Chapter 7
ERP Post–Implementation Adoption Success Dynamics: A Cultural Perspective

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ABSTRACT

The purpose of this research is to explore the barriers of adoption and adaptation of Enterprise Resources Planning (ERP) systems at the post implementation phase within Developing Countries (DCs) business culture. Human agency-related issues and IT materiality factors specific to the DCs business environment were researched within the framework of post-implementation use of cross-functional information systems in a longitudinal case study. Focus group teams, composed of business units’ end-users, managers and IT specialists (employment cohorts) were mobilized to elicit the causes of failing ERP services. The scope of this research fits within the studies that target the analysis of organizational adoption and use of ERP. Feedback loops analysis method was used for the study and presentation of the complex dynamic socio-technical behavior in enterprises to gain insight of the relationships among the many non-linear variables prevalent in the post implementation stage of the ERP lifecycle. Those variables were arrived at through canvassing stakeholder groups in the case firm, using focus group approach and the Causal Loop Diagramming as the analysis tool. The introduced methodology in this research is meant to highlight a new perspective to the understanding of the success model of ERP use and adoption.

INTRODUCTION

Over the past two decades, firms invested heavily in the acquisition and implementation of enterprise resource planning (ERP) systems as the preferred platform for managing their information and data processing needs. Many leading companies have adopted this approach since then and the world ERP market is expected to command a little under US$ 65 billion by 2009-year end according to AMR Research report, (2005). The cost expended by any firm for the acquisition and implementation of ERP exceeds millions of dollars and may affect the overall firm’s earnings and revenues (Daven-
ERP systems are configurable commercial cross-functional software often embedding ‘best practice’ of business processes and operations workflow. The intent in adopting such data management strategy by firms is to reduce cost, increase productivity, customer satisfaction and supplier relations in an effort to improve their competitiveness in the global networked market (Davenport, 1998). However, the promise of high business returns proved, to many adopting firms, an elusive moving target. ERP project implementations often experience escalating budgets and exceed planned timelines (Schneider, et al., 1999). Despite these caveats, diffusion of ERP systems in organizations has, and still is, a phenomenon that drew the attention of many researchers as well as practitioners from both Information systems (IS) and Organizational Studies (OS) disciplines. The broad intention of these researchers is to establish methodologies for assessing the post implementation outcomes, accrued business benefits and the extent of adoption of those enterprise-wide systems.

To that end, most of the research work in this area is focused on identifying critical success factors that facilitate the implementation and “going live” of the ERP systems. However, there is noticeable dearth of research in the area addressing factors affecting the use of ERP systems beyond the implementation and “go live” phases, particularly within the emerging markets economies. Moon, (2007) published a comprehensive review of literature on the ERP systems which attest this assertion. In this review, he identified the major themes of the surveyed research in the area according to the following categories: (1) implementation, (2) using ERP, (3) extension, (4) value, (5) trends, and (6) education. In the first theme, given the formidable challenges posed by ERP system installation and implementation, many studies have identified factors, which positively or negatively influence the success of installing ERP systems. The theme relates mostly to the technical implementation success of such systems. The second theme, which is the focus of this research, investigates factors of success of adopting the system post the implementation that lead to improved operational performance and enhance organizational effectiveness through the use of intended information systems (IS) services within the fabrics of business processes and management decision models. Many researchers examined the impacts of those factors on the accrued value of ERP systems use to the adopting firms and the extent of success in adopting those systems at multiple organizational levels within the more advanced developed countries. In this chapter, we will address the research question: “how relevant and pertinent those success factors are for the adoption of ERP services in the evolving business organizations within developing countries (DC) business cultures”?

The focus in this research is to explore barriers of successful adoption during the post-implementation stage of ERP system operations in the context of a longitudinal case study setting within the Egyptian business culture, being one of the emerging market economies in the Arab world. The researched case firm has gone through two successive EPR implementations between 1997 and 2007 as detailed in next sections. People-related issues and factors (use and acceptance of IT artifacts) specific to the Egyptian business environment and human resources culture created barriers to the success of those two ERP implementations. Noticeably, human agencies using the first ERP were required to change attitudes, perceptions and use modality in the second one. Efforts to salvage the second ERP implementation and its adoption were sought after by the firm’s management. Focus group teams, composed of business units’ end-users, managers and IT specialist, were used to elicit causes impeding adoption of the new