



Do too many goals impede a program? A case study of enterprise system implementation with multiple interdependent projects



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ABSTRACT

Complex or large information technology (IT) implementations are typically managed as single programs composed of multiple projects. Program managers must be able to manage the interfaces of multiple interdependent projects to realize the goals of an IT implementation. However, the common problems of conflict and poor coordination often hinder the achievement of a program's goals. Part of this difficulty may lie in the structuring of the program goals themselves. Guided by Strategic Consensus Theory (SCT) and Realistic Group Conflict Theory (RGCT), we examine three enterprise system programs to study the relationship between the shared understanding of multiple or single program goals and conflict resolution and the coordination of programs in an attempt to explain a program's successful implementation. We find that a shared goal understanding as suggested by SCT is not sufficient to facilitate essential coordination. However, a superordinate goal as suggested by RGCT appears to resolve any discrepancies. The results imply that goals should be structured as superordinate requirements.

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1. Introduction

The deployment of complex Information Technology (IT) such as an enterprise system within an organization is becoming increasingly complex, represents a large commitment of resources, and spans functional areas and even organizations [9,60]. Current implementations include a greater dependence on resource allocation to move an organization toward a wide-ranging system through a number of closely controlled and related projects that are managed as a comprehensive program [21,65]. This management structure is beneficial when spanning functional areas, involving a variety of internal and external stakeholders at multiple organizational levels, pursuing different goals, and adhering to resource constraints [8]. However, these same conditions lead to inter-team conflicts across the multiple projects that lead to management difficulties [19,29].

Two major characteristics of an IT program are the interdependence of projects and a focus on organizational goals [20,51]. Interdependence is the extent to which stakeholders and team members on each project realize that the goals of the project are intertwined, tasks share overlapping but not identical characteristics, and limited resources are allocated to accomplish the individual project tasks to achieve every goal at the project and program levels. The goals of a program are higher-order strategic goals that are undeliverable by any single project with its own set of achievement goals [51,61]. Specific program goals should be clearly established and shared among all key program members to provide the expectations for each individual project and the coordination necessary among projects [50]. In short, to be a success, an IT program must achieve the goals common to its multiple projects in spite of differences in localized goals, tasks, and resources [34]. Coordination and cooperation among interdependent projects are crucial during the implementation process to achieve the program's goals; unfortunately, effective cooperation and coordination among projects is not commonly observed [24,56]. How to structure program goals to best foster the essential cooperation and coordination among the multiple projects is not clear.

The management and psychology literatures contain an extensive body of work on goal studies and theories [6,18]. Goals can play a significant role in the achievement of success at the

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individual, group, and organizational levels [13,16]. However, the literature does not provide guidance on how to influence behaviors to best achieve IT program success. Among the many goal theories in the literature, *Strategic Consensus Theory* (SCT) indicates that to unify multiple projects and achieve the necessary coordination and cooperation, one must pursue a shared understanding of all program goals. In contrast, *Realistic Group Conflict Theory* (RGCT) argues for structuring a single overreaching goal to achieve the same ends [14,57]. This contrast between a multiple goal structure and single goal structure leads to the general research question in this study: *What type of goal structure is best for fostering effective coordination and cooperation that are important in attaining IT program implementation success?*

SCT emphasizes that goal agreement among key stakeholders is a critical factor of organizational performance [14]. This suggestion is also echoed in the IT project literature [32]. SCT implies that a shared goal understanding among key members of a management team at the strategic formulation and implementation levels will lead to greater success [31]. However, it is widely observed in practice that conflict among project managers within an IT program often hinders goal achievement, cooperation, and coordination, even when the IT program goals are well established [23]. This difficulty suggests a need to examine the multiple goal structure of typical IT programs. In contrast, RGCT suggests that a superordinate goal (one that is compelling to members of different groups and attained only when groups work together) should lead to satisfactory conflict resolution, the coordination of effort, and necessary cooperation [57]. Based upon RGCT, a single compelling program goal must be perceived by the different stakeholders of an IT program. To help resolve the issue of attaining a better goal structure, we address whether goal understanding alone will lead to IT program success. Instead, should a superordinate goal be formed based on RGCT? It may be that a combination of SCT and RGCT provides a sufficient explanation of how goals can be shared and structured to achieve IT program success.

