

Identifying Factors Affecting Acceptance of E-procurement Systems: An Initial Qualitative Study at an Australian City Council

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Abstract

Acceptance of e-procurement systems by employees working in the local government sector is important to ensure improved organisational effectiveness for city and rural councils alike. Although a rich body of literature exists regarding the organisational adoption decisions of e-procurement systems and their impact on organisational performance, little is however known about the factors that affect the acceptance of these systems by employees working in organisations. Using a qualitative case study research approach, we have thus examined the factors that are associated with e-procurement systems acceptance at a large Australian city council. Two sets of factors comprising perceived usefulness, perceived ease of use, employee involvement, reliability, customised training, vendor support and management support are identified and their underlying relationships are discussed in the light of the existing literature. Finally, the implications of our findings are explained.

1. Introduction

Procurement is an important and expensive business activity for organisations [10]. This is because organisations usually spend a large portion (even upto 70%) of their revenue/operational budget on purchasing goods and services [17]. The importance of procurement function among Australian organisations is reflected in the fact that the Maintenance, Repair and Operations (MRO) procurement expenditure is reported to be about A\$150 billion per annum [22]. Despite such importance, procurement function still suffers from two chronic inefficiency problems: First, procurement is traditionally a labor-intensive activity and, as such, managers spend considerable time on 'non-value-added activities' [11,28,33]; Second, traditional procurement process permits infamous maverick buying practice which represents a situation where employees make unplanned purchases from non-preferred suppliers at a higher price [40]. A report published by the Auditor General of Victoria [1] confirms that many of these problems are regularly experienced by the Australian local councils. To combat this, state governments have advised the councils to enhance procurement efficiency using innovative internet-based IT solutions. In response, several large city councils in Victoria took part in a pioneering initiative in 2005 to introduce an e-procurement system. However, very little is known about the acceptance of e-procurement systems by employees at the participating city councils. We argue that it would be inappropriate for organisations to assume that adoption decisions of e-procurement systems made by the senior council management would result in automatic and spontaneous acceptance

of these systems by their employees. This is because imbalance in benefits may occur between organisational and user level [32]. We further argue that it is not clearly known how employees at those city councils have responded to their organisational decisions to embrace e-procurement systems and in what ways various factors have contributed to their acceptance of these systems. This particular aspect has not received adequate attention by the e-commerce scholars. Our view is consistent with that of Batenburg [7] who reported that acceptance of e-procurement systems by users is generally neglected in the existing e-business literature.

To address this goal, an exploratory study was undertaken in 2007 at a large Melbourne-based city council to identify the factors that affected the acceptance of e-procurement systems by employees. The findings suggest that the satisfactory acceptance of the e-procurement system by the council employees can be contributed to a constellation of organisational, technological, and procurement vendor related factors. Most importantly, vendor support was found to influence employee acceptance of e-procurement systems through its indirect influence in establishing stability of the system and preparation of customised training program for the council employees in close collaboration with the procurement manager. These findings are of importance to IT and procurement managers of those government organisations which are contemplating possible introduction of e-procurement systems in the near future. From the research perspective, a sound knowledge of the factors facilitating acceptance of e-procurement systems by employees is useful to better

understand the e-procurement systems adoption phenomenon. The findings also contribute in building a rich empirical foundation for future e-procurement research.

The rest of the paper is structured as follows. First, the related literature on the factors influencing the acceptance of e-procurement systems by employees is briefly reviewed. Second, the research approach is described. Third, the background of the participating city council is presented. Fourth, empirical evidence gathered from the council is described and then analysed in the light of the existing literature. Finally, the contributions of our research are highlighted and areas of possible further investigations are mentioned.

2. Related Literature

There is a rich body of literature on e-procurement. Our review of the e-procurement literature indicates that most studies focus either on the factors affecting adoption decision of organisations for introducing e-procurement systems or the impact of e-procurement systems on organisational performance. We further

observe that little attention has been given to understand the acceptance of e-procurement systems by the employees in organisations that have introduced these systems. As such, we have consulted other relevant sources of literature to find out possible factors that may affect acceptance of e-procurement systems by employees. In this study, we define the term acceptance to mean *adoption by an individual employee of the e-procurement system that the employee is not familiar with*.

