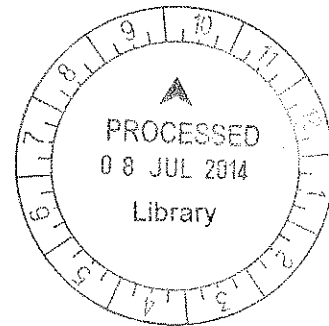


# **INTI INTERNATIONAL UNIVERSITY**

## **MASTER OF BUSINESS ADMINISTRATION**

### **Examining the Information Seeking Behaviour of Malaysian SMEs**



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## Abstract

This paper aims to examine the information relating to the behaviour of the Malaysian small and medium-sized enterprises by analysing the need for commercial information according to the categories of different types of enterprises. Such research outcome, benefits the information system planning and management of business organizations. Evidence in literature research has revealed the importance of efficient information system management to an enterprise's business growth. A good understanding of an enterprise's need for information is the most essential condition for reasonable information management planning and information system design. Researcher conducted a questionnaire survey in Malaysia's capital city, Kuala Lumpur; and acquired data from 120 enterprises. Then, IBM SPSS software was used to perform statistical tests; including cronbach's alpha, KMO & Bartlett's Test of Sphericity, One-way ANOVA, and multiple regression. The result of data analysis showed that the hypotheses were supported: there are significant relationships between a firm's demographic, perceptions toward information channels and the preferences on types of information. Finally, recommendations are proposed at the final section of this paper. Based on the findings, many of the enterprise information systems could be designed to meet the needs of those seeking information specifically for small and medium enterprises.

**Key Words:** *Preference of information type; Information seeking behaviour; Information need; Information Management; Information system management; Small and medium enterprises; Malaysian SMEs.*

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### **Declaration by Candidate**

I hereby declare that this research project is of my own effort except for the information that has been used from various authors that have been cited accordingly and ethically.

14<sup>th</sup> April, 2014

Wang Weimeng

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## LIST OF ABBREVIATIONS

*SMEs – Small and Medium Enterprises*

*ISB – Information Seeking Behaviour*

*IS – Information System*

*FDI – Foreign Direct Investment*

*SSM – Companies Commission of Malaysia*

*DC – Demographic Characteristics of the SMEs*

*PIC – Perceptions towards Information Channels*

*PIT – Preferences of Information Types*

*MC – Media Channel*

*PO – Professional Organization*

*IP – Individual Provider*

*TE – Training Event*

*FM – Financial Management*

*CI – Competition Information*

*HM – Human Resource Management*

*MM – Marketing Management*

## CHAPTER 1: INTRODUCTION

### 1.1 Chapter Preview

This chapter introduces the big picture of the entire study, which covers the background information, the problem description, as well as the research objectives (the primary objective with supporting sub-objectives). Meanwhile, the significance, the limitations and the scope of this study are briefly described. The key facts are also elaborated in this chapter, and finally, a summary of the introduction chapter is provided.

### 1.2 Background

In the long development history of international business, the leading companies have all undergone and survived fierce competition by making use of information technology. Multi-national companies have gradually entered into the Big Data era, which seems to be an on-going trend for all sized and type of business organizations. Information has become a critical competitive force for businesses (Davenport and Dyche, 2013; Wang and Wang, 2013). There are two fundamental perspectives about the role of information: the first being the process to obtain a competitive advantage throughout the value chain, and the second is the process to create and upgrade core competencies for a company (Duhan et al., 2001; Laurindo, 2009). In this case, business organizations need to execute excellent information management in order to utilize the values of information successfully. For example, these organizations may adopt a variety of techniques to carry out marketing management, financial management, human resource planning, as well as competitor analysis; and these techniques may be closely related to the information system (IS) technology.

To actually implement these processes, a highly-efficient information management system and effective gathering of critical information are required (Abereijo et al., 2009; Chuang et al., 2009). According to Kenneth and Jane Laudon (2013), authors of "Management Information Systems", the correct identification of the information type requirements and proper design of the system architecture are the basis for establishing an efficient and effective IS. In other words, a good information management system requires a company to provide support both in terms of technology as well as information collection. The specific information requirements of a company must be studied at the initial stages of IS planning. Thus, the answer, as to what information a business requires will form a good start to effective information management.

An appropriate study approach for guaranteeing correct identification of information - type requirements (information needs) is related to information seeking behaviour (ISB) theories. According to the literature research about the relevant studies since the 1970s, it appeared that there was not a single theory of information seeking that was commonly accepted. Instead, a mixture of studies on information seeking in different research fields could be found (Krikelas, 1983; Chatman, 1996; McKechnie al, 2005). Researchers designed their own theoretical concepts based on different research objects and specific requirements, and also extracted elements from theories or concepts in other fields, in order to establish the model of ISB for the targeted research object.

The research object mentioned above refers to the individuals or the organizations in the literature. Case (2012) summarized the studies on an individual scale during the past decades and proposed the common research prerequisites for ISB, such as occupation, and demographic division of different individuals. As of now, Elisha et al (2008) conducted the research study of SME's ISB. For developing countries, SMEs are important economic drivers. Currently, information on the management of SMEs' has been brought to the forefront. In this paper, the information seeking behaviours are investigated by