# INFORMATION TECHNOLOGY CAPABILITY AND ORGANISATIONAL RENEWAL OF HOSPITALITY FIRMS IN RIVERS STATE

**by**

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## Abstract

*This work examined the relationship between Information Technology (IT) Capability and Organisational Renewal of Hospitality Firms in Rivers state, Nigeria. Two dimensions of IT capability (IT infrastructure capability and IT proactive stance capability) were assessed with two measures of organisational renewal (strategic competence and learning orientation). The cross-sectional survey was utilized with the aid of copies of a structured questionnaire, self-administered and retrieved from 240 (a response rate of 97%) workers, chosen from 30 randomly selected hospitality firms in Rivers State. Partial Least Square estimation technique was utilized. There were significant relationships between IT proactive stance capability and Strategic competence, and IT infrastructure capability and learning orientation. However, there was no significant relationship between IT infrastructure capability and Strategic competence, as well as IT proactive stance and learning orientation. It is suggested that organisations should always be on the lookout for IT tools that will enrich organisational learning and the organisation's capacity to communicate and optimize available information*

**Key Words**: Information Technology Capability, Organisational Renewal, IT Infrastructure Capability, IT Proactive Stance Capability, Strategic Competence, Learning Orientation.

## 1. Introduction

Organisations are becoming highly competitive. New businesses are born, larger establishments strive to retain their positions as industry leaders, growing firms fight to sustain their growth. Although some companies work in comparatively secure environments, others thrive in extremely competitive environments. Innovation is needed in today's complex and challenging market world. Organisations that are self-satisfied cannot withstand the extraordinary external forces at work in today's volatile world economy. Everyone needs a unique approach to the environment.

To be competitive, an organisation's management style and culture must be capable of effectively addressing the problems and opportunities it faces. A management style that was effective under one set of circumstances may become increasingly ineffective as circumstances change. Renewal of organisations is important. If a business is to succeed in an intensely dynamic marketplace, it must constantly adjust to the environment: management cannot sustain excellence without renewal.

Corporate renewal is fundamentally different from organisational transformation in that the overall dynamic shifts when a company's transition is handled with a specific eye on the shifting economic climate (Zafar, 2019). As a result, for an organisation to be competitive, it must cultivate a leadership style, business processes, and community capable of successfully addressing any problems or opportunities that might arise.

The term "Organisational Renewal" refers to a shift in an organisation's structure, ethos, values, or norms that does not modify the organisation's basic function or personality. The renewal paradox is that continuity is desirable but often serves as a significant impediment to transition. Renewal is an incentive to re-engage others with the organisation's course and methods of operation. A management style that was effective under one set of circumstances may become increasingly ineffective as circumstances change. Thus, systemic regeneration contributes to business entropy prevention. However, it must be accomplished within the complexity and speed of today's market world – which is unlikely to change. Renewal necessitates a refocus on including human capital in deciding what is both necessary and substantive, i.e. directly connecting company purpose and direction to their respective positions in supporting them. It reflects on the organisation's accomplishments and areas for growth, as well as the ambitions of individuals for their own advancement within it.

In recent years, organisations have increased their reliance on information technology (IT). IT has a sizable impact on how an organisation works. IT-enabled organisational structure that enables the development of new forms of jobs and supports contact between supervisors and subordinates. When businesses have good IT skills, they prefer to make faster decisions in response to evolving consumer demands.

The hospitality sector in Nigeria has been severely impacted by the Covid-19 pandemic. The pandemic of COVID-19 has had a profound impact on the global economy (Ozili & Arun, 2020). It had ramifications for the world tourism market, national health care programs, the food sector, the hospitality industry, the entertainment industry, education, and international commerce. Numerous such businesses aspire to respond to change and to be creative as well. According to PWC's Hospitality Outlook: 2019-2023, Nigeria was one of the fastest-growing markets in 2018, growing by 20.0% in 2018. The forecast anticipated an improvement in the coming years. However, according to Nairametrics (2020), data from four of the largest

hotels listed on the Nigerian Stock Exchange revealed an approximately 90% revenue decline as a result of the COVID-19 pandemic and triggered lockdowns. Due to their desperate financial situation, many hotels have been forced to consider major staff losses and cost-cutting measures in order to survive. For the majority of them, the option is either to take immediate measures or face the repercussions of mounting damages and outstanding debts. Numerous studies have been conducted (e.g. Ozili & Arun, 2020; Nairametrics, 2020; Martin-Rios, 2020) to propose steps for reviving this sector, which has been impacted by the pandemic, among others. However, this study contributes to the body of knowledge on the impact of information technology capability on the organisational renewal of hospitality firms in Rivers State, Nigeria.

