A

PROJECT REPORT ON

"Importance and role of Enterprise Resources Planning (ERP) in HR in the industry which are operating across the world . "

Submitted to

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

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Submitted by

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Under the Guidance of

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CERTIFICATE

This is to certified that**, Saukhyada Sanjay Joshi** has submitted the project report on **"(Importance and role of Enterprise Resources Planning (ERP)in HR in the industry which are operating across the world)"**,toward partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination.

This has not been submitted for any other examination and does not form part of any other course under goes by the candidate.

It is further certified that it has ingeniously completed his project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University Nagpur.

Dr. Pragati Richa Pandey   **Dr. Geet Naidu**

(Project Guide)   **(Co-ordinator)**

Place: Nagpur   **Date : 01-07-2021**

DECLARATION

I here – by declare that the project with title "(Importance and role of Enterprise Resources Planning (ERP)in HR in the industry which are operating across the world .)" has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribe by Rashtrasant Tukodoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Place: Nagpur

Date: 01-07-2021

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INTODUCTION

Enterprise resources planning system have been considered as the most important development in the corporate use of information techonology in 1990's . Major business drivers behind ERP implementation have been the various technical , financial , operational , and strategic benefits these system promise .

As summarised by olson (2004) , expected benefits of ERP system includes , for instance , quicker, information response time, increased interaction across the enterprise , improved order management cycle, reduce financial cost , improve interaction with customer & suppliers, improved on-time delivery & cash- management , and so forth .

However these benefits are often difficult to meet implementing an ERP system is usually an extensive and costly process involving amount of human and other resources . Infact , ERP (Enterprise Resources Planning)

implementation failure rate is high . A large amount research has been done on factors that are necessary for successful ERP implementation .

The managing human resources is an appropriate manner is a key for a success in ERP implementation project . Today, human resources management is being renewed in organisations and becoming one of the fundamental function of the project management . With the arrival of ERP system , HR functions become fully integrated with the operation side of the business .

The research on HRM has changed from an inactive and problem – solving role to strategic , focusing , on retention and development of the best HUMAN RESOURCES .

Many researchers have listed people factors in their critical success factors list and have agreed that managing human resources in an appropriate manner is a key for a success in ERP implementation projects. Also, launching an ERP project results an inevitable change process, which accordingly brings in many behavioural and managerial challenges such as user resistance, management resistance, employees lack of 2 motivation, high turnover of key personnel, lack of expertise, insufficient human assets, lack of training and so forth. These people challenges are considered to be more difficult to manage than the technical difficulties encountered. Likewise, many academics suggest that the reason why large number of software implementation projects fail is because management is paying too little attention to human factors. In brief, in

order to succeed in an ERP implementation project human needs and concerns have to be addressed.

Today, human resources management is being renewed in organisations and becoming one of the fundamental functions of the project management. HRM has changed from an inactive and problem-solving role to a strategic, focusing on the retention and development of the best human resources (Clemmons and Simon, 2001). Traditional HR practices consisted of activities such as payroll, hiring activities, records management, reporting and termination activities and similar. Nowadays, HRM takes more of a full service role providing employee support beyond pension planning and career development. With the arrival of ERP systems, HR functions became fully integrated with the operations side of business. However, research on HRM context of ERP is relatively new and many studies have the the in the not been done on the topic.

What is ERP?

Enterprise Resource Planning (ERP) is a computer-based system designed to place companies' major activity areas: planning, production and customer service under an umbrella. ERP system is a software package of different modules such as fixed assets management, controlling, financial accounting, manufacturing, human resources, planning and development and so forth. Each module is business process specific. Generally companies choose one ready-made package available for their industry but it is also common to select the modules that best meet their needs. There are hundreds of ERP vendors available on the market; however, this field is mainly dominated by J.D. Edwards, Baan, PeopleSoft, SAP and Oracle (O'Leary, 2000).

The major characteristics of ERP systems are: a packaged software system designed for the client environment, the integration between the modules and across entire organisation, access to data in real time, data storing and retrieving processes in an enterprise-wide database, and management and analysis functionalities. Moreover, ERP systems are expected to have additional characteristics such as support for multiple currencies and languages, which is critical for multinational companies, and support for 6 specific industries, for instance, oil, gas, banking, health care and chemicals industries .

HR software modules connect your employee information and records with all the systems in your ERP. Payroll, time tracking, individual department scheduling and timesheets, succession planning, and hiring information all live in one place and can sync directly with financial and accounting tools to give companies a cohesive understanding of how human resources directly affect the financial health of the whole company.

MODULE OF ERP

Organizational Management :- It helps with personnel planning and application development. It enables analysing the complete organizational structure. This allows planning and developing personnel summaries.

