Chapter XV
Success Factors for the Global Implementation of ERP/HRMS Software

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ABSTRACT

This research observes a global implementation of enterprise resource planning (ERP)/human resources management system (HRMS) software at an international company. The software was implemented in 16 countries. Variables such as cultural differences, communication-distance, management support, trust, and resistance to change were evaluated in the literature review. These variables have an impact on implementation success during global HRMS implementation. Further analyses on specific success factors faced with global implementations were evaluated using semi-structured interviews. The authors prepared a questionnaire to further explore the data. Respondents rated questions related to management support the highest overall. An interesting find was that the semi-structured interview results indicated that the software chosen was not a perfect fit for the global community. The mean for questions related to global HRMS success was higher for respondents located in the United States than those located in other locations.

INTRODUCTION

As companies expand globally, the challenge of integrating all parts of the business increases significantly. Many companies employ enterprise resource planning (ERP) systems to meet these challenges. However, ERP systems are difficult to implement successfully, and global ERP systems have additional challenges that compound the difficulties. This chapter summarizes research conducted to identify factors that influenced the success of a global implementation of enterprise resource planning/human resources management system (ERP/HRMS) software.

ERP software consists of a number of different information modules. Human resources management systems are a group of the modules of ERP software that typically house employee information such as payroll, compensation, training, and benefits. A majority of the research regarding ERP software does not specifically mention HRMS. However, because HRMS is one of the modules of ERP, HRMS and ERP are closely related.

Companies realize the value in storing global data using ERP software. Personal and work-related information about employees must be available for reporting and decision making. Typically human resources (HR) is the driving force behind the transformation to a global system. "If HR managers make it a top priority to link their systems on a global basis it will automatically elevate their role in expansion. HR departments must transform their operations in order to deal with the new global landscape" (Rothwell & Prescott, 1999, p. 7). Having access to global employee data gives companies the ability to get information quickly about the company as a whole.

The purpose of the research described in this chapter was to develop a better understanding of the factors that influence the success of a global ERP implementation. These factors included management support, resistance to change, communication-distance, trust, and cultural differences. We studied these factors in a case study

of a global ERP implementation in a software company. Semi-structured interviews were conducted with key implementation team personnel. An evaluation was performed on the interview data and questionnaires were distributed to the entire global implementation team.

Global Software Inc. (the name has been changed to protect the identity of the company) is a software company that provides customer care and billing solutions for communications companies all over the world. Global Software Inc. provides services to more than 1,900 client sites—reaching over 40 million households worldwide. The publicly traded company employs approximately 2,600 employees. Global Software Inc. has offices throughout the United States, Canada, Mexico, Argentina, Brazil, France, the United Kingdom, Spain, Germany, Italy, Belgium, Singapore, Japan, Malaysia, Australia, India, and China. In 2002, Global Software Inc. nearly doubled its size by acquiring a global company. As a result, Global Software Inc. quickly went from a predominantly U.S.-based company to one with offices in multiple locations worldwide. The acquisition forced Global Software Inc. to evaluate its current business processes.

The HR tool in place before (and during) the acquisition was primarily a payroll tool that did not meet global business needs. The company needed a system that would store global data efficiently and be able to format that data to make strategic decisions. The executive management of the company knew that the current HRMS had to be reevaluated from a global perspective. The executive management was the main driving force behind the core global data requirements.

Global Software Inc. implemented a global HRMS so that all employee data could be located in the same system and be available to HR to make organizational decisions/evaluations. The company had one year to implement the ERP/HRMS system, and due to this time constraint it was necessary to focus on the components of the software that were necessary to house and process

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