In general, the individual acceptance of information technologies and IT-enabled business applications has been researched extensively in social psychology, diffusion of innovation, broader IT implementation, consumer marketing, and e-business literature. A review of these literature sources has identified a number of factors (shown in Table 1) which are found to affect acceptance of IT applications. These factors can be grouped into organisational, technological and environmental categories. These factors and the underlying theoretical frameworks from which they were drawn are briefly described below.

Table 1: A summary of the key factors affecting adoption of IT applications by individuals

Literature Source	Factors	Relevant Theories/Models
Social psychology	Attitude, subjective norms, intention, perceived behaviour control	Theory of Reasoned Action [15], Theory of Planned Behaviour [3]
IT implementation	Perceived ease of use, perceived usefulness, performance expectancy, effort expectancy, social influence, facilitating conditions, vendor support, senior management support, user training, user involvement	Technology Adoption Model [12], TAM2 [41], Unified Theory of Acceptance and Use of Technology (UTAUT; [42], Sum and Yang [38], Ang et al. [4], Bingi et al. [8], and Zhang et al. [45]
Innovation	Relative advantage, compatibility, complexity, observability, and trialability	Innovation Diffusion Theory – Rogers [34]; Moore & Benbasat [24]
Consumer marketing	Compatibility, low risk	Ram [29], Ram [30], Bagozzi and Lee [6], Sheth [36], and Sheth and Ram [37]

A wide body of knowledge exists on the cognitive mechanisms leading towards individual adoption decisions of innovative IT applications. With its roots in social psychology, the popularly cited theoretical models include Theory of Reasoned Action [15], and Theory of Planned Behaviour [3]. According to TRA [2], an individual's behaviour (e.g. acceptance of e-procurement system) is directly influenced by behavioural intention which in turn is affected by that individual's attitude towards that behaviour and subjective norm. Attitude towards behaviour is defined as "an individual's positive or negative

feelings associated with performing the target behaviour" [2]. Subjective norm refers to an individual's perception of the significant others' expectations about whether the behaviour should be performed. In the IT domain, Davis et al. [13] supported the validity of TRA in predicting computer technology acceptance (behaviour) through behaviour intentions. TPB is an extension of the TRA with the inclusion of another determinant of behaviour, perceived behavioural control [3]. Perceived behavioural control refers to the individual's perception of ease or difficulty of performing the behaviour of interest. In the context of IT usage, it

refers to perceptions of internal constraints (e.g. self-efficacy) and external constraints (e.g. facilitating conditions) on behaviour [39].

In the broader IT discipline, three important frameworks on an individual's acceptance of IT applications have received wide publicity. These include Technology Adoption Model [12], TAM2 – a new version of TAM [41] and Unified Theory of Acceptance and Use of Technology – UTAUT [42]. These frameworks aim to explain why individuals accept information technologies. According to TAM [12], perceived ease of use and perceived usefulness are the two most important factors in explaining acceptance of information technologies by individuals. TAM2 recognises that, in addition, to perceived ease of use and perceived usefulness, subjective norms is also an important factor affecting adoption decisions of individuals. Many scholars have applied these models in explaining various types of business IT applications and e-commerce applications. However, analysis of empirical research with TAM is not totally conclusive. Venkatesh et al. [42] consolidated all the prior studies on acceptance and usage in information technology and produced a holistic view of individual acceptance and usage behaviour pertaining to information systems and proposed a new framework called UTAUT which identifies four factors that are significant determinants of user acceptance: performance expectancy, effort expectancy, social influence and facilitating conditions.

