CHAPTER 1: INTRODUCTION

Enterprise systems (ES) are a new type of information system. This packaged software imposes changes on users at different levels and in various areas. Change management, a key element of successful ES implementation, has been considered in many studies (Bancroft et al. 1998; Davenport 2000; Markus et al. 2000; Robey et al. 2002; Ross et al. 2000; Sumner 1999). Top management support, business involvement, communication and training are important factors in managing the changes. However, high level actions do not necessarily help project managers to address user response to multifaceted changes. Furthermore, user response to change can be reflected implicitly and explicitly and in destructive and non-destructive behaviors. Either type of response can affect system implementation. Change managers, therefore, need to delve into the reasons for user resistance and to learn effective strategies for managing changes. A complete model of user resistance would lead to better implementation strategies and desired implementation outcomes (Joshi 1991).

Integrated ES software applies to two types of users: those responsible for operational activities and those responsible for managerial processes (Shang et al. 2002). Prior studies have indicated that users of different types of information systems such as transactional and decision support systems may perceive system usefulness differently and react to change differently (Dickson et al. 1970).Operational activities are usually repeated periodically and involve acquiring and consuming resources, while business management activities involve allocation and control of the firm's resources, monitoring operations, and supporting strategic business decisions. Differences in resistance to ES may also be found with these two types of users. Research to date on change management has not addressed this.

User resistance was first recognized in the late 1950s by researchers into human behavior; resistance behavior and its reasons were studied in the 1970s by researchers into organizational management. Additional political and social status factors were included in the 1980s and 1990s. Meanwhile, similar resistance patterns were also found in general IS implementation. However, no research to date has provided a holistic and sequential view on user resistance with the two major types of system use.

This study endeavors to investigate user resistance responses and the reasons for them, and to propose appropriate strategies to manage changes. Key questions are:

1. Why do users resist change in enterprise systems implementation? Do different types of users resist change for different reasons?

2. How do users resist change in enterprise systems implementation? Do different types of users resist change differently?

3. How can different change management strategies be applied in managing user resistance in enterprise systems implementation? Are different resistance management strategies required for different types of users?

User resistance indicates a gap between change initiators and employees who try to maintain the status quo with undesirable behaviors toward change (Coch et al. 1948; Davison 1994; Strebel 1996; Zaltman 1976). Such behaviors are a response to management-imposed changes in job and work methods (Coch et al. 1948; Piderit 2000). Many researchers (deJager 1994; Ginzberg 1975; Janson et al. 1993; Jiang et al. 2000; Joshi 1991; Keen 1981; Kotter et al. 1979; Markus 1983; O'Brien 1979; Ross 1976; Sanders 1979; Seddon 1997; Smith et al. 1992) have identified reasons for user resistance. These reasons include loss of power, increased workload, low tolerance, lack of trust. Similar circumstances can also be found with wide-scoped ES implementation. Many strategies have been suggested to manage user resistance; they range from user participation, job redefinition, to forceful action. However, the most common mistake managers can make is to follow only one approach or a limited set of strategies regardless of the situation.

Applying Delphi in-depth interview technique, reasons, behaviors and strategies of user resistance are refined, enriched with identified importance factors, and synthesized with supporting data. With the difficulties of continuous involvement of project managers, our research focuses on the implementation stage. The study discovers that managerial users resist ES systems mainly due to confidence in self decision-making and different assessment of the system; they tended to express their doubts in meetings with top management and consultants, and require more participative strategies to correct this. Resistance of operational resistance comes mainly from excessive workloads, increased monitoring, and insufficient knowledge of ES. These workers tend to blame others for errors as well as complaining the difficulties of using the system. It is suggested that users receive process training, with proper rewards and clear communication from direct managers.