From disruptions to struggles: Theorizing power in ERP implementation projects

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ABSTRACT

Enterprise resource planning (ERP) implementation projects often fail to achieve their objectives. These often problematic projects are frequently the setting for intense and growing power struggles. Existing studies (e.g., Boonstra, 2006; Shepherd, Clegg, & Stride, 2009) have provided researchers with insights about issues of power in these projects. However, existing research has yet to provide a comprehensive picture of power in these projects or insights on how this picture changes with the passage of time. Clegg's (1989) circuits of power framework provides a useful tool for developing this needed comprehensive picture. We use the circuits of power framework as a tool for categorizing existing literature on power in ERP implementations. More importantly, we draw on this framework to provide a comprehensive view of power in the particular context of these projects. Specifically, we analyze the power relations during the implementation of an ERP in an organization. We do so by identifying how disturbances to the circuits of power – power struggles – arise and intensify during the implementation of the ERP. In this way, our work makes both a theoretical and an empirical contribution to the study of power in ERP implementation projects.

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1. Introduction

The implementation of ERP systems continues to garner the interest of business organizations. An ERP system is a configurable off-the-shelf software package, an integrated set of systems and information resources to coordinate a wide range of operational and management activities such as procurement and accounting (Akkermans & van Helden, 2002; Al-Mudimigh, Zairi, & Al-Mashari, 2001; Daniel & White, 2005; Davenport, 1998). Purchases of ERP systems rank as the largest segment of enterprise software

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spending, which is projected to increase through 2015 (Gartner, Inc., 2011). ERP systems are expected to provide benefits such as reducing development costs and giving real time access to business data (Davenport, 1998; Palomino Murcia & Whitley, 2007; Seethamraju, 2008). However, ERP implementation projects are often problematic endeavors. Estimates suggest that up to 75% of ERP implementations fail to achieve their intended objectives (Robey, Ross, & Boudreau, 2002). Faced with the often problematic outcomes of ERP implementations, IS researchers have sought to understand reasons for these projects' poor performance.

Power struggles, often manifested in conflict and resistance, have been referred to as one of the main reasons why ERP projects fail to achieve their goals (see for example Allen, Kern, & Havenhand, 2002; Markus, Tanis, & van Fenema, 2000). Although, there have been many studies that concentrate on power and ERP implementations (these will be discussed in the literature review section), their scope is narrow as these tend to focus mainly on conflicting actions. However, as it has been demonstrated in sociology (e.g., Clegg, 1989; Giddens, 1984; Lukes, 1974) and IS literature (see Jasperson, Carte, Saunders, Butler, Croes, & Zheng, 2002), power operates beyond actions and behaviors; it does it also through the creation of meanings and techniques of production. Hence the motivation of our paper; that is identifying what are the antecedents of power struggles. We will argue that these struggles are rooted in rules of meaning and techniques of production. Accordingly, our research objectives are: (1) to empirically demonstrate – through a case study – how power operates through meanings and techniques of production and (2) to theorize on the conditions that engender power struggles.

The remainder of this paper is organized as follows. The next section discusses our theoretical lens: Clegg's Circuits of Power.[1] This is followed by a literature review of ERP studies which have power as their focus. The section after this describes our research method. Next, we present the case study's narrative along with its analysis through the lens of the Circuits of Power. We conclude by discussing the results of our study, its implications and limitations, as well as possible directions for further research.

2. Circuits of power

The Circuits of Power framework is a legitimate theoretical lens for IS researchers to examine issues of power. In our field it has been applied to examine the institutionalization of information systems (Silva & Backhouse, 2003) and information security standards (Backhouse, Hsu, & Silva, 2006; Smith, Winchester, Bunker, & Jamieson, 2010). With some limitations, which we discuss at the end of this section, we argue it is an appropriate theoretical lens for examining power's role in ERP implementations because it comprehensively integrates three different types of power: facilitative, dispositional and causal. Each type of power corresponds to a circuit of power (see Fig. 1).

Facilitative power concerns a productive view of power that sees organizations and collective actions as the result of power (Parsons, 1967: 345). Dispositional power sees power as a capability that individuals have to produce outcomes as the result of their associations (Weber, 1999) as well as by drawing on discursive resources (Foucault, 1977). Causal power concerns actions in which one individual or a group (*A*s) makes others, either a group or an individual, (*B*s) do things the latter would not do otherwise (Dahl, 1957). Thus, it is through this multi-perspective framework that Clegg argues power should be understood. A more detailed discussion of the concepts of the framework is presented below.

2.1. Conceptual account of the circuits of power

For Clegg power is the force that keeps social systems coherent. Therefore, from this perspective, an organization – understood as organized collective action – is the result of power. Hence, for Clegg, power in organizations is manifested through the production of specific outcomes: tangible products or

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[1] The Circuits of Power framework is not the only approach used by IS researchers to consider multiple perspectives of power. Examples include the well-known framework proposed by Markus and Björn-Andersen (1987) and the more recent approach proposed by Sabherwal and Grover (2010). However, Markus and Björn-Andersen do not address how power can be embedded in techniques of production and discipline. Sabherwal and Grover do not address the roles of rules of membership and meaning, or the influence of exogenous contingencies. Given the attention that the Circuits of Power framework pays to these missing elements, we selected it for our study.