

Impact of Digital Financing on Organizational Performance: The COVID-19 Lockdown Experience

Igbara Neeka (PhD)^{1*}, Zukbee Sira (PhD)², Eke Ikechukwu², Naluba Bariyaa Sunday¹

¹Department of General Studies, Kenule Saro Wiwa Polytechnic, Rivers State, Nigeria

²Department of Banking and Finance, Kenule Saro Wiwa Polytechnic, Rivers State, Nigeria

*Corresponding Author

Igbara Neeka (PhD)

Department of General Studies,
Kenule Saro Wiwa Polytechnic,
Rivers State, Nigeria

Article History

Received: 18.03.2023

Accepted: 25.04.2023

Published: 06.05.2023

Abstract: The relationship between digital financing and firm's profitability, customer satisfaction or organizational performance has been a topical issue in the field of finance and management over time. Nevertheless, the new reality introduced by the Covid-19 lockdown experience globally, has introduced a renewed interest on the impact of digital finance on organizational performance. The fact that people's movements were restricted, yet there was needed to survive, so businesses had to go on to supply people's need, payments needed to be made for people to purchase their wants. All these challenges made it clearer that digital financing was a solution to unlimited business transactions. Previous studies have looked at the relationship as well as impacts of digital financing on mostly financial institution. This study therefore, went further to look at the organisations that consume these financial services. The study's objectives were to find out the impact of digital financing on firms' profitability; the impact of digital financing on firms' revenue and the effect of digital financing on firms' market share. The study used primary data (sourced through questionnaire), from 326 respondents (MSME owners and management staff) sampled from 4,796 MSMEs in Uyo senatorial district of Akwa Ibom state. The collected data were analysed descriptively using means and standard deviation, while the PPMC was used to test the stated hypotheses. The findings of the study show that there is a significant impact of digital financing on firms' profitability; that digital financing has a significant impact on firms' revenue; and that digital financing has a positive relationship but an insignificant effect on firm's market share. Therefore, the study recommends that firms that are yet to adopt digital financing should avail themselves, in order to stand a chance in the competition of the new reality (technology). Firms that had already adopted digital financing should acquire more digital capability and train their staff on digital financing skills.

Keywords: Impact, digital financing, organizational performance, Covid-19 lockdown, Nigeria.

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1.1 INTRODUCTION

Digital Financial Services (DFS) has been credited with having imperative role in contributing to firms' profitability and customer's satisfaction (CBN, 2018). The assimilation of digital technology in finance services provision has today enabled consumers (business and individuals) to transact

independent of banking hours and locations, making account inquiries, payments settlement, account deposits and funds transfers (Bayero, 2015) and enabled a cashless global market in which no need for hard cash to conduct business transactions (payments and receipts) has been created, thus transforming banking operation globally.

Citation: Igbara Neeka, Zukbee Sira, Eke Ikechukwu, Naluba Bariyaa Sunday (2023). Impact of Digital Financing on Organizational Performance: The COVID-19 Lockdown Experience; *Glob Acad J Econ Buss*, 5(3), 38-47.

The digital era can form an information technology, especially in the financial sector, which is widely used to assist the public in accessing financial products and services. According to Hendiarto *et al.*, (2021) with innovations in the field of information technology, the community can seize opportunities, especially for Micro, Small and Medium Enterprises (MSMEs) in carrying out financial activities anywhere with ease, safety, and control. One of the information technology innovations in the field of financial services is Fintech Digital Payment which has added meaning to financial services.

As a result, businesses are becoming more conscious of the need to adjust their practices, strategies, and routines to the problems presented by the "new normal" (Do, Ha, Eleftherios, & Hoang, 2022). To maintain business continuity, businesses have started to streamline and improve the efficiency of their processes using digital tools. Consequently, a dynamic and unstable environment is to blame for the rise in popularity of digital capabilities (Zhen, Yousaf, Radulescu & Yasir, 2021). The literature that is currently available, however, shows that there is no agreement regarding the connection between digital skills and company performance (Martín-Oliver and Vicente, 2020). According to several research, having digital capabilities makes a company more flexible and saves money (Drnevich & Croson, 2013). The more a firm is equipped with these resources and the more effectively it can use them, the more likely it is to develop a more complex and advantageous strategy (Wang, 2007).

