INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE, IT & MANAGEMENT

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REVIEW OF LITERATURE

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STATEMENT OF THE PROBLEM

OBJECTIVES

HYPOTHESIS (ES)

RESEARCH METHODOLOGY

RESULTS & DISCUSSION

FINDINGS

RECOMMENDATIONS/SUGGESTIONS

CONCLUSIONS

LIMITATIONS

SCOPE FOR FURTHER RESEARCH

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APPENDIX/ANNEXURE

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- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–23

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- Kumar S. (2011): "Customer Value: A Comparative Study of Rural and Urban Customers," Thesis, Kurukshetra University, Kurukshetra.

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- Garg, Bhavet (2011): Towards a New Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

FACTORS INFLUENCING THE DECISION OF ADOPTING COMPUTERIZED ACCOUNTING SYSTEM (CAS) BY SMALL AND MEDIUM ENTERPRISES (SMEs) IN KURUNEGALA URBAN AREA IN SRI LANKA

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ABSTRACT

This study aimed to investigate factors that influencing the decision of adopting the computerized accounting information system by Small and Medium Enterprises (SMEs) in Kurunagala urban area. This study adopted a survey approach. *Characteristics of the CEOs, characteristics of information system (IS), organizational factors and environmental factors were considered as independent variables in the study. The sample size of 85 SMEs was drowned from a population of 437 SMEs registered with the Chamber of Commerce in Kurunegala Urban area, using the judgmental and convenience sampling. Questionnaire was adopted to collect data and analysis was facilitated by the use of Statistical Package for Social Sciences (SPSS). The research findings indicated that, CEO's characteristics, and organizational factors were significant to determine the decision of adopting the CAS by SMEs in the area while competition and characteristics were not affected much to the decision of adoption CAS. Accordingly, recommendations were presented at the end.*

KEYWORDS
computerized accounting system, information systems, small and medium enterprises.

1.   INTRODUCTION

Most of the modern business organizations today are using a computerized system for their business operations for making business decisions specially in the field of accounting. Generally accounting programs carry out are; invoicing, dealing with payments, paying wages and providing regular accounting reports such as a comprehensive income statement, statement of financial position, cash flow statements, etc. Computerized system promotes the efficiency, accuracy and speed of the data system for effective and efficient business decision making (Hadler, 2005). These results are more benefits in all aspects of the organization and their stakeholders as well as the country's economy as a whole. Among a variety of information that is produced by data processing systems, accounting and financial information does an important role in management decisions in any types of organization. Today business firm uses a computer application to accounting process called as CAS. Among business organizations in the world, SMEs are the backbone of all developed and developing country's economy since it plays an important role in economic development via creation of employment opportunity, mobilization of domestic savings, poverty alleviation, income distribution, regional development, training of workers and entrepreneurs, contributing to the GDP (Ben-Caleb, Egbide and Faboyede, Samuel O. and Fakile, A. S. (2013), Gamage A.S., 2003). The government of Sri Lanka has consistently extended support to SMEs via producing a conducive business environment for their development; improving the way in to financing, providing adequate business support, infrastructure, training, on entrepreneurship and worker skills and launching of various programs for SME's success (Gamage A.S., 2003). Further, the government provides different incentives and benefits as an income tax exemption, technology transfer, production and management training, and marketing assistance programs. Although, various institutions are established for SMEs' success, the facilities provided by them are not enough to help financial side and decision making strength of the firm. The decision making process is mainly based on the financial information which is updated and accurate. When comparing with large scale companies, most of SMEs has not a good CAS to get the necessary information in most developing countries. Therefore, in this study, researchers focus to examine the factors that influence in decision of adoption CAS in the accounting processes of the SMEs in Sri Lanka.

