Critical Factors in the Adoption and Diffusion of E-government Initiatives in Oman

Hafedh AlShihi

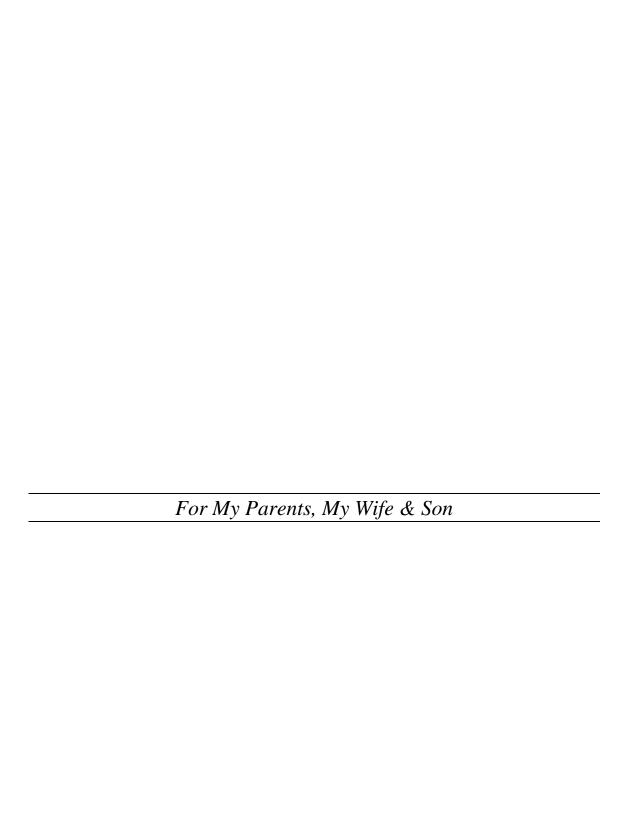
This thesis is submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

School of Information Systems

Faculty of Business and Law

Victoria University

March 2006



Declaration

"I, Hafedh AlShihi, declare that the PhD thesis entitled *Critical Factors in the Adoption and Diffusion of E-government Initiatives in Oman* is no more than 100,000 words length, exclusive of tables, figures, appendices, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other degree or diploma. Except where otherwise indicated, this thesis is my own work".

Acknowledgments

After sincerely thanking Allah for all blessings and bounties, I would like to thank many people for their contribution, assistance, support and guidance.

First of all, I would like to thank my parents for their daily prayers and enormous efforts to make me who I am. Foremost I would like to thank my wife and son who accompanied me along the joyful journey of knowledge, and who marvellously created the right atmosphere for me to bring this research to fruition. I am also grateful to my home country (Oman) that continuously offers its people free education from first grade, and to my employer (Sultan Qaboos University) for sponsoring my postgraduate education (Masters and PhD).

Special thanks to my supervisors for their continued encouragement, support and valuable advice: first, my principal supervisor Professor Michael McGrath, who showed me the way and taught me everything I need to become an accomplished researcher; and Associate Professor Arthur Tatnall, who acted as my principal supervisor for a semester and guided me on how to go about making my research public. I would also like to express my deep gratitude to Dr Stephen Burgess for being there whenever university or administrative matters have arisen. To all other staff of Victoria University in general and the School of Information Systems in particular who work behind the scenes to ensure research students get all academic resources and help they need, I say thank you and God bless you all.

Finally, I truly appreciate and wish to acknowledge the professional editing assistance of Ms Sam Oliphant from The Second Office, and Ms Michele Waddington from m2w2.

Abstract

Many significant barriers must be faced in the adoption and dissemination of e-government systems regardless of how advanced or modest a country is in terms of ICT infrastructure and deployment. This research has endeavored to investigate the impediments associated with the development and diffusion of e-government with a concentration on non-technical and country-specific factors. The focus of the research was on Oman's efforts to develop an e-government system, using advanced nations' experiences in the same domain to establish benchmarks.

