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# A Taxonomy of Motives for Cloud ERP Adoption

Full research paper

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## **Abstract**

Much of the existing literature focuses on critical factors for successfully introducing cloud ERP systems. However, researchers have paid relatively scant attention to identifying the underlying motives that persuade organisations to consider adopting cloud ERP systems successfully. Understanding organisational motives are essential because: a) they can affect the extent of cloud ERP deployment and b) changes that organisations are willing to incorporate for achieving the expected business values. Based on a content analysis of 40 online Australian case stories, this research reports an empirically derived taxonomy of organisational motives for adopting cloud ERP. The 2-dimensional taxonomy consists of types and locus of motive. The strategic motives were found to be the most significant type of motive for cloud ERP adoption, whereas the internal motives indicated a stronger influence on the adoption decision. The proposed taxonomy provides a springboard for further studies to investigate motivations for the adoption of cloud ERP.

**Keywords:** Cloud ERP adoption, motives, taxonomy, online case story, Australia

## 1 Introduction

Compared to applications that only focus on one single business area (e.g., logistics) or one particular organisational level (e.g., operational management), Enterprise Resource Planning (ERP) systems contain a significantly comprehensive set of functions, and they aim to support all business processes across the whole organisation (Peng and Gala 2014). The features of the ERP system that support multiple business functions are considered one of the most important enterprise information systems (Davenport 1998). However, traditional ERP implementation has several challenges for organisations in terms of planning, decision processes, adoption, technology fit, cost and change management (Ranjan et al. 2016). Therefore, cloud ERP systems such as one provided on the cloud drawing on the software-as-a-service (SaaS) model has recently emerged as an attractive alternative to on-premise ERP (Mezghani 2019).

Cloud ERP systems report a significant technological tool in today's working environment for three reasons. Firstly, there is a lesser need for hardware investments and fees due to IT applications and resources hosted by cloud ERP providers. Secondly, IT-related resources are easier to deploy and upgrade, which allows a continuous and agile alignment between adopter firms and their rapidly changing business need (López and Ishizaka 2017). Thirdly, better business performance because of the improved productivity, security, flexibility, and scalability of enterprise IT infrastructure (Huang et al. 2021a). Furthermore, cloud ERP is significantly different from on-premise ERP. For example, the total cost of cloud ERP is lower than that of on-premise ERP. This is because maintenance cost and capital investment is not required (Venkatraman and Fahd 2016). In addition, modules in Cloud ERP are more flexible than on-premise ERP because additional modules in Cloud ERP can be added in a short time without installing new packages (HADIDI et al. 2019). Some studies on on-premise ERP have been conducted for the Australian context (Chadhar and Daneshgar 2017; Venkatraman and Fahd 2016), but Cloud ERP has remained largely ignored.

The advantages of cloud ERP systems lead to the wide implementation of such systems across many business sectors. The global market of cloud ERP systems has shown considerable growth in the last decade. For example, the growth of the cloud ERP market was 6.38% between 2011 and 2015, and it is expected to rise to 8.3% in the period 2016–2022 (Meghana et al. 2018). Although a vast and still growing body of research studies the benefits and barriers of cloud ERP adoption, the question of motives as to why enterprises migrate to cloud-based ERP has received scant attention. Existing IT research empirically confirmed that the motives to adopt an IT has a persistent and significant impact on its implementation and use (Rahim et al. 2006). A few studies looking at motives managed to collate and categorise some motives into a framework (Boillat and Legner 2014; Saeed et al. 2012) but were not transparent on what constitutes a motive which is fundamental to the notion.

Furthermore, a variation in motives for adopting cloud ERP may occur among different industry sectors because the key business contexts, business goals, and business processes involved in those sectors enormously differ. This particular aspect has not been explicitly discussed earlier. This line of argument is in line with Kauffman et al. (2018) views who reported that organisations from different sectors (e.g. manufacturing and service) exhibited different motives for adopting cloud computing.

