ERP Implementation Across Cultures: A Political Perspective

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ABSTRACT

Implementing an ERP project is a political process. This paper starts with a literature review of organizational politics and its implications to the implementation of ERP systems. The Political Strategies Framework which categorizes different Politics strategies in the cases is introduced. The framework is applied in the later sections of the paper to case study data from two companies, one in the US and one in Italy, that both implemented a SAP Enterprise Planning Systems (ERP) with very different outcomes. The discussion highlights the political dynamics in each case and the way in which the framework can help us understand these differences. The conclusion section discusses the differences between the political dynamics in each case and the implications from the findings to broader issues of research on ERP implementation and politics.

Keywords: Cross-Cultural, Decision-Making, ERP, Politics, Power, Qualitative Research, System Implementation

INTRODUCTION

The major premise of this paper is that implementing an ERP project is a political process. However, before we discuss the political aspects of ERP implementation, it is important to define what we mean by “political”.

A review of the literature on organizational politics shows that defining this term is not simple. The literature is replete with definitions that often contradict each other. For the purpose of this paper, we follow a definition proposed by Drory and Romm (1991). These authors noted that given the lack of consensus among researchers on what organizational politics is, the best that one could do is to chart the boundaries of the construct in a “framework” that defines which behaviors are within and which behaviors are outside of the definition.

Thus, Drory and Romm (1991) noted that while there was relatively wide consensus that political behavior involved “influence attempts”, and, therefore this characteristic should be considered central to the definition of organizational politics (Allen & Porter, 1983; Farrell & Petersen, 1982; Mayes & Allen, 1977; Robbins, 1994), they also noted that there are considerable variations among writers as to the means and circumstances that distinguish political from non-political behavior.
To account for the wide number of attributes that researchers do not agree are part of organizational politics, Drory and Romm (1991) created a conceptual framework or a “map” of the range of behaviors that should be considered political. Their framework considered organizational politics as a combination of three types of elements:

1. Necessary elements: In this category the authors included “influence attempts” and “informal means”, indicating that by definition, in order to be considered political, an actor has to attempt to influence another actor, using informal means of persuasion.

2. Defining elements: In this category the authors included whether the actor is an individual or a group and whether the behavior is directed upward, downward or laterally.

3. Optional or circumstantial elements: In this category the authors listed a number of elements mentioned in the literature, including: “the existence of a state of conflict”, “working against one’s organization”, “power attainment”, and “concealment of motive”. These were all considered important but not essential for a behavior to be defined as political.

Going back to the topic of this paper, the question arises how can the concept of organizational politics help us understand the dynamics of ERP implementation and how can it help us explain the differences across cultures?

In the following sections we will answer this question by demonstrating that the implementation of ERP systems is essentially a political process, namely, a process where one actor (or more) is attempting to influence others. We will then apply the Political Strategies Framework to the case data to explain the political dynamics in each case study.

**LITERATURE REVIEW**

Before we consider the role that organizational politics plays in ERP implementation and the possible impact of culture on this process, it is important to define what an ERP system is. We define ERP systems as integrated enterprise computing system that consist of applications such as manufacturing, logistics, distribution, accounting, marketing, finance, and human resources.

Following Robey, Ross, and Boudreau (2002), we make a distinction between two types of approaches to research on ERP—the variance and process approaches. The variance approach, which has dominated the ERP literature in the past decade, focuses on the variables that affect or are affected by the ERP project, while the process approach deals with the manner in which the ERP implementation process unfolds throughout the life of the project.

The major findings from the variance approach relate to the factors that lead to successful outcomes and the nature of the outcomes. Some of the findings that fit this approach are that top management support of ERP projects, the existence of an effective project team, and the commitment to change throughout the organization are the most important factors associated with the success of ERP projects (Brown & Vaessy, 1999; Wilcocks & Sykes, 2000; Capaldo et al., 2007; Finney & Corbett, 2007; Osei-Beryson et al., 2008; Kemp & Low, 2008).

As for the outcomes or benefits that companies derive from implementing ERP systems, the findings from the literature show that clarification of managerial objectives, development of structures to manage across functions, and the emergence of accountability processes within the organization are the major benefits that companies report that they derive from their ERP projects (Deloitte Consulting, 1998).

In contrast to the variance approach, the process approach to ERP research focuses on
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