2.   REVIEW OF LITERATURE

SMALL AND MEDIUM ENTERPRISES (SMES) IN SRI LANKA

SMEs make up a large part of Sri Lanka's economy, accounting for 80 per cent of all businesses. These are found in all sectors of the economy, primary, secondary and tertiary and provide employment for persons of different skills, skilled, semi-skilled and unskilled(http://www.nhrep.gov.lk/). Gamage A.S., in 2003 reveals that Sri Lanka does not have a common definition for SMEs and therefore different criteria are used to identify SMEs such as the number of employees, firm size of fixed investment. Thus, Investment Development Board (IDB) was defined SMEs as an establishment whose capital investment of less than Rs.4 million (White paper, 2002). Sri Lankan Export Development Board (SLEDB), defined as those with capital investment of less than 20 Million rupees in plant, machinery, and equipment, excluding land and buildings and an annual export turnover not exceeding 40 million rupees and total annual turnover not exceeding 100 million rupees (White paper, 2002). SMEs defined as an enterprise with less than 50 people and capital investment less than 5 million Rs (Department of Small Industries). SMEs in Sri Lanka has been identified as an important sector for social and economic growth of the country. This sector encompasses establishments operating in different type of sectors such as agriculture, mining, wood products, manufacturing, construction & service sectors etc. SMEs sector covers a large segment of total number of establishments in Sri Lanka. Small sector appears 63 percent and medium sector appears 25 percent and overall SMEs sector covers 88% of total establishment. Establishment of SMEs shows a large portion in mining, food, beverage and tobacco products, wood products, fabricated metal products, non-metallic mineral products etc (Department of Census and Statistics, 2006). SMEs sector plays an important role in the economy through generating of employment, contributing to the growth of GDP, embarking on innovations and simulating of other economic activities (Gamage A.S.,.2003). Also, it plays an important role in economic development through the creation of employment opportunities, mobilization of domestic savings, poverty alleviation, income distribution, regional development, training of workers and entrepreneurs, creating an economic environment (Damayanthi and Rajapakse, 2012). According to a survey done by the International Financial Corporation in 2005, it was noticed that SMEs in Sri Lanka accounts for nearly 70 percent of employment in the business sector. The industry sector, of which approximately 90 percent consists of SMEs in Sri Lanka and it represents about 26 percent of GDP, and comprises primarily production and sale of raw materials and semi-finished goods. Department of cense and statistics (2006) noted that SMEs accounted for 90 percent of total establishments, 56 percent of total employment and 48 percent of value added in industrial sector (Wickremasinghe, 2011).

COMPUTERIZED ACCOUNTING INFORMATION SYSTEM (CAIS)

Accounting information is a critical resource for all enterprises because those are presented in financial position, performance and cash flows of the entity that is useful for decision making by a broad range of users who are not in a position to demand reports to meet their information needs (Stefanou C.J., 2006). The main objective of AIS is to provide all information that is useful for the needs of financial managers to make decision, control and improve their firm's financial performance (Karagiorgos, Diavastis, 2013). The AIS created in a business is directly related to the organizational culture, level of strategic planning and the information technologies. It is possible to obtain healthier information about the financial structures of the businesses that have set up a good AIS (Salehi at el.2010). As Stefanou (2006), without such a system, it is difficult for SMEs to determine performance, identify customer and supplier account balances and forecast future performance of the organization. Moreover, Marivic (2009) has described CAS as a method by which financial information on business transactions are recorded, organized, summarized, analyzed, interpreted and communicated to stakeholders through the use of computer based accounting systems (as cited Agnes,2011). The computerized accounting is based on the concept of database and it is basic software which allows access to the data contained in the database. In a turbulent business environment, SMEs must recognize that IT can potentially improve a firm's productivity, products' quality, and overall organizational performance. (Qureshi & York, 2008, as cited Mursalin, 2012). Laudon & Laudon (2010) point out that IT adoption can easily perform and earn competitive competence compared with those who are adopting IT.

FACTORS INFLUENCING ON ADOPTION OF CAS BY SMES

CHIEF EXECUTIVE OFFICERS/ OWNERS CHARACTERISTICS

Decision making situation in SMEs is a highly centralized structure with Chief Executive Officers/ Owners and it mainly depended on their quality (Thong, Y.L.G., 1999). According to them, CEOs innovativeness and IS knowledge are important in determining the decision to adopt IS in SMEs. Sarosa (2007) founded that, in the decision stage, the idea of IT adoption in the business is originated from the manager, staff, customers or advice from trading partners.

CHARACTERISTICS OF INFORMATION SYSTEM

The adoption of accounting software as the innovation must be perceived better than the manual accounting system, consistent with the needs of the adopter, easy to learn and use, have apparent results. Also, the accounting software must be available on a trial basis and outlined the desirable characteristics of an innovation in terms of its relative advantage, compatibility and complexity (Edison, Manuere, Joseph & Gutu, 2012; Tornatzky and Klein 1990, Rogers,1983 as cited Breen, Sciulli, Calvert,2003) observability and trialability (Rogers,1983,as cited Breen, Sciulli, Calvert,2003).

