

Chapter 19

Factors Influencing Users' Intention to Continue Using ERP Systems

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ABSTRACT

There has been an increasing interest in ERP systems in both research and practice in the last decade. But unfortunately in many occasions a lot of companies have stopped using these systems after they went live with the implementation. This study is an attempt to reveal the factors influencing users' intention to continue using the ERP system. A survey was sent to respondent gaining a number of 223 responses. A hypothesized model was developed based on three theories; TAM, ECT, and TPB. The model was tested using regression analysis of the collected responses. Results showed that users' intention to continue using the ERP systems are affected by: perceived usefulness, satisfaction, subjective norm, and perceived behavior control. Meanwhile, perceived usefulness is affected by confirmation and subjective norm while

INTRODUCTION

In the last decades business relied more on information and communication technologies (ICT) to handle their day-to-day operations in an efficient manner. So management and business organizations spend a great amount of resources on information technology (IT) with expectation of increasing productivity, efficiency and long term benefits (Alshare et al., 2004) to adapt such

substantial growth. This huge investment made IT puts increasing pressure on management to justify the outlay by quantifying the business value of information technology.

To cope with such changes, organizations paid attention to the importance of using IT to gain advantage in competitive market. Enterprise Resource Planning systems (ERP) are one of the highly complex information systems (IS) which have been adopted by a lot of organizations worldwide (Elsawah et al., 2008).

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Factors Influencing Users' Intention

ERP may well count as one of the most significant developments in the corporate use of IT since the 90's (Davenport, 1998). A typical ERP system may combine inventory data with financial, sales and human data, allowing organizations to achieve many work activities like pricing products, producing financial statements and managing human, material and financial resources effectively (Markus et al., 2000). This means that the ERP system is integrated and enterprise-wide which automates core corporate activities. It helps organizations to replace the present IS's which aren't integrated to an integrated system.

ERP implementations are very complex and expensive, but once they are implemented successfully, significant improvement in business processes, communication and interaction between users and customers will eventually occur. In addition to better production scheduling and reduction in manufacturing costs. Also management can observe reduction of cycle times of documents and elimination of redundant data and operations (Zhang et al., 2003).

It was reported that 75% of the ERP projects are classified as failures and many ERP projects ended catastrophically (Griffith et al., 1999). Of course failure rates differ from country to country based on many factors. For instance, in Egypt the failure rate of implementation problems is extremely higher than that in the western companies because of the challenging Egyptian culture which is entirely different from where these systems were developed (Elsawah et al., 2008; Rasmy et al. 2005).

Accordingly the objective of this chapter is studying the factors that influence the formation of users' intention to continue using ERP systems. Therefore, the research questions are as follows:

1. What are the salient factors underlying ERP users' intention to continue using ERP systems after its initial acceptance?
2. How do these factors influence continuance intention?

This chapter is structured as follows: we will first introduce the background of similar studies and then describing the relevant theories which will help us to build our research model. Then we will introduce our research model and its hypotheses. Survey and statistical analysis will then follow and finally ideas for future research are presented.

BACKGROUND

During the last two decades the investment in IT has been increasing to reach almost about half of all capital investments on a global basis (Mahmood et al., 2000). In addition, growing numbers of strategic information systems that shape or critically support organizational processes have also been reported (Mahmood et al., 2000). This has led to the growing body of academic research examining the determinants of information acceptance and utilization among users.

Information Systems (IS) are general concepts. Since IS has different functions, so different industries and different organizations use different information systems (Yeh, 2007). Davenport (1998; 2000) has defined ERP systems as systems that aim at providing integrated software to handle multiple corporate functions e.g. finance, human resources, manufacturing, materials management, and sales and distribution. This means they incorporate information and information-based processes in and across organizational functions areas in the organization. This is important to point out that ERP systems are different from the others systems as:

- The integrated nature of ERP systems causes dramatic changes in the procedures and processes of the business (reengineering);
- As ERP systems are not built but adopted, this involves the need to introduce customizations to the users (Wu & Wang, 2006);

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