This article aims to report an investigation around the motives of cloud ERP adoption in Australia's manufacturing and service sectors. While some studies have investigated cloud ERP in the Australian context, scant attention was given to identifying the motives for adopting such systems. For example, Salim et al. (2015) only investigated factors that influence cloud ERP adoption intention from the SME perspective. Furthermore, existing research about cloud ERP motives was undertaken in the US and several European countries like Sweden and Croatia. The findings of these studies vary because the contexts of these studies are different, i.e. different studies focused on different dimensions, scopes or countries. For example, using interviews Saeed et al. (2012) are concerned about a more comprehensive lens (i.e. technical, operational, strategic dimensions) to investigate cloud ERP adoption in the Sweden context, whereas Picek et al. (2017) focused more on the operational dimension through the survey method. According to Palacios-Marqués et al. (2015), the technology adoption motives are complex, and various factors can influence it. Furthermore, the cloud computing adoption rate in Australian organisations is lower than the same levels of US adoption by a year or more (Senarathna, 2016). Hence, it would be reasonable to argue that the motives of cloud ERP adoption, as reported in those few existing studies, do not equally apply to Australian organisations' context. The paucity of studies about the motives of cloud computing adoption in Australia hinders understanding and thus strategy development to improve its adoption. Accordingly, given greater flexibility and reduced cost of cloud ERP systems, it is important to explore the motives of cloud ERP adoption in Australia. The following research question is thus addressed:

### **What are the motives of cloud ERP adoption in Australia?**

In this article, a taxonomy of organisational motives for cloud ERP adoption is developed to address the research question by drawing on a content analysis of 40 online case stories. Such a taxonomy is further discussed in light with prior studies. Our initial findings provide rich insights into the triggering mechanisms leading to the formation of organisational motives for cloud ERP adoption. Such insights help broaden the academic perspective on cloud ERP.

This research argues that a clear understanding of the motives for cloud ERP will provide users with an improved awareness of the method and the chosen activities for cloud ERP implementation. From manufacturing and service sectors' perspectives, such knowledge may be considered useful for shaping their preliminary needs for investment purposes for cloud ERP systems based on different industry types. In addition, it will provide cloud ERP vendors, consultants and service providers further insights that will assist them in promoting cloud ERP adoption from a more comprehensive perspective (i.e. operational, strategic and technical perspectives). In particular, organisations adopting cloud ERP are more efficient at working from home during the COVID-19 pandemic. Therefore, understanding the motives of cloud ERP adoption has become important at this time (Ahn and Ahn 2020).

The remainder of this article is organised into five sections. Following introduction, a brief review of relevant literature streams is presented in the next section. The research approach is discussed in section 3 followed by the empirical results. Analysis and discussion of the results are presented in the subsequent section. Finally, section 5 concludes the paper and outlines the next phase of the research.

## **2 Background Literature**

The IS literature has widely discussed the notion of "motive" for organisational adoption of various types of ICT applications. For example, studies exist on organisational motives for adopting electronic markets (Duan et al. 2012), inter-organisational systems (Smith et.al, 2008), e-procurement (Oseni et al. 2014), e-commerce (Alsaad et al. 2019), e-government (Hapsara et al. 2017) and ERP (Poba-Nzaou et al. 2014). However, as cloud ERP represents a recent phenomenon, relatively scant attention has so far been given to understand why organisations would consider adopting these systems.

### **2.1 Organisational Motives for ERP Adoption**

There exists a rich body of literature on ERP adoption. However, the primary focus of the literature is on identifying critical factors affecting the adoption of ERP systems in various countries (Huang et al. 2021b). In contrast, relatively fewer studies exist that seek to determine organisational motives for ERP adoption. Several noteworthy studies include those of Picek et al. (2017), Poba-Nzaou et al. (2014), Fares and Mandour (2014), Oseni et al. (2014), Kamhawi (2008), Uwizeyemungu (2005) among others. Two broad themes are identified from the ERP adoption literature.