CHARACTERISTICS OF THE ORGANIZATION

The organizational characteristics such as business size, age of business, employees' IS knowledge, and information intensity has been shown to be determinants of the extent of IS adoption (Thong, 1999). But, Guo and Feng (2008) argued that firm size also directly affected to adopt AISs and they further established that SMEs disregard financial constraints as the main cause for AISs in their business. In the world, small businesses suffer from resource poverty which is results from various conditions unique to small businesses, such as operating in a highly competitive environment, lack of professional expertise (Duxbury, 2002 cited in Edison, Manuere, Joseph & Gutu, 2012), and susceptible to external forces.

CHARACTERISTICS OF THE ENVIRONMENT

According to, Treadgold's (1990) indicated that small businesses with high IT adoption rates had been influenced by external agents such as trade associations, wholesalers, voluntary groups and franchises. Wenzler (1996) mentioned that business customers were a significant reason for implementing IT (as cited Breen, Sciulli, Calvert, 2003; Link, Bozeman 1991as cited Thong, 1999). Edison, Manuere, Joseph & Gutu, (2012) mentioned that Government support provide is useful to access via financing the AIS by SMEs.

TABLE 1: FACTORS INFLUENCING TO DETERMINE THE DECISION OF IT ADOPTION BY SMEs

Factors	Sources
Organizational factors Employees' IS knowledge, information intensity, business size, financial constraints, equity capital, economically backwardness, weak innovation capability, age of business, consultants support.	Thong, 1999; Guo and Feng, 2008; Porter, Millar Greater, 1985; Wang, 2004; Ismaill, Abdullah & Tayib, 2003; Further Duxbury, 2002.
Characteristics of CEO CEO's innovativeness, CEO's IS knowledge, self-efficacy	Thong, 1999; Sarosa, 2007; Tran & Hoang, 2011; Campeau and Higgins, 1995
Characteristics of Information System Relative advantage, Compatibility, Complexity, Observability, Trialability.	Breen, Sciulli, Calvert, 2003; Tornatzky and Klein 1990; Edison, Manuere, Joseph & Gutu, 2012; Thong, 1999.
Environmental factors External agents; trade associations, competition, government support.	Treadgold's, 1990; Evanisko, 1981; Link, Bozeman, 1991; Wenzler, 1996; Edison, Manuere, Joseph & Gutu, 2012.

3. SIGNIFICANCE OF THE STUDY

SMEs in Sri Lanka are playing vital roles in most of the sectors including manufacturing, agriculture and some different service sector, etc. In Sri Lankan, SMEs are the backbone of the economy since they play a significant role for sustainable economic growth. SMEs help to solve the critical issues in developing countries such as eliminating poverty, unemployment, etc. In Sri Lanka around 35percent employment was provided by SMEs (NHREP, 2014). This study considered the factors influencing on adoption of CAS by SMEs that gives a valuable contribution to the development of this sector. When reviewing the literature regarding the adoption of CAS, it can be seen that there are few studies in global context, as well as in local context regarding this area in SMEs. Thus, it can be seen a research gap to be filled and therefore, this study is helpful to Owners/CEO of SMEs in Sri Lanka, to make a decision on adoption of CAS for their business success. SMEs can get more benefits using CAS such as up-to-date information, efficiency and ability get the real-time information on the company's financial position, can face competitive threats to the success of SMEs.

4. PROBLEM STATEMENT

In the new technological advancement, role of CAS is important to manage and implementing accounting systems, because it allows a company to manage its business with potential benefits as speed & accuracy of operation, automatic documentation, up-to-date information, efficiency, ability to get the real-time information of the company's financial position (Hadler,2005). Despite the fact that the benefits associated with the use of CAS, SMEs are still disinclined to adopt this technology in some countries (Edison, Manuere, Joseph & Gutu, 2012). In this juncture, a pilot survey was administrated to identify the usage of CAS by SMEs in Sri Lanka attending randomly selected 18 SMEs in Kurunegala urban area. In this survey, SMEs is recognized on the criteria employed; employees between5-29; small, between 30- 149; medium and employees above 150; large scale firm (white paper, 2002). According to the pilot survey (2014), more than 65 percent SMEs are not currently use CAS in their decision making process. Hence, this situation is not suitable for SMEs to face with competition, and shown future uncertainty in their development. Thus, this study aims to investigate "What factors are affecting the use of CAS by SMEs in Kurunegala urban areas as berries.

5. OBJECTIVES OF THE STUDY

The primary objective of the study is to ascertain the factors affecting for the decision of adopting CAS by SMEs in Kurunegala urban area. Other specific objectives are: to identify the level of CAS usage by these SMEs in the area; to identify the key barriers affecting to this decision in CAS adoption in SMEs, to identify the most significant factors that influencing to decision of adoption CAS by SMEs in the area and finally make recommendations to the relevant authorities to incorporate some strategies for implementing the CAS in these SMEs.

