THE ACCEPTANCE DECISION SUPPORT SYSTEM (COMMUNICATION DRIVEN) TOWARDS SME PERFORMANCE IN MELAKA

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This thesis is submitted in partial fulfilment of the requirements for the award of Bachelor of Technology Management (Innovation) with Honours

Faculty of Technology Management and Technopreneurship
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DECLARATION OF ORIGINAL WORK

“I hereby declare that the work of this exercise is mine except for the quotations and summaries that have been duly acknowledged.”

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DEDICATION

This research is wholeheartedly dedicated for my family and especially for my beloved mother, Kasinam binti Paijo who have been my source of inspirational and gave me strength when I thought of giving up, who continually provide their moral, spiritual, emotional and financial support. This research also is sincerely dedicated to my lovely Razzy Yusry bin Saugi who constantly support in any condition and always give constant source of inspiration in my research, thank you.

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ABSTRACT

The purpose of this research is study about the acceptance decision support system (communication driven) towards SME performance in Melaka. Objective of this research is to identify the most advantages of communication driven towards SME decision support system and to examine the relationship between communication driven and SME performance. Theoretical framework was constructed to support theory in this research study. The research topic influence with dependent and independent variables. Researcher will be used quantitative method for collecting data from respondent through distributing questionnaire. Researcher will be concluded where SME performance was influenced with economy and social performance. Researcher will be showing the finding based on SME performance in Melaka and can be used in the future research to prove the evidence.

Key Words: The acceptance decision support system, communication driven, SME performance, economy performance and social performance.

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ABSTRAK

Tujuan penyelidikan ini dijalankan adalah untuk mengkaji tentang penerimaan sistem sokongan keputusan iaitu komunikasi didorong terhadap prestasi PKS di Melaka. Objektif kajian ini adalah untuk mengenal pasti komunikasi didorong yang paling berfaedah ke arah sistem sokongan keputusan PKS dan untuk mengkaji hubungan antara komunikasi didorong dengan prestasi PKS. Kerangka teoritikal telah dibina untuk menyokong teori dalam penyelidikan ini. Topik penyelidikan ini dipengaruhi dengan pembolehubah yang bergantung dan bebas. Penyelidik akan menggunakan kaedah kuantitatif untuk mengumpul data daripada responden melalui pengedaran borang soal selidik. Penyelidik akan membuat kesimpulan di mana prestasi PKS dipengaruhi oleh prestasi ekonomi dan sosial. Penyeldiik akan menunjukkan hasil berdasarkan prestasi PKS di Melaka dan boleh digunakan dalam penyelidikan pada masa depan untuk membuktikan bukti.

***Kata Kunci**: Penerimaan sistem sokongan keputusan, Komunikasi didorong, Prestasi PKS, Prestasi ekonomi dan Prestasi sosial*

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TABLE OF CONTENT

CHAPTER	TITLE		PAGE
	DECLARATION		**ii**
	DEDICATION		**iii**
	ACKNOWLEDGEMENT		**iv**
	ABSTRACT		**v**
	ABSTRAK		**vi**
	TABLE OF CONTENT		**vii-xiv**
	LIST OF TABLES		**xi-xii**
	LIST OF FIGURES		**xii**
	LIST OF APPENDICES		**xiv**
CHAPTER 1:	**INTRODUCTION**		
	1.1	Background of Study	1-2
	1.2	Problem Statement	3
	1.3	Research Questions	4
	1.4	Research Objectives	4
	1.5	Scope of Study	5
	1.6	Limitation	6
	1.7	Summary	6
CHAPTER 2:	**LITERATURE REVIEW**		
	2.1	Introduction	7
	2.2	Decision Support System	7-9
		2.2.1 Communication Driven	9-11

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2.3	The Most Advantages of Communication Driven Towards SME Decision Support System	11
	2.3.1 Facilitates of Sharing Information	11-13
	2.3.2 Support Collaboration and Coordination Between People	13-14
2.4	Small and Medium Size Enterprise (SME) Performance	15-16
2.5	The Relationship between Communication Driven and SME Performance	17
	2.5.1 Economy Performance	17-18
	2.5.2 Social Performance	18-19
2.6	Theoretical Framework	20
2.7	Hypothesis	21
2.8	Summary	21

