



WORKPLACE DIGITAL CAPITAL AND ORGANIZATIONAL PERFORMANCE OF INSURANCE COMPANIES IN SOUTH-SOUTH REGION, NIGERIA

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Abstract

This study investigated the relationship between workplace digital capital on organizational performance of insurance companies in South-South region, Nigeria. Descriptive survey design was adopted in the generation of data. The accessible population of the study consisted 16 registered insurance companies in south-south region in Nigeria. Structured questionnaire was used to obtain primary data after validation and ascertaining the reliability coefficient of 0.85. Descriptive statistics (mean, standard deviation, and percentages) were used as statistical tools for analysing the data, while linear regression was used as statistical tools to test the hypotheses with the Statistical Package for Social Sciences (SPSS). It was found that workplace digital capital had significant influence on organizational performance of insurance companies. Also, if the insurance companies invest fully on ICT infrastructure, the result of analysis revealed that technological level significantly moderates how workplace digital capital enhances organizational performance. It concluded that if properly considered workplace digital capital will enhance organizational performance to be more innovative, adaptable and capable hence, increasing its chances of survival. Based on the findings of this study it was recommended that insurance companies who do not have interactive and website should create a corporate website that will be responsive to customers' need and enable better service delivery

Keywords: Digital Capital, Organizational Performance, Service Delivery, Website, Intranet



INTRODUCTION

In today's insurance business, there is growing need for improved performance in terms of creativity, service delivery and growth/expansion. The necessity for performance increases on daily basis and thus becomes more complex in nature. And as business keeps growing, the management, staff and other users within and outside the organization continue to depend and demand for sophisticated technologies to support the management duties and operations of the business. These services required should be accurate, timely and aimed at the correct recipients. In view of this the researcher attempts to establish what workplace digital capital connotes and the significant relationship between workplace digital capital and organizational performance. Also, business managers are becoming increasingly aware that digital infrastructures can be used to produce meaningful information on which they can base their service delivery in addition to performing the detailed creative functions of the organization.

On the other hand, studies on information technology and firm performance in Nigeria have been documented by many scholars (Evangelia & Michalis, 2006; Karimi et al., 2001; Oghojafor et al., 2011). The increased awareness that IT is a critical enabler of business performance has led to more researches that examined the interactions between a firm's information systems and other drivers of performance. While some studies have found that IT can affect business performance directly or indirectly, others suggest that IT cannot be a source of competitive advantage as it does not fulfill the requirements of the competitive advantage concept, yet others have found negative impact of IT on firm performance (Duh et al., 2006; Neirotti & Paolucci, 2007; Carr, 2005; Banker & Kauffman, 2004; Steckel & Gupta, 2004).

Some studies, many of which are recent, tend to suggest that, aside from differences in methodology and variables used, IT managerial capabilities might be responsible for variations in findings of IT-business value studies (Bharadwaj, 2000; Gheysari et al., 2012; Mithas et al., 2011; Tarafdar & Vaidya, 2006; Yongmei et al., 2008). For instance, Bharadwaj (2000) suggests that a firm's IT capability enables it to achieve higher returns on its IT investments. In an extensive literature review on IT-business value, Breznik (2012) concludes that exploring the value of IT in firm performance still remains inadequately researched and empirically tested. To this end, the insurance firm in Nigeria is not an exception.

Moreover, the importance of the insurance industry as an aspect of the financial system has been neglected over the years as most studies on the interaction between the financial sector and performance has focused mainly on the banks and the stock market. However, recently, growing attention has shifted to the interaction between the non-bank financial intermediaries such as the insurance companies because of the work of King and Levine (1993) where it was revealed that non-bank financial intermediaries such as the insurance companies have over the years played important roles in enhancing the efficient functioning of the financial system through its intermediation function.



From the foregoing, it could be observed that the number of empirical studies is relatively small, especially in relation to those on new technologies and organizational performance. On this premise, it is evident that many studies have been carried out to provide information on the extent to which insurance companies are developing the strategies to adopt ICT into their business management processes and operations. It is obvious that as a result of increase in the integration of ICT into the operations of insurance companies in Nigeria, the industry has achieved to the baseline targets for ICT driven industry's profitability. However, many companies within insurance industry in Nigeria are yet to efficiently adopt ICT into their business operations and those that have adopted ICT into their business operations have not fully exploited the significant of ICT in all ramifications of their business operations. However, many studies have been conducted before in other areas of research related to capital investment such as human capital and organizational performance (Awan & Sarfraz, 2013), intellectual capital and organizational performance (Obeidat et al., 2016), working capital and organizational profitability (Lawal, 2013). Against this background, it is observable that there is a lacuna in literature as it pertains to digital capital-performance nexus. It is on this note that this study attempts to examine the impact workplace digital capital has on the performance of insurance companies. Therefore, this study is unique as it tries to figure out the influence of digital capital on organizational performance of insurance companies in South-South Region, Nigeria.

