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SYNOPSIS

INFLUENCE OF ERP SYSTEMS ON BUSINESS PROCESS AGILITY

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Enterprise resource planning (ERP) systems flexibly support many changes that take place during the business growth or market downturn of a firm. While ERP systems are considered a key component of the current IT infrastructure and have delivered cost efficiencies, control, and consistent execution in several organisations, their role in enabling agility and innovation is ambiguous. In order to position themselves better to respond to market dynamics and changing business conditions, firms must have agility – the ability to adapt by quickly changing and reconfiguring the necessary business processes. With limited research available on ERP post-implementation effects in general, and on agility and innovation in particular, this study employs

a cross-sectional field study and analyses how the key defining features of the enterprise systems environment – integration, process optimisation, and best practices affect firm agility in general and business process agility in particular. According to the study, integration and standardisation, the key characteristics of the ERP-enabled environment, have mixed and varying effects on business process agility, which is dependent upon the extent and type of standardisation and integration implemented in the organisation. Integration across hierarchical levels has helped processes become more agile through improved visibility and decision making, while integration of processes and information across functional boundaries

has contributed to improvements in the speed of execution and ability to reconfigure process components. Tight coupling of systems, structures, and processes resulting from ERP implementation restricts a firm's ability to reconfigure and deploy business processes. The study suggests that it is not necessary for all processes to be agile, and emphasises the importance of business process management capability of an organisation and best practice in building and improving process agility. Rather than the ERP-system enabled environment it is the inadequacies in implementation and poor process optimisation prior to ERP implementation that are restricting process agility.

SPEED OF INFORMATION ADJUSTMENT IN INDIAN STOCK INDICES

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The speed at which domestic as well as global news gets absorbed by the stock market prices and indices is an essential input parameter for investment decisions. This study attempts to analyse the speed at which information gets incorporated into the various stock indices in India. Four alternate speed estimators viz., the AR (1) model, the ARMA (1, 1) model, the ARMA (1, X) model, and the cross-covariance estimator were calculated to estimate the rate at which information is adjusted. The lead-lag relationships between indices with varied characteristics were also analysed.

The speed at which the benchmark indices such as the Sensex and the Nifty adjust to information increased during the study period, indicating an improvement in Indian stock market efficiency. It was observed that the Sensex and the Nifty indices, the constituents of which are large capitalisation stocks, led the smaller indices till 2009. The speed of information adjustment in the Nifty and Sensex index series was not only higher but also improved consistently from 2005 till 2009 and had been sustained during the financial crisis period. But in the years 2010 and 2011, this

pattern was disturbed, especially in the banking indices. The Bankex, which is composed exclusively of banking stocks, was the most affected index during the financial crisis, and its speed of information adjustment reduced substantially during this time period. The ARMA (1, X) model in which the MA (X) component was used to capture the effects of thin trading showed that thin trading has reduced considerably, which is quite natural considering the nature of the constituents of the indices in the study and the state of the Indian markets as a whole.