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Managing Collective Enterprise Information Systems Compliance: A Social and Performance Management Context Perspective

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Abstract

In today's environment characterized by business dynamism and information technology (IT) advances, firms must frequently update their enterprise information systems (EIS) and their use policies to support changing business operations. In this context, users are challenged to maintain EIS compliance behavior by continuously learning new ways of using EIS. Furthermore, it is imperative to businesses that employees of a functional unit maintain EIS compliance behavior collectively, due to the interdependent nature of tasks that the unit needs to accomplish through EIS. However, it is particularly challenging to achieve such a collective level of EIS compliance, due to the difficulty that these employees may encounter in quickly learning updated EIS. It is, therefore, vital for firms to establish effective managerial principles to ensure collective EIS compliance of a functional unit in a dynamic environment. To address this challenge, this study develops a research model to explain collective EIS compliance by integrating theoretical lens on social context and performance management context with social capital theory. It proposes that social context, an organizational environment characterized by trust and support, positively affects collective EIS compliance by developing business–IT social capital that enhances mutual learning between business and IT personnel. Furthermore, the performance management context, an organizational environment characterized by discipline and "stretch," is seen to have a direct and beneficial effect on collective EIS compliance as well as an indirect, moderating effect on the causal chain among social contexts, business-IT social capital, and collective EIS compliance. General empirical support for this research model is provided via a multiple-sourced survey of managers and employees of 159 functional units of 53 firms that use EIS, as well as their corresponding IT unit managers. The theoretical and practical implications of these findings are discussed.

Keywords: Social context, performance management context, EIS compliance; social capital