

# **The Impact of (Enterprise Resource Planning – ERP) on Planning of Optimal Working Capital in Jordanian Public Industrial Shareholding Companies**

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## **ABSTRACT**

This study aimed to demonstrate the impact of Enterprise Resource Planning - ERP systems on planning of optimal working capital in Jordanian industrial shareholding companies through three dependent sub-variables (account payables, account receivables and inventory) and to achieve the objectives of this study, the researcher follows the applied approach on the data from financial statements, also used another approach through using the financial ratios and compare it between before using the ERP and after using this system for the financial period of (2015-2010). The researcher used a set of appropriate statistical tools as a Pearson correlation between variables data first, then a linear regression analysis to determine the degree of influence of the independent variable on the dependant variables through the statistical program SPSS.

This study used a methodology with community consists of 65 Jordanian industrial shareholding companies, and selected a sample of three companies that implemented the ERP system in all departments, and never used it before. Accordingly, the financial statements for these comapies have been extracted form Amman stock exchange and analyzed. Then tested within this study.

The study found that there is no statistically significant impact between the ERP systems on planning of the optimal working capital, also there are no statistically significant impact between the ERP systems on the three dependant sub-variables (payables, receivables and inventory) on planning of optimal working capital in the financial statements of the Jordanian industrial companies, which was selected within the sample of the study.

According to the results above, the researcher recommends to expand the sample of the study on the industrial sector or implementing on another sectors to examine and take as many companies as possible to implement the ERP system, and using other dependent variables such as Activity ratios and liquidity ratios. In addition, the researcher recommends to use of other independent variables such as optimal of ERP usage and training, consider the controlled variables such as the size of the company and its profits.