Examining the Information Seeking Behaviour of Malaysian SMEs

Author: Wang Weimeng
Student No: 111009363
Supervisor: Assoc Prof. Dr Vikineswaran Maniam
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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 sited accordingly and ethically.

14th April, 2014  Wang Weimeng
COTENTS

Submission Date ........................................................................................................... i

Abstract ....................................................................................................................... ii

Acknowledgement ....................................................................................................... iii

Declaration by Candidate .............................................................................................. v

LIST OF TABLES ......................................................................................................... x

LIST OF FIGURES ....................................................................................................... xii

LIST OF ABBREVIATIONS ......................................................................................... xiii

CHAPTER 1: INTRODUCTION ..................................................................................... 14

1.1 Chapter Preview ..................................................................................................... 14

1.2 Background ............................................................................................................ 14

1.3 Problem Statement ............................................................................................... 16

1.4 Research Objectives ............................................................................................. 19

1.5 Significance of the Study ...................................................................................... 20

1.6 Limitations of the Study ...................................................................................... 21

1.7 Scope of the Study ............................................................................................... 22

1.8 Chapter Summary ................................................................................................. 23

CHAPTER 2: LITERATURE REVIEW .......................................................................... 24

2.1 Chapter Preview ..................................................................................................... 24

2.2 Information Needs ................................................................................................ 24

INTI International University (2014)
2.2.1 Information .................................................................................................................... 24
2.2.2 Preferences of Information Types ................................................................................. 26
2.2.3 PIT related Theories ..................................................................................................... 27

2.3 ISB Studies on Individuals .............................................................................................. 29

2.4 ISB Studies on Organizations ......................................................................................... 30
2.4.1 Demographic of the SMEs .......................................................................................... 32
   a) Size of the Firm .............................................................................................................. 32
   b) Age of the Firm ............................................................................................................ 33
   c) Industry of the Firm .................................................................................................... 34
2.4.2 Information Channels .................................................................................................. 35

2.5 Business Information Types ............................................................................................ 37

2.6 Chapter Summary ............................................................................................................ 37

CHAPTER 3: METHODOLOGY ...............................................................................................38

3.1 Chapter Overview ............................................................................................................ 38

3.2 Research Design ............................................................................................................. 38
3.2.1 Nature of Research Design ......................................................................................... 38
3.2.2 Research Approach .................................................................................................... 39

3.3 Research Model & Hypotheses ....................................................................................... 41

3.4 Time Horizon .................................................................................................................. 42

3.5 Analysis Focus ................................................................................................................. 42

3.6 Sampling Method ............................................................................................................ 43

3.7 Sample Size .................................................................................................................... 43

3.8 Data Collection ............................................................................................................... 44
3.9 Questionnaire Design .............................................................................................................. 45
3.10 Data Analysis ......................................................................................................................... 47
  3.10.1 Content Validity ............................................................................................................... 48
  3.10.2 Pilot Test .......................................................................................................................... 49
  3.10.3 Internal Consistency Reliability and Construct Validity .................................................. 50
3.11 Ethical Considerations .......................................................................................................... 51
3.12 Chapter Summary .................................................................................................................. 52

CHAPTER 4: FINDINGS AND DISCUSSIONS ............................................................................ 53
4.1 Chapter Preview ...................................................................................................................... 53
4.2 Response Rate ......................................................................................................................... 53
4.3 Respondents' Profiles ............................................................................................................. 53
4.4 SMEs' Perceptions toward Information Channels (PIC) ....................................................... 54
4.5 Relationships between Demographics and PIT ...................................................................... 59
4.6 Relationships between PIC and PIT ....................................................................................... 61
4.7 Factors Explaining PIT .......................................................................................................... 63
4.8 Chapter Summary .................................................................................................................. 70

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS ...................................................... 71
5.1 Overall Conclusions .............................................................................................................. 71
5.2 Study Results Conclusions .................................................................................................. 71
  5.2.1 Hypotheses Tests Results ................................................................................................. 71
  5.2.2 Factors that Explain PIT ................................................................................................. 73
5.3 Recommendations .................................................................................................................. 74
5.4 Personal Reflections ....................................................................................... 76

REFERENCES .............................................................................................................. 77

APPENDIX 1: SAMPLE OF COMPANY LIST ............................................................... 89

APPENDIX 2: QUESTIONNAIRE ................................................................................. 90

   English Version ........................................................................................................ 90

   Bahasa Malay Version ............................................................................................ 95

   Chinese Version ...................................................................................................... 100

APPENDIX 3: PERMISSION LETTERS ...................................................................... 104

APPENDIX 4: TURNITIN REPORT ............................................................................. 106

APPENDIX 5: INITIAL RESEARCH PROPOSAL ......................................................... 107

APPENDIX 6: ETHIC APPLICATION FORM .............................................................. 114

APPENDIX 7: ETHIC APPROVAL FORM ................................................................. 144

APPENDIX 8: PROJECT LOG .................................................................................... 145
LIST OF TABLES

Table 1-1: Definition of Malaysian SMEs 19
Table 1-2: % of SMEs by states 21
Table 1-3: Number of Establishment of SMEs and Large Firms in Malaysia 21
Table 2-1: Summary of Past ISB researches on Business organizations 34
Table 3-1: Measurements in Section One of the Questionnaire 48
Table 3-2: Measurements in Section Two of the Questionnaire 49
Table 3-3: Measurements in Section Three of the Questionnaire 49
Table 3-4: Cronbach’s alpha Standards 50
Table 3-5: KMO Standards 50
Table 3-6: R – value Standards of Strength of Relationship 51
Table 3-7: Pilot Test Result 52
Table 3-8: Reliability and Validity of PIC Part 53
Table 3-9, Reliability and Validity of PIT Part 53
Table 4-1: Respondents’ Profiles 57
Table 4-2: PIC by Firm Size 58
Table 4-3: Compare Means by Firm Size 58
LIST OF FIGURES

Figure 2-1: Conceptual Framework of the Study 32

Figure 3-1 Process design of this research 43

Figure 3-2: Research Model 44

Figure 4-1: Preference Levels of CI by Industry 63

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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