In addition to these three frameworks, the IT implementation literature also identified four key factors: senior management support, vendor support, user training, and user involvement. Senior management support is generally reflected in two ways: a) willingness to provide the necessary resources to the implementation of an IT application; and b) a strong role played at resolving disputes result from the introduction of the IT system. When employees are given a clear signal from their senior management about the importance of the IT application to succeed and also receive considerable support in terms of necessary training and required changes necessary for business process, their willingness to accept that IT are increased [4, 8, 38]. Vendor support is also an important factor because vendors play a crucial role in shaping the ultimate success of any IT application by facilitating user acceptance [45]. For any software package, vendor support is needed for technical assistance, organising training, and emergency maintenance. Another important factor is user training which refers to the

process of providing employees with the logic and overall concepts of a complex IT application that is being introduced within an organisation [45]. Training helps employees in two distinct ways: a) It helps in the transfer of knowledge from vendors consultants to employees about why the IT system is needed and how it should improve their work. This in turn helps in addressing the fear employees may have about the IT system; b) hand-on training helps employees to know about the features of the software and thus helps in developing a familiarity with the system. Thus, user training is essential to generate employee acceptance of any IT system. Finally, user involvement which refers to the participation in the IT system implementation process by representatives of target employee groups facilitate their acceptance of the IT system [45]. Involving employees at both planning and implementation stages decrease the resistance to any IT system because they develop a feeling that they are important stakeholders who can make decision about how the system can be made work for them.

The adoption and diffusion of innovation literature is another relevant source that examines how an innovation is accepted by individuals and organisations. The well-known Innovation Diffusion Theory (IDT) which draws primarily on the comprehensive work of Rogers [34] in the information systems area identify five characteristics of an innovation which influence a potential adopter's perceptions of accepting that innovation. These are: relative advantage, compatibility, complexity, observability, and trialability [24].

The acceptance of innovations has also been examined in relation to the promotion of consumer-oriented products in the marketing literature. A synthesis of the leading works (e.g. Ram [29], Ram [30], Bagozzi and Lee [6], Sheth [36] and Sheth and Ram [37]) in this discipline indicates that three factors facilitate consumer acceptance of innovative applications: compatibility of the innovation with the existing work habit of consumers, compatibility of the innovation with the belief structure of consumers, and perceived low risks posed by the innovation for the consumers. Acceptance of an innovation increases as the risk perceived to be associated with the new product decreases.

The e-business literature finds trust to be an important factor that affects acceptance of web-based applications by customers. The role of trust is found to be an important facilitator for both business-to-consumer (b2c) and business-to-business (b2b)

customers. Drawing on literature in social psychology and marketing, trust is defined as the perceived credibility of a target of trust [14]. Perceived credibility refers to the extent to which an individual believes that the other partner in a business relationship has the required expertise to perform the job effectively [16]. According to Ba and Pavlou [5], perceived credibility is usually relies on reputation, reliability and confidence. In the context of B2C e-commerce applications, perceived credibility is more related to one's judgment on the privacy and security issues [43]. Moorman et al. [25] proposed trust to be viewed as a behavioural intention that reflects dependence and confidence of an individual in the other party (or individual). Many studies in the areas of online banking (e.g. Rotchanakitumnuai and Speece [35], Wang et al [43]) and online retailing confirm the importance of trust to be an important ingredient that promotes acceptance of web-based applications. In summary, we argue that many of the factors (listed in Table 1) are of relevance in understanding the acceptance of e-procurement systems for local councils.

3. Research Approach

We have adopted an exploratory case study approach for three reasons. First, this research is a theory building exercise. We do not develop a research model and a set of propositions drawn from that model. Furthermore, we do not intend to test such a model in a statistical sense. Our intention is to explore how various types of factors (e.g. organisational, technological) may affect e-procurement systems acceptance by employees at the local government context. We thus refer to Table 1 as a guide only to help our exploration of the relationships among factors affecting e-procurement systems acceptance in a local government context. We are also open to the idea of discovering new factors for the local government context. Second, the purpose of this research is to explore the factors affecting e-procurement systems acceptance in the Australian local government context which has not been investigated systematically and, according to Neuman [27], case study is suitable for exploratory kind of research. Third, e-procurement is a complex technology which requires organisational adaptation. Hence, contextual information is necessary to interpret how such systems can attract acceptance by its users. Case studies are particularly suitable for understanding phenomena which requires knowledge of organisational context [44].

We looked for a revelatory case site that has introduced recently an e-procurement system and is willing to share its rich experience with us. The

participating city council was selected as a revelatory case site because it is a pioneer in piloting an innovative e-procurement council in response to state government's advice and is willing to participate in our research. The council was expected to get the e-procurement system up and running to demonstrate other government agencies how well the system can work for them. The council introduced "Trans Axs Procurement" system which is integrated with a financial management system.

