Factors affecting e-business successful implementation

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Abstract

Purpose – The present study aims to investigate the impact of organizational capabilities in the successful implementation of e-business. More specifically, the study proposes a three-dimensional conceptual framework, including “organizational learning capabilities”, “knowledge management capabilities” and “organizational readiness”. Such a multidimensional approach has randomly been explored in the existing literature, making the examination of the proposed conceptual framework an interesting research topic.

Design/methodology/approach – The proposed conceptual framework was tested on a sample of Greek companies with an online involvement. Information System executives were used as key respondents. The final sample consisted of 213 companies. The reliability and the validity of the newly developed questionnaire were thoroughly examined. Empirical data were analyzed using the “structural equation modeling” technique.

Findings – The results of the study reveal that “training availability”, “knowledge level” and “knowledge sharing” are the most significant factors for successfully implementing e-business. Moreover, “firm size” seems to be another important determinant. On the other hand, “technical expertise”, “knowledge accumulation” and “knowledge application” were not found to have a statistically significant impact on the implementation of e-business.

Research limitations/implications – A limitation stemming from the implemented methodology is the use of self-report scales to measure the constructs of the proposed model. Moreover, the present paper lacks a longitudinal approach, as it is cross-sectional and provides a static picture of e-business implementation.

Practical implications – The paper makes an analytical effort to point out areas that companies should emphasize to successfully implement e-business and, therefore, harvest its potential benefits. Certain practical implications are offered in the final part of the paper.

Originality/value – The paper proposes an enhanced conceptual framework that examines vital issues concerning the successful implementation of e-business, thus providing valuable outcomes for decision-makers and academics. Moreover, the results of the study may be generalized in other developed countries whose economy faces similar significant challenges as Greece (e.g. Spain, Italy, Portugal, Ireland, etc.).

Keywords E-business implementation, Organizational learning, Knowledge management, Empirical research, Structural equation modeling, Greece

Paper type Research paper

1. Introduction

The immense development of technology has brought dramatic changes to business structure. More specifically, the Internet has become an important alternative distribution channel for goods and services (Babbar et al., 2008; DeYoung et al., 2007;
Mainetti et al., 2012). E-business is defined as the procedure of conducting business through the use of the Internet and computerized technology (Dubelaar et al., 2005; Hertwig, 2012). It is an online activity that brings together employees, collaborators, suppliers and customers, whilst having the creation of value as its primary goal (DuPlessis and Boon, 2004; Lai et al., 2012). Moreover, e-business improves operation efficiency and increases the reach of organizations (Ash and Burn, 2003; Bordonaba-Juste et al., 2012a).

However, the establishment and the successful implementation of e-business is a really challenging matter. Thus, one has to take under serious consideration issues like strategy making and cooperating with partners that are involved in the e-business operation (Sauer and Willcocks, 2003; Lee et al., 2003). Moreover, security matters related to data access have to be taken care of, as data exchange among e-business partners has to be controlled (Davidson, 2001). Additionally, knowledge creation and customer satisfaction are important matters for an e-business implementation process (Huang et al., 2008; Lai et al., 2012; Yeh et al., 2012).

The present study investigates the role of certain “organizational capabilities” in the successful implementation of e-business. According to Lee et al. (2007), organizational capabilities are constituted by “organizational learning capabilities” and “knowledge management capabilities”. The first include “training availability”, “technical expertise” and “knowledge level”, while the latter include “knowledge accumulation”, “knowledge application” and “knowledge sharing”. Moreover, other significant organizational factors are incorporated in the research model of the study (firm size, chief executive officer [CEO]’s knowledge). Such a multidimensional approach has randomly been explored in the existing literature, thus, making such an examination a futile field of research.

The proposed conceptual framework (research model) was empirically tested with the use of a structured questionnaire. The structural equation modeling (SEM) technique was used for testing the hypotheses of the study, while various other techniques were utilized for the verification of the validity and the reliability of the questionnaire.

The proposed conceptual framework was tested on a sample of Greek companies from various economic sectors. The only criterion for participating in the empirical study was the online involvement of the sample company (use of e-business practices). Certain characteristics of the Greek economy make its investigation valuable for international readers:

- Greece is a country that has yet to reach its full potential considering the implementation of e-business practices (therefore, results could be generalized and could prove interesting for other countries with the same characteristics).
- Greece is a country in the European Union that faces serious fiscal and economic problems, similar to Ireland, Spain, Portugal and Italy (therefore, Greek companies are forced to use e-business as a tool for reducing costs).
- Not many studies adopting such a conceptual framework have been conducted in Greece, or other countries with similar characteristics (once again, the conclusions and practical implications of the study may be of value for companies of other economies).
Finally, as a further step, other similar studies may be conducted in European, or other, countries, so a comparison of the results may be possible.