E-Recruitment :- sub module for hiring both internal employees and external candidates. That includes access to talents regardless of geography.

Time Management :- it enables functionality to record attendance and absence for employees. It also helps in the evaluation of attendance, absences, overtime, bonus, wages.

personnel Administration :- it manages many individual pieces of information. This information is stored, updated, and managed for each employee. To manage personnel data related to tasks you need it.

Payroll : - **it** manages the payroll of employees in an organization. Payroll can be integrated with other modules like accounting and time management. It consists of payments for each employee and deductions made. In the transactions of the payroll module, the user is allowed to enter the daily attendance data of all the employees of the company on the payroll. The user can mark the entire employee's data as present or absent. Also if the operator of the company has done any overtime then the user of the software can enter the data relating to the operators over time.

Reporting :- it provides reports of individual employees and consolidated reports across departments, demographics .

RELEVANCE OF THEORY

In spite all the benefits implementing ERP is a risky undertaking. The truth is that due to the behavioural and management related challenges in the implementation process many ERP projects have been terminated. The reasons being: end-user not being ready, resistance to change, lack of user education and training, high turnover of key personnel, lack of communication and support documentation, the layer of consultants in addition to pure technological problems such as software bugs and configuration difficulties . In summary, several studies agree that the biggest obstacles are people, organisational issues and change management . Moreover, people challenges are considered to be more difficult to manage than the technical problems .

In addition, ERP implementation usually requires an extensive level of BPR (Business Process Re-engineering) , which means redesigning existing business processes in way that they are the best supported by the system. The change BPR requires produces resistance from the employees side as they see it as a threat to their job security. Many researchers state that the major reason for failure of BPR is the lack of attention towards the human issues. Olson lists the foremost reasons of BPR failure from Sutcliffe's study:

❖ Employee resistance to change

- ❖ Inadequate attention to employee concerns

- ❖ Inadequate and appropriate staffing

- ❖ Inadequate developer and user tools

- ❖ Mismatch of strategies used and goals

- ❖ Lack of oversight

- ❖ Failure of leadership commitment

According to O'Leary all the risks throughout the ERP implementation cycle can be categorised into three main groups.

TECHINICAL:-

Technical risks arise largely from the information processing, for instance, problems with software modifications, system integration, data errors, operating systems, network capabilities et cetera.

BUSINESS :-

Business risks derive from the models, artefacts and processes that are chosen for the ERP implementation such as insufficient resources, competitor's position in the market, cost and benefit judgements, cost and time overruns, problems with customers and

suppliers, drop in company's key performance indicators and similar.

ORGANISATIONAL:-

Organisational risks occur from the people, organisational structure and environment in which the system is implemented, for example, lack of end user and personnel training, turnover of key personnel, cultural issues, choosing the right consultant, business process reengineering and so forth.

Technical risks are largely related to the information processing technology and are usually handled by the company professionals and vendors. Business and organisational risks are the most critical and difficult ones to manage.

Olson summarised the results of the study done by Willcocks and Sykes , which analysed the sources of ERP implementation failure. The authors concluded that the failure is by the need for major changes in human, cultural and driven organisational relationships. The table below displays the three factors related to *ERP implementation failure*.

Factors in ERP implementation

Scenario	CIO /IT Focus	Typical Outcome

Technological determinism	Technical	Failure to gain business benefits
Supplier /consultant drive	Disregarded	Cost overruns
Out dated relationships and capabilities	Insufficient talent	Chaos

Technological determinism is often a scenario when the CIO (Chief Information Officer) is too technically focused and IT group is developed around technical skills. ERP system is seen as a packaged solution to organization's all technical and business problems. This implementation approach often results high level of resistance and rates of failure. The IT group handles the implementation process and focuses mostly to be on time and within the budget instead of gaining business benefits.

The supplier/consultant driven situation occurs when senior business executives direct ERP implementation without any consultation with the CIO (Chief Information Officer) and IT group. Reasons being that top management sees ERP as a strategic tool or

because it lacks in trust in IT group abilities. In this case, the project is outsourced either to ERP vendors and consultants or application service providers. The outcome of this kind of approach is usually considerable cost overruns.

Outdated relationships and capabilities setting arises when the CIO and IT group are not capable to cope with the challenges of the new technologies. For instance, they lack the technical skills but are still responsible for the ERP system. Into the bargain, external specialists are hired to fill the caps, relationships with business users are not developed, focus is towards minimizing the costs rather than on strategic benefits and organization fails to utilize ERP tools. This type of scenario is the most common even in the case of the successful ERP implementations.

FEATURE

It is a section to control the company process : - Human resource management is purely related to the managing process of the company. This system brings out the management principles, concepts, techniques, and

utilization of these things during the management of human resources of any business.

