The Effect of Perceived Barriers on the Implementation of E-Procurement System in developing countries

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Abstract:

Today’s fast-paced world is moving towards automating and using information technology in every process of the firm, specially, critical processes. The electronic procurement (E-procurement) system is that online system that companies use to buy products and/or services directly from suppliers at the lowest cost possible (Davila et al, 2003; Otieno et al, 2013). E-procurement simply reflects the migration of procurement functions to the Internet (Panda & Sahu, 2012). Although procuring electronically is not a relatively new concept and its application is relatively high in European and American developed countries, its application on the contrary, is very low in developed and underdeveloped countries even in their large and multinational companies (Kunnapapdeelert & Thepmongkorn, 2017). The evolution of this topic had been so fast throughout the past 20 years. The e-procurement system moved from being perceived as secondary to necessity along with the world development and the pursuit to sustain competitiveness (Davila et al, 2003; Hawking et al, 2004; Parida et al, 2006; Gunasekaran et al, 2009; Shukla et al, 2011; Panda & Sahu, 2012; Eei et al, 2012; Munubi et al, 2017). The reason behind this focus of research is the remarkable potential savings that the electronic procurement tool proved to achieve in so many organizations (Schoenherr & Tummala, 2007). Yet, many organizations have not been able to effectively implement the needed developments in technology to enable the successful adoption of e-procurement system (Muhia et al, 2015). And this is due to so many factors on which the e-procurement adoption is influenced (Parida et al, 2006; Harrigan et al, 2008; Gunasekaran et al, 2009; Otieno et al, 2013; Ali & Alrayes, 2014; Shukla et al, 2016; Gascó et al, 2018). The main objective of this research is to highlight the importance of the e-procurement system in today’s business, to add value to the academic view...
of the topic and to examine the factors hindering the adoption of such technological system, especially in developing countries.