

The Impact of Management Competency, Project Team, and Process Design to Corporate Performance through Implementing the Self-Development ERP

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Abstract : Manufacturing companies in East Java develop their own ERP system or alter the ERP system which is developed by other companies to suit their needs. To make their own system, the companies mostly assign several employees from various departments to create a project team, and the employees are from the departments that are going to utilize the ERP system as the integrated data. The project team decides the making of the ERP system from the preparation stage until the going live implementation process. In designing the business process, the top management is working together with the project team until the project is accomplished. The completion of the ERP projects depends on the project to be undertaken itself, the strategy chosen to complete the project, the work method selection, the measurement system to monitor the project, the evaluation system of the project, and, in the end, the declaration of 'going live' of the ERP project. There is an increase in the business performance for the companies that have implemented the information technology or ERP as they manage to integrate all management functions within their companies. To investigate, some questionnaires are distributed to 100 manufacturing companies, and 90 questionnaires are returned; however, there are only 46 companies that develop their own ERP system, so the response rate is 46%. The result of data analysis using PLS shows that the management competency brings impacts to the project team and the process design. The process design is adjusted to the real process in order to implement the ERP, but it does not bring direct impacts to the business performance. The implementation of ERP brings positive impacts to the company business performance.

Keywords : management competency, project team, process design, ERP implementation, business performance

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