*Theme 1 (Conceptualisation of motives):* The notion of "motive" for ERP adoption context has been interpreted in multiple ways. For example, Picek et al. (2017) describe motives as drivers cited by enterprises for introducing an ERP system. Kamhawi (2008) considers motives as future objectives or goals for adopting an ERP system as a project. Whereas, Poba-Nzaou et al. (2014) adopt the viewpoint of Smith et al. (2008) on defining motive for ERP context. According to them, organisational motive represents a set of high-level objectives that are the basis for initiating an ERP project. In another study, Fares and Mandour (2014) define motives as "are what entities expect from the ERP systems based on their needs". They further argue that motives for ERP systems adoption are about expected business value. In another study, Oseni et al. (2014) discuss organisational motives for accepting ERP post-implementation initiatives. They adopt the viewpoint of Smith et al. (2008) on defining motive for ERP post-implementation context and define organisational motive as a set of high-level objectives that are the basis for initiating an ERP post-implementation project. Drawing on the diverse definitions mentioned above, a conceptualisation of the motive for ERP adoption context is summarised in Figure 1.

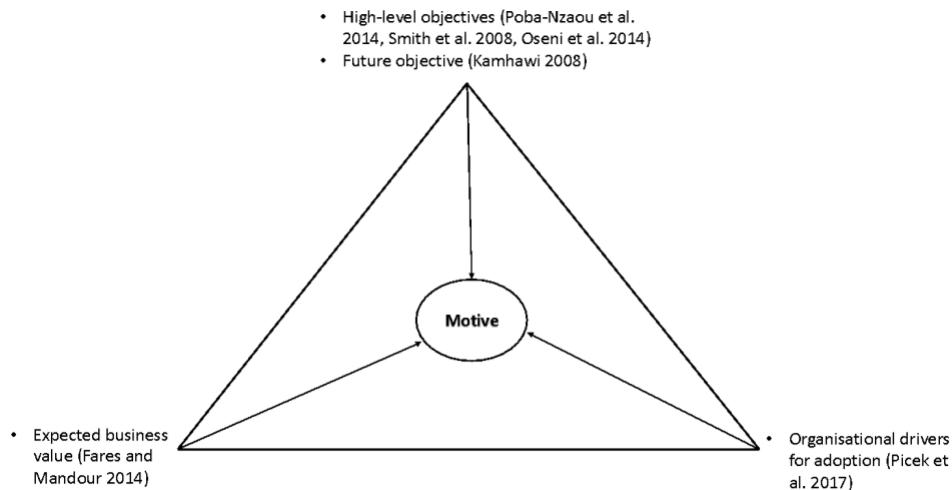


Figure 1: a conceptualisation of motive for ERP adoption context

**Theme 2 (Number & type of motives):** These scholars have no agreement on the number and types of organisational motives for ERP adoption. For example, Oseni et al. (2014) identify two motives for initiating ERP post-implementation projects: business and technical. Ross and Vitale (2000) classify three types of motives: infrastructure, capacity, and performance, and under-score the overlapping characteristics among these motives. The new common systems platform (infrastructure) makes it possible to acquire new capabilities (e.g. process improvement, data visibility), which in turn are supposed to allow improvements in organisational performances (e.g. cost reduction, strategic decision making, customer responsiveness). However, Kamhawi (2008) identifies four motive types: operational, strategic, technical, and decision making. Poba-Nzaou et al. (2014) classify ERP adoption motives for healthcare context into six broad categories: technological, managerial-operational, managerial-strategic, clinical-operational, clinical-strategic, and financial. Finally, even though Fares and Mandour (2014) acknowledge two types of motives (i.e. technology motive, and operational motive), but eventually propose six types of motives as advocated by Poba-Nzaou et al. (2014). Interestingly, with the exception of Oseni et al. (2014) none relate organisational motives for ERP adoption with other constructs (e.g. implementation process, business value).

## 2.2 Organisational Motives for Cloud Computing Adoption

Considerable empirical research has been conducted concerning the motives for Cloud Computing (CC) adoption. Most of them has been based on Technology, Organization and Environment (TOE) theory (Loukis et al. 2017). Motives for CC adoption are identified into three groups, which are technological (e.g. relative advantage), organisational (e.g. top management support) and environment (e.g. trading partner pressure) (Oliveira et al. 2014). For example, Shahzad et al. (2020) applied TOE to investigate the intrinsic motives of CC adoption in online education and found that there is a significant relationship between organisational motives and environmental motives and CC adoption in a developing country. Some related papers also are published in the top journals, which have high citations. For example, Oliveira et al. (2014) developed a research model based on the diffusion of innovation (DOI) theory and TOE to investigate the determinants of CC adoption in both manufacturing and services sectors, which has been cited 960 times in Google Scholar.