## Research Objective

The objective of this work is to examine the impact of Information Technology (IT) capability on Organisational Renewal in Hospitality Firms in Rivers State, Nigeria.

Specifically, the study

 i. Examines the influence of IT infrastructure capability of strategic competence.

 ii. Assesses the impact of IT infrastructure capability on learning orientation.

 iii. Checks the impact of IT proactive stance capability on strategic competence.

 iv. Assesses the influence of IT proactive stance capability on learning orientation.

## Research Questions

The following research questions are put forward to guide the study.

 i. What is the influence of IT infrastructure capability of strategic competence?

 ii. What impact does IT infrastructure capability have on learning orientation?

 iii. What is the impact of IT proactive stance capability on strategic competence?

 iv. What influence does IT proactive stance capability have on learning orientation?

## 2. Literature Review

**Theoretical Framework**

**Resource-Based View (RBV)**

IT capabilities are derived from the resource-based perspective. The resource-based perspective has been widely used in the literature on information management to understand how companies achieve competitive advantage and improved renewal (Chen et al., 2014). The theory's central tenet is that organisational renewal is due to firm-specific tools and expertise that are scarce and impossible to imitate by competing companies (Bharadwaj, 2000). As a result, businesses may gain a competitive edge by gaining or improving IT capabilities that are exclusive, incomparable, and impervious to imitation (Barney, 1991). Additionally, the hypothesis suggests that companies contain a variety of expertise,

capabilities, and other tools, and that these resources are the key determinants of organisational renewal (Wade & Hulland, 2004). Nonetheless, research suggests that heterogeneity in renewal capability outcomes can be clarified by how IT capability leverages the importance of other organisational capital and capabilities (Radhakrishnan et al., 2008). The study's viewpoint is that while IT capabilities are useful tools, they can contribute indirectly through their influence on other resources or capabilities within the company (Kohli & Grover, 2008).

## Contingency Theory

This philosophy reflects on the organisational structure of those who are dependent on their surrounding environment; the central premise is that those that have an internal organisational structure that meets the demands of their best surroundings have the best chance of survival. Lawrence and Lorsch (1967) emphasize the importance of organisations matching their surroundings on two levels:
- Each organisational unit must be tailored to the community in which it operates.
- Distinctions within the organisation as a whole should reflect the world in which the organisation works.

Lawrence and Lorschis's critical conclusion is that the most successful organisations have built a coordination and dispute mediation mechanism that ensures the organisation is not afraid of disagreements and urgent and long-term issues.

According to contingency theory, operational results are the product of a suit or match between two or more variables. Van de Ven and Drazin (1985) described fit in three ways: selection, interaction, and systems. Fit was interpreted in the selection method as the ability of an organisation to respond to the characteristics of its organisational environment in order to succeed or be competitive. According to this perspective, organisational architecture is determined by the organisational context. Khandwalla (1977) discovered that the connections between infrastructure, institutional aspects of vertical integration, delegation, authority, and complexity of control systems were more important for effective firms than for unsuccessful firms. However, these analyses found no substantial gaps in the association between meaning and architecture in high- and low-performing organisations. According to the structures approach, organisational architecture can be understood only by concurrently examining the contingencies, institutional solutions, and success requirements that occur within an organisation. Additionally, there is another perspective on fit in the systems method. It is referred to as equifinality (Van de Ven and Drazin, 1985), and it asserts that there is no optimal way to suit in selection, interaction, or pattern approaches.

## Information Technology (IT) Capability

One form of partnership that facilitated IT organisations and had a significant impact on organisational learning and knowledge management is the decision-making, sharing, and convergence of expertise within and through functions and divisions through real-time, i.e., interconnected IT. The information management framework was designed to enhance employees' capabilities and to equip them with critical knowledge that motivates them to provide superior customer service. One of the primary benefits of information management is the advancement of individual and community cohesion, which can result in a strategic advantage through product or service differentiation (Herwiyanti, 2015). In contrast to hierarchical bureaucratic organisational methods, IT companies should adapt quickly to

dynamically changing environmental circumstances in order to meet global competition's demands. In most instances, IT capabilities represent an organisation's capacity to coordinate its overall operations, processes, and services by automated instruments. Additionally, it provides critical backup programmed to detect and respond to market forces quickly and efficiently. In the other hand, it seems as if IT capability will build a time gap before rivals move aggressively to erode the organisation's competitive edge, implying that it acts as a strategic impediment to other competitors (Piccoli & Ives, 2005). These capabilities are the interconnected processes that allow firms to handle upcoming problems in a complex market climate by focusing exclusively on developing, renewing, or altering a resource mix to achieve a competitive edge, thus increasing firm efficiency (Eisenhardt & Martin, 2000). Yoon (2011) and Lu and Ramamurthy (2011) described IT capability in three dimensions: infrastructure capability, industry stretching capability, and proactive stance capability. This study employed two metrics: IT infrastructure capability and proactive IT stance capability.

