CHAPTER 5: FINDINGS AND DISCUSSION

This empirical study provides evidence that ERP system is associated with a higher level of problem solving for employees. After implementation of ERP system, there is a significant increase on the respondents' level of organizational effectiveness.

The level of effectiveness was greater among companies with ERP system compared to companies without such system. It appears that employers who implement ERP system see increased overall effectiveness. Employers concerned with identifying and correcting possible inefficient within their organization.

The ERP system may generate increased and more frank communication from employees about organization's problems and issues. Companies without ERP system may experience fewer internal communications. I have taken further steps to find more about the effectiveness of ERP system where there are no proper ERP system implemented by employers. Thus, four more parts of the questionnaire were used to abstract further findings.

The findings of this study have important implications for organizations operational practice. First, they reinforce the notion that systemic interventions that address a variety and different combinations of learning organization characteristics will be more likely to be successful than interventions that solely focus on singular or a limited number of

dimensions. However, the results of this study further imply that when it comes to performance, transforming the structural and cultural dimensions of the learning organization approach should be the first priority. More specifically, the results of this study suggest that transforming the organizational structure into an organic one, and in turn changing the organizational culture accordingly, should be the first critical step when building the learning organization. This is in contrast to the approach typically followed when attempting to build a learning organization. Often enough, creating a continuous learning environment and knowledge dissemination is the primary focus of many learning organization interventions. According to the results of this study, focusing first on such learning organization characteristics as open communications, teamwork, resource availability, and risk taking, and then on building the learning network and continuous learning culture, can make the transformation process faster to produce results. Given that altering the structure of the organization often demands cultural changes as well, the learning organization transformation process could be facilitated further if attention is also paid to such cultural characteristics as trust, experimentation, flexibility, employee participation, and teamwork.

5.1 Further Findings

Among the most significant findings of the survey are:

1. Recognition by employees of a hierarchy of proper ERP system outlets: internal first, law enforcement agencies second, and top management last.

2. Less employee support for not support who report inefficient activities of ERP.

3. Very strong overall employee support for ERP implementation, even among managerial and supervisory employees.

4. A belief among employees that a fear of being fired deters ERP implementation.

Each of these findings is discussed in greater detail below.

a)   When and to whom to apply ERP system?

As discussed earlier, the questionnaire contained two measures of the respondent's attitudes about when organization should apply ERP and whom to apply. The first was the respondent's degree of concurrence with statements that the ERP system should protect employees who engage in particular types of ERP implementation. The results of this part of the questionnaire are summarized in Table 7.

Table 7 indicates that the respondents believe that there is a hierarchy of appropriateness in terms of ERP outlets. With reference to external environment, reports to the media (statements 5 and 6) receive less approval than law enforcement authorities (statements 3 and 4); in turn, internal communications (statements 1 and 2) are favoured over both types of ERP implementation. For example, 94% of the respondents believe that an employee who is discharged for applying ERP system should prevail in a

lawsuit against the former employer, 88% approved the same result as to government authorities, while only 76% would protect a similar disclosure to the news and media. Similarly, the respondents discriminate between ERP implementation on illegal activity. As to each kind of reporting - media, law enforcement, and internal - the respondents favour legal support for employees who report illegal activity (statements 1, 3, and 5) more than they do for those who disclose unethical conduct (statements 2, 4, and 6). For instance, 74% believe that an employee who is fired for informing the news media of an employer's "illegal activity" should be protected, while only 61% would call for such protection for an individual who informs the media of an employer's unethical practices.

Table 7: Extent of agreement with statements favouring ERP implementation in circumstances

Statements Fired employee should prevail in a lawsuit Against employer when he or she:	Strongly Agree	Agree	Disagree	Strongly Disagree	Mean*	"No Opinion or No Answer
1. Refuse to apply ERP and job-unrelated Activity.	57.60%	36.20%	3.60%	1.10%	1.5	1.40%
2. Refuse to apply ERP and job-related Activity.	42.8	46.4	6.9	1.4	1.7	2.5
3. Informs law enforcement authorities of Employer's unethical firing.	49.3	37.3	9.1	1.1	1.6	3.3
4. Informs law enforcement authorities of Employer's ethically firing.	23.9	40.2	26.8	3.3	2.1	5.8
5. Informs news media of employer's Unethical firing.	41.3	33.3	14.9	5.4	1.8	5.1

| 6. Informs news media of employer's Ethically firing. | 21.4 | 40.2 | 24.6 | 6.5 | 2.2 | 7.2 |

