

EXPLORATORY OF
CRITICAL SUCCESS FACTORS
IMPACT ON ORGANIZATION BENEFITS
THROUGH ERP IMPLEMENTATION

BY

FONG LEONG CHEE

THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENT FOR THE DEGREE OF
MASTER IN BUSINESS ADMINISTRATION

in the

Faculty of Management and Information Technology

UCSI University
Malaysia

March 2012

UCSI UNIVERSITY LIBRARY

ABSTRACT

The purpose of this study is to conduct a preliminary test of a conceptual model that examine critical success factors of ERP implementation which identified from existing literature that affect the organization benefits after live run.

Large organizations, in particular have adopted Enterprise Resources Planning (ERP) system to incorporate their business process flows and essential functions into a centralize backend system. There have been growing in demand on the use of ERP system among business organizations hoping to achieve their company strategies from using the system, such as maintain low cost production, increase market share and compete in global market, able to reengineer their internal processes to cope up with market challenges

Malaysia firms facing many challenges in implementing ERP system including lack of financial resources and management support on such project. There were many prior studies which identified ERP implementation's critical success factors (CSF) as well as benefits gain on ERP used. However, so far, none of them sought further step to examine the impact of CSF effects organization benefits from using ERP system particularly in Malaysia context.

The research collected from 412 respondents who were randomly select from SME manufacturing companies in Peninsular Malaysia. Questionnaire was utilized and the data gathered were analyzed using correlation and regression

coefficient. This research found that management support, culture change, achieves functional fit; project management and technical and facilitator support have positive impact on strategic benefits. Similarly, management support, culture change, achieves functional fit and technical and facilitator support have positive impact on organizational benefits except project management.

Keywords: ERP implementation, critical success factors, organizational benefits, SME, Malaysia