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Critical Success Factors in ERP System Adoption: Comparative Analysis of the Private and the Public Sector, E + M: Ekonomije a Management, ISSN (Print) 1212-3609, Vol 22(2), 203-221.

Scientific paper

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This research provides useful insight into differences in the perception of significance and the degree of fulfillment of Critical Success Factors (CSFs) of Enterprise Resource Planning (ERP) adoption between private and public sector organizations. The survey was conducted on a sample of 77 Serbian organizations, with approximately equal representation of those from the private and the public sector. A comprehensive list of CSFs, compiled as a result of an extensive literature review, was included in the questionnaire. The collected data and statistical procedures applied revealed the CSFs that differentiate the organizations from the two observed sectors. Involvement of end users in ERP adoption and implementation activities has proven to be the CSF in relation to which the assessments and attitudes of organizations from the two sectors differ the most. Results of this research indicate that differences between private and public sector organizations are more distinct in terms of their level of fulfillment of ERP adoption CSFs than they are in terms of their assessment of CSFs' significance. This points to a conclusion that differences in the way of functioning and governance of organizations from these two sectors influence their ability to tackle the problems much more than their ability to recognize them. The practical contribution of this research is in providing some useful findings that can greatly assist relevant stakeholders to achieve a higher success rate in an ERP adoption. In addition to responding to the initial research questions, this paper has also revealed new issues, suggesting the need for further research.

Research results presented in this paper indicate that differences between public and private sector organizations are more pronounced in terms of fulfillment of ERP adoption CSFs, than in their assessments of CSFs' significance. Out of 30 observed CSFs, statistically significant differences in assessments of CSFs' fulfillment were revealed in the case of 6 CSFs, while in the case of CSFs' significance assessments such differences were identified for only 4 CSFs. The most differentiating individual CSF is "Involvement of end users in ERP adoption and implementation activities (CSF19)" which is the only CSF with a recorded significant statistical difference between the two sectors for both evaluation criteria. Respondents from the private sector assessed this CSF as much more significant, and at the same time as much better fulfilled. This phenomenon can be interpreted in numerous ways,



but is most surely linked with motivational factors that are obviously more present in the private sector. The general conclusion is that differences in the way organizations from the public and the private sector operate much more influence their ability to tackle problems (CSFs) than their ability to recognize them.

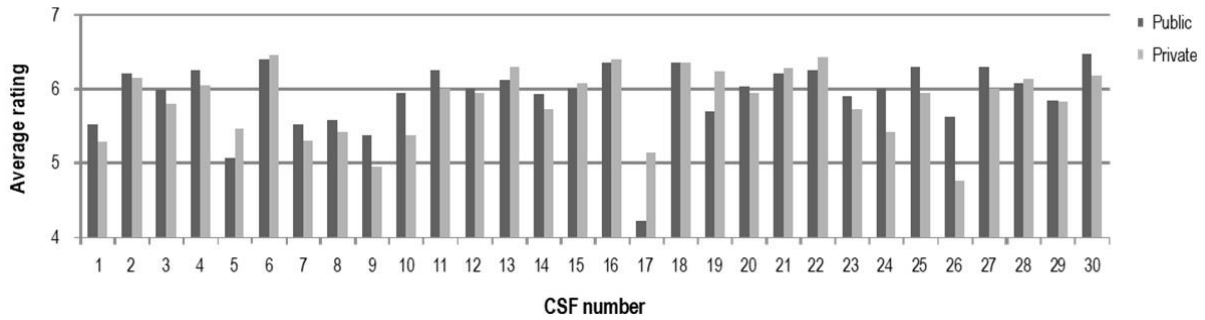


Figure 1: Average Assessments of CSF's Significance in the Public and Private Sector

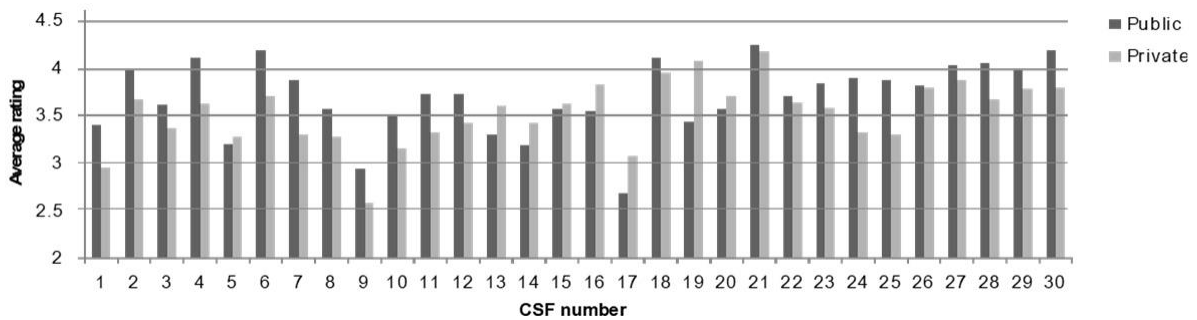


Figure 2: Average Assessments of CSF's Fulfillment in the Public and Private Sector