<u>Applicable for all types of business :-</u> No matter the organization is small, medium, or big, the concepts and applications of the system are the same even though the scope and purpose of the organizations are different.

<u>Apprehensive about persons :-</u> This system connects to the people. That means it connects to the human capital and the management of an organization. It manages the people of all levels like common employees, supervisors, managers, and also top management of the organization.

<u>Focused on the action :-</u> It mainly focuses on action instead of generating reports and all.

<u>Objective-oriented :-</u> The system absolutely concentrates on achieving the objectives of the organization by providing the necessary tools and methods.

Enhances development :- The system makes sure of the complete utilization of human skills and capabilities. It also conducts training programs to upgrade the employees.
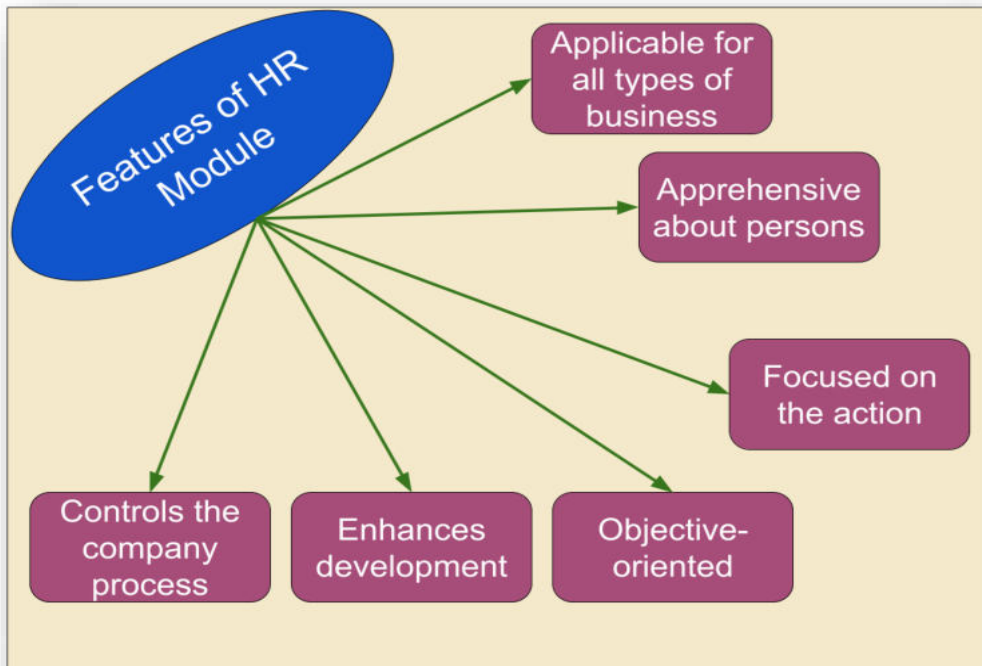
NEED OF STUDY

• improves the firm's performance

 • eliminates inefficient manual processes

• provides integrated, enterprise wide common tools and processes

• reduces the costs by improving the enterprise efficiency through computerisation

• includes improvements in logistics, production scheduling, customer service and customer responsiveness

• provides enterprise-wide data visibility, reporting and decision support

• contains the ability to manage the extended enterprise of suppliers, alliances and customers as an integrated wholes

The main need of these systems from the technological angle is that they provide a common integrated software platform for business processes. These systems have two important features: firstly, they facilitate a causal connection between a visual model of business processes and the software implementation of those processes, and secondly they ensure a level of integration, data integrity and security, which is not easily achievable with multiple software platforms.

From the business and strategic perspective implementing ERP is seen as way to improve corporation's effectiveness and efficiency, reduce their operating, personnel, inventory and IT costs, and improve their productivity, business growth, production scheduling, delivery time, customer service, and overall quality. Additionally, data visibility and timely information is important to make better business decisions .

ERP systems also enhance inter-organization communication and collaboration between different functions and locations. Standardization of the processes across the units works in favour of collaboration as it reduces the number of conflicts between the processes. The single database system encourages communication across locations and functional units through sharing the information. With ERP systems companies are using the same database, which can be accessed on-line, in real-time and simultaneously by many users. Since, virtually all users have access to the same information it improves companies planning and control practices.

<u>BENEFITS</u>

- HR module integrated with ERP gives you more advantages

- It helps to automate the process.

- It reduces the time consuming while taking the report.

- It helps store the data in a centralized location so it allows the business to share the information across the organization faster and easily.

- Allows the team members to coordinate with each other while working by providing the right data.

- Enhances the business.

- It allows the management to have a short-term picture of the company's employee resources (eg : employee who comes late, who takes more holidays, etc).

