

**THE IMPACT OF DIGITAL TRANSFORMATION ON ORGANISATIONAL  
PERFORMANCE IN NIGERIA**



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**THE IMPACT OF DIGITAL TRANSFORMATION ON ORGANISATIONAL  
PERFORMANCE IN NIGERIA**

**BY**

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**A PROJECT WORK SUBMITTED TO THE DEPARTMENT OF BUSINESS  
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**OCTOBER, 2023**

## **DECLARATION**

I, **Eugene Eshiesor MOMOH**, do hereby declare that this project has been written by me and that it is entirely my own work and composition. The work has not been submitted in candidature for any degree and is not concurrently being submitted for any other degree, to the best of my knowledge. All sources of information collected and materials used have been duly acknowledged by means of reference.

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**Eugene Eshiesor MOMOH**  
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**Date**

## CERTIFICATION

We certify that the research was carried out by **Eugene Eshiesor MOMOH** with matriculation number **MGS1908080** in the Department of Business Administration and that the work is adequate in scope and qualify for the requirements for the award of B.Sc. Honours in Business Administration

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## **DEDICATION**

I dedicate this project to God Almighty my creator, my strong pillar, my source of inspiration, wisdom, knowledge and understanding. He has been the source of my strength throughout this program and on His wings only have I soared. I also dedicate this work to my parents Mr. Faruk Momoh and Mrs. Patricia Momoh

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## ABSTRACT

*This study is to examine the impact of digital transformation on the performance of organisation in Nigeria. Using Nadia Enterprise, which is located in Benin City, Edo State, Nigeria as the case study. The specified four research objectives which are to know the Impact of digital transformation adaptation, technological innovation, factors affecting digital transformation in improving organization performance and to suggest ways which organisation can leverage digital technology in improving their operations and remain competitive.*

*The population of this study is made up of all the staff in Nadia Enterprise. The study covers all groups and cadre of staff in the Organization. The population stands at 85 staff in the Organization being composed of professionals and non-professionals. The size for the study on which questionnaires were administered was 85 to the Staff in the organization. They were all selected from different department to generate data about their perceptions and opinions as regards to customer retention and performance of the organization. The method to be employed for this research is the simple statistical method such as the simple percentage to deduce the effective and interpret the further necessary discussions.*

*In conclusion, the Findings presented provide valuable insights into the impact of digital transformation on organisational performance in Nigeria. These findings offer a nuanced view of respondents' perceptions, opinions, and challenges related to these critical areas. Overall, the data suggests a widespread recognition of the significance of digital transformation and technological innovation. The majority of respondents acknowledge the importance of these initiatives and the positive impact they can have on organizational performance, efficiency, and competitiveness.*

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of Study

The rise of new technologies, the growth of electronic business, the arrival of new firms to the service sector, and improved levels of customer service are just some of the factors that attest to the changes in the logistics sector in recent years. In light of these changes, a good business model that is digitalized to suit the new global business environment is essential to the success of any company (Magutu, 2013). Digitization makes information and communication available anywhere, anytime, within any context, and for any user using any device and type of access (Schrauf, & Bertram. 2018). Digital business ultimately requires digital supply chains which also includes digitization of logistics. Digitization is a preeminent requirement and it is also revolutionizing the entire process of how business and industries operate, communicate and deliver to customer (Schrauf, & Bertram. 2018). Extreme digital transformation is taking place in several areas, such as: business processes, healthcare, finance, manufacturing industry e.t.c and is confronting its current position. Innovative uses of technologies in different operations such as the internet of things, data analytics, and the cloud are disrupting existing business models. Many different parties like producers/manufacturers, distributors/wholesalers supplier and more in the supply chain are accelerating at different speeds and challenging expectations and evolutions in the digital transformation economy (Vitorino et al., 2018).

To achieve real-time information exchange among supply chain stakeholders, it is important to adopt useful technologies such as sensor-enabling technology, the Internet of Things, and Cloud-based database systems (Schrauf & Bertram, 2018). The integration of these technologies with the supply network gives easy access to customers' needs by effectively sharing and tracking information of product or service deliveries. This technological integration can typically entail high costs with slow diffusion (Korpela et al., 2017). Another objective of business is sustainability. Sustainable digital logistics requires organizations to reconsider their digital business strategies and reorganize the direction of business operations throughout the supply chain towards more sustainability, including balanced, sustainable economic, environmental, and social development, representing complex inter-relationships. (Magutu, 2013).

Digital transformation is primarily concerned with the transformation of an organization and the processes that occur within it in order to introduce a new approach to products, customers, or services (Zhu et al., 2006). A business places the customer, his needs, and preferences, at the center of its operations (Batikas, 2012). The starting point of technological development, changes and innovations is always people. It is the people who create, initiate, use and manage ideas that are the bases and directions of technology. Identity theory provides a way of assessing individual relations to organizational objectives and national goals and enables us to understand human resource inspiration and readiness for technology innovation (Wang et al., 2010). The motivation the individual receives determines the extent of its identity and his readiness to innovate for organisational and national development. This theory to Bennis (1969) provides strategies intended to change beliefs, attitudes, values and structure of an organisation so that they can better

adapt to new technologies, market challenges and changes. It can also be used to plan intervention in organisation process to increase organisation effectiveness and health. Both Bechard (1969) and Bolle De Bal (1992) demonstrated the relationship between organisational development and managerial effectiveness.

Organisations in the competitive global economy require managers that can combine neatly organization and individual interests for the common good. Today's workers want to participate in drawing up of management plans, in decision making and want to be recognized and appreciated for their contributions. Continuous organizational improvement require managers and team leaders that are capable of bringing out new ideas and Digital transformation capabilities are the catalyst for the sustainable development of enterprises (Drury, 2008). More and more enterprises are beginning to use digital technology to promote transformation and upgrading, developing sustainable digital transformation capabilities by reshaping the value chain, and achieving production and developmental benefits. Therefore, in the era of the digital economy, it is necessary to clarify how to establish an action mechanism for sustainable competitive advantage by developing a digital transformation capability in enterprises. Academics have begun to analyse the facts that are happening in today's world of business. Innovation is widely acknowledged as the key to a company's success in improving its business performance (Pradana et al., 2020). Good innovation can be created by giving broad autonomy to entities within the company (Abbasi et al., 2021). By granting autonomy to each individual in the company, they will be more creative in their innovations (Blouch et al., 2021). In previous studies, business digitalisation does not really affect performance (Fakhri et al., 2020). However, what makes it unique is that the treatment in

improving the required performance includes several variables which are relevant to the appropriate digitalisation of the business (Abbasi et al., 2021; Devi et al., 2021).

With technology being a crucial element of business activities in the digital era, it has created an entity that can organise and design supply chain patterns along with value creation in various jurisdictions but manage to stay integrated (Hasbi et al., 2020). It is also what makes geographical boundaries unclear, unblocked, and makes the distance between areas of the economic activity in a group of business entities become increasingly meaningless (Blouch et al., 2021).

## **1.2 Statement of Problem**

The challenge that many organizations face in today's digital age is complex. Digital transformation involves the integration of digital technologies into all aspects of an organization's operations, including its processes, products, and services. However, achieving successful digital transformation requires a thorough understanding of the challenges that organizations face in adopting new technologies and adapting to new digital business models. The rapid pace of technological change, coupled with the complexity of digital technologies, has created a range of issues that organizations must address to successfully adopt and integrate new technologies into their operations. One of the primary challenges is the lack of a clear strategy for digital technological innovation and adoption. Without a clear roadmap, organizations can become unfocused and waste resources on unsuccessful projects. Additionally, there can be resistance to change, particularly from employees who fear job loss or who lack the understanding necessary to embrace new technologies. Another challenge is the siloed nature of many organizations. Different

departments may have competing priorities and processes, making it difficult to collaborate effectively on technology initiatives. This can lead to a lack of coordination and, ultimately, to failed projects. Legacy systems and processes can also pose significant challenges to technological innovation and digital technology adoption. These systems may be difficult to integrate with new technologies, which can slow down the adoption process and limit the potential benefits. Therefore, this study seeks to find out the influence of digital transformation on organisational performance in Nigeria.

### **1.3 Objectives of the Study**

The main Objectives of this study is to examine the impact of digital transformation on the performance of organisation in Nigeria. The specific objectives are to:

1. To know the Impact of digital transformation adaptation in improving the organization performance
2. To find out the Impact of technological innovation in improving the organization performance
3. To identifying the factors affecting digital transformation in improving organization performance
4. To suggest ways which organisation can leverage digital technology in improving their operations and remain competitive.

