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Influence of Management Support on the Implementation of Enterprise Resource Planning System at KSC

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Abstract:

The purpose of this paper was to examine the influence of management support on success of ERP implementation in KSC. The study used 35 respondents who were randomly selected based on the 10-30% rule of Mugenda and Mugenda (2004). A semi-structured questionnaire was used to collect the data. Data analysis was both qualitative and quantitative. The paper concludes that management had not been very supportive of ERP Implementation and that that management didn't pay due attention to problems that rose during ERP implementation and that top management didn't prioritize/emphasize ERP implementation.

Key words: Enterprise Resource Planning System, Influence, Management Support

1. Introduction

KSC Company (KSC) is the major seed producing company in Kenya. The formal seed sector started in 1956 with the foundation of the then state owned KSC Company (KSC). KSC has established branches in the neighboring countries Uganda, Tanzania, and Rwanda. The core business is maize and KSC covers 90% of the formal market with a production of 27.000 tons of certified seed. Since 1962 and until 1985, the company relied totally on the hybrid varieties developed by the National Agricultural Research Programme under KARI. However, after the liberalization of the seed industry, the company, which was partly privatized, intensified the breeding programme for several crops including maize, wheat, sorghum, millet, and oat but with a strong emphasis on hybrid maize. In addition to the seed development and trade, KSC also provides different sorts of agricultural input in collaboration with chemical companies, both locally and internationally. Crop portfolio includes hybrid seed maize, pasture seeds, wheat, beans, sunflower and horticultural seeds. [1]

Implementing an ERP system project is a difficult and a high cost proposition as it places tremendous demands on organization's time and resources. The ERP implementation literature contains many case studies of organizations that have implemented ERP systems successfully. However, many organizations do not achieve success in their ERP implementation projects [2]

At New Kenya Co-operative Creameries (NKCC), ERP implementation began in the year 2010 [3]. By June 2012, 7 modules had been rolled out with two modules yet to be completed thus representing a 78% implementation level. Due to ERP implementation, The Company achieved several "best" awards during the 2006 East Africa Cheese Festival Championships. Other awards include the Best Large Manufacturers' Stand at the Agricultural Society of Kenya (ASK) shows in Nanyuki, Eldoret and Nairobi in 2006 and 2007 [3]. It is against this background that this paper sought to provide valuable insights on how management supports influencing ERP implementation success in the developing world with a specific focus on the seed sector in Kenya with reference to KSC.

2. Methodology

The paper adopted a descriptive research design. The purpose was to enable the researcher to meaningfully describe a distribution of scores or measurements using a few indices or statistics. As such in this design, the management support phenomenon was examined without researcher's influence. The population of this study was 350 employees of KSC and was made up of management level employees and ERP users.

Category	Target Population
Management	50
ERP users	300
Total	350

Table 1: Target Population

According to [4], selecting 10% of the entire population is considered sufficient for the study. A simple random sampling within each group was employed to give each employee a chance to participate in the study. A sample size of 10% respondents' equivalent to 35 employees in the company was used.

Table 2 shows the sampling frame a summary of the sample size. Management and ERP users have been chosen since the staff in these levels are highly involved in the implementation of ERP and thus would give informed opinions regarding challenges encountered and the success rate.

Category	Target Population	Percentage	Sample size
Management	50	10%	5
ERP Users	300	10%	30
Total	350	10%	35

Table 2: Sample size

The questionnaires were administered to the respondents at their place of work. Questionnaires were preferred because according they are effective data collection instruments that allow respondents to give much of their opinions concerning the research problem. Since the research is being conducted in one location, the researcher personally administered the questionnaires to the respondents using drop and pick method. The researcher also did a follow-up for those respondents who chose to fill the questionnaires at a different time. Both qualitative and quantitative methods of data analysis were used. Upon receipt of the questionnaires, they were coded and examined for completeness. They were then fed into the Statistical Package for Social Sciences (SPSS). Descriptive statistics were used to summarize the results for each of the main variables. These included mean, mode, and standard deviation. While measures of central tendency showed points of consensus, standard deviation showed the degree of variability of responses.

3. Presentation of the Results

When respondents were asked to state whether their management has been supportive in relation to the implementation of ERP, it was established that majority (72%) denied the statement as shown in Figure 1.