- Helps to speed up the decision-making by avoiding the duplication of information.

- Helps to reduce the cost of licensing. Without the ERP hr module, you required more computers and licenses to track all the information about employees, leading to an increase in the cost.

OBJECTIVE

The aim of this paper is to investigate the importance of human resources (HR) aspects in Enterprise Resource Planning (ERP) Systems implementations projects and study whether their significance varies in the case of successful and unsuccessful implementations .

RESEARCH METHEDOLOGY

Research methodology is a very organized and systematic way through which A particular case or problem can be solved efficiently

METHODS USE :-

1 . The reliable of key stakeholders / parties :-

The study by dealt with the issue of the key stakeholders and identified four main parties involved in ERP implementation projects: management, users, developers and consultants. Differently from others this research derived its results by using the stakeholder analysis to tackle the CSF. The research framework of the study was based on the human activity system diagram, which illustrated these four 41 key stakeholders involved in any ERP project and examined the interrelations between them. Areas of conflicts were studies as possible sources of project failure. Additionally, the study investigated the key stakeholders power to influence the outcome of ERP project and their strategies to gain support for the project.

• Management Incentives :-

Management is concerned retaining the key people with broad range of skills and specific knowledge. The retaining of employees is closely related to the company's compensation policy through both, monetary and non-monetary awards such as bonuses and salary increases, recognition and career development. Top management and stakeholders

The involvement of top management from the start and support from the other key players such as stakeholders can reduce the major challenges towards the change. The 42 role of the top management is to convey a message that ERP is not another technology but a business project.

Customers :-

The study shows that customers need to be informed on the upcoming changes ERP brings to give them confidence in the implementation plans and to avoid the unpredictable and unfavourable behaviour from their side.

• Consultants:-

Consultants have a very important role of influencing ERP implementations, however, a close monitoring and control of their involvement is required. Conflicts with consultants occurred with the following matters. Knowledge transfer Consultants may be reluctant to transfer their knowledge to client company's employees. It has been also felt that the power and influence is too great and that they don't provide solutions for company's problems.

MOTIVATION :-

Consultants are involved almost throughout the project life cycle and their role is to help to achieve the business benefits. Monetary incentives, for example, bonuses facilitate keeping up their motivation.

Communication :-

Communication problems with consultants mainly took place because consultants used a different language, which companies' management and staff didn't understand, their documentation of the project process didn't match companies needs and some of the consultants were not able to communicate with the people at lower levels.

Agenda differences :-

Another conflict point with consultants that came out was that they wanted to get rid of their current project as quickly as possible and to move on to the next client. Thus, resulting the low commitment. In addition, many consultants seemed to lack the required business and technical skills.

Influence of consultants :-

The power and influence of consultants may grow too big not only because of their ERP knowledge and expertise but also because the management of the company is too busy to come up with new ideas. Consequently, consultants generate the ideas and take control over the project.

Contracts :-

It is important to have the contractual agreements with consultants in order when the problems occur. For instance, inexperienced experts are not being tolerated, consultants are made responsible for the promised results and companies are demanding more value for their money.

• Developers

Developers are the staff, either out-sourced or in-house, designing the configurations of the system.

Performance :-

They are people with specific technical skills who have no realistic understanding of a marketplace, economics and competition.

Skills shortage :-

It is difficult to acquire people with these skills and to retain them because they generally don't have any loyalty to the company but are more interested in their personal career development.

Communication :-

They might not have the same values or ways of operating as the business managers mainly because they tend to be younger people. However, as the ERP

packages are technically complex the company needs the staff with these skills. In addition, these young people are more accustomed to work within the rapidly changing environment.

• <u>Users</u>

As implementing ERP system means new way of doing things and cutting down job positions. Users experience a huge range of emotions such as anger, fear and denial as resistance to change. People want to know what will happen specifically to their jobs not about the long-term vision of the company.

<u>International dimension :-</u>

Cultural differences are present with ERP implementations as people in deferent countries have different ways of working.

<u>Sharing culture :-</u>

Employees of one department might be unwilling to share their knowledge and information with another department.

<u>Training :-</u>

Training the users while providing support for the job changes help the staff to overcome their attitudes toward the corporate and cultural changes due to ERP implementation.

Super users :-

The key benefit of training super users among the employees is that they accordingly train other end users, which helps to improve the communication and reduces resistance to change.

The results expose that people with the right business and IT skills are essential to the success of the project. However, the fact is that companies are losing more key staff than expected at the end of the project. Therefore, substantial bonuses and other incentives are essential to retain the talent in the organisation during the postimplementation stage. The major conflict identified was the use of the external consultants and developers.

