

## **THE INVESTMENT OF INFORMATION TECHNOLOGY ON PERFORMANCE OF THE ORGANIZATION**

M.P.D.M Pathirana

[Dinith91@gmail.com](mailto:Dinith91@gmail.com)

Department of Accountancy, University of Kelaniya

### **Abstract**

Many organizational leaders and strategy scholars would agree that the ability to effectively manage information within the firm has become critically important because it may provide a basis for gaining a competitive advantage (Tippins, 2003). Many business people invest large amount of funds for information technology to improve the performance of the organization.

The objective of this research is to find the relationship between investment of IT and firm performance of the manufacturing organizations. According to this research independent variables are amount of investment of IT, Investment of IT percentage of total assets and Investment of IT percentage of total investment. Dependent variable is Return of assets (Weill, 1992). Secondary evidence used for this research. Ten years of historical data on IT investment and performance was collected using Annual reports of CSE website. In the recent past, researchers have shown conflicting results regarding the returns to IT investment. Some researchers posit that the equivocal results of IT investment are due to inconsistent measurement of firm performance and investment (Lim, Richardson, Roberts, 2004). To gain best result used SPSS tools for analyze the variables and data. The important of this research is to gain more knowledge about IT and its effect of the organizations.

**Key words:** Information technology, investment, firm performance, computers, manufacturing, competitive advantage