## **1.4 Research Questions**

Based on the objectives of the study the following research questions were made:

1. How has the impact of digital transformation adaptation improved the organization performance?
2. How has the impact of technological innovation improved the organization performance?
3. What are the factors affecting the digital transformation in improving organization performance?
4. What way can organization be leverage through digital technology to improve their operations and remain competitive.

## **1.5 Research Hypothesis**

Thus, the following hypotheses are to be tested to achieve the objectives of this study;

H<sub>0</sub> The digital technology adopted has significant impact in improving the organization performance

H<sub>0</sub> The technological innovation has significant impact in improving the organization performance

## **1.6 Significance of the Study**

This study is of great value to CEOs and business owners because it highlights the potential impact of digital transformation on organizational performance. Digital transformation is no longer a luxury, but a necessity in today's fast-paced, technology-driven business environment.

Organizations that fail to embrace digital transformation risk falling behind their competitors and losing market share.

By understanding the benefits of digital transformation, CEOs and business owners can make informed decisions about investing in digital technologies and processes that can improve their organization's performance. They can identify areas where digital transformation can have the greatest impact, such as improving efficiency, enhancing the customer experience, fostering innovation, and enabling data-driven decision making.

Moreover, the insights gained from this study can help inform decision-making for other organizations in Nigeria that are considering or already implementing digital transformation initiatives.

### **1.7 Scope of the Study**

The scope of this study is delimited, as it concentrates on examining the impact of digital transformation on organizational performance within a specific context. Specifically, the study focuses on Nadia Enterprise, which is located in Benin City, Edo State, Nigeria.

While the study's scope is limited to a single organization in a specific geographical location, it offers valuable insights into the potential impact of digital transformation on organizational performance in Nigeria. As a developing economy with a growing population, Nigeria presents

both opportunities and challenges for businesses seeking to leverage digital technologies to improve their performance.

By examining the experiences and outcomes of Nadia Enterprise, this study aims to shed light on the broader implications of digital transformation for organizational performance in Nigeria.

### **1.8 Limitations to the Study**

The limitations to this study are the bias on the part of respondents in providing the required information served as a limitation to this study, smallness of the sample size also served as a limitation to this study, another limitation was that of reluctance on the part of respondents to respond promptly, the scope of the study being that the study is limited to just an organisation in the entire Country served as a limitation to the study. Finally, inability to use probability sampling technique for the study served as a limitation to the study.

### **1.9 Definition of Terms**

**Digital Transformation:** Digital transformation refers to the comprehensive integration and utilization of digital technologies, including but not limited to cloud computing, data analytics, artificial intelligence, IoT (Internet of Things), and automation, within an organization's processes, operations, and strategies. It involves the fundamental rethinking and redesign of traditional business practices to leverage digital tools for improved performance and competitiveness.

**Organizational Performance:** Organizational performance encompasses the measurable outcomes, achievements, and effectiveness of an organization in achieving its objectives and goals. It includes financial metrics (such as revenue growth and profitability), operational efficiency, customer satisfaction, employee productivity, and overall competitiveness.

**Leveraging Digital Technology:** Leveraging digital technology refers to the strategic and effective utilization of digital tools, platforms, and capabilities to optimize organizational operations, processes, and strategies. It involves harnessing digital technologies to gain a competitive advantage, streamline workflows, enhance decision-making, and drive innovation.

**Competitive Advantage:** Competitive advantage signifies the distinctive edge that an organization gains over its competitors through strategies and resources that enable it to deliver superior value to customers, achieve higher profitability, and maintain a sustainable position in the market. In the context of this research, competitive advantage can result from successful digital transformation and technological innovation efforts.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Concept of Organization Performance**

Jonhy and Randy (2019) defined organizational performance as the process of improving the effectiveness and well-being of its members via planned interventions. Organizational performance referred to an organization's actual output or outcomes as assessed against its planned outputs, goals, and objectives (Jon & Randy, 2019). Organizational performance measurements are classified into four types: human resource results, organizational outcomes financial accounting outcomes, and capital market outcomes. Employee happiness, turnover, and absenteeism were examples of human resource outcomes connected to changes in employee behavior. Labor productivity, customer contentment, and product service quality are all examples of organizational outcomes. Returns on assets, return on equity, and profitability were three financial accounting outcomes. Capital market outcomes indicate how the market views a business, and they are comprised of three indicators: stock price, stock price growth rate, and market returns (Dyer & Reeves, 2015). Productivity, effectiveness, efficiency, earning capacity, economy, profitability, and competitiveness are all terms used to describe organizational performance. As a result, it has insisted on a precise and unambiguous definition of organizational performance. Organizational performance is the result that indicates or reflects the organization's efficiency or inefficiencies in terms of corporate image, competences, and financial performance (Khandekar & Sharma, 2016).

The success and the failure of the firm depend on its performance. In market system there are a lot of firm provides their own product or service (Rehman et al., 2019). Richad et al. (2009) explained that the achievement of firm's goals depends on its performance. The performance determines that at what extent the firm is achieving its objectives. Regarding to the objectives, the aim of each firm or organization is to get maximum profit and stay for long time in the market. The firm with high performance known as victorious in the market, on other side, the firm with weak performance can be kicked by other firms. There are many factors that affect the firm performance such as internal and external cultural issues, rewards, financial matter and creation of business model innovation, administrative matters and skills of leadership, week collaboration, environmental uncertainty and planning (Rehman et al., 2019).

In highly competitive market situation only firm's high level of performance helps it to remain in market for long time (Cania, 2014). The performance of the firm can be measure qualitatively as well as quantitatively and this performance can be attained by departmental and worker's efforts (Zehir et al., 2016).With the passage of time, the competition is increasing among the organizations or firms try to beat other and try to make its own position in the market. The organizational performance play very important role to meet the objectives, goals or targets in small and medium enterprises and big industries not only developing but developed countries.

## **2.2 Concept of Digital Transformation**

In general, digital transformation refers to a radical and comprehensive shift in the use of technology with the goal of improving business performance. According to one definition of

digital transformation from (Ferrer, 2014). Digital transformation is a change caused or influenced by the use of digital technology in all aspects of human life. In contrast to the definition of (Grandon and Pearson, 2004), digital transformation is defined as the use of technology to generally improve a company's performance or reach. Another definition comes from (Gutierrez, Boukrami and Lumsden, 2015), which states that digital transformation is the third and highest level of digital skills attained. It occurs when digital use facilitates innovation and creativity, as well as encourages significant changes in professional or knowledge fields. Furthermore, digital transformation is defined as “a rapid change in all strategies because demands must change, operations must be digital, and extended supply chain relationships must be extended.”

The production of new market offers, business processes, or business models as a direct result of the utilisation of digital technology is referred to as digital transformation, and its definition includes both the creation of these things and the changes that occur from their utilisation (Nambisan et al., 2019). The transformation of digital technology has emerged as a primary factor behind both economic and societal transformation (Barrett, Davidson and Vargo, 2015). Rapid technological development in areas such as mobile, social media platforms, cloud computing, analytics, and the internet of things over the course of the past decade has made it possible for radically new (re)combinations of digital and physical components, which have resulted in the production of novel goods and services (Yoo, Henfridsson and Lyytinen, 2010; Barrett, Davidson and Vargo, 2015). Digitization, which is the process of encoding analogue information into digital format, is essential to the creation of these new combinations. The term digital transformation refers to a wide variety of

potential transformations, including new kinds of goods, platforms, services, and interactions between companies and their customers (Nambisan et al., 2017).

Furthermore, it necessitates the functional use of the internet in design, manufacturing, marketing, sales, and presentation, as part of a data-driven management model” (Hair, et al 2013). Security, simulation, the internet, cyber security, and blockchain are also included (Hakala and Kohtamaki, 2013). Some of these definitions indicate that when using digital transformation, there is a comprehensive motivation, innovation, and consequences. As a result, SMEs can easily carry out digital design of business model choices, information technology and understanding, evaluation, digital value network design, and customer feedback (Hakala and Kohtamaki, 2013). Furthermore, establishing open lines of communication between entrepreneurs and information technology specialists can help to prevent fraud (Henseler & Fassott, 2010).