### *IT Infrastructure Capability*

The term "information technology infrastructure" refers to the collection of all information technology assets (e.g., software, hardware, and data), networks and their elements, network and telecommunications infrastructure, and applications (Byrd & Turner, 2000). Infrastructure is made up of real information technology properties. Kim et al. (2011) define IT infrastructure capabilities as "IT infrastructure flexibility," which includes information technology assets (hardware, software, and data), networks and their elements, connectivity and network accessibility, and applications. "IT infrastructure capability" refers to an organisation's capacity to lay out an IT strong dais capable of effectively processing and managing data and establishing linked networks (Weill et al., 2002). According to Sambamurthy et al., (2003), infrastructure incorporation will result in the creation of an infinite number of digital alternatives that enhance and enrich organisational learning, thus enhancing an organisation's capacity to communicate and optimize available information. Additionally, organisations can use a variety of IT platforms to establish knowledge management (KM) systems. Sorting and storing accumulated information in an organisation's database repositories, for example, may promote knowledge allocation and usage, or, alternatively, creating networks of people to exchange knowledge (Bataineh et al. 2015). Organisations with a strong IT infrastructure will quickly implement new IT plans. Additionally, the IT infrastructure can be handled seamlessly and effectively by IT-savvy personnel (Fink & Neumann, 2007)

### *IT Proactive Stance Capability*

IT Proactive Stance Capability explains how companies are constantly on the lookout for novel ways to discover and maximize their IT potentials, as well as seize different business opportunities. As a result, the organisation will be prepared to identify, select, and track information technology technologies (Swanson & Ramiller, 2004). Additionally, companies will anticipate and experience dramatic improvements brought on by rapid IT advancement. According to Galliers (2007), this factor enables companies to rapidly explore and seize acceptable opportunities by using information technology innovations to bridge the divide between market policy and the need for accurate and timely information. Additionally, the proactive stance component provides the organisation with regular awareness updates. By adopting a proactive IT stance, organisations can easily manage the adoption and implementation of cutting-edge IT technologies and avoid the repercussions of technological

lock-in (Swanson &Ramiller, 2004). Thus, hospitality businesses will quickly restructure and repurpose their existing IT in order to be equipped to bring new and disruptive offerings to the industry.

## Organisational Renewal

Organisational renewal can refer to any action taken to maintain or reclaim an organisation's health and viability, as opposed to allowing the organisation to become sluggish, unproductive, and succumb to entropy. Organisational renewal capability is contingent upon a) the organisation's capacity to incorporate information systems ranging from emulation of current know-how to quantum leap advances, and b) the organisation's ability to align the three processes in accordance with its strategic purpose and the external demands imposed by its environment (Sthle et al. 2003). According to Street and Gallupe (2008), organisational renewal is a path-dependent organisational mechanism that entails fostering, accommodating, and implementing new information and creative actions in order to alter an organisation's commodity business domain and/or core competencies. Renewal of an enterprise is a deliberate tactic for improving its success and long-term longevity. Renewal of organisations may be periodic or persistent. If intermittent renewal is a drastic, accelerated reaction to external or internal change, it would necessitate an urgent quantum shift in the strategic and tactical thinking of corporate leaders in order to produce both short- and long-term, sustained results. Organisational renewal refers to a firm's ability to generate learning and growth results, i.e., innovative ideas, systems, and perspectives, and thereby to respond to external developments as well as to initiate progress within the organisation. A company with a high capability for renewal is capable of developing, changing, modifying, and reorganising its resources, information properties, and routines, outperforming rivals with similar resources (Kainto, 2008). To maintain a competitive advantage in dynamically evolving markets, businesses must constantly evolve and reinvent in order to preserve, change, and rebuild their experience (Zack, 2005). The more complex the working environment, the more critical creativity and learning becomes to an organisation's performance.

