

CONCEPTUALISING DIGITALIZATION IN SMES OF KERALA

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ABSTRACT

Supported by a service ecosystem that is increasingly immersed in digital transformation, Small and Medium Enterprises (SMEs) have access to Information Technology (IT) applications, which may come for free but is not without worries. The purpose of this paper is to explore the knowledge about the usage of digitalized tools in SMEs. For getting the data questionnaire was issued and collected from 382 samples. A conceptual model is framed to conceptualizing digital transformation of SMEs and to find the mediating role of digitalization. Study says that job acceptance and digitalization is having a good positive impact, digitalization is the main factors which influence the satisfaction level of the employees, the mediating role of digitalization between job satisfaction and employee employer relationship is very much significant and high.

Key words: digitalization, conceptualization, job satisfaction

INTRODUCTION

Based on the need to initiate digital transformation and business improvement Competitiveness on the global stage (OECD, 2017), Small and Medium Enterprises (Small and Medium Enterprises) - Less than 20 employees, and they represent more than 85 percent of all businesses in Canada - Under pressure to adopt and use information technology extensively (ISED, 2019).The subsequent speech carries with it the notion that certain types of information technology exist. It becomes easier for small and medium businesses, easy to use and inexpensive. Although it represents a means compensation for the limited internal resources of small and medium-sized companies (human, material and financial)(Pelletier and Raymond, 2017), ready-to-use IT applications approval and use are provided To suggest reducing the complexity of the management process, as well as more beneficial Customers, suppliers and business relationships. According to some observations, that is the case It is possible that compensation for the lack of resources is the only motivation for the use of information technology. Including off-the-shelf IT applications (Street et al., 2017). In fact, SMEs can have access to a turnkey system Information technology applications to support business functions, such as marketing (such asE-commerce, including social media applications); Finance and accounting (such as open source Software or secure mobile payment solutions) or human resources (such as collaborative tools, Such as video conferencing, shared calendars, and instant messaging).As a way to initiate and support digital transformation between small and medium enterprises, IT ready-made the applications, including their infrastructure, are designed and developed by IT professionals. Parallel to the parallel adoption and use of information technology by entrepreneurs and the growing specialized services Offers for SMEs by IT professionals, and socioeconomic support professional she called and mobilized to provide support, training and expand their services (KilubiAnd Origen, 2016; Thorpe et al., 2005), in the field of digital and innovation for SMEs (ISED, 2019).

Background of the study

The digital transformation strategy has been defined as “a central concept of complete integration Coordination, prioritization and implementation of digital transformation between firms ” (Matt et al., 2015, p. 339). As a result, interaction, communication, collaboration, among others Strong, is the central point (Wand L., 2018). In access and / or related cases especially the implementation of novel technology, external relations and partnerships particularly significant for SMEs (Kilubi and O'Reagan, 2016; Nirotti et al., 2018).The approach adopted in this research paper focuses on the actors who are in and around "K". For organizations, their values, beliefs, attitudes, communication as well as their understanding Topics of experienced problems (Rich and Benbasat, 2000).Consistent with its featuresEntrepreneurial context, SMEs and their business environment, the reasons for this The approach is: it is an IT-enabled corporate conversion definition, with attachment, Which "is a global phenomenon where psychological, semantic, geo-technological, Economic and political considerations are intertwined "(Besson and Roy, 2012, P. 105);Attention given to the knowledge of the actors which is relevant to any service-influencer Environmental Reasoning (S-D) method that relies on actor-actor (A2A) orientation for mentality Creation (Vargo and Losh, 2011); It focuses on people and their ideas, Including the effects of behaviors and relationships (Dulipovici and Robi, 2013) The environment on all these elements (Wake, 1995).

OBJECTIVE OF THE STUDY

1. To find out the relationship between job acceptance and digitalization.
2. To find out the association between gender and acceptance of digitalization.
3. To determine the influence of digitalization on satisfaction of employees.
4. To find the mediating effect of digitalization with job satisfaction and employee employer relationship.

HYPOTHESIS

- H01 there is no relationship between job acceptance and digitalization.
 H02 There is no association between gender and acceptances of digitalization.
 H03 There is no impact on employee satisfaction by digitalization.
 H04 There is no mediating role of digitalization with job satisfaction and employee employer relationship.

ANALYSIS

H01 there is no relationship between job acceptance and digitalization

		Job Acceptance	Digitalization
Job Acceptance	Pearson Correlation	1	.823**
	Sig. (2-tailed)		.000
	N	382	382
Digitalization	Pearson Correlation	.823**	1
	Sig. (2-tailed)	.000	

N 382 382

** . Correlation is significant at the 0.01 level (2-tailed).

In order to check the hypothesis the researcher seeks the help of correlation tool. The above table shows that there is a positive high correlation between the variables Job acceptance and digitalisation. The value of correlation is .823 at .000 significance level. So job acceptance will increase when the degree of digitalization increases. Since the significance value is less than 0.05 we can reject the null hypothesis and accept the alternate hypothesis that there is correlation between job acceptance and digitalization.

