



Shared leadership in enterprise resource planning and human resource management system implementation

Julia E. Hoch ^{a,*}, James H. Dulebohn ^{b,1}

^a Michigan State University, School of Human Resources and Labor Relations, 412 South Kedzie, East Lansing, MI 48824, United States

^b Michigan State University, School of Human Resources and Labor Relations, 402 South Kedzie, East Lansing, MI 48824, United States

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ABSTRACT

Human resource management systems (HRMS) integrate human resource processes and an organization's information systems. An HRMS frequently represents one of the modules of an enterprise resource planning system (ERP). ERPs are information systems that manage the business and consist of integrated software applications such customer relations and supply chain management, manufacturing, finance and human resources. ERP implementation projects frequently have high failure rates; although research has investigated a number of factors for success and failure rates, limited attention has been directed toward the implementation teams, and how to make these more effective. In this paper we argue that shared leadership represents an appropriate approach to improving the functioning of ERP implementation teams. Shared leadership represents a form of team leadership where the team members, rather than only a single team leader, engage in leadership behaviors. While shared leadership has received increased research attention during the past decade, it has not been applied to ERP implementation teams and therefore that is the purpose of this article. Toward this end, we describe issues related to ERP and HRMS implementation, teams, and the concept of shared leadership, review theoretical and empirical literature, present an integrative framework, and describe the application of shared leadership to ERP and HRMS implementation.

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1. Introduction

Organizations are increasingly relying on teams to complete work. A team is a group of individuals who work interdependently to solve problems, perform work or work toward goals (Hackman, 1987). An example is the use of teams in implementing an enterprise resource planning system (ERP), which represents an information systems (IS) project. As noted by Faraj and Sambamurthy (2006: 238), "Teams are the fundamental organizational unit through which IS projects are executed." An ERP is a business management software consisting of a suite of integrated applications organizations use to manage their information and run their businesses.

ERPs are scalable, multi-functional, and complex systems and include one or more modules. The purpose of an ERP is to integrate information across core functional areas in the organization (e.g., finance, human resources, manufacturing, customer relationship, supply chain management, etc.), to facilitate the management and flow of information between the functions as well as between the organization and stakeholders. ERPs are now considered the primary technology organizations employ to manage their information (Al-Mashari, 2003).

* Corresponding author. Tel.: +1 517 432 2800; fax: +1 517 432 9443.

E-mail addresses: hochj@msu.edu (J.E. Hoch), dulebohn@msu.edu (J.H. Dulebohn).

¹ Tel.: +1 517 432 3984; fax: +1 517 432 9443.

A human resource management system (HRMS) or human resource information system provides the capability of managing all aspects of an organization's human resource information and it represents one of the primary modules in an ERP. While the complexity increases with the number of modules included in an ERP implementation project, implementing a single module ERP/HRMS² is a major undertaking. Electronic human resource (e-HR) is part of an HRMS and represents the software tools that allow organizational members to access specific HR functions and information in the HRMS and perform HR activities through the organization's intranet or the internet via a web portal.

As complex systems, implementing ERPs is a complicated and lengthy endeavor often taking years to accomplish. A number of surveys have highlighted the high failure rate of ERP implementations; rates of problematic or failed implementations average over 50% (Robbins-Gioia, 2001). Because ERPs are tightly integrated systems, an ERP implementation failure in implementing one or more of the modules (e.g., Finance) can adversely affect the functioning of other modules (e.g., HRMS). While scholars have identified numerous and varied factors that can lead to ERP implementation failure, central to an IS implementation process are the implementation teams (Faraj & Sambamurthy, 2006).

Teams that are capable of making decisions and executing changes have been cited as a primary implementation success factor (Nah, Lau, & Kuang, 2001). Further, as with IS project teams in general, there is a need to complete concurrent and interdependent tasks, deal with complexity, share knowledge and expertise, deal with ambiguity and collaborate. In spite of the recognition of the importance of teams to the implementation process and the challenges faced by these teams, relatively little attention has been given to IS project teams in general and ERP/HRMS implementation teams in particular. For example, ERP teams are not among the 24 major streams of ERP research identified by Al-Mashari (2003) in a review of the literature.

The purpose of this article is to present shared leadership as a way to improve the management and functioning of teams in the ERP/HRMS implementation process. Shared leadership describes a team level phenomenon where leadership behaviors are engaged in by multiple individuals rather than a designated, formal team leader (Bligh, Pearce, & Kohles, 2006). Shared leadership is characterized by collaborative decision-making, knowledge sharing, and shared responsibility for outcomes, and team members leading each other toward the achievement of goals (Day, Gronn, & Salas, 2004; Pearce & Conger, 2003). As such, shared leadership can be contrasted with the typical approach to leading and managing IS project teams, characterized by traditional hierarchical leadership (Faraj & Sambamurthy, 2006).

As a relatively young and increasingly popular approach to team leadership, a need exists to summarize and integrate the shared leadership literature with the aim of applying it to teams involved in ERP/HRMS implementation and provide direction for future research. While there is a scholarly rationale for this effort, this endeavor is practical as well due to the complexity and inherent difficulty with implementing ERP/HRMS. Consequently, a review article at this point in time can both make the case for applying shared leadership to ERP/HRMS implementation teams as well as direct efforts by scientists to generate research related to the shared leadership approach for effective leadership of teams. Toward this end, we discuss HRMS/ERP implementation and teams, introduce the concept of shared leadership, review the literature with respect to its impact on team outcomes, then describe its application to ERP/HRMS implementation and propose a number of research propositions based on the presentation of an integrative framework. The framework presents antecedents, mediators, moderators and outcomes of shared leadership in teams, highlighting directions for future research.

2. Theoretical background

2.1. Teams and leadership in ERP/HRMS implementation

As noted by Faraj and Sambamurthy (2006), how best to lead teams involved with IS projects, such as ERPs, has remained an evolving issue. ERP/HRMS implementations are typically led and managed top down by a project manager or external leader who directs the implementation (Parr, Graeme, & Darke, 1999). Typically this leader's focus is on meeting project schedules and issues related to processes, systems, and technical aspects rather than on facilitating team functioning (Valacich, George, & Hoffer, 2006). Sarker and Lee (2003) pointed out that, in spite of this *modus operandi*, there is a growing consensus that human factors (such as empowered ERP implementation teams) are critical to ERP implementation success, more so than technical or economic factors that are often viewed as the primary determinants.

Implementing ERP/HRMS requires managing teams composed of individuals with multidisciplinary skills who are brought together from within and outside the organization. The ERP system implementation process usually involves multiple cross-functional teams, representing various business functions. Teams are assigned to the different phases in the system development life cycle, to implement the various ERP modules, and have responsibilities such as to define the functional specifications, create the technical specifications, modify or customize the modules to meet the functional requirements, and integrate and test the modules. Further, as IS project teams, these teams have to integrate their expertise, share their knowledge, operate in a highly coordinated fashion, and typically work under time pressures (Faraj & Sambamurthy, 2006; Yuan, Zhang, Chen, Vogel, & Chu, 2009). ERP/HRMS implementation success is heavily dependent on the effectiveness of implementation teams in performing interdependent and concurrent tasks, and communicating and collaborating both within and between the teams.

² Throughout this paper we use the term ERP/HRMS to refer to general ERPs that include at least an HRMS module.

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