

CHAPTER I

INTRODUCTION

1.1 Introduction:

This chapter is an overview of the research paper and its context. It starts with a brief background. It continues by highlighting the statement of the problem, research questions, purpose and aims of the study, and justification of the study. Finally, it concludes by describing how the rest of the paper is structured.

1.2 Background of the problem :

The world is witnessing important changes in which information technology is the main tool and factor influencing the environment in which business organizations operate. The speed of technological change in production has greatly increased during the last two decades, and this means that information technology provides a great scope for innovations and improvements in many different sectors. Including improving organizational performance (Bo Oqal, 2016).

Interest in improving organizational performance helps investment organizations determine the extent to which organizations can adapt and respond to environmental determinants by setting plans and goals and employing those resources. The importance of improving organizational performance comes from the fact that it represents the organization's ability to achieve goals efficiently and effectively. Therefore, improving organizational performance is the indicator that measures the success of the organization in achieving its goals and its ability to grow and survive (Al-Baghdadi 2007: 145).

Today, information technology has occupied the forefront in terms of the strategic role it plays. The strategic importance of information technology has been reinforced by basic driving forces, led by globalization, organizational change, intense competition, and the technological revolution itself. This new environment forced organizations to shift their work patterns from their old formulas to formulas that keep pace with the world in informatics of terms of formation, communication, use, and retrieval. It resulted from the concepts of mobility and continuous development in performance. Requires organizations of all types and sizes to keep pace with this tremendous technological progress if their goal is to stay competitive. The world has entered an era that has no borders in which information technology plays the role of pillars carrying this progress, which has become a distinctive sign of this era.

On the other hand, the development of information technology and the rapid growth of electronic commerce play a vital role in the life of oil and gas extraction, refining and marketing organizations worldwide. Various modern technological applications (programs for exploration, programs for drilling, programs for production, programs for reservoir studies, i.e. calculating point reserves in the ground, programs for refining and analysis, programs for financial and administrative affairs, programs for marketing and contracting, programs for communication and other programs).

The reliance of the oil and gas-producing organizations in Yemen on the developments in information technology and the employment of their capabilities in their production and service operations came for the purpose of improving organizational performance (Alex .2015) and also came to achieve excellence, development, and continuous diversity (Al-Haig 2019) in addition to improving the efficiency of the organization by exploiting

the capabilities of the organization and activating its capabilities to reach the lowest possible production cost and a high level of the required quality, as well as improving its effectiveness in achieving its main goals of increasing production, profits of the organization and community benefits.

Oil and gas-producing companies in the Republic of Yemen are among the most important investment institutions in the financial, commercial, and extractive markets, as they have become important in turning the economic wheel and giving it added value. It plays an active role in supporting the national economy, and optimal investment will not be achieved without rapid and advanced management in its performance, and therefore the need arose to study improving the organizational performance of Jannat Hunt Oil Exploration and Production Company in the United Arab Emirates. The Republic of Yemen by measuring the impact of using information technology in improving its organizational performance, which helps this company achieve success and excellence in its work, and presents scientific results to researchers and those interested.

Human resources are one of the most significant components of information technology; they may be defined as an example of implicit knowledge buildup in the brains of organization personnel. (AboGhonaim, 2007:11). The effective management of human resources has a role in improving the organizational performance of small and medium enterprises. Rawi (2013) Show search results Saad (2014), Al-Ansi (2019), Faragallah (2012), Jabbour, N. I(2016), Binal Shah and Ales Gregar(2019), saif and Jamal(2016), Anastasia A. Katou(2008), human resources have a role in improving organizational performance and have a positive and significant impact on organizational performance. Based on the research conducted by Rawi (2013), Saad (2014), Al-Ansi

(2019), Faragallah (2012), Jabbour, N.I (2016), Binal Shah and Ales Gregar(2019), saif and Jamal(2016), Anastasia A. Katou(2008), human resources have a role in improving organizational performance and have a positive and significant impact on organizational performance.

Devices and Equipment are the information system that improves management performance the most, followed by those who use information systems and then followed by software order Abu Karim (2013). Jubouri (2009), Muhammad (2014), Hussein (2010), Samy S. Abu Naser (2016), Jabbour, N. I(2016), Sulieman Ibraheem Shelash Al-Hawary(2017) mentioned that there is an effect of device and equipment have a role in improving organizational performance and have a positive and significant impact on organizational performance. . In contrast to the research Deh M.A Al-Gharaibeh and Nazem M.M Malkawi (2013), Alaarj&Mohamed(2016), which states that devices and equipment do not affect the improvement of organizational performance.

Based on Shelbaya (2002: 13) the communication network is "a group of computer systems connected to each other or a group of devices that are linked using communication wires. The existence of a positive correlation between the level of use of information and communication technology and the overall performance of the business, and the existence of a positive correlation between the level of use of the Internet and teamwork Muhammad (2014), Hussein (2010), Bouaqal (2016), Hattab (2018), Mgbeze Vincent (2015), Bernard T. Widjaja and Iriana Wihardja Sumintapura and Ahmad Yani(2019), Andersen. J. (2001) communication networks have a role in improving organizational performance and have a positive and significant impact on organizational performance.

Software is all educational groups for processing information (O'Brien, 2004:10) and can be categorized into System software: such as the operating system software that manages and supports the operations of a computer system, such as windows. Application software:" It is software that does direct processing for personal use by the end user, such as payroll software; word processing software; and other programs such as the computer-mediated (CAD) program; Computer-aided manufacturing (AM) program" (Heizer & render, 2004: 282-283). Hussein (2010), Sulieman Ibraheem Shelash Al-Hawary (2017), and Dany Di Tullio(2014), Software has a role in improving organizational performance and has a positive and significant impact on organizational performance. In contrast to the research Ashfaq Ahmad (2020) states that Software does not affect the improvement of organizational performance.