Companies tend to rely too much on external help during the implementations whereas the competence and motivation of the consultants and developers is questionable. Despite of the problems associated with the use of consultants their knowledge and skills are still needed for the companies but it is critical to have the strategies and agreements in place to manage them. Other main difficulties with the ERP implementations are encountered with the change management. Cultural and process changes have a destructive impact on employee attitudes and these behavioural problems are more challenging to manage than the technical difficulties that they come across with.

This study   provided some insights into the different perspectives of the four important stakeholders involved in an ERP project. The contribution of the study was that the key parties involved in the project were used to tackle the list of CSF by Bancroft (1998). The particular emphasis was made in the areas of staff retention, conflicts in ERP projects, managing consultants, and cultural and business process changes.

2 .<u>HR requirement for a successful project :-</u>

• Promoters are those who make the proposal for the improvement and set up resources to do so.

 • Inhabitants are those who know what they need and where the improvements have to be made.

• Architects are those with the skills needed for the improvements and who can consult inhabitants and promoters about each improvement.

When talking about the human competences required to the project, the study states that there have to be two types of different and elementary know-how such as operation and engineering ones.

• Engineering know-how deals with the issues of methodology and architecture of the development project.

• Operation know-how contains the issues related with the enterprise.

Only the existence of these two types of know-how is not sufficient condition for the success of the project but these experts have to co-operate closely with each other. The ideal solution is achieved when the same person has the both types of knowledge and can smoothly run between the operation and engineering environments. However, in reality it is difficult to achieve.

As a result, the study concluded that humans are a critical factor in enterprise daily life and thus, have an important role in enterprise improving projects. The analysis of project-necessary know-how, project teams' profiles and roles has led to the definition of guidelines that is to contribute to the improvement of the EEI projects. For further research, the emphasis of the project team structure should not only be made in terms of know-how, profiles and roles but also in terms of human competences and skills. In addition, knowledge management issue should be addressed within an EEI project.

The following HR requirements to be important for a successful project :-

• *Availability*

It is essential to have sufficient human resources available for the project. Engaging full-time project members guarantees continuity and progress.

• *Expertise*

In the case if there is a lack of expertise in-house, companies can employ new people or delegate the work load to external consultants. Recruiting new people brings a valuable input for the company as they look differently at the processes and procedures companies have, plus, contribute new ideas and ways of working. Hiring consultants is an expensive solution but their expertise can accelerate on going of the project. The major drawback is that they hardly transfer any of their knowledge to employees. At the same time, without internal know-how companies are dependent of the external help.

• *Quality*

The success of the project depends largely on the quality of the project members and therefore, the best human resources must be made available for the project. The project management team members have to be skilled individuals, capable, qualified and with high learning potentials because of the complexity and high standard of the project. The project management has to have authority and control over all the aspects of the project, to be able to act quickly, effectively and independently on project problems without constraints from the organisation side. The project leaders have to have effective leadership skills such as clarity of vision, credible communication and interpersonal skills, sincerity, self-mastery and high levels of motivation and physical energy . The stronger it is the faster and more successful is the implementation of the project.

In addition, the improvement of the quality and co-operation of the teams can be improved through education and training.

• *Composition*

Composition of teams The composition of project teams with competent and skilful project team members and external consultants influences directly the output of the project. "Welti" recommends structuring the project team including a project leader, project members and consultants.

• *Trust*

The relationship of trust has to be established among the project team members, steering committee and consulting company to ensure success of the project. The projects were more difficult to implement when distrust existed among the project team members. Close personal communication among the team members, regular meetings, honest and open information policy, good coaching and support by the project leader and project manager, allocation of responsibility to project members and giving incentives are the measures that help to build up trust.

This indicated that project managers play a key role in developing and implementing successful IS/IT project and by acquiring and applying certain skills they can make these projects successful. This paper

investigated the key skills that project managers need to possess to manage the projects successfully and which skills are more important than others.

3 . Why it pay to pays attention to human issues .

Experts estimate that only 30 –35% of the change and re-engineering projects initiated are successful. The article by May and Kettelhut as many others suggested that the reason why large number of re-engineering projects fail is because management is paying to little attention to human factors. They illustrated the implementation issues in the context of change with the help of a case study and finally, provided a list of recommendations that have to be taken into account with human factors to increase the probability of success in reengineering projects.

The viewpoint , which was supported by previous studies, was that re-engineering projects do not offer positive incentives to most employees and employees generally do not have the chance to influence the decisions that affect them. Moreover, just the word re-engineering causes anxiety and leaves employees with concern about their future. If management is not paying attention to employee issues, the project is most likely to fail.

Experts suggest that well planned re-engineering projects bring the major benefits to the organisation. The authors proposed a number of steps that implementation caused problems could be avoided .

