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paper text:

The Influence of Belief System and Boundary System on Intellectual Capital Through the Implementation of ERP

ABSTRACT The aim of this study is to identify whether

10

there are any influence from the belief system and the boundary system towards intellectual capital through the implementation of ERP as the intervening variable. The population used in this study were companies in Indonesia that implement the ERP system. The sample of this research were 36 companies in Indonesia that have implemented ERP system. The technique of

data analysis used in this research was the partial least square to describe the

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relationships between variables. The data processing used WarpPLS 5.0. The results showed that belief system and boundary system

has a positive and significant influence on intellectual capital

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through the implementation of ERP as the intervening variable on the companies that implement ERP system in Indonesia. Keywords: Belief System, Boundary System, Technology Acceptance Model, ERP Implementation, dan Intellectual capital. INTRODUCTION At the dawn of globalization era, rapid technological development plus numerous and varied changes in customer demand indirectly has made companies around the world encouraged to enhance their company's ability in creating and offering more value so that it can control and maintain the market (Schiuma & Lerro, 2008); therefore, companies nowadays

are constantly searching for ways to gain more profit than their competitors(Castaneda & Toulson, 2013).

6

The right management control system could help companies become more efficient and flexible in facing the competition of the business world. The concept of management control system has began to develop now.

Management control system is defined as a system that conveys useful information for managers regarding decision-making in

4

the performance management process which is efficient and effective in reaching the organization's goals(Tekavčič, Peljhan, Tjeljko, 2008). Minimizing cost and maximizing profit are necessary in order to improve the competitive advantage(Yang & Su, 2009), therefore companies need business support factors, which are expected to help integrate the information system and capable to assist managements in

decision-making. One of the ways

to achieve this is by using the **Enterprise Resource Planning(ERP) system**(Erasmus, 2015). **ERP is**

3

a business software system which provide an integrated solution for organizations regarding their needs of information processing, while

efficiently and effectively manages resources(materials, human resources, finance, etc.)(Shih

7

& Huang, 2009). One of the approaches that is used to look at the ease of

technology is the Technology Acceptance Model(TAM). Davis(1989)
was **the**

20

first person to introduce TAM and explain the TAM model which has adapted Theory of Reasoned Action (TRA)

model. TAM is one of the most-used models to explain **behavioral intention and actual usage,**

15

which is the intention and behaviour towards the satisfaction of system information(Davis, 1989), and it could help improving the

understanding of how the influences **on actual usage** could **help** improve
the implementation **of ERP**. The **implementation**

7

of enterprise resource planning is the main economic force in many industries, and it is believed to be capable of increasing the effectivity of the organization's operational

(Lengnick-Hall, Lengnick-Hall, L., & Abdinnour-Helm, 2004). The

37

implementation of enterprise resource planning helps organizations in developing themselves by making changes, as Markus(2004) noted that the implementation of enterprise resource planning is seen as an innovation in technological aspect which brings changes for the organization, by making it easier for the organization to integrate the organization's data and also helping in the process of decision-making. In this research, researchers will focus on two factors of management control system, namely belief system and boundary system, and several TAM factors which have been developed by Davis(1989), i.e.

perceived ease of use, perceived usefulness, actual **use, and** intellectual

21

capital which **have been**

developed by Gogan, Artene, Sarca, & Draghici(2016). Resource-Based Theory According to Rengkung(2015), resource-based theory is a paradigm which views the organization as having a dependency on the resources they have when they are faced with business competition. The resource-based theory approach become a form of organizational strategy, which assumes that organization is a collection of tangible and intangible assets, resources, and competencies. Anantadjaya (2008) stated that resource-based theory is a theory perspective that shows the company's resources will represent the company's ability. Resource-based theory could be implemented and

controlled by the management for the effective and efficient use in the production

19

cycle. Resource-based theory is a theory that is widely discussed and developed by researchers(Pedron, 2009). Management Control System (MCS) Generally, MCS

is defined as a system which conveys **useful information** for **managers**

4

regarding efficient and effective decision making(in the performance management process) in achieving organization's goal(Tekavčič et al, 2008). Agyemang and Broadbent (2015), argue that MCS works significantly within the organizations, yet it operates

in the internal and external context of the

44

organization, and is considered important as it enables organizations to monitor their performance. Belief System Simons(1994) defines belief system as a formal organizational system where

senior managers communicate formally and systematically to the

4

employees to strengthen the

basic values, goals, and direction of the organization. Belief system
aims to communicate **core values**

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such as vision and mission so as to encourage CEOs to uphold the organization's concerns(Crombie & Geekie, 2010). Boundary System Simons(1994) defines boundary system as a formal system that is

used by top managers to establish rules that **must be** obeyed. **Boundary**

8

system is designed to communicate risks that could be occur and must be avoided, so that the organization can avoid any actions that could trigger the occurrences of unwanted risks(Ferreira & Otley, 2009).