2. Literature review
E-business competitiveness is closely related to managerial capabilities and decisions (Harbone and Johne, 2003). Hence, leadership has been introduced as an essential component of e-business successful implementation (Horner-Long and Schoenberg, 2002). Managers are obliged to act accurately, make strategic decisions and succeed in creating loyal customers (Aragon-Correa et al., 2007). Additionally, e-business managers have to be capable of acquiring information regarding market needs, analyze this information thoroughly and utilize it by producing innovative goods and services (Bordonaba-Juste et al., 2012b; Clark and Fincham, 2002; Whittle, 2006; Heusinkveld et al., 2009). Furthermore, the existence of ethical leadership, mostly known as e-ethical, becomes day by day a matter of great importance for successful e-business implementation (Flanes, 2001; Fernback, 1997; Pastoriza, 2008).

E-business collaboration and interaction with partners and other companies is a crucial factor determining successful implementation in the highly competitive market environment (Bhakoo and Chan, 2011; Lee et al., 2003; Wiengarten et al., 2012). Online collaboration among e-businesses is a major factor that helps companies respond quickly to customer needs and, thus, contribute to the offering of high-quality goods and services (Kervenoael et al., 2009; Harris, 2008).

Additionally, another important factor for successful e-business implementation is the characteristics and the behavior of its employees (Lai and Ong, 2010; Nelson, 1996). Therefore, an e-company needs to focus on employee training to properly value and enhance employee productivity and, thus, affect e-business productivity process and operation (Lee et al., 2007). According to Pfieffer (1994), Human Resources is the most important element of an effective e-business implementation.

According to Baker and Sinkula (2005), an e-business has to be market oriented to succeed in creating and maintaining a competitive advantage. Market orientation is indeed closely related to customers’ behavior (Kohli and Jaworski, 1990). Constant changes occurring in the overall social and financial sectors influence customer behavior significantly. A system that understands and predicts these changes is a successful component of e-business (Dennis et al., 2009; Dittmar and Drury, 2000; Kacen and Lee, 2002; Rook, 1987).

Additionally, security is being recognized as an important element for successful e-business implementation. The tremendous expansion of information sharing through electronic channels has made online customers very skeptical regarding security matters for their data privacy (Bhakoo and Chan, 2011; Davidson, 2001). Customers’ confidence when using online channels is a crucial factor that contributes to successful e-business implementation (Kervenoael et al., 2009). E-business continuity and readiness to provide services in a proper way, coming as a result of a well established organizational environment, assists in minimizing or avoiding operational faults (Avizienis et al., 2000).

Moreover, innovation has been introduced as an important element for the successful implementation of e-business and its competitive strength (Hamel, 2001; Christensen, 1997, Tseng et al., 2007; Bello et al., 2004). Particularly, innovation consists of the inventions an e-business can make, R&D and its ability to develop effectively the
productive procedure. E-business capability of inventiveness composes a basic and critical measure for its creative ability (Lai et al., 2012; Laitinen, 2002; Chang, 2001).

According to Hsu and Fang (2009), the basis for the creation of a competitive advantage for an e-business is closely related with intellectual capital. Intellectual capital includes all the characteristics that define the structure of an e-business, such as capabilities, working conditions, technology and processes. Intellectual capital, when related with organizational capabilities, contributes to the creation of a competitive advantage (Harris, 2008; Tsai et al., 2011).

A market-oriented e-business has to be innovative and constantly ready to breakthrough and deal with constant market challenges. Therefore, the implementation of e-business has to be supported by qualified technology experts. Thus, new technology is very important for enabling an e-business to achieve its goals (Onetti et al., 2012; Day, 1999; Lee and Kim, 2009). The introduction of new and advanced technology systems affects the evolution of the activities of an e-business, its internal structure and its information management process (Borges et al., 2009).

However, due to existing competition of online markets, an e-business is forced to be innovative and flexible in response to the continuously changeable and unstable electronic environment. Therefore, strategy making is observed as an important factor for success of an effective e-business operation (Onetti et al., 2012; Sauer and Willcocks, 2003; Yeh et al., 2012).

