

**IMPACT OF INFORMATION AND
COMMUNICATION TECHNOLOGY USAGE ON
ORGANIZATIONS' PRODUCTIVITY**

**MASTER OF BUSINESS ADMINISTRATION
IN
MANAGEMENT OF TECHNOLOGY**

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IMPACT OF INFORMATION AND COMMUNICATION TECHNOLOGY USAGE ON ORGANIZATIONS' PRODUCTIVITY

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DECLARATION

I hereby certify that this dissertation does not incorporate, without acknowledgment, any material previously submitted for a degree or Diploma in any University and to the best of my knowledge and belief, it does not contain any material previously published or written by another person or myself except due reference is made in the text. I also hereby consent for my dissertation, if accepted, to be made available for photocopying and for interlibrary loans, and for the title and summary to be made available to outside organizations.

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ABSTRACT

Information and Communication Technology (ICT) has become the disruptive change agent in the corporate sector. Both Government and private organizations increasingly relying on ICT to improve productivity and gain competitive advantage. Even though ICT increases their influence in the modern business environment more than ever before, ICT usage in organizations has become just a marketing tool to display IT savviness to the world. There is not much evidence in Sri Lanka to accept the actual impact of ICT on business compared to its investment cost. Hence, the question of “Does the ICT actually Increase the organizations’ productivity?” Academic literature has contradicting opinion regarding the matter. Some researches conclude that ICT, in fact, increases the Organizations’ productivity while others do not, giving birth to the theory of IT Productivity Paradox. Increasing investments and usage of ICT in Sri Lankan organizations proves the importance of finding the answer to the problem, Does ICT usage influence the Organizations’ Productivity?

Therefore, this research is focused on identifying the level of ICT usage, organizations’ productivity level, and whether ICT usage influences the organizations’ productivity in Sri Lankan private Sector Organizations. Scope is limited to private and public Limited companies in Sri Lanka in different industries. ICT usage is defined with, ICT functionality usage and ICT device usage which are identified as Independent variables. Organizations’ productivity is defined as business process performance which is the dependent variables for this study. Industry type is considered as a moderator variable. Descriptive and inferential analysis were used while multiple regression was used to test hypotheses. Data analysis shows that ICT device usage doesn’t influence Organizations’ productivity while ICT functionality usage does influence organizations’ productivity. Further, Industry type doesn’t moderate the relationship between ICT usage and organizations’ productivity.

Keywords: ICT Usage, Organizations’ productivity, Productivity Paradox, Sri Lankan Private Sector.

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TABLE OF CONTENTS

DECLARATION	i
ABSTRACT	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv
LIST OF FIGURES	vii
LIST OF TABLE	viii
LIST OF ABBREVIATIONS	x
1. CHAPTER 01: INTRODUCTION	1
1.1. Background of Study	1
1.2. Problem Statement of the Research	3
1.3. Significance of the Study	5
1.4. Scope of the Study	7
1.5. Research Questions	7
1.6. Research Objectives	7
1.7. Methodology	8
1.8. Thesis Organization	8
1.9. Limitations of the study	9
1.10. Chapter Summary	9
2. CHAPTER 02: LITERATURE REVIEW	11
2.1. Introduction	11
2.2. Previous Studies	11
2.2.1. Information and communication technology and importance	11
2.2.2. Productivity paradox	16
2.2.3. Investment and usage of information and communication technology	20
2.2.4. Organization productivity	23
2.2.5. Justification for productivity measurement	24
2.2.6. Methods used (conceptual models)	26
2.2.7. Industry and information and communication technology	28
2.2.8. Lack of studies on Sri Lanka context	32

2.3. Chapter Summary	32
3. CHAPTER 03: METHODOLOGY	34
3.1. Introduction	34
3.2. Research Process	34
3.2.1. Research philosophy	34
3.2.2. Research approach.....	35
3.2.3. Research strategy	35
3.2.4. Research choice	35
3.2.5. Time horizon.....	36
3.2.6. Conceptual framework.....	36
3.2.7. Hypothesis of the study.....	39
3.2.8. Operationalization	41
3.2.9. Methods of data collection.....	42
3.3. Sample of the Study.....	43
3.3.1. Target population.....	43
3.3.2. Sample design	43
3.3.3. Sample size.....	43
3.4. Methods of Data Analysis	44
3.4.1. Data analysis.....	44
3.4.2. Validity and reliability.....	45
3.5. Chapter Summary	45
4. CHAPTER 04: DATA ANALYSIS AND DISCUSSION.....	46
4.1. Introduction	46
4.1.1. Sample profile.....	46
4.1.2. Reliability analysis	48
4.1.3. Factor analysis.....	51
4.1.4. Descriptive data analysis	52
4.1.5. Inferential data analysis	54
4.2. Level of ICT usage in Sri Lankan private sector organizations	55
4.3. Level of organizations' productivity in Sri Lankan private sector companies.....	56
4.4. Whether ICT usage influence organizations' productivity	57
4.5. Does industry type moderates the relationship between ICT usage and organizations' productivity	59
4.6. Hypothesis Testing	61