In this study, we draw on SCT and RGCT to examine the relationship between goal consensus among key program members and satisfactory conflict resolution during the implementation of an enterprise system. More specifically, we examine cases of conflict in implementation programs for Enterprise Systems to test how goal consensus can drive successful programs in IT. We consider whether the concept of shared goal understanding applies to multiple levels within the organization or whether a superordinate goal provides a better foundation for understanding how to develop cooperation within IT programs. Understanding the nature of structuring goals will assist IT program managers in establishing essential drivers for success.

2. Theoretical background

Enterprise systems are highly complex information systems. Numerous studies have identified a number of critical factors to the success of an enterprise system. Frequently identified critical success factors include a clear understanding of strategic goals, the commitment by top management, effective project management, and reliable interdepartmental communication [1,3,62]. In this body of literature, the establishment of clear goals and objectives is often regarded as being among the most important in enterprise system implementations [2,54]. For example, when top management sets and communicates goals, it shows its support and nurtures involvement. Thus, as with any IT program, the implementation of an enterprise system should begin with clear goals to move all parties toward success. These findings provide insight on the importance of having an established goal for an IT program, including the implementation of an enterprise system. However, goals can be established in many forms, and the best way to

structure goals in an IT program has not been clarified in the literature.

2.1. Goal consensus as shared understanding

Consensus is defined as the general agreement among all participants and is viewed as an important outcome of group decision making [15]. The logic behind this notion is that consensus enhances organizational performance by improving coordination and cooperation within the organization. Consequently, the key constructs of strategic consensus theory are consensus, organizational performance, and coordination/cooperation. The boundaries of this work maintain a relatively narrow set of participants and domains: that of top managers agreeing on strategic goals and the means of attaining those goals [4]. The central proposition of SCT is that a higher degree of bounded consensus is positively associated with team process effectiveness and organizational performance [30,31].

Due to the potential to drive success, researchers have examined the nature of the consensus construct. Consensus on strategic goals can be segmented into four dimensions: *locus*, *scope*, *content*, and *degree* [42]. The “*locus*” of consensus refers to the members of an organization who *should* participate in achieving goal consensus. Early studies focused exclusively on top management teams with regard to this dimension. Kellermanns et al. [30], however, indicate that the positive impact of goal consensus would be diminished unless the locus is extended to include broader groups (e.g., middle managers). Because effective implementation demands compliance and active cooperation from middle managers, it makes sense that the locus should be expanded to achieve the implementation of goals as well as the setting of goals.

The “*scope*” of consensus considers “how many” members in the target group should participate, ranging from a small selection of team members to the entirety of the team [22]. Because SCT relies on coordination and cooperation as a mechanism of achieving desirable outcomes, common knowledge among team members is a crucial facilitator. A high degree of shared understanding of common goals can enable the coordination and cooperation among management at all levels [30,31]. Each individual must have a collective awareness of the team tasks and goals to facilitate information exchange and coordination [45]. In an enterprise system implementation team, to promote coordination and cooperation effectiveness, we argue that shared goal understanding should be as pervasive as possible.

Researchers frame the “*content*” of consensus to include specific goals, the priorities of goals, and even the means of achieving them [14,27,52]. Managers at lower levels are not as likely to be as aware of specific strategic ends and means as the top managers involved in the decision-making process [24]; however, their shared understanding of the assigned strategic goals is critical to the efficient implementation of any plan [59,66]. A shared understanding of goals is the foundation of planning and communicating the related actions, knowledge and objectives of interdependent members. Without a shared understanding of common goals, harmonization and synchronization could not be achieved effectively. With everything else being equal (e.g., team competence), people tend to work harder when they know the precise goals and expected outcomes [40].

Finally, the “*degree*” of consensus refers to how strongly the members involved actually agree on the content [42]. Empirical studies argue a linear relationship between the degree of consensus and firm performance [14]. The degree of consensus leads one to believe that an overpowering goal might be effective in directing the organizational effort by providing a bearing. A higher degree of consensus adds to the shared understanding of the goals. However, agreement does not mean inclusiveness. The goals of an IT program

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