The Impact of Information Systems on Organizations and Markets

Kamal Nayan Agarwal, Howard University, USA

EXECUTIVE SUMMARY

The impact of information technology on markets and organizations, in particular, health and governmental services and manufacturing are discussed in great length. By utilizing the agency theory and transaction cost economics, this paper examines how information systems affect key measures of productive efficiency. We have determined that information systems significantly add value to an organization in its activities and performance, which helps it stay competitive. Notwithstanding this, we recommend that companies continue to invest as they seek to competitive advantage. However, data to substantiate the firm’s investment in information systems is necessary to validate the additional budgetary outlays.

Keywords: Information Technology, Competitive Advantage, Organizational Performance, Systems, Organizations, Markets, Economic and Organizational Impact.