

# **The Relationship between the Innovation Team, and Enterprise Resource Planning toward China's Logistics Business**

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## **ABSTRACT**

The study provides empirical evidence supporting the positive effects of an entrepreneurial culture on organizational innovation and growth, enhancing the theoretical understanding of leadership practices driving organizational success. It also highlights the role of fostering an entrepreneurial culture in organizations, which enhances creativity, job satisfaction, and overall competitiveness. An enterprise resource planning (ERP) system has the potential to increase productivity and efficiency by automating procedures and providing a consolidated data source for all of an organization's personnel. The ERP system is a sort of programmer used by businesses to do routine tasks like supply chain management, manufacturing, sales, and marketing; client relations; human resource management; finances; inventory control internet of things; purchasing and receiving; intelligence; and big data analysis. Work performance is essential for effective work, including setting goals, managing expectations, and monitoring employee performance. KPIs in various industries include revenue growth, profit margin, customer satisfaction, employee development, and cost structure. The industry is now moving towards smart logistics, digitization, industry centralization, and regional economic cooperation. Additionally, collaborate on with technology partners and continuous investment in research and development are essential to staying ahead in the rapidly evolving logistics industry.

**Keywords:** Employee motivation, Innovation team, China's logistics, Enterprise resource planning (ERP) system

## **INTRODUCTION**

China has the largest logistics request encyclopedically, thanks to its growing structure and advanced IT services. Despite these challenges, China's logistics assiduity has seen a slight answer in September 2022, according to the dexterity Arising requests Logistics Index. ERP systems, also known as enterprise resource planning systems, are business operation systems that correspond of a suite of software designed to integrate and manage all of a company's marketable processes. The logistics assiduity in China faced unknown challenges during the epidemic, including a drop in demand, transportation capacity dearth, and dislocations during the Chinese Spring Festival. The assiduity is now moving towards smart logistics, with the request size growing to 54.4 billion yuan in 2020. According to Hotaran description from 2020, performance is " the metamorphosis of an existent's gift into a critical value for stakeholders, consumers, and an association's capabilities."

Since an enterprise resource planning system gives the company the capability to automate, integrate, and support real-time business operations ( Evan Njhia, 2014), operations have the occasion to engage with stakeholders in an effort to boost the performance of the

association. They go above and beyond expectations to inspire team members to pursue audacious ideas; they encourage employees to think creatively and give them adequate space to discuss development ideas; and they inspire team members to pursue audacious ideas. The four essential roles on an innovation team are recruitment expert, company liaison/innovation advocate, new technology expert, and product specialist.

## **LITERATURE REVIEW**

### **Concept of Employee Motivation**

Taylorism, the Hawthorne effect, employment design, and rewards are all motivational theories for employees. Four approaches to job design can significantly affect employee motivation: job simplification, job expansion, job rotation, and job enrichment. Rewards as motivators distinguish between intrinsic and extrinsic employee motivation.

The Scientific Theory of Douglas McGregor relates to extrinsic motivation, whereas Theory Y suggests that employees are motivated by intrinsic or personal rewards. Employers can create a more motivated workforce using motivational theories such as Maslow's hierarchy of needs, Herzberg's two-factor theory, Locke's goal theory, and Latham's five goal-setting principles (D'Souza, J.; Gurin, M., 2016).

Employee motivation hinges on intrinsic (like achievement, recognition, and growth) and extrinsic factors (like company policy, salary, and job security). Herzberg's theory divides these into motivators (intrinsic) and hygiene factors (extrinsic). Recognition, trust, and opportunities for growth are crucial. Acknowledging efforts, offering rewards, and fostering a sense of investment in employees' success all drive motivation and performance.

### **Concept of Enterprise Resource Planning (ERP) System Implementation**

Enterprise Resource Planning (ERP) is comprehensive business software that integrates various operations like accounting, purchasing, project management, and supply chains. Originally from MRP II systems, now accessible via cloud for better data accessibility, especially for smaller businesses. Modern ERPs serve as extensive data warehouses, reporting on department productivity. Aligning the data object model with international business operations and describing business processes at object and occurrence levels helps identify and address gaps between the ERP system and organizational models. Common ERP modules cover financial accounting, including general ledger, fixed assets, payables, receivables, cash management, and financial statement consolidation.

#### **Enterprise resource planning system**

A great number of businesses have implemented ERP systems in order to improve the level of coordination that exists between the many activities that make up the company and to simplify communication as well as the processing of all activities. Information systems that have the potential to be used to manage and maintain all of the available resources, information, and functionalities of a company based on shared data repositories".

ERP systems streamline operations across purchasing, sales, accounting, and HR. They boost productivity, aid decision-making, and enhance HR planning by identifying training needs. However, challenges like employee resistance and initial costs can hinder their implementation. (Eker, M & Eker, S., 2018).