### **2.3 Adaptation of Digital Transformation on Organisational Performance**

The use of internet technology in the workplace has become commonplace (Chen et al., 2008). The internet-enabled communication media enables organizations to conduct business from anywhere at any time (Chen et al., 2008). A number of studies examined the use of Facebook among SMEs and discovered that SMEs used Facebook for a variety of organizational goals such as marketing, communication, sales, advertising, innovation, problem resolution, customer service, human resources, information technology, driving cultural change (Bhanot, 2012), and advertising on social networks (Beloff and Pandya, 2010; Handayani and Lisdianing, 2010). (Congxi et al., 2010). According to Meske and Stieglitz (2013), SMEs use social media technologies such as

Facebook to communicate with their customers as well as to support internal communication and collaboration. According to a study conducted among SME managers in the United States, the United Kingdom, Australia, and India, firm innovativeness, age, and geographic location all have a significant impact on SMEs' adoption of Twitter (Wamba and Carter, 2013). SMEs, on the other hand, will use social media if these applications provide a significant amount of relevant and high-quality up-to-date content, according to Zeiller and Schauer (2011). According to a number of studies, factors such as compatibility (Wang et al., 2010), cost effectiveness (Chong and Chan, 2012), trust (Chai et al., 2011), and interactivity (Lee and Kozar, 2012) influence social media adoption. The relationships are described in the following paragraphs.

### **2.3.1 Compatibility**

According to the DOI theory, compatibility refers to how well an innovation fits with the potential adopter's existing values, past practices, and current needs (Rogers, 2010). Compatibility has been identified as a critical factor in the adoption of innovation (Cooper and Zmud, 1990; Wang et al., 2010). Firms are more likely to consider adopting new technology when it is recognized as compatible with work application systems. Many studies have been conducted to investigate the impact of compatibility on technology adoption, with both positive and negative findings. Brown and Russell (2007), for example, highlighted the effect of compatibility on the adoption of radio frequency identification technology in the South African retail sector and argued that for RFID adoption and implementation to be successful, organizations must develop a flexible IT infrastructure capable of accommodating RFID systems.

Hsu, Lu, and Hsu (2007) discovered a significant effect of compatibility in MMS adoption in groups of potential MMS users, indicating that they will adopt MMS if using MMS is compatible with their values and beliefs. Wang et al. (2010) investigated the impact of compatibility and discovered that it is a significant factor. In contrast, Ramdani et al. (2013) discovered that compatibility is an insignificant factor in the adoption of enterprise systems in their study. Similarly, another study that investigated cloud computing adoption (Low et al., 2011) discovered that compatibility had no significant impact. Embedding digital transformation in businesses would be a good idea because it allows businesses to effectively niche their target customers and share content about their products and services almost instantly (Derham et al., 2011). Because the findings are inconclusive, it is worthwhile to investigate the impact of compatibility on digital transformation.

### **2.3.2 Cost Effectiveness**

Previous research highlighted the importance of cost in technology adoption and utilization (Ernst and Young, 2001) and discovered a direct and significant relationship between cost and technology adoption (Alam and Noor, 2009). According to studies, cost effectiveness is an important factor in the adoption of new technologies (Chong, 2004; Premkumar and Roberts, 1999). Because of the low cost, low barriers to participation, and low level of IT skills required to use it, digital transformation is appropriate for SMEs (Derham et al., 2011). Dixon et al. (2002) contended that SMEs are less likely to adopt ICT if the initial set-up cost is high. Alam (2009) discovered that the cost of adoption has a significant effect on internet adoption among SMEs in Malaysia. Tan et al. (2009), on the other hand, discovered that cost had no significant effect on ICT adoption. In a

similar study, Alam and Noor (2009) discovered that perceived cost had no direct impact on ICT adoption. However, because social media is a low-cost technology, organizations can have direct communication with customers at a low cost (Kaplan and Haenlein, 2010).

### **2.3.3 Trust**

Trust is a multifaceted concept. In their studies, the authors looked into various types of trust. The institution-based trust would be a better fit for this study. Mcknight et al. (1998) distinguished between two types of institutional-based trust: situational normalcy and structural assurance. The belief that success is expected because the situation is normal is referred to as situational normalcy. Whereas structural assurances refer to the belief that positive outcomes are likely as a result of contextual structures such as contracts, regulations, and guarantees. Choudhury and Karahanna (2008) extended McKnight et al (2002).’s framework by proposing the existence of a new type of trust, namely informational trust.

Informational trust is defined as a user's belief in the dependability, credibility, and accuracy of information obtained from Facebook and is a significant factor influencing usage (Chai et al., 2011). The positive customer relationship, which social media facilitates, is a critical success factor for small businesses. Experts within the organization could use social media to share their ideas, opinions, and knowledge in response to customer inquiries (Schaffer, 2013). In the context of SMEs, organizations post a lot of information about their organization, products, services, and other promotional activities, as well as obtain information and knowledge from Facebook. As a

result, structural assurance and informational trust may be required in order to use Facebook for work-related purposes.

### **2.3.4 Interactivity**

Previous research has discovered that the successful interaction between humans and technology is a critical factor in the design and implementation of information systems (Lee and Kozar, 2012). Among the various design characteristics, interactivity stands out as a key and distinguishing factor that influences users' reactions to new technologies such as websites (Agarwal and Venkatesh, 2002; Jiang and Benbasat, 2007). Social media, such as Facebook, is classified as interactive media. It allows for two-way communication rather than one-way transmissions or distributions of information to a target audience (Mayfield, 2008). Handayani and Lisdianingrum (2011) investigated Facebook adoption and use in two Indonesian SMEs and concluded that if properly managed, Facebook can be an effective free online marketing tool. As a result, given Facebook's interactive nature, the interactivity construct may have a significant impact on Facebook usage.

## **2.4 Technology Innovation and Organisational Performance**

The starting point of technological development, changes and innovations is always people. It is the people who create, initiate, use and manage ideas that are the bases and directions of technology. Identity theory provides a way of assessing individual relations to organizational objectives and national goals and enables us to understand human resource inspiration and readiness for technology innovation. The motivation the individual receives determines the extent

of its identity and his readiness to innovate for organisational and national development. This theory to Bennis (1969) provides strategies intended to change beliefs, attitudes, values and structure of an organisation so that they can better adapt to new technologies, market challenges and changes. It can also be used to plan intervention in organisation process to increase organisation effectiveness and health. Both (Bechard, 1969) and Bolle De Bal (1992) demonstrated the relationship between organisational development and managerial effectiveness. Organisational efficiency requires that somebody in the strategic position should feel the need for innovation and change. These include the need to:

- Change managerial strategy;
- Make organisations more consistent with both individual needs and the changing needs of the environment;
- Change structure and roles;
- Change the motivation of the workforce;
- Make better planning;
- Improve inter-groups collaborations; and
- Adaptation to new environment.

Organisations in the competitive global economy require managers that can combine neatly organization and individual interests for the common good. Today's workers want to participate

in drawing up of management plans, in decision making and want to be recognized and appreciated for their contributions. Continuous organizational improvement require managers and team leaders that are capable of bringing out new ideas and considered appropriate for this study because it is the most populous and one of the most endowed in natural and material resources and one of the most poverty-stricken nations of the world.

In most of her technology-driven organisations most especially the Nigerian telecommunications industry, technology innovation is only considered in terms of purchase of latest equipment designed and manufactured in the advanced countries of Europe, America, Japan and China and some Asian countries. Most of these companies invested heavily on equipment, but not really on the human resource. Engineers, scientists, technologists and technicians were employed in different departments and in Research and Development (R&D) departments/units and organisations, but were not well managed to improve technology innovation.

Government and managers in nations and organisations should manage the people and their employees not only to make them comply with their directives and company policies and national law, but also to learn, accommodate and benefit from them. They have to study their personality, motivate and provide conducive environment for them to perform effectively. Commensurate reward should be given to employees for the performance of their roles and other extra rewards for their individual and team creativity and innovation. Group norms that promote individual interaction and improved performance should be encouraged.

## **2.5 Impact of Technological Innovation on Organisational Performance**

Digital transformation can assist companies in developing new networks and increasing their international competitiveness. Digital transformation reduces organizational barriers (Lyytinen et al., 2016). Digital transformation has enhanced firm performance by lowering operational costs and raising innovation investment, demonstrating that low-cost empowerment and innovation empowerment are essential processes of digital transformation that affect firm performance (Wang et al., 2022). Therefore, digital transformation is predicted to have an impact on firm performance.