CHAPTER 3: RESEARCH METHODOLOGY

3.1	Introduction	22
3.2	Research Design	23-24
	3.2.1 Phase 1: Development Questionnaire	24
	3.2.2 Phase 2: Pilot Testing of Questionnaire	25
	3.2.3 Phase 3: Test for Validity	25
	3.2.4 Phase 4: Large Scale Survey	25-26
	3.2.5 Phase 5: Data Analysis and Discussion	26
3.3	Primary Data Source	26
3.4	Secondary Data Source	27
3.5	Research Location	27
3.6	Data Collection	28

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3.7	Sample and Procedure		28
3.8	Sampling Design		28-29
3.9	Research Instrument		29
	3.9.1	Part A: General Information	29
	3.9.2	Part B: Information about System has been Used by SME	29
3.10	Data Analysis Tool		30
3.11	Time Horizon		30-31
3.12	Summary		32

CHAPTER 4: DATA ANALYSIS

4.1	Introduction		33
4.2	Reliability Test		34
	4.2.1	Reliability of Pilot Test	34-35
	4.2.2	Reliability of The Result	35
4.3	Frequency Analysis		36
	4.3.1	Gender	36-37
	4.3.2	Age Group	37-38
	4.3.3	Highest Educational Attainment	38-39
	4.3.4	Position	39-40
	4.3.5	Working Experience	40-41
	4.3.6	Sector of Activity	41-42
	4.3.7	Have You Heard About Communication Driven Before?	42-43
	4.3.8	Do You Understand What is Communication Driven is About?	43-44
4.4	Descriptive Analysis		44
	4.4.1	The Most Advantages of Communication Driven Towards SME Decision Support System	45-49

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	4.4.2	The Relationship Between Communication Driven and SME Performance	49-52
4.5	Multiple Regression Analysis		53
	4.5.1	The Most Advantages of Communication Driven Towards SME Decision Support System	53-54
4.6	Linear Regression Analysis		55
	4.6.1	Hypothesis 1: The Higher Economy Performance will be Improving SME Performance	55-56
	4.6.2	Hypothesis 2: The Increase Social Performance will be Improving SME Performance	56-57
4.7	Summary		58

CHAPTER 5: DISCUSSION AND RECOMMENDATION

5.1	Introduction	59
5.2	Discussion of Reliability Test	59-60
5.3	Discussion of Frequency Analysis	60-61
5.4	Discussion of Descriptive Analysis	62
5.5	Discussion of Multiple Regression Analysis	62-63
5.6	Discussion of Linear Regression Analysis	63-66
5.7	Recommendation	67
5.8	Summary	67

REFERENCES **68-69**

APPENDIX **70-80**

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LIST OF TABLES

TABLE	TITLE	PAGE
Table 1	Cronbach's Alpha	25
Table 2	Time Horizon PSM	31
Table 3	Reliability of Cronbach's Alpha	34
Table 4	Reliability of Pilot Test (20 Respondents)	35
Table 5	Reliability of Pilot Test (100 Respondents)	35
Table 6	Gender	36
Table 7	Age Group	37
Table 8	Highest Educational Attainment	38
Table 9	Position	39
Table 10	Working Experience	40
Table 11	Sector of Activity	41
Table 12	Have you Heard about Communication Driven Before?	42
Table 13	Do you Understand What is Communication Driven is About?	43
Table 14	The Result Mean and Standard Deviation for The Most Advantages of Communication Driven Towards SME Decision Support System	45-47
Table 15	The Result Mean and Standard Deviation for The Relationship Between Communication Driven and SME Performance	49-51
Table 16	Model Summary of The Most Advantages	53
Table 17	Coefficients of The Most Advantages	54
Table 18	Model Summary of The Relationship Economy Performance	55

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TABLE	TITLE	PAGE
Table 19	Coefficients of The Relationship Economy Performance	56
Table 20	Model Summary of The Relationship Social Performance	56
Table 21	Coefficients of The Relationship Social Performance	57
Table 22	Summary	58

