

The Role of Factors among Organization in Organizational Readiness of Small and Medium Companies for Acceptance of E-Commerce

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ABSTRACT

The use of e-commerce companies is the requirements of associated with organizations in developing of global trade. Small and medium enterprises (SME) through the use of this possibility can be covered their weaknesses and placed in the international trade. Readiness of small and medium enterprises and in particular small and medium sized manufacturing companies to adopt e-commerce is considered of important issues in the corporate planning and strategy. In this study has examine effect of three factors customers, suppliers and competitors in acceptance of e-commerce in small and medium-sized manufacturing enterprises the provinces of Guilan and Mazandaran and has been studied the effective amount each of these factors on the dependent variable.

KEYWORDS: Organizational Readiness, E-Commerce, SME, Organization Factors.

1- INTRODUCTION

In today's world is speed and acceleration world in developed processes. Never in the history of human society has not been encountered so the concept of fast and accelerating development (Sabaghi Kermani, 2001). Today many of the developing countries), newly industrialized (such as Malaysia, India, South Korea, and Ukraine and faster than expected are now reaching to the limits of development. Nowadays problems such as increasing competitive pressure, business difficulties, resource constraints, the complex of techniques and the specialization of tasks, the acceleration in changing environment, unreliability about future and increasing costs cause competitive advantage to be more important among companies of each industry (Gilaninia & et al, 2011). Development of small and medium businesses is caused that is accelerated the development process in these countries. Development of these businesses provides public participation in economic development (Ansari & et al, 2005). It is base of the most essential part of economic development (Modiri, 1999). Today, in most countries in the developing world is intended to obtained participation of all strata and groups of people in development (Ehteshami, 2003).

Small and medium business in different countries and different regions of the worlds has different definitions. In following tables express part of this definition.

Table1) Definitions of small and medium industries in some countries of East Asia (Ehteshami, 2003)

Country name	Definitions of small and medium industries	Defined criteria
China	Different industries are different. Typically, firms with fewer than 100 employees are considered small and medium enterprises.	Number of employees
Indonesia	Fewer than 100 employees	Number of employees
Japan	Fewer than 300 employees or assets of less than 10 million yen. These figures are about 50 personnel in wholesale and assets value Fewer than 30 million yen and in the case of retail sales Fewer than 50 employees and assets is less than 10 million yen.	The number of employees and asset value
South Korea	Fewer than 300 employees in manufacturing enterprises	Number of employees
Malaysia	Rate of annual turnover Fewer than 150 million Ringet and Fewer than 150 the number of employees in Malaysia	Number of employees and turnover rate
Singapore	in Manufacturing enterprise the fixed asset value Fewer than 12 million dollars of Singapore and in service business Fewer than 100 personnel	Asset rates and Number of employees
Thailand	The user industries Fewer than 200 the number of employees and less than 100 million baht in capital-intensive industries	The number of employees and capital

Table 2) Definitions of small and medium industries in some European countries (Ansari, 2005)

Country name	Definitions of small and medium industries	Defined criteria
Germany	Fewer than 10 small industries and 10 to 50 medium industries and turnover of less than 500 thousand euros in small enterprise and less than 50 million euros in the year is medium enterprise.	Number of employees and turnover rate
Austria	Small enterprise is Fewer than 50 and medium enterprise is 50 - 250 and annual turnover fewer than euro 5 million is small enterprises and medium enterprise are less than 20 million euros.	Number of employees and turnover rate
Italy	Fewer than 50 enterprise is small and above it is consider medium enterprise, annual turnover Fewer than 7.5 million of the euro is small enterprise, and less than 20 million euros medium enterprise ,value of assets and liabilities Fewer than 3.75 million euro is small enterprise, and less than 10 million euro is enterprise medium	Number of employees and turnover rate, assets and debts rates
Greece	Less than 250 and annual turnover of less than 40 million euro and turnover rate are considered small and medium industries.	The number of employees and turnover rate
Czech Republic	Less than 10 micro enterprises, between 10 and 100 small enterprises and between 100 and 500 medium enterprises	Number of employees

