

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION, RECOMMENDATION

Discussion of Findings

This section discusses the findings of the study in light of relevant literature from Chapter Two, focusing on how Information Technology (IT) influences the financial performance of Balogun Fulani Microfinance Bank Ltd.

The study revealed that 100% of respondents agreed that IT has positively influenced the bank's financial performance, enhancing speed and accuracy in financial decision-making. This aligns with the findings of Ayo et al. (2016), who observed that digital platforms like mobile and online banking improve revenue generation and reduce operational costs over time. The regression analysis further supported this, showing a significant positive impact ($\beta = 0.315$, $p < 0.01$). This confirms Oladejo and Akinjare's (2014) assertion that IT acts as a critical enabler of business transformation in emerging markets.

The research found a strong positive relationship between IT-based customer service tools and customer satisfaction, with 100% of respondents affirming improved service responsiveness. This is consistent with Njiru (2018), who highlighted how mobile applications enhance service convenience, leading to customer loyalty. Bashir & Ali (2017) further support this by noting the personalization of services made possible through IT, which increases client retention and satisfaction. The study's regression coefficient ($\beta = 0.275$, $p < 0.01$) validates these theoretical claims.

The findings indicated that MIS significantly improves operational efficiency, corroborated by Gichuki (2019) and Ogunyemi (2021), who emphasized how MIS enhances data accuracy, operational monitoring, and internal decision-making. This is further supported by Rosenberg et al. (2009), who stressed the importance of strong portfolio monitoring enabled by IT. In this study, the effect of MIS on performance was confirmed statistically ($\beta = 0.198, p < 0.01$).

Mobile banking was found to be a significant contributor to customer outreach and deposit mobilization, though its impact on convenience was mixed. Ganiyu and Abubakar (2021) similarly found that mobile banking platforms led to a 25% increase in outreach and revenue in Kwara State. Adebayo & Raji (2019) also observed increased customer acquisition via mobile platforms. This study's regression results ($\beta = 0.110, p < 0.05$) reinforce these outcomes.

Respondents largely agreed that internet and SMS banking tools enhance transaction volume and generate additional revenue. This is supported by Adeoti and Adeniran (2021), who found that IT infrastructure boosts profitability by improving digital service delivery. Kpodar and Andrianaivo (2019) also demonstrated that ICT reduces operational errors and enhances service execution speed. The regression model in this study ($\beta = 0.289, p < 0.01$) confirms the substantial role of digital banking tools in revenue generation.

Findings showed that IT literacy among staff is closely linked to improved financial outcomes. According to the Balanced Scorecard (Kaplan and Norton, 1992), employee learning and IT capabilities form a vital part of institutional performance. Eze and Eze (2019) also observed that IT-competent staff drive improved repayment rates and service effectiveness. The study's coefficient for staff IT literacy ($\beta = 0.230, p < 0.01$) aligns with these insights.

The study confirmed that IT tools reduce human error and ensure financial transparency. Automated systems enhance the accuracy of financial statements, a point echoed by Adeoti and Adeniran (2021). This also supports Ledgerwood's (1999) view that accurate data management is crucial for microfinance sustainability. Regression results ($\beta = 0.207$, $p < 0.01$) validated these contributions.

Overall, the regression model explains 84.2% of the variance in financial performance ($R^2 = 0.842$), demonstrating that IT-related variables are strong predictors of financial outcomes at Balogun Fulani Microfinance Bank.

5.2 Conclusion

The integration of IT into the operations of Balogun Fulani Microfinance Bank Ltd has yielded positive outcomes in multiple dimensions of performance. IT has enhanced financial decision-making, customer satisfaction, internal process efficiency, and financial reporting accuracy. The findings align strongly with literature emphasizing IT as a driver of financial performance and strategic advantage (Oladejo, 2020; Ogunyemi, 2021).

The statistical evidence confirms that strategic investment in IT tools and literacy significantly contributes to improved financial metrics, supporting the view of information technology as a value-adding resource (RBV theory).

5.3 Recommendations

Based on the findings and supported literature, the following recommendations are proposed:

1. Increase Investment in Digital Infrastructure, as supported by Adebisi et al. (2022), to remain competitive in a digitizing industry.

2. Implement Comprehensive Staff Training Programs to boost IT literacy and enhance efficiency.
3. Evaluate IT Cost-Efficiency to ensure that operational savings are being realized across all departments.
4. Strengthen Data Security Systems to mitigate risks associated with digital operations, aligning with Systems Theory's call for cohesion across IT components.
5. Promote Digital Literacy Among Customers to improve adoption of mobile and internet banking tools.
6. Apply Analytics and MIS Data in Strategy Formulation to drive performance-based decisions.
7. Adopt the Balanced Scorecard (Kaplan & Norton, 1992) framework to align IT investments with internal processes, learning, and customer satisfaction.