

Issues and Challenges of Information and Communication Technology Adoption and Application for Business-Related Performance among Agro-Based Small and Medium Entrepreneurs in the State of Selangor, Malaysia

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Abstract : This study explores issues and challenges of information and communication technology (ICT) adoption and application for business-related performance of Agro-based small and medium-scale enterprises (SMEs) in the state of Selangor, Malaysia. Globally, SMEs have championed the socio-economic development of nations across the globe, including Malaysia. Thus, the objectives of this study explore issues and challenges of agro-based SMEs' adoption and usage of ICT, the business-related performance of SMEs via the adoption of ICT, and the impact of incentives on SMEs' adoption and use of ICT. The study was conducted in Selangor, Malaysia. A qualitative research approach was deployed for the study. Data for the study emanated from semi-structured interviews and field note observation of 14 informants who are registered as small-scale business owners and operators. Based on thematic analysis, data were triangulated to ensure consistency and validation of findings for the study. Findings revealed that SMEs are faced with a lack of funding, low expertise, and lack of storage, leading to an unsustainable supply of goods and services. Although effective communication, ease of business activities/transactions, and information search by way of research were among the business performance experienced by SMEs' adoption of ICT. Further findings showed that loan conditions and personal and business interests hindered SMEs' reception and access to programs, schemes, and incentives geared at aiding the continuous growth and development of agro-based SMEs. The study suggests the need for policy change in terms of diversification of channels of funding and access to funds to enable credit guarantee schemes and peer or community-based financing. Consequently, the study recommends the engagement of SMEs in policy decision-making to ascertain the type of incentives relevant to their business operations. Likewise, from a technological standpoint, the study suggests the expansion of the framework of technology acceptance with focuses on affordability, type of users, and level of usage.

Keywords : ICT adoption, business related performance, agro-based SMEs, ICT application for SMEs

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