Hardie (2014) observed that Renewal begins by:
- ensuring that the organisation understands that it operates.
- defining the fundamental capabilities that it demands of all employees – regardless of their status or whether they are hired or volunteer, for example, corporate responsibility and teamwork.
- describing the interpretation of the Fundamental Principles or Values "in action."
- determining how it determines its performance (using a balance of measures).
- determining the leadership style and consistency that we expect as a result.
- recognizing what sets it apart from the competition.

Kianto (2008) suggested six criteria for organisational renewal – strategic competence, leadership, exploiting time, connectivity, managing knowledge and learning orientation

### *Strategic Competence*

Strategic management is the process of developing and implementing plans to accomplish an organisation's purpose, vision, priorities, and objectives. It entails conducting an appraisal of the organisation's internal and external contexts, establishing the organisation's strategic strategy, and coordinating with all functional areas. Strategic and organisational preparation

is the mechanism by which an organisation determines its current state, what it wants to do, where it needs to go, and how it can get there (Taneja, et al., 2010). Strategic competence encapsulates the visionary aspect, fundamental mission, organisational identity, and overarching steering principles of the entire organisation. Continuously learning and innovating organisations are defined by their ability to craft proactive persuasive visions and solutions that allow for concentrated growth and allowing for emergent development and flexibility (Kanter, 2002). Volberda et al. (2001) stress the importance of a firm's strategic renewal journey being expressed in the strategic steps taken to change its route dependency. Strategic competence is the mechanism and effect of strategic strategy adjustment that has the power to assess a firm's long-term competitiveness. The goal of strategic renewal is to achieve a strategic fit between a firm's internal capabilities and the external environment's changes in technology, markets, sectors, and the economy that necessitate a change in the status quo of doing business. There are two distinct approaches to strategic renewal. Incremental renewal happens as a result of a sequence of routine adjustments to the changing commercial climate. Transformational renewal occurs as a result of drastic changes in corporate management and the elimination or substitution of critical roles and divisions within the organisation.

## Learning Orientation

In organisations, Learning is a critical activity that is handled by the organisation. Any growth company will be impacted by the dramatic developments in the market world. The learning orientation of an organisation reflects its members' overall attitudes toward innovation and learning, as well as the degree to which these practices are facilitated and permitted by organisational systems and procedures. In a perfect world, intelligence and its growth are highly valued throughout the organisation (Kanter, 2002). Employees are valued for their skills and growth potential, and there is no rigid distinction between thinkers and doers. In the other hand, organisational cultures that place a premium on laws, discipline, performance, appraisal, and faultlessness are detrimental to renewal (Kainto, 2008). Learning Orientation is a pillar of strength in every organisation. Additionally, it plays a critical role in organisational learning, as it explains the organisation's principles of learning philosophy, common interests, and information exchange. According to Nonaka (1994), intelligence is a unique source of long-term competitive advantage. Organisational learning is gradually being recognised as a necessary condition for the organisation's present and potential existence and success (Wang, et al., 2006).

A renewing organisation's awareness ecosystem is constantly changing, and deliberate attempts are made to increase interpretation and efficacy of behavior by capturing and comparing diverse perspectives on critical issues. Socio-cognitive study has shown that being receptive to new perspectives improves the efficiency of information management and thereby results in more effective strategies. Individuals exposed to divergent viewpoints are compelled to seek additional knowledge on the subject, to think more unconventionally and divergently, that is, to approach the subject from a variety of perspectives. To put it another way, minority protest benefits complex reasoning, problem solving, and imagination (Kianto, 2008). Thus, revitalizing organisations purposefully incite task-related confrontation and promote open communication and reviews (Beer & Eisenstat, 2004).

## 3. Hypothesis Development

IT Infrastructure Capability and Strategic Competence

As firms build their IT infrastructure, they need to have good coordination, collaboration, and association between departments in terms of well-coordinated operations. The partnership between IT infrastructure capability and strategic competence is founded on assisting in identifying potential enterprise venture requirements and executing venture operations (Weill et al., 2002). Additionally, stability in IT infrastructure is advantageous in terms of market venturing decision-making and associated upcoming business plans for the utilization of venturing activities (Rehman et al., 2018). Herwiyanti (2015) discovered that information technology capability has a positive impact on information quality, and technical instability has little effect on the relationship between information technology capability and information quality. As a result, Rehman et al. (2018) discovered a strong correlation between information technology infrastructure and strategic renewal. Similarly, strategic renewal activities can be effectively initiated as IT infrastructure versatility is leveraged (Giudice & Straub, 2011). Bakan and Sekkeli (2017) also noted that IT infrastructure capability has positive effects on competitiveness through strategic decisions made.