All the above described factors have been introduced by various scholars to predict successful e-business implementation. Despite that these studies are analytical and extensive, the current literature has failed to thoroughly examine organizational and knowledge management capabilities that have an effect on e-business implementation (Bordonaba-Juste et al., 2012a, 2012b; Huang et al., 2008; Lai and Ong, 2010; Lai et al., 2012; Lee and Kim, 2009; Wu et al., 2011). The present study focuses on these two dimensions, broadening the scope of the stream of research. Moreover, the present study incorporates other important organizational factors in its proposed conceptual framework (Wu et al., 2003; Jeon et al., 2006; Chang, 2009; Wu et al., 2011; Yeh et al., 2012).

E-business successful implementation is used as the dependent factor of the present study (Figure 1). The mainstream of recent research has also adopted such an approach (Bradford and Florin, 2003; Chong et al., 2009; Lee et al., 2007; Lin, 2008). Additionally, various other studies have examined factors such as “intention to use e-business” (Lai and Yang, 2009), “likelihood of e-business adoption” (Hertwig, 2012), “e-business diffusion” (Lin and Lin, 2008), “e-business satisfaction” (Lai et al., 2012), “organizational performance” (Wu et al., 2011), “collaboration with suppliers” (Andreu et al., 2010; Zhao et al., 2008) and “organizational change” (Bordonaba-Juste et al., 2012b).

The successful implementation of e-business has a significant impact on firm performance in terms of downstream markets (suppliers), internal operations (inter-organizational cooperation) and upstream procurement (customers) (Zhu, 2004). Hence, this factor has been chosen as the dependent factor of the present study. Moreover, the ambiguous measurement of various other performance measures, such as growth and customer satisfaction, underline the necessity to use a dependent factor that would be easy to measure, thus, avoid creating any confusion among the participants of the study.
3. Conceptual framework

The research model (conceptual framework) of the present study is based on organizational capabilities theory (incorporating the dimensions of organizational learning capabilities and knowledge management capabilities) and organizational readiness (incorporating factors such as firm size and CEOs knowledge). The proposed conceptual framework is based on the studies of Lee et al. (2007), Huang et al., 2008; Wu et al. (2003), Jeon et al. (2006), and Chang (2009).

The model that was created examines eight independent factors that are classified in three main categories (or dimensions):

1. organizational learning capabilities;
2. knowledge management capabilities; and
3. organizational readiness.

These eight factors are:

1. training availability;
2. technical expertise;
3. knowledge level;
4. knowledge accumulation;
5. knowledge application;
6. knowledge sharing;
7. firm size; and
8. CEO’s knowledge.

3.1 Organizational learning capabilities

Organizational learning is defined as the process by which an organization gains new knowledge about its environment, goals and processes (Schulz, 2006). According to
Harris (2008), organizational learning leads to the better implementation of e-business operations, achieved through the optimum use of knowledge. The ability of an e-company to be flexible and correspond to the continuously changing electronic environment depends largely on organizational learning. Argyris and Schoen (1996), Huber (1991) and Zahay and Handfield (2004) underline the existence of a positive relationship between organizational learning and successful e-business implication. More specifically, organizational learning contributes to the employees' productivity and the development of the necessary capabilities for success in the new electronic trading environment (Cegarra-Navarro et al., 2007).

Moreover, technology is a crucial factor contributing to organizational learning, as the development of online communication channels is of great assistance to e-businesses operations (Harris, 2008). Additionally, intellectual capital is highly correlated with organizational learning (Lynn, 1999). According to Bozbura (2004) and Johnson (1999), intellectual capital consists of three dimensions related to human, structural and relational capital, which are closely related to each other.

3.1.1 Training availability and e-business implementation. Training is suggested to be a crucial organizational learning factor that has an influence on e-business structural integration and efficacy (Gerwin and Kolodny, 1992). As suggested by Glass (1998), people nowadays cannot solely rely on their existing educational level. The continuous and rapid development of the Internet, and technology in general, forces employees to be constantly educated and acquire new knowledge related to their operational tasks (Park and Wentling, 2007). Therefore, the more training employees get, the more successfully e-business is utilized.

According to various authors, training programs should include members of all organizational levels (Zhao et al., 2008). Moreover, e-business vendors should be encouraged to assist their employees in using e-business technologies, creating a stronger link between cooperating companies (Hertwig, 2012; Lai et al., 2012; Lin and Lin, 2008). Training availability should be easily accessible and clearly structured, so that employees are aware of what they need to learn (Harris, 2008).

