

Technological Change and Organizational Performance of Commercial Banks in Yenagoa, Bayelsa State

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ABSTRACT

The aim of this study was to examine the relationship between technological change and organizational performance of commercial banks in Bayelsa State. The research adopted survey design method which comprises of 100 respondents drawn from 15 commercial banks in Bayelsa State sampled with questionnaire. The study used Spearman Rank-Order Correlation Coefficient (rs) to analyze the data and test the hypotheses. The study found out that technological adoption has a significant and weak positive relationship with operational performance and financial performance in commercial banks in Bayelsa State. The study concludes that technological adoption contributes significantly to the modeled outcomes of operational performance and financial performance. The study recommended that the commercial banks should be ready to adapt to new technology and modern ways of production that can help facilitate improvement in sales and to maximize profit.

Keyword: *Technological change, organizational performance, technological adoption, operational performance, financial performance.*

1.1 Introduction

Information technology (IT) and its effects on the organizational performance have received remarkable attention in academia (Hasan, Schmiedel & Song, 2012). Literatures have established that information technology has seen accelerated growth (Crawford, Pavanini and Schivardi, 2018; Otiemo and Ndede, 2020) which has had a significant impact on how organizations operate and has forced them to rethink how they conceptualize their strategies. Progress for organizations in this information age is pivoted on the inclusion of information technology in their overall strategy, a trend that has persisted for the past two decades. This trend was already evident in the early 1990s, when, for example, in General Electric's (GE) 1995 annual report, its CEO named information systems as a top priority in the company's strategic focus. Information technology is seen as a critical enabler to achieve long-term business goals, and it cannot simply be bolted onto existing strategies; rather it needs to be a driver (Scott, Van Reenen, & Zachariadis, 2017).

The purview of banking developed the restriction, scope in addition to in hobby in mild of the reality that the general public authority modified the authorizing cycles of banks in the course of the 1980s which added approximately the heightening fair and rectangular of contest most of the banks (Oluduro, 2015). Besides, the impact of globalization and reconciliation ability of twenty-

first-century institutions further supplied the banks to a wilder diploma of contention among its rivals inside the commercial enterprise. In this manner, it has become massive for the banks to discard the normal monetary framework and embrace IT.

Kubbr, (2007) noticed that Japan monetary foundations have empowered mechanical alternate to accumulate higher hand in all elements in their obligations. The full-size test confronting maximum institutions for instance in India's economic system, is the way to oversee brief and modern development and change. Right innovation commonly decides authoritative depth and monetary execution.

Mechanical exchange and the ideal execution of new improvements are crucial piece of development cycle, the whole thing being identical. Innovation drives commercial enterprise improvement and in addition increases activity. Different business operations and companies rely on technology because it improves business communication, optimizes production, inventory management and financial record keeping. This current research seek to establish the link empirically, the relationship between technological change and organizational performance in commercial banks in Bayelsa State.