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LIST OF FIGURES

FIGURE	TITLE	PAGE
Figure 1	Theoretical Framework	20
Figure 2	Gender	37
Figure 3	Age Group	38
Figure 4	Highest Educational Attainment	39
Figure 5	Position	40
Figure 6	Working Experience	41
Figure 7	Sector of Activity	42
Figure 8	Have you Heard about Communication Driven Before?	43
Figure 9	Do you Understand What is Communication Driven is About?	44

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LIST OF APPENDICES

APPENDICE	TITLE	PAGE
Appendix 1	Questionnaire	70-80

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Nowadays, the Fourth Industrial Revolution is changing how we live, work and communicate. According (World Economic Forum, 2015) future trend on 2025, there will be one trillion sensors connected to the internet and 80% will have unlimited backup space in the cloud. Decision support system commonly interactive software-based systems intended to help decision makers compile useful information from raw data, documents and personal knowledge meanwhile solve problems then make the decisions. Decision support system can provide decision-makers with suitable and accurate information as well. These can be categorized into five types which is communication-driven, data-driven, document-driven, knowledge-driven and model-driven. Each type of DSS has function itself.

A communication driven can support decision making among geographically dispersed teams using web-based tools. It is a type of hybrid computer-based interactive decision support system where uses communication by network technologies. It also to facilitate communication, resource or information sharing, face-to-face meeting and collaboration among a group of decision makers even separated by a distance. Besides that, communication driven DSS allows more than

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one person in an office or via the web to work on a task for example a web-conferencing program. An interactive computerised system can help managers and planners to extract useful information from data gathered from a wide range of sources which documents in a variety of electronic formats and personal knowledge, so they can identify and solve problems.

Communication involving the relationship between management and employees in successful business in an organization. The interactive communication enhances improving organizational performance, achieve the desired goal planning, organizing, leading and controlling. In an organization today, information should be quick transferred and accurate about it. Through the communication each organization becomes an open system to accept all relevant information. According Kimberlee Leonard (2018), open system refers to how an organizational structure affects the flow of information and interaction internally and externally environment. Management as well should be alert technology changes and quickly adapt it.

According S.F. Scudder (1980), states communication is a crucial element that all living being existing even different way of communication. People always support model communication where simply process of transferring information from the sender to recipient and the recipient decodes the information and acts accordingly. Indirectly, large number of people support by use this model of communication.

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1.2 Problem Statement

This research discusses about the acceptance of communication driven decision support system towards firm performance. Small and medium-sized enterprise (SMEs) represent the entities registered with SSM or other equivalent bodies. It covers all sectors like services, manufacturing, agriculture, construction, and mining and quarrying. July 2013, a new SME definition was endorsed at the 14th National SME Development Council (NSDC) meeting where simplified manufacturing and services and other sectors. Manufacturing industry refers towards sales turnover not exceeding RM50 million or full-time employees not exceeding 200 workers meanwhile services and other sectors refers sales turnover not exceeding RM20 million or full-time employees not exceeding 75 workers.

SMEs was facing challenges in digital era due visualise digital platform should be focusing on what kind aiming for. For future trends, digital era can improve customer service, but the strategy must be very relevant to the business. Based on analysis showed that 80% of SME failures form internal management and only 20% due external aspects (Christoper Yap, 2017, The Star online). Internal problem may look towards as lack of management capability, one-man rule, poor oversight or even poor funding structure.

Technology changes give more impact towards firm performance which gain profit and improve productivity. For information, communication driven is a priority to manage data smoothly. Sometimes, SMEs firm not enough time to solve problem in every single day and hardly have time to sit down with the team to explore innovation commonly decision support system. Implementing this system may help them do the job efficiently**.** In this research, will be to identify advantages of communication driven towards SME decision support system and also to examine the relationship between communication driven and SME performance

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1.3 Research Questions

There are two research questions can be constructed such as:

1. What are the most advantages of communication driven towards SME decision support system?
2. What is the relationship between communication driven and SME performance?

1.4 Research Objectives

Based on the research questions, there are two research objectives can be constructed to achieve the research objectives. There are two research objectives can be classified to identify such as:

1. To identify the most advantages of communication driven towards SME decision support system.
2. To examine the relationship between communication driven and SME performance.

