CHAPTER I INTRODUCTION

I.1 Background

Enterprise resource planning (ERP) is a system that integrates all business activities into one integrated software package. ERP is considered a new technology that includes almost the hall business process and business activities. ERP combines separated business departments such as HR, Finance, Procurement, and others with business processes that cross this department with workflow in one single system. These systems also automate complex transaction processes and thus have the potential to reduce costs. In the implementation of ERP systems, we face several challenges, such as the high implementation costs and risk factors that must be critically considered. Other problems are difficulties in restoring business processes, insufficient training, preparing, and incorporating users throughout and after the system implementation(Ali & Miller, 2017).

ERP is not just an automation of the organization's business process; it allows the organization to re-engineer its business process to reach success. The ERP market is growing exponentially, and most of the organizations implement ERP or start implementing ERP`(Almishal & Alsaud, 2015). If the ERP system is adopted for service and manufacturing companies, the concept of the Government Resource Planning (GRP) system has been used to manage resources in the government and automate the bureaucratic process and government services to the public. The emergence of the GRP concept is intended that the government can provide services that are effective, efficient, productive, and transparent in providing services to the public.

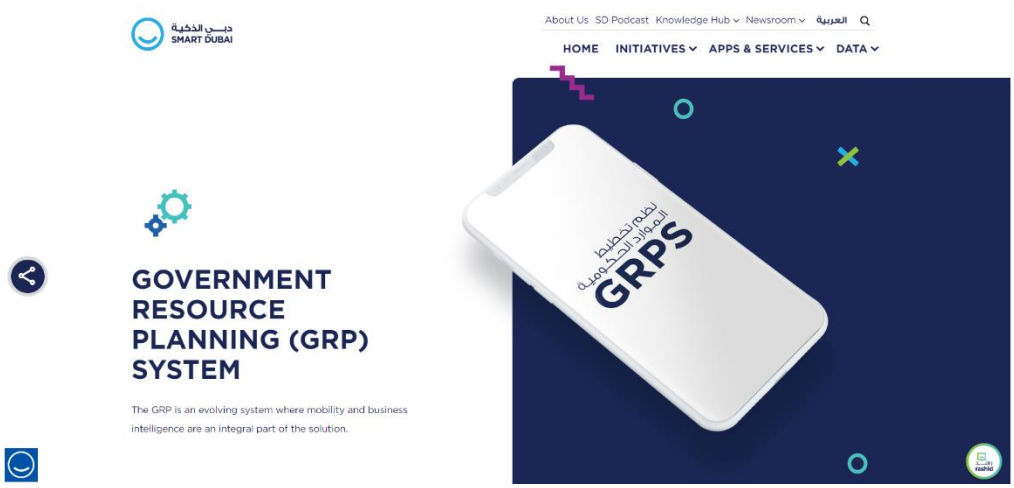

Figure I. 1 GRP Portal of Dubai Government

(Source: https://grpportal.dubai.gov.ae)

Picture I.1 displays GRPS (Government Resource Planning System) through the website https://grpportal.dubai.gov.ae which owned by the Dubai Government. With the GRPS portal that has been provided, system users will be facilitated to access anywhere and anytime related to relevant information such as Financial Management Services, Supply Chain Management Systems, Human Resources Management Systems, Payroll Management Systems, and Asset Life Management Systems. Until now, Dubai is still working to improve the process of digitization in its government system services.

However, in its application to the Indonesian government is still not optimal and is half-measures even though it has been announced since the last few years. This can be seen from the still many electronic-based government systems that have not been integrated with each other. Indeed for e-government or electronic-based government systems that exist in government in Indonesia are too much, it's just that there are separate barriers and are not centred on one central database. This is, of course, still not following the ERP concept of managing resources in a company or organization by integrating all information systems to manage resources centrally in one central database. The steps were taken by the Government of Indonesia related to issues of government bureaucracy and public services as well as realizing dynamic governance that is by creating a *Sistem Pemerintahan Berbasis Elektronik* (SPBE).

According to website spbe.go.id, SPBE is a governance managerial by utilizing information technology and communication to provide services to SPBE users. For SPBE sustainability, matters related to regulations have been regulated in Presidential Regulation No. 95 of 2018 concerning Electronic-Based Government Systems. Minister of Administrative Reform and Bureaucracy Reform (MENPANRB) Syafrudin, said that the implementation of the SPBE is targeted to have been implemented in every ministry and institution at the central and regional levels in December 2020.