1.2 Conceptual Framework

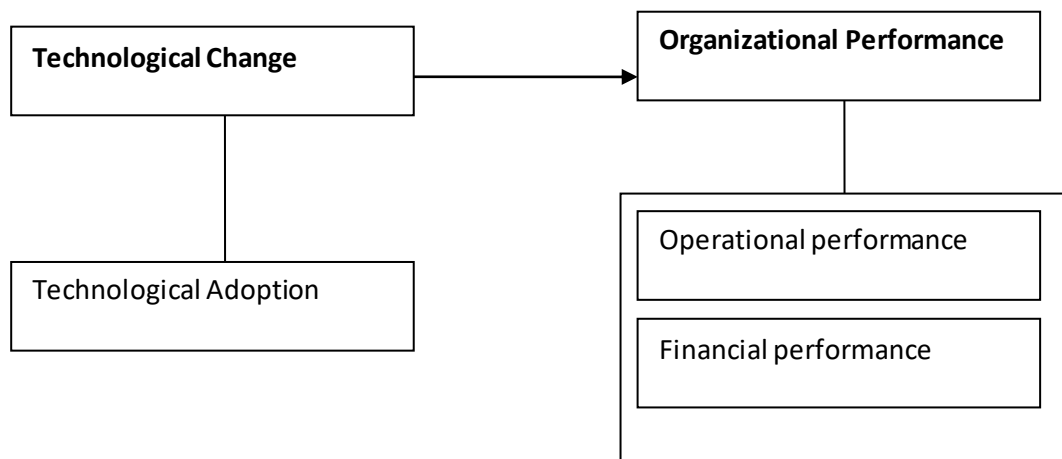


Fig. 1 Adapted from Asghar, A. J., Malid, R., Khaleel, N., and Baurag, K. P. (2012) Dimensionalized Organizational Performance.

1.3 Research Objectives

The focal objective of this research examines the relationship between technological change and organizational performance.

1. To identify the relationship between technological adoption and financial performance in commercial banks in Bayelsa State.
2. To examine the relationship between technological innovation and operational performance in commercial banks in Bayelsa State.

1.4 Research Questions

The following research questions guided the researcher in achieving the purpose of the study:

1. What is the relationship between technological adoption and operational performance in commercial banks in Bayelsa State?
2. What is the relationship between technological adoption and financial performance in commercial banks in Bayelsa State?

1.5 Research Hypotheses

The following hypotheses were tested in the course of this study:

Ho₁ There is no significant relationship between technological adoption and operational performance in commercial banks in Bayelsa State.

Ho₂ There is no significance relationship between technological adoption and financial performance in commercial banks in Bayelsa State.

2 Reviews of Related Literatures

Reviews of literature in the current exercise are limited to the studied variables as considered below;

2.1 Technological Change

One of the most sizable essential alternatives the executives faces inside the present international cutthroat climate is the problem of innovation in associations (Guo, Wang, Xie and Shua, 2015). Choices concerning mechanical reception, improvement are of high significance for an agency's in fashionable severe procedure and situating. Surveying the well worth of innovation has in no way been easy. Anyways, with innovation, corporations can acquaint some frameworks with prune fees and examine these frameworks regarding their prosperity (Cooper and Stephenson 2014). The well worth of these drives lies of their dedication to a business enterprise's seriousness, which is frequently unquantifiable and doubtful (Cooper and Stephenson, 2014). past due enhancements in innovation, specially the computer frameworks and internet have elevated attention of mechanical competencies, effect and brought about a re-examination of the connections with mechanical mixture, exchange, revolutionary basis development and extraordinary components of hierarchical life like innovative development (Makhloufi, Azbiya and Yamin, 2018). This innovative structure is made possible by the assist from top directors to innovation (Byrd and Davidson, 2015; Stone, Cox and Gavin 2020).

2.2 Technological Adoption

Adoption of technology has accomplished a sensational alternate in numerous associations. It's far tremendous in light of the reality that the automobile authorized the good sized majority to partake in a fast impacting international where innovation has end up key to our lives. Humans and institutions who cannot take on innovation will steadily restrict their capacity to partake completely inside the financial and comfort advantages associated with innovation. The selection on whether to institute some other innovation depend upon what blessings might be received by using setting up new specialized, beneficial or esthetic arrangements, to reap the association's

cutthroat position. This desire as a result, additionally depend upon the gamble and fee included (Skyrius, Nemitko, and Talocka 2018).

The modern duration of banking is set apart with automatic transformation prompting the short development of improvements. the brand new age of monetary innovation new organizations is unbundling the economic model, giving smooth patron interface (Goldberg, 2009) and operating with banking administrations (Henry and Hank, 2014). Chasing supportable development and to address contest, banks are embracing new innovation and reclassify the approaches to overhauling customers. The innovation trade has made a non-stop shift from bodily framework to innovation empowered administrations that want less human intercession.