6.   HYPOTHESES

H_1: CEO's characteristics are significantly related to the decision of adopting a CAS
H_2: IS characteristics is significantly related to the decision of adopting a CAS
H_3: organizational factors are significant to the decision of adopting a CAS
H_4: environmental factors (competition) are significant to the decision of adopting a CAS

7.   METHODOLOGY
CONCEPTUAL FRAMEWORK

FIGURE 1: CONCEPTUAL FRAMEWORK
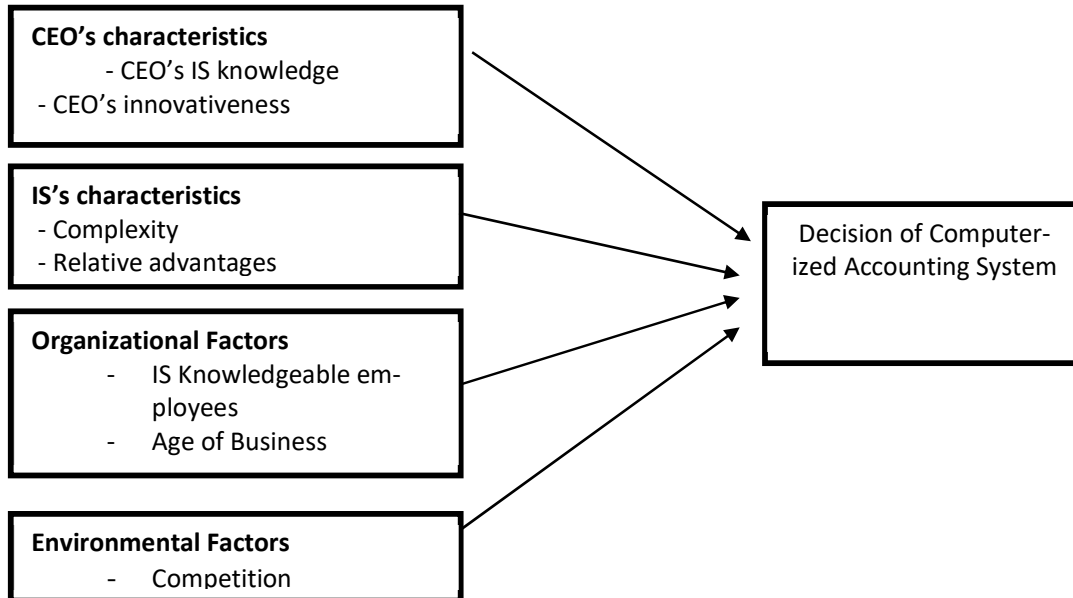
The researchers selected deductive research approach for this study aiming to examine the factors influencing the decision of adopting CAS. The study was conducted in the natural environment in non-contrived setting as cross sectional study. Both primary and secondary data were gathered for the purpose. The target population of this study was all the SMEs located in the Kurunegala urban area. 85 SMEs was drown as a sample using judgmental and convenience method, from 437 SMEs registered with the Chamber of Commerce (2010) in Kurunegale Urban areas such as, hotel & restaurant, whole sellers, retail supplies, textiles, electronic equipment, furniture shops. SMEs was chosen based on the definition delivered by task force of the SME sector development program appeared in white paper, 2002 (p.22), National strategy for SME sector development in Sri Lanka; micro< 5 employees, small 5-29 employees, medium 30- 149 employees, and large 150 employees and above. Thus, the primary data were gathered by administrating interviewing based structured questionnaire with the format of five point Likert Scaling with anchors of strongly disagree (1) to strongly agree (5). The questionnaire consisted of three parts; background information on the SMEs, information related independent variables (such as CEO's characteristics, IS characteristics, organizational factors and environmental factors) and next for the dependent variable; decision of adopting CAS. The data gathered were analyzed using statistical techniques; descriptive statistics and inferential statistics. Data analysis was facilitated by the use of Statistical Package for Social Sciences (SPSS). KMO (Kaiser-Meyer-Olkin) and Bartlett's Test of Sphericity was used to test the sample adequacy and reliability of the measures used to test the goodness of the data. As recommended by Sekeran and Bougie in 2011, Cronbach's Alpha in the 0.70 acceptable and those over 0.80 as level of good.