In an attempt to accelerate the implementation of Presidential Regulation Number 95 of 2018 concerning SPBE, a Ministerial Regulation of PANRB Number 05 of 2018 regarding SPBE Evaluation Guidelines was made. SPBE evaluation is the process of evaluating the implementation of SPBE in central and local government agencies to produce an SPBE index value that illustrates the level of maturity of the implementation of SPBE in central and local government agencies. The government hopes to be able to find out the progress of the application of the SPBE at the central agencies and regional governments, and provide suggestions for improvements to improve the quality of SPBE implementation. Based on the official website of MENPANRB https://www.menpan.go.id/, an evaluation of the SPBE was carried out on 674 Government agencies in 2018.

The results of SPBE evaluation carried out from various Government Institutions, and Non-Government Institutions (LPNK) resulted in the best three of 6 categories. The first category is the ministry category. In the ministry category, the results of the three ministries with the best SPBE are shown in Table I.1, seen that the Ministry of Finance (KEMENKEU) occupies the position of the first best SPBE in the ministry category.

Table I. 1 SPBE Evaluation Result in Ministry Category 2018

Ministry Category	Ranking
Ministry of Finance	1
Ministry of Tourism	2
Ministry of PUPR	3

Source: https://www.menpan.go.id/

The second category is the LPNK category. In this category, the Nuclear Energy Supervisory Agency (BAPETEN) occupies the first position. This is based on the average SPBE index owned by BAPETEN in the excellent grade. The election of BAPETEN as LPNK with the first best SPBE makes it optimistic that the following year can obtain an excellent index. It is shown in Table I.2.

Table I. 2 SPBE Evaluation Results in LPNK Category 2018

Non-Ministry Government Institution Category (LPNK)	Ranking
BAPETEN	1
LIPI	2
BPS	3

Source: https://www.menpan.go.id/

Table I.3 shows the results of SPBE evaluation 2018 for other Institution categories. Assessments were carried out on several other institutions such as the Audit Board of Indonesia (BPK), National Police Headquarters of the Republic of Indonesia (Mabes POLRI) and West Java Regional Police (West Java Regional Police). In the category of other institutions, Audit Board (BPK) in SPBE evaluation 2018 was in the first position having SPBE index included in the excellent category among others, followed by the second position National Police Headquarters, and the third is West Java Regional Police. The three institutions have been optimal in using SPBE.

Table I. 3 SPBE evaluation results in other institution categories 2018

Other Institution Categories	Ranking
BPK	1
Mabes POLRI	2
West Java Regional Police	3

Source: https://www.menpan.go.id/

The Province category can be seen in Table I.4. The top three ranks are given to provinces that have excellent and excellent SPBE index results. The top three positions in the Province category were occupied by Province of Central Java, Special Region of Yogyakarta, and Province of West Java. Central Java deserves

the first position because its SPBE has been well integrated into its government system.

Table I. 4 Evaluation Results in Province Category 2018

Province Category	Rank
Central Java	1
Special Region of Yogyakarta	2
West Java	3

Source: https://www.menpan.go.id/

Table I.5 shows the results of SPBE evaluation 2018 in the district category. For this district category, the first position was reached by Banyuwangi District. Banyuwangi has implemented several SPBE in its government, such as e-sakip, e-mail, and e-presence. The presence of various SPBE that continues to grow in Banyuwangi makes Banyuwangi District get a good category SPBE Evaluation index. Banyuwangi is optimistic that it can make a better and integrated SPBE in the centre to the region. The second position with the best SPBE results was followed by Batang District and the last by Pandeglang District.

Table I. 5 SPBE Evaluation Results in District Category 2018

District Category	Ranking
Banyuwangi	1
Batang	2
Pandeglang	3

Source: https://www.menpan.go.id/

The last category is the City Category. The three cities with the best SPBE were obtained by the City of Surabaya, Semarang, and South Tangerang. As shown in Table I.6, Surabaya City occupies the first position with the best SPBE. This is because the city of Surabaya already has hundreds of SPBE.

