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A STUDY ON THE IMPACT OF ERP IN ORGANISATION PERFORMANCE IN SAKTHI INFO TECH AT SALEM

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ABSTRACT

Research on the link between investments in ERP systems and organizational performance has often led to mixed results. Besides internal organizational factors, many external contextual factors come into play. This study examined the role of firm size, industry, and duration of ERP system's use in influencing the performance impact of ERP systems through moderating the relationships between antecedent variables, ERP-induced benefits, and improvement in overall organizational performance. Using a sample of 200 participant firms, and structural equation modeling (SEM) analysis, the author confirmed the significant role of business process re-engineering and organizational fit and alignment as antecedents to ERP-induced benefits in information quality, and coordination/integration.

Keywords: Business Process Re-Engineering, Contextual Factors, Enterprise Resource Planning, etc.,

INTRODUCTION OF THE STUDY

Implementing ERP enhances an organization's capacity and performance. Post-implementation evaluation is needed to determine the organization's potential and the system's value. Adopting new technologies is expected to enhance the organization's overall efficiency. Each identified thematic area affects an organization's ability to use its ERP system effectively and efficiently to achieve previously identified benefits. In addition, the study found that Refinement Software Solutions Pvt Ltd organizations focus on the benefits of implementing ERP rather than the associated costs. Finally, organizations can better plan for the future benefits of replacing or updating ERP systems. Small and medium enterprises have played an important role in economic development.

Implementing ERP (Enterprise Resource Planning) In a Software Company involves Several Key Steps:

Needs Assessment:

`To begin the ERP implementation process in a software company, it is essential to conduct a thorough needs assessment. This involves identifying and analyzing specific requirements unique to the organization. The assessment should delve into existing processes, workflows, and pain points, providing a comprehensive understanding of what the ERP system needs to address.

Select ERP Software:

`Once the needs are identified, the next step is to research and choose an ERP system that aligns

with the software company's requirements. Considerations should include scalability, customization options, and features tailored to the industry. The selection process plays a crucial role in determining the success of the overall implementation.

Project Team Formation:

Forming a dedicated project team is paramount to ensure a collaborative and well-coordinated effort. The team should comprise members from various departments, including IT, finance, operations, and other relevant areas. This diverse representation ensures that the ERP implementation considers the perspectives and requirements of different stakeholders within the organization.

Customization and Configuration:

Customizing and configuring the chosen ERP software is the subsequent step. Tailoring the system to meet the unique needs of the software company involves configuring modules, workflows, and user access levels. This stage is pivotal in aligning the ERP system with the specific processes and operations of the organization.

Data Migration:

The smooth migration of existing data to the new ERP system is a critical aspect of the implementation process. Planning and executing data migration require meticulous attention to detail to ensure data accuracy and integrity throughout the transition. Proper data migration sets the foundation for a seamless ERP system operation.

Training:

Training employees on how to effectively use the ERP system is paramount for successful implementation. Providing comprehensive training sessions ensures that users understand the functionalities, workflows, and benefits of the new system. Ongoing support and resources for continuous learning should be part of the training strategy. These foundational steps form the basis for a successful ERP implementation in a software company, setting the stage for subsequent stages such as integration, testing, pilot implementation, and ongoing evaluation and optimization. Effective communication and collaboration among team members are critical throughout the entire process.

SCOPE OF THE STUDY

The scope of this study encompasses a comprehensive exploration of the impact of Enterprise Resource Planning (ERP) systems on organizational performance, with a specific focus on Sakthi Info Tech situated in Salem. The investigation will delve into the direct effects of ERP implementation on various facets of the company's operations, including efficiency, productivity, decision-making processes, and overall competitiveness. The study aims to provide a detailed understanding of the challenges and opportunities associated with ERP adoption at Sakthi Info Tech, offering insights into the unique contextual factors influencing the outcomes of the implementation. While focusing on the specific case of Sakthi Info Tech, the research will aim to derive broader implications and lessons for the technology sector, contributing context-specific insights to the existing body of knowledge on ERP impact.

NEED OF THE STUDY

The study on the impact of ERP systems in organizational performance, with a special reference to Sakthi Info Tech at Salem, is motivated by the growing significance of Enterprise Resource Planning (ERP) in the contemporary business landscape. As businesses increasingly adopt ERP systems to streamline their operations, there is a need to understand the specific effects and contributions of such systems on organizational performance. Sakthi Info Tech, situated in Salem, serves as a unique case study for exploring the implications of ERP implementation in a specific organizational context. The need for this study arises from the desire to fill existing knowledge gaps regarding how ERP systems influence various facets of organizational performance, including efficiency, productivity, decision-making processes, and overall competitiveness.