A database is "a collection of interrelated data or information stored in data storage devices. A database can be a store of company (or) organization records, time standards for various organizations' operations, cost data, or customer order information."(Krajewski & Ritzman,2005:513). The database may be regularly added to, amended, and updated to keep up with developing developments, allowing managers to make sound strategic decisions and end users to carry out their tasks efficiently and effectively. (Ajam, 2007: 56). Sulieman Ibraheem Shelash Al-Hawary(2017), Hussein (2010),Hasyima and Janner Simarmatab(2022) databases have a role in improving organizational performance and have a positive and significant impact on organizational performance. However, they are different from the search results from Abu Karim (2013) Technical specialists and databases have the least impact on management information systems, and there is a relationship between management information systems and

improving administrative performance. Jabbouri, N. I (2016) state that databases do not affect the improvement of organizational performance.

Based on the research conducted by Hussein (2010), Igor Bernik and Kaja Prislan, (2016), Banker, R. D., Davis (1998) Information Security has a role in improving organizational performance and has a positive and significant impact on organizational performance. In contrast to the research Latifa Alzahrani Kavita Panwar Seth. (2021) " Employees may be discouraged from following security rules and policy compliance if information security management is perceived as a nuisance or a barrier to job performance. "So that Information Security do not affect the improvement of organizational performance.

Jannah Hunt Oil Exploration and Production Company in the Republic of Yemen and Pertamina Oil Exploration and Production Company in the Republic of Indonesia have realized the importance of using advanced information technology, because of its value to the company, and also realized the importance in the possibility of improving its organizational performance. Accordingly, the companies needed to know the level of its use of information technology and its impact on improving organizational performance in the Republic of Yemen and the Republic of Indonesia.

1.3 Formulation of the problem:

The study problem can be identified in the following question: What is the impact of the use of information technology on improving the organizational performance of those companies and the level of its use?

The study problem can be formulated by putting the following questions:

The first question:

What is the impact of information technology (Human Resource Skills) on improving organizational performance at the Jannah Hunt Company in the Republic of Yemen and Pertamina Company in the Republic of Indonesia?

The second question:

What is the impact of information technology (Devices and Equipment) on improving organizational performance at the Jannah Hunt Company in the Republic of Yemen and Pertamina Company in the Republic of Indonesia?

The third question:

What is the impact of information technology (Communication Networks) on improving organizational performance at the Jannah Hunt Company in the Republic of Yemen and Pertamina Company in the Republic of Indonesia?

The fourth question:

What is the impact of information technology (Software) on improving organizational performance at the Jannah Hunt Company in the Republic of Yemen and Pertamina Company in the Republic of Indonesia?

The fifth question:

What is the impact of information technology (Databases) on improving organizational performance at the Jannah Hunt Company in the Republic of Yemen and Pertamina Company in the Republic of Indonesia?

The sixth question:

What is the impact of information technology (Information Security) on improving organizational performance at the Jannah Hunt Company in the Republic of Yemen and Pertamina Company in the Republic of Indonesia?

1.4 Research Objectives :

Based on the study problem and its questions, the objectives of the study can be defined as follows:

First: Determining the impact of information technology: (Human Resources Skills) in improving organizational performance at the Jannah Hunt Company and Pertamina Company.

Second: Determining the impact of information technology: (Devices and Equipment) in improving organizational performance at the Jannah Hunt Company and Pertamina Company.

Third: Determining the impact of information technology: (Communication Network) in improving organizational performance at the Jannah Hunt Company and Pertamina Company.

Fourth: Determining the impact of information technology: (Software) in improving organizational performance at the Jannah Hunt Company and Pertamina Company.

Fifth: Determining the impact of information technology: (Databases) in improving organizational performance at the Jannah Hunt Company and Pertamina Company.

Sixth: Determining the impact of information technology: (Information Security) in improving organizational performance at the Jannah Hunt Company and Pertamina Company.

1.5 Research Benefits:

The importance of this study lies in shedding light on information technology and its impact on improving organizational performance in the case study of Jannah Hunt Company, because of the great importance of this organization in the development of the national economy. The study also gains its importance by relying on the modernity of technology and the successes it achieves in business organizations.

The importance of the study can be categorized into two dimensions:

1.5.1 Theoretical importance:

The importance of the theoretical study is represented in the following points:

1. The current study can contribute to enriching the administrative library with an important topic such as information technology and improving organizational performance, as they are among the most important elements that help the continuity, development, and distinction of investment organizations in contemporary organizations.

2. It deals with the dimensions of information technology and the extent of the impact of each dimension in improving organizational performance in the case study of the Jannah Hunt Company and Pertamina Company, and bridging the scientific gap related to the limited studies in this aspect.

1.5.2 Practical importance:

The importance of the practical study is represented in the following points:

1. It is expected from this study that its results will benefit the oil and gas sector by increasing awareness of the importance of information technology and its impact on improving institutional performance, introducing society to the rapid and modern developments of information technology, and trying to improve its excellence by relying on modern and advanced information technology that helps it achieve its goals efficiently and efficacy.
2. Attempting to benefit the decision-makers in the company of Jannah Hunt and Pertamina Company on how to improve organizational performance through the six dimensions of information technology.
3. Increasing the company's awareness and definition of the importance of information technology and its impact on improving organizational performance.