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# IMPACT OF INFORMATION TECHNOLOGY ON CORPORATE ORGANIZATIONS PERFORMANCE IN NIGERIA

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**Abstract - This paper examines the impact of information technology on corporate organizations performance in Nigeria. The research explores the significance of information technology on corporate organization effectiveness and efficiency. The study is empirical as questionnaire was the primary source of data while results were presented on average, variance and standard deviation. The target respondents constitute specialist in the field of information technology, specifically Lagos state. To achieve the primary aim of this research, forty-five questionnaires were administered to the IT specialist, forty was received which were analyzed with the one way ANOVA technique. Findings from the research depicted information technology have a significant impact on corporate organizations performance in Nigeria. It was recommended; corporate organizations must prioritize training of personnel and invest massively on IT for efficiency in operations.**

**Keywords:** Business environment; Corporate Organizations; Information Technology; Performance

## I. INTRODUCTION

The Information Technology (IT) revolution according to the United Nations Development keeps changing the thinking, communication and behavior in corporate organizations. IT remains instrumental in making the world a global village. IT is a key in contemporary, dynamic and competitive business environment proffering solutions to corporate organizations problem which keeps enabling

productivity, quality, stability and competitiveness (Kariuki, 2015). Information Technology includes software, hardware, network, databases and other essential tools useful for information systems of corporate organizations. The need for IT makes it essential for the development of developed and developing nations. IT as researched contributes to the backbone of a stable and strong economy (Shaukat and Zafarullah, 2009). IT according to Gatuubi (2018) has changed human way of living, learning, working and interacting. IT enabled professionals to avoid organizational bottle necks by providing opportunities to work in a better way (Wijahoven and Wassenaar, 1990).

A critical examination of related papers depicted little or no research on information technology and corporate organizations performance in Nigeria. The essence of this research is to fill the vacuum in order to enable present and potential academic and practitioners' accessed work on this vital field. This paper "impact of information technology on corporate organization performance in Nigeria" focuses on institutions in Lagos State. Section 2 emphatically reviews literature, section 3 is on research method, section 4 analyses data and section 5 concluded the research with apposite recommendations.

## II. REVIEW OF LITERATURE

### 2.1. ORGANIZATIONAL PERFORMANCE

The performance of a firm is essential to the wellbeing of the owners and also to the economy. Information Technology is at the core of corporate



organization operations, functions, products and services. A large proportion of investment funds are expended on IT and other communications on a daily basis. Been the link between business and success factors, how personnel involve in the management of huge funds invested in IT remains fundamental to the effectiveness and efficient operation of corporate organizations in Nigeria. Garcia-Sanchez et al (2018) considered technological assets as one of the internal variables for a firm’s competitive advantage.

**2.2. THEORETICAL REVIEW**

Technology Acceptance Model (TAM): TAM prioritized usefulness and ease of use. It explains the acceptance of a system with required steps to be taken. The model measures effective usage of computers efficiently (Davis, 1989 and Rogers, 1983).

Model of the Organization: Leavitt (1965) opined on four components for an organization such as structure, task, people and technology. A change in one would require others to change. This study will build on this as it creates an understanding between IT and organizations.

**2.3. EMPIRICAL REVIEW**

Pennings (1995) opined IT is a central feature of corporate organizations service delivery which profoundly changed business operations. Its emergence is crucial for efficient market penetration improvement and organizational performance promotion which leads to innovation. Melville, Kraemer and Gurbakani (2004) applied integrative model to IT business value on resource base and revealed IT is valuable with consideration to internal and external factors, complementary organizational resources, competition and macro business environment. Olson (2008) argued information technology adds to flexibility by a change in

organization boundaries nature and alters pace of work. The researcher concluded management should place priority on use of IT for flexibility purposes. Kariuki (2015) in his findings disclosed a positive relationship of IT and organizational performance at Kenya Population Services. The study recommended corporate organizations are to embrace use of IT for efficient service delivery and further study should be executed on the challenges confronting organizations using IT in Kenya. Abouelmayd (2017) asserted IT plays a crucial role in oil and gas business for the improvement of business process. The study concluded on the significant impact of IT infrastructure on performance of oil and gas firms in Egypt. The duo examined the role of IT on organizational performance of banking and manufacturing companies in Pakistan and concluded the banking sector performed better on IT usage as against the manufacturing sector. The financial sector keeps playing a dominant role on the usage of investment on IT as against the manufacturing sector (Shaukat and Zafarullah 2019).