The term SME covers a wide range of definitions and measures, varying from country to country and varying between the sources reporting SME statistics. Some of the commonly used criteria are the number of employees, total net assets, sales and investment level. However, the most common basis for definition is employment, and here again, there is variation in defining the upper and lower size limit of an SME (Gilaninia & et al, 2011). In Iran Small Industries & Industrial Parks Organization has used Criteria defined by the number of employees in small and medium enterprises. So definition, small enterprise has Fewer than 50 employees. Also, these enterprises in terms of job creation, added value, their share in GDP, needs and technological innovation in new products or processes of social and political dimensions are important (Mazur, 1998).

Features of SME are:

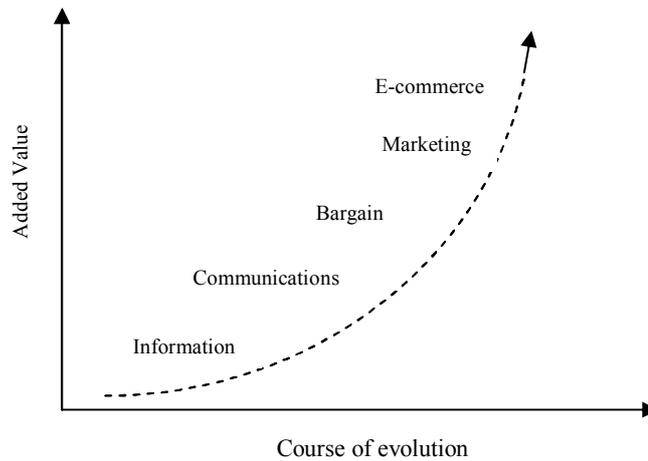
- They are flexible in market changing and environment.
- The activities and initiatives of personal concluded in these firms quickly.
- Employees have High motivation.
- Initial capital requirement is limited in these firms.
- Efficiency of investment in firms is high.
- Companies are the main stimulus in realization of entrepreneurial (Ansari, 2005).
- There is fatherly and compassionate culture.
- There is formal and systematic approach to planning.
- Important features, characteristics, and individual creativity.
- The importance of teamwork and the ability to work with others (Birch1979).
- Flexible structure and speed of information flow.
- The chain of Deciding is short.
- Results-Oriented.
- Encourage of personal creativity and mastery of creators and entrepreneurs in management of enterprise.
- Lack of budget and appropriate structure and special for education.
- Few external communications.
- Minor resistance against changes (Burch, 1976).

The main characteristic is power of creativity and innovation in them. According to surveys conducted worldwide by the International Labor Organization about 70 percent from industry innovations and inventions created by entrepreneurs that have been in small and medium units (Drucker, 1993). It takes about 10 years as a useful technology to be obtained from a basic research (Morrison, 1989). So governmental support to offset the costs and time to be felt (Laudon, 1996).

2- LITERATURE REVIEW

2-1- Electronic commerce

Innovation internet is with life of people and Scientific and social activities so that it cannot imagine world without internet. Internet was in business world and financial trade Emergence of first years. The following charts shows overall picture move path of Internet use based on the added value.



Course of evolution Internet applications due to their Added Value (Misra, 2002)

As you can see that the highest value among Internet applications is belong to e-commerce. The explosive growth of information communication technology, electronic commerce has been in the forefront of developments that will transform the method of business activities. E-commerce called Industrial Revolution of the 21st century. In electronic commerce, Information and services are exchange and purchase and or sale by computer networking (Misra, 2002).

Generally a business transaction, financial, information and services between institutions, buyers and virtual communities included in the form of e-commerce.

