performance.* Many factors exist within an organization that might influence its relationship with IT capital and company performance. In the future, we expect to find out the impact factors and understand why and how these exert an influence on IT capital and company performance.