ERP systems integrate business functions via shared data, improving coordination and productivity. Challenges include employee resistance and initial costs. Modules like finance, CRM, and IoT impact all aspects of an organization. Deployment demands meticulous planning due to their wide-reaching effects.

ERP Systems streamline info across an org but bring challenges like restructuring and high costs. Success needs strategy, management buy-in, good practices, readiness, accurate data, and skilled implementation.

**Table 1** ERP Performance Scheme

<b>List</b>	<b>Details</b>
<b>Initial Phase: Consultant Group</b>	During this stage, company will need to assemble a consulting team made up of experts in system implementation, operations, and information systems.
<b>Second Phase: Team Plan</b>	Identifying the data that the system will require, making plans for its use, selecting an ERP solution, choosing an integration partner, receiving training on the system, testing it, and evaluating the results are the steps.
<b>Third Phase: Announcement</b>	Since the success of the plan depends on the efforts of all members of the organization, everyone in the organization is informed of the strategy.
<b>Fourth Phase: Involvement</b>	Staff members have been briefed on the specifics of how they might contribute to this effort.
<b>Fifth Phase: Business Process Mapping</b>	In order to learn how to utilise the ERP system, the integration partner and consulting team will lead the sessions and conduct the discussions.
<b>Sixth Phase: Implementation Plan</b>	The integration partner must organise the rollout, include the consulting team in strategy discussions, and win over their support.

<b>List</b>	<b>Details</b>
<b>Seventh Phase : Tracking</b>	Each week, the consultant group reviews the work that has been done thus far.
<b>Eighth Phase : Evaluation</b>	The consultant group will check to see if the objectives were met when the project is concluded.

An enterprise resource planning (ERP) system has the potential to increase productivity and efficiency by automating procedures and providing a consolidated data source for all of an organization's personnel. The creation of an ERP system is a key step for every company that has decided to implement a new enterprise system.

An ERP system streamlines operations by consolidating data, automating processes, and aiding decision-making. Its implementation involves stages like planning, design, testing, and support. ERPs provide real-time analytics across finance, HR, manufacturing, and more, crucial for staying competitive and efficient.

### **The concept of the Innovation Team**

Visionary leadership strengthens team unity and collaboration with external partners. Over time, it's linked to improved team cohesion and boundary management. Team cohesion, not boundary management, acts as the bridge between visionary leadership and team innovation. Ultimately, visionary leadership influences cohesion and boundary management, which in turn drive team innovation. (Batarseh, F. S., Usher, J. M., and Daspit, J. J., 2017; Mathieu, J. E., Hollenbeck, J. R., van Knippenberg, D., and Ilgen, D. R., 2017) (Batarseh, F. S., Usher, J. M., and Daspit, J. J., 2017; Mathieu, J. E., Hollenbeck, J. R., van Knippenberg, D., and Ilgen, D. R., 2017).

An effective innovation team comprises key roles: Recruitment Expert (connecting with external resources), Company Liaison/Innovation Advocate (ensuring transparency), New Technologies Expert (staying updated), and Product Specialist (understanding market, competition, and fostering innovation culture). Balancing innovation with business involves identifying real opportunities while maintaining focus. Essential team roles include the Visionary (big ideas), Thinker (understanding why), Innovator (executing ideas), Leader (driving action), Communicator (storytelling), and SMEs (subject matter experts impacted by solutions).

### **Concept of Work Performance**

Performance encompasses the quality and quantity of work aligned with responsibilities. Managing it involves enhancing individual and group accomplishments. Perspectives include individual traits, situational influences, and the process of achieving performance goals. We agree with Smith and Bititc (2017) holistic approach acknowledges complexity while recognizing the vital role of performance measurement and management in

enhancing employee engagement. The organization oversees evaluating, goal-setting, progress monitoring, customer feedback, and performance-based rewards for employees.

Employee performance management (Mehrzi and Singh 2016, Shmailan 2016, Yang et al. 2016, Utin Nina Hermina and Sri Yanthy (2016), and Yang, et al., 2016 the balanced scorecard is a management system overseeing various aspects like employee evaluation, goal-setting, and customer feedback. It measures performance through financial, customer, internal, and innovation perspectives to align with long-term strategies and aid in effective management.

### Concept of ERP Improves Logistics

ERP systems play a vital role in streamlining logistics and transportation by automating tasks and providing real-time insights from historical data. They cover functions like supply chain, manufacturing, sales, customer relations, HR, finance, inventory, IoT, purchasing, service management, business intelligence, and big data analysis. These systems optimize performance by facilitating planned processes that involve agreement, measurement, support, feedback, and positive reinforcement.

### Related research

Mohammadnour Aljarrah's 2021 Jordanian study at NEPCO looked into the impact of the Human Resources ERP system on employee performance appraisal. It found that system and information quality, along with user satisfaction, significantly influence performance evaluation. However, service quality didn't show a notable impact. Multiple regression analysis confirmed these correlations, highlighting their significant influence at a 0.05 significance level.