Table I. 6 SPBE Evaluation Results in City Category 2018

City Category	Ranking
Surabaya	1
Semarang	2
South Tangerang	3

Source: https://www.menpan.go.id/

From the SPBE evaluation also obtained results in the form of a percentage of institutions or ministries into the category of applying good, excellent, and satisfying SPBE with enough and fewer categories. The result from 616 government institutions, only 13% of the institutions are included in the good, excellent, and satisfying category while the remaining 87% of the agencies are still classified as sufficient and insufficient. This categorization is obtained from the calculation during evaluation by assessing SPBE owned by a government agency from various domains and aspects of assessment. The domain, aspects, and indicators are quoted from the website https://www.menpan.go.id/ which is illustrated in picture 1.2 which is an important aspect to be considered and improved by the SPBE governance in Indonesia. In addition this aspect is a sign that the government has occupied the level of optimization and development of the SPBE system.

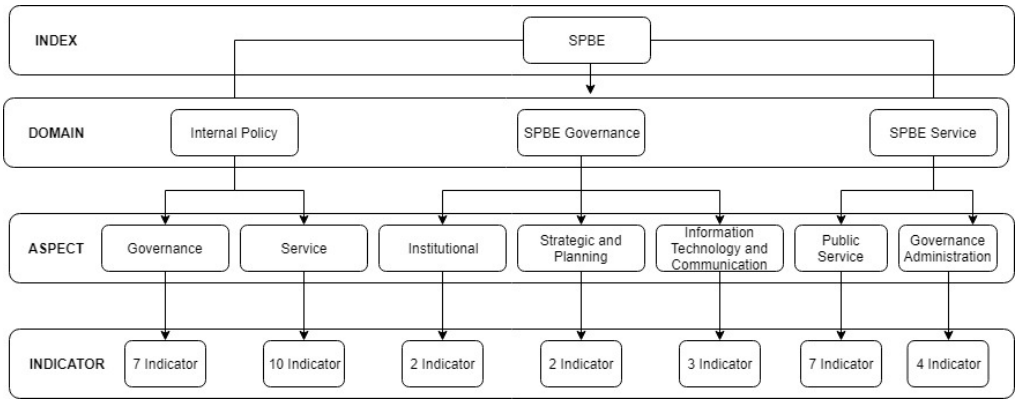

Figure I. 2 Domains, Aspects and Assessment Indicators of SPBE

(Source: https://www.menpan.go.id/)

Provincial Government (Pemprov) as shown in Picture I.3, the results show that 41% of Pemprov is in good, excellent and satisfying category while the rest are still in the sufficient and insufficient categories. In the provincial government category, it turns out that the nomination of the big three with the best SPBE is the Province of Central Java in the first place, the second is Yogyakarta Special Region Province, and the third place is occupied by the Province of West Java.

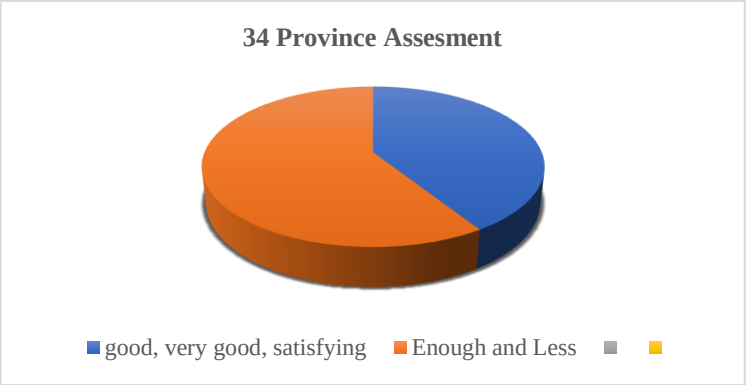

Figure I. 3 Results of SPBE Evaluation 2018 based on 34 province

(Source: https://www.menpan.go.id/)

The election of West Java Province as the third province with the best SPBE is certainly not unreasonable. This is evidenced by the rapid development of SPBE and the digitalization of the process in West Java Provincial Government :

1. On November 7, 2019, MENPANRB published the public service delivery unit for prime service category in the region I through the official website of the MENPANRB and One-Stop Integrated Services and Investment Office (DPMPTSP) of West Java Province.
2. Public service provider unit in a very good category in region I, the Department of Population and Civil Registration (DISDUKCAPIL) of Bandung occupies the fifth position.
3. The Major of Bandung occupies the second position in the category of regional head Trustees of public services very good category in region I.