Furthermore, training should be organized and provided centrally by the Human Resource department (if any) and aim at increasing employee familiarity with new technologies. Such training and education does not necessarily need to be formal, but may be undertaken in numerous forms (e.g. workshops, seminars, meetings, etc.) (Lai and Ong, 2010). More specifically, training should include the enhancement of skills that are necessary to interact with the e-business environment. These skills include the use of the available hardware and software of the organization (e.g. Internet, information systems, e-mails, etc.) (Lin, 2008; Zhao et al., 2008):

H1. Training availability leads to successful e-business implementation.

3.1.2 Technical expertise and e-business implementation. Technical expertise within an e-business environment is defined as the degree of technical capabilities that are possessed by specialized employees. Thus, the contribution of this factor to e-business successful implementation is of great importance (Melville et al., 2004). Nowadays, an increasing number of e-businesses employ experts and make research investments to collect and interpret information related to customers’ needs and behavior (Helms et al., 2008). This practice enables an e-business to become more flexible and interact effectively with its clients (Helms et al., 2008). Specifically, technology development
within an e-business has a great effect on organizational learning and contributes to its process and innovation (Lee et al., 2000):

\[ H2. \] Technical expertise leads to successful e-business implementation.

3.1.3 Knowledge level and e-business implementation. In the present study, knowledge level is defined as the sum of the technical and procedural e-capabilities that are inherent within an organization (DuPlessis and Boon, 2004; Lin and Lin, 2008). These integrated capabilities include Internet and communication skills, e-business diffusion skills, e-business know-how, collaboration with other e-business entities (suppliers and/or customers), etc.

Hence, knowledge level is closely related with the degree of employees’ familiarity with e-business technology (Lee et al., 2007). Moreover, their ability to comprehend and be involved with innovated Internet technologies is closely related to surpassing geographical boundaries and cooperating in a global environment (Lee and Kim, 2009). Furthermore, the attitude toward computers and Internet technology reflects the employees’ ability to further develop the results of their work (Ash and Burn, 2003). This ability has a simultaneous effect on learning procedure (Horton et al., 2001). Gibbs and Kraemer (2004) suggest that the know-how of an organization provides the ability to implement e-business successfully. Finally, familiarity with the Internet technology is a significant factor for coordination amongst e-companies (Lee and Kim, 2009):

\[ H3. \] Knowledge level leads to successful e-business implementation.

3.2 Knowledge management capabilities

According to Davenport and Prusak (1998) and Schreiber et al. (1999), knowledge is a crucial organizational factor that has to be managed on a continuous basis. Knowledge management is an important factor for the creation of a competitive advantage, which is the desirable outcome of a successful e-company (DeLong and Fahey, 2000). Knowledge management is defined as the ability to collect, use and share information and is closely related to the profitability of an e-business (Xu and Ma, 2008). According to Harris (2008), interaction and knowledge sharing among e-business partners is an element that promotes their mutual experiential learning process and, thus, is a very important asset for every company.

3.2.1 Knowledge accumulation and e-business implementation. Knowledge accumulation is recognized as the collection and the distribution of existing knowledge to the organizational context (Armbrecht et al., 2001). The ability of an e-business to accumulate, preserve and continually develop knowledge contributes to the successful implementation of electronic systems (Xu and Ma, 2008). According to Dubelaar et al. (2005), the accumulated knowledge has to be valuable and relevant to e-business operations to have a positive impact on the organization. Moreover, knowledge acquisition is claimed to produce intelligence and innovation and, thus, positively affects the trading success of e-businesses (Cegarra-Navarro et al., 2007):

\[ H4. \] Knowledge accumulation leads to successful e-business implementation.

3.2.2 Knowledge application and e-business implementation. Argote et al. (2003) define knowledge application as the procedure through which accumulated knowledge is effectively utilized within the context of an organization. When it comes to the successful operation of an organization, knowledge application seems to be a factor with
even greater importance than knowledge creation (Grant, 1996). According to Lee et al. (2007), an organization that enhances organizational knowledge application is more likely to implement e-business successfully:

**H5.** Knowledge application leads to successful e-business implementation.

### 3.2.3 Knowledge sharing and e-business implementation.

Knowledge sharing can be defined as the collaboration among e-business units and entities in a manner that enhances productivity and profitability (DuPlessis and Boon, 2004). Knowledge sharing increases the company’s agility and contributes to its adjustment to the changeable online trading environment (Harris, 2008; DuPlessis and Boon, 2004). According to Lee et al. (2003), knowledge sharing is the vehicle through which organizations learn to abandon the traditional, old-fashioned philosophies and make drastic changes in their structure. Information has to be constantly available to all e-business entities so as to serve organizational needs and, thus, contribute to successful and profitable e-business implementation (Rajagopal, 2002):