OBJECTIVES OF THE STUDY

- To identify and analyze challenges faced during ERP implementation at Sakthi Info Tech.
- To investigate opportunities created by ERP systems to improve efficiency and competitiveness.
- To provide practical recommendations based on findings to enhance ERP utilization.
- To contribute context-specific insights to the knowledge on ERP impact in the technology sector, focusing on Salem.

REVIEW OF LITERATURE

Arvind Kumar Sharma, DP Sharma (2019) conclude that Companies worldwide have made substantial investments in installing & implementing SAP ERP systems. Some of the unique challenges in managing enterprise-wide projects which were highlighted through the findings included the challenge of re-engineering business processes to 'fit' the process which the SAP ERP software supports, investment in recruiting and reskilling technology professionals, the challenge of using external consultants and integrating their application specific knowledge and technical expertise with existing teams.

Rohit Kenge and Zafar Khan (2019) conclude that RP system integrates all the functions in an organization like finance, marketing, manufacturing, and human resource with an advance real-time data collection, processing, and communication with very fast speed and allowing the organization for a quick decision on the real-time issues to control the complete business process day today. Integrated Wisdom for ERP Success demonstrates how to create wisdom for applied ERP executions that provide substantial savings and the competitive advantage.

Kees Boersma (2019) discussed in this paper, we present a case study of the restructuring of an ERP system within a manufacturing company, in particular the combination of Material Requirement Planning (MRP) with a Just In Time (JIT) material management procedure at the assembly lines. It also provides a discussion on how an ERP execution can be applied as a catalyst for lifelong organizational wisdom. Executing an ERP system can cost three to ten instances the authentic software purchase price. Can't afford to waste money or instance in the areas of ERP education.

RESEARCH METHODOLOGY

Research methodology is the way where the researchers have to conduct their research. This is the process where the researchers formulate their problems and objective and present the obtained results from the obtained data. A research methodology involves specific techniques that are adopted in the research process to collect, assemble and evaluate data.

Research Design:

The research design is the basic framework or a plan for a study that guides the collection of data and analysis of data. In this survey and the design used is Descriptive Research Design. It includes surveys and fact-finding enquiries of different kinds. The major purpose of descriptive research is description of state of affairs, as it exists at present.

Target Population

The unit of study is what is referred to as a population in the study; it refers to all the characteristics which will be used in making some inferences while a sample population refers to the carefully selected members of the target population who serve as a representative section of that population. The target population comprises employees of Sakthi Info Tech in Salem. The study unit encompasses all employees, and the sample population, selected through convenience sampling, consists of 120 individuals, representing a subset of the broader employee base.

Methods of Data Collection:

Primary data is collected through questionnaires distributed to employees, focusing on their experiences and perspectives regarding the impact of ERP systems on organizational performance. Secondary data is sourced from relevant company documents and records.

Sampling Technique:

The Convenience Sampling Method is used for the survey. Convenience or opportunistic

sampling is the crudest type of non-random sampling. This involves selecting the most convenient group available. Due to the small number of the entire study population and its easy accessibility, the census method was employed. The census method is designed to collect information from each and every member of the population. It enables the researcher to gather sufficient information to assist in analysis and arriving at accurate results. The sample size of 120 is determined to provide a representative subset for analysis. Sampling Unit: The sampling unit is the employees of Sakthi Info Tech Sampling Area: The sampling area is the organizational premises in Salem 8 Sample Size: The sample size is set at 120 individuals, ensuring a manageable yet representative number for the study.

Tools in the Study:

Simple percentage analysis and tabulation is used to analysis the data. Pie chart and bar diagram is used to give pictorial representation to the analysis.

- Percentage analysis
- Chi-square analysis
- Correlation

DATA ANALYSIS AND INTERPRETATION

TABLE NO: 1
CHI-SQUARE ANALYSIS

The relationship between the age of the respondent and the opinion that the ERP system has positively impacted the overall performance of the organization.