This study focuses mainly on workplace digital capital and organizational performance in insurance companies in Nigeria. The study covers all listed insurance companies in Nigeria with branches in South-South geo-political zone. The study unit entails mainly branch managers and the customer care unit of the Firm. The independent variable in this study is workplace digital capital. The dimensions are corporate website, corporate intranet, office information gadgets. On the other hand, the dependent variable for this study is organizational performance. The measures of organizational performance include; creativity, growth /expansion and service delivery. However, the moderating variable is technological level.

Aim and Objectives of the Study

The purpose of this study is to determine the extent to which workplace digital capital influences the organizational performance of insurance companies in South-South Region, Nigeria. Specifically, the objectives of the study are to:

1. determine the extent to which corporate website correlates with creativity in insurance companies in South-South, Nigeria.
2. examine the extent to which corporate intranet correlates with growth/expansion in insurance companies in South-South Region, Nigeria.
3. examine the extent to which office information gadgets correlates with service delivery in insurance companies in South-South, Nigeria.

Hypotheses

The following null hypotheses are formulated to guide the study:

H₀₁: There is no significant relationship between corporate website and creativity in insurance companies in South-South Region, Nigeria

H₀₂: There is no significant relationship between corporate intranet and growth/expansion in insurance companies in South-South Region, Nigeria

H₀₃: There is no significant relationship between office information gadgets and service delivery in insurance companies in South-South Region, Nigeria

LITERATURE REVIEW

Many studies have been executed on information technology, digital technology, digital capital and many other related sub topics. Some of the studies were carried out in Nigeria but most of the studies were carried out in some countries outside Nigeria. Some studies covered public sector organization while others covered private sector organizations. For example, Rand (2000) investigated How the corporate intranet can be utilized to support the knowledge management activities of an enterprise. Margo (2000) explored the effect of a corporate intranet on the sharing of information and internal relationship building. Koson (2006) carried out research on the impact of ICT on the growth of the service industry. Argyriou et al. (2006) researched on The relationship between corporate websites and brand equity. Apampa (2010) investigated on the level of information and communication technology (ICT) penetration in the Nigerian Insurance Industry. Oghojafor et al. (2011) researched on the effect of Information technology on customer relationship management (CRM) in some selected insurance firms in Nigeria. Fadun (2013) examines the impact of Information and Communication Technology (ICT) on Insurance Companies Profitability in Nigeria. Olanrewaju (2016) investigated the effect of office Information gadgets on Organizational Performance in Nigerian Banking Industries.

However, none of the above past studies has examined the exact subject matter of this study which is impact of workplace digital capital on organizational performance using insurance firms companies in south-south region, Rivers State, Nigeria. Not only that, most of the past studies did not consider the exact variables covered in this study as an entity in organization. The variables in the research objectives are still lacking in most of the past studies; hence they have not been examined effectively to achieve the needed result.

Explicitly, the study has unveiled some salient literatures that have some degree of relevance to the subject matter under study. These literatures have concentrated mainly on general issues on information technology though with a fair level of emphasis on the insurance companies firms in Nigeria. This study therefore intends to cover this gap by examining in detail further on the effects

of workplace digital capital on the performance of the insurance companies firms in south-south region.

METHODOLOGY

The study is a cross-sectional study and as such the researcher will adopt purely explanatory research design” to achieve the objectives of the study. The design is suitable for this study because it involved the gathering of required information on office information gadgets and service delivery of insurance companies in South-South, Nigeria, Nigeria.