However, several scholars have called for further research on cloud ERP software applications. This is because the integration of Enterprise Information systems (EISs) and CC is considered an important research problem examined by a few researchers (Şener et al. 2016). Accordingly, Arvanitis et al. (2017) suggested further research to explore the motivations/orientations of adopting various types of Cloud Computing (CC) applications in various sectoral and national contexts. Isma'ili and Zahir (2017) investigate motivations of adoption of CC for SMEs in Australia and demand for conducting further research on specific cloud-based software applications like cloud ERP.

## 2.3 Organisational Motives for Cloud ERP Adoption

After reviewing existing papers about motives for CC and cloud ERP adoption, there is no definition provided by these papers, so we now propose the following definition for the cloud ERP context:

*"Motive represents expected business value (business benefit) that drives the organisation to initialise cloud ERP systems, and it may include various aspects like strategic, operational, and technical."*

Only a few studies discuss organisational motives for the context of cloud ERP adoption. For example, Saeed et al. (2012) provide a unified framework of motives and barriers for cloud ERP adoption. Their framework includes three types of motives: strategic, operational, and technical. Each motive has been described in terms of several indicators. For example, a) strategic motive is reflected as flexibility for business innovation, faster time to market, and opportunity to concentrate on core business; b) operational motive is reflected in terms of reduced IT costs, scalability, low capital expenditure, and c) technical motive is reflected in terms of high technical reliability, and automatic upgrades. The framework was evaluated using qualitative interviews with 10 Swedish companies. Garverick (2014) in his doctoral research has further empirically evaluated Saeed's framework using a survey of 110 US companies.

In another study, Boillat and Legner (2014) analyse cloud ERP adoption motives for two large organisations from Switzerland. Both organisations reflect multiple motives like IT costs reduction, flexibility, faster time to market, and enabling business innovations. In a recent study, Picek et al. (2017) examine the acceptance of cloud ERP systems by the Croatian companies and report three key reasons that motivated organisations to adopt those systems: ubiquity, easy to up-grade, and low initial investment. Similar motives were identified from these two papers. For example, both papers suggest organisations could reduce the hardware and software cost by adopting cloud ERP. Some unique motives were also identified. For example, the faster time to market is only mentioned in the Switzerland context by Boillat and Legner (2014). However, those studies have not addressed other important constructs of interest (e.g. customisation, benefits, implementation process).

Even though research on organisational motives for cloud ERP adoption is emerging, no research has been reported for the Australian context. The applicability of organisational motives that have been reported for the US and European context (i.e., Croatia, Sweden, Switzerland) needs further empirical evaluation to reflect on their applicability for the Australian context. This is because there are some discrepancies between these papers. For example, the findings of Picek et al. (2017) suggest that *easy to up-grade* is considered as a motive for Croatian companies to adopt cloud ERP, whereas the study of Garverick (2014) excluded this motive after conducting the survey in Switzerland. Furthermore, the national context, cultural norms, and the degree of competitive forces operating in Australia are likely to differ in several ways from those of other contexts. Hence, the claims of generalisability of the findings of (Saeed et al. 2012) are warranted. Furthermore, although several types of motives have been proposed and validated using empirical data, no rigorous taxonomy of motives has yet been reported.

