

How could resistance to change be reduced in an ERP implementation project?

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Abstract – *In ERP implementation projects resistance to change often occurs. In order to reduce this resistance, the authors of this paper have developed two models. The first one handles resistance to change proactively and the second model handles resistance to change reactively.*

An Enterprise Resource Planning, ERP, system is an important part of a company and could even create competitive advantages. The amount of data available in many industries today grows rapidly and to benefit from this data a suitable ERP system is important. However, the comprehensive nature of ERP systems results in complex implementation projects that often fail (Peslak, 2006).

Previous research has concluded that it is often not the technical aspects of an ERP project that are the most challenging but rather the softer aspects (Wong et al., 2005; Dantes and Hasibuan, 2012). Change management is one of the most critical success factors during several phases of an ERP project (Somers and Nelson, 2004; Al-Ghamdi, 2013).

A common but not so well researched topic within change

management is resistance to change. “Even the very best system in the world will fail if end users do not believe in it” (Zafar et al., 2006, p. 7). This Master’s Thesis has therefore focused on this issue, resistance to change in ERP implementation projects.

Tacticus requested this Master’s Thesis, a consultancy firm situated in Malmö and specialized in consultancy services related to ERP systems. The goal with the Master’s Thesis was to develop a model on how resistance to change in an ERP implementation project could be reduced.

Method

The approach to reach this goal was two folded, first a thorough literature review on the research field was conducted. The findings were then deeper explored through 14 in depth interviews with companies that recently had implemented an ERP system or were currently implementing an

ERP system. In addition to this, consultants at Tacticus were interviewed.

The literature review

The literature review was divided into three parts, ERP systems, change management and resistance to change. The first step of the review was to identify and define the framework for the research model. Resistance to change can take different forms at different levels in an organization and in different phases of an ERP project. This is why levels and phases make up the framework for the research model, which can be seen in Figure 1.

	Pre	During	Post
Strategic			
Tactical			
Operational			

Figure 1
The framework of the research model

The next step was to identify different tools that can be used to reduce resistance to change. Four different approaches were taken to identify these tools and then connections between the different approaches were made. The approaches were:

- General resistance to change theory
- Change management articles focusing on ERP projects
- General change management models
- Critical success factors for ERP projects

Eleven tools for reducing resistance to change were identified. These tools were placed in the research model based on the theory. The tools identified were the following:

- Adjust expectations
- Communication
- Encourage official and unofficial leaders
- Feedback and delegation
- Involvement
- Maximize perceived net outcome
- Milestones and targets
- Monetary and non monetary incentives
- Top management support
- Training and education
- Vision

The interview study

The interviewees have had different roles in ERP projects, project managers, project owners, project team members, process owners, end users and consultants have been interviewed. The goal with the interviews was to address the different tools identified in the theory and gain deeper understanding of those. Also, interesting general reflections on resistance to change and reasons for resistance were addressed during the interviews. The interviews were conducted in a semi structured way to be able to dig deep into the subjects.

Results

The analysis of the interview study led to several different conclusions. First, one of the tools identified from the literature review were changed in the researched model, three tools were removed and two tools were

added. The removed tools were *monetary and non monetary incentives, maximize perceived net outcome* and *feedback and delegation*. The reasons for this were that none of the interviewees believed monetary and non monetary incentives to be a good tool for reducing resistance to change. Maximize perceived net outcome was concluded to be more of a goal for the other tools rather than a tool itself.

Feedback and delegation was also removed from the research model since this tool was concluded to be similar to the involvement tool and therefore placed under involvement. Further were the tools *free up resources* and *management support* identified in the analysis of the interviews and added to the model. A deeper understanding of what each tool mean in practice was also developed during the interviews. See Figure 2 for this model.

	Pre implementation	Implementation	Post implementation
Strategic level	<ul style="list-style-type: none"> • (Top management support) • Communication 		
Tactical level	<ul style="list-style-type: none"> • Top management support • Communication • Involvement • Vision • Free up resources 	<ul style="list-style-type: none"> • Top management support • Communication • Training and education • Encourage official and unofficial leaders • Adjust expectations • Involvement • Vision • Free up resources • Milestones and targets 	<ul style="list-style-type: none"> • Top management support • Communication • Training and education • Encourage official and unofficial leaders • Adjust expectations • Milestones and targets • Free up resources
Operational level	<ul style="list-style-type: none"> • Management support • Communication • Involvement • Vision • Free up resources 	<ul style="list-style-type: none"> • Management support • Communication • Training and education • Encourage official and unofficial leaders • Involvement • Adjust expectations • Vision • Free up resources 	<ul style="list-style-type: none"> • Management support • Communication • Training and education • Milestones and targets • Encourage official and unofficial leaders • Adjust expectations • Free up resources

Figure 2
The final model to reduce resistance to change proactively

Further, since most of the interviewed companies worked mainly reactively with reducing resistance to change, a need for a second model on how to reduce resistance to change was identified. This second model takes a reactive approach, the first step is to identify the reason for the resistance. Based on the interviews and the theory, the different reasons for resistance to change were generalized into two main reasons:

fear for the system and the change process and perceived net outcome not positive. The solutions to these two root causes are *create emotional security* and *maximize perceived net outcome*. Further were some of the tools from the original research model divided into two sections, each section containing the tools most likely to help establish each solution respectively. This second model can be seen in Figure 3.