*Ho₁: There is no significant relationship between IT infrastructure capability and strategic competence.*

IT Infrastructure Capability and Learning Orientation

When an enterprise's IT infrastructure capability, that is, IT human capability, and the potential to develop IT for intangible benefits offered as a special resource for businesses, are combined, vast IT capabilities are created. When each individual's complex IT resources are difficult to access and difficult to replicate, the business that achieves a competitive edge by IT can often learn to successfully combine their IT resources to produce an overall IT capability (Bharadwaj, 2000). Information technology has the potential to play a major role in promoting a learning orientation (Alavi & Yoo, 2012).Kim et al. (2011) observed a positive relationship between IT infrastructure and learning orientation which in turn enhances firm performance.

*Ho₂: IT infrastructure capability has no positive impact on learning orientation.*

IT Proactive Stance Capability and Strategic Competence

Oliveira and Maçada (2017) demonstrated that IT Capabilities have a positive effect on Process Efficiency, which in turn has a positive effect on Company Performance. Additionally, it is discovered that IT Capabilities have an indirect effect on Company Performance, confirming partial mediation at the process level by Performance. There is evidence that as administrators get more adept at using technologies, they may be best equipped to coordinate the human and technical facets of organisational transformation (Wang et al, 2006). Four moderating variables (company size, lifetime, sector dynamism, and industry) were examined in the relationship between IT Capabilities and Process Efficiency, and all four generated null results (Oliveira & Maçada, 2017).

*Ho₃: There is no significant relationship between IT proactive stance capability and strategic competence.*

IT Proactive Stance Capability and Learning Orientation

According to Bataineh et al. (2015), the most influential dimension is IT proactive stance capability. According to Wang et al. (2006), technical capability refers to the capacity to create and build new products and processes, as well as to expand awareness about the physical environment in a novel manner, thus translating this knowledge into the design and guidance for the development of planned outcomes. Technology capability contributes to an organisation's capacity for recognizing and applying emerging external information in order to advance the production of competencies, which may result in superior results. The process of generating new information is inherently unpredictable and risky, and it is unavoidable that certain innovation attempts will fail to achieve the desired results. To facilitate continued improvement, it is critical to see mistakes and deficiencies as opportunities for more learning, rather than as the basis of discipline, embarrassment, or denial of potential capital (Weick & Sutcliffe, 2001).

*$Ho_4$: There is no notable relationship between IT proactive stance capability and learning orientation.*
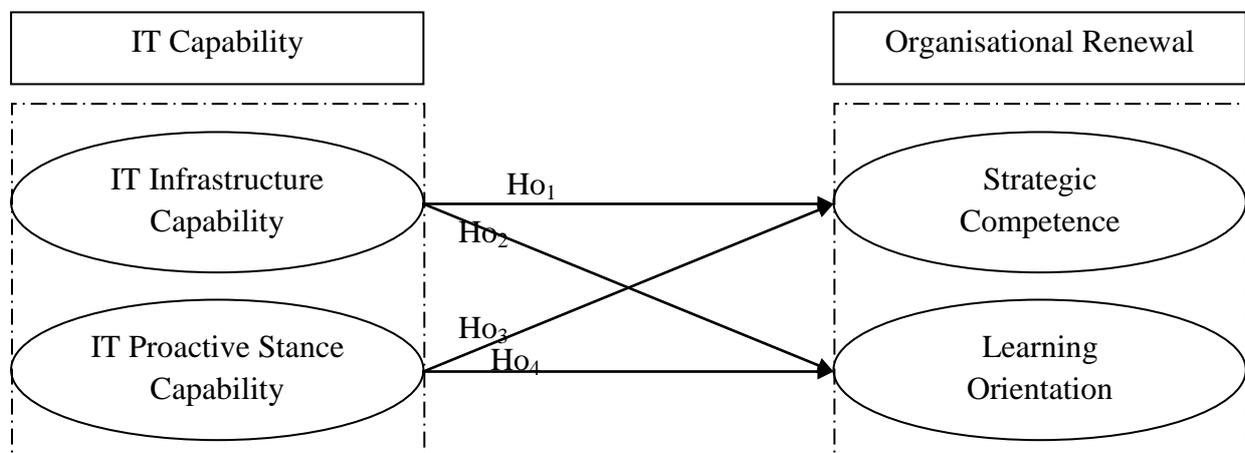


Figure 1: Conceptual Framework

Source: Dimensions of IT Capability were adopted from Lu and Ramamurthy (2011), while measures of Organisational Renewal were adopted from Kianto (2008).