### 3 Research Approach

The case study research method has been used for this study, which is part of an ongoing research project. This method is particularly useful to study a contemporary phenomenon (i.e., cloud ERP adoption) in its natural context (Yin 2004). Moreover, the case study is considered an appropriate way to understand organisations' complex processes (e.g., activities involved in cloud ERP adoption phenomenon) involving new information systems (Bhattacherjee 2012). A set of 40 online case stories for the Australian context has been accessed from the publicly available website of seven cloud ERP vendors. The data obtained can offer a broad view of the cloud ERP adoption experience, based on verifiable facts for example the organisation's identity (Poba-Nzaou et al. 2014). We acknowledge that online stories may be geared towards promoting the vendors' products and services and therefore might be biased on their ERP project success evaluation. But since our study's main objective is to analyse organisations' motives to adopt ERP systems, rather than the project success study's main objective is to analyse organisations' motives. The study approach was also guided by and rigorously applied basic techniques of the multiple case study method by selecting relevant cases from inclusion criteria, developing a coding scheme, using multipass coding and addressing discrepancies in between coders' assessments, as explained in the paragraphs below.

Online case stories were chosen based on the following criteria: a) firstly, organisations representing these cases have successfully adopted a cloud ERP system in recent years, b) secondly, organisations representing these cases operate from Australia, and c) these online cases have presented enough descriptions detailing the motives of adopting cloud ERP for each organisation. While of adoption available on ERP vendors' sites may not furnish in-depth details about motives of each organisation from multiple stakeholders, these selected online case stories provide traceable sources (including organisations' name, location, name of interviewers), which is beneficial to further interview in Stage 2 of this study to collect more accountable details about motives of each organisation to adopt cloud ERP.

Content analysis was applied in this research to analyse the online case stories. Content analysis provides greater knowledge to understand the research topic, improve classification, and provide rigour,

resulting in better categorisation (Ali and Miller 2017). The coding unit was selected in the first step. The research identified the "various statements or expressions delineating as indicators of motive" as the coding unit, each unit of the text holds one theme (e.g. efficiency, technical). The second step was the categorisation process that assigned the coding unit for each category. The categories used by this step were developed by Saeed et al. (2012) and are labelled as strategic motives, operational motives, technical motives. When a text phrase did not match the established categories proposed by Saeed et al. (2012), we defined a new category. All three authors conducted the analysis. The overall categorisation was done by the first author who was then assisted by two co-authors (acted as coders); any differences in opinions amongst them were resolved by discussion. In order to ensure the relative concordance of the coding process among coders, a pre-coding test was conducted by randomly selecting five stories that were coded independently by the three coders, who then compared and discussed their findings.

## 4 Case Organisation

A total of 40 case organisations that have successfully adopted different cloud ERP types are identified from selected online case stories. All of them are Australian organisations, but they operate from different cities. The majority of organisations are located in Melbourne (14) and Sydney (11), whereas a few are located in other large cities like Adelaide and Newington. Some organisations are operating in multiple cities in Australia. According to the Australian Bureau of Statistics definition of SMEs, most of these case organisations are SMEs since their employees are less than 200. These organisations are divided into two categories based on the industry type: a) 27 organisations are from the manufacturing industry (e.g. equipment and machinery products, health and beauty products, automotive products, technology products, food and beverage goods), b) the remaining 13 organisations are from service industry (e.g. accommodation service, finance service, government agencies and non-profit service).

Cloud ERP Vendors	Manufacturing Sector	Service Sector	Geographical Location
Pronto	9	2	Melbourne, NSW, Queensland
MYOB	2	3	Melbourne, Newington, Sydney, Ballarat
Annexa	3	2	Adelaide, Sydney, Melbourne
Fusion 5	3	4	Melbourne, Orange
JCurve	4	2	Sydney, Melbourne, Adelaide
Sage	2	0	Sydney, Melbourne, Cabarlah
Leverage Tech	4	0	Sydney, Brisbane
Total	27	13	40

Table 1. A Profile of Case Organisations Mentioned in Online Case Study

## 5 Findings and Discussion

The analysis is influenced by the findings of the cloud ERP literature stream as outlined in the Background Literature Section. However, it is important to remain open-minded to preserve openness to the data (Walsham 1995). We found several types of cloud ERP motives identified from those 40 online cases when conducting content analysis. Some of these motives align with findings and observations reported by prior studies (Boillat and Legner 2014; Garverick 2014; Picek et al. 2017; Saeed et al. 2012). For example, adoption of cloud ERP is driven by *faster time to market for the product* in Australia, which is in agreement with the viewpoints of Saeed et al. (2012), Garverick (2014) and Boillat and Legner (2014).