8.   RESULTS AND DISCUSSION
SAMPLE PROFILE

As per the test results of Kaiser-Meyer-Olkin (KMO) measure as indicated in table 2, sampling adequacy (0.671), and Bartlett's Test of Sphericity ($\chi2= 91.274$, $p< 0.000$, $df= 28$) shows the sample adequacy and the appropriateness of the data for further analysis of the requirement of this study. Number of employees working in these SMEs are explained in the below table 3 and 44.7 percent organizations were small firms (between 5- 29 employees), while the remaining, 55.3 percent were classified as medium-sized firms (30- 149 employees) as per the definition of shown in White paper, 2002, National strategy for SME sector development in Sri Lanka.

TABLE 2: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.671
Bartlett's Test of Sphericity	Approx. Chi-Square	91.274
	Df	28
	Sig.	.000

(Source: Sample Survey, 2014)

TABLE 3: ORGANIZATION CATEGORY BASED ON NUMBER OF EMPLOYEES

Category	No of SMEs	Percentage
Between 05-29 employees (Small size entrepreneur)	38	44.7%
Between 30-149 employees (Medium size entrepreneur)	47	55.3%
Total no of SMEs	85	100%

(Source: Sample Survey, 2014)

UNIVARIATE ANALYSIS

CHARACTERISTICS OF CEO

This was measured using two dimensions; IS knowledge of CEOs and their innovativeness. According to table 4, most owners (51.50%) of SMEs have not shown a good IS knowledge. But, 62.05 percent of respondents were shown their agreement with innovativeness. That means respondents are the newly thinkers and can shift to new condition quickly without immense efforts. Also, the mean value of CEO's knowledge of IS (2.64) demonstrate a poor level while the mean value of CEOs innovativeness (3.6) indicates it is in a good position and shown trend of innovativeness on adopting IS for their decision making.

TABLE 4: CHARACTERISTICS OF CEO

Knowledge area	Dissatisfied	Average	Satisfied	Mean	S.D.	Variance
CEO's information system knowledge	51.50	18.43	30.07	2.64	.705	.498
CEO's Innovativeness	9.42	28.53	62.05	3.60	.444	.197

(Source: Sample Survey, 2014)

CHARACTERISTICS OF INFORMATION SYSTEM

This was measured using two dimensions; complexity of IS and advantages the IS. Thus, it shows that, 62 percent of respondents (mean = 3.7) agreed that the complexity of IS denotes the difficulty in preparing and understanding accounting reports using accounting software. In addition to that 67.21 percent (mean= 3.97) respondents agree that they have a positive picture that CAS reduces unnecessary costs that occurred due to a manual system. Also, the advantages denote that improve the quality of accounting process can increase the efficiency of decision making using of CAS. Thus, adoption of CASs was beneficial to SMEs for the decision making.

TABLE 5: COMPLEXITY OF INFORMATION SYSTEM (IS)

Characteristics	Not agree	Average	Agree	Mean	S.D.	Variance
Complexity of Information System (IS)	13.70	24.30	62.00	3.70	.746	.557
Advantages of Information System (IS)	5.16	27.63	67.21	3.97	.444	.197

(Source: Sample Survey, 2014)

ORGANIZATIONAL FACTORS (CHARACTERISTICS OF ORGANIZATIONS)

Age of the business and the employees' IS knowledge were used as measures to determine the organizational factors. As reveal by table 6, about 30.5 percent of samples had started their business, years ago 15. Also, 25.9 percent started their business between years, 1999-2003. Overall, about 43.6 percent of respondents indicate that the business is started after year of 2003.

TABLE 6: AGE OF BUSINESS

Age	No of SMEs	Percentage
Between 2009-2014	19	22.4%
Between 2004-2008	18	21.2%
Between 1999-2003	22	25.9%
Beyond 1999	26	30.5%
Total	85	100.00

(Source: Sample Survey, 2014)

According to Table 7, 16.5 percent of respondents agree with good level of computer literacy while 11.5 percent shown good level of competent in computer technology. Variability associated with dimensions was not high since the value of SD (0.859) is less than 1.00. According to mean value 2.57 indicates that employee's IS Knowledge is in a poor level.

