

**ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM  
AND COMPANY PERFORMANCE**

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**ENTERPRISE RESOURCE PLANNING (ERP) SYSTEM  
AND COMPANY PERFORMANCE**

**BY:**

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## ABSTRACT

Enterprise resources planning (ERP) system, from business perspective, is following the need for integration of company's information in the real time environment as one of key success factors in strategic and operational decision making process. This research paper was conducted to identify and evaluate for the ERP system implementation in Jabil Green Point in term of the performance's improvement. Operations performance was treated as the dependent variables while Control, Integration and Contagion were the independent variables respectively. The Control variable was measured with respect to the ERP ability in control for the cost and inventory. Integration variable was measured in term for the system to integrate various functions in Jabil Green Point. Contagion variable was measured the connection between the organization's cultural and the ERP system implementation. A total of 50 respondents from the population of 65 staff in Jabil Green Point participated in this research paper. The data collection was conducted through the distribution of questionnaires, which was designed to measure the operations performance with a statement on a five likert scale point, ranging from one (strongly disagree) to five (strongly agree). Three hypotheses were tested for this research paper. Data was analyzed using the SPSS software to obtain the frequencies, means, median, standard deviation and correlations between variables. Descriptive analysis, Reliability analysis and Correlation & Relationship analysis were conducted to test the data collected. The results show that the Control and Integration variables have the positive relationship with operations performance while Contagion variable stated for the negative relationship with operations performance. In conclusion, this research paper shows that successfully for the ERP implementation were resulted in the improvement of the organization's performance. The suggestion for the future research was the research study have to involved for more companies especially for the multinational companies, thus the statistical generalization can be made.

**Keywords:** Enterprise Resource Planning (ERP), Operations Performance, Control, Integration, Contagion

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## **LIST OF ABBREVIATIONS**

<b>BOM</b>	<b>= Bill of Material</b>
<b>CSF</b>	<b>= Critical Successful Factor</b>
<b>ES</b>	<b>= Enterprise System</b>
<b>EIS</b>	<b>= Enterprise Information System</b>
<b>ERP</b>	<b>= Enterprise Resource Planning</b>
<b>EWS</b>	<b>= Enterprise Wide System</b>
<b>GUI</b>	<b>= Graphical User Interface</b>
<b>MIS</b>	<b>= Management Information System</b>
<b>MRP</b>	<b>= Material Requirements Planning</b>
<b>SCM</b>	<b>= Supply Chain Management</b>
<b>SPSS</b>	<b>= Statistical Package Social Science</b>

## **LIST OF EXAMPLES AND APPENDICES**

Appendix A      Questionnaires

Appendix B      SPSS outputs

## CHAPTER ONE:

### INTRODUCTION

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*The introduction starts with a background describing for the ERP system. This background narrows down the scope to the problem area which describes the specific topics and concepts included in the thesis. The problem discussion will be identifies for the root causes and further analysis for it. Following this the research question is stated along with the purpose of the thesis. The chapter is concluded with an explanation of the propositions that guides the study and a description for the future research study uses.*

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#### 1.0 Background of the Study

The Enterprise Resource Planning (ERP) systems were become popular and important in organizations worldwide by the 20<sup>th</sup> century. It is believed to first receive attention in the early 1990s. Bingi *et al* (1999) had suggested that the ERP system will have long-term growth rates of 36% to 40% in the future. Thus, the ERP system attributes and success factors since become interest to both researchers and practitioners. In the era of globalization, mostly companies are facing to various competitions from not only local or traditional competitors but also worldwide competitors in the industry. Therefore, it is important and seen to be the key factors for companies to develop an integrated and responsive management procedure to respond to any future challenges. The companies only can sustain their profitability in fierce competition if the companies can make right decisions in a timely fashion based on market trends; hence, it already become the trend

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