

The Impact Of Implementation Oracle E- Business Suite On Change Management In Public Sector Companies In Jordan



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Abstract—this study is an introduction to my master proposal, in the following pages. I will try to summary my more than fifteen years of experience in ERP field most of them in Oracle E-Business Suite to give a brief summary about ERP and its usage within companies, discuss this application and the impact when implement it amongs change management especially in public sector. As a result, I found that in most ERP implementation in public companies there are some level of changes in management.

Keywords—ERP;Implementation;change management;

I. INTRODUCTION

ERP widely used these days in many big organizations private or public in huge range, to help integrate all organization main functions which can include financial, supply chain management, human resource management, sales and marketing, ...etc.

ERP is considered as a generic and famous helpful application to serve these huge organization to accomplish its objectives in market and achieve competitive advantages to survive.

One of the most successful ERP is an Oracle E-Business Suite (EBS) which published by oracle Inc, Oracle E-Business Suite started life as Oracle Financials in 1987 and still issued its new versions till 2014 by version R12.2.4.

Successful implementation of Oracle EBS depends on make it fit to organization processes and requirements, but it's not wrong to make some changes in business or processes in organization to make this implementation more fit and suitable to accomplish implementation success.

So, this paper will discuss the impact of implement Oracle EBS as an example of ERP on Change Management in public sector in Jordan.

The main variables in this study will be: Implementation Oracle EBS as an Independent variable and Change Management as the dependent variable.

II. PROCEDURAL DEFINITIONS

A. ERP systems

In general, ERP is a collection of programs integrated together in one huge application to serve all levels and functions in the organization, these kinds of application can apply in different kind of organization but its serve more the huge one.

Anderson, Banker, Menon, and Romero (2011) defined ERP as a “database software that automates and integrates information processing in a real time, on a large number of business processes and functions within an organization”.

Significant components of an ERP include human resources, financial, logistics, production, fill orders, and supply chain systems. The old objectives of ERP systems were to achieve more efficiency through contemporary ERP systems that designed to streamline and integrate processes and information flows within the organization (Mehrerdi 2010, 308).

Minahan (1998) defined ERP systems as “acomplex software system that ties together and automates the basic processes of business from taking customer orders to monitoring inventory levels to balancing books.”

B. Oracle E-Business Suite

Oracle E-Business Suite is the most comprehensive suite of integrated, global business applications that enables organizations to make better decisions, reduce costs, and increase performance.

With Oracle E-Business Suite, oracle provides with its applications unlimited commitment on the long-term plan to provide continuing enhancements to your existing investments in Oracle applications.

Oracle E-Business Suite helps organizations of all sizes, across all industries and regions with a global business foundation that reduces costs and increases productivity and effectiveness through a portfolio of rapid value solutions, integrated business processes and industry-focused solutions. (Oracle Website)

C. Change Management

Today's while implement any ERP application or any other IT new system, we depend on people as main factor to lunch implementation, those people can't be managed without good and success management, so in most ERP implementation projects we need to make some changes in this management and in how to manage people, through change in business and processes.

According to Creasey (2009), He defined Change management “the process tools and techniques to manage the people-side of change to achieve the required business outcome. Change management incorporates the organizational tools that can be

utilized to help individuals make successful personal transitions resulting in the adoption and realization of change.”

III. WHY TO CONSIDER THIS PAPER AS SOCIAL SCIENCE

We can consider this study related to change management as a social science, because According to (www.iocmi.org,2017) change management can affect all enterprise components each person and group, through re-direct all operations and re-direct of business process, budget allocations and resources within the organization, also it includes methods of reshape the organization.

Change Management focuses on how people and teams are affected by an organizational transition. It deals with many different disciplines, from behavioral and social sciences to information technology and business solutions. (Falicetti, 2017)

IV. METHODOLOGY AND SAMPLE

According to above introduction while we can consider change management as a social science and while the context of this paper relies on IT social science in its nature. Bryman (2004) claimed that social research is the best way to use when discussing issues related to Information Technology.

