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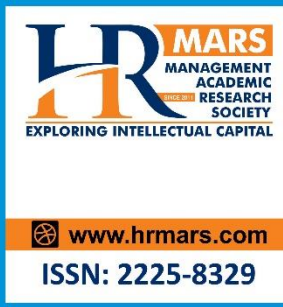
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Employees Opinions towards the Information Technology Offered to their Daily Firm's Operation in Dar Es Salaam, Tanzania

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Abstract

There is widespread acceptance that IT is a central component of business operations and extensively used in marketing. Therefore, the major objective of the research was to assessing the impact that Information Technology (IT) has in influencing Dar es Salaam Small and Medium Manufacturing Enterprises (SMMEs) on marketing strategies so as to improve the marketing operations. Study findings revealed that, generally information technology has impacted positively on the SMMEs on performing their marketing related activities of the firms in solving some of the firms problems which in one way or another hinder the smooth operation of the daily operation (marketing activities) in relation to IT such as lack of appropriate knowledge and skills, limited access to relevant information on technology, dependency on poor and obsolete technology, SMEs capacity to innovate is limited to knowledge and available facilities and limited access to finance. This was initiated by the fact that despite widespread acceptance of the benefits of IT for marketing, our knowledge of the way marketers use IT and its eventual benefits for making marketing strategies are not well understood.

Keywords: Employees, Daily Firm's Operation, Information Technology

Introduction

Developing countries as well as developed countries acknowledge the role and importance of Small and Medium Enterprises (SMEs) in generating employment, stimulating economic growth and creating social cohesion. Moreover, interest in SMEs also seems to have been further revived in the face of globalization, which is increasingly becoming an influential force in world trade. Because of their flexibility and quick adaptability to change, SMEs are viewed as instruments capable of responding to globalization Fiona (1997).

The importance of the SME sector varies greatly across countries. World Bank database (2003), while in Azerbaijan, Belarus and Ukraine less than 5% of the formal work force is employed in SMEs, this share is more than 80% in Chile, Greece, and Thailand (SME250). The SME sector's contribution to both employment and GDP shows a strong positive correlation with GDP per capital.

World Bank's database, there has been a remarkable increase in the SME sector's contribution to total employment from the low-income countries (17.56%) to the high income countries (57.24%). The SME share of GDP follows a similar trend increasing from 15.56% of GDP in the low-income countries to 51.45% in the high-income countries. Therefore, an increase in SME sector's contribution to employment is more accompanied by an increase in its share of GDP as well.

International labor Organization (ILO), about 70% of the people in Sub Saharan Africa (SSA) rely on small and informal establishments for their livelihood. Similarly, employment data from eight selected Sub-Sahara African countries revealed that, by 1997, the share of small firms in total wage employment ranged between 48% and 85% (Bendera, 1997).

According to Tanzanian Manufacturing Enterprise Survey (2002) Official statistics on the industrial sector in Tanzania suffer from a number of weaknesses, both in terms of coverage and methodological consistency. These problems have been extensively analyzed by Prins and Szirmai (1998). Indeed, the SMEs have now become the main source of employment and income for the majority of people in developing countries, including Tanzania. Moreover, the performance of this sector is widely seen by policymakers and donors as a means of economically empowering marginalized group.

As an emerged business trend, the vast applications of information technology (IT) on marketing are enormous and immeasurable. Organizational systems and functions are now considered effortless and unproblematic because of Information Technology (IT). Information Technology also expanded the opportunities concerning product development processes or innovations that provide organizations with cost and competitive advantages.

In a much broader sense, information technology strengthens the business value of every organization. Information Technology (IT) has also been said to facilitate the way in which information is processed, with the potential to change the way in which decision making is undertaken, and even to effect a shift in the nature and quality of activities undertaken by the business Fiona (1997).

