CHAPTER 1
INTRODUCTION

1.1. Background

The revolution in communication and information create a change in many aspects in life and business. The change affect how people do their business where in this era people expect to get everything done in faster, accurate, and cheaper manner. To achieve those expectations, the role of Management Information System (MIS) becomes unavoidable things. In this globalization era where everything move in high speed, MIS able to provide technical support which enable an organization to do their activities faster, more accurate, and cheaper than before. MIS help a business to reduce managerial cost and human cost and make the work result more accurate and faster. MIS help to manage the data, organize, and retrieve the information which supports the organization to provide faster service, accurate data, and meaningful information which can affect the productivity level of the organization.

Every technological change carries expectation to increase human resources productivity through organization restructuring in various processes and MIS able to provide enormous potential for enhancing productivity in every organization. The benefits of MIS to productivity can be categorized as tangible and intangible (Barzegar, Araghieh, and Asgarani, 2012). The tangible benefits include: reduced cost, improved productivity, increased market share, savings

in labor, increased consumer surplus, improved customer service quality, improved organizational efficiency, quicker response to customers, and deeper knowledge and understanding of customers. While the intangible benefits include: improved decision-making ability, superior product quality, knowledge/information management and sharing, improved coordination/relationships with partners and other forms of competitive advantage (Kamuzora, 2006).

Data are very important for today's organizations, and management of data is considered an integral part of organization strategy. Successful organization should be able to manage data in more efficient and productive manner which leads to high quality information. A big and well established cigarette company such as Company X especially Fixed Asset Accounting department process huge number data. Through Fixed Asset Accounting department, Company X have to manage tens of thousands assets data throughout Indonesia accurately and in timely manner. The existence of an appropriate MIS is very important to support Fixed Asset Accounting team's daily job, which is to manage the data of asset movement every month. They have to ensure the data provided by them is reliable and as close as possible against the physical condition. If the data provided by Fixed Asset Accounting team is not accurate, it would lead company into ambiguity whenever it comes to make important decision. Manage a huge number of data

without a proper information system could lead to less productive working manner, and that's what Company X avoiding from.

With the spirit of continuous improvement, Company X committed to always improving their system into more efficient and support employees' productivity. Even though Company X is a big company with quite large market share throughout Indonesia, learning and improving is parts Company X's culture that makes Company X very strong as an organization today. They keep on improving themselves in every aspect in order to achieve competitive advantage. They believe through learning they can achieve more and be better in this dynamic economy situation.

MIS for Fixed Asset Accounting team have been developed, but with the spirit of continuous improvement, evaluation on the MIS still needs to be conducted. The purpose of evaluation is to assess whether the objectives is reached, such as employees productivity, also what kind of improvement could be made and innovation could be created for better MIS. Just keep in mind that innovation should not always big, it could be small, but able to create more values activity with less waste. Through this paper Company X's Fixed Asset Management Information System will be elaborated and evaluated. The evaluation will be resulted in lesson learned and recommendation to current MIS to create more productive working manner to produce accurate data and information for internal customers with the intention to support management function in

achieving competitive advantage in the field of fixed asset management.

1.2. Scope of the Study

The study focus on how Fixed Asset Management Information System create productivity of Fixed Asset Accounting division at Company X during year 2015/2016.

1.3. Research Questions

Based on the background of the study, the research questions are:

1. How is the implementation of existing Company X's Fixed Asset Management Information System?
2. How Company X's Fixed Asset Management Information System affect Fixed Asset Accounting team productivity?
3. What improvement can be applied to eliminate the problem from current Company X's Fixed Asset Management Information System that hamper Fixed Asset Accounting team productivity?
4. What lesson can be learned from Company X's Fixed Asset Management Information System?

1.4. Research Objectives

Based on the research question, the objectives of this study are:

1. To evaluate Company X's Fixed Asset Management Information System.

2. To identify how Company X's Fixed Asset Management Information System affect employees' productivity.

3. To give recommendation of improvement that can be applied to eliminate the problem from current Company X's Fixed Asset Management Information System that hamper Fixed Asset Accounting team productivity.

4. To identify lesson learned from Company X's Fixed Asset Management Information System.

1.5. Research Significance

1. Academic Significance

    This study might provide additional knowledge to management information system study field about how Company X's Fixed Asset Management Information System affects employees' productivity and to be a reference for further research.

2. Practical Significance:

    a. To give information to manager about the evaluation result of Company X's Fixed Asset Management Information System.

    b. To support the improvement of Company X's Fixed Asset Management Information System.

    c. To be a reference for managers to make decisions related to Fixed Asset Management Information System in the future.

1.6. Writing Systematic

Chapter 1: INTRODUCTION

> This chapter is about the main problem that will be elaborated through this study. Chapter 1 contains background of study, scope of study, research questions, research objectives, research significance, and writing systematic.

Chapter 2: LITERATURE REVIEW

> This chapter contains theoretical basis of Management Information System, Fixed Asset Information System, Productivity and Previous Research that become the basis of this study.

Chapter 3: RESEARCH METHOD

> This chapter explains research design, research process, object of study, informant and target subject, the type and source of data, data collection method, research instruments, and procedure of data analysis.

Chapter 4: FINDINGS AND DISCUSSION

> This chapter is about the data description from the research and the analysis. This chapter contains company profile, informant profile, findings, and discussion,

Chapter 5: CONCLUSION AND RECOMMENDATION

> This chapter contains conclusion from this study and recommendation for the improvement of object study.