



**Business Continuity through Crisis Situations: Evaluation of Impact of ERP Systems on Business Performance through Crisis Situations in SME of Apparel Industry in Sri Lanka.**

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## **Abstract:**

The economic development is highly impacted by Micro, Small and medium enterprises. In the past few years Micro, Small and medium enterprises have become highly competitive, and the number of organizations have increased with the economic growth. This also has caused Micro, Small medium enterprises to face many challenges and with these challenges to expand their businesses and open organizations to new technologies. But in past few decades academia researchers and business world has debated on the impact that enterprise resource planning systems has on business performance.

Further to the effects of enterprise resource planning systems in normal times these systems can positively or negatively impact business performance at the times of crisis. At such times, employees must work remotely due to crisis situations, and this may lead organizations to adapt into enterprise resource planning systems. Hence the main purpose of this research is to evaluate the effects of enterprise resource planning systems have on business performance specially through crisis situations.

The crisis in this study mainly focuses on the covid-19 outbreak as this is the most recent crisis that global economy had to face. The globalization has resulted in a complicated, prolonged, and large-scale supply chain. Also, businesses depend on its supply chain to achieve competitive advantage. With the complexity and large-scale nature, the supply chains have become challenging to manage and have been subjected to high risk. To prevail over such supply chain interruptions, sufficient response approaches and risk managing implements should be executed to build an impervious business. This study presents understandings on whether ERP systems facilitates the above-mentioned response plans with interest to minimizing the operational destruction triggered by Covid-19.

The study is conducted via exploratory research first to identify the factors which cause successful and productive utilization of ERP systems. The results suggest six likely elements. Based on the findings of the literature review, there hypothesis have been developed to conduct the quantitative analysis. The quantitative analysis is conducted by building a questionnaire and collecting data from stakeholders of Sri Lankan Micro, Small Medium Enterprises (MSME). The questionnaire consisted of thirty six questions – four questions to gather demographic data of the sample and thirty two questions covering six independent variables and two dependent variables with four questions on each variable.

Four hundred and twenty-three valid responses were gathered from Sri Lankan apparel micro, small and medium enterprises. Data was validated using Cronbach's Alpha test and the correlation between the variables were assessed using the Pearson's correlation test.

The findings of the study suggests that ERP usage has a highly positive effect on business performance and ERP usage is affected by user satisfaction in a low positive manner while ERP system complexity has a negative low effect on the ERP usage.

The paper here onwards builds the framework and hypotheses for the research while showing how the factors suggested the framework. Data collected survey and analysis also is depicted throughout the paper while the last section opens the discussion on how the study gradually concluded the outcomes.