4.7. Chapter Summary	63
5. CHAPTER 05: CONCLUSION, RECOMMENDATIONS AND FUTURE RESEARCH	64
5.1. Introduction	64
5.2. Summary of the study	64
5.3. Key Findings	65
5.4. Conclusions	65
5.5. Recommendations	67
5.5.1. Practice level recommendations	67
5.5.2. Policy level recommendations	69
5.6. Future Research	69
REFERENCES	71
APPENDIX	75
Appendix A	75
Appendix B	81
Appendix C	84
Appendix D	86
Appendix E	89
Appendix F	101
Appendix G	103

LIST OF FIGURES

Figure 2-1: Global ICT Development 2001-2016 (ITU, 2016b)	13
Figure 2-2: Strategic Alignment Model (Henderson & Venkatraman, 1993)	14
Figure 2-3: Technology Acceptance Model (Davis, Bagozzi, & Warshaw, 1989)	22
Figure 2-4: Key Areas of benchmarking ICT (Wainwright et al., 2005)	27
Figure 2-5: IT Usage and IT Productivity (Hwang et al., 2015).....	27
Figure 2-6: Measuring the Impact of ICT on Bank Branch Performance (Maldeni & Jayasena, 2009)	28
Figure 2-7: ICT Usage and Hospital Performance (Devaraj & Kohli, 2003).....	28
Figure 2-8: Comparison of investment groups for manufacturing and service sectors (Dasgupta et al., 1999)	31
Figure 3-1: Proposed Conceptual Model	37
Figure 4-1: Categorization by Industry	47
Figure 4-2: Categorization by Position/ Grade	47
Figure 4-3: Public Limited and Private Limited	48
Figure 4-4: Box Plot for Independent and Dependent Variables.....	54
Figure 4-5: ICT Device and Functionality usage Industry wise	55
Figure 4-6: Industry wise Organizations' productivity level	57

LIST OF TABLE

Table 1-1: Key ICT data for the Sri Lanka (ITU, 2016b).....	5
Table 2-1: Evolution of ICT (Herselman & Hay, 2003).....	12
Table 2-2: ICT investment as a percentage of total non-residential gross fixed capital (OECD, 2016)	12
Table 2-3: Indicators used to measure Information and Communication Technology contribution	23
Table 2-4: Overview of Main Productivity Measures (OECD, 2001).....	24
Table 2-5: Indicators used to measure Productivity	25
Table 2-6: Industry Classification of Central Bank Sri Lanka	29
Table 2-7: Sector Categorization by Colombo Stock Exchange	29
Table 2-8: Broad band penetration by industry, 2006. (Percentage of businesses with 10 or more employees in each industry group)(OECD, 2007)	30
Table 3-1: Operational Definition of Variables and Indictors	38
Table 3-2: Operationalization of Variables.....	41
Table 3-3: Summary of Data Analysis methods	44
Table 4-1: Cronbach's Alpha Values	49
Table 4-2: Reliability Statistics of Computer usage if item deleted.	49
Table 4-3: Reliability Statistics of Internet usage if item deleted.....	50
Table 4-4: Reliability Statistics of Email usage if item deleted.....	50
Table 4-5: Reliability Statistics of Cost if item deleted.	50
Table 4-6: Reliability Statistics of Software usage if item deleted.....	50
Table 4-7: Improved Cronbach's Alpha Statistics after deleting items.....	51
Table 4-8: Results of Factor Analysis.....	52
Table 4-9: Descriptive Statistics	53
Table 4-10: Model Summary for Multiple regression excluding Moderating variable	58
Table 4-11: ANOVA Summary for Multiple regression excluding Moderating variable.....	58
Table 4-12: Coefficients Summary for Multiple regression excluding Moderating variable.....	58

Table 4-13: Model Summary for Multiple regression with Moderating variable	59
Table 4-14: ANOVA Summary for Multiple regression with Moderating variable ...	60
Table 4-15: Coefficients Summary for Multiple regression with Moderating variable	61
Table 4-16: Summary of results from Hypotheses testing.....	63

LIST OF ABBREVIATIONS

ICT	Information and Communication Technology
OECD	Organization for Economic Co-operation and Development
GDP	Gross Domestic Product
ITU	International Telecommunication Union
ERP	Enterprise Resource Planning
CRM	Customer Relationship Management
SCM	Supply Chain Management
ATM	Automated Teller Machine
TAM	Technology Acceptance Model
BFI	Banking, Finance and Insurance
MFP	Multifactor Productivity
ROE	Return on Equity
ROA	Return on Assets
IT	Information Technology
CSE	Colombo Stock Exchange
KMO	Kaiser-Meyer-Olkin