

Information Management Practices and Organizational Performance of Selected Deposit Money Banks (DMBs) in Nigeria

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Abstract

Performance is a picture of some achievements of every organization, that its operations is either about financial aspects, marketing aspects, raising some aspects of fund and disbursement of funds, technological aspects, as well as aspects of human resources. However, the issues of bank not practicing maintaining and processing have adversely affected performance. There seems to be paucity of studies on the influence of information management practices on organizational performance of deposit money banks in Nigeria. This study examined the information management practices and organizational performance of selected deposit money banks in Nigeria. Survey research design was adopted for the study. The population of the study covered 2,405 management staff of the selected deposit money banks in Lagos State, Nigeria. The sample size of 432 was determined through the Raosoft sample size calculator. Multi stage sampling method was utilized for selecting the respondents. Data were collected through adapted validated questionnaire. The reliability test for the instrument yielded Cronbach's alpha coefficients for the constructs ranging from 0.77 to 0.89. The instrument achieved a response rate of 100%. Data collected were analyzed using descriptive and inferential statistics. The result revealed that information management practices sub-variables had significant effect on organizational performance; sensing information ($\beta = 2.606$, $r = 0.591$, $T = 15.092$, $p < 0.05$) collecting information ($\beta = 1.178$, $r = 0.350$, $T = 7.754$, $p < 0.05$) organizing information ($\beta = 0.753$, $r = 0.248$, $T = 6.197$, $p < 0.05$) ($\beta = -0.492$, $r = -0.122$, $T = -2.292$, $p < 0.05$) and processing information ($\beta = -0.719$, $r = -0.212$, $T = -4.882$, $p < 0.05$). The study concluded that information management practices play a major role in achieving continued performance of deposit money banks under study. The study recommended that management of selected deposit money banks should ensure that focus is given to the non-financial aspect of performance.

Keywords: *Service delivery, Profitability, Employee satisfaction, Teamwork, Performance and Information management practices*

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Background to the Study

Organizational Performance is a phenomenon that has attracted the attention of scholars over time. Considering its importance, most organizations, especially profit-oriented ones, take adequate steps to ensure proper measurement of their performance. This is more important for Deposit Money Banks in Nigeria that are facing stability challenges such as global economic decline, non-performing loans and deterioration of bank assets which have led to negative growth forecasts and employee layoffs (Osuma, Ikpefan, Romanus, Ndigwe, and Nkwodimmah, 2018). Therefore, interrogating Deposit Money Banks' organizational performance will reveal the reliability, viability, and competence of the banking sector and its contribution to the stability of the macroeconomic environment. This is necessary because Deposit Money Banks occupy a strategic position and are important to growth and development agents in any economy (Imeokparia, 2015, Oloye and Osuma, 2015).

In the light of the performance challenges that Deposit Money Banks in Nigeria face, it has become pertinent that these banks find ways through which instability could be prevented or to ensure its minimal effects on their performance. This brings to fore the consideration of the influence of information management practices and knowledge management strategies on the organizational performance of deposit money banks in Nigeria. This approach is viable considering the fact that information management practices can help deposit money banks to improve organization performance by defining their degree of expertise and engendering collaboration across organizational boundaries through sensing, collecting, organizing, processing and maintaining information. Besides, knowledge management strategies could enhance deposit money banks' organization performance by ensuring that knowledge effectively flows across the organization (Nouri, Moshabaki, Raissi and Javadinia, 2013). Consequently, information management and knowledge management strategies are important dimensions that can improve deposit money banks' organizational performance, thereby ensuring the stability of the Nigerian banking sector.

Organizational Performance is defined as a sustainable market presence achieved through efficiency and productivity, which declares that a performing organization is efficient, competitive and productive. It can also be the analysis of a company's presentation as compared to goals and objectives. Performance is defined as an organization's ability to exploit its environment for accessing and using limited resources (Gavrea, Ilies and Stegorean, 2011). In measuring performance organizations tend to make use of balance scorecard. According to Ahmed and Shafiq, 2014, balance scorecard is a framework that translates strategy into rational set of performance measurement. It therefore reflects the necessity of a balance between the traditional financial perspective and other non-financial elements such as customers, internal business processes and innovations or improvement. Also, it translates the organization's mission and strategy into a comprehensive set of performance measures to provide the necessary framework for a strategic measurement and management system. It enables companies to track short term financial results, while simultaneously monitoring their progress in developing the capabilities and acquiring the intangible assets that generate growth for future financial performance. Information management is theorized to involve a continuous cycle of closely related activities such as identification of informational needs,

acquisition and creation of information, analysis and interpretation of information, organization and storage of information, information access and dissemination and information use (Ravi, 2011). Organizations can identify changes in broader social, economic, and political environment, listen to customers, monitor competitors, and anticipate with suppliers and partners through information sensing (Marchard, Kettinger and Rollins 2001). Identification of informational needs involves realization of the pivotal roles of information in the achievement of organizational goals and strategically plans for it. Opoku (2015), defined information management to include developing and implementing information policy and strategy; data creation and management; processing, storage and information delivery; and information usage. According to Marchard, Kettinger and Rollins (2001), information management practices comprises of sensing, collecting, organizing, processing and maintaining variables, which is adopted for this study.