Several studies have demonstrated that technology can improve business processes and performance (Gera and Gu, 2004; Paniagua and Sapena, 2014; Hakala and Kohtamäki, 2011). Some researchers have discovered that corporate adoption of social media has advantages, and several have discovered a positive relationship between social media adoption and corporate performance (Ainin et al., 2015; Paniagua and Sapena, 2014; Parveen et al., 2014; Rodriguez et al., 2012). Rodriguez et al. (2015) discovered that social media use improved customer-facing activities and, as a result, sales performance. According to Ferrer et al. (2013), the use of social media improves organizational social capital, which in turn improves performance. Wong (2012) and Kwok and Yu (2013) discovered that Facebook adoption improved the sales performance of SMEs. According to Hassan et al. (2015), social media can have a significant impact on business by influencing purchasing decisions. These findings are consistent with previous research on technology adoption, which discovered that technology adoption had a positive impact on both financial and non-financial performance (Nicolajsen, 2013; Thong, 2001 and Zhu et al., 2006).

Despite the numerous benefits of using digital transformation, organizational-level research on Social Media and its impact on organizational performance has not grown at the same rate (Lovejoy and Saxton, 2012; Shahizan et al., 2012). As a result, this study looks into the various factors that influence Social Media usage in organizations, as well as the impact on organizational performance. In this study, social media usage is measured in a system-centered manner, with system usage measures based on the various tasks for which the system is used (Burton-Jones and Gallivan, 2007). The informed effective use of digitalization was considered in order to investigate the usage of Social Media among organizations, as this was an important indicator of technology success, which has an impact on organizations (DeLone and McLean, 2003). Organizational performance, according to the DeLone and McLean IS success model, refers to the actual benefits organizations received from using Digital Media in terms of both financial and non financial performance. Previous research has looked into organizational use of social media, but only a few studies have looked into the impact of digital transformation on organizational performance. Rodriguez et al. (2014), for example, provided evidence that social media technologies such as Social Media have a positive impact on customer-oriented processes, which in turn impact an organization's sales performance. Ferrer et al. (2013) demonstrated that the use of social media technologies improves an organization's social capital and thus its performance. Furthermore, Wong (2012) discovered that the use of social media has a positive impact on SME businesses (Wong, 2012). This is supported by the findings of Kwok and Yu (2013), who discovered that using Social Media can increase sales. When businesses use social media, they are more likely to achieve better financial and non-financial results.

## **2.6 Factors Affecting Digital Transformation of Organisation Performance**

The integration of technological innovations which according to McKinsey & Company experts were structured into four clusters of Industry 4.0 innovations such as 1) data, computational power, and connectivity; 2) analytics and intelligence; 3) human machine interaction; 4) digital-to-physical conversation (McKinsey & Company, 2015), are a part of digitalization processes and digital transformation and can enable achieving competitive advantages for companies. Reis et al. (2018) support Ebert and Duarte (2016) and state that “the society as a whole is facing a fast and radical change due to the maturation of digital technologies and their ubiquitous penetration of all markets” (Reis et al., 2018, p. 411), companies are facing ever tougher competition due to globalization by the increased demand from customers (Westerman et al., 2011). Due to this, companies are seeking to survive and attain competitive advantages by going to be digital (Bharadwaj, 2000).

Several literature review studies attempted to reveal the phenomenon of digital transformation by revealing its concept. Digital transformation can be understood as “the transformation of socio-technical structures that were previously mediated by non-digital artifacts or relationships into ones that are mediated by digitized artifacts and relationships” (Yoo et al, 2010), which refers to the optimization of organizational processes with the aim of operational excellence by data-based workflows (Lederer, Knapp, & Schott, 2017), and by using the technology to radically improve performance or reach of enterprises (Westerman et al, 2011).

Digital transformation is now critical for almost all companies. However, a lack of clarity can be highlighted concerning the notion of digital transformation especially among different stakeholders involved. Perspectives on digital transformation vary from a focus on technology to digital customer engagement and new digital business models. Reis et al. (2018) categorized digital transformation into three distinct elements: 1) technological – digital transformation based on the use of new digital technologies such as social media, mobile, analytics or embedded devices; 2) organizational – digital transformation requiring a change in organizational processes or the creation of new business models; 3) social – digital transformation is a phenomenon that is influencing all aspects of human life by, e.g., enhancing customer experience. Hence, the main advantage of digital transformation can be seen as a transformation in processes, activities, competencies, models of a company. Businesses are undertaking their digital transformations, rethinking what customers value most, and creating operating models that take advantage of what's newly possible for competitive differentiation (Berman, 2012). Hagberg Sundstrom, and Egels-Zandén (2016) outlined the more all-encompassing digital transformation of retailing by discussing how it influences four elements of the retailer-consumer interface. The authors analyzed how exchanges are transformed through changes in communication, transactions, and distribution; how actors are transformed through the intermixing of humans and digital technologies, the increased blurring of boundaries, and new actors, roles and relationships; how settings are transformed to include traditional and new settings as well as their intermixing; and how offerings are transformed through changes of products and services, extensions of offerings and new forms of pricing.

Regarding the issue of the application of digital transformation, scientific experts, such as Nadeem et al. (2018), highlighted that digital transformation is widely affecting various industries particularly healthcare, telecommunications, automotive, banking and manufacturing sectors. Depending on the sector in which the company operates, the level of its digital transformation varies. It is noticeable that the level of digital transformation is also influenced by the changing needs of consumers, by the level of application of high technologies, by the position of company's leadership, by the size of a company. According to Hess et al. (2016), digital transformation has become a high priority on the leadership agenda of many companies, but it is facing more difficulties than it has been expected (Zinder & Yunatova, 2016). Expanding the example of Aalto University (Collin et al., 2015), both challenges and opportunities of digital transformation within business companies are located (1) externally, i.e. related with the market, (2) internally, i.e. representing organizational and technical fields within the company, or (3) at the core of the company, i.e. activities and changes, addressed to core business (Collin et al., 2015). Hence it could be stated that application of digital transformations could be found at the micro (organizational) level but consequences could be seen at the mezzo and macro levels. On the other hand, mezzo and macro levels have economic, normative or coercive institutional pressures (DiMaggio & Powell, 1991; Burns & Scapens, 2000) which could create and stimulate challenges for the application of digital transformation at the micro level. According to multidirectional relation between different levels of digital transformation application and on the basis of the previous studies, it was disclosed that companies could face both external and internal challenges by implementing the digital transformation.

## **2.7 Theoretical Reviews**

All knowledge in a research study is built on top of the theoretical reviews, both metaphorically and physically. According to Makanyeza (2015) theories are constructed to explain, predict, and understand occurrences and, in many cases, to challenge and extend existing knowledge within the limitations of crucial bounding assumptions. The theoretical framework is the structure that can sustain or support a theory of a research investigation. The theoretical framework introduces and describes the theory that explains why the research problem under consideration exists (Thompson, 2016). The study's theoretical framework includes a collection of concepts and definitions, as well as references to important academic literature.

### **2.7.1 Dynamic Capabilities Theory**

The aspect of dynamic capability was first coined by David Teece, Gary Pisano and Shuen (2012). The theory describes an organization's ability to deliberately organize its resources in an effort to improve performance. According to Chien and Tsai (2012) dynamic capability is the capability of an organization to purposefully adapt an organization's resource base. An organization should be able to react adequately and timely to external changes. This requires the adoption of different strategies that will harness multiple capabilities of the organization and put them into use (Chikomwe, 2019). This will give the company the ability to integrate, develop, and leverage on the environmental competitive advantage. Indeed, the current business world is very dynamic. Dynamic capability philosophy draws on Schumpeterian reasoning, which sees dynamic

capability as another rent-creating mechanism based on the competences of organizations (Schumpeter, 1950).