H02 There is no association between gender and acceptances of digitalization.

gender * acceptance digitalization Cross tabulation

Count

		acceptance digitalization			Total
		yes	no	22.00	
gender	male	153	93	0	246
	female	99	36	1	136
Total		252	129	1	382

The above table shows the count of each gender with the acceptance of digitalization. Data shown reveals that out of 246 male employees 93 of them are accepting the digitalization and out of 136 females 99 are accepting the digitalization in their work place. From that it is clear that most of the employees are accepting digitalization in their firm.

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.632 ^a	2	.001
N of Valid Cases	382		

a. 2 cells (33.3%) have expected count less than 5. The minimum expected count is .36.

For testing the null hypothesis chi-square is used. The results of the test shows that the significance value is less than 0.05 thus we can reject the null hypothesis that is there is no association between gender and digitalization. Thus it is confirmed that the digitalization is accepted by most of the employees despite of their gender.

H03 There is no impact on employee satisfaction by digitalization.

ANOVA ^a						
Model		Sum Squares	df	Mean Square	F	Sig.
1	Regression	305.874	1	305.874	5624	.000 ^b
	Residual	.000	380	.000		
	Total	305.874	381			

a. Dependent Variable: satisfaction level
 b. Predictors: (Constant), digitalization

The anova table shows that the f ratio for the regression model indicates the significance of the overall regression model. The variable of the independent variable that is associated with the dependent variable (satisfaction level) is referred to as explained variance. The reminder of the total variance (independent variable) is not associated with unexplained variance (dependent variable).

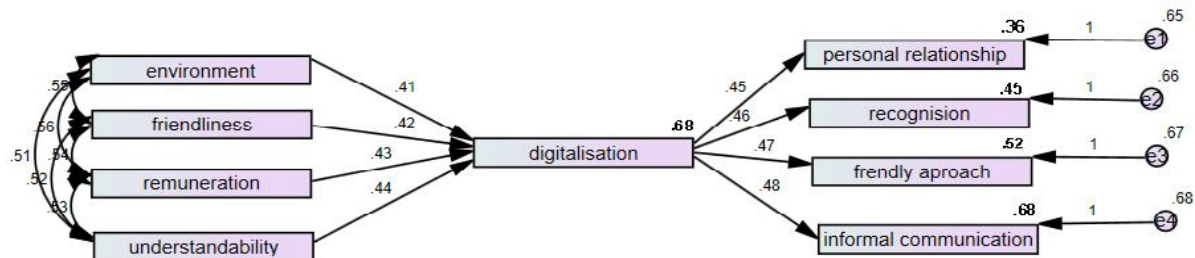
The larger F ratio shows that the dependent variables are more associated with independent variables. The F value is 5252 and the significant value is 0.00, which is less than 0.05.so the null hypothesis is rejected. So there is a significant influence of digitalization on satisfaction level.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.863 ^a	.744	.731	.72569	.779	13.245	380	382	.000	2.279

Dependent : satisfaction
Independent : digitalization

The table shows that the model summary of organisational culture R is the correlational value. Its value is .863 which shows higher correlation Rsquare is degree of determination, its value is .744 which shows that digitalization influence satisfaction level. The significant value of F is less than 0.00which shows a significant relationship between digitalization and employee's satisfaction.

H04 There is no mediating role of digitalization with job satisfaction and employee employer relationship.



Results of Goodness of Fit test for the mediating effect of digitalization in satisfaction and employer employee relationship

Indices	2/d f	P	GFI	AGFI	NFI	TLI	CFI	RMSEA	RMR
Model Value	1.21 4	.302	.998	.993	.997	.998	.962	.019	.026
Recommended Value	<3.0	>0.0 5	>0.9 0	>0.90	>0.90	>0.9 0	>0.9 5	<0.05	<0.05

SEM for the mediating effect of digitalization on satisfaction and employee employer relationship yielded a good model fit with acceptable indices of GFI=.998, AGFI=.993, NFI=.997, TLI=.998, CFI=.962, RMSEA=.019, RMR=.026, CMIN/df=1.214 and Probability level (p value) = .302. This confirms that the available data set correctly fits into the anticipated structural model and thus the null hypothesis is rejected.

It is identified that all the variables of satisfaction level of employees such as work environment, job friendliness, remuneration and understandability explains 68 percentage of variance on digitalization. The mediating effect of employee employer is explained below.

- The mediating effect of digitalization on personal relationship in response to satisfaction level is 36 percentage.
- The mediating effect of digitalization on recognition in response to satisfaction level is 45 percentage.
- The mediating effect of digitalization on friendly approach in response to satisfaction level is 52 percentage.
- The mediating effect of digitalization on informal communication in response to satisfaction level is 68 percentage.

FINDINGS

- 75% of employees are satisfied with their firm
- 69% of employees are having good relationship with their employer
- Digitalization have a good mediating role in between job satisfaction and employer employee relationship
- There is a high influence by digitalization on satisfaction level of employees

CONCLUSION

The study says that the digitalization is a significant factor which helps to maintain good relationship in organization, it provide good knowledge to the employees in their workplace, digitalization improves the satisfaction level of employees and as well as the cooperation in the firm. Most of the employees in the digitalized firm are aware of their work, technical aspects of work and the firms are able to provide good facilities to them so that, digitalization lays an important role in SMEs to achieve their goals.

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