Enterprise Resource Planning (ERP) System According to Bansal(2015), ERP is a software driven by a business management system which is integrated to all business aspects. ERP is a complex software. Hwang & Min(2015) and also O'Leary(2000) claim that ERP could generate values through several different ways, which are by integrating various business activities into one system, facilitating control in terms of organizational standards, improving access to online and real time informations, improving intra- and inter-organizational communications, and improving the capability of decision-making.

Technology Acceptance Model (TAM) According to **Davis(1989)**, TAM is an information system **theory**

26

designed to explain how individuals are able to use and understand an information technology. TAM is an information system used in organizational arrangement to improve workers's efficiency(Rauniar, Rawski, Yang, Johnson, 2014). TAM is

an important theoretical contribution to the understanding of

48

ERP(Davis, 1989). According to Venkatesh and Davis(2000) who developed a study conducted by Davis(1989) about the ERP's dimension in technology acceptance model are as follows : Perceived Usefulness(PU) Davis(1989) defines PU as a level of someone's trust towards information system that can improve the performance in an organization, where some organizations believe that it brings positive impacts. PU helps design organizational intervention which can improve organization's performance(Venkatesh & Davis, 2000). PU is viewed

by Pantano and Di Pietro (2012) and also Teo (2013) as a subjective prospect, that the specific application

13

system would improve work performances within a certain organization. PU is defined as

a person's subjective perception of the ability to operate a computer in order to

25

improve work performance when completing a task.

Perceived Ease of Use (PEU). **Davis (1989) defines PEU as**

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a belief on decision-making process to use an information system in order to make it easier and more effortless. PEU can improve individual performances since the system can provide convenience for its users(Venkatesh & Davis, 2000). Wen & Kwon(2010) observed that PEU has that confidence in providing the ease and is uncomplicated to improve user's skill. Zhu, Linb, and Hsu(2012) add that PEU

signifies the degree to which individuals accept that by using a particular technology

3

it would make things become easier and hassle-free. The system's characteristics could help users in terms of providing the ease of technology usage and system usage. In their research, Venkatesh and Davis(2000) claim that PEU is "the individual's perception of how easy the innovation is to learn and to use" which means PEU is someone's view of their willingness to apply innovations or systems when it is easy for them to understand and use. Actual System Usage ERP. Davis (1989) argues that the actual system usage is user's satisfaction towards the system for providing the ease in the application of new technologies which reflected as in the actual condition. The individual usage degree of a technology can be predicted from their attitude and behaviour towards the technology, such as the existence of innovation to add supporting features, the motivation to keep using that technology, and to motivate other users(Davis, 1989). Actual system usage is the real condition of system usage, conceptualized in the form of measurement of frequency and duration of technology usage time(Davis, 1989). Intellectual Capital

Intellectual capital is an intangible asset, but it

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can help organizations to reach their goals(Dost, Badir, Ali, and Tariq, 2016). This is supported by the statement from Sällibrant, Hansen, Bontis, Hofman-Bang (2007), that intellectual capital can create the value of organizational factors that are not visible on the balance sheet, but it has important values for the long-term company's profitability. According to Sullivan and Sullivan(2000), intellectual capital can increase the company's profitability. In this case,

intellectual capital is recognized as a valuable intangible **asset and**

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utilized to influence creativity, innovation, competitive superiority, to create values, and to improve company performance(Khalique, Shaari, Hassan, 2011). Human Capital Human capital is a concept which claims that the resources and the asset of an organization are their people.

Human capital includes the **knowledge**, experiences, **and special skills of**

2

individuals working to create the economic value of the company(Cohen & Kaimenakis, 2007).

According to Moon & Kym(2006), human capital is the most important part
of the intellectual capital.