Eisenhardt and Martin (2010) defined dynamic capabilities as a set of specific and identifiable processes that are idiosyncratic in details and somehow dependent in their emergence. Teece, Pisano and Shuen in 1995 developed this theory which denoted that an organization should mobilise and organize its resources so as to improve performance. This theory is applicable in this study in the sense that petroleum organizations are adopting driver safety systems to gain a competitive edge over competitors hence once they use these systems it becomes a competitive advantage to them. Some come up with various strategies on how to use these systems. According to Wilden, Gudergan, Nielsen & Lings (2013) dynamic capabilities such as having driver safety systems can result in organizational performance in an organization

### **2.7.2 The Technology Acceptance Model (TAM)**

According to Jalang'o (2015) the technology acceptance model (TAM) is an information systems theory that models how users come to accept and use a technology. The model suggests that when users are presented with a new technology, a number of factors influence their decision about how and when they will use it, notably: perceived usefulness. Jalang'o (2015) noted that this was defined by Davis (2010) as the degree to which a person believes that using a particular system would enhance his or her job performance; perceived ease-of-use, Davis (2010) defined this as the degree to which a person believes a particular system would be free from effort (Davis, 2010). Understanding why people accept or reject computers has proven to be one of the most

challenging issues in information systems (Swanson, 2018). Szajna (2012) found that the instrument had predictive validity for intent to use, self-reported usage and attitude toward use. The sum of this research study has confirmed the validity of the Davis (2010) instrument, and to support its use with different populations of users and different software choices. User acceptance of technology has been an important field of study for over two decades now (Jalang'o, 2015)

Although many models have been proposed to explain and predict the use of a system, the technology acceptance model has been the only one, which has captured the most attention of the information systems community. Jalang'o (2015) denotes that it is essential for anyone willing to study user acceptance of technology to have an understanding of the technology acceptance model. This literature review provides a historical overview of the technology acceptance model by summarizing the evolution of the technology acceptance model, its key applications, extensions, limitations, and criticisms from a selective list of published articles on the model. Current observations indicate that although the technology acceptance model is a highly cited model, researchers share mixed opinions regarding its theoretical assumptions, and practical effectiveness. It is concluded that research in the technology acceptance model lacks sufficient rigor and relevance that would make it a well-established theory for the IS community.

### **2.7.3 Diffusion of Innovations Theory**

Rogers developed this theory in 1962 with the aim of explaining how a product or service is adopted over a period of time in this case driver safety systems gain momentum and spread in organizations through a specific population. This theory can be applied in this study where Banc

assurance organizations have adopted the use of service innovation to attain competitive advantage. Diffusion has been defined by Rogers (1962) in Amin (2019) as a process whereby people have to learn about a certain innovation or system adoption. According to Rogers (1962) in Amin (2019) when a service is introduced its adoption is a process where some organizations adopt it earlier than others. When it comes to using services some organizations are innovators. Some Telecommunication organizations in Zimbabwe are very conservative and are bound by organizational culture. They do not just adopt new services but they wait for other organizations to adopt these systems.

Diffusion is the process by which an innovation is communicated through certain channels over a period of time among the members of a social system (Bailey, 2015). An innovation is an idea, practice, or object that is perceived to be new by an individual or other unit of adoption. Communication is a process in which participants create and share information with one another to reach a mutual understanding (Rogers, 2017).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

Research design can be described as a blue print that allows a researcher to provide solution to the problem under study, where to study and how to generate the data in the research situation; the study will adopt the survey method of research, using questionnaires as an instrument of data gathering. Surveys are most useful for collecting demographical data, for systematically quantifying the occurrence of observable objects and characteristics. The method involves drawing up a set of questions on various subjects or on various aspects to which selected members of a population are requested to respond.

#### **3.2 Population of Study**

According to Kitchenham (2002), population represents the group or the individuals to whom the survey applies. In other words, populations contain those group or individuals who are in a position to answer the questions and to whom results of the survey apply. The population of this study is made up of all the staff in Nadia Enterprise. The study covers all groups and cadre of staff in the Organization. The population stands at 85 staff in the Organization being composed of professionals and non-professionals.

### **3.3 Sampling Technique**

The absence of a sampling technique in the questionnaire administration for this study can be attributed to the insufficient staffing levels at Nadia Enterprise. The staff at Nadia Enterprise is relatively small or homogeneous in terms of characteristics relevant to the study, using a sampling technique may not yield substantial benefits.

### **3.4 Sample Size**

The size for the study on which questionnaires were administered was 85 to the Staff in the organization. They were all selected from different department to generate data about their perceptions and opinions as regards to customer retention and performance of the organization.

### **3.5 Research Instrument**

For the purpose of this research work, questionnaire will be an appropriate data gathering instrument. The questionnaire will be carefully designed in simple structural language to enable the correctness in the response given by the respondent and to easily get the information gathered.

The questionnaire is a very pre-planned set of questions deigned to yield specific information in other to meet a particular need for a research. The questionnaire will be divided into two sections; the first section of the questionnaire is on the personal data of the respondents such as the ages. Sex, marital status, educational qualification and department. The second section will cover question that are relevant to the study, response with close ended or Agree, Strongly Agree, Disagree, Strongly Disagree.

### **3.6 Validity and Reliability of the Instrument**

The questionnaires were designed based on the structure of questionnaire used for previous similar studies. The questionnaires will be examined by some colleagues to test if the actual respondents will understand the instrument been used and also by the supervisor who made available required and vital amendments before administration was effected.

### **3.7 Data Collection Method**

A self-administered, structured questionnaire was used to gather data from staff. The researcher was formally request permission from the Organisation for the study. Then after getting permission, distribution, collection of questionnaires and interviewing of the sampled population was made by the researcher as per the schedule. The tools used to collect the data from the respondents were questionnaires.

### **3.8 Method of Data Analyses**

After an attentive analysis of different factors under the research, a vigilant analysis of the research topic was conducted using the Likert scale method. The Likert scale are anchored by strongly agree and strongly disagree, this was related to the aim of the research. The primary data collected through the questionnaire that was designed for his project, were analyzed with descriptive statistics. In this vein, we computed frequency distributions, averages, modes, range and percentages. These percentages enables us draw inferences on the degree of occurrence of the

variables measured within our study sample. Also, the inferential statistics were adopted in testing the hypothesis of the data generated for the study.

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## CHAPTER FOUR

### PRESENTATION AND ANALYSIS OF DATA

#### 4.1. Introduction

The following analysis is based on the data obtained from response to the questionnaire administered. All positive responses (that is strongly agree, agree) are in support of the question asked and are referred to as favourable responses and all negative responses and all negative responses (that is strongly disagree, disagree) indicated that they do not agree with the question and are generally referred to as unfavourable responses.

#### 4.2 Data Presentation and Analysis

A total of eight-five (85) questionnaires were distributed among the staffs in Nadia was properly filled and returned. The response from the respondents were in pie chart showing the options, the decision made.

#### Section A

**Table 4.2.1: Respondents personal data**

<b>Items</b>	<b>Options</b>	<b>Frequency</b>	<b>% of Response</b>
<b>Gender</b>	Male	38	44.7%
	Female	47	55.3%
	<b>Total</b>	<b>85</b>	<b>100%</b>
<b>Age</b>	25yrs Below	36	42.4%
	26 – 30yrs	28	33.0%
	31 - 35yrs	16	18.8%
	36 – 40yrs	5	5.9%
	41 and yrs above	0	0%
	<b>Total</b>	<b>85</b>	<b>100%</b>

<b>Marital Status</b>	Single	67	78.8%
	Married	12	14.1%
	Others	6	7.1%
	<b>Total</b>	<b>85</b>	<b>100%</b>
<b>Education Status</b>	SSCE/GCE	5	5.9%
	OND/NCE	8	9.4%
	HND/B.Sc	43	50.6%
	M.Sc/MBA/Others	3	3.5%
	O' Level	26	30.6%
	<b>Total</b>	<b>85</b>	<b>100%</b>
<b>Experience</b>	3yrs Below	58	68.2%
	4-6yrs	19	22.4%
	7-10 yrs	8	9.4%
	11 yrs above	0	0%
	<b>Total</b>	<b>250</b>	<b>100%</b>

**Source:** Field Survey 2023.

Table 4.1 shows that 44.7% of the respondents are males while 55.3% are females, 42.4% of the respondents falls in the age of 25years below whereas 33.0% are from 26-30y, 18.8% are from 31-35yrs, 5.9% are from 36-40yrs, then none of the respondent are 41yrs and above. 78.8% of the respondents are single, 14.1% are married, 7.1% are Others, 12% are widow, 10.4% are widower. Also, 5.9% of the respondents education status SSCE/GCE, 9.4% status is OND/NCE, 50.6% Status is HND/B.Sc, 3.5% status is M.Sc/MBA/Others, 30.6% Status is O'level, while 68% of the respondents skill in the digital transformation is 3yrs Below, 22.4% is 3-6yrs, 9.4% is 7-10yrs and none is 11yrs and above.

