

## ONLINE SUPPLEMENT

### Table A1. Related Studies

Study	Dataset and models	IT measure	Globalization or other measure	Main findings
Nachum and Zaheer (2005)	Industry level BEA data on inward and outward FDI for 30 industries from 1990 – 1998 (n=270), OLS	ICT intensity at industry level	Motivation for globalization – market seeking, resource seeking, export seeking, efficiency seeking, or knowledge seeking	Knowledge seeking and efficiency seeking are dominant motives for international activity in more information-intensive industries, while market seeking and low-cost platforms for exports are dominant motives in less information-intensive industries
Rangan and Sengul (2009)	Industry level BEA data on 2-digit SIC level for 15 manufacturing industries from 1982 – 1997 (n=240), OLS	ICT intensity at industry level	Transnational integration measured by ratio of intra-firm flows to total exports and sales of parent and affiliates	Higher IT intensity at industry level is associated with less parent-to-affiliate international activity. This effect is positively moderated by knowledge intensity and industry internationalization
Chari, Devaraj and David (2007)	Firm level data for 1997 (n=131), OLS	IT intensity at firm level	Not applicable (dependent variable in this study is Tobin's q)	Performance impact of international diversification is higher when firms invest more in IT
Ravichandran, Liu, Han and Hasan (2009)	Firm level data from manufacturing industries from 1991 – 1996 (n=403), OLS	IT intensity at firm level	Not applicable (dependent variables in this study are ROA and Tobin's q)	IT influences performance only when geographic diversification is low
This Study	Firm level data from multiple sources from 1999 – 2006 (n=822), panel models	IT intensity at firm-level	Foreign revenues and foreign profits at firm level, controlling for firm size and other measures	IT expenditures at firm level are positively associated with foreign revenues and foreign profits, and the effect of IT on foreign profits is more through revenue enhancement than cost reduction

Note: Table A1 lists some representative studies and is not meant to be exhaustive (for more detailed review of the business value of IT literature, see Dedrick, Gurbaxani and Kraemer 2003; Sabherwal and Jeyaraj 2015; Schryen 2013). Among globalization-related studies in the information systems (IS) literature, researchers have focused primarily on how IT supports global strategy (Ives and Jarvenpaa 1991; Ives, Jarvenpaa and Mason 1993; Jarvenpaa and Ives 1993; Kettinger, Marchand and Davis 2010), how firms manage global IT departments (King and Sethi 1999; Rao, Brown and Perkins 2007; Sia, Soh and Weill 2010), employment structures, performance and compensation of IT and BPO professionals in non-U.S. labor markets (e.g., Ang, Slaughter and Ng 2002; Bapna et al. 2013; Ho, Whitaker, Mithas and Roy 2013; Kim, Mithas, Whitaker and Roy 2014; Levina and Xin 2007; Whitaker, Mithas and Liu 2016), internationalization strategies of IT suppliers (Su 2013), globalization of IT labor and mobility of IT professionals across country borders (Mithas and Lucas 2010), diffusion of global electronic commerce (Kraemer, Dedrick, Melville and Zhu 2006; Zhu, Kraemer and Xu 2006), and globalization of occupations and other business processes (Carmel and Agarwal 2002; Espinosa, Slaughter, Kraut and Herbsleb 2007; Lacity, Feeny and Willcocks 2003; Mithas and Whitaker 2007; Rottman and Lacity 2004; Whitaker, Mithas and Krishnan 2011).