**H6.** Knowledge sharing leads to successful e-business implementation.

### 3.3 Organizational readiness

According to Kwon and Zmud (1987), the implementation of an Information System (IS) can only be successful when sufficient resources exist and are managed wisely. These resources include sufficient numbers of employees, sufficient funding, sufficient technical skills, etc. Chang (2009) defines organizational readiness as the availability of financial and human resources. According to Molla and Licker (2005), such availability leads to successful e-business adoption. Based on these findings, the elements of organizational readiness that will be adopted by the current research are firm size and CEO’s knowledge.

#### 3.3.1 Firm size.

Firm size has been suggested as a factor that has a significant impact on the implementation of e-business practices. Densmore (1998) reports various reasons that explain the superiority of larger firms in the e-business implementation process:

- they have more resources;
- they can easily achieve economies of scale and scope;
- they can accept and bear the risk of a possible failure; and
- they have a greater bargaining power.

Thus, it is hypothesized:

**H7.** Larger firm size leads to successful e-business implementation.

#### 3.3.2 CEO’s knowledge.

According to Harrison et al. (1997), CEO characteristics are significant drivers of a successful e-business implementation process. Jeon et al. (2006) used two sub-factors to examine CEO characteristics that might have an influence on e-business implementation, CEO’s knowledge of IT and CEO’s attitudes toward innovation. They concluded that CEO characteristics do, indeed, have an influence on the implementation of e-business:

**H8.** Advanced CEO IT skills lead to successful e-business implementation.
4. Research methodology

4.1 Sample of the study

The proposed conceptual framework of the study was tested with the use of a newly developed questionnaire on a sample of Greek companies that have online involvement. The companies were selected randomly from a directory provided by the Greek Chamber of Commerce. The questionnaire was sent to the IS managers of these companies because of their relation to the subject and their extensive knowledge of e-business processes. Moreover, the selection of IS executives as key respondents ensured the validity of the results.

The questionnaire was sent by e-mail to a sample of 820 organizations. A reminder was sent two weeks later to those that failed to reply in the first place. The initial e-mail included an extensive cover letter explaining the objectives of the study and certifying data confidentiality. The final sample consisted of 213 companies (response rate of 26 per cent). The companies of the final sample operated in various industries. This differential helped avoid single-respondent bias.

The majority (27.3 per cent) of the companies of the sample belong to the “Electronics” industry (sector), while 16.5 per cent belong to the “Informatics” and 14.9 per cent to the “Food” industry. Moreover, 23.1 per cent of the companies employ fewer than 100 employees, 37.8 per cent of the companies of the sample employ 101-250 employees, while 39.1 per cent employ more than 250 employees. Accordingly, the results indicate that the annual sales of 32.6 per cent of the companies of the sample are between €10,000,000 and 50,000,000, while the second larger category (29.2 per cent) includes companies with annual sales between €1,000,000 and 10,000,000.

4.2 Measures

The questionnaire was based on items (questions) that have been used by various previous researchers (Bradford and Florin, 2003; Gold et al., 2001; Bozbura, 2004; Jeon et al., 2006; Lee et al., 2000; Lee et al., 2007). All questions were translated to Greek and then back to English by another person, so the detection and consequent improvement of any discrepancies was possible. A 5-point Likert scale was used for the measurement of all factors (1 = “strongly disagree” to 5 = “strongly agree”), except for the factor “firm size”, that was measured with the use of two questions (number of employees and turnover for the last fiscal year). Table I demonstrates the factors of the study, the number of items used and the studies from which they were adapted.

The measurement of the only dependent factor of the present study (e-business successful implementation) included three dimensions:

1. impact on trading;
2. impact on internal efficacy; and
3. impact on coordination (Lee et al., 2007).

Three items were used of the measurement of each of these three dimensions.
4.3 Reliability and validity
The measurement instrument that was utilized in the present study was tested for both its content and construct validity. The test for the content validity included:

- consultation with academics in the field;
- consultation with experienced practitioners; and
- pilot testing of the questionnaire.

The control for the construct validity was conducted in two steps. Each of the seven research factors was evaluated for its unidimensionality and reliability and for the goodness of fit to the proposed research model.

