Chapter 6
What Drives Malaysian E-Government Adoption? An Empirical Analysis

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ABSTRACT
In this paper, the author investigates the factors that affect the adoption of e-government in Malaysia. Variables like perceived usefulness, perceived ease of use, compatibility, trust and demographic profiles of users are included in this research. Data was collected from 418 respondents, and multiple regression analysis is employed to test the research model. The results show that perceived usefulness, perceived ease of use, compatibility, trust and age have significant relationships with e-government adoption. The results from this study are useful for Malaysian government in formulating appropriate strategies to improve the adoption of e-government applications in Malaysia.

1.0 INTRODUCTION
The growth of internet has transformed businesses and industries. Many businesses today have incorporated e-business as part of their business models and strategies. The transformation in the business models is not only in the private sector, but also in the public sector. Increasingly, government are beginning to make use of the internet to interact with its citizens. The application of internet in government operations is known as e-government (Lean et al., 2009). E-government can be in the form of digital interactions between government and its citizen, government to businesses, and between government agencies.

Like many developing countries, the Malaysian government has been investing in e-government (Lean et al., 2009). One reason why the government invested in e-government is to increase the transparency in its administrative procedures and decision makings, as well as being able to deliver its services to its citizens and businesses efficiently.

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(Arduini et al., 2010). Although Malaysia is still a developing country, it has placed a lot of emphasis on the developments of information technologies (Chong & Ooi, 2008). One of the key aims of the Malaysian government is to achieve developed nation status by the year 2020, and information technologies and multimedia are part of the nation’s strategy to achieve the plan. In order to realize the aim, the Malaysian government has driven the information technologies sector by implementing the Multimedia Super Corridor (MSC) initiative. The idea of the MSC is similar to the Silicon Valley in the United States, whereby the Malaysia government has designated areas that focused on the development of information technologies. There are several “flagship applications” that are part of the overall MSC strategic plans. One of the flagship applications is e-government. The e-government initiative was started by the Malaysian government in 2004 (Lean et al., 2009). Some of the Malaysian e-government applications include allowing users to submit their taxes online, checking and paying their traffic offenses fines, and paying electricity and water bills. Although e-government applications from the Malaysian government have started in 2004, its adoption by the Malaysian citizens remains low (Lean et al., 2009). Malaysia’s e-government adoptions remained behind countries such as Singapore, Taiwan, and Hong Kong (Lean et al., 2009).

Like many developing countries, Malaysia is a country that is in transitions from being a developing nation to a developed nation. However, in order to achieve efficiencies in the government, one way to do so is through e-government. The information technologies infrastructure in Malaysia is well developed, and many of its citizens have access to the Internet and many are even using mobile devices to access the internet (Wei et al., 2009). Although existing literature have being conducted to study on the adoptions of e-government (Arduini et al., 2010; Bélanger & Carter, 2008; Gilbert et al., 2004), most of these studies have been conducted in western countries or in developed nations. There has been few studies which have focused on fast growing, developing nations such as Malaysia. In order to bridge the gap in existing research in e-government studies, this research aims to investigate the factors that affect the adoptions of e-government in Malaysia.

2.0 LITERATURE REVIEW

2.1 E-Government

Although e-government is no longer a new concept, and governments in many parts of the world are using the internet to provide services to its citizens, there is still no universally accepted definition of e-government (Yildiz, 2007). According to the United Nations and American Society for Public Administration (2002), e-government is the usage of the internet and the World Wide Web to deliver government information and services to its citizens. Yildiz (2007) further stated that other than the internet, other technologies that can use to support the delivery of e-government including databases, networking, multimedia, personal identification technologies, etc. Fang (2002) stated that e-government include government activities such as acquiring and providing products and services, placing and receiving orders, providing and obtaining information, and financial transactions that are conducted over electronic communications.

Although the definitions of e-government extend beyond the use of internet technologies, Criado and Ramilo (2003) in their study on e-government practices in Spain, specifically narrowed down their study of e-government to government websites. E-government is defined by Layne and Lee (2001) as the government’s use of web-based internet technology to provide
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