1) Conduct an identity audit

Companies should investigate what are their employees believe to be central about the company they work for before undertaking major reforms. Such as identity audit, for instance in this case study, would have uncovered the employees believes about their roles, the importance of their visibility in the process and their assumptions about promotions.

2) Establish ground rules

According to author humans do not resist change as per se but the way they are treated and the roles they play in the change effort. The resistance to change is caused by the employees' feelings of loss and ambiguity.

Change usually involves learning of new skills, knowledge and expertise. Individuals need to feel competent and continuously develop their competences. However, the re-engineering projects often place people in positions in which they lack the skills needed.

Open communication and collaboration are essential as these to clarify expectations and reduce ambiguity, and build acceptance and commitment. The implementation process would be much smoother, it all the changes would not be implemented simultaneously.

3) Define a framework for participation

There is extensive research done on the value of participation. When the employees are involved already at the early stage of the major change process, the quality of solutions is increased, the employees show greater commitment and acceptance, conflicts are reduced and the likelihood of smooth implementation is greater.

The number of conclusions drawn from this study were the following: it is easier to specify reasons for re-engineering processes than to gain employees acceptance and to implement desired changes, early involvement and participation will increase the employees ownership of the new process, attention to the basic principles of change management makes the

implementation easier, employee fears that jobs will be eliminated have to be addressed, and most of the projects fail because job losses create long-term problems. To insure the success of the project and minimise problems there has to be participation in the project definition and implementation by the people of involved organisations.

To summarise, this article analysed the presence and the potential impact of the human issues related to the major re-engineering projects. In one word, in order to success in re-engineering or any MIS project, human needs have to be addressed. Still, most published articles on re-engineering deal with the factors that focus on improving the customer response time, reducing market entry time, improving organisational processes and achieving the benefits.

4 . HR factor have a moderate impact on the project success

The study by Belout challenged the widely accepted opinion that human resources determine the failure or success of the project. The authors claimed in their research that although there is a clear link between the project success and the human resources factor, this factor does not have a significant impact on the project's success. The results of the study also showed that the

relationship between the critical success factors and project success varies according to project life cycle changes.

However, many academics still agree that HRM is one of the most important element to the project success. An early study by Pinto and Prescott (1988) contradicted this viewpoint. They tested the changes in the importance of ten CSF across four stages of the project life cycle and concluded that the human resources factor has minor impact to project success. Not surprisingly, these results were severely criticised and further researches on the matter were suggested. The aim of Belout's and paper was to retest Pinto's and Prescott's conclusions and to examine the issues of validity of the measures used in their study. The objectives of the authors were twofold: first, to address the lack of empirical data on CSF and second, to investigate the impact of life cycle stages on the relationship between CSF and project success. Literature review on the project management revealed that most models on the project success were based on theory rather than on empirical findings.

TECHNIQUES OF DATA USE :-

Secondary data are those data which are already collected by someone else and other person uses it to serve their own purpose with it's help .

- ➢ Web – base
- ➢ Publication in the newspaper
- ➢ Information available in the internet
- ➢ Various tool's and techniques have been used to graph and pie chart .

ERP implementation success and failure factors :-

On one hand, ERP systems promise to improve organication key performance indicators such as proficiency, efficiency, profitability, customer satisfaction and other measures of value. On the other hand, ERP systems are highly complex information systems and the implementation of these systems is a difficult and costly process placing tremendous demands on corporate time and resources. Business Process

Reengineering (BPR) is a often a major component in ERP installations and this requires companies to change the way business has been done, which, in accordance, affects the employees work lives and can create a resistance. This chapter will give a short overview to implementation challenges and the change process that employees need to go through. The chapter also discusses failure against success in ERP implementation and examines success factors found to be critical in such projects.

ERP implementation challenges

• ERP as a change process

• ERP implementation failure

• Features of successful implementation

• Critical success factors

ERP implementation challenges

• Complexity

The complexity of the system implementation arises from the fact that companies have to integrate ERP software with hardware, operating systems, database management systems and so on. Further, it initiates the changes throughout the entire organization. As ERP software comes in a ready-made package companies are required to adjust their businesses to fit the system requirements. The reasons being that even

with the today's art of technology ERP systems do not fit all the requirements of a company. Moreover, changes in one component might cause the collapse of the whole system, which is designed as an integration of separate modules.

• Costs and benefits

The total implementation costs of ERP include software, hardware, consulting and internal personnel costs, which usually sum to 2-3 % percent of the company's revenues . The huge investment has to be weighted against the future economic and strategic benefits that the system should eventually provide. However, the benefits might be difficult to quantify. Non-financial benefits such as improved customer response, strengthened supplier relationships through information sharing and real-time access to operating and financial data can be vital for the growth of many companies but are hard to convert to monetary profits in the cash flow statements. Moreover, it might take years for the companies to take the advantage of the all capabilities ERP systems provide.