- ***Strongly agree-1; Agree-2; Disagree-3; Strongly Disagree-4. Excludes no opinion and no answer***

The same patterns are reflected in the second part of the questionnaire, described above, in which respondents answered whether they believed that a private sector employer or a non-union employee should win a lawsuit brought by- the employee, who had been discharged following refusing ERP implementation scenario described in the question. For each scenario the respondent was asked to react to three different kinds of effectiveness of ERP implementation: to the news media, to law enforcement authorities, and to top management. The scenarios given were as follows:

1)   Mr.low was the deputy general manager of a public listed company. He discovered that most of the company's orders had been increased by approximately 20% per month.

2)   Mr.Raymond was the Sales manager of a public listed company. He discovered that his sales personal has reported increase in sales after implemented ERP system to make the company appear to be in better financial condition.

3)   Mr.Chong was employed as account manager of an engineering company. He noticed the effectiveness of ERP implementation between company with ERP and the company without is more efficient in term of management control system and cash flow management.

As Table 8 shows, the respondents again responded among ERP implementation outlets and between effectiveness and ineffectiveness of the said activity. For instance, ERP system is proven more effective and it is supported by 98% of the respondents, and reporting to law enforcement authorities is consistency preferred to reporting to the news media. On the other hand, in this part of the questionnaire, unlike the first part discussed above, there are situations in which a majority of the respondents do not believe that the employee should prevail in a lawsuit against the ineffectiveness of ERP system. For instance, in Mr.Chong scenario 57% sides with the ERP implementation is more effective than those without ERP.

Scenario:	Table 8: ERP implementation had changed business environment in the organization.		
	Prevailing Party Should be:		
	Employee	Employer	No Answer
Mr.Low			
1.Building company image	98.20%	1.40%	1%
2.Motivation	40.9	57.2	1.8
3.Change attitude	28.6	68.8	2.5
Mr.Raymond			
1. Building company image	98.2	1.8	0
2. Motivation	74.6	23.9	1.4
3. Change attitude	51.8	46	2.2
Mr.Chong			
1. Building company image	98.2	1.4	1
2. Motivation	70.7	28.3	1.1
3. Change attitude	50.4	47.1	2.5

Perhaps the most significant finding from the first two parts of the survey is the overall support for ERP implementation, regardless whether its able

building company's image, increase motivation and willing to change working attitude. In the first part of the survey (see Table 7) there is agreement with all six statements that the discharged ERP should prevail over the employer in a lawsuit, ranging from approximately 94% to nearly 62%. Similarly, in the second part (see Table 8) the respondent's side with the discharged ERP in seven of the nine cases.

Thus, it is clear that the respondent employees approve of effectiveness of ERP. General approval of ERP implementation was found even among the approximately 13% of the respondents who classified their work as managerial or supervisory. Prior to the survey it was hypothesized that respondents in this group would be less likely than the sample as a whole to favor support ERP because they would view.

ERP is an interference with the exercise of management discretion and as contrary to employee loyalty. Accordingly, statistical analysis was performed to determine whether management or supervisory status is related to the level of support for discharged whistleblowers. Surprisingly, no clear correlation was found. In only one of the 15 statements and questions in the first two parts of the survey were managers and supervisors more likely than the respondents as a whole to favour the employer. This indicates that there is widespread agreement among all levels of employees. Furthermore, the results of the survey indicate that ERP is an issue that employees have thought about and on which they have reached firm conclusions. This is indicated first by the high response rate (55.2%) to the survey. Return rates

achieved by questionnaires mailed to the general public - in contrast to personally conducted interviews, for instance - are highly dependent upon topic saliency. Presumably, therefore, the issues raised by this questionnaire are of interest and importance to the respondents. Additionally, Table 7 and 8 shows that few respondents chose not to answer individual questions, even in Part 1 in which they were given a "no opinion" alternative. Research on response patterns indicates that between five and nine percent of respondents in face-to-face or telephone interviews opt for a "don't know" answer, and a "substantially higher" percentage of respondents to mailed questionnaires generally choose not to give an opinion. At least 92% of the respondents answered each of the questions in part 1 of the survey (see Table 7), and a minimum of 97% gave a reply in part 2 (see Table 8).