The achievement of the best positions related to public services and the use of technology, especially SPBE in West Java Provincial Government, became one of the various reasons that made it the province with the third-best SPBE category in Indonesia. Various awards obtained by the West Java Provincial Government make it continue to improve SPBE and its public services. For transparency of costs, the West Java Provincial Government announced the implementation of the e-budgeting SPBE in DPMPTSP.

If the SPBE evaluation is carried out in Indonesia to improve performance, the measurement of SPBE or e-government will also be evaluated globally by the United Nations (UN). Evaluation of e-government is carried out to all countries in the world by using the E-Government Development Index (EGDI) as a reference for e-government assessments in all states. This to find out the extent to which a state is optimal in using the system.

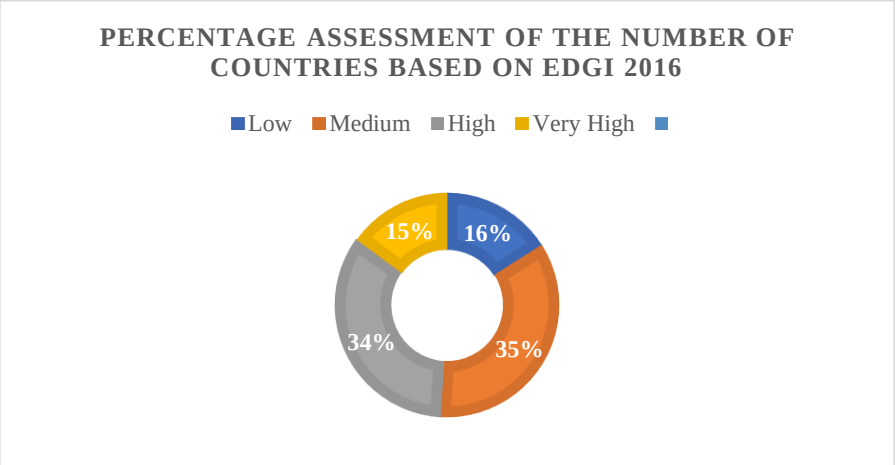

Figure I. 4 Grouping Countries based on 2016 EGDI Assessment

(Source: E-*Government Evaluation Survey* 2018)

In 2016, the results of the EGDI assessment provided quite astonishing data. As shown in Figure I.4, the grouping is done to all countries in the world by concluding into four categories. The results obtained show that all countries in the world are still included in the medium EGDI category, with a total of 35% of countries in the world. Then in Figure I.5 is the UN recapitulation data related to e-government around the world in 2018. It turns out that the data shows that countries with high EGDI results have increased from 34% to 37%.

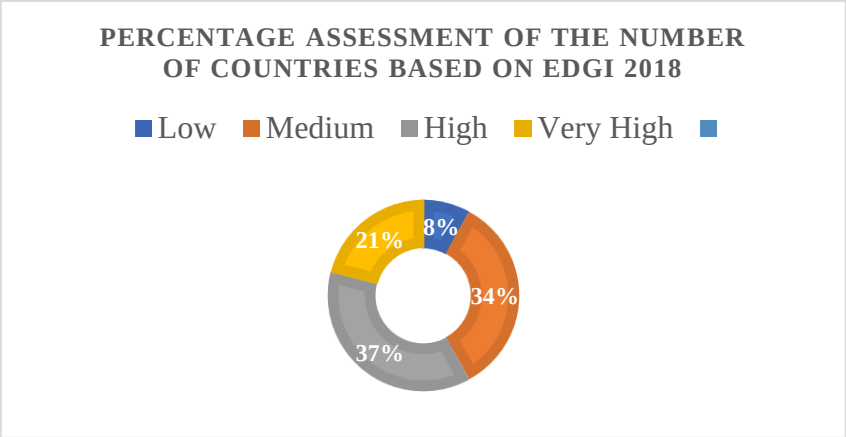

Figure I. 5 Grouping Countries based on 2018 EGDI Assessment

(Source: E-*Government Evaluation Survey* 2018)

Responding to global developments by evaluating EGDI, Indonesia prepares e-Budgeting SPBE to be planned to be integrated with other existing systems in West Java Provincial Government such as e-Planning Bappeda with e-Budgeting. The existence of SPBE integration in various government agencies in West Java is undoubtedly in line with the GRP concept.