Age/ERP system has positively impacted overall performance	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Below 25 years	5	4	3	3	3	18
26 – 35 years	12	10	7	7	4	40
36 – 45 years	10	8	6	5	3	32
46 – 55 years	6	6	4	4	2	22
Above 55 years	2	2	2	1	1	8
Total	35	30	22	20	13	120

(Source: Primary Data)

NULL HYPOTHESIS

H₀: There is no significant relationship between the age of the respondent and the opinion that the ERP system has positively impacted the overall performance of the organisation.

ALTERNATIVE HYPOTHESIS

H₁: There is a significant relationship between the age of the respondent and the opinion that the ERP system has positively impacted the overall performance of the organisation.

TABLE NO-4.4

Particular	Observed Frequency(O)	Expected Frequency€	(O-E) ²	(O-E) ² /E
R ₁ C ₁	5	5.3	0.1	0.0
R ₁ C ₂	4	4.5	0.3	0.1
R ₁ C ₃	3	3.3	0.1	0.0
R ₁ C ₄	3	3	0.0	0.0
R ₁ C ₅	3	1.9	1.2	0.6
R ₂ C ₁	12	11.6	0.2	0.0
R ₂ C ₂	10	10	0.0	0.0
R ₂ C ₃	7	7.3	0.1	0.0

R ₂ C ₄	7	6.6	0.2	0.0
R ₂ C ₅	4	4.3	0.1	0.0
R ₃ C ₁	10	9.3	0.5	0.1
R ₃ C ₂	8	8	0.0	0.0
R ₃ C ₃	6	5.8	0.0	0.0
R ₃ C ₄	5	5.3	0.1	0.0
R ₃ C ₅	3	3.4	0.2	0.0
R ₄ C ₁	6	6.4	0.2	0.0
R ₄ C ₂	6	5.5	0.3	0.0
R ₄ C ₃	4	4.0	0.0	0.0
R ₄ C ₄	4	3.6	0.2	0.0
R ₄ C ₅	2	2.3	0.1	0.0
R ₅ C ₁	2	2.3	0.1	0.0
R ₅ C ₂	2	2	0.0	0.0
R ₅ C ₃	2	1.5	0.3	0.2
R ₅ C ₄	1	1.3	0.1	0.1
R ₅ C ₅	1	0.9	0.0	0.0
Calculated value				1.4

Degree of freedom(v) = (R-1) (C-1) = (5-1) (5-1) = 16

Level of Significance = 5%

Table value(TV) = 16.916

Calculated value(CV) = 1.4

CV < TV = H₀ is Accepted

RESULT

Since the calculated value is lesser than the table value, the null hypothesis is accepted. There is no relationship between the age of the respondent and the opinion that the ERP system has positively impacted the overall performance of the organisation.

FINDINGS

- Majority 85% of the respondents are male.
- Majority 36% of the respondents are strongly agree that ERP system made tasks more efficient
- Majority 54% of the respondents are agree that ERP system enhanced data accuracy and reduced errors
- Majority 61% of the respondents agree that ERP system user-friendly and easy to navigate.
- Majority 69% of the respondents are agree that ERP positively impacted daily work efficiency
- Majority 73% of the respondents are agree that ERP improved collaboration and communication.
- Majority 57% of the respondents are agree that addresses and resolves issues encountered with ERP system.
- Majority 52% of the respondents are agree that received sufficient training and support to effectively.
- Majority 69% of the respondents are agree that encountered challenges in using the ERP system.
- Majority 30% of the respondents are strongly agree that organization address ERP-related challenges.
- Majority 62% of the respondents agree that ERP system improve clarity of their job

responsibilities and tasks.

- Majority 58% of the respondents are agree that ERP system contributes more positive work environment.
- Majority 75% of the respondents are agree that ERP system has positively influenced job satisfaction.
- Majority 74% of the respondents agree that they feel more engaged in their work since the implementation of the ERP system.
- Majority 46% of the respondents are agree that regular feedback sessions on the ERP system.

CONCLUSION

The study on the impact of ERP systems on organizational performance at Sakthi Info Tech in Salem provides valuable insights into the effectiveness of ERP implementation and its influence on employee experiences. The findings underscore the significant positive impact of ERP systems on various aspects of organizational functioning, including workflow efficiency, data accuracy, collaboration, and job satisfaction. Despite encountering challenges, such as the need for additional training and occasional system-related issues, the majority of respondents expresses satisfaction with the ERP system and acknowledges its contribution to enhancing overall performance. Recommendations stemming from the study highlight the importance of on-going training, feedback mechanisms, customization, and effective communication to maximize the benefits of ERP systems.

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