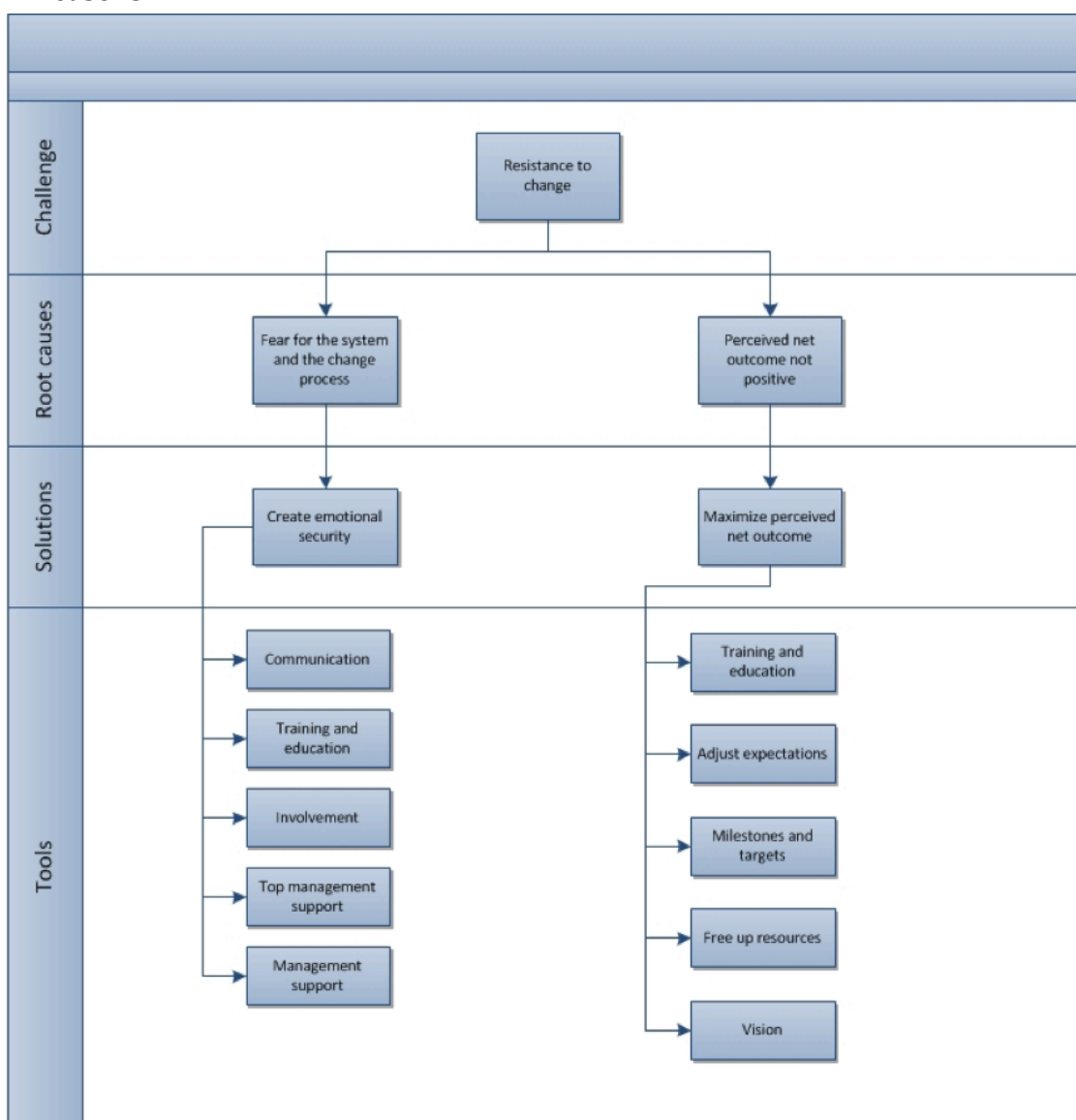


Figure 3
The second model on how to reduce resistance to change reactively

Final discussion

The approach in this research has been qualitative which is why the results are not statistically proven. Instead, a quantitative approach is proposed for future research.

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