The strategic use of Information Technology (IT), better known as strategic alignment, has increased its significance as a result of the strong dependence of Organizational activity on information systems and their related technologies. Consequently, organizations want to ensure that IT investments are made on those projects that improve business performance and competitiveness (Tallon et al., 2000). Furthermore, IT executives consider strategic alignment as one of the main challenges that the organization has to face (Ives and Mandviwalla, 2004; Luftman, 2000; Tallon and Kraemer, 2003).

Much of the Information Technology (IT) research to date lacks a marketing focus. It can be said that there are similarities with its use in other functions, though marketing requires a slightly different perspective due to its inter-functional emphasis (Leverick, 1998).

Many academic studies focus on analyzing one information technology (IT) separately with the obvious lack of inter-relativeness. There has been a call for more holistic multidisciplinary studies of IT in business (Galliers and Baets, 1998) and also calls for more emphasis on what marketers actually do in practice (Brady, Saren and Tzokas, 1999).

Lack of clear marketing strategies among the SMMEs, it brought the organization facing difficult such as poor improving of the customer relation services; poor flow of the information from one department to another, poor marketing decisions, poor product development, lack of effectiveness of sales and promotion which in long run will result to poor performance. Thus, the

focus of the study was attempting to bridge this gap and assessing the overall impact of Information Technology (IT) on marketing strategy, in Dar es Salaam SMMEs.

Literature Review

Technology in Marketing

According to contingency theory, firms should formulate and implement business strategies based on their environment as well as competitive advantages such as technology emphasized that technology forms one of the forces that can drive strategic change in organizations. These authors stressed on the importance of relationship that exist between technology, strategy, structure and organizational performance. (Hashim & Ahmad, 2005; Hashim, 2003).

They argued that technology and environment are important contingency factors that have moderating effect on the relationship between business strategies and performance of SMEs. Their finding point out that business strategy may lead to better performance under conditions of greater technological complexity of process and product (Hosseini, 2011)

Benefits of computerization

Because the benefits of computerization are intertwined with the needs of the user, different users (e.g. marketers vs. accountants) desire distinctive benefits from computer use. For marketers to deem a computer system successful a meaningful value specific to their environment or context must be received from usage. For marketers, this value is often characterized by the high potential for providing a differential advantage as the primary and historic foundation of successful performance (Day and Nedungadi, 1994).

Increasing computer access and use for marketers is an expensive resource requiring considerable organizational commitment. As a result, the emergence of computers rests on the ability to enrich organizational and individual marketing outcomes. If such linkages do exist, and given the firm's role in information access, questions then arise as to how computer usage can be improve marketing strategies.

All these questions focus on how computer technology impacts marketing performance. Thus, a clear view of what is meant by marketing performance is critical. Specifically, industrial marketers performing successfully therefore would include individuals whose output improves (e.g. more successful through the use of computerization). Firm performance is therefore grounded in the perception of creating and/or maintaining a competitive advantage and being profitable (Naman and Slevin, 1993).

Strategic package

In competitive markets, information is part of marketers' strategic package. The need for information makes possession of key information technologies a crucial advantage, including a variety of advancements (e.g. computerization, electronic conferencing, and fax) available to marketers (Good and Schultz, 1997).

Technology is a general term typically referring to the sophistication level of a particular tool. Computerization, information systems and information technology have evolved as a form of higher technology designed to manage information.

Specifically, information technology is generally viewed as software and/or hardware that can transform, store or transmit information at rapid speeds. Computerization as a form of information technology is increasingly prevalent in marketing organizations that make use of hardware and/or

software to collect, store and transform data into information, as well as to transmit and manage information at high speeds.

Learning from Success and Failure: Perceptions of Entrepreneurs of Successful and Failed SMEs

Much research has been carried out in trying to discover the factors responsible for firm success and failure. However, research into firm performance does not provide a comprehensive explanation for SME success and failure. Moreover, the findings of studies of the factors associated with firm success and failure are contradictory (Brady, Saren, Tzokas, 1999).

There is a profound inter-relatedness between the three main problems (lack of training, lack of finance and the speed of change) which could center on the rapid development of new and improved technologies, which leave companies struggling to maintain equipment and employee skills, at the level of IT development (Hossein, 2011).

