Abstract

The purpose of this study was to examine the impact of IT of CEO on the orchestration of the six capitals by the management which is expected to be resulted in greater value creation. The literature review on IT, orchestration of resources and value creation revealed that, there is a dearth of research that has been undertaken, as to investigate how the IT leads to the greater value creation by an organization through the orchestration of six capitals by the management. The theoretical approaches of resource orchestration and systems are used to explore the phenomenon of greater value creation by an organization through the orchestration of six capitals which is founded on IT of CEO.

The contemporary literature on corporate reporting identifies IT as the active consideration by the organization of the relationships between the different operational and functional units and the capitals that the organization uses or affects in the value creation. Skarzauskiene (2010) states that one of the important aspects for implementation of systems thinking approach in an organization, is the role of leader as a constructor of the organization. Hambrick and Mason (1984) states that the upper echelon characteristics leads to the strategic choices and through these choices it affects the organizational performance. However, it is striking that there is a dearth of research that combines the two perspectives to explore the research phenomenon of impact of IT of CEO on the orchestration of six capitals by the management which results in greater value creation by an organization. The above background motivated the author to carry out this research.

The study used qualitative, deductive approach to inquire the research phenomenon while adopting the descriptive, cross-sectional research design. The multiple case studies are used as the research strategy. Two case companies of the study were selected on the basis of adoption of IR where one case company is a pioneering company in IR adoption whilst the other case company is emerging company in IR adoption. Data were gathered through multiple source evidence from both companies: individual interviews with CEOs, management committee members, business unit heads; focus group interviews with representatives from different managerial levels and documentary review. The gathered data were transcribed and read literally, interpretively and reflexively. Then the data was categorized and organized in order to identify themes based on 'thematic analysis method' followed by cross case analysis and eventually to make convincing arguments with the qualitative data.

According to the analysis, it was found that the IT is a philosophy which embraces the capitals including the interrelationships and interdependencies between the capitals that the that the organization uses or affects in the value creation and emphasizes the integration of business units and functional units in the pursuit of value creation by an organization. The IT of CEO impacts the structuring the six-capital portfolio through embracing the key capital including the interdependencies and interrelationships between the capitals that it uses or affects in the value creation and institutionalizing the best practices for structuring the capitals through the accredited management systems. The IT of CEO impacts the bundling the capitals to form capabilities through the identification of interrelationships and interdependencies between the capitals that the organization uses or affects in the value creation. IT of CEO impacts the leveraging of capabilities through the emphasis of integration of capability configuration. Accordingly, the IT of CEO impacts the orchestration of six capitals by the management. One of the main finding in relation to the value creation by an organization was that there are companies guided by the philosophy, identifies the value creation for stakeholders other than financial capital providers as explicit strategic objectives, whereas there can be some companies, guided by the philosophy, the strategic objectives don't explicitly identify value creation for stakeholders other than shareholders as objectives of the company. Another finding is companies who adopts orchestration of six capitals experience greater value creation over time. Accordingly, the orchestration of six capitals by the management results in greater value creation by an organization.

Based on the findings, the study proposed several managerial implications. It is emphasized that, the IT is a philosophy begins at the upper echelons level which should cascade down to bottom, in order to become part of the DNA of the whole organization. The sustainability of the IT of CEO can be assured through the institutionalization of IT through the establishment of systems which embraces six capitals. The IT of CEO causes the company; to structure the capital portfolio in such a way it realizes most of the value stream associated with each of the capitals, bundle the capitals considering the interrelationships between the capitals and to leverage the capability configuration emphasizing the integration. Finally, it was stressed that, the KPIs must be set for the key capital outcomes where the achievement of these KPIs delivers the strategic objectives thereby the philosophy of the CEO. Further, the strategic outcomes and KPIs should be cascaded down to the business units and the progress of the strategic objectives should be monitored by the CEO in order to assure the value creation.