Statement of the Problem

Performance is seen as the most crucial aspect of any organization. A newspaper publication in Punch by Popoola (2019), reported that the performance of banks in Nigeria seems to be on the decline. From literature deposit money banks are mostly measured through the financial aspect of performance. As a result of performance declining, these banks may lose investors and customers may not patronize or bank with them or customers may leave a declining performing bank to a performing one. Various scholars had measured banks performance with different various independent variables like leadership, corporate governance, capital adequacy, monetary policy, credit management, liquidity, risk management, interest rate, capital structure, credit risk management. Also few reviews were done on information management practices and organization performance. From personal observation, little or no attention has been given to the non-financial aspect of performance in the banking sectors.

Organizational Performance

According to Ogosi and Agbaeze (2018), Structure and organizational performance in the Nigerian banking system were investigated and it was revealed that all the structure parameters had a positive relationship with the performance of the banks. Also, Ahmed & Othman (2017) reviewed the impact of strategic attributes on organizational performance in the Pakistan banking sector and reported that the proposed conceptual model would hopefully lead to very useful insights for bank management, policymakers and future researchers. Further, Chinoperekweyi (2019) investigated the comparative analysis of organizational effectiveness in banking and reported that there are no significant differences between the financial performances of banks in Zimbabwe. Then others like Tariq, Bashir, Ghuzanafar, and Dar (2016). Mwashighadi and Kising'u (2017), Yavas and Yasin (2001), Olanipon, Olumuyiwa, and Akinola (2018) and Prosvirkina, (2015) investigated Outsourcing and Organizational Performance in Banking Sector of Punjab, Pakistan, Role of organizational culture on organizational performance of commercial banks in Kenya, Enhancing organizational performance in banks, Strategic planning and corporate performance in the Nigerian banking industry and Labour productivity and organizational performance of banks in Russia and found out banks are developing new strategies and introducing new techniques and outsourcing is recommended technique for this bank

performance. The study concluded that for the performance of firms to improve, present organization culture should be supportive and compatible with intended strategies and day to day running of activities of employees. Also, the next study reported that to enhance organizational performance, banks can benefit from the experiences of manufacturing firms and gainfully employ quality and process improvement philosophies with proven track records in manufacturing industries. And it was revealed in the next study that the factors influencing the choice of strategic planning adopted by banks in the country include technological environment (85%); global environment (81%); management style (76%) and political/legal environment (70%). Also lastly, the study showed that labour productivity has a positive influence on the organizational performance of banks in Russia.

Information Management Practices

According to Opoku (2015), reviewed information management and organizational performance and reported that investment in information management has positively influenced organizational performance. Also, Ameen (2016), investigated personal information management practices and behaviors of social sciences' students, the result revealed that most frequently used tools for relocating information found are downloads on personal computers, self-created digital document (e.g. MSWord, Excel, Google Docs, etc.), URLs and hyperlinks. URLs are the most commonly used elements to save online information for future use. However, Opoku and Enu-Kwesi (2017), established that more organizations in Ghana have information management strategies and policies, which guide their operations, as evident in the presence of departments and staff responsible for information management, and databases. Ismail and Hussin (2017), reviewed the fundamentals of information management in organization Academic writing and found that investing in information technology has not to issue a related effect on company operation, investiture in information management has fix causing company execution. And also, Ameen (2016), investigated personal information management practices and behaviors of social sciences' students and found out that most frequently used tools for relocating information found are downloads on personal computers, self-created digital document (e.g. MSWord, Excel, Google Docs, etc.), URLs and hyperlinks.

