CHAPTER 5
CONCLUSION AND RECOMMENDATION

5.1 Discussion of the Findings

Table 5.1: Summary Findings

Objective	Hypothesis	Findings	Previous Study
Analyze the relationship between organizational learning capabilities with e-business implementation success	H1 : Training Availability is positively associated with e-business implementation success	Positive Relationship	Similar with Lee et al (2007)
	H2: Technical Expertise is not associated with e-business implementation success	No relationship	Contradict with study done by Lee et al. (2007)
	H3: Knowledge Level is positively associated with e-business implementation success	Positive Relationship	Similar with Lee et al. (2007)

Evaluate the impact of knowledge management capabilities in successful e-business implementation	H4: Knowledge Acquisition is positively associated with e-business implementation success	Positive relationship	Similar with Lee et al. (2007)
	H5: Knowledge Application is positively associated with e-business implementation success	Positive relationship	Similar with Lee et al. (2007)
	H6: Knowledge Sharing is positively associated with e-business implementation success	Positive relationship	Similar with Lee et al. (2007)

The findings of Hypotheses 1, Training availability is positively associated with e-business implementation success. This result is similar with previous research done in Taiwan by Lee et al (2007) and Lin and Lee (2005).

From Hypotheses 2, the result of Malaysian context is technical expertise is not associated with e-business implementation success. The result showed that there was no relationship between technical expertise and e-business implementation success in Malaysia compared with previous study done in Taiwan by Lee et.al (2007) where they found that there was positive relationship. From the study results showed that Malaysia is still lack of technical expertise

within the organizations or firms to successful implement e-business. Firms in Malaysia still need guidance and expertise outside the organizations to implement e-business.

Based on case study done by Ab. Aziz et al (2009), technical factor play a more significant role especially when targeted companies not ICT based or have not had any significant online business experiences before. Dealing and managing a website and other related online services on a daily basis certainly demand for good technical ability and understanding. They described four factors that affected the adoption of e-business which are lack of integration, poor customization, lack of technical knowledge and lack of e-marketing skills.

Kwon and Zmud (1987) asserted that successful information system (IS) implementation occurs when sufficient organizational resources such as sufficient developer and sufficient technical skills are available.

The positive finding of Hypotheses 3, the knowledge level is positively associated with e-business implementation success. This result is consistent with previous study done by Lin and Lee (2005) and Lee et al (2007). From organizational capabilities factors, Malaysian has equipped with training availability and knowledge level but on the technical expertise, most firms still dependent on the advice from the government in term of policy or dependent on experienced brought in by Microsoft, IBM, HP or Dell.

For Hypotheses 4, Knowledge acquisition is positively associated with e-business implementation success. The survey found out that knowledge acquisition can contribute significantly to e-business implementation success.

This is consistent with previous study done in Taiwan by Lin and Lee (2005) and Lee et al. (2007). The positive findings for Hypotheses 5, Knowledge application with e-business implementation success has consistent with previous study by Lee et al. (2007). Similar with finding of Hypotheses 6 which Knowledge sharing has a positive impact on the successful e-business implementation in Malaysia consistent with previous study done by Lee et al. (2007).

The positive result for Hypotheses 4, Hypotheses 5 and Hypotheses 6 contribute significantly to knowledge management factor to e-business implementation success. Grover and Davenport (2001) stated that knowledge management efforts have focused on developing new applications of information technology to support the capture, storage, retrieval, and distribution of explicit knowledge. Gottschalk (2006) identified five indicators of Knowledge Management Capabilities which including knowledge sharing, knowledge distributing, knowledge creating, knowledge capturing and understanding knowledge

5.2 Summary and Conclusion

This study contributes to a better understanding of the relationship between organizational learning capabilities and knowledge management capabilities towards e-business implementation success. This study also aimed to explore the benefit or impact of successful e-business implementation to organizational. Predetermine impact are stated in the questionnaire are impact on commerce, impact on internal efficacy and impact on coordination. E-business has been

recognized as a management tool for managing a company's relationship with its customers (Su, Chen, & Sha, 2006). Krell and Gale (2005) conclude that e-business migration is a complex process that includes technology, business process, strategy and organizational change with the process perspective being at the heart of e-business implementation.

As per reliability test, almost all the factors are considered reliable with Cronbach's Alpha values with less than 1. From the result also shown that one component of organizational learning capabilities which is technical expertise is not significantly contributed to e-business implementation success in Malaysia context. Contrasting with the literature on technical expertise practices, this study found that technical expertise did not significantly impact e-business implementation success. E-business is unlikely to become an integral part of the value chain if firms lack necessary infrastructure and technical skills (Zhu et al. 2003).

Jun et al. (2003) proposed that hindering factors are issues related to managerial support, costs and benefits, technical complexity, human resource management, relationship with trading partners, security risks and legal problems. Firms that can afford to hire e-business system specialists and maintain significant technical expertise are better positioned than other firms to adopt complex technological innovation. K. Lal (2005) found out that firms engaged in technological collaboration with foreign firms have adopted advanced e-business technologies.

Lin et al. (2005) explained that firms that provide training related to e-business systems achieve greater levels of e-business systems adoption. Because of the

inherent complexity of e-business systems, training methods must potentially enable employees to scale initial hurdles to acceptance and usage, leading to greater firm adoption of e-business systems.