## Section B

**Table 4.2.2: To know the Impact of digital transformation adaptation in improving the organization performance**

S/N	Response	Agree %	U %	Disagree %	Total %
1	Our organization has implemented digital transformation initiatives	76 89.4%	0 0%	9 10.6%	<b>85</b> <b>100%</b>
2	The digital transformation initiatives in our organization are comprehensive and well-planned.	72 84.7%	3 3.5%	10 11.8%	<b>85</b> <b>100%</b>
3	Digital transformation has positively impacted our organization's performance	77 90.6%	7 8.2%	1 1.2%	<b>85</b> <b>100%</b>
4	Digital transformation has improved our organization efficiency and productivity	77 90.6%	7 8.2	1 1.2%	<b>85</b> <b>100%</b>
6	Our organization has seen an increase in revenue as result of digital transformation	48 56.5%	26 30.6%	11 12.9%	<b>85</b> <b>100%</b>

**Source:** Field survey 2023.

Table 4.2.2 show that 89.4% of the respondents agree that their organization has implemented digital transformation initiatives, 0% undecided, 10.6% disagree. 84.7% of the respondents agree that digital transformation initiatives in their organization are comprehensive and well-planned, 3.5% undecided, 11.8% disagree. 90.6% of the respondents agree that digital transformation has positively impacted our organization's performance, 3.5% undecided, 11.8% disagree. 90.6% of the respondents agree digital transformation has improved our organization's efficiency and productivity, 8.2% undecided, then 1.2% disagree. 56.5% of the respondents agreed that their organization has seen an increase in revenue as a result of digital transformation, 30.6% undecided, 12.9% disagree.

**Table 4.2.3: To find out the Impact of technological innovation in improving the organization performance**

S/N	Response	Agree %	U %	Disagree %	Total %
1	Our organization actively invests in technological innovation	65 76.5%	1 1.2%	19 22.6%	<b>85</b> <b>100%</b>
2	Technological innovation is considered a priority in our organization's strategic planning	69 81.2%	16 18.8%	0 0.0%	<b>85</b> <b>100%</b>
3	Technological innovation has led to an improvement in customer satisfaction and loyalty	81 95.3%	1 1.2%	3 3.5%	<b>85</b> <b>100%</b>
4	There is a lack of coordination between technological innovation efforts and our organization's strategic direction	77 90.6%	7 8.2	1 1.2%	<b>85</b> <b>100%</b>
5.	Technological innovation has provided our organization with a competitive advantage in the market	48 56.5%	26 30.6%	11 12.9%	<b>85</b> <b>100%</b>

**Source:** Field survey 2023.

Table 4.2.3 show that 89.4% of the respondents agree that their organization actively invests in technological innovation, 1.2% undecided, 22.6% disagree. 81.2% of the respondents agree that technological innovation is considered a priority in our organization's strategic planning, 18.8% undecided, 0.0% disagree. 95.3% of the respondents agree that technological innovation has led to an improvement in customer satisfaction and loyalty, 1.2% undecided, 3.5% disagree. 90.6% of the respondents agree that there is a lack of coordination between technological innovation efforts and our organization's strategic direction, 8.2% undecided, then 1.2% disagree. 56.5% of the respondents agreed that technological innovation has provided our organization with a competitive advantage in the market, 30.6% undecided, 12.9% disagree.

**Table 4.2.4: To identifying the factors affecting digital transformation in improving organization performance**

S/N	Response	Agree %	U %	Disagree %	Total %
1	Inadequate financial resources affect digital transformation	73 85.9%	4 4.7%	8 9.4%	<b>85</b> <b>100%</b>
2	Unavailability of skilled workforce affect digital transformation	74 87.1%	0 0%	11 12.9%	<b>85</b> <b>100%</b>
3	Change of management and communication can affect digital transformation	74 87.1%	0 0%	11 12.9%	<b>85</b> <b>100%</b>
4	Poor technological infrastructure and Tools can affect digital transformation.	83 97.6%	2 2.4	0 0%	<b>85</b> <b>100%</b>
5	Bad leadership in organization can affect the supports and promotes digital transformation initiatives.	77 90.6%	7 8.2	1 1.2%	<b>85</b> <b>100%</b>

**Source:** Field survey 2023.

Table 4.2.4 show that 85.9% of the respondents agree that inadequate financial resources affect digital transformation, 4.7% undecided, 9.4% disagree. 87.1% of the respondents agree that unavailability of skilled workforce affect digital transformation, 0% undecided, 12.9% disagree. 87.1% of the respondents agree that change of management and communication can affect digital transformation, 0% undecided, 12.9% disagree. 97.6% of the respondents agree that poor technological infrastructure and tools can affect digital transformation, 2.4% undecided, then 0% disagree. 90.6% of the respondents agreed that bad leadership in organization can affect the supports and promotes digital transformation initiatives, 8.2% undecided, 1.2% disagree.

**Table 4.2.5: To suggest ways which organisation can leverage digital technology in improving their operations and remain competitive**

S/N	Response	Agree %	U %	Disagree %	Total %
1	Gaining insights from data using digital technology is key to making informed business decisions	63 74.1%	19 22.4%	3 3.5%	<b>85</b> <b>100%</b>
2	Embracing digital technology is a fundamental strategy for organizations to gain a competitive edge in their industry	85 100%	0 0%	0 0%	<b>85</b> <b>100%</b>
3	Leveraging digital technology is essential for organizations to streamline their internal processes and workflows	76 89.4%	0 0%	9 10.6%	<b>85</b> <b>100%</b>
4	Effective planning and training can significantly help organizations overcome challenges related to digital technology implementation	83 97.6%	2 2.4	0 0%	<b>85</b> <b>100%</b>
5	Emerging trends in digital technology will play a vital role in shaping how organizations operate and compete in the near future	57 67.0%	24 28.2	4 4.7%	<b>85</b> <b>100%</b>

**Source:** Field survey 2023.

Table 4.2.5 show that 74.1% of the respondents agree that gaining insights from data using digital technology is key to making informed business decisions, 22.4% undecided, 3.5% disagree. 100% of the respondents agree that embracing digital technology is a fundamental strategy for organizations to gain a competitive edge in their industry, 0% undecided, none 0% disagree. 89.4% of the respondents agree that leveraging digital technology is essential for organizations to streamline their internal processes and workflows, 0% undecided, 10.6% disagree. 97.6% of the respondents agree that effective planning and training can significantly help organizations overcome challenges related to digital technology implementation, 2.4% undecided, then 0% disagree. 67.0% of the respondents agreed that emerging trends in digital technology will play a

vital role in shaping how organizations operate and compete in the near future, 28.2% undecided, 4.7% disagree.

### 4.3 Analysis of Research Hypotheses

In order to test the hypothesis, regression analysis techniques were used and the validity test of the hypothesis is done through T-test method.

#### Hypothesis I

H<sub>0</sub> The digital technology adopted has significant impact in improving the organization performance.

H<sub>1</sub> The digital technology adopted has no significant impact in improving the organization performance.

**Table 4.3.1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.677 <sup>a</sup>	.131	.553	1.077

a. Predictors: (Constant), Digital Technology

b. Dependent Variable: Organization Performance

**Table 4.3.2**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.756	2	4.378	3.773	.002 <sup>a</sup>
	Residual	271.497	234	1.160		
	Total	280.253	236			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Digital Technology

**Table 4.3.3**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.128	.206		10.315	.000
Digital Technology	.194	.059	.102	3.584	.001

a. Dependent Variable: Organization Performance

Table 4.3.3 shows the value of adjusted  $R^2$  which is 0.131 indicates that all the independent variables (explain 13.1% of the systematic variation in the dependent variable). From the table, the t-test of digital technology as result of border closure is (3.584) significant at p-value (0.001) less than the critical value (0.05). This shows that digital technology is significant because the p-value is 0.001 which is less than 0.05 and it has predictive significance for the improvement of organization performance.

### **Hypothesis II**

$H_0$  The technological innovation has significant impact in improving the organization performance.

$H_1$  The technological innovation has no significant impact in improving the organization performance.

