Explaining intention to use an enterprise resource planning (ERP) system: an extension of the UTAUT model

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Introduction

In today's competitive business environment, companies strive to meet the increased competition by expanding globally and meeting customers' growing expectations. Companies aim to achieve higher profit by generating more output with lower total cost in the entire business chain. In this context, enterprise resource planning (ERP) becomes an important tool for the company to build strong capabilities, improve performance, undertake better decision making and achieve competitive advantage (Al-Mashari and Al-Mudimigh, 2003).

According to Marnewick and Labuschagne (2005), ERP enables an organization to automate and integrate the majority of its business processes, share common data and practices across the enterprise and produce and access information in a real-time environment. The ultimate goal of ERP system is that information must only be entered once (Marnewick and Labuschagne, 2005). In addition, ERP has been promoted as a desirable and critical link for enhancing integration between all functional areas within the manufacturing enterprise, and between the enterprise and its upstream and downstream trading partners (Muscatello *et al.*, 2003). During the process, ERP implementation environment is affected by numerous software and technology systems available to managers, the complexity of the requirements from those systems and the need to adapt any existing or future software to the core ERP technology (Amoako-Gyampah, 2007).

In view of the complexity of implementation and cross functional nature, implementing ERP in an organization is not an easy task and does not always prove successful (Scott and Vessey, 2002; Ramayah *et al.*, 2007). Seymour *et al.* (2007) mentioned that approximately 50 percent of all ERP implementations fail to meet the adopting organizations' expectations and this is supported by Jaspersen *et al.* (2005). In 1996, foxmeyer Drug, a \$5 billion wholesale drug distribution company, argued that one of the major problems that led to their bankruptcy was due to a failed ERP system (Scott and Vessey, 2002).

Besides, ERP implementation is an expensive exercise, as the cost of a typical ERP implementation in a *Fortune* 500 company was estimated as between \$40 million and \$240 million and the enterprise application market is expected to grow from \$47.8 billion in 2004 to \$64.8 billion in 2009, according to AMR Research (Beatty and Williams, 2006).

As such, it is critical for organizations to understand the important variables to enhance the use of ERP among the end users since the resulting cost to the organization is tremendous. Aladwani (2001) stated that many ERP systems faced implementation difficulties because of end users' resistance. Yi and Davis (2001) also noted that organizations will not realize desired returns on their investments in information technologies designed to improve decision-making unless users are able to use them (Amoako-Gyampah, 2007). Cooke and Peterson (1998), reported that 186 companies that implemented large systems found that resistance is the second most important contributor to time and budget overruns and is the