9

Human capital can be in the form **of knowledge, skills**, relationships,
individual attitude **and**

11

behaviour(Schiurma, Lerro, Sanitate, 2008). Human capital refers to the company's individual intellectual characteristics and qualities that affect the market changes and customer needs(Gogan

et al., 2016). Relational Capital. Relational capital refers **to the**

47

competency in developing relations with any stakeholders in the market, and is a skill to establish interpersonal relations and to develop the relation based on trust(Gogan et al., 2016). Relational capital is a value that is obtained through relations between organizations and the parties involved, e.g. relation with suppliers, shareholders, and anyone related to the organization; usually comprised of relation between organizations and customers(Grasenick & Low, 2004). Structural Capital. Structural capital is a component of organization which can be described as the infrastructure and the organizational process that is used to acquire products and services(Gogan

et al., 2016). **Structural capital is a common system and**

9

also serves as the procedure of problem-solving and innovation(Chu, Lin, Hsiung, and Liu, 2006).

Structural capital includes all non-human knowledge within the organization.

45

This is related to the infrastructure

owned by the organization and supports human capital(Watson & Stanworth, 2006).

2

According to Ordonez de Pablo(2005),

structural capital consists of skills and competencies of the individuals who work within an organizational structure.

2

RESEARCH METHODS The Influence of Belief System on the Implementation of ERP Davis(1989) states that perceived usefulness is a degree of someone's trust towards information system that can improve the performance of an organization. Perceived usefulness is influenced by external variables. External variables could be in the form of belief, attitude, and intention to use(Park, 2009). In the

other hand, perceived ease of use is a belief in the decision-making process to

29

utilize an information system(Davis, 1989). In their research, Chomcalao & Naenna(2013) modified and developed

the Technology Acceptance Model (TAM) and found the addition of external variables.

38

These external variables are grouped into 2 types of contexts, the system context and the individual context. The system context includes

system quality, information quality, and service quality. Meanwhile **the** individual context **are**

32

social influence, facilitating condition, self-efficacy and personal innovativeness in IT. Lewis, Agarwal, Sambamurthy(2003) claims that individual characteristics will positively affect the use of technology and establish trust towards new technology by combining information from several channels or mass media and interpersonal relationship. Individuals with good characteristics

are expected to develop more positive trusts regarding **the** technologies. PEU **and**

42

PU are the constructions of trust which indirectly affected by external variables when it comes to strengthening the trust. Users who use

particular system can **improve their** performances **and through their belief** that using **particular system**(i.e. ERP)

6

would enable them to be effortless(Surendran, 2012). H1: Belief System is positively related with ERP Implementation. The Influence of Boundary System on the Implementation of ERP Maas, Fenema, & Soeters(2016) stated in their research

that the main **goal of ERP system'** s knowledge development **is to**

41

make the system more understandable by end-users and managers within an organization, with the implementation of ERP can reliably improve the organization's performance. By doing so, ERP can reduces the occurrences of risks and improves the organization's performance. The implementation of ERP is expected to open opportunities for changes within the organization's culture and general vision between the company and the customers(Shang & Seddon, 2002). PEU

is defined as how far **a person believes that** by **using a particular system** they could **be free**

16

from any efforts and risks while

PU is defined as how far **a** person **believes that** by **using a** particular **system** it **would improve**

17

their work performances(Davis, 1989). Chou et al.(2014) assert the importance of knowledge-sharing to facilitate the use of ERP system. The intended knowledge are the users' psychological and sociological characteristics, related to motivation, code of ethics, and social modal(Chou et al., 2014). The company's

boundaries appear in a tangible form, as reflected in the organization chart and in the scope of government and authorities. But, behind the tangible boundaries there are more profound boundaries that fall under the cognitive ones. In this sense, the organizational boundaries have been considered to be a composite object. According to Kallunki, Laitinen, Silvola. (2011), the integration of control management can be pursued through ERP system, and this system has become one of the most significant implications from the perspective of control management. The ERP system can be viewed as a platform for managements since it has standardized the operation and by doing so enables them to be centralized towards management. This also explains the meaning of ERP system to management controls, such as its ability to deliver relevantly and in real time which is important in critical decision making (Kallunki et al., 2011). H2: Boundary System is positively related with ERP Implementation The Influence of ERP Implementation on Intellectual Capital Bontis, Sharabati dan Jawad (2010) defines intellectual capital as anything that creates value from human intelligence and thought. Astuti & Sabeni (2005) defines

intellectual capital as knowledge, informations, **intellectual** properties, **and** **24**
experiences which **can be** utilized **to create**

organizational welfare. The implementation of ERP can affect social capital. This implementation is linked to the relations that are created by the coordination and collaboration among individuals in the organization (Ifinedo, 2006). This is supported by a research which was conducted by