## 4. Method

The population of this study constituted Hospitality firms in Rivers State, Nigeria. The cross-sectional design was adopted for this study in sampling the opinions of workers in selected hospitality firms in Rivers state, Nigeria. A convenience sampling method was applied to gather data from respondents. A sample size of 248 workers was chosen from 30randomly selected hospitality firms in Rivers State. Data were collected through copies of a structured questionnaire. All obtained questionnaire data were analysed using statistical techniques. The mean and standard deviation of the responses to each item on the questionnaire were calculated. Partial Least Square estimation technique was used to test the relationship between IT capability and organisational renewal. Analyses were done using Statistical

Package for Social Sciences (25.0) and SMARTPLS 3.The items for IT Capability were adapted from Byrd and Turner (2000), while items for Organisational Renewal were adapted from Kianto (2008). All items were measure on a 4-point Likert scale ranging from $1 - 4$, where 1 = strongly disagree, 2 = disagree, 3 = agree and 4 = strongly agree.

## 5. Data Presentation

Out of the 248 administered copies of the questionnaire, 240 were retrieved and used in the study. The mean and standard deviation of the various items listed in the questionnaire were computed and interpreted from the data and used in answering the research questions. The decision rule of the mean was 2.5, hence, accept item mean $\geq 2.5$, and reject item mean <2.5.The hypotheses were tested using correlation and Pearson correlation to test the relationship between IT capability and organisational renewal. The decision rule is to accept the hypothesis where p>0.05, and reject the hypothesis where p<0.05.
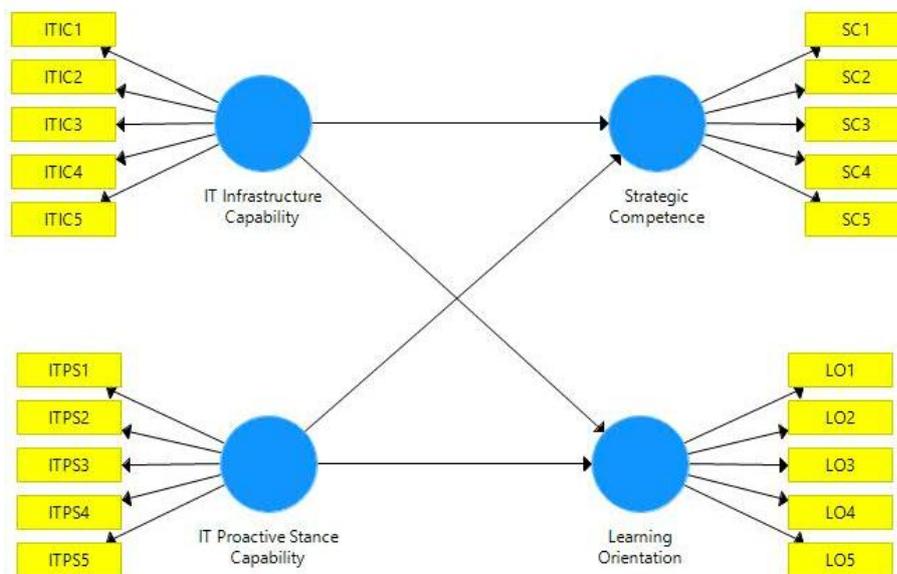


Figure 2: Research Model

Table 1: Analysis of Respondents Responses to the Questionnaire Items

| S/N | N = 240 Items | Mean | Std. Dev. | Decision (Mean ≥ 2.5) |
|---|---|---|---|---|
| | **IT Infrastructure Capability** | | | |
| 1. | Problem resolution between IT and business units is identified as a specific job task in our organisation. | 2.53 | .882 | Accepted |
| 2. | Our IT personnel are skilled in decision support systems and multiple types of databases. | 2.60 | .927 | Accepted |
| 3. | Our IT personnel are able to interpret business problems and develop appropriate technical solutions, and are very capable in teaching others. | 2.56 | .944 | Accepted |
| 4. | Our organisation offers a wide variety of types of information to end users (e.g., multimedia). | 2.74 | 1.083 | Accepted |