According to Coltman et al. (2007), e-business performance differs as external pressures and capabilities (i.e., human, technological and business) are varies. Firms strong in training availability and knowledge level are most likely to success in the implementation of e-business. Plessis and Boon (2004), described e-business is about creating an electronic Internet-based platform to allow customers, suppliers and employees to collaborate with one another through the sharing of data, information and knowledge.

Even though this study expands our knowledge about the relationship between organizational capabilities and knowledge management in successful e-business implementation there is still viable prospect for further research to be conducted. E-business implementation in Malaysia still has a room for improvement because market penetration in e-business is limited or focused in urban area. Lawson et al. (2003) was suggested that slackness in telecommunication infrastructure and lack of security in online transactions could be considered the technical barriers.

With the deployment of WiMax by Packet One and High Speed Broadband (HSBB) by Telekom Malaysia, there could be opportunity for companies to venture in e-business and exploring the market. Based on the report by Ministry of Finance in June 2008 (www.treasury.gov.my), growth momentum in the communication sub-sector remained stable at 7.5% (Q4 2007: 7.2%) supported by wider customer base and higher usage of cellular, broadband and 3G

services. The cellular subscriber base rose 16.5% to 24.3 million with 87.9% penetration rate on account of strong demand for voice, non-voice and multimedia services (end-December 2007: 20.0%; 23.3 million; 85.1%).

From the research findings, in order to implement successful e-business, Malaysia firms must have support from the top management, knowledge management area and also technical expertise. Additionally these findings can help justify new initiatives and firms moving forward to enhance system and information quality.

According to Raman et al. (2007), Malaysia needs rapid development of infrastructure and skills to meet the demands of new economy. Efforts such as creation of knowledge-based society should be given priority in every five-year in Economic Master Plan. Small and Medium Size Enterprise (SME) should be encouraged and led to joint ventures and collaborative partnerships with global players involved in same activities. By 2010-2020, most states in Malaysia will aspire to reach a developed status in order to keep pace with Vision 2020. The key towards reaching these challenging goals lie to a large extent on the availability of high speed affordable broadband to channel and power the growth in ICT. (www.ktak.gov.my)

5.3 Suggestions for Future Research

Future research in this area must target more companies involved in the e-business implementation, Multi National Company, Public listed company and also the SME (Small and Medium Enterprise). The Internet users have increased dramatically in Malaysia which provides a great opportunity for Malaysian businesses to start investing in e-business technology. Nonetheless, business-to-customer relationships are not well established in Malaysia. Future research should also attempt to collect the data directly from the IT personnel in-charge or involved directly in the e-business implementation.

Furthermore, this study did not test all the organizational factors such as top management commitment, service quality, market orientation, Malaysian working culture and other technological advancement such as enterprise resource management system or supply chain management system which may contribute significantly to the e-business implementation success. We must also consider security and trust as one of the factor of successful e-business implementation in Malaysia context. According to Srinivasan (2004), trust brings in repeat business, an essential ingredient for success and security is something that the businesses can strive to provide. Adopting e-Business requires additional investment and resources, such as hardware and software, as insufficient investments is identified as a critical barrier to the continuing growth of e-business (Chircu and Kauffman, 2000).

The firm must have a clear vision and mission on e-business or blueprint as a guideline to firms to move forward and utilize the internet world to penetrate new

business model. By integrating e-business activities with the corporate website, companies can sell products online, have online billing and payments, provide customer service, and inform the customer about new sales and promotions among others.

The development of organizational learning and knowledge management strategies would be useful for e-business implementation and enhance firm performance. The firms that provide e-business training for their employees and increase their knowledge of e-business can expect to achieve higher levels of e-business implementation success. Lee et al (2007) pointed out that an organization needs a well-designed knowledge management infrastructure to create and maintain the e-business knowledge required to improve back-office efficiency, customer intimacy and efficiency of coordination with business partners.

5.4 Implications

The results of the study have several implications for the top management to move forward in strategizing and venture into e-business. According to Lee at .el (2001) a growing number of firms are competitively entering into e-business because they see the high potential of e-business growth as an opportunity. Engaging in IT investment is not a necessary nor sufficient condition for improving firm performance, since IT investments might be misused (Tallon, Kraemer, & Gurbaxani, 2000). Carr (2003) argued that IT is ubiquitous,

increasingly inexpensive, and accessible to all firms. As such, IT cannot be a source of competitive advantage anymore because it is scarcity (not ubiquity) that creates the ability to generate superior performance. Wu et al. (2001) described that the adoption of e-business resulted in better performance for firms in terms of efficiency, sales, customer's satisfaction and relationship development.

Therefore in order the firms to improve performance through e-business implementation they should have take initiatives to strengthen their organizational capabilities and knowledge management. As mentioned by Lee et al. (2002) that e-business initiatives contribute to the creation of considerable future benefits for firms, which is reflected in an enhancement of the market values of firms. Coltman et al (2007) explained that advances in e-business applications and technologies present many opportunities for contemporary businesses to redefine their strategic objectives and enhance or transform products, services, markets, work processes and business communication. Lin and Lin (2005) described that technology resources are key variables indicating that the greater sophistication of IS structure and expertise leads to greater degree of success in implementing e-business. Firms must pay considerable attention to the capability to integrate e-business with IS applications, and keep in mind that technology competence constitutes both physical infrastructure and intangible knowledge, such as Internet skills and e-business know-how.