**Table A2. Year-wise Descriptive Statistics for Key Variables  
(Nominal U.S. dollar amounts)**

<b>Year</b>		<b>Foreign revenues</b>	<b>Foreign profits</b>	<b>Foreign costs</b>	<b>Domestic revenues</b>	<b>Domestic profits</b>	<b>IT expenditures</b>
<b>1999</b>	Mean	5,927.38	395.14	5,532	9,055.57	1,836.04	309.94
	Std. Dev.	11,464.62	775.33	10,896	19,449.26	4,498.38	525.89
	Obs.	82	82	82	82	82	82
<b>2000</b>	Mean	5,873.21	573.08	5,300	9,670.02	1,933.04	547.30
	Std. Dev.	10,733.93	1,117.64	9,757	18,261.86	4,066.50	1,208.55
	Obs.	106	106	106	106	106	106
<b>2001</b>	Mean	4,649.73	356.04	4,294	7,977.60	1,507.87	392.15
	Std. Dev.	7,904.17	993.03	7,189	16,361.67	3,812.17	663.75
	Obs.	100	100	100	100	100	100
<b>2002</b>	Mean	4,007.28	324.41	3,683	7,020.17	1,386.37	337.83
	Std. Dev.	7,254.93	771.90	6,701	15,532.92	3,165.87	702.69
	Obs.	123	123	123	123	123	123
<b>2003</b>	Mean	5,328.69	361.53	4,967	7,618.99	1,418.71	361.86
	Std. Dev.	9,841.49	646.45	9,453	16,172.32	3,079.70	681.48
	Obs.	126	126	126	126	126	126
<b>2004</b>	Mean	5,131.24	508.86	4,622	7,044.43	1,658.03	393.06
	Std. Dev.	10,387.09	975.40	9,764	15,228.41	4,673.96	989.96
	Obs.	103	103	103	103	103	103
<b>2005</b>	Mean	6,380.19	785.16	5,595	8,618.70	1,940.27	342.55
	Std. Dev.	12,924.22	1,560.00	12,027	17,462.72	3,926.68	577.69
	Obs.	94	94	94	94	94	94
<b>2006</b>	Mean	8,288.11	1,136.50	7,152	10,780.55	2,583.66	542.28
	Std. Dev.	15,783.52	2,565.94	14,031	19,622.45	5,756.54	1,084.97
	Obs.	88	88	88	88	88	88
<b>Total</b>	Mean	5,590.63	535.81	5,055	8361.6	535.81	401.70
	Std. Dev.	10,859.20	1,282.59	10,020	17134.11	1282.59	838.19
	Obs.	822	822	822	822	822	822

**Table A3. Pairwise Correlations**

Correlations greater than 0.09 are significant at  $p < 0.05$

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Foreign revenues	1.00															
2	Domestic revenues	0.72	1.00														
3	Foreign profits	0.69	0.46	1.00													
4	Domestic profits	0.67	0.82	0.62	1.00												
5	Non-IT expenditures	0.62	0.47	0.45	0.34	1.00											
6	IT expenditures	0.64	0.63	0.56	0.70	0.27	1.00										
7	Foreign subsidiaries (log)	0.25	0.12	0.15	0.03	0.19	0.09	1.00									
8	Acquisitions	0.20	0.25	0.24	0.25	0.17	0.22	0.07	1.00								
9	Intersegment revenue	0.13	-0.04	0.05	-0.10	0.09	0.06	0.01	-0.01	1.00							
10	Foreign assets (log)	0.52	0.45	0.47	0.52	0.27	0.46	0.21	0.19	0.05	1.00						
11	Total assets (log)	0.67	0.65	0.60	0.67	0.39	0.62	0.23	0.20	0.05	0.74	1.00					
12	Capital intensity	-0.15	-0.07	-0.09	-0.03	-0.11	-0.12	-0.22	-0.02	0.00	0.28	0.01	1.00				
13	Market share	0.24	0.34	0.18	0.29	0.05	0.24	0.01	0.02	-0.06	0.28	0.34	0.12	1.00			
14	R&D	0.71	0.62	0.57	0.57	0.55	0.53	0.18	0.39	0.18	0.44	0.59	-0.13	0.07	1.00		
15	Advertising	0.62	0.72	0.34	0.61	0.53	0.44	0.14	0.29	0.06	0.37	0.46	-0.03	0.10	0.66	1.00	
16	Employees (log)	0.54	0.52	0.40	0.49	0.37	0.52	0.26	0.17	0.06	0.55	0.70	-0.03	0.38	0.47	0.40	1.00

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