Information Management Practices and Organizational Performance

Ngirigacha, Wasike and Gichuhi (2019) investigated 285 employees of the management department in Machakos, Muranga and Kirinyaga countries. The findings revealed that the information management practices employed in the three countries were improved service delivery, functioning of public administration, decreased uncertainties and decreased time needed to carry out key county government procedures. The countries' information coordinators observed, enhanced ease in the execution of the day-to-day operations in the county office, effective implementation of information management functions, and increased information retrieval and handling speeds. The researcher observed an increased information accessibility and handling in the countries studied. Opoku (2015) reviewed information management practices and organizational performance. This review summarized articles that have research findings in the discipline of information management. The articles contributed to the understanding of the practice of information management in organizations. This review

included literature from the world's renowned journals like Emerald, Science direct, IJRIC, South African Journal of Information Management, and many others. The review indicated that information management is not the same as information technology, which may require varied investments. There are many studies that showed that investment in information technology has not yielded corresponding impact on organizational performance. However, investment in information management has positively influenced organizational performance through increased efficiency, productivity and competitive advantage. Lastly, it was revealed from the literature that the managerial aspect of information management is under researched and underexplored as opposed to the technical aspect, which has received much attention.

Ajibade (2017) investigated 108 respondents. The study evaluated how an efficient Information Management Practices (IMP) framework enhances organizational performance. The paper established a connection between improved services delivery, and the way information is processed, packaged, distributed, managed and consumed as a key driver of organizational success. The paper adopted a mixed method and a case study approach where in-depth interviews and a survey were used to obtain data. The findings indicated that an information lifecycle model could be used to measure organizational services delivery and performances, based on the quality of services delivered. The adoption and use of the model were in its infancy, however, it requires more in-depth and practical applications in the South African organizational context. Findings showed that the existing Information Technology (IT) capabilities and functions had not been fully optimized or used to enhance performances. Mithas, Ramasubbu and Sambamurthy (2011) also investigated using a rare archival data set from a conglomerate business group that had adopted a model of performance excellence for organizational transformation based on the Baldrige criteria. This dataset contains actual scores from high quality assessments of firms and intra-organizational units of the conglomerate, and hence provides unobtrusive measures of the key constructs to validate the conceptual model. This study developed a conceptual model that linked information management capability with three important organizational capabilities (customer management capability, process management capability, and performance management capability) that mediate the links between information management capability and several measures of firms' performance. They found out that information management capability has a positive association with customer management capability, process management capability, and performance management capability. In turn, these capabilities are positively associated with customer, financial, human resources, and organizational effectiveness measures of firms' performance. Taken together, these findings highlight the role and importance of IT-enabled information management capability to enable business excellence and to create and sustain a competitive advantage.

Methodology

Research Design

This study is a quantitative research using survey research design as it seeks to examine the influence of knowledge management strategies on organizational performance of deposit money banks in Nigeria.

Population of the Study

The population that was used in this study stands at two thousand, four hundred and five (2,405). The targeted population consists of top-level management staff and middle level management staff, in the selected headquarters categorization of national and international deposit money banks in Lagos State, Nigeria.

Sample Size

Sample size measures the number of individual samples measured or observations used in a survey or experiment (Zamboni, 2018). The sampling frame consists of the distribution of respondents, which covered the respective management levels within the selected banks. The researcher divided the sample size across the top and middle management levels in a ratio of 6:4 as it was revealed by the respective human resource departments that a higher ratio of staff belong to the middle level, while the balance is for the top management level. The Table 1 reveals this dispersion.

Table 1: Dispersion of management staff levels across the selected deposit money banks

Bank	Top Mgt	Middle Mgt	Total
Zenith Bank Plc	140	211	351
Guaranty Trust Bank Plc	118	175	293
United Bank for Africa Plc	145	218	363
Access Bank Plc	65	98	163
First Bank Plc	151	197	348
EcobankPlc	124	186	310
Sterling Bank Plc	115	171	286
Wema Bank Plc	116	175	291
Total	974	1,431	2,405

Source: Researcher's computation.

Sample size for this study was determined using the Roasoft Sample Size calculator. where:

- n = sample size
- Confidence level = 95%
- N = Finite population size which is 2405
- e = Maximum acceptable error margin which is 5%
- Sample size or n is 332.

In order to compensate for the non-response and for wrong filling of questionnaires, the sample of 332 was increased by 100, or 30% of the total sample which equals 432. This is as recommended by Zikmund (2000).

Data Analysis and Results

Null Hypothesis: Information management practices will not significantly influence organizational performance of deposit money banks in Nigeria

Table 2a: ANOVA & Model Summary Showing Significant Influence of Information Management Practices on Organizational Performance of DMBs

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	18627.079	5	3725.416	68.586	0.000^b
	Residual	23139.066	426	54.317		
	Total	41766.145	431			

R= 0.668
R Square = 0.446
Adjusted R Square = 0.439

Table 2a shows the ANOVA and model summary computations in relation to the test of significant influence of information management practices on organizational performance of DMBs.

