

# **The Perspective of Micro, Small, and Medium Enterprise (MSME) toward Information Technology Fraud: An Exploratory Study**

**by Diana Rahmawati, M.Si., Afrida Putritama, M.Sc.,Ak., Ratna Yudhiyati, M.Comm.**

## **ABSTRACT**

Tight competition in current industry demanded MSMEs to start utilising information technology for gaining competitive advantage over other competitors. However, new problems arise because hackers and fraudsters consider MSMEs as easy targets for information technology fraud because MSMEs generally have limited capital and human resources. This study will explore how MSMEs perceive the risks of information technology crime in their business activities. The results of this study can be used to identify the steps taken to address the concerns of MSMEs on the security of information systems and technology, as well as to prepare their skills in the face of business competition in the digital age.

This research is a qualitative research which utilise phenomenological approach. This study used a combination of criterion sampling, convenience sampling, and stratified purposeful sampling. All samples of this study must meet predetermined criteria, and also came from different industries and various business sizes. This study utilise a face-to-face interview with each respondent, which took approximately 15-30 minutes.

This study found that MSMEs were aware of potential issues brought by utilisation of information technology in business, but they were willing to bear the risks since they thought the benefits from using IT outweigh the risks. This study also found that MSMEs which utilise IT were willing to spend more resources for security precautions, provided they think that they need them, or they can identify their benefits. Another finding was a great trust from MSME to software and information system providers. They trusted these providers to provide the best security measures and they thought these providers were reliable. Thus, they thought routine maintenance is not necessary and costly since the cost outweigh possible benefits.

*Kata Kunci: information technology, fraud, MSME, perspective*