Portable and web Innovation are some pleasant times of reception of reducing aspect innovation of management regions and it offers parcel of blessings to the customers as well as the institutions. For portable banking, the acknowledgment and sending property for customers where the clients are in a far off spot is an advantage. It's far the super software to the customers to fulfill their necessities in any time. In line with the innovation changes, the banks are transformed from its standard technique of exchanges into current method of exchanges. The clients are making exchanges from anywhere and every time for their fantastic making use of flexible banking applications. In light of this reception of flexible banking, the economic location is getting a big development throughout the globe such as emerging countries. The power producing and conveyance affiliation likewise make use of the portable and internet innovation to work on customer administrations in various areas like internet primarily based installments, acquiring and the quit of billings.

This development of portable economic set the ATM - Programmed Teller device dissatisfied. With the ATM, banks work 24 hours administrations to their clients. Flexible monetary mode faded the time and upgraded the high quality of the customers. To satisfy the customers want and to appeal the customer, banks are doing something it is able to take to be familiar with their assumptions and they have to understand in which they may be currently. Then, at that point, simply the banks satisfy their customers and that they want you obtain fantastic fee in future. As banks offers reducing edge innovation packages to their clients, for instance, transportable Banking and web banking, it attracts in clients and paintings with the financial administrations for their clients.

2.3 Organizational Performance

Organizational performance contains the genuine end result or after effects of an affiliation as predicted in opposition to anticipated targets and targets (Martin-Rojas and Garcia-Morales, 2019). Authoritative execution may be perceived through how nicely an association is doing to perform its targets. The proprietors or supervisors of an association simply have to recognise the presentation pace of their affiliation to have the option to recognize what transforms they can present. Without the information at the exhibition, it will be hard for the chiefs of the affiliation to recognize when precisely adjustments are required within the affiliation. Greater consideration should be given to how execution is evaluated. Unmatched execution means that the work is completed honestly and proficiently. Hierarchical execution alludes to an extended-variety paintings to similarly increase an institutions important thinking restriction and its potential to

evolve to changes in its outer weather with the assistance of outside or inward behaviour researcher, experts, or change professionals, as they're at instances referred to as. Haslett and Leidel, (2015), conceptualized that hierarchical execution is ready goal achievements via the exchange of contributions to yields. Its miles likewise the achievement of a given errand envisioned in opposition to pre-set acknowledged pointers of exactness, achievement, cost and velocity. Execution is taken into consideration to be the satisfaction of a dedication, in a manner that the entertainer out of all liabilities under the agreement.

2.4 Operational Performance

Organisations in the extreme worldwide financial system want directors that may assemble perfectly association and character interests for a long time gain. normal hierarchical improvement require supervisors and institution pioneers that are prepared for empowering labourers to concoct groundbreaking thoughts and strategies that may establish a helpful weather wherein new reasoning is energized and invited.

Purposeful execution in any affiliation can be made from becoming usage of innovation stages, which includes ICT programs, device, computer agencies, cell phones, the internet and websites (Agbolade, 2011; Enu and Gberbi, 2015). at some stage in the past many years ICT reception tested to have serious areas of electricity for a fine relationship with functional execution in the financial enterprise and different assist associations (Kairu and Rugami, 2017; Omanyo, 2014).

As indicated by Kotler (2011), an item is anything may be given to the hobby, purchase, use or utilization of a patron that might satisfy a need or a wish. Development within the object is the flip of occasions and resulting execution of a decent that is new or an enhancement for beginning hard work and products (Tonui, Kibati and Tanui, 2020). Object advancements have an accentuation on the consumer and are driven basically by way of customers.

2.5 Financial Performance

Performance is the result of the affiliation's all's obligations and methods (Wilkinson, and Johnstone, 2018). Estimating economic execution precisely is basic for the cease aim of bookkeeping and remains a focal worry for most institutions. Execution estimation frameworks supply the status quo to foster smart publications of movement, survey an affiliation's end result of targets, and compensate troughs (Omran, Khalilat, Gleason and Tahat, 2021). No matter the reality that assessment of execution within the showcasing writing continues to be important, its miles moreover muddled (Gerstenfield and Wortzel, 2007).

