

INTENTION TO USE COMPUTERIZED ACCOUNTING SYSTEM IN SMALL AND MEDIUM ENTERPRISES: SPECIAL REFERENCE TO MATALE DISTRICT

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ABSTRACT

The government of Sri Lanka recognizes Small and Medium Enterprises (SMEs) as the backbone of its economy, accounting for over 75% of all enterprises, providing 45% of employment, and contributing 52% to Gross Domestic Product (GDP). Despite facing various challenges, such as environmental changes, lack of business knowledge, intense competition, and high labor turnover, SME owners must effectively manage risks to ensure their businesses' development and long-term sustainability. This study aims to investigate the factors affecting the intention to use the Computerized Accounting System (CAS) in SMEs in Sri Lanka, with a particular focus on Matale District. Consequently, performance expectancy, effort expectancy, social influence, facilitating conditions, firm size, and firm age were considered proxies for independent variables. Simultaneously, the intention to use CAS in SMEs is the dependent variable. According to a statistical report from the Department of Census and Statistics (DCS), as of the end of 2018, a total of 2003 SMEs were established in Matale District, and the research employed a quantitative approach to investigate the study's objectives, collecting data from 311 SMEs. This study used a simple stratified sampling technique with structured questionnaires as the primary method for data collection. Data analysis included descriptive statistics, tests for multicollinearity and normality, correlation analysis, ANOVA, and multiple regression. The findings showed that performance expectancy, effort expectancy, facilitating conditions, and firm age positively influenced the intention to use CAS in SMEs. In contrast, social influence and firm size affect the intention. This study suggests that improving performance expectancy, ease of use, and providing adequate support can positively influence SMEs' adoption of CAS, particularly in older firms. However, larger firms and those influenced by external social factors may face resistance and require tailored strategies to overcome these barriers.

Keywords: Computerized accounting system, effort expectancy, performance expectancy, small & medium enterprises, social influence