One of the many definitions of e-commerce is defined as follows:

E-commerce is include all phases of sales and exchange of goods, services and information via computer networks including the Internet that may be In many cases don't have profit and essentially is political, cultural, social and (Turban et al,2002).if there are overall three sides: "government", "Business" and "Consumer" under Matrix shows various models of trade that Among them, only two models of B2B, B2C e-commerce are true.

Consumer	Business	Government	
G2C	G2B	G2G	Government
B2C	B2B	B2G	Business
C2C	C2B	C2G	Consumer

(Virjinari & Ahmadi, 2001)

Specific features that they distinguish from large organization and in and in study behavioral characteristics of these companies should consider this characteristics of the organization. In e-commerce adoption by small and medium enterprises are effective many parameters. During last two decades the increasing amounts of information in organizations and the necessity of their effective use in organizational decision (Gilaninia & et al, 2011). Yong Wanga, Pervaiz K. Ahmed (2009) believes that Environmental pressures, organizational readiness and perceived benefits are effective in e-commerce adoption by small and medium enterprises (Samiezadeh & Charsoughi, 2008). Factors affecting the organizational readiness are considered for e-commerce adoption by SME include technical requirements, inter-organizational systems and among the organization factors. The authors sought to understand this are:

Among organizational factors influencing on the adoption of e-commerce how much rate of e-commerce in small manufacturing companies is effective in small and medium enterprise.

2-2-Research Model

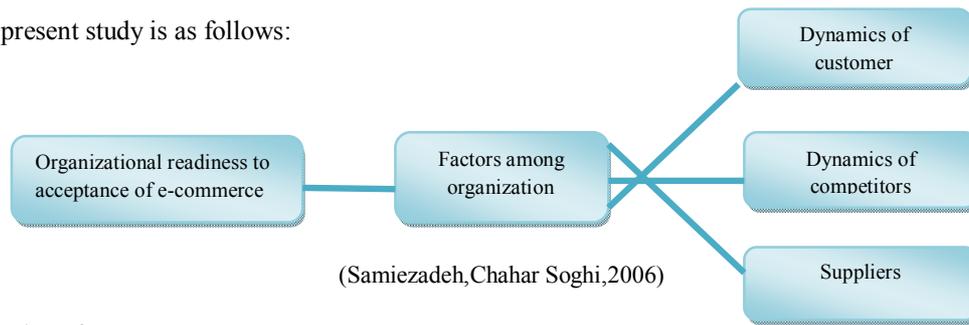
Based on expressed literature, between different models from Internet trading only two "B2B" and "B2C" is known as e-commerce.

Based on organizational relationship from these models can be divided into three categories:

- Organization relationship with customers.
- Organization relationship with suppliers.

- Organization relationship with competitors

Model of present study is as follows:



2-3-Dynamics of customer

Organizations seek benefits in order to develop a relationship with their customers (Taleghani, Gilaninia & et al, 2011). Dynamics of the customer's is cased company willingness to use e-commerce so that if rate of dynamic is more in result willingness will increase . Changes In customer needs is cased the external pressure That company will move towards the use of e-commerce (Rashid & Qirim 2001). Including factors affecting on applying e-commerce in small companies have been mentioned pressure to the buyers and suppliers .in research by Wang & Tsai (2002) have been referred To dynamics of the customer as a factor having a positive impact on companies willingness In applying e-commerce. Ling (2001) has expressed Customer dynamics of Including external environment factors are That influence on decision to use e-commerce (Hajkarimi & Azizi Kharazian, 2009). Sabagh & Esfidani (2004) have expressed, if Rate of each company's relationships with foreign customers is more in result Development of e-commerce in them and their readiness to e-commerce adopt will be more . Thus first hypothesis is as follows:

First hypothesis: Dynamics of Customers on the organizational readiness has a positive impact for e-commerce adoption in small and medium enterprises.

