

Information Technology Slack

Concept and Measurement

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The management literature has looked extensively at the concept of slack- the excess resources that are available during a planning cycle (Nohria and Gulati 1996; Sharfman et al. 1988; Voss et al. 2008), and how it affects the performance of the firm. From an IS perspective, in spite of the technology advances and the high value obtained from an IT investment, the measures have not fully captured the business value of IT. The management literature has tried to parse slack in various varied forms, such as Financial slack, Operational slack, Customer relational slack and Human resource slack (Voss et al. 2008), and each of them is different in the way it is accumulated, put to use, and its effect on firm performance. Similarly, IT slack can also differ from other forms of slack, and it is the absence of focus on the topic that prevents us from precisely explaining on how it gets accumulated and the subsequent effects it has on firm performance. IT Investment has expanded over the years, but the slack hence generated has not been able to be assessed since a mechanism that can conceptualize, measure, and understand the effect of IT slack on firm performance is non-existent. We put forward a notion that the concept of IT Investment slack does exist, separated from the earlier mentioned slack constructs, and look forward to theorizing it conceptually and then measuring it.

We define Information Technology Slack as the excess resources that are available to the firm to invest in functional and technical aspects of Information technology. The presence of Information System slack will help IT managers to grow during the good times and also to steady the operations in times of distress.

Grover et al. (1997) had looked at the concept of slack resources in an IS unit as a resource that helps firms during cost reduction demands, even though it was not possible to fully capture the notion of slack in the defined variable. We propose this study to theorize the neglected construct of IT slack in the Information Systems literature and develop and understand how IT slack will help as an essential resource for the firm to gain competitive advantage.

References

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