Firm performance refers to the firm's success in the market, which may have different outcomes. Performance can be characterized as the firm's ability to create acceptable outcomes and actions. Strategically, firm performance can have two mutually exclusive outcomes: success or failure. Success and failure can be interpreted as measures of good or indifferent management. In business studies, the concepts of success and failure are often used to refer to a firm's financial performance.

An assessment of the SME sector has shown that it is facing constraints which need to be addressed adequately through this policy. Given the importance of the sector and the need to transform it to a vibrant and dynamic one, it is crucial to put in place strategies that will facilitate the removal of those constraints so that it can attain the desired vision and identified objectives.

In the SME Development Policy strategies have been identified focusing on areas which have maximum impact on the sector. The major areas of focus include: creation of the enabling business environment, developing the infrastructure, strengthening financial and non-financial services and establishing and strengthening institutions supportive to SME development. In this policy, problems are identified, Government statements are articulated and appropriate strategies are specified. (Tanzania SMEs policy, 2002).

Computer user's Opinion

The acceptance of computerization was initially slow among marketers. However, increased emphasis on technology to develop and sustain competitive superiority suggests marketing usage is flourishing. In this context, a rough comparison of this condition can be made to brand loyalty, where buyers continue to purchase a specific product despite a constantly changing environment.

Accordingly, traits of individual technology users suggest that future decisions regarding the use of technology can be influenced based on past experiences with that technology. For example, early successful users of modems on personal computers often sought to expand their capabilities, from slower to faster modems. In this context, past computer usage should provide a basis for needing organizational support to expand capabilities.

Hence, through a connection between usage and support, it is expected that as marketers become increasingly cognizant of the benefits derived from computerization, more managerial and technical support will be required to exploit these advantages. For example, marketers who utilize a computer to identify new markets may seek to extend this success through additional management (e.g. resource commitment) and technical support (e.g. technical expertise), (Good and Stone, 2000).

Methodology of Research

Research Objective

Examine the employees opinions towards the Information Technology offered to their daily firm's operation.

Research Population

The total numbers of 192 SMMEs were located in Tanzania, out of this thirty four (34) SMMEs which equivalent to (17%) based on Dar es Salaam. The unity of inquiry was the management (i.e. heads of department, Administrative and personnel officers) and staff members of the firms.

Sample Size

In every big organization there are a large number of employees. It was not possible for the researcher to cover the whole staff population hence the researcher selected a reasonable number of employees to represent all the population. Total number of ten (10) SMMEs, out of thirty four (34) SMMEs located in Dar es Salaam was selected.

From every municipality that is Ilala, Temeke and Kinondoni, the sample was like this, Temeke four (4) SMMEs were selected this equal to 24%, three (3) SMMEs were selected from Ilala which is equal to 18% and three (3) SMMEs were also selected from the Kinondoni which is equal to 18% and form total of ten (10) SMMEs were selected from three municipality which is equal to 60%. The table below illustrate in detail.

Table 1. Sample Size of SMMEs

Location	SMMEs	Total No. of Staff for each SMMEs	Percentage (%)
ILALA	3	6	18
TEMEKE	4	6	24
KINONDONI	3	6	18
Total SMMEs	10	6	60

Source: Field data

From each SMMEs four (4) employees were selected which is equal to 40% and two (2) members from management were selected which is equal to 20% and form total of six (6) respondents which is equivalent to 60% to present group of selected sample. The table below illustrate in detail.

Table 2. Sampling Sizes of Staff

Group	Sample Size	Total No. of SMMEs	Percentage (%)
EMPLOYEE	4	10	40
MEMBER OF MANAGEMENT	2	10	20
Total Respondents	6	10	60

Source: field data

Sampling Procedure

The total 192 SMMEs were located in Tanzania out of this thirty four (34) SMMEs which equivalent to (17%) based on Dar es Salaam.

