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Organizational Sensemaking in ERP Implementation: The Influence of Sensemaking Structure

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Abstract

Organizational sensemaking is crucial to enterprise resource planning (ERP) implementation. This is because it enables the focal organization to gain an understanding of the unique contextual issues within and surrounding the organization, and to continuously monitor and reinterpret these issues so that the approach to ERP implementation can be modified or realigned accordingly. Yet, little attention has been paid to studying the nature and implications of this process. Using a case study of the ERP implementation journey of Shanghai Tobacco Corporation, a Chinese state-owned enterprise, this paper explores the different ways in which organizational sensemaking can unfold in the context of ERP implementation. Analyses of our data suggest that the process of organizational sensemaking is influenced by a sensemaking structure, which consists of a technical structure (i.e., the technical foundation for sensemaking) and a social structure (i.e., the behavioral norms and relational ties surrounding sensemaking). The sensemaking structure, in turn, is influenced by the contextual conditions surrounding ERP implementation. With its findings, this study contributes a process model of ERP implementation from a sensemaking perspective to complement the existing research, and provides indications to practice on the effective implementation of ERP systems.

Keywords: Enterprise resource planning, organizational sensemaking, systems implementation, sensemaking structure, package–organization misalignment, case study