**III. METHODOLOGY**

This paper examines the impact of information technology on the performance of corporate organizations in Nigeria. The source of data used for this study was questionnaire and distributed to IT personnel of corporate organizations. The 5 point Likerts scale of strongly agree, agree, neutral, disagree and strongly disagree was applied as result will be presented in percentages, average, standard deviation, variance and kurtosis. 45 questionnaires were administered to the respondents but 40 retrieved representing 89% which is alright for this task. The technique used to test the hypothesis was the one way ANOVA statistical tool using the n-1 degree of freedom at 5% level of significance.

**IV. DATA ANALYSIS**

**4.1 Presentation of Data**

Table 1: Distribution of responses on impact of information technology on corporate organizations performance in Nigeria

|                                 |    |   |   |   |    |
|---------------------------------|----|---|---|---|----|
| IT and Organization Performance | 1  | 2 | 3 | 4 | 5  |
|                                 | SA | A | N | D | SD |



|   | %    | %    | %   | %   | %   |
|---|------|------|-----|-----|-----|
| IT aids qualitative service delivery        | 55   | 30   | 2.5 | 2.5 | 10  |
| IT formalizes communication and procedure   | 52.5 | 27.5 | 5   | 7.5 | 7.5 |
| IT improves target monitoring and reporting | 50   | 35   | 10  | 5   | -   |
| IT makes decision making process faster     | 55   | 25   | 10  | -   | 10  |
| IT aids effective management of data        | 70   | 22.5 | 7.5 | -   | -   |
| Source: Survey                              |      |      |     |     |     |

Control Activities: Of the 40 respondents, 85% were of the opinion that IT aids qualitative service delivery, 2.5% neutral and 12.5% disagreed. On whether IT formalizes communication and procedure, 80% agreed, 5% neutral and 15% disagreed. 85% asserted IT improves target monitoring and reporting,

10% were neutral and 5% disagreed. The view of the respondents on how IT makes decision making process faster was that 80% agreed, 10% neutral and 10% disagreed. Lastly, 92.5% agreed IT aids effective management of organization data while 7.5% disagreed.

#### 4.2 Analysis of Data

Table 2: Analysis of responses on impact of information technology on corporate organization performance in Nigeria

| IT and Organizational Performance           | Mean | Std Dev. | Variance | Skewness | Kurtosis |
|---|------|----------|----------|----------|----------|
| IT aids qualitative service delivery        | 1.83 | 1.259    | 1.584    | 1.728    | 2.011    |
| IT formalizes communication and procedure   | 1.90 | 1.257    | 1.579    | 1.421    | .976     |
| IT improves target monitoring and reporting | 1.70 | .853     | .728     | 1.157    | .833     |
| IT makes decision making process faster     | 1.85 | 1.252    | 1.567    | 1.619    | 1.779    |
| IT aids effective management of data        | 1.38 | .628     | .398     | 1.482    | 1.151    |
| Source: Authors computation                 |      |          |          |          |          |



The above table depicts descriptive statistics used in analyzing the questionnaire which revealed the

variables were normally distributed.

#### 4.3 Test of Hypothesis

Table 3: Information technology and corporate organization performance in Nigeria

ANOVA – Single Factor

| Sources of Variation | Sum of Squares | df | Mean Square | F       | Sig.  | F.crit |
|----------------------|----------------|----|-------------|---------|-------|--------|
| Between Groups       | 85.192         | 4  | 21.298      | 105.549 | 0.001 | 2.64   |
| Within Groups        | 81.305         | 35 | 2.323       |         |       |        |
| Total                | 166.497        | 39 | 23.621      |         |       |        |

#### Hypothesis

H0: Information technology has no significant impact on organization performance

H1: Information technology has significant impact on organization performance

At the level of significance 0.05, with degree of freedom at 4 and 35, observed F is 105.549 which is greater than 2.64. H0 is hereby rejected, thus information technology has significant impact on organizations performance in Nigeria.

#### V. CONCLUSION AND RECOMMENDATIONS

As observed, information technology is crucial to the performance of corporate organizations in Nigeria. The use of questionnaire was administered while gathering data and the one way ANOVA technique applied in the course of testing hypothesis. Findings from this research revealed information technology has a significant impact on the performance of corporate organizations in Nigeria.

The following recommendations will be useful:

- a. Corporate organizations must embark on periodic training of existing personnel and orientation of newly recruit on IT usage.
- b. Massive investment on IT resources by corporate organization will ensure effectiveness and efficiency in operation.

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