

Factors Affecting the Success of Implementation of Enterprise Resource Planning (Case Study: Pt. Kimberly-Clark)

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Abstract: Companies from various types of industries continue to try to develop and innovate themselves. The demand for change can come from the pressure of competition, market demand, or the company's internal desires that driven by a vision and mission that refers to the future. Increasing competition between companies and management's desire to improve company performance, requires companies to be able to improve the quality of the system used. This study aims to determine of company top management factors, project management factors, realistic scope setting factors, management change factors, educational factors in ERP projects on the success of ERP implementation. The independent variables are the company's top leadership factors, project management factors, realistic scope setting factors, management change factors, educational factors in ERP projects while the successful implementation of ERP as the dependent variable. The analysis technique is descriptive statistical analysis where previously data were collected using a questionnaire spread technique. The results showed that partially the top leadership of the company, and the determination of scope that realistically affected the success of ERP implementation. While project management factors, management change factors, and educational factors in ERP projects have no effect. Simultaneously all the independent variables affect the dependent variable.

Keywords: Enterprise Resource Planning, Implementation, Success Factors.

1. INTRODUCTION

Enterprise Resource Planning (ERP) is an information system intended for manufacturing and service companies whose role is to integrate and automate business processes related to aspects of operations, production and distribution in the company. ERP is a software that integrates all departments and functions of a company into one computer system that can serve all the needs of the company, both from the sales department, HRD, production or finance.

Determinants of success ERP implementation is something that must done by organizations in order to achieve success in implementing ERP systems. In relation to project information systems, the critical success factor is what must done by a system to fulfill what has designed. The critical success factors for ERP implementation can seen from Top Management Sponsorship, Project Management, Realistic Scope, Change Management, and Education in ERP Projects.

Top Management Sponsorship here includes that the head of the company is the ERP project initiator, decides the software and service providers to use, and actively oversees the ERP project. Some successful ERP projects monitored in bi-weekly or monthly Review meetings directly by the company owner or professional directors. It is very important to work on aligning the Key Performance Indicator (KPI) with the ERP project, that everyone is involved in the KPI for the success of the ERP project.

Project management is an effort on an activity so that the purpose of the activity can achieved efficiently and effectively. Effective in this case is where the results of the use of resources and activities in accordance with

the objectives which include quality, cost, time and others. Whereas efficient means the use of resources and the selection of sub-activities appropriately which includes the number, type, when to use other sources and others. Therefore, project management in a construction project is something that cannot be ignored, because without the management of a project, construction will be difficult to run in accordance with expectations in terms of cost, time and quality.

Determination of the scope of the ERP project must be planned as well as possible so that the implementation can run optimally, starting from setting go-live targets, having enough HR to run the ERP project, taking all existing templates in the ERP, and minimize Customization in the ERP project so that the ERP Project can run effectively and efficiently. However, sometimes the user wants all ERP implementation activities to run as quickly as possible and as a whole not gradually.

Change management is a series of processes used to ensure that significant strategic changes in an organization carried out in a controlled and systematic manner, to overcome resistance to change in order to increase the involvement and achievement of organizational goals for effective transformation. Change Management also has a collective term for all approaches in preparing and supporting individuals, teams and organizations in making organizational change. This includes methods that divert or redefine the use of resources, business processes, budget allocations, or other modes of operation that significantly change a company or organization. Education in this case can cover the socialization process in the context of awareness raising to formal processes such as seminars and certifications. Whereas training can be in the form of on-project training, or formal training organized by existing ERP training institutions. Based on observations found cases where all the factors mentioned above met. Users are well motivated for ERP projects. However, there are no good training programs available that cause frustration in running ERP that only known by the user. ERP is a sophisticated software with a foreign appearance. It takes a structured and intensive training to introduce and make users feel comfortable using it. Determinants of success are a number of key factors that are considered by executives as important to the success of the company, this is very important because successful performance will drive the success of the organization in achieving its goals. Critical success factors (CSF) is an analysis strategy that helps a manager to achieve the goals of the company, including factors that will influence the success or failure of achieving goals. CSF can be determined if the objectives or direction and goals of the organization have been identified. The purpose of CSF is to interpret objectives more clearly to determine activities to be carried out and what information is needed.

2. HYPOTHESIS DEVELOPMENT

The Effect of Top Management Sponsorship on ERP Implementation Success.

