CONTRIBUTION OF INFORMATION TECHNOLOGY ADOPTION ON SME’S PERFORMANCE IN INDONESIA
(Case Study : Bank Perkreditan Rakyat)

By : Grandys Frieska Prassida
Student Identity Number : 5112202030
Supervisor : Dr. Apol Pribadi Subriadi, ST., MT.

ABSTRACT

Several previous studies indicate that IT adoption by SMEs is still low compared to large companies. Caused by some limitations, IT adoption that are not handled properly can have a certain impact to the performance of SMEs. Therefore, this study seeks to provide a more comprehensive understanding of the concept of IT adoption in SMEs, by looking at the factors which affect IT adoption, consider the stages in IT adoption, until it can review the contribution of IT adoption on the performance of SMEs. This study refers to the object of the definition of SMEs in Law No. 20 of 2008 and also pay attention to the criteria that focused on one type of industry that have used IT to support core business functions (business major) and non-core business, then this study agree Bank Perkreditan Rakyat (BPR) as the object according to the needs of research.

By using a component-based approach with Generalized Structured Component Analysis (GSCA) tool, this study get the results that internal and external factors are not shown to influence the IT adoption decision, indicated by the value of the path coefficient is not significant. Next, the IT adoption decisions in this study has been able to prove significantly affect the implementation of IT adoption. Correlation on these two variables have the highest value and significant, which is indicated by the value estimate on the path coefficients of 0.393 and the critical ratio of 2.48 at the 0.05 level (P <0.05). As for the results of the implementation of IT adoption, it was not proven to affect the performance. Implementation of IT adoption has not been able to make significant contributions to the performance of BPR, as evidenced by the results in the adoption of IT implementation variables contributed only 3.9% of the performance variable alone. Thus, the IT adoption is said to have a role to assist rural banks in running the business, but have not been able to be the only measure of success in achieving its goal of BPR, in this case an increase in performance.

Keywords: IT Adoption, Performance, SMEs, BPR