
Abstract:
Only limited empirical evidence has confirmed the effectiveness of strategic information systems planning (SISP) and there is no evidence that investment in mission-critical systems leads to improved performance under conditions of environmental uncertainty and information intensity. This study tests the extent to which such contextual factors impact business dependence on IT and two SISP practices: IT participation in business planning and the alignment between the IT and the business plans. It also examines the influence of IT dependence and SISP on the use of IT for competitive advantage. Using structural equation modeling on postal survey data from 161 firms, it found a positive and significant impact of the contextual factors on business dependence on IT and the two SISP practices and between these factors and the use of IT for competitive advantage. Data also revealed significant differences between industry types and environmental uncertainty but not information intensity. Implications are discussed.

Keywords: Information intensity, Strategic information systems planning, Competitive advantage, Structural equation modeling