The Impact of Enterprise Resource Planning (ERP) System on Operational Performance of Listed Companies in Sri Lanka: Special Reference to Manufacturing and Beverage, Food & Tobacco Sectors

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Today, the business world is more dynamic and organizations find difficulties to survive with manual work. Stand-alone, isolated systems do not facilitate operations throughout the organization. Therefore, many organizations have been welcoming the IT solutions such as ERP system to gain competitive advantages and be successful. This research investigates the impact of ERP system on operational performance in listed companies in Manufacturing and Beverage, Food & Tobacco sectors. To attain the objectives, quantitative method was used and data were collected through self-administered questionnaires. A total of 50 questionnaires were distributed among the companies those were selected from 298 of the population by using stratified sampling technique. Hence, Correlation Analysis was used to analyze the relationship between ERP system and operational performance while Regression Analysis was utilized to determine the influence of most significant factor of the ERP system on operational performance and descriptive statistics was also used to identify the level of existing ERP system practices in selected companies. The result of this study demonstrated that there is a strong positive relationship between ERP system and operational performance. Further, training on IT and process and user satisfaction are the key factors that influence mostly on operational performance. Hence, this study contributes to the existing literature and as the possible managerial implications, organizations need to offer more training on IT and process and vendor support. At the end of this paper, areas for future researches also provided.

Keywords: Enterprise Resource Planning (ERP) system, Training, IT process, User satisfaction, Operational performance