In addition, BERNARD (2006) argued that important knowledge in these fields may successfully gained through qualitative studies, according to CRESWELL (1998), there are five main types of qualitative researches, and these are: biography, phenomenology, grounded theory, ethnography and case study.

Boeije (2009), suggested that the starting point of qualitative research is to find the meaning that people award to their social worlds and to understand the meaning of their social behavior. He added that the focus of qualitative studies relies on “What it all mean for the people involved” is always a main attraction for qualitative researchers.

So, the researcher will utilize qualitative methodology to achieve the goal of this paper through adopt an observation and unstructured and semi structured interviews for the data collection purposes.

Another method the researcher will use to adopt the qualitative methodology is documentation through review some main documents in the sample project.

According to Yin (2003) he said, “That interviews of this nature of research tend to reach a point of data saturation after interviews with about eight individuals”. So, researcher in this paper will choose eight employees from the sample department in four public sector companies in Jordan (three municipalities and the Ministry of municipality affairs (MOMA)).

V. LIMITATION OF THE STUDY

This study will complete within certain limits including:

- Spatial limits: this study will apply in The Ministry of Municipality affairs (MOMA) and three municipalities related to this ministry, which are (Irbid, Madaba, Lob and muleah)
- Temporal limits: this study will apply through implementation oracle EBS between 2015-2017.
- Human limits: the sample of the study will be including technical, functional and management users using ERP systems
- Scientific Limits: these limits including the study variables: Implementation Oracle EBS as a dependent variable and Change Management as the independent variable.

VI. THE PROBLEM

We can summarize the problem in this paper from the paper title, where the problem that we need to study implementation Oracle E-Business Suite as an ERP system in public sector and to know if this implementation has any impact on change management in organization where Oracle E-business Suite will apply.

This Study will depend on a real implementation of Oracle EBS in one of the public-sector ministries, which is the Ministry of Municipality (MOMA) through implement five Financial Modules from EBS, the problem was in the difficulties to complete implementation using the current Business Process which depend on old unintegrated system and sometimes manually processes.

In the end of this study we need to get conclusion if this implementation has a real effect or cause changes in management in MOMA and the result and benefits of this effect.

VII. THE RESULTS

Qualitative results for this paper analyze using two types of analysis, where:

Narrative Analysis: Narrative analysis focuses on speech and content, such as grammar, word usage, metaphors, story themes, meanings of situations, social, cultural and political context of the narrative.

Hermeneutic Analysis: Hermeneutic analysis focuses on the meaning of a written or oral text. When you are trying to make sense of the object of study and bring to light some sort of underlying coherence.

This paper results depend on the interviews with sample users in IT department and other related departments. These interviews include unstructured and semi structured questions.

This paper is part of my previous experience in ERP field for more than fifteen years, through the latest years ERP is one of the most popular applications applied in companies in Jordan,

it's a real actual evidence in this paper, where through the years between 2014-2017 I was one of the team who was responsible of implementation phases in more than 5 companies in Jordan.

The most important part in this paper is the interviews with the sample employees, researcher asked the questions in the interview for each employee, and collects answers and analyzes them as the following.

Through utilizing employees answers we can see that most employees almost have the same point of view regards implementation ERP and change management depends on this implementation, they see that implementation needs some changes in management depends on the level of them.

In these cases, before implementation approval, we should get business and processes change approval, to complete implementation.

All answers emphasizing on employee point of view, there is an impact for implement oracle ERP in their companies, which assist that there is an impact for this implementation in change management.

When implement Oracle E-Business suite in public companies we faced many problems, one of these problem is the traditional management processes in those companies, applying ERP system almost need some change in management processes, where we can't complete implementation without this change.

We need to remember that in public companies the management processes almost old and can't match with modern business processes depend on what build in Oracle E-Business suite system.

Another main source for this study is some formal documents refer to ERP project in MOMA where we can follow these documents to trace the changes happened during the implementation.

The first document is SYSTEM AS IS which contains all details of previous system according to the current requirements for implemented systems AR, AP, GL, CM and Budgeting. This document considers as the main reference to all later processes in the project.