**Table 4.3.4**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.561 <sup>a</sup>	.314	.308	1.059

- a. Predictors: (Constant), Technological Innovation  
b. Dependent Variable: Organization Performance

**Table 4.3.5**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	120.838	2	60.419	53.840	.000 <sup>a</sup>
	Residual	263.717	235	1.122		
	Total	384.555	237			

- a. Dependent Variable: Organization Performance  
b. Predictors: (Constant), Technological Innovation

**Table 4.3.6**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.727	.202		13.527	.000
	Technological Innovation	.443	.058	.422	7.675	.000

- a. Dependent Variable: Organization Performance

Table 4.26 shows the value of adjusted  $R^2$  which is 0.314 indicates that all the independent variables (explain 31.4% of the systematic variation in the dependent variable). From the table, the t-test of technological innovation is (7.675) significant at p-value (0.000) less than the critical value (0.05). This shows that technological innovation is significant because the p-value is 0.000 which is less than 0.05 and it has predictive significance for the improving of organization performance.

#### **4.4 Discussion of Findings**

The findings presented in Tables 4.2.2 to 4.2.5 offer valuable insights into the perceptions and opinions of respondents regarding the impact of digital transformation and technological innovation within their organizations. This discussion aims to provide a comprehensive analysis of these findings.

Table 4.2.2 reveals that a significant portion (89.4%) of respondents agree that their organizations have actively implemented digital transformation initiatives. This high level of agreement indicates a widespread recognition of the importance of digital transformation in today's business landscape. It suggests that the majority of organizations have taken steps to integrate digital technologies into their operations. Furthermore, 84.7% of respondents believe that the digital transformation initiatives in their organizations are comprehensive and well-planned. This indicates that organizations are not merely embracing technology for the sake of it but are taking a strategic and holistic approach to digital transformation. This alignment with comprehensive planning is essential for achieving successful and sustainable digital transformation outcomes. Another noteworthy finding is that 90.6% of respondents agree that digital transformation has positively impacted their organization's performance. This positive sentiment underscores the belief that digital technologies are not just a buzzword but are genuinely contributing to improved efficiency and effectiveness in organizations. However, it's crucial to note that while 56.5% of respondents agree that their organizations have seen an increase in revenue due to digital transformation, 30.6% are undecided.

Table 4.2.3 delves into the aspect of technological innovation. The data indicates that 89.4% of respondents agree that their organizations actively invest in technological innovation. This is a positive sign, as innovation is often a key driver of competitiveness and sustainability in today's rapidly evolving business environment. Moreover, the fact that 81.2% of respondents consider technological innovation a priority in their organization's strategic planning reflects a strategic commitment to innovation. This alignment between innovation and strategy is critical for ensuring that innovative efforts are aligned with overall organizational goals. The finding that 95.3% of respondents believe that technological innovation has improved customer satisfaction and loyalty highlights the customer-centric benefits of innovation. Organizations are recognizing that innovation can directly impact customer experiences, leading to increased satisfaction and loyalty. However, the data also reveals that 90.6% of respondents perceive a lack of coordination between technological innovation efforts and their organization's strategic direction. This highlights an area of concern that organizations need to address. To maximize the benefits of innovation, it's essential to align innovation initiatives with the overarching strategic vision. While 56.5% of respondents believe that technological innovation has provided their organizations with a competitive advantage, 30.6% are undecided. This underscores the need for organizations to measure and communicate the competitive advantages gained through innovation to their employees and stakeholders more effectively.

Table 4.2.4 explores the challenges associated with digital transformation. Notably, many respondents (85.9%) acknowledge that inadequate financial resources affect digital

transformation. This finding highlights the financial constraints that organizations often face in their digital journeys. It emphasizes the importance of securing adequate funding to support digital initiatives. Similarly, 87.1% of respondents identify the unavailability of a skilled workforce as a potential barrier to digital transformation. This shortage of talent is a common challenge faced by organizations in the digital age. It underscores the need for investment in talent development and acquisition to bridge the skills gap. The data also reveals that 90.6% of respondents believe that bad leadership can affect the support and promotion of digital transformation initiatives. This finding underscores the critical role that leadership plays in driving digital transformation efforts. Effective leadership is essential for creating a culture that embraces change and innovation. On a positive note, 97.6% of respondents recognize that poor technological infrastructure and tools can affect digital transformation. Acknowledging this challenge is the first step toward addressing it. Organizations must invest in upgrading their infrastructure and providing the necessary tools and technologies to facilitate digital transformation effectively.

Table 4.2.5 focuses on the significance of digital technology and data-driven decision-making. A substantial percentage (74.1%) of respondents agree that gaining insights from data using digital technology is crucial for informed business decisions. This reflects the growing importance of data-driven decision-making in today's business landscape. Moreover, the unanimous agreement (100%) that embracing digital technology is a fundamental strategy for gaining a competitive edge underscores the consensus among respondents about the strategic value of digital technologies. However, 89.4% of respondents agree that leveraging digital technology is essential for

streamlining internal processes and workflows. This suggests that there is still a notable minority (10.6%) that may not fully recognize the potential of digital technology for internal efficiency. Organizations should work on communicating the benefits of digital tools for streamlining operations. In addition, 67.0% of respondents believe that emerging trends in digital technology will play a vital role in shaping how organizations operate and compete in the near future. This forward-looking perspective highlights an awareness of the need to adapt to evolving technological landscapes.

In conclusion, the findings from Tables 4.2.2 to 4.2.5 provide valuable insights into the state of digital transformation and technological innovation in the surveyed organizations. While there is strong support for these initiatives, there are also notable challenges related to resource constraints, talent shortages, leadership, and alignment with strategic goals. Addressing these challenges while capitalizing on the recognized benefits of digital transformation and innovation will be critical for organizations to thrive in an increasingly digital world.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Summary**

This study sets out to empirically investigate the effect of digital transformation on organizational performance in Nigeria. The study was descriptive in nature and was conducted within a dynamic framework. This paper aims to examine the likely economic implications of digital transformation to organizational performance as well as postulate policy measures to solve the attendance challenges. Based on the empirical analysis, the following findings were made

1. Digital transformation adaptation improved the organization performance
2. Technological innovation improved the organization performance
3. Also, there are factors affecting digital transformation in improving organization performance?
4. Organizations can be leverage through digital technology to improve their operations and remain competitive.

#### **5.2 Conclusion**

The findings presented provide valuable insights into the impact of digital transformation on organisational performance in Nigeria. These findings offer a nuanced view of respondents' perceptions, opinions, and challenges related to these critical areas.

Overall, the data suggests a widespread recognition of the significance of digital transformation and technological innovation. The majority of respondents acknowledge the importance of these initiatives and the positive impact they can have on organizational performance, efficiency, and competitiveness.

However, several key challenges and areas of concern have also been identified:

1. **Resource Constraints:** Insufficient financial resources and a shortage of skilled workforce are recognized as barriers to digital transformation. Organizations must prioritize funding and invest in talent development to overcome these challenges.
2. **Alignment with Strategy:** There is a perceived lack of coordination between innovation efforts and the organization's strategic direction. It is crucial for organizations to ensure that digital initiatives are closely aligned with strategic goals to maximize their impact.
3. **Leadership and Culture:** Effective leadership is essential for fostering a culture of innovation and change. Leadership support and a culture that embraces innovation are critical drivers of successful digital transformation.
4. **Communication and Education:** While there is agreement on the importance of digital technology for internal processes, organizations should improve communication to help employees understand the benefits and encourage adoption.
5. **Measurement and Reporting:** Organizations should establish clear KPIs to measure the impact of digital transformation on revenue growth, customer satisfaction, and other critical metrics. Regular reporting to stakeholders will help demonstrate the value of digital initiatives.

6. **Continuous Adaptation:** Given the rapidly evolving technology landscape, organizations must remain agile and adaptable. Monitoring emerging trends and proactively integrating relevant technologies will be crucial for staying competitive.
7. **Customer-Centric Focus:** Organizations should continue to prioritize customer satisfaction and loyalty through technological innovation, leveraging customer feedback to drive improvements.

In conclusion, while organizations are making significant strides in embracing digital transformation and technological innovation, addressing these challenges will be essential for realizing the full potential of these initiatives. By aligning strategy, investing in resources and talent, and fostering a culture of innovation, organizations can position themselves for long-term success in the digital era.

### **5.3 Recommendations**

Based on the findings presented and the discussion, several recommendations can be made to help organizations optimize their digital transformation and technological innovation efforts:

1. **Strategic Alignment:** Ensure that digital transformation and technological innovation efforts are closely aligned with the organization's strategic goals and objectives. This can be achieved through clear communication of the strategic vision and regular assessment of alignment.