Ten (10) SMMEs were selected out of thirty four (34) SMMEs which is equivalent to (29%) of total SMMEs in Dar es Salaam.

The sample included with members who are dealing with enterprises activities at the time of the study. From each enterprise, four (4) employees and two (2) member from management were selected which form total of six (6) respondents which is equivalent to 60% of total respondent to present group of selected sample.

Judgmental/purposive sampling

This technique was used by the researcher to obtain respondent at the organization. This technique preferred this group because; the researcher wanted to obtain the respondents that will be relatively informative depending on the nature of research question. It involved the researcher's own judgment in selecting sample which will provide adequate information concerning the matter.

Simple random sampling

This technique was being used by the researcher to select the sample unit from the whole population of the organizations' employees. This technique was preferred because; the researcher wanted each and every unit of the targeted population to have an equal opportunity of being selected in the sample. It was simple to use and can also be used multipurpose (with other techniques).

Data Analysis

The researcher employed descriptive statistics tools including formatted tables, graphs, frequencies, charts and percentages. The researcher employed both quantitative and qualitative methods to analyze data. The response from open ended questions was coded into percentages for easy analysis and interpretation.

Results

The total number of forty two (42) questionnaires was distributed to different selected enterprises in order to collecting information. Only (16) questionnaires were filled, this was about 38% responses in this section.

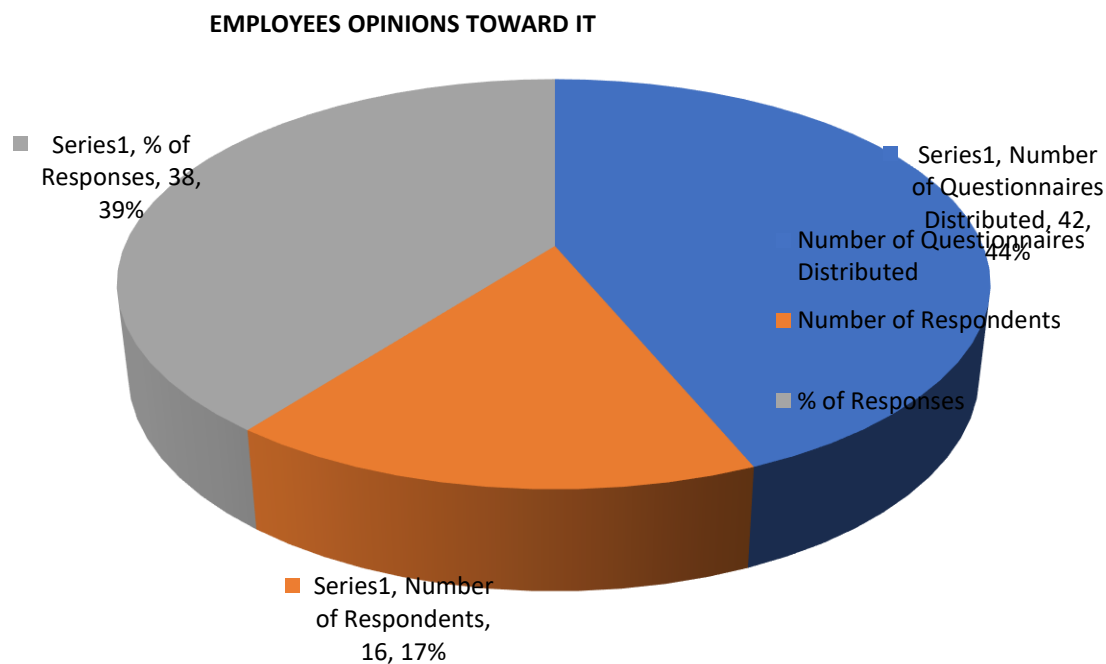
Table show the employees opinions towards the information technology offered to their daily firm’s operation responses to the questionnaires.