The population of study in this research was all the operational staff of the sixteen (16) registered insurance companies in South-South Region, Nigeria These were the insurance companies registered in Nigeria by the Corporate Affairs Commission (CAC) and the National Insurance Commission (NAICOM) as at 23rd January 2019, have been in operation in Rivers state, Bayelsa State or Akwa-Ibom State for more than one year. The target population of the study is 150 functional heads in the main branch of the insurance companies in Rivers state, Bayelsa State and Akwa-Ibom State. The population distribution in the individual insurance companies is presented in the table 1 overleaf:

The entire 16 Insurance Companies listed in the study was sampled. This was because the population is of manageable size. Since total population sampling involves **all** members within the population of interest, it is possible to get **deep insights** into the phenomenon you are interested in. With such wide coverage of the population of interest.

SN	NAME OF COMPANY	Total
1	Alliance & General Insurance Company Ltd	13
2	Anchor Insurance Company Ltd	9
3	Fin Insurance Company Limited	12
4	Mutual Benefits Assurance Plc	7
5	NEM Insurance Plc	6
6	Guinea Insurance Plc	8
7	Prestige Assurance Plc	10
8	Regency Alliance Insurance Plc	12
9	Saham Unitrust Insurance Nigeria Limited	7
10	Universal Insurance Plc	8



11	Allianz Nigeria Insurance Plc	11
12	Cornerstone Insurance Plc	9
13	Great Nigeria Insurance Plc	6
14	Industrial & General Insurance Company Plc	12
15	NICON Insurance Plc	13
16	Niger Insurance Plc	7
	TOTAL	150

The study used questionnaires to collect primary data from the respondents. The questionnaire was divided into different sections where each section is aimed at measuring a particular variable in the insurance companies. The questionnaire consisted of two parts. Part one was designed to obtain general information on the person and organization profile. Part two elicited information on the objectives of the study. The questionnaire contained closed-ended questions (to ensure uniformity) which was designed along the on a 4-point scale of Low Extent (LE), Moderate Extent (ME), High Extent (HE) and Very High Extent (VHE).

To validate the instrument, a detailed scrutiny of the constructs was carried out by test and evaluation experts who read through, checked for content and face validity and make necessary corrections that were noted and effected before the administration of the instrument to the respondents.

The research ensured the reliability of the questionnaire to determine its consistency in testing what it was intended to measure. Cronbach's Alpha method was used for measuring reliability. The result of the reliability coefficient was 0.854 and was accepted as "good" under the Cronbach's Internal Consistency test scale.

The research instrument was administered by the researcher to the respondents with the help of two research assistants. The research assistants were trained on how to administer the instrument. The questionnaire was administered through "drop and pick later" method.

The data was analyzed using Statistical Package for the Social Sciences (SPSS) Version 23: The Spearman Rank correlation was used to test the hypotheses.

RESULTS

H₀₁: There is no significant relationship between corporate website and creativity in insurance companies in South-South Region, Nigeria

Table 2 Relationship between Corporate website and Creativity.



Variable	Mean	SD	Rho	N	P-value	Remark
Corporate website	3.0181	.50704	0.231**	135	0.011	Weak relationship
Creativity	3.2190	.60272				

Source: Field Survey, 2021(Based on results from SPSS, v.23 Output)

From the table above, it is shown that corporate website ($\bar{x} = 3.01$; $SD = 0.507$) is used to a high extent and the creativity ($\bar{x} = 3.21$; $SD = .602$) of the firms is to a Moderate extent. Furthermore, the table presents for Relationship between corporate website and creativity. The calculated value of correlation coefficient (r) is 0.231; $p=0.011$ implied that there is a weak positive correlation between Corporate website and Creativity in the insurance companies in South-South Region, Nigeria The p -value of $0.001 < 0.05$ depicts a significant relationship, thus, the null hypothesis one is rejected for the alternative hypothesis which stated that There is a significant relationship between Corporate website and creativity in insurance companies in South-South Region, Nigeria

H₀₂: There is no significant relationship between corporate intranet and growth and expansion in insurance companies in South-South Region, Nigeria

Table 3 Relationship between Corporate website and Growth and Expansion

Variable	Mean	SD	Rho	N	P-value	Remark
Corporate intranet	2.9648	.64005	0.647**	135	0.000	Strong relationship
Growth and Expansion	3.2038	.50678				

Source: Field Survey, 2021(Based on results from SPSS, v.23 Output)

From the table above, it is shown that corporate intranet ($\bar{x} = 2.96$; $SD = 0.640$) is used to a moderate extent and Growth and Expansion ($\bar{x} = 3.20$; $SD = .506$) of the firms is to a high extent. Furthermore, the table presents for relationship between corporate intranet and Growth and Expansion. The calculated value of correlation coefficient (r) is 0.647; $p=0.000$ implied that there is a weak positive correlation between Corporate website and growth and expansion in the insurance companies in South-South Region, Nigeria The p -value of $0.000 < 0.05$ depicts a significant relationship, thus, the null hypothesis two is rejected for the alternative hypothesis which stated that there is a significant relationship between Corporate intranet and Growth and Expansion in insurance companies in South-South Region, Nigeria.