In addition, success depends from the point of view from which you measure it. It can be viewed from many dimensions: in technical terms, in economic, financial or strategic business terms, in terms of smooth running of business operations, from the point of view of

managers and employees or from the point of view of customers, suppliers and investors . For instance, business executives might look at the success from the angle of achieving tangible business results but the end-user user values more the easiness and usability of the system.

• Time

On time and within the budget is another success criteria, which in practice is no easy to achieve. Meeting deadlines is a primary concern of the ERP project management as any delay costs the company additional money. The amount of time needed for project is often underestimated. In length, the whole implementation process can take up from three to five years. Besides, considering today's business dynamics companies cannot afford spending too much time on the technology implementation in spite of all the benefits as competitors might have enough time to overtake them. Moreover, lengthy implementations can increase the risk of project failure, reduce both the management and staff commitment, decline productivity and delivery performance and cause the loss of the customers.

• Training

Training and change management are matters that affect all the phases of the ERP implementation project. Not surprisingly, there are many challenges related to training as each user group has different

needs, preferences and learning potential. For instance, the steering committee members need to have a good project overview and general idea about the functionality of the system. Project leaders instead require in-depth knowledge about system's functionality and project management. Users have to learn only those functions that are related to their tasks in addition to the understanding the new processes and procedures .

Moreover, training is expensive and underestimating the needs and the requirements are the reasons for exceeding the budget. Skilled employees tend to switch their jobs and training of new employees will remain a continuous effort. However, the importance of training cannot be neglected and it is not something that should be conducted only before or after the implementation but rather it has to be present in each part of the ERP life cycle . Other issues to take into account with training include:

• identifying what kind of training is needed

• different types of training for workers and supervisors

 • measuring training performance and effectiveness

 • providing the support for training

 • documenting the training process

• preparing employees for change

• using different training methods

Moreover, ERP training has been identified as a critical requirement in ERP implementation and this has lead to creation of an entire industry providing ERP training

ERP as a change process :-

The implementation of ERP system has a major impact on the company and its employees. The sources and types of resistance to change are many. In general, after the implementation of the ERP system the performance of the company gets worse before it gets better in the stabilization process. It is hard for the people to change from the old way of doing things, which they were good at into new ways.

• Change perceived as negative

The people who perceive change as negative wish to hold on to the old way of doing things. Employees can claim to be computer illiterate, say that they did an excellent job before ERP system, feel uncomfortable to trust the computers, be afraid of failure and have a common belief that their jobs are threatened by the new automated system . Determining who are resisting change, individuals or groups,

employees' needs, values and interest may help to understand the employees' resistance to the ERP system .

Management might resist the process changes ERP requires. They are ready to change their technological platform but not the organizational processes. However, implementing ERP means changing your business processes to fit the software not another way around. Middle level managers feel uncomfortable with the change because their job postings can be eliminated as decisions making is pushed down to operational level .

Other sources for resistance are:

• not being aware of all the aspects of the change process as they have not been involved from the beginning

• unclear strategic vision

• extensive project schedules

• modest financial return

• even higher costs exceeding the budgeted amount

• no value added to the company's performance

• the pressure from the stakeholders' side to provide tangible results

In order for the ERP implementation to be successful, top management must analyse these sources of resistance and develop a strategy to overcome them. Building a user acceptance the new system and new way of doing things is a major challenge for the

companies. A commonly used strategy to increase user acceptance is training the users through in-house programs and courses. ERP skills are in shortage as there are a small number of people who have a good understanding of business and ERP systems. Organizations have to conduct training for project teams, implementers and users.

• Change perceived as positive

On other hand, there are people who are looking forward to the new system. They perceive change as positive. The wider use of data throughout the company, access to the data across different departments and locations, easier contacts with colleagues, task enhancement possibilities and fast access to customer data increases the individual's insight into company's operations and brings in satisfaction based on new opportunities the system offers.

Critical Success Factors

Success is multidimensional and relative to both time and objectives. Rapid implementations, tangible business benefits and fast paybacks seem to be the rationales to evaluate success

However, the implementation success depends on many other factors like people management, organisational issues, change management, process reengineering and training. Many researchers have studied the critical success factors in ERP implementations both based on literature and field surveys aiming to provide guidelines for ERP implementation practice.