Lengnick-Hall et al. (2004), that the implementation **of ERP system** **36**

could improve communication and form a more integrated organization. The system will support individuals to collaborate, to conduct information exchanges, and to create work relationships. The implementation of ERP provides a platform to improve social capital and intellectual capital that supports the organization to have advantages in the competition between companies in the field of economic knowledge

(Lengnick-Hall et al., 2004). H3: **ERP Implementation is** **14**

positively related with Intellectual Capital. The Influence of Belief System towards Intellectual Capital Simons (1994) identifies the beliefs and limits of the system that can be used to articulate and advertised the organization's goal. According to Simons (1994), beliefs and system boundaries

have been articulated as a way to utilize **formal** control **to clarify and** **1**
communicate values. Like many other organizations, belief system is
used **to communicate core values to** the **potential employees during**
recruitment, and to strengthen **these values to** the **existing employees and** the
others outside the organization.

In their research, Chenhall et al. (2010) found 2 relations between belief system variables and intellectual capital, namely : (1) it could improve the bond and strengthen values by explaining the core values to new employees and existing employees, (2) it could bridge

other parties within the network to understand the core values and

1

the corporate goals. Mundy(2010) argues that the belief system can add the highest values when it is used actively and for influencing employees in certain situations. Chenhall et al. (2010) states that the definition of belief system is an organization that utilizes

senior managers to communicate and strengthen **the** organizational **values,**
goals, **and direction.**

1

Belief system plays an important role

in communicating and strengthening social justice values

50

(Cenhall et al, 2010). H4: Belief System is positively related with Intellectual Capital. The Influence of Boundary System on Intellectual Capital Simons(1994) defines boundary system as a formal system which is

used by top managers to establish rules that **must be** obeyed. **Boundary**

8

system was designed to keep companies away from any threats that can degrade the companies' values by communicating the possible risks that should be avoided, in order to enable the company to avoid actions that can trigger unwanted risks(Ferreira & Otley, 2009). According to Simons(1994), managers seek to control strategic positions by using the system so that the organization can avoid the identifiable risks. H5: Boundary System is positively related with Intellectual Capital. ANALYSIS AND DISCUSSION This research uses quantitative data types. The sources of the data used here are primary data which obtained through the distribution of questionnaires to companies in Indonesia which implement the ERP system. The population of this research are companies in Indonesia that implement ERP system in their company. Meanwhile, the sample of this research are 36 companies in Indonesia that implement the ERP system.

The sampling technique **used in this** research **was convenience**
sampling.

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The questionnaire was divided into three parts : 1. Management Control System, statements adopted from Su, Baird and Schoch. (2015). 2. The Implementation of ERP, statements adopted from Davis (1989) 3. Intellectual Capital, statements adopted from Bontis (1998) This research uses Partial Least Square(PLS) as its data analysis technique, with the calculation process assisted by WarpPLS 5.0 software. There are two models of PLS analysis, namely inner model and outer model. The outer model is the specification of relations between variables and its indicators, while inner model is the specification of relations about hidden or latent variables, which is between exogeneous variables and endogeneous variables. Table 1 Respondent's profile descriptive based on the company's type of industry Types of Company Frequency Percentage Manufacture 20 35% Non Manufacture 37 65% Total 57 100% Table 1 shows that this study was conducted on the majority of non-manufacture companies(65%) Table 2 Outer loading values BS BOS ERP IC BS 1 (0.897) BS 2 (0.917) BS 3 (0.895) BS 4 (0.891) BOS 1 (0.885) BOS 2 (0.927) BOS 3 (0.850) BOS 4 (0.795) PU (0.895) PEU (0.794) USG (0.776) HC (0.841) SC (0.883) RC (0.882) Based on Table 2