Four important findings have emerged from the analysis. First, most of the indicators used by Saeed et al. (2012) to describe three types of motives (i.e. strategic, operational, and technical) have been well reflected through those 40 online case stories. However, some indicators are not regarded as motives of adoption for organisations in the Australian context. For example, *pressure to keep up with competitors* is not a motive for this study since the competitive marketplace products and skills become outdated in a rapidly changing environment, especially with technological advancements (Garverick 2014). This is

consistent with the finding of Garverick (2014). In addition, Saeed et al. (2012) suggest that security is considered as one of the technical motives, whereas it is not a motive for this study. This is because some organisations may be concerned about the security issue since the data is shared with a third-party service provider (Huang et al. 2021b). Accordantly, security is often considered a cloud ERP challenge rather than a motive for adopting cloud ERP (Whitehouse et al. 2016). Second, one additional type of cloud ERP motive was identified from content analysis (i.e. *cloud ERP offer solutions to diversified business IT complexity*). Third, we found the need to introduce another category, namely 'financial' to categorise economic-based motives as separate from operational motives further to simplify findings (Saeed et al. 2012). This is because 'financial motives' like *reduced IT costs for the enterprise* and *low capital expenditure for cloud ERP* have now been perceived as a sub-category within the 'Operational motives' type advocated by Saeed et al. (2012). In this study, operational motives are regarded as aimed at advancing the key characteristics of business processes like scalability, flexibility, and others. Fourth or the final observation was that the locus or source of motives has emerged. Locus of motives is triggered by either internal within organisational boundary or external, beyond the organisational boundary. This suggests that unlike online on-premise ERP systems, cloud ERP systems require the continuous involvement of multiple parties for support and access. *Internal locus* is evident when the motivational triggers were conceived the key stakeholders (e.g. functional managers, owners, and C-level managers) within organisational boundaries when facing pressing issues with business growth and business inefficiencies. On the other hand, *the external locus* was evident when the triggers creating motivational demands for considering cloud ERP adoption have emerged in response to pressure arising from the customer community and powerful external business partners. Evidence can be found in such cases as C4, C6, C8, C12, C16, C32 and C40, among others. The notion of "locus of motive" has not been reported in the existing ERP literature focusing on-premise or cloud ERP systems. For example, studies of Saeed et al. (2012), Oseni et al. (2014), Boillat and Legner (2014), Poba-Nzaou et al. (2014), and Picek et al. (2017) characterise motive using a single attribute only (i.e. type of motive). However, interestingly, the notion of "locus of motive" has been used by a few studies conducted for the context of inter-organisational systems (IOS). For example, Rahim et al. (2011) describe organisational motives using two dimensions (i.e. type of motive and locus of motive) for introducing an IOS solution to link procurement function between supply chain partners. Thus, the "locus of motive" for cloud ERP adoption context (i.e. internal, external) is appropriate because the triggers stimulating the formation of motive can arise either within or beyond an organisational boundary, which is similar to the context of an IOS.

Drawing on these two dimensions (types of motives and locus of motives), a taxonomy of motives for cloud ERP context is proposed as shown in Figure 2.

Type of motive	Locus of motive			
		Internal motives	External motives	No. of cases
Strategic Motives	Provides flexibility for business innovation	C1, C2, C3, C5, C9, C11, C13, C17, C23, C28, C31, C34, C36	C6, C8, C12, C16	17
	Faster time to market for product and services	C23	C19, C21, C22, C27, C28, C29, C32, C39, C40	10
	Allows users to concentrate on their core business	C5, C17, C37	No cases	3
Operational Motives	Scalable on demand	C1, C7, C10, C15, C18, C23, C24, C25, C27, C28, C31, C35, C40	C4, C40	15
	Offers solutions to diversified business IT complexity	C16, C19, C20, C25, C27, C31, C32, C40	No cases	8
Technical Motives	Provide high technical reliability	C3, C4, C15, C16, C20	No cases	5
	Provide automatic upgrades	C11, C12	No cases	2
Financial Motives	Reduced IT costs for the enterprise	C2, C4, C14, C36, C39	C16	6
	Low capital expenditure	No cases	No cases	0
No. of cases		50	16	

Figure 2: The Taxonomy of Motives for Cloud ERP Adoption

In this figure, we have identified eight cells, each with its categorised motive types. The strategic motives play the most significant impact on cloud ERP adoption, whereas the internal motives are found to strongly influence the adoption decision in terms of the locus of motives. The way to differentiate the internal or external motives is decided by whether the motives are triggered by either internal within the organisational boundary or beyond the organisational boundary. These categories are now discussed below.