1. Clear understanding of strategic goals

2. Commitment by top management

3. Excellent implementation project management

4. Great implementation team

5. Successful coping with technical issues

6. Organisational commitment to change

7. Extensive education and training

8. Data accuracy

9. Focused performance measures

10. Multisite issues resolved

Also, various studies make a distinction between factors, which are critical for any IS project and which are more relevant to any ERP project. Factors that can be applied to any IS are, for instance, clear goals and objectives, top management support and user training. Factors that are unique to ERP projects include interdepartmental control and communication, change management, BPR and use of vendors and consultants.

In addition, some researchers go beyond the traditional listing of the critical factors. For example, Somers have investigated the temporal importance of CSF over the ERP project life cycle and Akkermans examined whether these factors are interrelated with each other. The study Parr examined the two types of ERP implementations, unsuccessful and successful one, to identify which CSF are necessary in each phase of ERP implementation project.

HYPOTHESIS :-

According to authors this list provides an interesting mix of hard (H) and soft factors (S). They also indicate that most of them would hold for any IT project whereas some are more important to ERP systems in particular.

Key players	Key activities
Top management (H)	User training and education (S)
Project champion (H)	Management of expectations (S)
Steering committee (H)	Careful selection of the appropriate package (H)
Implementation consultants (H)	Project management (H)

Project team (S)	Customization (H)
Vendor-customer partnerships (H)	Data analysis and conversion (H)
Vendor's tools (H)	Business process reengineering (H)
Vendor support (H)	Defining the architecture (H)
	Dedicating resources (H)
	Change management (S)
	Establishing clear goals and objectives (H)
	Education of new business processes (S)
	Interdepartmental communication (S)
	Interdepartmental cooperation (S)

Most of the hard factors (H) such as top management support, clear goals and objectives, project management, project champion and many more have been widely discussed in the academic literature and mentioned in various CSF lists. Instead, I'm interested in the soft factors (S) marked in italic in the table above: project team, user training and education, management of expectations, change management, education of new business processes, and interdepartmental communication and cooperation. intention is to analyse how

these factors are managed in organisations that have implemented an ERP

project and how important these are to success of the project.

Hypothesis 1 =

Soft factors have a significant impact on the project success.

The aim of this paper is also to study whether the

significance of HR aspects varies in the cases of successful and unsuccessful

ERP systems implementations projects, the next suggestion is therefore.

Hypothesis 2 =

There is a difference between managing the HR aspects in the case of

successful and unsuccessful implementations.

The studies of Somers and Nelson , and Belout , which

also have been explained in depth in previous chapters, have proved that the

significance of CSF changes according to the project life cycle stages. Ross

identified 5 important stages in the ERP implementation process: design,

implementation, stabilisation, continuous improvement and transformation.

PLAN OF WORK :-

i.   Literature review   (5 Days)

ii.   Data collection and analysis   (15 – 20 Days)

iii.   Writing of research project   (10-12 Days)

iv.   Printing and binding (soft copy) coz of covid – 19

CONCLUSION

Many academics have agreed that managing human resources appropriately is one of the most crucial elements to organisation's success. Nowadays, the trend in project management is toward people management. Today, HRM has taken a strategic role in business. They teach you at business schools that people are the most important assets that you have. Implementing an ERP project involves numerous individuals, internal and external experts and integrates different interest groups across locations. Companies agree that people challenges are more difficult to manage than any technical difficulties they encounter.

The aim of this paper was to investigate the importance of the importance of the HR aspects in the ERP systems implementation projects and

study whether their significance varies in the case of successful and unsuccessful implementations. The results of the study showed that managing HR aspects differs in case of successful and unsuccessful companies and that their importance changes across the project life cycle stages. My findings were in consonance with the literature. On the other hand, because of the diffuse nature of HRM and ambiguity how to measure HR impact on the tangible results, it was difficult to determine whether HR factors have a significant impact on the project success.

The statistical methods used were not enough to conclude that soft factors have a significant impact on the project success. Thus, investigating this proposal requires a different research method, for example, correlation analysis. Additionally, a totally different strategy how to measure HR impact on the success can be proposed. Furthermore, analysing the similarities and differences between successful and unsuccessful ERP implementations with a bigger sample size, would provide more insight to the topic.

PROPOSED CHAPTERIZATION SCHEME :-

Chapter 1 - Introduction

Chapter 2 - What is ERP

Chapter 3 - Module of ERP

Chapter 4 - Relevance of Study

Chapter 5 - Factors in ERP implementation

Chapter 6 - Feature

Chapter 7 - Need of study

Chapter 8 - Benefits

Chapter 9 - Objective

 Chapter 10 - Research Methodology

- o   Research Design
- o   Method's
- o   Techniques of data collection
- o   Hypothesis

Chapter 11 – ERP implementation success & failure factors

Chapter 5 - Plan of work

Chapter 6 - Conclusion

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