above it was known that the outer loading values for each indicators in every variables all has a value of >0.5, so those indicators have already fulfilled the convergent validity. Table 3 Cross loading value BS BOS ERP IC BS 1 (0.897) -0.042 -0.046 0.162 BS 2 (0.917) -0.053 0.001 -0.048 BS 3 (0.895) 0.076 -0.036 -0.062 BS 4 (0.891) 0.020 0.081 -0.051 BOS 1 -0.122 (0.885) -0.165 0.353 BOS 2 -0.019 (0.927) -0.040 0.020 BOS 3 -0.089 (0.850) -0.036 -0.296 BOS 4 0.254 (0.795) 0.267 -0.101 PU 0.104 -0.061 (0.895) -0.100 PEU 0.656 -0.414 (0.794) -0.187 USG -0.790 0.493 (0.776) 0.306 HC -0.441 0.180 -0.120 (0.841) SC -0.110 0.189 0.081 (0.883) RC 0.531 -0.361 0.034 (0.882) Based on the cross loading table in table 3 above it can be concluded that each indicator that exists in latent variables has a difference with the indicators in other variables which were signified by higher loading score in its own construct. Thus, the model has already possessed a good discriminant validity. Table 4 Average variance extracted table AVE AVE's square root BS 0.810 0.900 BOS 0.749 0.865 ERP Implementation 0.678 0.823 IC 0.755 0.869 Based on table 4, it shows that the AVE value of belief system variable was 0.810, boundary system was 0.749, ERP implementation was 0.678, and intellectual capital was 0.755. The results of these constructs shows that the AVE values of all constructs were >0.5. Based on AVE's criteria, the results met the discriminant validity. Table 5 Composite reliability value Composite Reliability BS 0.945 BOS 0.923 ERP implementation 0.863 IC 0.902 Table 5 shows that the composite reliability from each variables i.e. belief system was 0.945, boundary system was 0.923, ERP implementation was 0.863, and intellectual capital was 0.902, which were used in this research had already fulfilled the rule of thumb. It can be concluded that each variables has a high reliability where it can be seen from the whole composite reliability value which was greater than >0.7. This result shows that the model in this research was already reliable. Table 6 R square value R Square BS - BOS - ERP implementation 0.219 IC 0.715 Table 6 shows that the R-square value for ERP implementation variable was 0.219 which means that the percentage of the influence of belief system and boundary system on ERP implementation is 21,9% while the rest of it(78%) were explained by other variables.

The value of R- square for intellectual capital was 0.

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715 which means that the percentage of the influence of belief system, boundary system, and ERP implementation on intellectual capital were 71.5% while the rest of it(28.5%) were explained by other variables. $Q^2 = 1 - ((1 - 0.219) \times (1 - 0.715)) = 0.777415 = 77.74\%$ Therefore the model used in this research could explain the information contained in the data of 77.74% and the rest could be explained by other variables outside the model. Figure 1. Result

Model Table 7 Hypothesis Testing Hypothesis Influence Path Coefficient

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P values **Remarks H1**

Belief System ? ERP -0.078 0.272 Rejected Implementation H2 Boundary System ? ERP Implementation 0.475 <0.001 Accepted H3 ERP Implementation ? Intellectual Capital 0.341 0.003 Accepted H4 Belief System Intellectual Capital ? 0.261 0.017 Accepted H5 Boundary System Intellectual Capital ? 0.419 <0.001 Accepted Table 7 presented the direct relation between belief system with ERP implementation. That relation resulted in the 0.272 p-values which means hypothesis(H-1) has negative influence inter-variable, since the resulting p-values was >0.05. The -0.078 path coefficients indicates that belief system negatively affects the ERP implementation. Thus, the belief system variable does not affect the ERP implementation variable, so it can be concluded that hypothesis(H1) is rejected. In the direct relation between the boundary system to the ERP implementation there's a <0.001 p-values, so it can be assumed that the relation between boundary system variable towards the ERP implementation is significant. Beside that, this relation has a 0.475 path coefficient which means

there is a positive relationship between the boundary system **and** the ERP **18**
implementation. **This is supported by**

an explanation in the previous chapter which explains about the positive relationship between the boundary system towards the ERP implementation. So it can be concluded that hypothesis(H2) is accepted. Direct relation between ERP implementation with intellectual capital has 0.003 p-values and 0.341 path coefficients which means the ERP implementation has a significant and positive relationship towards intellectual capital. Thus it can be concluded that hypothesis(H3) is accepted. Direct relation between belief system and intellectual capital has a 0.017 p-values so it can be said that it has a significant relationship. Besides, the 0.261 path coefficient value indicates

that there' s a positive relationship between belief system and **intellectual** **2**
capital. Therefore **the**

improvement in belief system would also improve the intellectual capital. So it can be concluded that hypothesis(H4) is accepted. The direct relation between boundary system and intellectual capital results in a <0.001 p-values which indicates its significancy. In the other hand, the path coefficient has a 0.419 value, so it can be assumed that the boundary system positively affects the intellectual capital. So it can be concluded that hypothesis(H5) is accepted. Discussion of Hypothesis The influences of Belief System on ERP implementation In