2-4- Dynamics of competitors

Competitors use of information technology and Internet tools increase competitive pressures and enterprises will forced to adopt e-commerce. About the impact of competitive tools in adoption of e-commerce, Rate of competitors use from Internet In their business is one of the parameters (Sabaghian Vasafidani, 2004) Thus second hypothesis is as follows:

Second hypothesis: Dynamics of competitors on the organizational readiness has a positive impact for e-commerce adoption in small and medium enterprises.

2-5-Suppliers

Based on research Kraemer et.al (2002) is used less than internet for sale and mostly purchase. Companies faced with a very complex process in Purchases of foreign, and other hand Purchases of foreign Requires coordination with suppliers that they have many distance with company. Thus electronic purchases via the Internet have many economic benefits for companies.

Third hypothesis: Suppliers Progress on the organizational readiness has a positive impact for e-commerce adoption in small and medium enterprises.

3-RESEARCH METHOD

This research is survey type of correlation. For select of Statistical community were necessary that determined factors of Statistical community define and the following actions performed:

- 1- According to Research focuses on small and medium enterprises based on Information in the head office of industry and commerce in Gilan and Mazandaran province were determined enterprises with employees less than 100 person.
 - 2- Enterprises were selected that they use from internet and technical requirements related to it.
 - 3- Also, among these companies focus on companies that there are foreign companies in related to the customers, suppliers or competitors in Iran's market.
 - 4- After determining of companies were selected a sample size of 40 companies based on decision-making model of Morgan.
- Method of information selection has used questionnaire. Cronbach's alpha coefficient for questionnaire was obtained 0.87.

4- Data analysis

Pearson correlation in the analysis of this research data were used statistical techniques like regression analysis and ANOVA.

First hypothesis:

Dynamics of Customers on the organizational readiness has a positive impact for e-commerce adoption in small and medium enterprises.

In significant level of 0.01 is confirmed with a correlation coefficient of 0.24.

Second hypothesis:

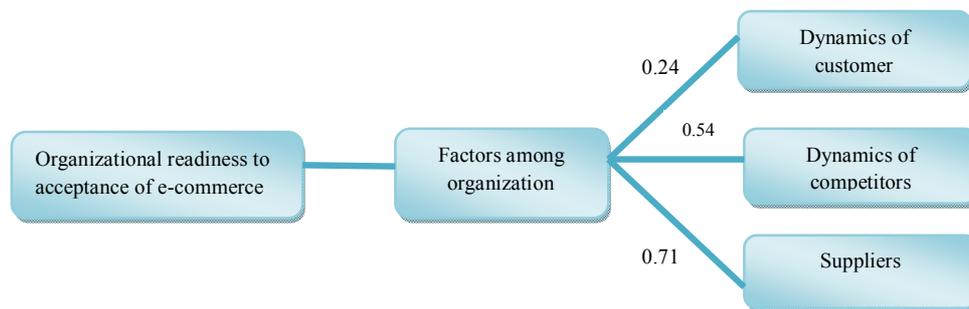
Dynamics of competitors on the organizational readiness has a positive impact for e-commerce adoption in small and medium enterprises.

In significant level of 0.01 is confirmed with a correlation coefficient of 0.54.

Third hypothesis:

Suppliers Progress on the organizational readiness has a positive impact for e-commerce adoption in small and medium enterprises.

In significant level of 0.01 is confirmed with a correlation coefficient of 0.71.



5- DISCUSSION AND CONCLUSION

Small and medium companies can cause Employment an economic engine of the country. Overall organizational readiness to accept innovation and new technology is a function of several factors .One of these factors is factors of among organization or factors of business environment. In study group of this research ,effective factors on organizational readiness is including Customers, suppliers and competitors that Dynamics and Rate of use suppliers from e-commerce have the greatest impact on organizational readiness and e-commerce adoption by small and medium-sized manufacturing companies To achieve e-readiness In company is imperative that Management, personnel, technology, and it processes have electronic readiness.

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