## 5.1 Strategic Motives

*Cloud ERP provides flexibility for business innovation (M1):* Analysis found that many companies were motivated by this cloud ERP characteristics to lower innovation barriers by providing new classes of applications and delivering new services such as mobile accessibility. This was mentioned in 17 out of 40 cases. Several case organisations were driven by the need to provide mobile access and flexibility to employees while others were striving to improve current or develop new systems. For example, case organisation C5's main driver for the upgrade to the cloud was "the need to make the C5 sales team more mobile, accelerate employee performance". While most motives (13) were considered internal, four companies were driven by external motivation. This includes, for example, enhancing customers and suppliers experience (C6), meeting requirements of different states or markets in which they operate (C8, C12), integrase organisation consolidation (C16).

*Faster time to market for product and services (M2):* The flexibility of cloud solutions to support timely delivery of products and services were also evident in the analysis of case organisations as a motive for its adoption. Out of 10, nine cases were considered external. Case organisations were described as having to quickly set up cloud solutions to upgrade manufacturing capacity to cope with anticipated demand increases, particularly those who expand to multiple sites or offer custom manufacturing, e.g. C28 and C29. The internal motive example can be seen from C23, one of the largest cricket ball manufacturers was adopting cloud ERP to renew their outdated systems while continuously tracking paper invoices quickly.

*Cloud ERP allows users to concentrate on their core business (M3):* Some case organisations wanted to focus on their sales, marketing, production (C5, C17) or strategic project (C37), thus viewing cloud solution as being able to take over all technical issues as the service provider offers support from anywhere, anytime. C37 was aimed for operational efficiency and freed up IT resources to focus on strategic projects while C17 focus mission was to develop brands, so the focus is on marketing, sales, and operations.

## 5.2 Operational Motives

*Cloud ERP is scalable on demand (M4):* 15 out of 40 case organisations choose to adopt or upgrade to cloud solutions because its scalability and dynamic resource availability. This feature allows the company to scale services and resources on demand. Most organisations mentioned that the on-demand scalability is suitable for their growing business. For example, C18, which is growing in volume and complexity, can no longer be supported with their current system. The organisation decided that it needed a system that could grow with its international ambitions. "With multiple warehouse locations and foreign currency capability, we are looking towards business opportunities beyond Australia" (C18). This motive also has an external trigger in that they require a platform that can be scaled to manage a large number of end-users (C4) and manage large, complex proposals and enterprise-wide services for B2B (C40).

*Cloud ERP offers solutions to diversified business IT complexity (M5):* Businesses that consist of different parts have a separate system for each entity. A cloud solution can provide a solution in managing such an organisational structure. Hosting on the cloud allows each entity to access an integrated system. Reducing IT complexity as a motive was also suggested by Boillat and Legner (2014). Eight companies were motivated by this reason. C32, for example, with its expanding size and complexity, was struggling along with numerous systems for each part of its business – from wine manufacturing to construction and real estate. The Director of cloud system providers stated that this lack of integration required double handling of information and offered little organisational oversight, so the integrated solution was needed. C32 managers quote provide further support "It is just as powerful as any other ERP system but offers flexibility on a greater scale, provides tools to get the business done and the licensing is not out of reach – it is made things affordable."

## 5.3 Technical Motives

*Cloud ERP vendors provide high technical reliability (M6):* Some organisations are found that they were motivated by this cloud ERP characteristics due to backup servers provided by cloud ERP providers

can guarantee the availability of resources even during crunch periods. This was mentioned in 5 out of 40 cases. Most of these organisations moved to the cloud because cloud ERP affords stable systems to allow them real-time access. For example, one of the main drivers for C20 migrating to cloud ERP was its constant internal network and server issues. These technical reliability issues led C20 to run server-based inventory management inefficiently.

