STRATEGIC USE OF INFORMATION TECHNOLOGY AMONG ENTREPRENEURS OF SMALL-SIZED ENTERPRISES IN KAPIT DIVISION

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CHAPTER 1

INTRODUCTION

1.1 Background and Scope of Study

The growing Sarawak economy in particular, and Malaysia in general has not only brought about enormous development and benefits to Malaysians, but it also resulted in significant increases of entrepreneurs ventured in business enterprises. One important area that has received little attention is how entrepreneurs of small sized enterprises (hereafter, SSEs) are orientated to manage their firm enable them to seize opportunity when they combine their resources.

A small sized enterprise (SSEs) is part of the small and medium -sized enterprises (SMEs). To differentiate SSEs from medium – sized enterprise, researcher adopted the definition given by the Asian Development Bank (1990) that is, small enterprises employ fewer than 50 workers, and medium – sized enterprise employ between 50 and 199 workers. For the purpose of this study, researcher use the term "small" for firms which operate on a small scale and employ fewer employees than medium-sized enterprises

Entrepreneurs are either in small, medium or large enterprises need to possess the characteristics of entrepreneurship. According to Miller and Friesen (1984), to be an entrepreneurial orientated, entrepreneurs should insist on formulating its strategy including innovation, risk taking, and proactiveness.

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CHAPTER 2

LITERATURE REVIEW

2.1 Entrepreneurs and Technology Acceptance

According to Drucker (1985), for many entrepreneurs, the basic drive is creativity and innovation to build something out of nothing. Stevenson (1983) noted that a successful firm is one that is either capable of rapid response to changes that are beyond its control, or is so innovative that it contributes to change in the environment. McCalman, and Paton (1992) asserted that being at the forefront of technology within any organization may be lonely, but very beneficial at the same time, that innovative entrepreneurs are more likely to view investment in new technologies as vital to future growth and competitiveness of the organization.

2.2 Strategic Use of IT

The strategic use of IT is a system that is used to support or shape an organization's competitive strategy, and its plan for gaining and maintaining competitive advantage (Wiseman, 1988). Wiseman (1988) further reasons that strategic use of IT must consider three key targets of IT applications: customers, suppliers, and competitors. If strategies designed to address these targets are supported by IT applications, then these applications are strategic in nature.

IT application is of strategic usage if it fundamentally changes the way the firm competes in its industry and ultimately improves the business performance (McNurlin, 1986).

CHAPTER 3

RESEARCH METHODOLOGY

3.1   Research Instrument

Entrepreneurs were surveyed using a questionnaire made up of four sections. Section A captures the respondents' profile such as age, computer experience, academic qualification, job function, and number of years of establishment/experiences, type of industry, major clients/customers, and numbers of employees.

Section B determines respondents' IT Usage Pattern (system usage, and specific job tasks). Specific job tasks were divided into three tasks job: letters and memos, reports, data storage/retrieval (administrative purposes); analyzing trends, problems and decisions (planning purposes); and budgeting and controlling. Section C evaluates respondents' strategic benefits of IT usage. Respondents were asked to evaluate for themselves the level of strategic benefits of using IT. Among elements of strategic benefits are: improvement in job performance; increase in productivity; and enhancement of job effectiveness. Section D mainly to gathering general information.

3.2   Data Collection

Questionnaires (as per sample in Appendix I) were distributed by hand to the respondents.