The unit of analysis for this study is an individual organisation because a city council is likely to have one single e-procurement system implemented in support of its procurement process. Individual employees (who are the users of the e-procurement system) were not considered to be a unit of analysis because we did not collect data from the e-procurement systems user community through a survey in which all the relevant employees could express their opinions in a structured manner. This is because our intention is not to test a model of e-procurement acceptance in a statistical sense rather to discover the importance of factors as perceived by the council and identify how such factors are related. As a result, we have relied on the use of key informants approach. Several key informants include senior managers who were intimately involved with the deployment of the e-procurement system at the council. In addition, we have also carefully chosen some key informants who are believed to be a representative sample (not in the statistical sense) of the e-procurement user community. All key informants satisfy the criteria suggested by Campbell [9] in the following manner: a) they occupy roles that make them knowledgeable about the e-procurement introduction at the council and b) they are willing to communicate and share their views with the researchers. We have analysed and compared their opinions which are expected to represent the views of the council's overall employees concerning issues surrounding their acceptance decisions.

Data was gathered from multiple sources, including formal interviews, internal documents, and city council website. However, there is a strong reliance on interviews because rich insights and contextual information was sought from the key informants. A semi-structured interview protocol was developed to guide the interviews. The interview protocol was designed to probe how various factors mentioned in the literature (Table 1) played a role at the city council. A total of six in-depth interviews were sought from several key informants who include e-procurement systems project manager, IT manager, and several executive users from various business

areas of the council. An ethics approval was obtained from our university prior to conducting the actual interviews at the city council. As per university ethical guidelines, all interviewees were given an explanatory statement and a consent form in advance. The explanatory statement explains the intention of the research, the method of collecting data and the procedure of handling the collected data. The consent form is prepared to explain how participants' privacy concerns are addressed and to obtain their agreements to take part in the research.

Based on the suggestions of Yin [44], reliability was addressed by developing a case study protocol and a summary of definitions concerning the factors which may affect employees' acceptance of the e-procurement system. The protocol and the summary of definitions were both sent to the interviewees prior to the actual interviews. On the other hand, validity was addressed using data collected from multiple sources and having interviewees reviewed their interview transcripts. Data collected from the key informants were analysed using the pattern matching logic described by Yin[44]. This technique compares an empirically derived pattern with the predicted one. Data analysis was conducted manually by developing a coding scheme based on which each interview transcript was transcribed and coded for pattern matching.

4. Case Description

The participating city council is a large organisation located in Melbourne. It offers over 100 types of services to about 150,000 residents. Its annual expenditure was A\$60 million in the financial year 2005-06. On an average, the council produces 20,000 purchase orders (Pos) per annum and receives about 60,000 invoices per annum. In 2005, it introduced Trans AxS e-procurement system from a US-based vendor. The system is integrated with its back-end financial management system which is also provided by the same vendor. Currently, information about 2500 suppliers are stored in the e-procurement system which sends purchase order electronically in three different formats: internet-fax, e-mail, and XML. With most suppliers the e-procurement system sends purchase order via e-mail because these suppliers are small companies and lack IT sophistication and financial capability to be fully online through XML technology. However, the council interacts in XML format with a major office supplies provider. At present, about 180 council staff across 20 buildings use the e-procurement system.

5. Case Study Findings

Acceptance of the e-procurement system by the council was reported to be satisfactory. At present, about 180 staff, who are not full time purchasing professionals, are connected to the system from their desktops. They use the system regularly and find it quite successful. An analysis of the empirical evidence collected from various sources (including interview transcripts) indicates that the acceptance of the e-procurement system by the council staff can be attributed to a set of five factors: system usefulness, ease of use, employee involvement, system reliability and customised training for employees.

The AXS e-procurement system had functionalities that were considered useful to the council staff. In particular, the presence of automatic routing of purchase orders to appropriate managers for approval, access to e-catalogues, sending purchase orders to suppliers, producing expense report capabilities encouraged council staff to accept and use the system without much hesitation.