The examination of the unidimensionality of each of the research factors was conducted using explanatory factor analysis with the method of principal component analysis. Moreover, for the estimation of the reliability of these factors, the statistical measure “Cronbach alpha” was used. All tests concluded that the scales used were valid and reliable (see Table II below for the main results). For the appropriate statistical analysis, the following measures were examined (Hair et al., 1995):

- For determining the appropriateness of the factor analysis, the following measures were examined: “Bartlett’s test of Sphericity” (it should be statistically significant at the 0.05 level) and the statistical “Kaiser–Meyer–Olkin” test (values over 0.8 were satisfactory, while values over 0.6 were acceptable).
- For determining the number of the extracted factors, the criterion of “eigenvalue” was used. Factors whose “eigenvalue” was over one were selected.
- For testing the significance of the items, their factor loadings were examined. For a sample size of more than 150 observations, a loading over 0.45 was considered significant.
- For testing the reliability of the factors, the “Cronbach alpha” measure was used. Values greater than 0.7 were considered to be valid.

Furthermore, the evaluation of the goodness of fit of each of the research factors to the proposed model was conducted using confirmatory factor analysis (CFA). All tests conducted produced satisfactory results (see Table III above for the main results). More specifically, the following measures were examined (Schumacker and Lomax, 2010):

### Table I.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Items</th>
<th>Adapted from</th>
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<tbody>
<tr>
<td>Technical expertise</td>
<td>3</td>
<td>McGowan and Madey (1998)</td>
</tr>
<tr>
<td>Knowledge level</td>
<td>3</td>
<td>Thong (1999)</td>
</tr>
<tr>
<td>Knowledge accumulation</td>
<td>4</td>
<td>Gold et al. (2001)</td>
</tr>
<tr>
<td>Knowledge application</td>
<td>5</td>
<td>Gold et al. (2001); Bozbura (2004)</td>
</tr>
<tr>
<td>Knowledge sharing</td>
<td>4</td>
<td>Gold et al. (2001); Lee et al. (2000)</td>
</tr>
<tr>
<td>Firm size</td>
<td>2</td>
<td>Steinfeld et al. (2002)</td>
</tr>
<tr>
<td>CEO’s knowledge</td>
<td>3</td>
<td>Jeon et al. (2006)</td>
</tr>
<tr>
<td>Successful E-business implementation</td>
<td>9</td>
<td>Lee et al. (2007)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>36</td>
<td></td>
</tr>
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Factors affecting e-business successful implementation

<table>
<thead>
<tr>
<th>Factors affecting e-business successful implementation</th>
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<tbody>
<tr>
<td>Training availability</td>
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<tr>
<td>Technical expertise</td>
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<tr>
<td>Knowledge level</td>
</tr>
<tr>
<td>Knowledge accumulation</td>
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<tr>
<td>Knowledge application</td>
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<tr>
<td>Knowledge sharing</td>
</tr>
<tr>
<td>Firm size</td>
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<tr>
<td>CEO’s knowledge</td>
</tr>
<tr>
<td>Successful E-business implementation</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

The measurement of the factors of the study
It should be statistically insignificant ($p < 0.05$) and exceed the value of df (degrees of freedom).

**Normed $\chi^2$:** Values between 1 and 3 were desirable, while values between 1 and 5 were acceptable;

**Construct reliability (CR):** It should exceed the value of 0.7;

**Variance extracted (VE):** It should exceed 50 per cent;

**Root mean square error of approximation (RMSEA):** It should be less than 0.1; and

**Comparative fit index (CFI)/goodness of fit index (GFI):** These should be more than 0.9.

Moreover, second-order CFA was conducted for the three dimensions (impact on trading, impact on internal efficiency and impact on coordination) measuring the only dependent factor of the present study (e-business successful implementation). All statistical measures extracted from this analysis were within satisfactory levels.
5. Results
The examination of the Conceptual Framework was conducted with the use of the “SEM Technique” (Hair et al., 1995; Kelloway, 1998). For conducting the appropriate analysis, the statistical package LISREL 8.74 was used.

The estimation of the structural model was conducted with the maximum likelihood estimation method, which is the most widespread method of estimation (Kelloway, 1998). The covariance matrix was used as the table of entry, and the extraction of the standardized completely solution was requested.

To evaluate the fit of the overall model, \( \chi^2 = 78.11 \) with 16 df and \( p = 0.0412 \) were estimated. These values indicate a satisfactory fit of the data to the overall model. However, the sensitivity of the \( \chi^2 \) statistic to the sample size enforces the control of other supplementary measures of evaluating the overall model, such as the “Normed-\( \chi^2 \)” index (4.88), the RSMEA index (0.088), the CFI (0.96) and the GFI (0.95), that all indicate a very good fit. For the control of the measurement model, the significance of the factor loadings, the CR and the VE were estimated. Results indicated that all loadings are significant at the \( p < 0.05 \) level. Additionally, the CR and the VE measures for all constructs were satisfactory.

