Chapter 5
Adoption

ABSTRACT

The adoption of information systems by small business requires an innovative approach to the acquisition of technology. There are external pressures from the environment, such as customer and supplier expectations regarding interacting with the small business. However, it is incumbent upon management and employees form within to be open to considerations for change that will result in the small business. Further, a successful adoption will be facilitated through participation of everyone who will be affected by the adoption. The overall goal is improvement in processes which will positively impact the competitive advantage of the small business. This chapter addresses the issues involved in small business adoption of information systems. The adoption of technology in general will result in significant changes to the small business. It is not necessary that the technology is leading edge, just new to the small business. Pressure to adopt a new technology may come from external or internal sources. Externally, customers or suppliers may expect to interact with the small business via some form of technology. Internally, senior management of the small business may perceive that the adoption of a technology will provide a benefit to the business.

INTRODUCTION

A specific form of technology involves information technology; those systems which provide input to management decision making. Small business adopts information technology to enhance the efficiency of daily operations. Previous experience will positively impact the adoption of traditional information systems; those functions

which support normal business operations. The adoption of more current information systems, such as Internet based applications will be facilitated by an innovative approach to adopting a novel information technology.

Two theories have been employed to analyze the adoption of information systems by small business. The Resource-based View Theory suggests small business employ their internal resources to adopt information systems in a unique way to improve processes and potentially gain competitive advantage. The Technology-Organization-Environment (TOE) framework outlines the characteristics of information systems adoption relative to the specific context of the technology, the small business, and its environment.

The adoption of information systems may be considered a success of a failure. Successful adoption will result from user participation and the realization of the initially identified benefits. If there is no recognition of the impending change in the small business, the adoption may not be considered successful.

This chapter is organized as follows. The context of the adoption of information technology involves the acquisition of technology in general while taking an innovative approach. There are both internal and external pressures for the adoption of information systems. Previous experience will positively impact the adoption of traditional information systems. However, a more innovative attitude will facilitate the adoption of current technologies involving the Internet. Two theories are reviewed – Resource-based View and Technology-Organization-Environment (TOE). Then issues, related to adoption success and failure are reviewed. The chapter concludes with the presentation of an adoption project which, while completed, was not considered to be successful by the managers of a small business.

INFORMATION SYSTEMS ADOPTION MODELS

Technological innovation involves a sequence of three stages (Pierce & Delbecq, 1977; and Thompson, 1969). The first stage, initiation, involves gathering and evaluating relevant information about the specific innovation. In the second stage, adoption, a decision is made to acquire the innovation. The third stage, implementation, relates to the installation and use of the innovation.

A recognized authority of Innovation Theory, Rogers (1983) has defined an innovation as an idea, practice, or object which is perceived by the adopting individual or work unit as new. Thus, the innovation itself may have existed for some time. But, its adoption in a specific situation is new and novel for the small business (Zaltman et al, 1973).

32 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/adoption/131282

Related Content

Community-Based Savings Groups: An Alternative Model for Resilience
Berta Arsénio Silvaand Márcia Santos (2023). *Handbook of Research on Acceleration Programs for SMEs (pp. 299-311).*
www.irma-international.org/chapter/community-based-savings-groups/315917

Sustainable Supply Chain Management in the Era of Digitialization: Issues and Challenges
Ravinder Kumar (2020). *Handbook of Research on Social and Organizational Dynamics in the Digital Era (pp. 446-460).*
www.irma-international.org/chapter/sustainable-supply-chain-management-in-the-era-of-digitialization/234553

Organisational Philosophy and Culture: Human Capital as Pivot, Women as Fulcrum
Catherine Hayes (2023). *Using Organizational Culture to Resolve Business Challenges (pp. 60-85).*
www.irma-international.org/chapter/organisational-philosophy-and-culture/329723

An Incremental Functionality-Oriented Free Software Development Methodology
Oswaldo Terán, Johanna Alvarez, Blanca Abrahamand Jose Aguilar (2008). *Software Process Improvement for Small and Medium Enterprises: Techniques and Case Studies (pp. 242-257).*
www.irma-international.org/chapter/incremental-functionality-oriented-free-software/29632

Strategic IT Alignment in Service Sector
Abrar Haiderand Sureerat Saetang (2020). *Start-Ups and SMEs: Concepts, Methodologies, Tools, and Applications (pp. 1478-1505).*
www.irma-international.org/chapter/strategic-it-alignment-in-service-sector/245520