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1.5 Scope of Study

The scope of study is knowing details the acceptance communication driven in a management for improving the firm performance. The scope of study is to identify the most advantages communication driven of decision support system in SME firm. It will be focused about the beneficial implementing communication driven in a firm. Top management should be alert with technologies changes and take fast action follow the growing changes. It is because very short-term invention of technologies to create advanced the innovation. Indirectly, managers need computerized decision support system and supporting technologies to do their jobs better that may increase the firm performance as well.

Next, the scope of study is to examine the relationship between communication driven and SME performance. By using communication driven of decision support system may to create a new management system to stay efficient. Implementing this system also helps managers to lead their firm successfully and survive in the future. It is an interactive platform which flexible and adjustable system that offering in solving unstructured or semi-structured management problems. As individually need have knowledge and technical skill about computerized because demand current market of job vacancy offering. Sometimes, people only having knowledge or information about system but lack skill applying it in actual

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1.6 Limitation

Researcher is focusing on individual or ownership from the organizations who involved in small and medium enterprise (SMEs) in Melaka as respondent. The findings and results obtained from this study may not involve with individuals and organizations who are different from SMEs. Researcher faced some obstacle like having a limited time, personal reason and financial resources. After that, respondent for this study only focused the information from this study is limited to a few topics like to find the implementing communication driven for future trends and the effect communication driven in individual for increasing SME firm performance that have been use among SME respondent. This study obtaining information using closed questionnaire. Although the finding from previous research that the result reliable, but it is limited to the study. The researcher also will assume that all respondent answering the question that will be given with honestly beyond the control from the researcher and all the answer given by respondent will be keeping confidentially from others person to keep secret in this research.

1.7 Summary

In conclusion in this chapter, the researcher discusses about the research that will be conducted to implement this study. The matter involved in this chapter are background of study, problem statement, research questions, research objectives, scope of study and limitation.

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CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter highlights the literature review of the acceptance decision support system (communication driven) towards SME performance at Melaka. This study also aimed to identify the most advantages of communication driven towards SME decision support system and to examine the relationship between communication driven and SME performance. This study used various reference materials as a guideline such as journals, books, thesis and others printed medium. The information from this research can be used to strengthen the understanding and conceptualized research framework.

2.2 Decision Support System

A decision support system is a systematic computer-based application that collect, organized and analysed business data to facilitate quality business decision making especially for management, operations and strategic planning in a firm. The functional of decision makers in compiling a variety data from many and different resources like raw data, documents, personal knowledge from employees,

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management, executives and business model. Indirectly, decision support analysis is the ways help a firm to identify the problem and make decisions to solve the problems. Decision support system also rely on human intuition, judgement and experience as an integral part of decision process. It is highlight in term of interfacing mechanism between decision makers and computer. Furthermore, support system has classified into five types like data-driven DSS, model-driven DSS, document-driven DSS, communication-driven DSS and knowledge-driven DSS.

According Syahid (2016), from article decision support system classification and its application in manufacturing sector was reviewed about trends of decision support system in manufacturing sector. The main goals of decision support system providing specific problem-solving techniques and interactive tools for decision maker exploring, designing, and analysing decision situation, and act as human in order to help decision makers in understanding and structured their problem in dynamic situations. Decision support system is essential in manufacturing sector to evaluate the performance of product sustainability and company sustainability. Decision support system purposely can evaluate the performance in term of lean readiness and predict relative cost of lean implementation in future. In management activities was included strategic planning, management control and operational control where different type of decision problem. The structured problem as like programmed decision may look as routine in managerial activities meanwhile non-programmed decision is unstructured and complex problems. Especially in manufacturing sector where manufacturers should be efficiently to compete with other competitors in run the business for future trends. The highest market demand forcing the manufacturers to take fast action to solve the problem that make it effect performance. There are some challenges they face to growth the business perfectly in the future trends. As a solution, decision support system is an interactive computer-based system making the right decision in a complex environment.

According Hartmut Huebner (2008) based on research title “The Significance of Communicating in Enacting Decisions” tried to understand challenges the efficacy of process via standard communication tools and strategy as practice perspectives in

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