TABLE 7: EMPLOYEE'S IS KNOWLEDGE

Knowledge area	Poor	Average	Good	Mean	S.D.	Variance
Computer literacy	41.2%	42.4%	16.5%	2.57	.859	.739
Competent in computer technology	41.2	42.4%	11.5%			

(Source: Sample Survey, 2014)

CHARACTERISTICS OF ENVIRONMENT

Table 8 shows the characteristics of an environment, attending to the competitiveness of their business. About 80.0 percent of participants indicate that there is a competition for their business activities from new entrants, 77.6 percent of availability of substitutes and have accepted it as a changing business sector. Variability associated with dimensions was not high since the value of SD (0.519) is less than 1.00. Mean value (4.33) indicates that there is a competitive environment for SMEs.

TABLE 8: COMPETITION

Competitive areas	Disagree	Average	Agree	Mean	S.D.	Variance
Availability of close substitutes	2.4%	20.0%	77.6%			
Threats from new entrepreneurs	3.5%	16.5%	80.00%	4.33	.519	.270
Rapidly changing business sector	5.7%	7.1%	87.2%			

(Source: Sample Survey, 2014)

MODEL SUMMARY

As depicted in the table 9 (a) and table 9(b), model summary, $R^2 = 0.158$ (15.8%), denotes a variation in using CAS in SMEs significantly explained by variation in factors; CEOs characteristics, IS Characteristics, organizational factors and environmental factors. The result of multiple regression analyzing shows that the model is not highly significant as indicated by the F- value of 2.066 (p> 0.057) with df 84. The regression results as depicted in table 10, CEO characteristics (β= 0.245, p= 0.024) and Organizational factors (β= 0.210, p= 0.050) were significantly contributing to the prediction of the decision of computerized accounting system while other factors (IS Characteristics and competition) are insignificant when adopting CAS in SMEs in Kurunegale Urban area

TABLE 9 (A): MODEL SUMMARY[a]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.398[a]	.158	.082	.97654
a. Predictors: (Constant)				
b. Dependent Variable : decision of computerized accounting system in SMEs				

TABLE 9 (B): OVERALL MODEL SUMMARY
Model summary - ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.794	7	1.971	2.066	.057[a]
	Residual	73.430	77	.954		
	Total	87.224	84			

a. predictors: (Constant), IS, Org fac, Competition, CEO
b. Dependent Variable: decision of computerized accounting system in SMEs

TABLE 10: COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.551	1.383		1.121	.266
	CEO characteristics	.454	.199	.245	2.308	.024
	IS characteristics	-.182	.193	-.136	1.293	.472
	Organizational factors	.220	.544	.210	1.954	.050
	Competition	-.117	.215	-.060	-.545	.587
a. Dependent Variable: decision of CAS						

HYPOTHESES TESTING

H$_1$; CEO's characteristics are significant to determine the decision of adopting CAS in SMEs
Correlation analysis (2 tailed test) was run to check the hypothesis and according to the results shown in table 10, β is 0.245 at a significance level of 0.024 (p < 0.5) on CAS. *Thus, the hypothesis is accepted.*
H$_2$; Characteristics of IS significant to determine the decision of adoption CAS
According to Table 10, the result β is -0.136 (p < 0.5) at the significance level of 0.472 and thus the hypothesis is rejected.
H$_3$; Organizational factors are significant to determine the decision of adoption CAS
The Table 10 shows the results for the aforementioned relationship and accordingly β was 0.201 at the significant level of 0.050 (p < 0.50). Thus the hypothesis is accepted.
H$_4$; Characteristics of environment significant to determine the decision of adoption CAS
Under the Characteristics of the environment, it was considered the competition of business and the table 10 shows the results of the test. The β value (-0.060, p< 0.587) indicated that there is no significant correlation between the variables and thus the hypothesis is rejected.

9.   FINDINGS, RECOMMENDATIONS AND SCOPE FOR FUTURE RESEARCHES

With deep analysis, researchers identified two factors as significant to the decision of adoption of CAS as; CEO's characteristics, and organizational factors for the decision making process in SMEs. The CEO plays a big role in the firm's decision of SMEs to adopt CAS because the CEO is a main decision maker of SMEs. The results of the tests show that there is no significant impact to decision of adoption CAS by the IS complexity and business competition in these SMEs in this area. Also, the CEOs IS knowledge and their innovativeness were shown a higher level and it can be the reason behind this decision success. Also, they have identified the advantages of adapting to CAS when making decision. Meanwhile, it showed the requirement of having employee's IT knowledge and their competency in this regard. So, it can be recommended to plan training programs for employees who are working in SMEs with local authorities to strengthen the computer literacy and IT competencies to face this situation. Finally, further researches ideas was suggested and accordingly, it was suggested to incorporate CEOs self-efficacy as an additional dimension to measure CEO's characteristics while, government support to measure the environmental factors.

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