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**FACTORS INFLUENCING THE ADOPTION OF
INFORMATION TECHNOLOGY SYSTEMS IN MICRO
ENTERPRISE (MES) IN TRADE SECTOR**

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Degree of Master of Business Administration in Information Technology

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University of Moratuwa

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Dissertation submitted in partial fulfillment of the requirements for the Degree Master of
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Declaration

I declare that this is my own work and this thesis does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

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Date

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Abstract

This quantitative research study explores the factors influencing the adoption of information technology (IT) systems in Micro Enterprises (MEs) operating within the trade sector. The study focuses on the independent variables of Technical Expertise, Behavioral Control, Perceived Benefits, Security Concerns, and Attitude Toward Using IT systems. The research aims to identify the relationships between these variables and the adoption of IT systems in MEs.

A sample of MEs from the trade sector is selected, and data is collected through structured surveys. The surveys measure the levels of Technical Expertise, Behavioral Control, Perceived Benefits, Security Concerns, and Attitude Toward Using IT systems within the participating MEs. Statistical analysis techniques, such as regression analysis and correlation analysis, are applied to determine the strength and significance of the relationships between the variables.

Technical Expertise was found to be a critical factor in driving the adoption of IT systems in MEs. Security Concerns emerged as another significant factor affecting the decision to adopt IT systems. Furthermore, the Attitude of Owners was identified as the third crucial determinant of IT system adoption in MEs with owners who demonstrated positive attitudes towards IT systems were more likely to embrace technological advancements.

The findings of the study reveal the importance of Technical Expertise in terms of knowledge, skills, and experience in driving the adoption of IT systems in MEs. Behavioral Control dimensions, including training programs, user support, and user-friendly interfaces, significantly influence the adoption process. Perceived Benefits, such as increased efficiency and productivity, play a vital role in fostering positive attitudes toward IT system adoption. Security Concerns also emerge as a significant factor affecting the decision to adopt IT systems in MEs.

The research provides valuable insights for MEs in the trade sector, policymakers, and IT system providers by highlighting the key factors that influence the adoption of IT systems. These findings can guide the development of targeted interventions, training programs, and support mechanisms to enhance the adoption and utilization of IT systems in MEs.

Keywords: Information Technology Systems, Micro Enterprises, Trade Sector

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