Aristo (2017), using the company's top support variable and significantly influencing the success of ERP in his own research, is also in line with research by Lestariningsih, Suyanto, and Taufiq (2015), Purwanto, Hadi, and Rahardianto (2014), Dezhar (2012), Frimpon (2012), Ganesh, and Mehta (2010), Chaushi, Dika (2016), Mudiantono (2013). While in contrast to the research conducted by Susanti, Hapsari (2017) used the company's top support variable in his research and there was no significant effect on the success of ERP.

The hypothesis developed is H1: Support of Top Management Sponsorship influences the success of ERP implementation.

The Effect of Project Management on the Success of ERP Implementation.

Fitriah (2010) uses Project Management factors (Project Management) and significantly influences her research on the success of ERP implementation, and is in line with researches belonging to Dezhar (2012), Frimpon (2012), and Aristo (2017), Lestariningsih, Suyanto, and Taufiq (2015), Chaushi, Dika (2016). While contrary to research conducted by Purwanto, Hadi, Rahardianto (2014), Susanti, Hapsari (2017) which uses project management variables in his research and there is no significant effect on ERP success.

The hypothesis developed is H2: Project management influencing the success of ERP implementation.

Effect of realistic Scope on ERP Implementation Success.

Ganesh, Mehta (2010) Scope factors that were realistic in his research mentioned as Effective Communication Plan had a significant effect. Realistic Scope determination also used as a variable by Fitriah (2010) but has no significant effect on ERP implementation.

The hypothesis developed is H3: Determination of Scope that realistically influences the success of ERP implementation.

Effect of Change Management on the Success of ERP Implementation.

Susanti, Hapsari (2017), uses Variable Change Management in her research and significantly influence the success of ERP implementation in her research and is in line with research by Fitriah (2010), Ganesh, Mehta (2010), Frimpon (2012), Wihartanto (2011).

The hypothesis developed is H4: Change Management influences the success of ERP implementation.

The Effect of Education on ERP Projects on the Success of ERP Implementation.

Putra (2018) uses Education in Project variables in his research and significantly influences ERP implementation also in line with research from Fitriah (2010), and Wihartanto (2011), Tarigan (2011), Mudiantono (2013), Purwanto, Hadi, Rahardianto (2014), Tjakrawala, Lukita (2012), Susanti, Hapsari (2017) Lestariningsih, 2017 Suyanto, Lutfi (2015). Likewise, research by Dezhar (2012) which mentions the Education factor in the ERP project there is an influence on the success of ERP implementation.

The hypothesis developed is H5: Education in the ERP Project affects the success of ERP implementation.

3. DISCUSSION

Research Summary Table

No	Variabel	Bobot	Signifikan	Hasil
1	<i>top management sponsorship</i>	26,13	0,015	H0 = Rejected. Top Management Sponsorship has a significant positive effect on ERP implementation success at 26.13.
2	<i>Project Management</i>	-8,32	0,413	H0 = Received. Project Management has no significant effect on the successful ERP implementation of -8.32.
3	<i>Realistic Scope</i>	25,08	0,019	H0 = Rejected. A realistic scope has a significant positive effect on the success of ERP implementation by 25.08.
4	<i>Change Management</i>	17,66	0,090	H0 = Received. Change Management has no significant effect on the success of ERP implementation by 17.66.
5	<i>Education in the Project.</i>	8,29	0,415	H0 = Received. Education in ERP projects had no significant effect on ERP implementation success of 8.29.
6	<i>Top Management Sponsorship, Project Management, Realistic Scope, Change Management, Education in the Project</i>	220,9	0,000	top management sponsorship, project management, realistic scope, change management, education in ERP projects jointly influence the dependent variable, namely ERP implementation success significantly.

The table above mentioned that the Top Management Sponsorship variable significantly influences the ERP implementation success. This is because top management sponsorship supports all ERP project activities in a company. ERP projects will not run successfully if these activities do not have full support from top management (Top Management Sponsorship). At PT. Kimberly Clark Indonesia, all the company's top leaders fully support ERP implementation activities. The total of 14 respondents (47%) stated that they agreed, 13 people (43%) agreed and 3 people (10%) expressed doubts. The full support of the top manager can determine the software and service providers used and increase the success of ERP implementation at PT. Kimberly Clark Indonesia. Aristo (2017), using the company's top support variable and significantly influencing the success of ERP in his own research, is also in line with research by Lestariningsih, Suyanto, and Taufiq (2015), Purwanto, Hadi, and Rahardianto (2014), Dezhar (2012), Frimpon (2012) Ganesh, and Mehta (2010), Chaushi, Dika

(2016), Mudiantono (2013). While in contrast to the research conducted by Susanti, Hapsari (2017) used the company's top support variable in his research and there was no significant effect on the success of ERP.