Long term execution has been determined for 2 reasons: proper off the bat considering that that's what the clients of "retail" items, for example, unit trusts can be supposed to be checking out, in particular thinking about the charging recreation plans which make more restrained time period project impulsive. Furthermore, one of the attractions of sorting out "real" items instead of hypothetical examinations is the situation of ways regulatory prices add to the consequences. On a primary stage, such prices could show up in either front-quit or regular yearly administration charges. Financial execution is fundamental for the patience of corporations inside the cutthroat and questionable climate. The board is nerve-racking to parent out how the paintings of management first-rate development are hooked up with an association's presentation (Sousa and

Voss, 2012). Financial execution at final displays whether or not management exceptional is mentioned in a company. Economic execution is conceptualized because the degree to which a company expands offers, blessings, and return on cost. Those are signs and symptoms of economic execution and appear the prosperity of a firm all in all (Barnett and Salomon, 2016). Usually, the monetary exhibition of companies has been predicted utilizing a mix of ordinary bookkeeping measures and risk and convey measures returned. similarly exam of economic execution has applied philosophies like economic proportion investigation, benchmarking, estimating execution towards spending plan or a blend of these budget summaries disbursed normally comprise diverse financial proportions intended to offer a signal of the establishment's presentation.

3. Methodology

The study adopted survey research design, with a population size of 105, although, this research work is a census work because we used the entire population. Both the population and the sample size are the same. Considering that, the nature of the technique selected for the study was a census; a total 105 observation from all the head offices of the 15 commercial banks in Bayelsa State formed the respondents to this study. Structured questionnaire formed the instrument for data collection subjected to content validity with Cronbach's Alpha coefficient 0.65 as reliability benchmark as espoused by (Taherdoost, 2016). Data collected were analyzed using Spearman Rank-Order Correlation Coefficient.

4. Data Presentation

Table 4.1. Administration of Instrument

QUESTIONNAIRE ALLOCATION	RESPONDENTS	%
Filled and Returned	100	100
Unreturned	5	5
Total Distributed	105	105

Source: Study data, 2021

4.2 Bivariate Analysis of Hypotheses

The bivariate analytical results of hypotheses were determined following the rule:

Table 4.2 Decision rule table

Coefficient Value	Strength of Association
$0.1 < r < .19$	Very weak correlation
$0.2 < r < .39$	Weak Correlation
$0.4 < r < .59$	medium/moderate correlation
$0.6 < r < .79$	Strong correlation
$ r > .79$	Very strong correlation

Hypotheses 1-2

Table 4.3 Analysis of Relationship between Technological adoption and Organizational performance variables; operational and financial performance

ITEMS		Dependent Variable		
		Technological adoption	Operational performance	Financial performance
Technological adoption	Rho	1.000	.272**	.394**
	Sig.	.	.006	.000
	Mean	2.92	2.49	3.00
	N	100	100	100
Remark			weak positive relationship	weak positive relationship

Source: SPSS Output from Field Data (2021)

Table 4.3 showed that technological adoption when compared against various measures of Organizational performance yielded rho values of 0.272 for Operational performance and 0.394 for Financial performance respectively, The result showed that there is a significant and weak positive relationship between technological adoption and Operational performance ($\rho = 0.272$, $p < 0.05$). Also, it showed significant and weak positive correlation between Technological adoption and financial performance ($\rho = .394$, $p < 0.05$). Based on these results the null hypotheses (H_{o1} , and H_{o2}) were rejected. Hence there is a significant relationship between technological adoption and organizational performance in the commercial banks in Bayelsa State.

5. Summary of Findings

The findings of this study are summarized as follows:

1. Technological adoption has a significant and weak positive relationship with operational performance in commercial banks in Bayelsa State ($\rho = 0.272, p < 0.05$).
2. Technological adoption has a significant and weak positive relationship with financial performance in commercial banks in Bayelsa State ($\rho = .394, p < 0.05$).

5.2 Recommendations

Based on the findings, the study recommends that:

- 1 Commercial banks should be ready to adapt to new system modern way of production such as computer based machine that can help facilitate improvement in sales and optimum profitability.
- 2 Commercial banks should acquire requisite technological infrastructure that facilitate technological change in order to increase their performance level

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