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Research on factors affecting business performance

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ABSTRACT: *Due to the increasing public demand for service quality, to improve competitive advantage, it is particularly important to improve the company's service quality and operating performance. This study explores the correlation between a company's market orientation, information technology investment, organizational agility and business performance. Research results show that higher levels of market orientation, organizational agility, and information technology investment significantly impact business performance. Therefore, companies can achieve the goal of improving business performance by introducing market orientation, organizational agility, and information technology investment.*
KEYWORDS: *information technology investment, organizational agility, business performance*

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I. INTRODUCTION

To explore the factors that affect the company's operating performance, this study focuses on the impact of information technology investment, market orientation, and organizational agility on operating performance, to effectively improve the company's operating performance. The purposes of this study are: (1) To explore the impact of market orientation on business performance. (2) Explore the impact of information technology investment on business performance. (3) Explore the impact of organizational agility on business performance. The results obtained from the research provide the company with suggestions for improving operating performance and can serve as a reference for the company to improve operating performance and avoid unnecessary waste of resources and fumbling time.

II. LITERATURE REVIEW

2.1 Market orientation

Narver and Slater (1990) divided market orientation into three aspects, including (1) customer orientation: fully understanding the needs of customers in the target market; (2) competitor orientation: analyzing current and potential competitors; (2) competitor orientation: analyzing current and potential competitors; 3) Cross-department coordination: integrate company resources to create value for customers. Hurley & Hult (1998) believe that although market orientation can be discussed at many different levels of an organization, the cultural level is the most meaningful. This study classifies market orientation into three categories based on the dimensions proposed by Narver & Slater (1990).

2.2 Information Technology Investment

Sakaguchi & Dibrell (1998) believe that the degree of investment in information technology can be measured by information technology investment and training. Information technology investment uses quantitative indicators to measure budget and software and hardware equipment, while information technology training refers to the use of the level of training of information technology-related staff. Miller & Doyle (1987) believe that investment in information technology must pay attention to the following three aspects: (1) Understanding the importance of information technology in the company; (2) The use of information technology requires a certain degree of investment in software, hardware, and personnel. Obtain benefits; (3) Conduct personnel training considering the needs of developers and users. Based on the discussion in the literature (Miller & Doyle, 1987; Sohal et al., 2001; Sakaguchi & Dibrell, 1998), this study divides the degree of investment in information technology into three aspects: personnel cognition, software and hardware investment, and personnel training.

2.3 Organizational agility

Overby et al. (2006) divided organizational agility into two aspects: sensing ability and responseability. Pavlou & El Sawy (2011) and Roberts & Grover (2012) pointed out that sensing ability is the ability of enterprises to identify in the environment, the ability to interpret and pursue opportunities. The ability to respond represents the ability of an enterprise to reconfigure and integrate its resources, technology, knowledge, and information when faced with environmental changes and demands. This study uses the two facets of organizational agility proposed by Overby et al. (2006) as the facets.

2.4 Business performance

Kirca et al. (2005) used four indicators including overall business performance, profitability, sales and market share as indicators to measure performance. Pelham (2000) measures business performance from three aspects: effectiveness, growth, share and profitability. Croteau & Bergeron (2001) measure performance through two dimensions: profitability and sales growth. Shrader (2001) uses profitability and sales growth rates to measure operating performance. Farrell (2000) pointed out that operating performance is the relative performance of its customer retention rate, new product success rate, sales growth rate, return on investment, and overall performance compared with other peers. In the study of Su et al. (2003), business performance was measured by aspects such as profit, revenue, and customer satisfaction.

III. RESEARCH METHOD

This study will discuss based on the literature and deduce the research hypotheses as follows:

H1: The higher the degree of market orientation, it will have a significant positive impact on business performance.

H2: The higher the level of investment in information technology, it will have a significant positive impact on business performance.

H3: The higher the degree of organizational agility, it will have a significant positive impact on business performance.

3.1 measure variables

The variables measured include market orientation, information technology investment, organizational agility, and business performance. The measurement methods of the variables are described as follows:

3.1.1 Measurement of market orientation

Based on the market orientation perspective proposed by Narver & Slater (1990), this study takes into account the company's operating type and summarizes the items required for market orientation, including customer orientation, competitor orientation, and cross-departmental coordination.

3.1.2 Information Technology Investment

In terms of the research aspect of information technology, this study, based on the discussion in the literature (Miller & Doyle, 1987; Sohal et al., 2001; Sakaguchi & Dibrell, 1998), divides the degree ofinvestment in information technology into personnel training, software and hardware investment, personnel cognition and other three aspects.

3.1.3 Organizational agility

This study refers to the definitions of agility by Overby et al. (2006), Pavlou & El Sawy (2011), and Roberts & Grover (2012) in assessing the agility of enterprises, and divides the activities required for organizational agility into perceptual capability aspects, Responsiveness facet.

3.1.4 Measurement of business performance

Based on the discussion of relevant literature and considering the company's operating characteristics, this study uses the achievement rate of operating goals, service quality satisfaction, revenue growth rate, re-transaction rate of old customers, improvement of service operation efficiency, headcount growth rate, company Seven indicators including competitiveness are used as indicators to measure operational performance.

IV. RESEARCH RESULTS

This study is based on the literature review, and the research hypotheses and inference results are as follows: Adawiah et al. (2020) believe that market orientation is striving to make products and services meet customer needs, and market orientation positively impacts business performance. After discussion in the literature, the research hypothesis H1 is established. The higher the degree of market orientation, it will have a significant positive impact on business performance. Thakurta & Deb (2018) believe that information technology investment has a positive relationship with business performance. Lee et al. (2016) believe that the higher the investment in information technology, the better the company's operating performance. Chen & Yang(2018) pointed out that information technology investment can improve business performance by improving operational efficiency, reducing manual errors, and reducing costs, thus having a positive impact on business performance.

After discussion of the literature, the research hypothesis H2 is established. The higher the level of investment in information technology, it will have a significant positive impact on business performance. Abdel-Qader (2021) believes that agility positively impacts business performance. Alhadid (2016) believes that a higher degree of organizational agility positively impacts business performance. The research hypothesis H3 is established, the higher the degree of agility, it will have a significant positive impact on business performance.

V. CONCLUSION

Few studies have explored the impact of information technology investment, market orientation, and organizational agility on business performance. This study takes companies as the research object and explores the correlation between them. The results of this study found that higher investment in information technology has a significant positive impact on business performance execution, and that higher market orientation and organizational agility have a positive impact on business performance. Therefore, companies can achieve the goal of improving the company's operational performance by increasing investment in information technology, introducing market orientation and improving organizational agility.

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