Project Management does not significantly influence the successful implementation of ERP. This is because it does not set a time limit so that the project management that should be effective becomes ineffective and the project management does not consider the selection of modules effectively and efficiently. At PT. Kimberly Clark Indonesia project management has no effect because project management is not working as it should. This is because project management does not involve the divisions that the project is intended to carry out. So in his work a lot of mistakes occur and the work does not run effectively and efficiently because the relevant divisions are not directly involved in the work on the project. So with this reduce the level of success in implementing ERP. Fitriah (2010) uses Project Management factors (Project Management) and significantly influences her research on the success of ERP implementation, and is in line with research belonging to Dezhar (2012), Frimpon (2012), and Aristo (2017), Lestariningsih, Suyanto, and Taufiq (2015), Chausi, Dika (2016). While contrary to research conducted by Purwanto, Hadi, Rahardianto (2014), Susanti, Hapsari (2017) which uses project management variables in his research and there is no significant effect on ERP success.

A realistic scope significantly influences the success of ERP implementation. This is because the company is able to implement ERP projects in accordance with the company's ability to determine the scope for carrying out its ERP project activities. PT. Kimberly Clark Indonesia ERP project is run with the right scope. The company does not do the ERP project as a whole but runs the ERP project in a planned manner. For example the ERP project wants to be run for the marketing division, so the work focused on the marketing division alone does not involve or do not work on projects other divisions. So with this drive or increase the level of success in implementing ERP at PT. Kimberly Clark Indonesia. Ganesh, Mehta (2010) Scope factors that were realistic in his research mentioned as Effective Communication Plan had a significant effect. Realistic Scope determination also used as a variable by Fitriah (2010) but has no significant effect on ERP implementation. Change Management does not affect the successful implementation of ERP. This is because companies do too much organizational and work culture changes so that users cannot adapt to the ERP system. At PT. Kimberly Clark Indonesia often changes employees so that the knowledge in implementing the ERP system cannot understood completely due to the limitations of users in using the system, this results in a reduced level of success in ERP implementation. And the following thing also happens in all companies engaged in manufacturing. Susanti, Hapsari (2017), used Variable Change Management in her research and significantly influenced the success of ERP implementation in her research and was in line with research by Fitriah (2010), Ganesh, Mehta (2010), Frimpon (2012), Wihartanto (2011).

Education in ERP projects has no effect on ERP implementation success. This is because in education emphasizing the ERP product itself is not the procurement of the ERP project, the situation is different if it is associated with the success of the use of ERP. Then this education will have an influence on usage. Even if the education or not is held in the ERP project, the ERP project will still be carried out. At PT. Kimberly Clark Indonesia the education in the ERP project had no effect due to the lack of editing of the ERP system. It led to a reduced level of success in ERP implementation. Even if there was a reduction in ERP implementation less positive impact. Because only of the employees who received the education were in line with research conducted by Putra (2018) uses Education in Project variables in his research and significantly influences the ERP implementation in line with studies from Fitriah (2010), and Wihartanto (2011), Tarigan (2011), Mudiantono (2013), Purwanto, Hadi, Rahardianto (2014), Tjakrawala, Lukita (2011), Susanti, Hapsari (2017) Lestariningsih, Suyanto, Lutfi (2015). Likewise, research by Dezhar (2012) which mentions the Education factor in the ERP project there is an influence on the success of ERP implementation. Top Management Sponsorship, Project Management, Realistic Scope, Change Management, Education in ERP Projects together significantly influence the success of ERP implementation. Not only at PT. Kimberly Clark Indonesia, but in all companies that are running in the same business field, if all the following variables are run well, it can result in an increased level of ERP implementation success in the company.

4. CONCLUSION

Based on the results carried out against PT. Kimberly Clark Indonesia and the discussion in the previous chapters it can be concluded that:

1. Top management sponsorship affects the success of ERP implementation.
2. Project Management has no effect on the success of ERP implementation.
3. Scope that realistically influences the success of ERP implementation.
4. Change Management has no effect towards the successful implementation of ERP.

5. Education in ERP projects has no effect on the success of ERP implementation.
6. Top management sponsorship, project management, realistic scope, change management, education in ERP projects together influence the dependent variable, namely the successful implementation of ERP.

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