H₀₃: There is no significant relationship between office information gadgets and service delivery in insurance companies in South-South Region, Nigeria

Table 4 Relationship between Office information gadgets and Service Delivery

Variable	Mean	SD	Rho	N	P-value	Remark
Office information gadgets	3.2600	.624254	0.878**	135	0.000	Very Strong relationship
Service delivery	3.0629	.59492				

Source: Field Survey, 2021(Based on results from SPSS, v.23 Output)

From the table above, it is shown that office information gadgets ($\bar{x} = 3.01$; $SD = 0.507$) is used to a High extent and service delivery ($\bar{x} = 3.06$; $SD = .595$) of the firms is to a high extent. Furthermore, the table presents for Relationship between office information gadgets and service delivery. The calculated value of correlation coefficient (r) is 0.878; $p=0.000$ implied that there is a very strong positive correlation between Office information gadgets and service delivery in the insurance companies in South-South Region, Nigeria The p -value of $0.000 < 0.01$ depicts a significant relationship, thus, the null hypothesis three is rejected for the alternative hypothesis which stated that There is a significant relationship between Office information gadgets and service delivery in insurance companies in South-South Region, Nigeria.

Discussion of Findings

The three hypotheses investigated the relationship between corporate website and creativity, corporate intranet and growth and expansion and office information gadgets and service delivery. Result of correlation analysis revealed that corporate website has a weak positive correlation with creativity ($r=.231$, $p<0.05$). corporate intranet had a strong positive correlation with growth/expansion ($r=.647$, $p<0.05$). and office information gadgets also had very strong positive relationship with service delivery ($r=.878$, $p<0.05$). these findings indicated that changes in organizational performance is proportionate to the changes in workplace digital capital in the insurance companies. On the other hand, the findings revealed that a decrease in the use of workplace digital capital would result in a regressed organizational performance of insurance companies. These findings are consistent with the position of Shiels et al. (2003) that workplace digital capital will assist the insurance companies to increase their market-share by allowing them to attend to thousands of customers around the globe. Also, Amartey (2007) asserted that the use of workplace digital capital helps insurance companies to improve on their market information strategies. This will in turn surmount to good service delivery, enhance creativity and subsequent growth and expansion of the company.

Also, other scholars (Miles, 2004; Koson, 2006) have in the past opined that workplace digital capital are instrumental in their service delivery. Koson (2006) opined that insurance companies in their service delivery cannot undermine the importance of corporate website in the development and creativity of their products. More so, workplace digital capital has been reported as a major enabler of service rendering organizations. Also in agreement with this study's finding is Al-



Mudimigh (2001) that workplace digital capital can improve information sharing, decision making, coordination, product quality, responsiveness, etc.

Conclusion

The study having taken cognizance of necessary precautions and carried out the research, carefully handling data and analysing it, concludes that there is a positive and significant relationship between study variable (Workplace digital capital and organizational performance) which also is strongly moderated by technological level of the insurance companies in South-South Region, Nigeria Based on the result it is concluded the use of various aspects of workplace digital capital has a great effect on the organizational performance of insurance companies. This implied that investment in workplace digital capital in the Nigerian insurance industry is an enabler of creativity, growth and expansion and improved service delivery with which they compete with their counterparts in the globe.

In a nutshell, the researcher concludes that, insurance companies that records high level of performance, invest in relevant workplace digital capitals. Also, the extent to which an organization succeeds in the use of these technological advancements is highly dependent on the Technological level of the firm.

Recommendations

Based on the findings from this study, the following recommendations were made:

1. Insurance companies who do not have interactive and website should create a corporate website that will be responsive to customers' need and enable better service delivery.
2. In order to create a faster service delivery platform, insurance companies should invest heavily in corporate intranet to drive an integrated and automated business process.
3. Office information gadgets like smart phones should be made available to every staff in the insurance companies for improved performance

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