5.2   A fear of firing

Why do employees feel so strongly about effectiveness of ERP? An answer to this question is suggested by the results from the third part of the questionnaire, which indicate that employees perceive a causal connection between effectiveness in the workplace and a fear of firing. Earlier studies were requested to rank the relative influence of five or six factors on an executive's unethical behaviour. Respondents in the current survey were asked to rank the same factors with reference to a specific hypothetical scenario: An employee of a manufacturing company has discovered that a product manufactured by his firm is defective and unsafe. The employee must decide whether to inform top management of the problem even though this might be costly to the firm. In what order would you expect the factors listed

below to influence this employee's decision whether to divulge this information to the top management?

A factor not considered in the earlier surveys was added to the factors to be ranked in the current survey: "whether the employee might be fired for reporting this information. The responses to this question suggest that ineffective of ERP system may be deterred by a fear of firing from reporting to outside authorities' information that may be in the public interest. The added factor that the employee might be fired was ranked third in importance in terms of effect on ethical behaviour. Only the ethical practices of the industry and the behaviour of the employee's superiors were thought to have a great impact on the decision whether to report the ineffectiveness. Further, the fear of firing alternative actually received the most first-place rankings of the six factors.

These results demonstrate that the respondents in this study perceive a causal connection between protection for employer and employee in the workplace. This outcome may be contrasted with previous research regarding the relationship between employers against employee. Furthermore, retaliation has not been shown to deter whistle blowing. More research is needed to explore the role played by ERP in decisions whether to implement or not.

5.3   Implications for management and public policy

Employee attitudes reflected in the results of the survey reported in this article indicate that the respondents perceived a causal relationship of ERP implementation in the workplace. Although the precise relationship between employer and employee is uncertain, organizations that want to encourage the raising of ERP issues should make it clear to employees that ERP will not result in ineffective against the implementation. On the other hand, organizations that against ERP should be aware that such action appears to be contrary to employee attitudes. The results of the survey demonstrate a striking level of support for ERP system implementation. This strong employee view must be considered by management in deciding whether to continue a policy of discouraging ERP and in determining how to handle cases of issues and problems.

From a public policy perspective, the issue is whether society should provide greater involvement in ERP. Certainly, the company should reflect social expectations concerning this issue. The survey results suggest that a significant segment of society, which is directly affected by the extent of ERP implementation, believes strongly that there should be more effective after ERP had implemented.

While comprehensive problems and issues raise is not a necessary outcome from these attitudes. On the other hand, in two respects the results of this study may be reassuring to employers. First, the responses clearly indicate the existence of a hierarchy of perceived appropriateness of ERP outlets.

Throughout the study, implementation is believed to deserve greater protection to overall organization effectiveness. The marked preference for in-house ERP system demonstrates that the respondents value employee loyalty to employers.

Second, the respondents give connectivity employer and employee, presumably on the basis that individual perceptions of what is "ineffective" may reasonably differ. This may indicate relatively greater support for the employer's interest in the free exercise of managerial discretion in situations where individual and societal interests are less clearly threatened.

This recognition of the importance of employee loyalty and managerial discretion in particular circumstances may be reflected in the ERP implementation that protects employee as it develops. In the meantime, employers should be aware of employee attitudes concerning ERP implementation as they determine their own organizational policies toward ERP.

Table 9: Demographics		
	N	%
Age		
Under 20	4	1.4
20-29	68	24.6
30-39	96	34.8
40-49	59	21.4
50-59	34	12.3
60 or over	14	5.1
No response	1	0.4
Sex		
Male	152	55.1
Female	120	43.5
No response	4	1.4
Education		
Some high school or else	9	3.3
Diploma	153	55.4
Bachelors degree	64	29.7
Masters degree	30	10.9
No response	2	0.7
Employment Status		
Employed	267	96.7
Not Employed	7	2.5
No		
Response	2	0.7

CHAPTER 6:   CONCLUSION AND RECOMMENDATIONS

Increasing implementation and emphasis of ERP system in business indicates that ERP system is very important for every organisation. Apparently, it is also important to be aware that if ERP isn't implemented correctly, the workplace atmosphere may degenerate into one of suspicion and fear. Thus, organisation may construct ERP in the following manner:

The ERP system must be drafted and implemented by management and it should be submitted to the audit committee and board of directors. The foundation of the policy is a clear and specific definition of implementation. Other key aspects include the following:

- Clear definition of mission and vision

- Non-retaliation provisions

- Protect employee satisfaction

- Clear process of filing claim to certain officer

- Must be communicated to all employees, vendors, customers, shareholders

On the non-retaliation provision, the employers can help employee feel comfortable when reporting any problems and issues, misconduct by implementing the following ways:

- Providing ample avenue for employees to report their concern

- Publicizing those avenue and encourage reports

- Ensure strong leadership support for reporting and condemnation for retaliations

- Train appropriate private employee to respond appropriately to report

- Investigate and respond to report appropriately

- Providing appropriate follow-up to reporting person

- Discipline

- Publicizing cases and information regarding reporting more generally, as appropriate

With ERP system been institutionalised, all activities can be carried out through a comfortable channel both to employers and employees within an organization and ultimately, avoiding the catastrophic consequences of inefficient system.

Selecting and implementing a new ERP system, and the process changes that go with it, is unquestionably a complex undertaking. Regardless of the size and perceived resources, an ERP implementation is not something that should be approached without a great deal of careful planning. Among companies that have been through a less-than-fully successful ERP implementation, five reasons for poor results show up consistently. The five results are operating strategy did not drive business process design and deployment, the implementation took much longer than expected, pre-implementation preparation activities were done poorly, people were not well prepared to accept and operate with the new system and the cost to implement was much greater than anticipated.

Management too often plunges into ERP less than fullyinformed, with limited knowledge of what to expect. Often, there is a misconception that the skills necessary to select and implement ERP already exist in the organization. That may be partly true, but few organizations have the skills they need to implement ERP effectively within a reasonable timeframe. Consultants may be able to fill some of the skills gap, but given the high risk involved, it's important to make sure they're genuinely qualified.

Another commonly overlooked area is the issue of information technology change. Often, the IT infrastructure changes required to implement a new ERP system are not given the high priority these technology issues deserve. Certainly, business issues, not technology, should drive implementing ERP. But it is its understanding and skills that support the technology that improves business processes. Ignoring the preparation and education new information technology requires is asking for trouble. Further, IT personnel often must make the technology transition quickly. If the technology and infrastructure transition are not done well, the project, at the very least, will be delayed. The important of IT development shall be aware and always keep us keep in touch with the latest information system. Organization should implement technology especially in IT development. ERP system is part of IT and it shall be always update the system from time to time in order to update organization link with global environment.

One of the biggest problems with implementing ERP is misunderstanding what ERP is all about and underestimating what it takes to implement it

effectively. Senior operating management cannot relegate critical decisions to personnel who may not have the background or the temperament. Companies need a well thought-out, comprehensive process to help plan, guide and control the entire ERP implementation effort. Starting an implementation with an undocumented, skimpy or untailored implementation methodology is an open invitation to disaster or, best case, a long, drawn-out implementation. Everyone from the boardroom to the stockroom needs to understand his role and responsibilities for implementation. Training on ERP system in organization shall be carried out to all employees for them to familiar with this technology. On the job training is also one of a training program that is more efficient guided by qualified trainers.

Implementation leaders should encourage dialogue to get people focused on business objectives and early identification and correction of any problems. Who will be accountable for results, and when, must be an integral part of this understanding. An implementation that's going astray becomes recognizable when repeated schedule slippages surface. As time moves on, the missed schedule problems start affecting implementation quality as the almost-inevitable response is to start taking shortcuts and bypassing critical business issues. The slam-and-cram method of an ERP software transplant is now in high gear. Leaders shall always keep involve in IT development for them to know better organizational flow and management system. Stronger management leader would develop stronger employee as well.

The limitations and implications for future research have been identified. Given that the findings of this study are based on a correlation analysis, which in turn was based on self-reported data, no strict causal conclusions can be inferred. The causal direction between the investigated variables could further be established through quasi-experimental or longitudinal research designs. Reliance on more direct or objective measures, such as archival data, interviews with key personal, and direct observations by trained research observers, could also enhance the validity of the conclusions drawn in this study.

Furthermore, although this study is based on data gathered from organizations representing different sectors of the industry, replicating this study in other industries and environments will help determine the extent to which the presented results can be generalized to other settings as well. Moreover, the dimensions incorporated in this study are only a subset of all possible ones that can be studied under learning organization theory. Hence, replication of this study with inclusion of more learning organization dimensions may help develop a better conceptual framework with regard to the association between learning organization practices and change adaptation, innovation as well as bottom-line organizational performance.