Initially, this research undertook a general literature review to define the barriers to the uptake of e-government and to set and refine aims, scope and questions asked of the research. Subsequently, a more focused literature review was conducted on the experiences of advanced nation with e-government, to identify possible lessons for and solutions to barriers facing the take-up of e-government. In parallel, an exploratory case study of the Oman e-government project was conducted that aimed to test the extent to which the barriers and solutions drawn from the largely Western-centric literature apply in the Omani situation, and to investigate other possible cultural and country-specific barriers. Semi-structured interviews and face-to-face administered questionnaires were the primary data collection strategies used throughout the case study phase.

The study found that non-technical barriers in Oman, such as users' lack of IT knowledge and the absence of marketing campaigns, have negatively affected people's decisions to use the technology and inhibited decision makers from implementing or adopting technology initiatives. In addition, several country-specific limits to egovernment growth were identified. Government decision makers in Oman were found to be prone to short-term planning, which prevents them from anticipating the long-term potential of e-government. Additionally, frequent structural changes within ministries, and the fact that the e-government project is not given high priority nor urgently needed at present, have contributed in delaying development of and improvements to such a system. Ultimately, this research delivered a socio-technical framework for adoption, detailing causes and effects of the critical factors in the adoption and diffusion of e-government initiatives in Oman.

Publications Arising From Thesis

- AlShihi, Hafedh (2005). Barriers to the Uptake of E-government: Literature Review. In Proceedings of the 1st VUT Business Research Conference. Victoria University, Melbourne, Australia ISBN 1-86272-663-9
- AlShihi, Hafedh (2005). E-government Development and Adoption Dilemma: Oman Case Study. In *Proceedings of the 6th International We-B (Working for e-Business) Conference*. Victoria University, Melbourne, Australia ISBN 1-86272-658-2
- AlShihi, Hafedh and McGrath, G. Michael (2004). The Oman E-Government Project:

 Technology Adoption and Diffusion. In *Proceedings of the 18th Annual Conference of the Australian and New Zealand Academy of Management.* (Ed.)

 Graham Elkin. University of Otago, Dunedin, New Zealand. 1-16

 ISBN 0-476-01131-0

Table of Contents

Declaration		iii
Ac	iv	
At	V	
Pu	vi	
Ta	vii	
	st of Appendices	X
	st of Figures	xi
	st of Tables	xii
Αt	bbreviations	xiii
1.	Introduction	1
	1.1. Research Aims and Significance	3
	1.2. Research Contribution to Knowledge	5
	1.3. Research Outcomes	6
	1.4. Thesis Outline	6
2.	Fundamentals of E-government	8
	2.1. Definition and Scope	9
	2.2. Applications	11
	2.2.1. Government-to-Citizen (G2C)	11
	2.2.2. Government-to-Business (G2B)	12
	2.2.3. Government-to-Government (G2G)	13
	2.2.4. Government-to-Employee (G2E)	13
	2.3. Advantages of E-government	15
	2.4. Critical Issues in E-government	16
	2.4.1. E-government Design and Development	16
	2.4.2. Targeted Users	18
	2.4.3. Culture	20
	2.4.4. Infrastructure	21
	2.4.5. E-readiness	22
	2.5. Worldwide E-government Experiences	23
	2.5.1. Experiences with E-government	23
	2.5.2. E-government Experiences in the Arab World	30
2	2.6. Summary	34
3.	8	36
	3.1. Overview	36
	3.2. Research Questions	39
	3.3. Data Collection Strategies	40
	3.3.1. Literature Review	42 42
	3.3.2. Case Study 3.3.2.1. Sampling	42
	3.3.2.2. Interviews	45
	3.3.2.3. Questionnaires	40
	3.4. Data Analysis Strategies	47
	3.4.1. Quantitative Analysis	50
	3.1.1. Qualitudi ve Miaiysis	30