*Cloud ERP vendors provide automatic upgrades (M7):* Compared to traditional ERP, cloud ERP can update automatically to increase organisational capabilities (Saeed et al. 2012). However, the analysis found that only two organisations were motivated by this cloud ERP characteristics for satisfying their new business requirements. For example, the main driver for C11 for migrating to the cloud was that they were required to update its old systems by their own IT teams every few years to patch systems functions required, which was time-consuming and cost-consuming.

#### 5.4 Financial Motives

*Reduced IT costs for the enterprise (M8):* Analysis found that some organisations were motivated by this cloud ERP feature in reducing IT cost by sharing scale and dynamic resources (Ghalsasi 2009). Compared to traditional ERP, cloud ERP is more easily estimated because companies are not required to pay implementation, IT personnel, and backup costs. This was mentioned in 6 out of 40 cases. However, 5 organisations were driven by the need to reduce their pressure to access IT personnel and hardware internally. For example, the main driver of organisation C17 migrated to cloud was "it's more cost-effective than having a full-time in-house developer". While most motives were considered internal, only one organisation was driven by external motivation. Organisation C16 moved to the cloud due to it wanted to control costs to maintain its competitive edge.

*Cloud ERP has low capital expenditure (M9):* Analysis found no organisation was motivated to adopt cloud ERP to avoid capital expenditure in hardware, software, and IT support.

#### 5.5 Reflection of Our Definition of Motive for Cloud ERP Context

Three types of motives, as reported in Figure 2 seem to be in line with our definition proposed in Section 2.4. However, our definition is now further refined by discovering the inclusion of financial motive (Section 5.3). Hence, the revised definition is now presented below:

*"Motive represents expected business value (business benefit) that drives the organisation to initialise cloud ERP systems, and it includes various aspects like strategic, operational, financial, technical from the both internal and external locus."*

### 6 Conclusion

The study reported in this article reports on the derivation of a taxonomy of organisational motives for adopting cloud ERP systems by drawing on a content analysis of 40 online case stories for the Australian context. Compared to the existing taxonomies of motives that are based on a single dimension in the extant literature, the taxonomy reported in this article is built on using two dimensions: types of motive and locus of motive. In particular, the notion of "locus of motive" has not been reported in the existing ERP literature focusing on-premise or cloud ERP systems. This derived taxonomy has extended a framework of motives as proposed by Saeed et al. (2012) using empirical evidence drawn from those online case stories. In relation to the literature, this paper reports on the presence of a novel type of motive (i.e. cloud ERP offer solutions to diversified business IT complexity) for the Australian context, whereas some types of motives (e.g. low capital expenditure) are not a driving force for organisations in Australia to make an adoption decision. The taxonomy represents a contribution to the existing cloud ERP literature in two ways. First, with respect to research, it can serve as a springboard for further studies from more than one dimension to investigate motivations for adopting cloud ERP or other Information Systems. Second, managers of business organisations can benefit by comparing their motivational aspirations against those of others regarding cloud ERP adoption and cloud ERP providers to optimise their products by taking into account the specific characteristics and requirements of each national market.

Even though the data used in this article is based on online case stories, the applicability of the taxonomy can be enhanced further in two ways: first by undertaking in-depth interviews with the senior managers of the case organisations that were cited in the online case stories, and secondly, a survey can also be employed to investigate the decision-makers of companies that have not implemented cloud ERP to

provide insights into the pros and cons of adopting cloud ERP from their perspective. Furthermore, several issues emanate from this study that can be explored further. They include 1) how to determine whether there exists a variation in organisational motives for cloud ERP adoption based on organisation size and industry segments 2) how the types of motives as included in the proposed taxonomy differ based on industry type (i.e. manufacturing, service) which has not been thoroughly examined because of the small size of participating companies and 3) how the business value emerging from cloud ERP differs based on the taxonomy presented in this paper.

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