Therefore, DPMPTSP of West java Province requires in-depth analysis related to the adoption of the ERP concept for the Indonesian government, better known as the Government Resource Planning (GRP). To adopt an ERP system in the government sector or known as the GRP system, it is necessary to test the success of the system to measure whether the steps taken during pre-adoption or after adoption have been carried out according to the implementation plan.

Several methods can be used in measuring the success of a system, and in this research, the author will use the TOE (Technology-Organization-Environment) method to measure the system.In contrast to other theories like Technology Readiness and Acceptance Model (TRAM), Theory Planned Behavior (TPB), Technology Acceptance Model (TAM), Unified Theory of Acceptance and Use of Technology (UTAUT) that focus more on individual perspectives,the Technology-Organization-Environment (TOE) Framework provide a focus on the perspective of the organization / company (Rahayu & Day, 2016) This research uses the TOE Framework because it has been widely recognized as an established framework used to study technology adoption (Rahayu & Day, 2016). TOE has a consistent

theoretical basis, focusing not only on the technological context adopted but also the organizational and environmental context. Using an interactive perspective model that assumes that changes in an organization are not only determined by individuals in the organization, but also by the characteristics of the organization and the environment in which they operate.By measuring the success of the ERP system, this will provide valuable information for DPMPTSP of West Java which is the object of this research. System users and business people can make information from the results of the success of this GRP system as a system improvement effort and also a reference for system development.

I.2 Problem Formulation

Based on the existing background, the following problem formulation can be taken, namely:

1. What are the Variables from Technology-Organization-Environment (TOE) that affect the implementation of SIMPATIK System used by DPMPTSP of West Java Province?
2. What are the recommendations for SIMPATIK System used by DPMPTSP of West Java Province?

I.3 Research purposes

The following objectives of this research are:

1. Identifying what variables used from Technology-Organization-Environment (TOE) Method that influence the success of SIMPATIK used by DPMPTSP of West Java Province.
2. Make recommendations related to SIMPATIK System used by DPMPTSP of West Java Province.

I.4 Benefits of Research

The benefits of the research are:

1. For Governance

   The benefits obtained from this study for the government are:

a. It can be a recommendation and evaluation of the government to help develop the expected technology so that it is better going forward.
b. There is a measurement of the quality of the system that can be a proposal for the government.

2. For University

   The benefits derived from this research for the university are as a reference in the same field for further study.

I.5 Scope of Problem

Obtained of the problem, while restrictions of scope are as follows:

1. The system recommendations used are based on the results of data processing by using a feasibility test questionnaire.
2. The data used are data obtained at the time of research, namely interviews and online questionnaires from Internal Respondents of DPMPTSP Jabar.
3. Processing and calculating data using SPSS and SmartPLS 3.
4. The output results that are displayed are only limited to recommendations.

I.6 Writing System

1. CHAPTER I Introduction

   This chapter discusses a general description of problems in case studies and contains the background, formulation of the problem, research objectives, research benefits, scope.

2. CHAPTER II Literature Review

   This chapter discusses research objects and theories that support research needs that are relevant and appropriate to the subject matter of case research.

3. CHAPTER III Research Methodology

   This chapter explains the conceptual and systematic models of research. Conceptual models provide an overview of the environment and the basis of research science. Systematic research explains the relationship between the model phases used in this research.

4. CHAPTER IV Preparation and Identification

This chapter contains the preparatory stage which consists of identifying inputs based on the TOE model, identifying data requirements and explaining the description of research objects, an overview of the organization, the organization vision and mission, SIMPATIK as an Information System of DPMPTSP Jabar, organizational structure, business identification, data identification, company goals, company values, company management system policies, application identification and key business processes.

5. CHAPTER V Research Results and Analysis

   In this chapter, the author explains the discussion of the problems that have been formulated and the results of research that has been done.

6. CHAPTER VI Conclusions and Suggestions

   This chapter will discuss the conclusions of this research and the advice given for the company and subsequent research.