Table 2b: Multiple Linear Regression Testing Significant Influence of Information Management Practices on Organizational Performance of DMBs

Constructs	B	Std. Error	r	T	Sig.
(Constant)	19.209	2.661		7.217	0.000
Sensing Information	2.606	0.173	0.591	15.092	0.000
Collecting Information	1.178	0.152	0.350	7.754	0.000
Organizing Information	0.753	0.122	0.248	6.197	0.000
Maintaining Information	-0.492	0.215	-0.122	-2.292	0.022
Processing Information	-0.719	0.147	-0.212	-4.882	0.000

Dependent Variable: **Organizational Performance of DMBs**

Table 2a and table 2b indicate that information management practices significantly influenced organizational performance of deposit money banks in Nigeria ($F_{(5, 426)} = 68.586$, Adj. $R^2 = 0.439$, $p < 0.05$). From relative perspective, the dimensions of information management practices in terms of sensing information ($\beta = 2.606$, $r = 0.591$, $T = 15.092$, $p < 0.05$) had positive moderate significant influence on organizational performance of deposit money banks; while other dimensions: collecting information ($\beta = 1.178$, $r = 0.350$, $T = 7.754$, $p < 0.05$) and organizing information ($\beta = 0.753$, $r = 0.248$, $T = 6.197$, $p < 0.05$) had positive weak significant influence on organizational performance of deposit money banks. This suggests that improved engagement in sensing, collecting and organizing information led to better organizational performance in deposit money banks in Nigeria. On the other hand, maintaining information ($\beta = -0.492$, $r = -0.122$, $T = -2.292$, $p < 0.05$) and processing information ($\beta = -0.719$, $r = -0.212$, $T = -4.882$, $p < 0.05$) had negative weak significant influence on organizational performance of deposit money banks; which implies that increased engagement in maintaining and processing information adversely affected organizational performance of deposit money banks in Nigeria. This was not surprising as this was noticed in the descriptive analysis in the table ere deposit money banks in Nigeria did not engage in maintaining information ($\bar{x} = 3.32$) and processing information ($\bar{x} = 3.49$) hence failing to have a holistic set of information management practices. The model indicates that information management practices explained 43.9 percent (Adj. $R^2 = 0.439$) variation of

organizational performance of deposit money banks. The implication of these is that information management practices should be encouraged in deposit money banks in order to improve their performance. Consequently, the hypothesis that information management practices will not significantly influence organizational performance of deposit money banks in Nigeria was rejected.

Discussion of Findings

This study found out that information management practices have no significant effect on the organizational Performance of the selected Deposit Money Banks in Nigeria. The study found that Information Management Practices significantly influenced organizational performance of DMBs in Nigeria. In a related finding, Opoku (2015) discovered that information management positively influenced organizational performance. Sensing information had a positive moderate significant influence on the organizational performance of the selected deposit money banks in Nigeria. The study also found that collecting information and organizing information had a positive weak significant influence on organizational performance of the selected deposit money banks. The implication of this is that improved engagement in sensing, collecting and organizing information led to a better organizational performance in selected deposit money banks in Nigeria. This is similar to the findings of Merchand et al. (2001) and Peppard (2002) who found that sensing information, collecting information and organizing information improved organizational performance. Conversely, this study found that maintaining information and processing information had a weak negative significant influence on the organizational performance of the selected deposit money banks; which implies that increased engagement in maintaining and processing information adversely affected the organizational performance of the selected deposit money banks in Nigeria. This contradicts the findings of Merchand et al. (2001) and Peppard (2002) who found that maintaining information and processing information is significant organizational performance.

Conclusion

The result of the analysis revealed that information management practices and knowledge management strategies components have a positive and statistically significant influence on organizational performance of selected deposit money banks in Nigeria. The result further revealed that information management practices have statistical significant influence on service delivery, profitability, employee satisfaction and teamwork. From the result of the data analysis, it can be concluded that that information management practices play a major role in achieving continued performance of deposit money banks under study.

Recommendations

The following are recommended:

1. The deposit money banks did not engage in processing and maintaining information, therefore the bank's policy makers should ensure that the banks engage in the practice of information.
2. Deposit money banks should have frameworks for information management and knowledge management. The Central Bank of Nigeria should formulate a policy that

- will help in formulating a framework of information management and knowledge management for full implementation in each bank.
3. The deposit money banks focus more on the financial aspect to measure the level of their performance. There should focus more on the non-financial aspect of performance such as effective service delivery, profitability, employees' job satisfaction and teamwork to improve the level of performance.
 4. The deposit money banks engage in the practice of sensing, collecting and organizing of information but not fully. The deposit money banks policy makers should ensure that the practice of information management in the area of sensing, collecting and organizing information is improved on.

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