Table IV illustrates all relations between research factors, as they have been determined by the hypotheses of the study. A hypothesis is accepted when it has a \( t \)-value less than \(-1.96\) or larger than \(+1.96\). Finally, the correlation coefficient (effect) takes values between \(-1\) and 1, with 1 or \(-1\) indicating perfect (positive or negative) correlation. A correlation value close to 0 indicates no association between the research factors. In the present study, the correlation coefficients of the significant paths are quite satisfactory.

In summary, four hypotheses were supported by the empirical data, while four hypotheses were rejected. It seems that the most important factors that have an impact on the successfulness of e-business implementation are “knowledge level” (impact = 0.86), “firm size” (0.65), “training availability” (0.55), and “knowledge sharing” (0.34) (Figure 2). On the other hand, despite the theoretical support, “technical expertise”,

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Path</th>
<th>Effect</th>
<th>t-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Training availability ( \rightarrow ) e-business successful implementation</td>
<td>0.55</td>
<td>5.96</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2</td>
<td>Technical expertise ( \rightarrow ) e-business successful implementation</td>
<td>0.10</td>
<td>0.80</td>
<td>Rejected</td>
</tr>
<tr>
<td>H3</td>
<td>Knowledge level ( \rightarrow ) e-business successful implementation</td>
<td>0.86</td>
<td>10.85</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4</td>
<td>Knowledge accumulation ( \rightarrow ) e-business successful implementation</td>
<td>0.27</td>
<td>1.56</td>
<td>Rejected</td>
</tr>
<tr>
<td>H5</td>
<td>Knowledge application ( \rightarrow ) e-business successful implementation</td>
<td>0.24</td>
<td>1.34</td>
<td>Rejected</td>
</tr>
<tr>
<td>H6</td>
<td>Knowledge sharing ( \rightarrow ) e-business successful implementation</td>
<td>0.34</td>
<td>3.24</td>
<td>Accepted</td>
</tr>
<tr>
<td>H7</td>
<td>Firm size ( \rightarrow ) e-business successful implementation</td>
<td>0.65</td>
<td>2.65</td>
<td>Accepted</td>
</tr>
<tr>
<td>H8</td>
<td>CEOs' knowledge ( \rightarrow ) e-business successful implementation</td>
<td>0.24</td>
<td>0.99</td>
<td>Rejected</td>
</tr>
</tbody>
</table>

Table IV. Hypotheses testing
“knowledge accumulation”, “knowledge application” and “CEO’s knowledge” were not found to be statistically related with successful e-business implementation.

6. Conclusions
The present study developed a model that examines the organizational capabilities that contribute to the successful implementation of e-business. The research model was based on the synthesis of previous studies, and the results of the statistical analysis revealed that “knowledge level”, “training availability” and “knowledge sharing” are the most significant factors for successful e-business implementation. Moreover, the role of “firm size” was underlined by the empirical data. This finding technically means that as the number of employees’ increase, the company has the ability to better adopt innovative technologies, such as e-business. From a managerial standpoint, this suggests that managers should support their efforts for growth and profit maximization along with e-business adoption and implementation.

The study investigated organizational capabilities using two dimensions (“organizational learning capabilities” and “knowledge management capabilities”), measured by three sub-factors each. The empirical analysis revealed that between these two dimensions, “organizational learning capabilities” seemed to be the most important for e-business implementing companies. More specifically, “knowledge level” and “training availability” were found to have a statistically significant impact on successful e-business implementation, while “technical expertise” failed to do so.

Therefore, it can be concluded that an organization that provides its employees with training has increased possibilities to accomplish a successful implementation of e-business processes. Moreover, an organization with knowledgeable employees that are familiar with the technology that supports e-business is more likely to compete successfully in an online environment. These findings are in line with previous studies, suggesting that employees have to be constantly trained to acquire knowledge and, therefore, be capable of successfully accomplishing their duties and contributing to e-business performance (Gibbs and Kraemer, 2004; Lee et al., 2007; Park and Wentling, 2007). Consequently, an adequate degree of training availability and e-business knowledge levels are absolutely necessary for successful e-business implementation and performance.
On the other hand, results regarding the dimension of “knowledge management capabilities” revealed that only “knowledge sharing” has a statistically significant impact on successful e-business implementation, while “knowledge accumulation” and “knowledge application” do not. “Knowledge sharing” enables an e-business to succeed in managing internal and external organizational procedures and, hence, has a positive impact on the development of new effective solutions of e-business practices. Therefore, “knowledge sharing” is a significant capability that can help employees utilize knowledge effectively, organize knowledge and improve interactions and supply chain relationships among trading partners. Using “knowledge sharing” as a vehicle of transformation, organizations should reform their structure, so as to allow information to be disseminated freely among different departments and business partners.

