



## ABSTRACT

Technology information adoption enables small businesses to increase competitive advantage. In information technology literature, there are four characteristics that determinate small businesses decision to adopt IT. These are CEO's characteristics, IT characteristics, organizational characteristics and enviromental characteristics. The purpose of this research is examine efect CEO'characteristic (CEO innovativeness and CEO'IT knowledge) IT characteristic (relative advantage, relevance, complexity, perceived cost) organizational characteristics (business size, employees' knowledge IT, information intensity) and enviromental characteristics (competition) to likelihood to adopt IT.

A survey was conducted in Yogyakarta city by puposive sampling technique. The samples that can be used to data analysing are 102 respondent of 120 questionnaires that was returned. PLS regression is used to examine ten research hypotheses. Research instrumens validity was measured by convergent validity and discriminant validity. Instrument reliability was measured by cronbach's alpha and composite reliability.

This research shows that CEO' IT knowledge, relative advantage of IT and information intensity have significantly positive effect to small business decision to adopt IT. On the other hand, complexity of IT and perceived cost of IT have significantly negative effect to small businesses decision to adopt IT. This research also show that CEO innovativeness, business size, employees' IT knowledge and competition not significantly effect to small businesses decision to adopt IT.

**Keywords:** adoption, information technology, small businesses, technological innovation.



**ADOPSI TEKNOLOGI INFORMASI PADA USAHA KECIL DI WILAYAH KOTA YOGYAKARTA**

Rahab, Prof. Dr. Jogiyanto H.M, Akt, MBA

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