Another important factor that was found to have positive influence on the employees' acceptance of the e-procurement system is its ease of use. The ease with which employees could use the e-procurement system was addressed in two ways. First, the senior management recognised the importance of ease of using the e-procurement system for its staff and chose an application that is easy to navigate. According to the purchasing manager:

"The TRANS AXS is very easy. It is intuitive. It was very easy for our people to learn how to use it. In fact, some says it is too simple. I believe that AXS simplicity has accelerated its acceptance from our users."

Second, the council at their own initiative created an internal e-catalogue for the most frequently purchased items which in turn improved ease of use by allowing employees to create their purchase orders drawn from that catalogue. This aspect is supported by the IT manager when he made the following remarks:

"The presence of the e-catalogue represents a selling power of the system. We explained to our employees how they can use the catalogue to promptly and correctly prepare the purchase orders. So, yes – I believe the catalogue gave them a convenient way of fulfilling their purchasing needs."

The ease of use aspect of the e-procurement system is further confirmed by a business executive (an active user of the system) who made the following remarks:

“The system provides us with an easy way of ordering goods and services from our desk without having to go out and get quotes. It is simple and intuitive. I think its simplicity is a major attraction for us.”

Active employee involvement in the e-procurement system implementation process was carefully planned by the council which had a positive impact on the system’s acceptance by the employees. The council recognised that employees would be reluctant to change their current work habit of preparing purchase orders and, as such, worked on a strategy that would cultivate a sense of ownership of the e-procurement system in the minds of the council employees. This was achieved by inviting employees in the planning and testing stages. The purchasing manager commented:

“It is interesting as whenever you introduce something new, people head in the opposite direction. To avoid this, we wanted the users who would use the system to test it before we went live. I said ‘I want you to tell me what’s wrong with this system?’ I found that’s a wonderful experience because it basically gave them ownership.”

During the planning stage, the council sought active employee participation by advising them to indicate to the project team how they would like the e-procurement system to work for them. The council adopted an employee centric bottom-up approach to ensure that the system is embraced by the employees rather than forced onto them. According to the purchasing manager:

“Our approach was, we want you to be involved in that project, we want you to help us this working, we want you to tell where they fall down and it really accelerated the acceptance of the system dramatically.”

Considerable effort was made to make the e-procurement system operating in a reliable manner. In the manual procurement process, quite often paperwork was misplaced causing a great frustration for the council staff. The new e-procurement system was reliable in the sense that all the documents prepared by employees are protected and could be retrieved with ease whenever they are needed. When employees found that all their procurement related

work do not disappear (which often occurred in the manual process) that created considerable excitement among employees because they found the system to be more useful. Thus, reliability of the e-procurement system was found to be an important factor contributing to the employees’ acceptance of the system. This sentiment is echoed by the purchasing manager as follows:

“It was very frustrating when one puts purchase orders and then lose it. All of one’s work just disappears and one could not get it back. So, we had lots of users excited out there who accepted this system and use it regularly because of its high reliability.”

Training of employees on the e-procurement system was another important facilitator for the acceptance of the system. Training materials were customised to suite the working needs of the council. Hands-on on-site training was organised and each target employee attended one-to-one training session. The training was however conducted by the procurement manager who was given in-depth training in the use of the system and was awarded with administrator privileges. The importance of training is highlighted when the purchasing manager made the following comments:

“What frightens most people away is the lack of training. Let me say that we really invested time in creating useful training for our staff so that they accept the system and find it simple to use.”

Other participating managers also supported the importance of training employees in accepting the e-procurement system because more mistakes can be made by employees when they are poorly trained. Such mistakes in turn may bring more problems for the finance employees to address. The IT manager confirmed that user acceptance was greatly facilitated as a result of carefully planned training program set by the council in close association with the vendor. According to the IT manager:

“When you don’t organise a proper training to the employees, you won’t get maximum acceptance of the e-procurement system from them. That way, I think the user training is the most important factor that increases acceptance.”

However, we did not find any evidence to suggest that attitude of employees towards e-procurement system had any impact of their acceptance of the system. Likewise, no evidence was found about the

role of risk, trust and compatibility in relation to the e-procurement systems acceptance by the employees.