6.1 Discussion
The results of the present study indicate that an e-business has to be capable of functioning within and beyond its organizational framework and not solely focusing on technological considerations. Toward that direction, factors of organizational learning (training availability and knowledge level) and knowledge management (knowledge sharing) should be of great importance regarding the successful implementation of e-business principles.

Hence, managers should bear in mind that focusing on technology is not the only critical success factor for e-business implementation. The empirical results indicate that the human factor (human capital) has a central role in successfully transforming every company into a modern digital organization. After all, the technology may be there, but employees of all organizational levels are the ones responsible for exploiting its advantages and developing a competitive advantage.

Therefore, managers should fully understand that a successful e-company is, first of all, a learning organization. Employees in such an organization should be trained on a continuous basis, so they can acquire additional knowledge and technical skills. Employee development should not only be pursued with traditional forms (e.g. seminars), but should also take other forms that significantly improve organizational cooperation and enhance organizational knowledge (e.g. workshops, meetings, focus groups, etc.). Such an approach would improve both technical skills and cooperation between employees, as the present study indicated that both are needed for successful e-business implementation.

Additionally, empirical results highlight the significance of knowledge sharing in the e-business implementation process. Such a finding indicates that managing intellectual and social organizational capital is crucial in meeting the objectives and requirements of e-business. Managers should build a coherent knowledge management infrastructure, so as to improve office efficiency (internal cooperation and knowledge sharing) and enhance the coordination with business partners (external cooperation and knowledge sharing).

More specifically, managers should implement incentive systems based on the sharing of organizational knowledge and make sure that all internal knowledge sharing barriers have been removed. If applied successfully, employees will feel comfortable to discuss and share their personal and organizational knowledge with their peers, hence, improving e-business implementation. Moreover, managers should establish long-term relationships with existing external partners to ensure that the sharing of knowledge
and information is constant. Furthermore, new external partners should be selected on the basis of their intention and capability to cooperate within a knowledge sharing environment. All the above will, eventually, reform the traditional business structure, creating an open system that collectively collects and manages knowledge.

Considering the critical factors for successful e-business implementation emphasized in the present study, the following suggestions are made:

1. Organizational learning:
   - Organizations should view employee training as an investment, not as an expense; and
   - Organizations should provide extensive training related to e-business practices.

Continuous training will improve the level of technical and managerial expertise, empowering employees to interact successfully within the e-business environment. Only by constantly updating the existing pool of employee knowledge will the company be able to maintain a personnel that is dedicated to providing added value e-business services (internally and externally).

2. Knowledge management:
   - Organizations should have a standardized reward system for sharing knowledge; and
   - Organizations should design processes to facilitate knowledge sharing across functional boundaries and among business partners.

First, sharing of internal and external knowledge will improve the capability of an organization to adjust itself to the rapidly changing needs of the external environment. Second, knowledge sharing will improve the decision-making process, as decisions will be based on enhanced knowledge (valuable, updated, constantly available). Because knowledge is a vital part of e-business activities (it is the main data input), the better the quality of the information, the better the performance of the system.

6.2 Limitations and future research

A first limitation is the use of self-reported scales to measure the constructs of the proposed conceptual framework. Self-reported answers may be exaggerated or respondents may be too embarrassed (or skeptical) to reveal certain information and may also forget pertinent details. Despite these disadvantages, the use of self-reported scales has been strongly defended by the literature, as it is the only available method for certain categories of research (John and Robins, 1994; McDonald, 2008; Paulhus and Vazire, 2007).

Moreover, the present study provides a static picture of e-business implementation in Greece, lacking a longitudinal and international approach. It would be interesting to examine the proposed conceptual framework in different time periods and countries so as to further validate its findings. The comparison between various European countries would be an interesting direction for future research, as such an approach would be able to detect differences between countries with different economic realities and cultures (e.g. countries of the North vs countries of the South). Finally, a future study might include more organizational factors in its research model, as the present study only examined learning capacity and knowledge capability factors.
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