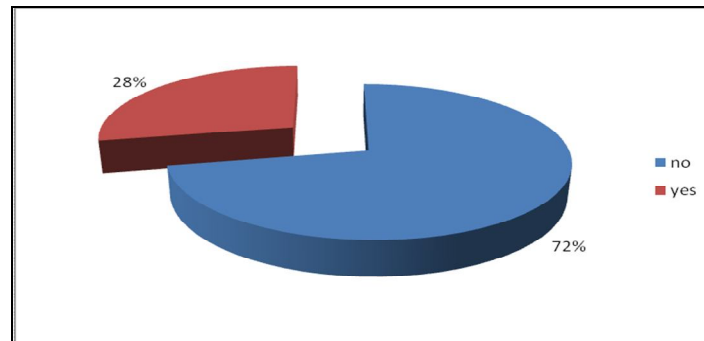


Figure 1: Whether the Management has Been Very Supportive of ERP Implementation

3.1. Management Support in the Implementation of ERP at KSC

From the findings, 72% the respondents indicated that the management had not been very supportive of ERP Implementation while 28% of the respondents indicated that the management had been very supportive of ERP Implementation.

From the findings, the respondents strongly disagreed that management paid due attention to problems raised during ERP implementation and that top management prioritized/emphasized ERP implementation as indicated by a mean of 4.2 respectively, the respondents disagreed that management provided all necessary support to employees to ensure smooth ERP implementation as indicated by a mean of 3.9, the respondents disagreed that management had been very supportive in providing necessary training on ERP as indicated by a mean of 3.7.

This findings relate to the literature review where Loh and Koh (2004) considers that effective change management is vital to manage and control the changes occurring during the implementation of ERP system. Further, the study collate with the literature review where Nah et al. (2001) mentions that top management should initiate changes to the organizational structure and culture by: identifying and supporting new goals and objectives; communicating the shared organizational vision and the role of the new system to the staff; identifying and approving new organizational structures, roles and responsibilities; and approving codes of conduct for the use of the new system.

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	StdDev
Management provides all necessary support to employees to ensure smooth ERP implementation	35	56.1	2	6.8	0.1	3.9	1.9
Management has been very supportive in providing necessary training on ERP	35	44	8	10	3	3.7	0.5
Management pays due attention to problems raised during ERP implementation	48.1	40	7.9	1	3	4.2	0.2
Top management prioritizes/emphasizes ERP implementation	29.7	32.7	13.2	18.5	5.9	4.2	0.6

Table 3: Extent of Agreement With the Following Statements Regarding Management Support in the Implementation of ERP at KSC

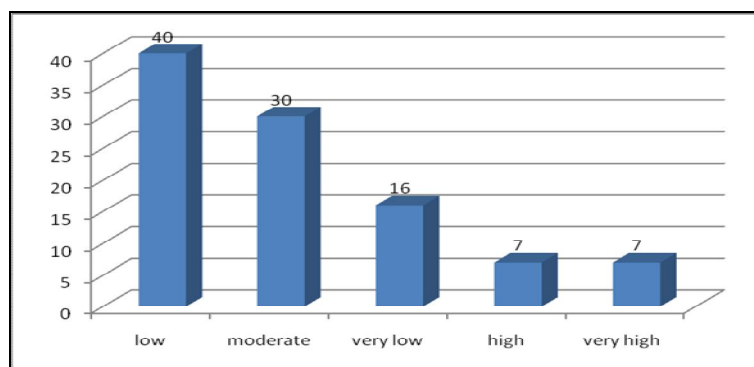


Figure 2: Rate the Level of Management Support for ERP Implementation

From the findings, 40% of the respondents rated the level of management support for ERP implementation as low, 30% of the respondents rated the level of management support for ERP implementation as moderate, 16% of the respondents rated the level of management support for ERP implementation as very low while 7% of the respondents rated the level of management support for ERP implementation as high and very high respectively. These findings relate with the literature review where Nah et al. (2001) mentions that top management should initiate changes to the organizational structure and culture by: identifying and supporting new goals and objectives.

3.2. Summary and Conclusion

The study found out that majority of the respondents indicated that the management had not been supportive of ERP Implementation. The study as well found out that the respondents strongly disagreed that management paid due attention to problems raised during ERP implementation and that top management prioritized/emphasized ERP implementation, the respondents disagreed that management provided all necessary support to employees to ensure smooth ERP implementation, the respondents disagreed that management had been very supportive in providing necessary training on ERP. This is in line with the literature review where [5] mentions that top management should initiate changes to the organizational structure and culture by: identifying and supporting new goals and objectives.

4. References

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