THE MATURITY AND USAGE OF ENTERPRISE RESOURCE PLANNING (ERP) SYSTEMS IN MANUFACTURING ORGANIZATIONS IN SRI LANKA

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The candidate has carried out research for the Master of Business Administration (SCM) Degree under my supervision

Name of the supervisor: Ms.Harishani Liyanage

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ABSTRACT

Enterprise resource planning has been an essential feature in medium to large scale manufacturing organizations in modern era. The world is looking for automated information solutions which involve ERP systems for better effective performance. This includes upgrading or changing the systems with new technologies, aligning systems with business requirements, customized ERP solutions, managerial interest in ERP adaptations or upgrades etc. Only not within organizations only, going in upstream and downstream supply chains having collaborative ERP packages will also give tremendous benefits for its users. As ERP benefits and effective usage becoming a priority for most of the organizations across the world, when it comes to Sri Lanka it is quite unfortunate to see that most of the organizations are still struggling over accurate usage of ERP which leads to negative impact in terms of profit generation and cost reductions.

The main objective of this research is to find out factors affecting efficient usage of ERP and current maturity level of ERP in manufacturing organizations of Sri Lanka. The population of this research is manufacturing organizations of Sri Lanka those in which ERP systems have been already implemented. Data was collected using a sample identified from LMD – a leading business magazine in Sri Lanka where firms were approached through an online questionnaire and several prior interviews with industry experts. Five point Likert scale and exploratory factor analysis followed with multiple regression modeling were used to gather and analyze data in ERP usage Model. A simple ranking method was used to identify the maturity model of ERP systems in leading manufacturing organizations in Sri Lanka.

The research concludes with a statistically proven result that Business Process fit along with knowledge and training on ERP, Analytical capability of ERP for better decision making, Collaborative ERP, Technical Resources and Data flow of the ERP as key factors in determining ERP usage of manufacturing organizations. And majority of these organizations in Sri Lanka fall to stage two in maturity model where organizations are still in exploring stage after the implemented ERP systems.

Keywords – ERP Systems, Information Systems, Maturity, ERP usage, Factor analysis

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