Table 3. The employees’ opinions towards the information technology offered to their daily firm’s operation

	Number of Questionnaires Distributed	Number of Respondents	% of Responses
	42	16	38
Total	42	16	38

Source: Field research findings

Figure 1. Employees opinions toward IT



Source: Field research data (2011)

From the table above, this shows that firm’s employees were not satisfied that information technology can help on operating their daily activities. The majority of the employees argued that the information technology is not easy to use and they are comfortable with their work without using computer system.

In many firms the Business Development Services, namely services related to entrepreneurship, business training, marketing, technology development and information are underdeveloped and not readily available. On the other hand, SMME operators lack information as well as appreciation for such services and can hardly afford to pay for the services. As a result, operators of the sector have rather low skills and also, there is no umbrella association for SMMEs.

The principal component analysis was used on analyzed the descriptive statistics of the respondents to answer the question that need to know the employees’ opinions towards the

information technology offered to their daily firm's operation. The Descriptive Statistics table below shows the results in detail.

Table 4. Descriptive Statistics

	Minimum Statistic	Maximum Statistic	Mean		Std. Deviation Statistic
			Statistic	Std. Error	
Computer system is easy to use	1.00	5.00	3.3143	.24860	1.47072
Computer system is user friend	1.00	5.00	3.4000	.23975	1.41837
Computer system reduce the performance of firm's marketing activities	2.00	5.00	2.9143	.17572	1.03955
Computer system improve the quality of work	1.00	5.00	2.8571	.18399	1.08852
Computer system help on performing better my activities	1.00	5.00	2.8857	.22369	1.32335
Computer system brought a lot of problems on making my firm archiving the goals	1.00	5.00	2.7429	.22951	1.35783
I'm comfortable with my work without using computer	1.00	5.00	2.8286	.23004	1.36092
There is no need to use computer in improving performance of my firm	1.00	5.00	2.8286	.23723	1.40348
Valid N (listwise)					

Source: Field data (2011)

From the above table shows that the highest Mean Statistics range from 3.3 – 3.4 of the total number of respondents, this means that the respondents disagree that computer system is easy to use and user friend and they comfortable with their work without using computer and they assist that there is no need to use computer in improving performance of their firm.

The results shows that the firm's employees were not aware and educated about the use of computer system in performing their activities and the benefits that the computer system provides to firms and individuals as shown in mean statistics of the respondents from the table above. This is also shown on the Std. Deviation Statistic of the respondents which is high and rage from 1.3 – 1.4, this means that the respondents were almost disagreed on the offer that information technology provides to their daily firm's operation which help the firms to increase performance of firm's marketing activities, improve the quality of work and flexibility in operations.

The Descriptive Statistics table also indicates the lowest Mean Statistics which is 2.7 which means that the respondents were neutral in terms of satisfaction that the computer system is easy to use and user friendly and they argued that computer system brought a lot of problems on making

their firm archiving the goals, this also shown with Std. Deviation Statistic is 1.0 of the respondents which argued that computer system reduce the performance of firm's marketing activities.

Using the principal component analysis that was done shows only one component has been analyzed which is computer system is easy to use and results of the component shows that 89.9%, equal to total of 7.1 of the respondents were disagree that computer system is easy to use as shown in the table below.

Table 5: Total Variance Explain

Total Variance Explain

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.198	89.981	89.981	7.198	89.981	89.981
2	.234	2.929	92.909			
3	.158	1.975	94.884			
4	.142	1.769	96.653			
5	.094	1.177	97.831			
6	.071	.888	98.719			
7	.069	.863	99.582			
8	.033	.418	100.000			

Extraction Method: Principal Component Analysis.

Source: Field data (2011)

Using the principal Component Matrix^a was also done and shows only one component has been analyzed representing each the weight of each question collected from the field and results of Component Matrix^a analysis shows the components with the high and the lowest positive weight and shows the highest and the lowest negative weight that reflecting the responds from the respondents. The table below illustrates the analysis in detail.

