15th EBES CONFERENCE - LISBON
PROGRAM AND ABSTRACT BOOK

JANUARY 8-10, 2015

LISBON, PORTGUAL

HOSTED BY

ISCTE IUL

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IS/IT investments and firm financial performance: Did Portugal faced the so called “productivity paradox”?

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Abstract

IS/IT investments are seen has having an enormous potential impact on the competitive position of the firm, on its [illegible] and demand an active and motivated participation of several stakeholder groups. An important stream of research [illegible] over the world has tried to understand these phenomena, called in the literature as «IS business value» field. However [illegible] a gap in the literature, addressing the Portuguese situation. No empirical work have been done to date in order to [illegible] the impact of IS/IT on financial performance of those firms. Using data from two surveys conducted by the Portuguese [illegible] Institute of Statistics (INE), Inquiry to the use of IS/IT by Portuguese companies (IUTIC) and the Inquiry [illegible] (Portuguese) companies (accounting data), this study relates (using regression analysis) the amounts spent on IS/IT [illegible] financial performance indicator Returns on Equity of Portuguese companies with more than 250 employees. The [illegible] paper is to shed light on the Portuguese situation concerning the impact of IS/IT on Portuguese top companies [illegible] performance. Our results, based on firm-level data on IS/IT expenditure and financial performance as measured [illegible] equity (1186 observations) for the years of 2003 and 2004, exhibit a negative impact of IT expenditure on firm [illegible] line with “productivity paradox” claimants.

Keywords: IS/IT investments, Firm Performance, Return on Equity
JEL Classification: M10, M15

Hospital Location Selection for Bilecik City with Fuzzy TOPSIS

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Abstract

The first step in planning to open a hospital is selecting the optimal location. Because this selection requires [illegible] number of criteria, multi-criteria decision making is used. In this study, ten experts" evaluations have [illegible] consideration for selecting the location of a hospital in Bilecik. In this study 24 different criteria and 4 [illegible] locations are used. Because the evaluations are not expressed as quantitative data and have subjective [illegible] approaches are applied. In this study, expert opinions are presented as fuzzy numbers thereafter “Fuzzy TOPSIS” [illegible] While selecting the optimal location for a hospital in Bilecik, using this method is aimed. One of the most [illegible] fuzzy TOPSIS method is to have the opportunity to give different importance weights on to the decision [illegible] evaluation can be made more sensitive and increases the reliability of the obtained results. The most [illegible] decision-makers is determined as the area of competence. The assessment with linguistic variables is [illegible] positive triangular fuzzy numbers. After the necessary procedures according to the fuzzy TOPSIS algorithm [illegible] firm proximity and closeness coefficients calculated, companies are listed consequently. Sort expressed as A4 [illegible] up a new hospital has been suggested as the most appropriate place. When the Closeness coefficients for [illegible] places is practiced, the company A4 showed the highest affinity by taking the first place.

Keywords: Fuzzy TOPSIS, Location Selection, Decision Making

Horizontal Mergers and Divestment Dynamics in a Sunset Industry

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Abstract

In oligopolistic industries, the amount of capital investment is likely to be excessive due to the presence of a [illegible] effect and fixed costs. Similarly, sunset industries with declining demand tend to be riddled with chronic [illegible] reason is that firms will attempt to free-ride on the reduction of industry supply expected from someone [illegible] hoping to steal their business. This paper highlights the potential of mergers to internalize this business-[illegible] thereby promote divestment. Using the case of mergers in the Japanese cement industry, it examines [illegible] induced divestment improve total welfare. A dynamic model of divestment based on the Markov-perfect [illegible] of Ericson and Pakes (1995) is estimated using recently developed econometric methods. Then, a counterfactual [illegible] conducted to quantify the welfare impact of mergers. The findings suggests that merged firms indeed [illegible] facilities and that, as a result of these mergers, total welfare improved despite a reduction in the consumer surplus.

Keywords: Merger, Divestment, Dynamic Oligopoly
