RELATIONSHIP BETWEEN INFORMATION COMMUNICATION TECHNOLOGY ADOPTION PERCEIVED BENEFITS AND SUSTAINABLE GROWTH IN MANUFACTURING ENTERPRISES IN THIKA TOWN

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ABSTRACT

Fundamentally, the role of Information Technology (ICT) is to improve overall business organization capacity and performance. Studies conducted on the relationship between ICT adoption and business performance point to positivity in various aspects. Notable benefits of ICT adoption among manufacturing firms include a decline in documents errors and minimization of production and labour costs respectively. However, these studies have grossly not failed to strongly highlight the ICT adoption and the benefits at each levels that is operational, tactical and strategic other than taking a holistic perspective on performance of business impact. The objective of the study was to assess the relationship drawn between individual benefits at operational, tactical and strategic level. This study serves to improve understanding of benefits attributable to ICT and challenges of adoption that should help policy. It also advances of academia by particularizing ICT component by company operation functions of Operations, Tactical and Strategic support for manufactiong companies. In chapter two, the study benchmarks with the Schumpeter theory of Innovation that states the benefits accrued when innovation and creativity through technology is injected into business. The adoption of ICT triggers some sort of opportunities for the company to develop new productions, improve technology, improve markets or discovered new sources of materials, and having organization form. The other point of alignment to theory is that Schumpeter describes the entrepreneur as an innovator whose responsibility is discover who utilizes innovations and discoveries to produce more and inject more new products to the economy. The study focussed on manufacturing SMEs in Thika who are affiliated to Kenya Industrial Estates (KIE). The third chapter discusses the research methodology. The research design is the survey design where both descriptive and inferential analysis are involved. The final sample administered in the survey was 288 representatives of SMEs. The questionnaire designed was quantitative and semi-structured in nature. Pretest was conducted to test validity and reliability.The major findings for the study were all the variables had higher satisfaction approval by the respondents. There was improvement in the proportions of sales, markets established, asset base, production quantity and defective rate was reduced. All the operationalized factors of sustainable growth were highly significant. The regression equation had variables that had significant influence to the model. There was positive correlation between the variables. One major recommendation made was the adjustment to attitude and code of employees and building synergy through team work. Further research inquiries should be geared towards establishing causal relationships between the variables of benefits and the perceived overall adoption by employing a structural equation modeling technique. In addition, future research needs to examine ICT adoption in the context of cross-national, cross-size (Large scale and medium scale) and cross sector differences.If a study of this kind is to be replicated the target sample must be from Large Scale Enterprises that might have prominence in the use of ICT at all levels of the company that is operational, tactical and strategic levels

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