| | | | | |
|---|---|---|---|---|
| 5. | Our IT provides unique channels to suppliers or customers that are difficult for competitors to replicate. | 2.55 | 1.013 | Accepted |
| **IT Proactive Stance Capability** | | | | |
| 6. | Compared to rivals within our industry, our organisation has the foremost in available IT systems and connections. | 2.63 | 1.128 | Accepted |
| 7. | Our organisation often uses IT as a component for an information-based innovation. | 2.80 | .925 | Accepted |
| 8. | Our IT personnel closely follow the trends in current technologies. | 2.58 | .850 | Accepted |
| 9. | Our IT personnel are self-directed and proactive. | 2.89 | .826 | Accepted |
| 10. | Investments in IT are best described as long-term and consistent. | 2.78 | 1.084 | Accepted |
| **Strategic Competence** | | | | |
| 11. | We are good at sensing future trends and the development of the market. | 2.63 | 1.303 | Accepted |
| 12. | I know what the organisational strategy means for my task. | 2.66 | 1.426 | Accepted |
| 13. | We follow regularly what our competitors do. | 2.70 | 1.187 | Accepted |
| 14. | We are well aware of the needs of our customers | 2.81 | 1.052 | Accepted |
| 15. | We try to learn from the top companies in the field, and not from the mediocre ones. | 2.74 | 1.109 | Accepted |
| **Learning Orientation** | | | | |
| 16. | We spend much time in finding out why a project succeeded or failed. | 2.59 | 1.319 | Accepted |
| 17. | I get support from my colleagues in solving work related problems. | 2.90 | 1.189 | Accepted |
| 18. | We constantly try new ways to work. | 2.82 | .996 | Accepted |
| 19. | My organisation is incapable of increasing knowledge and learning from previous experiences. | 1.84 | .892 | Rejected |
| 20. | Our employees learn useful skills from other employees. | 2.98 | 1.037 | Accepted |

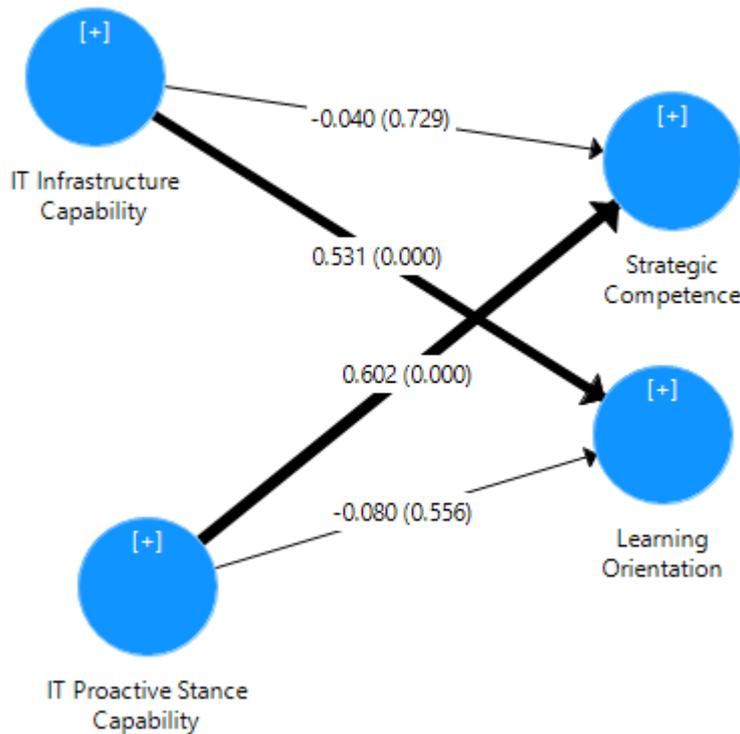*Source*: SPSS Computation from Data, 2021

Figure 3: Specific Path Model of Latent Variables
*Source*: SmartPLS 3.2.6 output on research Data, 2021

The path relationship analysis presented in Figure 3 indicate that there are positive and significant paths between IT Infrastructure Capability and Learning Orientation; where, path coefficient ($\beta$) = 0.531 and level of significance (p) = 0.000), and IT Proactive Stance Capability and Strategic Competence ($\beta$ = 0.602, p = 0.000). However, it is observed from the figure that IT Infrastructure Capability negatively impacted Strategic Competence ($\beta$ = -0.040, p = 0.729), and IT Proactive Stance Capability had a negative influence on Learning Orientation ($\beta$ = -0.080, p = 0.556).

Therefore, the research questions are answered thus:

   i.   IT infrastructure capability has a negative influence on strategic competence.

   ii.  IT infrastructure capability has a positive impact on learning orientation.

   iii. IT proactive stance capability positively influences strategic competence.

   iv.  IT proactive stance capability has a negative impact on learning orientation.