Rohit Kenge's study on ERP systems from 2020 highlighted the integration of organizational functions for swift decision-making. Despite decades of ERP use, their effectiveness remains unclear, with significant failure rates. Identified challenges include top management approach, change management, training, communication, and more. The research emphasizes the need for management readiness to address these challenges preemptively. To improve staff performance, PT should empower employees, offer guidance, praise their work, enable flexibility, and involve them in decision-making.

An ERP system integrates and automates business functions like supply chain management, manufacturing, sales, CRM, HR, finance, inventory, IoT, purchasing, service management, business intelligence, and big data analysis (Jandu, 2014; Ross, 2015; Sulaiman, 2013; Miller, 2015). It streamlines processes in sales orders, quotes, and warehousing.

**Table 2.2** Summary of research results related to conceptual framework

<b>Authors</b>	<b>Details</b>
<b>Rohit Kenge's (2020)</b>	Rohit Kenge's ( 2020) research on ERP system implementation and current trends reveals that ERP systems have been in use since 1970, with Gartner Group inventing the term in 1990. The industry has expanded significantly, with major suppliers solving the Y2K challenge by 2000.

<b>Authors</b>	<b>Details</b>
<b>Mohammadnour Aljarrah's (2021)</b>	Mohammadnour Aljarrah's study explores the impact of Jordan's human resources enterprise resource planning system on employee performance appraisal, examining the relationship between system quality, information quality, service quality, user satisfaction, and performance appraisal.
<b>Shadrack Katuu (2020)</b>	Shadrack Katuu (2020) Enterprise Resource Planning: Past, Present, and Future. The research explores ERPs' history and development, highlighting recent changes with cloud computing and digital innovations like artificial intelligence. It reviews academic and industry literature, revealing significant changes from precursor systems like IC packages.
<b>Michelle Bennett, 2021</b>	For 5 ways to promote team synergy: 1) Recognize each person's strengths, 2) Create team culture, 3) Align on team vision and goal, 4) Maximize personal capabilities with tasks and responsibilities, 5) Celebrate team successes to improve confidence.
<b>Anastasios D. Diamantidis and Prodromos Chatzoglou (2018)</b>	Employing employees who have a variety of abilities is a useful asset for a company since it forms the basis for establishing many alternatives to current or future work needs. These alternatives might be beneficial to the company in the event that the requirements change.
<b>Islami, Mulolli, and Mustafa (2018)</b>	They describe managing performance as a planned process whose essential components are agreement, measurement, support, feedback, and positive reinforcement, which molded performance expected results.
<b>Pawirosumarto, Sarjana, and Gunawan (2017)</b>	They found a correlation between employee performance and a work environment comprised of physical and nonphysical variables that have a favorable and substantial impact on enhancing employee performance.
<b>Smith and Bititc (2017)</b>	The importance of enhancing performance measurement systems and performance management methods as elements of the work environment that boost employee engagement levels, we believe that a more holistic approach is required.
<b>Rebecca Mazin, 2017</b>	Leadership and employee performance are positively related. Employees are responsible for their work. Employees work to meet organizational goals. Effective

<b>Authors</b>	<b>Details</b>
	leadership influences employee work and productivity (Bass, 1997).
<b>Al Mehrzi and Singh, 2016</b>	Performance is the outcome or level of success of a person as a whole over a period of time in carrying out duties compared to many possibilities.
<b>Yang et al. (2016)</b>	Performance is essentially what employees do or do not do.
<b>Alsolami et al. , 2016 ; Samad, 2012; Samad et al., 2015; Vlok, 2012.</b>	The most important attributes of innovative leaders are as follows: creative, collaborative, curious, courageous, committed.
<b>Arham, 2014.</b>	The performance of firms, particularly small and medium-sized businesses (SMEs), is a topic of intense interest among academics, practitioners, and policymakers

A theoretical framework focuses on extrinsic and intrinsic motivation, emphasizing the balance between these factors for innovation and organizational success. Implementing effective communication strategies, such as regular team meetings and open-door policies, can further enhance employee engagement and contribute to the overall success of the organization. The industry is now moving towards smart logistics, digitization, industry centralization, and regional economic cooperation. Additionally, collaboration with technology partners and continuous investment in research and development are essential to staying ahead in the rapidly evolving logistics industry.

This study highlights the importance of enterprise resource planning (ERP) in improving manufacturing, accounting, human resources, and customer relationship management. The study provides empirical evidence supporting the positive effects of an entrepreneurial culture on organizational innovation and growth, enhancing the theoretical understanding of leadership practices driving organizational success. It also highlights the role of fostering an entrepreneurial culture in organizations, which enhances creativity, job satisfaction, and overall competitiveness.

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