The other document is SYSTEMS AS TO BE which shows all the details for system need to be implemented in EBS project, these details shows how implementer will apply the main processes from previous document in point of view of EBS application and how to implement these new processes.

Change in processes can appear now when comparing between these two documents, then third document prepared against these differences to create SYSTEM GAP ANALYSIS document, this resulted document which we will depends on it in this study to get ad describe changes in processes that will appear while implement EBS.

So, and from the analysis of the third document we can mention some examples of changes in processes in MOMA project, such as:

- In Account Receivable (AR) system

The main change will appear in AR system while implement EBS system that is the ability to reprint AR receipt and ability to add new function to cancel the previews receipt, this change need approval by the high management to approve and accept this change.

- In Account Payable (AP) system

As in AR system, implement new AP system in EBS will add the ability to reprint vouchers many times, and the ability to cancel the previous vouchers, this change need also approval by high management.

- In Budgeting system

Old budget system was completely separated in two parts, one of them in MOMA while the another one in each municipality, so that, the work may redundancy within the both systems, each municipality should create their budget in the beginning of each year and collect all papers related to this budget and move it to MOMA to Budget head office where here the employees will re-work the budget details to compare both system and papers then issue the final reports for high management to get approval for each budget.

When implement EBS Budget system (Hyperion), one system will install centrally in MOMA Budget department and give responsibilities for each municipality to create its own Budget, then MOMA can direct follow what inserted in system and issue the final needed reports to get approval, also high management can access this budget system inserted by municipality form MOMA easily and directly.

- In Cash Management (CM) system

In Cash management system change appear clearly, while before EBS system, bank reconciliations was accomplished manually, New EBS CM system provide full automated steps to complete this task easily, this need a full training for both management and employees to follow this new system and approve it.

- In General Ledger (GL) system

With using EBS system, we have one public place to define Chart of Accounts (COA), where one employee and one department responsible for creating new accounts. This considers as a change because before EBS each financial department have its own accounts definition separated from the other departments this change needs approval from head management.

- General Changes

From an IT Point of view ERP system will install centralized in MOMA Head office in Amman, and IT department in each municipality can maintain and solve any problem direct and easy, also backup methodology done directly from MOMA head office in Amman for all municipalities.

VIII. DIFFICULTIES

Implementation Oracle E-Business suite is a chain of long processes needs a long time to get result, through this long time we need to trace change management then need legal actions and approval to apply and complete implementation of EBS. Also, we can't ignore people resistant for this change, this resistance can easily cause EBS implementation fail.

IX. FUTURE RESEARCHES

We can suggest for future studies trying to find practical solutions to solve the resistance of the employees while implement ERP systems, I can suggest applying change management models such as ADKAR model to reduce human Resistance.

X. RECOMMENDATIONS

After this paper, we can list the following recommendations:

- We need to try to evaluate the selected ERP system before start applying to determine if its suitable to our business or not.
- We need to try to list all expected change which may occur while implementation in the beginning stages to avoid pending work to waiting management approval to complete.
- Employees who will affect by implementation need long cycle of training and practices to avoid resistance

XI. DISCUSSION

After the details of the previous topic in this paper, we can summarize the main idea in: when we will try to select and implement an ERP system we need to be careful to all future and unexpected changes that may occur in business or processes and affected by this implementation.

If we re-read the results again we can understand more facts regarding to this implementation, implementation can cause change in each department or function affected by this new EBS system, each employee can face changes and should adjust with new way and process in work.

Companies where EBS will apply should introduce carefully for any changes in their business and processes and apply it step by step with management attention and follows, they need to be careful about human resistance against this change, it will be a disaster and may cause implementation fail.

We need to evaluate the change and ask us if this change necessary and important for complete the work cycle, or we can replace it with another business scenario, what the cost of this change and what the future effects? Always we need management approval for each change before applying it and consider it as a new business procese.

XII. CONCLUSION

In the end of this study we assist again that any implementation of any ERP application such as Oracle E-business Suite have impact and touched effects in company management processes which consider as change management...

These changes in management and processes can affect in different Module such as Account Payable, Account Receivable, Cash Management, General Ledger and budgeting....

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