Table 6. Component Matrix

Component Matrix^a

	Component 1
Computer system is easy to use	-.950
Computer system is user friend	-.958
Computer system reduce the performance of firm's marketing activities	.964
Computer system improve the quality of work	-.930
Computer system help on performing better my activities	-.924
Computer system brought a lot of problems on making my firm archiving the goals	.955
I'm comfortable with my work without using computer	.945
There is no need to use computer in improving performance of my firm	.963

Extraction Method: Principal Component Analysis.

Source: Field data (2011)

In the positive side of the components matrix, items with the highest weight of 0.96, and the lowest weight of 0.95 both shows that the respondents have strongly agreed that computer system

reduce the performance of firm's marketing activities and they argued that no need to use computer in improving performance of their firms and computer system brought a lot of problems on making their firm archiving the goals respectively. This show the employees' are not satisfied that Information Technology can offer many benefits that help them to improve the quality of the works, performance and flexibility of the firm's operations.

In the negative side of the components matrix, items with the highest weight of -0.95 and the lowest weight of -0.92 both shows that the respondents have strongly disagree that computer system is easy to use and user friend and computer system help on performing better their activities respectively. This shows that the employees' are not satisfying and educated on the benefits of the computer system for better performance and flexibility in operation of firm's activities.

The researcher conclude that firm's employees both individuals and member of management are not well educated and lack of management support and awareness, commitment about the use of computer system (IT) in their firm's operation that can help them to increase the performance of the firm, good quality of works, reduce the stress by providing the flexible and effective ways of performing firm's activities and simplifying their daily activities as shown in the results collected from the field.

The findings of this research were concerned with employees' opinions towards the information technology offered to their daily firm's operation strongly concurs with the finding of the Good and Stone (2000) who argued that the acceptance of computerization was initially slow among marketers. However, increased emphasis on technology to develop and sustain competitive superiority suggests marketing usage is flourishing. In this context, a rough comparison of this condition can be made to brand loyalty, where buyers continue to purchase a specific product despite a constantly changing environment.

Accordingly, traits of individual technology users suggest that future decisions regarding the use of technology can be influenced based on past experiences with that technology. For example, early successful users of modems on personal computers often sought to expand their capabilities, from slower to faster modems. In this context, past computer usage should provide a basis for needing organizational support to expand capabilities.

Hence, through a connection between usage and support, it is expected that as marketers become increasingly cognizant of the benefits derived from computerization, more managerial and technical support will be required to exploit these advantages. For example, marketers who utilize a computer to identify new markets may seek to extend this success through additional management (e.g. resource commitment) and technical support (e.g. technical expertise).

Conclusions

According to objective the researcher concludes that lack of training, knowledge and skills, awareness and commitment of the SMMEs employees were the main problems that course most of the several firm's employees disagreed that the use of computer system can help them to increase performance and more profitable.

In addition, the SMMEs themselves need to put in consideration on business training; marketing, technology development and information which can help them to achieve their goals and enable them to gain competitive advantages. No one knows where Information Technology is going to lead us but marketing must be in the driving seat of company/enterprises changes and

developments as the responsibility for customer satisfaction in this new era is reliant on Information Technology.

Recommendations

According to objective the researcher recommend that the SMMEs should invest more in training and developing awareness of the employees about the use of IT in the relation to business and marketing matters in order to closely understanding the benefits of using it. This should be done purposely and committed by the management and the shareholders/stakeholders of the enterprises.

Also the Training of Trainers Courses (TOT's), Entrepreneurship Skills Development for Starters, Business Skills for Existing Enterprises, Business Skills for Growth Oriented Enterprises and Technical/Technology Skills Development are important for the SMEs in order to develop awareness and confidence of using it in their daily activities. The Government through the Ministry of Industry and Trade should establish more trade fairs in the country. In doing so, business can exchange experiences among themselves and with other businesses from abroad or within the country.

This research was a single static snapshot and what is needed for researchers is a continuous view of the development of IT in other categories not only manufacturing firms for the development of our small firms. Also there is lack of exposure, services to maintain available technology and product of non-standardized as well as low quality of product.

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