6. Discussion

Those five factors (i.e. system usefulness, ease of use, system reliability, employee training and employee involvement) which were found to have contributed to the employees' acceptance of the e-procurement system at the council are consistent with the views expressed in the broader IT implementation literature. For instance, usefulness of the e-procurement systems and ease of using the e-procurement system are supportive of the key constructs involved in TAM [12]. The council employees accepted the e-procurement system because it is simple to navigate, has intuitive interface, easy to learn and can create purchase orders with ease.

The presence of employee involvement and customised employee training identified in the context of the council are consistent with the facilitating conditions included in the UTAUT [42]. We argue that customised training has helped employees create their confidence for using the system in dealing with purchase order related activities. Training has also helped in improving a positive attitude towards the e-procurement system by facilitating their learning of the interface and appropriate use the system facilitating to meet their routine procurement related activities. In addition, training should help employees to overcome any anxiety they may had about the e-procurement system for their works. Our assertion is consistent with the views expressed by Hackbarth et al. [19], Igbaria et al. [21], Gist [18] and Nelson and Cheney [26].

We believe that employee involvement during various stages of the e-procurement systems introduction at the council affects their acceptance of the system because employees develop a sense of ownership of the system which in turn helps generate positive feelings towards the system. This view is also consistent with the broader IT implementation scholars.

We conjecture that reliability of the e-procurement system exerted its influence on the acceptance of the system indirectly via system usefulness. The employees evaluated how the e-procurement system has helped them resolve the problems they used to face in manually dealing with procurement related tasks. The functionalities offered by the e-procurement system were considered to be more useful to enhance the tasks performed by the

employees. We further argue that reliability also has a direct influence on e-procurement system acceptance because it brings employees a faith in the abilities of the system to support their tasks. We suggest that reliability of the e-procurement system which was found to have a strong influence on the acceptance of the system has not been identified as a key factor in the IDT literature. We argue that reliability of a system is distinctly different from the related factors (i.e. complexity, trialability, and observability) mentioned in the IDT literature.

On the basis of the above-mentioned discussion of our case study findings, we thus propose the relationships among the five factors in the right-hand side of Figure 1. We argue that although the influence of the five factors (shown in the right-hand side Figure 1) which have an impact on employees' acceptance of the e-procurement system are important and immediately visible in the city council context, an in-depth analysis of the empirical findings reveal that these factors are in turn associated with two underlying major factors: senior management support and vendor support (both of which received a mention in the existing IT implementation literature). The relationships among these two sets of factors are shown in the left-hand side of Figure 1 and are explained below.

From our discussions with the key informants, it is clear that council's senior management offered full support for the successful introduction of the e-procurement system. The support is reflected in several ways: a) the allocation of required resources to help create customised training programs in close collaboration with the vendor, b) encouraging employees to participate actively in the planning and testing stages of the system by relieving them from their daily routine activities, and c) preparing e-catalogues for the convenience of employees which drastically improved ease of use. Above all, the senior management of the council was prepared to listen and address any issues and concerns associated with the introduction of the system and its acceptance by the council staff. According to an administrative officer (who is an active user of the system):

“There had been a lot of issues and concerns with this system and our senior management was prepared to listen to those issues and acted on them. This has a very positive impact on the system's acceptance by our council staff.”