	3.4.1.1. Defining Variables 3.4.1.2. Statistical Analysis 3.4.2. Qualitative Analysis 3.5. Internal and External Validity 3.6. Summary	50 56 59 60 63
4.	Uptake of E-government: Barriers and Lessons	64
	 4.1. Introduction 4.2. Technical Barriers 4.2.1. Infrastructure 4.2.2. System Development Methods 4.3. Non-technical Barriers 4.3.1. Culture 4.3.2. Politics 4.3.3. Leadership Support 4.3.4. Security and Legislation 4.3.5. Demographics 4.3.6. User Trust 4.3.7. User Needs and Expectations 4.3.8. Resistance to Change 4.4. Proposed Solutions 4.4.1. Solutions to Planning and Control 4.4.2. Solutions to Design and Development 	65 66 66 67 68 69 70 71 71 72 73 74 75 76 77
	4.4.3. Solutions to Trust and Adoption4.5. Lessons Learned from Advanced Nations4.6. Summary	80 82 95
5.	Oman Case Study: Background	97
	 5.1. Overview of Oman 5.1.1. Geography and Regions 5.1.2. Population and Demographics 5.1.3. Political System 5.1.4. Economy 5.2. ICT Sector in Oman 5.2.1. Overview 5.2.2. ICT Vision and Strategy 5.2.3. Infrastructure 5.2.4. ICT Applications 5.3. E-government in Oman 5.3.1. E-government Initiatives 5.4. Summary 	97 98 99 102 103 104 105 108 116 120 122 124 133
6.	Oman Case Study: Surveys and Interviews	135
	 6.1. Introduction 6.2. Demography of Participants 6.2.1. Demography: Surveys 6.2.2. Demography: Interviews 6.2.3. Demography: Summary 6.3. Exploring Relationships 6.3.1. Relationships: Surveys 	135 136 136 146 148 150

	6.3.2. R	elationships: Interviews	155
	6.3.3. R	elationships: Summary	161
	6.4. Barriers	to E-government Adoption	164
	6.4.1. A	doption Barriers: Surveys	164
	6.4.2. A	doption Barriers: Interviews	172
	6.4.3. A	doption Barriers: Summary	183
7.	Oman Case	Study: The Way Forward	186
	7.1. Insights	into E-government Development in Oman	187
	_	-government Building Blocks	187
	7.1.2. E	-government Development Issues and Outcomes	190
	7.2. Insights	into E-government Adoption in Oman	193
	7.2.1. P	rofile of E-government Users	193
	7.2.2. S	WOT Analysis	195
	7.2.3. C	ritical Success Factors and Their Implications for Oman	197
	7.3. Insights	into Limits to Growth of E-government in Oman	200
	7.3.1. B	arriers and Counterproductive Actions	201
	7.3.2. C	ountry-specific Factors	208
	7.4. Roadma	p: The Way Forward	213
	7.4.1. F	ramework for Adoption	213
	7.4.2. L	essons Learned and Implications for Oman	219
	7.5. Summar	У	226
8.	Conclusion		228
	8.1. Research	h Questions	228
	8.2. Research	h Outcomes	234
	8.3. Research	h Limitations	241
	8.4. Future V	Vork	242
Re	References		244

List of Appendices

Appendix A:	Survey Templates	257
Appendix B:	Interview Templates	267
Appendix C:	Survey Analysis Tables	271
Appendix D:	Indexed Interviews	302

List of Figures

Figure 3-1:	Research design activities and outcomes	38
Figure 3-2:	Broad research database structure	41
Figure 3-3:	Questionnaire structure	48
Figure 3-4:	Computer experience section of the questionnaire draft	51
Figure 3-5:	Decision tree for determining computer literacy	52
Figure 3-6:	Internet experience section of the questionnaire draft	53
Figure 3-7:	Decision tree for determining internet literacy	54
Figure 3-8:	E-commerce experience section in the questionnaire draft	55
Figure 3-9:	Decision tree for determining e-commerce literacy	55
Figure 3-10:	Frequency distribution of participants by age groups	56
Figure 3-11:	A chart of relationship between IT literacy variables and	
	age groups	57
Figure 5-1:	Oman's regions	98
Figure 5-2:	Oman's population grouped by age	100
Figure 5-3:	Population distribution in Oman regions	101
Figure 5-4:	Predicted early e-government adopters in Oman	102
Figure 5-5:	Structure of the national IT committee in Oman	109
Figure 5-6:	ITTF planning approach for e-Oman	114
Figure 5-7:	Adoption rate for key ICT services in Oman	118
Figure 5-8:	Four stages of e-government development in Oman	123
Figure 6-1:	Survey participants: distribution according to age range	143
Figure 6-2:	Survey participants: distribution according to education level	144
Figure 6-3:	Survey participants: distribution according to income level	144
Figure 6-4:	Demography of participants	149
Figure 6-5:	IT literacy of participants within different age ranges	152
Figure 6-6:	Relationships between age and key dependent variables	152
Figure 6-7:	Key correlations against willingness to use e-government	162
Figure 6-8:	Key barriers to e-government against participants' age ranges	165
Figure 6-9:	Key barriers to e-government against participants' education	
	levels	166
Figure 6-10:	Key barriers to e-government against participants' income	
	classes	167
Figure 6-11:	Key barriers to e-government against participants' willingness	
	to use e-government	171
Figure 6-12:	Relationships between participants' willingness and awareness	
	about e-government and barriers to adoption	184
Figure 7-1:	E-government development building blocks and related issues	189
Figure 7-2:	E-government system development life cycle issues	
	and outcomes	191
Figure 7-3:	E-government framework for adoption	214