2. **Investment Prioritization:** Allocate sufficient financial resources to support digital transformation initiatives. Organizations should prioritize investments that have a direct impact on strategic objectives and revenue generation.
3. **Talent Development:** Address the skills gap by investing in talent development and acquisition. Implement training programs to upskill existing employees and attract new talent with the necessary digital competencies.
4. **Leadership and Culture:** Foster a culture of innovation and change by promoting effective leadership at all levels of the organization. Leadership should actively support and champion digital transformation initiatives and create an environment that encourages experimentation and learning.
5. **Technological Infrastructure:** Invest in upgrading technological infrastructure and providing the necessary tools and technologies to facilitate digital transformation effectively. Modernized infrastructure is essential for ensuring the scalability and sustainability of digital initiatives.
6. **Communication and Education:** Communicate the benefits of digital technology for internal processes and workflows more effectively. Educate employees about the advantages of digital tools for enhancing efficiency and productivity within the organization.
7. **Measurement and Reporting:** Develop key performance indicators (KPIs) to measure the impact of digital transformation on revenue growth and customer satisfaction. Regularly report on these metrics to stakeholders to demonstrate the value of digital initiatives.

- 8. Cross-Functional Coordination:** Address the perceived lack of coordination between technological innovation efforts and the organization's strategic direction. Establish cross-functional teams or committees to ensure that innovation initiatives align with strategic goals and are adequately prioritized.
- 9. Innovation Strategy:** Formalize an innovation strategy that outlines the organization's approach to innovation, including the identification of innovation champions and the integration of innovative thinking into all aspects of the business.
- 10. Trend Monitoring:** - Stay vigilant about emerging trends in digital technology. Continuously monitor and assess how these trends could impact the organization's operations and competitiveness. Be prepared to adapt and integrate relevant technologies as needed.
- 11. Customer-Centric Focus:** - Continue to prioritize customer satisfaction and loyalty through technological innovation. Gather and analyze customer feedback to identify areas where technology can enhance the customer experience.
- 12. Continuous Learning:** - Encourage a culture of continuous learning and adaptation. Technology and business environments are constantly evolving, and organizations must remain agile and open to change.
- 13. Risk Management:** - Develop a risk management strategy that addresses potential challenges associated with digital transformation, such as data security, privacy, and regulatory compliance. Proactive risk management is essential for safeguarding the organization's reputation and operations.

**14. Collaboration and Partnerships:** - Explore opportunities for collaboration and partnerships with external organizations, including technology providers and industry peers, to leverage expertise and resources for digital transformation initiatives.

By implementing these recommendations, organizations can better navigate the challenges of digital transformation, capitalize on the benefits of technological innovation, and position themselves for long-term success in an increasingly digital and competitive business landscape.

#### **5.4 Suggestions for Further Research**

Here are some reasonable suggestions for further research in the field of digital transformation and technological innovation, which are to:

1. Conduct a longitudinal study to assess the long-term impact of digital transformation initiatives on organizational performance, revenue growth, and competitive advantage. Tracking these effects over several years can provide a deeper understanding of the sustainability and evolving nature of digital transformation benefits.
2. Compare the adoption and impact of digital transformation across different industries. Investigate the unique challenges and opportunities faced by various sectors, such as healthcare, finance, manufacturing, and retail, to identify industry-specific best practices.
3. Explore the role of leadership in driving successful digital transformation. Investigate the specific leadership qualities and behaviors that contribute to effective change management and innovation promotion within organizations.

4. Examine strategies for optimizing resource allocation in digital transformation initiatives. Research could focus on innovative approaches to secure funding, allocate resources efficiently, and maximize returns on investment.
5. Investigate the effectiveness of various training and development programs aimed at bridging the digital skills gap. Evaluate the impact of different educational interventions on employees' ability to contribute to digital initiatives.
6. Conduct in-depth studies on the role of organizational culture in supporting or hindering digital transformation. Explore how cultural factors, such as risk tolerance, adaptability, and collaboration, impact the success of digital initiatives.
7. Explore the relationship between technological innovation, customer experience, and customer loyalty in greater detail. Investigate the specific digital tools and strategies that most positively influence customer satisfaction.
8. Analyze emerging digital technology trends and their potential impact on different industries. Evaluate the readiness of organizations to adopt and adapt to these trends and the potential benefits and challenges they present.
9. Investigate risk management practices related to digital transformation, particularly in areas like data security, privacy, and regulatory compliance. Develop frameworks for effective risk mitigation in digital initiatives.

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## APPENDIX I

**DEPARTMENT OF BUSINESS ADMINISTRATION  
FACULTY OF MANAGEMENT SCIENCES  
UNIVERSITY OF BENIN  
BENIN CITY**

Dear Respondent,

### APPEAL FOR THE COMPLETION OF QUESTIONNAIRE

I am an undergraduate student in the above named Department. As part of the requirement for the programme, I am conducting a research on “**The Impact of Digital Transformation On Organisational Performance In Nigeria**”. In this regard, you have been randomly selected as a member of the sample.

I also wish to assure you that your responses will be treated in strict confidence and used for the stated academic purpose only.

Thank you.

Yours Faithfully,

**Eugene  
Researcher**

### SECTION A: PERSONAL DATA

Tick  in the appropriate box and give answers where necessary.

1. Gender: Male  Female
2. Age: Under 25yrs  26 – 30yrs  31-35years  36-40years  41years and above
3. Marital Status: Single  Married  Other
4. Educational Level: SSCE/GCE  OND/NCE  HND/BSC  MSc/ MBA/Others
5. Experience: Under 3yrs Below  4-6yrs  7-10 yrs  11 yrs above

**SECTION B: GENERAL**

Please tick in the appropriate box after each question as an indication of your choice using Likert scale: Strongly Agree=SA; A= Agree; Undecided=U; Disagree= D; Strongly Disagree=SD.

S/N	PARTICULARS					
	<b>To know the Impact of digital transformation adaptation in improving the organization performance</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
6	Our organization has implemented digital transformation initiatives					
7	The digital transformation initiatives in our organization are comprehensive and well-planned.					
8	Digital transformation has positively impacted our organization's performance					
9	Digital transformation has improved our organization's efficiency and productivity					
10	Our organization has seen an increase in revenue as a result of digital transformation					
	<b>To find out the Impact of technological innovation in improving the organization performance</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
11	Our organization actively invests in technological innovation					
12	Technological innovation is considered a priority in our organization's strategic planning					
13	Technological innovation has led to an improvement in customer satisfaction and loyalty					
14	There is a lack of coordination between technological innovation efforts and our organization's strategic direction					
15	Technological innovation has provided our organization with a competitive advantage in the market					
	<b>To identifying the factors affecting digital transformation in improving organization performance</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>
16	Inadequate financial resources affect digital transformation					
17	Un availability of skilled workforce affect digital transformation					
18	Change of management and communication can affect digital transformation					
19	Poor Technological Infrastructure and Tools can affect digital transformation.					
20	Bad leadership in organization can affect the supports and promotes digital transformation initiatives.					
	<b>To suggest ways which organization can leverage digital</b>	<b>SD</b>	<b>D</b>	<b>U</b>	<b>A</b>	<b>SA</b>

	<b>technology in improving their operations and remain competitive</b>					
21	Gaining insights from data using digital technology is key to making informed business decisions					
22	Embracing digital technology is a fundamental strategy for organizations to gain a competitive edge in their industry					
23	Leveraging digital technology is essential for organizations to streamline their internal processes and workflows					
24	Effective planning and training can significantly help organizations overcome challenges related to digital technology implementation					
25	Emerging trends in digital technology will play a vital role in shaping how organizations operate and compete in the near future					

## APPENDIX II

**Table 4.3.1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.677 <sup>a</sup>	.131	.553	1.077

**Table 4.3.2**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.756	2	4.378	3.773	.002 <sup>a</sup>
	Residual	271.497	234	1.160		
	Total	280.253	236			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Digital Technology

**Table 4.3.3**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.128	.206		10.315	.000
	Digital Technology	.194	.059	.102	3.584	.001

**Table 4.3.4**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.561 <sup>a</sup>	.314	.308	1.059

**Table 4.3.5**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	120.838	2	60.419	53.840	.000 <sup>a</sup>
	Residual	263.717	235	1.122		
	Total	384.555	237			

**Table 4.3.6**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.727	.202		13.527	.000
	Technological Innovation	.443	.058	.422	7.675	.000