CHAPTER 4

A SURVEY ON THE LEVEL OF UTILIZATION IN USING INFORMATION TECHNOLOGY BY MALAYSIA'S SMALL AND MEDIUM ENTERPRISES

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Summary

The aim of this study is to examine the level of information technology (IT) utilization by small and medium enterprises (SMEs) in Malaysia. Empirical data were collected through questionnaire survey of 104 SMEs in the services industry. The survey reveals that the Malaysian SMEs have adopted IT in their daily operations and business processes. However, these companies are still not utilizing the usage of IT to the optimum level.

4.1. Introduction

Malaysia is one of the leading countries in Asia trying to utilize the usage of IT to accelerate its economic growth. This is reflected through the government efforts in formulating policies that encourage its citizens to use IT and by giving incentives for companies that adopted IT at its workplace. Moreover the “Vision 2020” conceptualized by the previous Prime Minister, Dr. Mahathir Mohamad, has envisaged Malaysia as a knowledge society by the year 2020. The government is also committed in developing Cyberjaya as a model township to cater for IT-based companies in the country. Furthermore, the usage of IT for business purposes in Malaysia has grown in recent years, due to the encouragement from the government as well as from the increase in awareness among businesses particularly on the importance of using IT to enhance organization performance. Many studies have focused on this issue particularly in the manufacturing sector as well as medium and large enterprises. It is common to see large companies using technology to manage their daily business processes such as the usage of Enterprise Resource Planning (ERP), Customer Relationship Management (CRM) and