



The Practice of SAP Software in the Accounts Department: The Case Study of Permodalan Nasional Berhad(PNB)

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ABSTRACT

This paper investigates the practicality of SAP Software in the Accounts Department of Permodalan Nasional Berhad (PNB). It consists of investigation of the differences between **software-based accounting system** and **paper-based accounting system**. A mixed method research approach was used with strategies of inquiry that involve quantitative and qualitative data collection. In order to get an in depth views of the research, questionnaire were distributed to all the employees in PNB Accounts Department. Based on the questionnaire findings, interviews were conducted among the Executives and Senior Executives of PNB Accounts Department in order to confirm the findings of the questionnaire. The interviews involve the Executives and Senior Executives because they are the one who use the software regularly. The findings presented will focus on three main issues. Firstly, the practicality of the SAP Software in the Accounts Department; to identify the existing differences between software-based accounting system and paper-based accounting system; and finally, what can the researcher suggest in order enhancing the efficiency of using the SAP Software.

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CHAPTER ONE

1. INTRODUCTION

1.1. Background of Company

Permodalan Nasional Berhad (PNB) was incorporated on March 17, 1978, PNB was conceived as a pivotal instrument of the Government's New Economic Policy to promote share ownership in the corporate sector among the Bumiputera, and develop opportunities for suitable Bumiputera professionals to participate in the creation and management of wealth. Prior to the establishment of PNB, efforts to increase Bumiputra ownership in the corporate sector were not sufficient as shares allocated to individuals were seldom retained. Research indicated that when Bumiputera shareholders sold their shares, the profits generated were consumed and not reinvested.

Through PNB, substantial shares acquired in major Malaysian corporations from funds provided by Yayasan Pelaburan Bumiputra (YPB) or Bumiputra Investment Foundation were transferred to a trust fund and sold to the Bumiputera in the form of smaller units. By employing this innovative investment model, PNB ensures that these shares are retained, resulting in the cultivation of widespread savings habits, and development of entrepreneurship and investment skills of Bumiputera. With total investments exceeding over RM58 billion, as at December 31, 2000, the PNB group has become the country's leading