The data in Figure 3 reveal that there is no significant relationship between IT infrastructure capability and strategic competence ($\beta$ = -0.040 and p =0.729). Therefore, we find that there is negative bond between IT infrastructure capability and strategic competence and based on the decision rule of p > 0.05 for null acceptance; the null hypothesis is accepted and it is then stated that *there is no significant relationship between IT infrastructure capability and strategic competence*. This negates the work of Rehman et al. (2018), who discovered a strong correlation between information technology infrastructure and strategic renewal. Weill et al. (2002) opined that firms need to have good coordination, collaboration, and association

between departments in terms of well-coordinated operations as they build their IT infrastructure. The partnership between IT infrastructure capability and strategic competence is founded on assisting in identifying potential enterprise venture requirements and executing venture operations (Weill et al., 2002). Bakan and Sekkeli (2017) also noted that IT infrastructure capability has positive effects on competitiveness through strategic decisions made.

Figure 3 illustrates the presence of a strong positive significant relationship between IT infrastructure capability and learning orientation ($\beta = 0.531$ and p =0.000). It is concluded, based on the decision rule, that the null hypothesis be rejected and the hypothesis restated as thus *IT infrastructure capability has a positive impact on learning orientation*. This confirms the report of Alavi and Yoo (2012) that IT infrastructure plays a major role in promoting a learning orientation. When each individual's complex IT resources are difficult to access and difficult to replicate, the business that achieves a competitive edge by IT can often learn to successfully combine their IT resources to produce an overall IT capability (Bharadwaj, 2000).

The data in Figure 3 points out that there is a significant relationship between IT proactive stance capability and strategic competence, owing to the Path coefficient value ($\beta$) of 0.602 and a probability level of 0.000. It is also observed that strong positive connection exists between IT proactive stance capability and strategic competence and based on the decision rule of $p < 0.05$ for null rejection; the null hypothesis is rejected and it is then restated that *there is a significant relationship between IT proactive stance capability and strategic competence*. This result notes the report of Wang et al. (2006), as administrators get more adept at using technologies, they may be best equipped to coordinate the human and technical facets of organisational transformation.

Figure 3 shows that s notable relationship is present between IT proactive stance capability and learning orientation ($\beta = -0.080$ and p =0.556). We find that there is a negative bond between IT proactive stance capability and learning orientation. It is concluded, based on the decision rule, that the null hypothesis be accepted, thus *there is no notable relationship between IT proactive stance capability and learning orientation*. According to Bataineh et al. (2015), of the most influential dimensions of IT capability is IT proactive stance capability. According to Wang et al. (2006), the process of generating new information is inherently unpredictable and risky, and it is unavoidable that certain innovation attempts will fail to achieve the desired results. Weick and Sutcliffe (2001) advised that to facilitate continued improvement, it is critical to see mistakes and deficiencies as opportunities for more learning, rather than as the basis of discipline, embarrassment, or denial of potential capital.

## 6. Conclusion
This study assessed the correlation between IT capability and organisational renewal. It specifically examined the relationship between IT infrastructure capability and strategic competence; IT infrastructure capability and learning orientation; IT proactive stance capability and strategic competence; and, IT proactive stance capability and learning orientation. There were significant relationships between the dimensions and the measures. This implies increase in the dimensions will lead to a corresponding increase in the measures. Strategic competence had stronger relationship with IT proactive stance capability (r=.650), than with IT infrastructure capability (r=.322); while learning orientation correlated better with IT infrastructure capability (r=.634) than with IT proactive stance (r=.318). It is no

doubt that IT proactive stance will be important for strategic competences, while IT infrastructure will be important in learning orientation. The results of the analysis indicate that by improving the capability of IT infrastructure and proactive stance, a firm's IT management capabilities indirectly contribute to the firm's renewal.

Hence, it is recommended that the IT tools available within the firm should be in line with the needs of the organisation for strategic decisions; and organisations should always be on the lookout for IT tools that will enrich organisational learning and the organisation's capacity to communicate and optimize available information.

This work is utilized two dimensions of IT capabilities out of the three specified by Lu and Ramamurthy (2011), and two measures of organisational renewal from the six given by Kianto (2008). Further research can be carried out on the other indicators. The tool utilized in this tudy can pose a limitation. Works can be carried out using other statistical tools. IT capabilities are formed gradually over the years, hence this study is limited in its capacity to reflect accurately the prolonged formation of IT capabilities and their contribution to organizational performance. More rigorous research, therefore, can be conducted on longitudinal data obtained from an approach such as qualitative ethnographic methodology.

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