table 4. 19 it can be seen that the p -values **10**

is 0.272 which means the belief system has an insignificant influence towards the ERP implementation. It is also shown by the path coefficient value which resulted in -0.078, which means that the belief system affects negatively towards the implementation of ERP. This is contrast to a research conducted by Surendran(2012). In that research, Surendran(2012) claims that belief system

has a positive influence on the implementation of ERP. Based on **the** **3**

obtained calculation, it shows that belief system affected nothing and also insignificant to the implementation of ERP. Therefore, the hypothesis that said the belief system affects the ERP implementation is rejected. The influence of Boundary System on the implementation of ERP

Based on table 7 it can be seen that the p-value **is** **30**

<0.001 and the path coefficient is 0.475 which means the boundary system has a significant influence on the implementation of ERP, and it has a positive/one way relationship. It is supported by a research which was conducted by Maas et al.(2016), where it is said that the boundary system

has a positive influence on the implementation of ERP. **3**

That result shows that the higher level of boundary system in a company will further improve the quality of ERP implementation within the company. The influence of ERP implementation on intellectual capital Table 7 presented that the path coefficient has a direct influence to ERP implementation variable towards intellectual capital of 0.341, and has 0.003 p-value which means ERP implementation

has a significant influence on intellectual capital and have

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a positive relationship between them. This is supported by a research conducted by Lengnick-Hall et al. (2004). In their research Lengnick-Hall et al. (2004) claims

that ERP implementation variable has a significant influence on the

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level of social capital, especially on intellectual capital, it is been said that the implementation of ERP become the important source of profit in economical knowledge. The analysis and data processing that has been done shows that the higher ERP implementation level of a company is, the higher its intellectual capital value. Therefore, the third hypothesis which states that the ERP implementation has influence on intellectual capital can be accepted. The influence of belief system on intellectual capital In table 7 shows that the p-values was 0.017 which means the belief system has a significant influence towards intellectual capital since the p-values was <0.05 . In the other hand the path coefficient was 0.261, so it can be assumed that the belief system has a positive influence towards intellectual capital. This is in accordance to a research by Chenhall et al. (2010) which claims

that there is a positive relationship between belief system towards intellectual capital. By the

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existence of this positive relationship it indicates that the greater a company's level of belief system, the higher its intellectual capital is. Thus, the hypothesis which states that belief system

has a positive influence on intellectual capital is accepted. The influence of

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boundary system towards intellectual capital In table 7 it can be seen that the p-values are <0.001 which means the boundary system has a significant influence towards intellectual capital, and for the path coefficients which value is 0.419 it means that the boundary system has a positive influence towards

intellectual capital. This is in accordance with a research conducted by

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Simons(1995) which claims there are positive and significant relationship between boundary system toward intellectual capital. In that research it is said that boundary system was designed to prevent companies from any threats and risks that might occur and should be avoided, so that the company can avoid any action that can trigger any unwanted risks. By doing so, it shows how the higher a company's boundary system is, it would increase the company's intellectual capital. Therefore, the hypothesis which claims that the boundary system bring positive influences toward intellectual capital is accepted. CONCLUSION The

aim of this research is to identify whether or not there are

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any influence between

transformational leadership and ERP system self-efficacy towards ERP system usage.

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The company sample that were used were came from 36 companies in Indonesia which have been

implemented the ERP system. Based on the calculation and examination of

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the hypothesis

in the previous chapter, it can be concluded

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that : 1. There is a negative and insignificant influence between belief system variable towards ERP implementation from ERP system's users in companies in Indonesia. Therefore, it can be assumed that there is no connection between belief system and ERP implementation, so that the first hypothesis is rejected. 2.

There is a positive and significant influence between

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boundary system towards ERP implementation. By implementing boundary system within the company, automatically it will improve the implementation of ERP within the company. Therefore the second hypothesis is accepted. 3.

There is a positive and significant influence between ERP implementation towards intellectual capital

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in a company. By implementing ERP within the company, automatically it will improve a company's intellectual capital. In other words, the third hypothesis is accepted. 4.

There is a positive and significant influence between belief sytem towards intellectual capital.

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By implementing belief system within the company, it would improve the company's intellectual capital. Thus, the fourth hypothesis is accepted. 5.