List of Tables

Table 3-1:	Correlations examined between the variables	57
Table 3-2:	Sample chi-square contingency table used in data analysis	58
Table 5-1:	Educational level of Omanis - frequency distribution	100
Table 6-1:	Frequency distribution of participants against key variables	144
Table 6-2:	Independent and dependent variables of the study	151
Table 6-3:	Correlation results for all age classes and key dependent variables	153
Table 6-4:	Correlation results for age (excluding the over-40 class) and key	
	dependent variables	153
Table 6-5:	Correlation coefficients for age and key e-government barriers	166
Table 6-6:	Correlation coefficients for education, income and key	
	e-government barriers	166
Table 6-7:	Chi square contingency table for income and barrier 3	168
Table 6-8:	Correlation coefficients for income (excluding students) and	
	key e-government barriers	169
Table 7-1:	Profile of e-government users in Oman	194
Table 7-2:	SWOT analysis results on Oman's ICT sector	196
Table 7-3:	Barriers and corrective activities for the uptake of e-government	202

Abbreviations

ADSL Asymmetric Digital Subscriber Line

AGIMO Australian Government Information Management Office

ATM Asynchronous Transfer Mode
ATO Australian Taxation Office
B2C Business-to-Consumer
B2B Business-to-Business
CBO Central Bank of Oman
DAC Digital Arabic Content
E-government Electronic Government

ESCWA United Nations Economic and Social Commission for

Western Asia

G2C Government-to-Citizen
G2B Government-to Business
G2G Government-to-Government
G2E Government-to-Employee
GCC Gulf Cooperation Council
GDP Gross Domestic Product

GIS Geographic Information Systems
GPRS General Packet Radio Service

ICDL International Computer Driving Licence
ICT Information and Communication Technology

IPR Intellectual Property Rights

ISDN Integrated Services Digital Network

ISP Internet Service Provider IT Information Technology

ITTF Information Technology Task Force

ITTS Information Technology Technical Secretariat

KOM Knowledge Oasis Muscat

MMDS Multi-channel Multipoint Distribution Service

MMS Multimedia Message Services
MPLS Multi-Protocol Label Switching

NOIE National Office for the Information Economy

OAB Oman Arab Bank

OCIPED Omani Center for Investment Promotion and Export

Development

OECD Organisation for Economic Co-operation and Development

OIFC Oman Investment and Finance Company
OmanTel Oman Telecommunications Company

OMR Omani Rial

PC Personal Computer

PCT Patent Cooperation Treaty
PDA Personal Digital Assistants
PDO Petroleum Development Oman
PKI Public Key Infrastructure

RDI Research, Development and Innovation

ROI Return On Investment ROP Royal Oman Police

RTGS Real Time Gross Settlement

SAP Systems Applications and Products

SMS Short Message Services

SWOT Strengths-Weaknesses-Opportunities-Threats

TAM Technology Acceptance Model

TRA Telecommunications Regulatory Authority

TRIPS Agreement on Trade-related Aspects of Intellectual Property

Rights

UN United Nations

UNESCAP United Nations Economic and Social Commission for Asia and

the Pacific

UNPAN United Nations Online Network in Public Administration

and Finance

VDSL Very high bit rate Digital Subscriber Line

VSAT Very Small Aperture Terminal
W3C World Wide Web Consortium
WAP Wireless Application Protocol
WAI Web Accessibility Initiative

WiFi Wireless Fidelity

WLAN Wireless Local Area Network

WLL Wireless Local Loop WTO World Trade Organisation