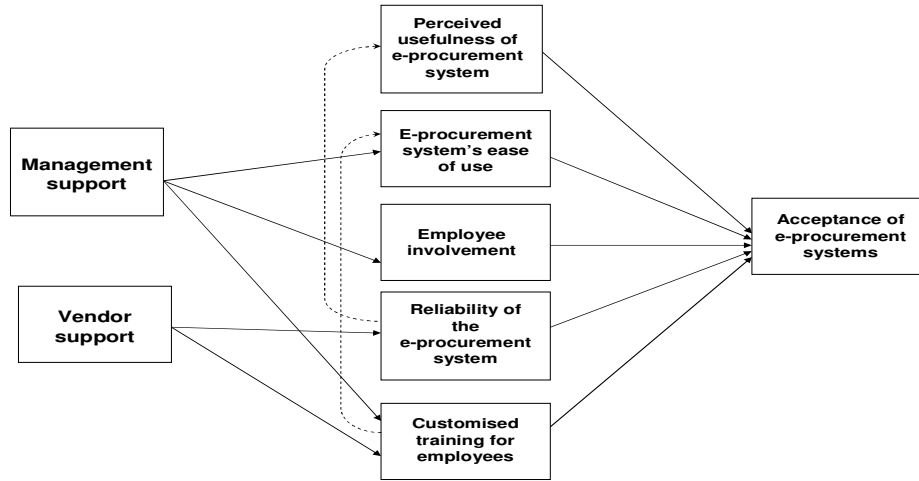


Figure 1: Factors affecting employee acceptance of e-procurement system

Thus, active support of the council management indirectly contributed to the acceptance of the system through its influence on three factors: employee involvement, customised training, and ease of use. This observation, in broad terms, is consistent with the broader IT implementation literature which advocates that management support is essential to allocate sufficient resources for sponsoring training programs for employees, relieving employees to attend training programs and allowing them to participate at various stages of IT systems introduction [20, 21, 23]. The vendor of the AXS system was very cooperative because the council was their first site in Australia and they wanted to claim it a success. As a result, the vendor had sent its technical staff as well as senior managers to assure that the e-procurement system is robust and reliable. The vendor's technical staff experienced considerable challenges in stabilising the system. However, they eventually succeeded in integrating the e-procurement system with the back-end financial application used by the council. The e-procurement system extracts data from the financial application and uses them to produce purchase orders and reports. The vendor also cooperated actively with the council in designing customised training materials for the council staff. The purchasing manager helped the vendor's team in creating those training documents. The excellent support of the vendor in organising training materials and making the AXS system reliable eventually had a major effect on the acceptance of the system by the council staff. According to the purchasing manager:

"In fact, we had the programmers from America. We even had the Vice President of the vendor company come out from America trying to

assure us that all has been done to keep it running and stable."

Our finding about the influence of vendor support on e-procurement systems acceptance is also in harmony with the views expressed in the IT literature. Authors like Igbaria et al [21] and Raymond and Bergeron [31] reported that vendor support in the form of technical support given to customer organisations and training users are essential for successful implementation of IT systems.

7. Conclusion

Introducing e-procurement systems at local council is important to improve effectiveness of their internal procurement related operations. However, mere introduction of the system does not translate its automatic acceptance by the council employees. This paper presents the findings of our initial empirical investigation about the acceptance of an e-procurement system introduced by a large Australian city council. Using a qualitative case study approach, we have identified two sets of factors that are associated with the employees' acceptance of e-procurement systems. The first set includes system usefulness, ease of use, system reliability, employee training and employee involvement, and the second set consists of council's senior management support and support received from the vendor of the e-procurement system. Compelling evidence is also found in support of the existence of a clear relationship between these two sets of factors.

We believe that these findings are useful to the IT and e-commerce communities for three reasons. First, the importance of reliability of the e-procurement system

on employees' acceptance of these systems has not received much recognition in the existing e-procurement literature and we thus make a contribution to knowledge. Second, the relationships between two groupings of factors as highlighted in Figure 1 illustrate the existence of surface and deeper level factors associated with the acceptance of e-procurement systems. Third, the findings suggest that more than one single theoretical framework is necessary to fully appreciate the factors that may potentially affect the acceptance of e-procurement systems by council employees. This particular aspect is not strongly highlighted in the existing literature. We believe that knowledge of these factors can guide IT managers for strategic planning in relation to successfully introducing e-procurement systems in their organizations. Despite these potential contributions, our research has several limitations which require further attention. First, the findings although insightful are not generalisable across the entire local council sector because only one case site was chosen. Moreover, the findings are primarily based on the views expressed by the key informants. We did not gather views from a wide range of employees who have interactions with the e-procurement system. Hence, further studies are required to investigate the significance of these factors through a survey conducted in multiple local government agencies. Such an investigation would also help produce statistically generalisable findings. Second, even though the context of the local government culture was implicitly recognised to be different from that of the private sector, no theoretical constructs were explicitly developed to investigate how the role of local council culture affected the acceptance of e-procurement system. Therefore, more in-depth studies are needed to find out the role of organisational culture in explaining e-procurement systems acceptance by employees. Third, we recommend that similar studies be conducted in the public sectors of the Asia Pacific region so that a holistic understanding can be developed about the acceptance of such systems across different national cultures.

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