

Chapter 70

Workplace Social Support and Attitude toward Enterprise Resource Planning System: A Perspective of Organizational Change

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ABSTRACT

To respond to competitive environment, many organizations have invested in enterprise resource planning system in order to improve workflow and increase the efficiency of shared services for the last two decades. Nevertheless, most organizations often fail to utilize and explore the new information system's functionalities to achieve their expected objectives as promised. This brutal fact reveals implicitly that there is an urgent need to improve the knowledge of understanding why and how employees accept and use new information systems. Particularly, in many cases, the reasons for the new information system's failure are neglecting social factors and a lack of change management. In view of such, the main aim of this study is to investigate the relationship between workplace social support and employee's attitude toward enterprise resource planning system from the perspective of organizational change. Results from a sample of 334 respondents in Taiwan revealed that workplace social support not only influences employee's attitude towards enterprise resource planning system directly, but also exerts its influences indirectly via affective commitment to organization and affective commitment to change.

INTRODUCTION

Modern organizations face the severe challenge of expanding market, reducing operation cost and rising customer expectations. To respond to competitive environment in a business world, many organizations have invested in new information system (IS) in the hope to reduce operation cost and increase productivity (Avgerou, 2001; Chung & Snyder, 2000). Specifically, for the last two decades, enterprise resourcing planning (ERP) system has been introduced by many organizations in order to improve workflow and

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increase the efficiency of shared services and single database operations with streamlined processing, reporting, and access across operating units (Jacobson, Shepherd, D'Aquila, & Carter, 2007; kogetsidis, Hokkinaki, & Soteriou, 2008; Lee, Lee, Olson, & Chung, 2010; Momoh, Roy & Shehab, 2010; Rao, 2000).

In essence, ERP system is a software solution integrating the various functional spheres in an organization – a link through the entire supply chain, aimed at best industry and management practices for providing the right product/service at the right time, at the right place, at least cost (Rao, 2000). From a business standpoint, the benefits that a properly implemented ERP system can offer an organization include time and cost reduction in business process, faster transaction processing, improvement of operational performance, financial management and customer service, web-based interfaces and more effective communication (Kogetsidis et al., 2008).

Despite the benefits of implementing ERP system, numerous studies have reported unusually high failure rate in implementing it due to variety of challenges (Ho, Wu, & Tai, 2004; Razmi et al., 2009; Momoh et al., 2010). This brutal fact reveals that understanding how to implement ERP system successfully is a high priority for both researchers and practitioners (Cho, Park, & Michel, 2011; Momoh et al., 2010; Razmi, Sangari, & Ghodsi, 2009; Venkatesh, 2000). In this regard, Davis' (1986) technology acceptance model (TAM) and its extended model (TAM2; Davis, Bagozzi, & Warshaw, 1989) are widely applied in exploring the inner working mechanism of users' acceptance and usage of new IS (Bhattacharjee & premkumar, 2004).

Indeed, there is a large body of research on successful adoption of ERP system supporting the impact of such perceived ease of use on initial user acceptance and sustained usage of new IS (Bhattacharjee & premkumar, 2004); Nevertheless, TAM's universality to predict across all situations has recently been called into question (Greenfield & Rohde, 2011). Specifically, it is pointed out that fewer efforts have been devoted to understanding the determinants of attitude toward ERP from the perspective of the social fabric/effects (Venkatesh, 2000; Avgerou, 2001; Kotlarsky & Oshri, 2005). For example, as Koh, Simpson, Padmore, Dimitriadis, and Misopoulos, (2006) and Kotlarsky and Oshri (2005) argued, neglecting human and social factors constituted a major problem while implementing ERP system. Further, in many cases, the reason for new IS implementation failure is a lack of change management (McAdam and Galloway, 2005; Momoh et al., 2010; Ziemba & Oblak, 2015).

In practice, ERP adoption itself is a complex project (Markus & Tanis, 2000; Ghosh & Skibniewski, 2010) and change is an inevitable consequence of ERP adoption (Hornstein, 2015; Serra & Kunc, 2014). In general, organizational change has been identified as a formidable stressor in organizational life (Judge, Thoresen, Pucik, & Welbourne, 1999; Allen, Jimmieson, Bordia, & Irmer, 2007). In that case, workplace social support may play an important role during implementing ERP system because social support implies an enduring pattern of continuous or intermittent ties that play a significant part in maintaining the psychological and physical integrity of the individual over time and it has been identified as a factor to buffer job stress (Kossek, Pichler, Bodner, & Hammer, 2011; Sosik & Godshalk, 2000).

In summary, to make up for such deficiency aforementioned, this study aims at understanding the relationship between social support and employees' attitude towards ERP system from the perspective of organizational change. More clearly, this study hypothesizes that workplace social support enhances employees' affective commitment to organization which, in turn, promotes their affective commitment to change and, ultimately, influences their attitude toward ERP system.

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