MALAYSIAN SMEs PERSPECTIVE ON FACTORS AFFECTING ERP SYSTEM ADOPTION

Siti Shafrah Shahawai\textsuperscript{a1}, Rosnah Idrus\textsuperscript{a,b,c2}

\textsuperscript{a}School of Computer Sciences
Universiti Sains Malaysia
11800 USM, Penang, Malaysia

\textsuperscript{b}National Advanced IPv6 Center (NAv6)
Universiti Sains Malaysia
11800 USM, Penang, Malaysia

\textsuperscript{c}Center for Marine and Coastal Studies (CEMACS)
Universiti Sains Malaysia
11800 USM, Penang, Malaysia

E-mail: \textsuperscript{1}shafrah@gmail.com, \textsuperscript{2}rosnah@cs.usm.my

Abstract

Small Medium Enterprises (SMEs) are vary in many aspects such as size and operation. The adoption of Enterprise Resource Planning (ERP) system must be regarded as it occurs in a different environment within which the SMEs operates and should not be equated to a larger organization’s business routine. An ERP system holds promising future if it is well implemented regardless the size of the organization. This research focused on the view point of the Malaysian SMEs towards the adoption of ERP system. Grounded from the Technology-Organization-Environment (TOE) framework, the findings are categorized qualitatively as a benchmark for technology adoption studies. Unstructured interview in six SMEs with a case study in two selected SMEs were done in two types of SMEs industry. A thematic analysis technique was used to analyze the data. This paper reports on the analysis result and reveals some isolated issues of factors affecting ERP adoption among SMEs in Malaysia. The results also provides an indication on what should be the strategy for determining the right specification in adopting an ERP system successfully especially in Malaysian SMEs.

Keywords: ERP adoption, Malaysian SMEs perspectives, Factors analysis