There is a positive and significant influence between boundary system

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from ERP system's users in companies in Indonesia. By implementing boundary system on intellectual capital within a company, it would improve intangible asset's value within the company. Hence, the fifth hypothesis is accepted. SUGGESTIONS Here are suggestions that can be proposed : For the Academics : In this research, by researching the variables of belief system, boundary system, ERP implementation, and intellectual capital, researchers obtained goodness of fit(GOF) of 77.74%, which means the total competency of all variables to explain the dependent variables(intellectual capital) has competency level of 77.74%. In other words there's still a chance of 22.26% for other variables outside this research model which can explain the intellectual capital further than this research. So it is expected for academics, that this research can enriches references or it can be utilized as the comparison for the next researches. For Managements : Suggestions for company managements who implement ERP system in Indonesia is to start paying attention to the factors which can help improving the users' work performance, both for down managers and top managers. As exemplified in this study, the boundary system variable can improve users' work performance on ERP implementation which leads to the improvement of intellectual capital within the company which helps the company to improve its value. With the implementation of the rules, code of ethics, and communication about the risks that should be avoided and the risks in company's decision-making, it can encourage users within the company to improve their performances and implement ERP in their work. When the users felt ERP

is useful and easy to use, the users will use

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it well. Undirectly, when users' performance improved, the company's intellectual capital will also be improved. References Agyemang, G. and Broadbent J. (2015) 'Management Control Systems and Research Management in Universities'. Accounting, Auditing & Accountability Journal, Vol. 28, No. 7, pp. 1018-1046 . Anantadjaya, S. P. (2008) 'Comparative Literature Study on The Resource-Based Theory of the Firm and Knowledge-Based Theory of the Firm'. Jurnal Sistem Informasi, Vol. 3, No. 1, pp 39-50. Astuti, P.D. and Sabeni A; Hubungan Intellectual Capital dan Business Performance dengan Diamond Specification: Sebuah Perspektif Akuntansi; SNA VIII Solo, pp. 694-707. Bansal, V. and Agarwal, A. (2015) 'Enterprise Resource Planning: Identifying Relationships Among Critical Success Factors'. Business Process Management Journal, Vol. 21, Iss 6, pp. 1337 – 1352. Bontis, C.N. (1998) 'Intellectual Capital: An Exploratory Study That Develops Measures and Models'. Management Decision, Vol. 36, No.2, pp. 63–76 . Bontis., N., Sharabati, A-A. A., and Jawad, S. N.. (2010) 'Intellectual Capital and Business Performance in The Pharmaceutical Sector of Jordan'. Management Decision, Vol. 48, No. 1, pp. 105-131 . Castaneda, D. and Toulson, P. (2013) 'The Value of Human Resources Measurement in Intellectual Capital and Knowledge Sharing'. Electronic Journal of Knowledge Management, Vol. 11, No. 3, pp. 226-234. Chenhall, R. H., Hall, M. and Smith, D. (2010) 'Social Capital and Management Control Systems: A Study of A Non-Government Organization'. Accounting, Organizations and Society, Vol 35, No. 8. pp. 737-756. Chomchalao, S., Naenna, T. (2013) 'Influence of System Traits and Personal Traits on the Acceptance of eGovernment Service'. Information. Technology. Journal, Vol. 12, No. 5, pp. 880–893. Chou, H. W., Lin, Y.H., Lua, H.S., Chang, H. H. and Chou, S.B. (2014) 'Knowledge Sharing and ERP System Usage in Post-Implementation Stage'. Computers in Human Behavior, Vol. 33, pp 16-22. Chu, P.Y., Lin, Y.L., Hsiung, H.H. and Liu, T.Y. (2006) 'Intellectual Capital: An Empirical Study of ITRI'. Technological Forecasting & Social Change, Vol. 73, pp. 886-902. Cohen, S., Kaimenakis, N. (2007) 'Intellectual Capital and Corporate Performance in Knowledge-Intensive SMEs'. The Learning Organization, Vol. 14, No, 3, pp. 241-262. Crombie, N.A. and Geekie, T.J. (2010) 'The Levers of Control in The Boardroom'. 6th Asia Pacific Interdisciplinary Research in Accounting Conference (APIRA 2010), 11–13 July, Sydney, Australia. Davis, F. D. (1989) 'Perceived Usefulness, Perceived Ease of Use, and User Acceptance of Information

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