ABSTRACT
Choosing a particular operational system and software can have a significant effect on a company's formulated business strategy. The investment required in an enterprise resource planning (ERP) system is very high and inappropriate selection of the system could present difficulties for the company. Therefore meticulous planning is required in the implementation process and only knowledge is needed to increase chances of success in the implementation of ERP which is one of the goals of this research which was to establish the factors which influence the ERP adoption by Kenya commercial banks. Enterprise Resource Planning (ERP) systems are configurable information systems packages that integrate information and information-based processes within and across functional areas in an organization. ERP systems promise seamless integration of all the information flowing through the organization. Acquisition of ERP systems often lead to huge financial investments that could adversely affect an organization's performance. It is therefore important for organizations to be able to evaluate their needs for ERPs before investing in them. Equally, it is imperative that organizations be able to evaluate the impact of these systems on their performance. The study identified important factors that influence ERP adoption in Kenya commercial banks. The study employed a survey research design and was carried out in the population of interest of this study which was commercial banks operating in Kenya. Currently there are forty six banks operating in Kenya, the sample size for the study included 10 commercial banks that have currently adopted ERP systems.
A preliminary confirmatory study was done in Equity bank. The study being a survey meant that questionnaires was distributed to all selected commercial banks in Kenya, three employees in each bank were selected from the operations, IT and user department of each bank. A pilot study was initially carried out to establish the reliability and validity of the instruments. Reliability was determined using the test-retest method as well as the Cronbach's coefficient formula. The reliability coefficients vary between values of 0.00 and 1.00 case of this study. The data was analyzed using descriptive statistics which included the mean, standard deviation and multiple regressions with the help of statistical package for social sciences (SPSS).

Findings were presented using frequencies, percentages and means. The research findings showed that organizational factors which included top management factors, banks' size, absorption capacity and internal need of the bank are the most important factors when it came to the factors influencing adoption of ERP. Other factors included the environmental factors, technological and individual factors respectively. The study recommended that it is important for a bank to perform a thorough research and audit of the internal systems before implementing ERP.