Although Usai, *et al.*, (2021) contend that a firm's innovative performance is not the result of digital capabilities but rather creativity and consistent efforts in research and development activities, there is evidence to suggest that digital capabilities have little or no impact on firm performance. It seems that past research has struggled to provide evidence for a link between digitalization and improved company performance. This demonstrates that relying solely on digital skills to execute successful innovations is insufficient (Jorge, *et al.*, 2022), necessitating additional research on the connection between digital financing and organizational performance.

1.2 Statement of Problem

The World Health Organization (WHO) received a warning from the China Health Authority on December 31, 2019, informing them of numerous pneumonia cases with unknown causes in Wuhan City, China (Mohan & Nambiar, 2020). On January 7, 2020, the virus was isolated and given the temporary designation 2019 novel coronavirus

(2019- nCoV) by the WHO (Harapan *et al.*, 2020; Lin *et al.*, 2021). China reported the first 2019-nCoV-related death on January 11, 2020 (Lin *et al.*, 2021), and on the same day, the WHO designated 2019-nCoV to be a Public Health Emergency of International Concern because it was extremely contagious, caused widespread infections, and was challenging to contain (Shen *et al.*, 2020).

The outbreak posed a serious threat to public health because it spread quickly, leading to a widespread disease that taxed healthcare systems and was challenging to contain (Wu *et al.*, 2021). The SARS-COV-2 epidemic was deemed a Public Health Emergency of International Concern by the WHO on January 30, 2020 (Harapan *et al.*, 2020). Therefore, the majority of nations imposed severe lockdown measures to effectively stop the virus's spread and protect the public's health.

On February 27, 2020, Lagos State received confirmation of Nigeria's first COVID-19 case. The federal government immediately issued a directive putting a halt to all movement in the Federal Capital Territory, Ogun, Lagos, and other major cities in Africa by the end of March 2020. Similar limitations on admission and exit as well as mobility within the states were quickly imposed at the state level. Because of containment measures and spillover effects from the real economy to financial markets, investors were forced to deal with the consequences of interrupted supply chains as economic activity came to a halt. This therefore, makes one wonder, how much technology helped in cushioning these effects and how digital financing was put in use and its consequent effect on organisational performance.

1.3 Objectives of the Study

The general objective of the study is to assess how digital financing impacts organisational performance, with special reference to the Covid-19 lockdown period. Specifically, the objectives of the study are as follows:

1. To assess the impact of digital financing on firms' profitability;
2. To evaluate the impact of digital financing on firms' revenue;
3. To examine the effect of digital financing on firms' market share.

1.4 Statement of the Hypotheses

The study's hypotheses are expected to test the causal effect relationship between the independent variable - digital financing and the dependent variable - organisational performance (measured by profitability, revenue and market share) and are stated in the null form as follows:

H01: There is no significant impact of digital financing on firms' profitability;

H02: There is no significant impact of digital financing on firms' revenue;

H03: There is no significant effect of digital financing on firms' market share.

2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Conceptual Issues

Digital Finance

Digital finance (DF) is the term used to describe financial services offered by mobile devices such as smartphones and mobile wallets, personal computers, the internet, or debit or credit cards that are connected to a secure digital payment system (Durai & Stella, 2019; Shofawati, 2019). It includes all goods, services, technologies, and supporting infrastructure that enable people and businesses to access payment, savings, and credit options online without having to go to a bank branch or interact with the financial service provider directly (Shofawati, 2019). In general, it also refers to the expansive technology (such as e-money, mobile money, card payments, and electronic funds transfers) available to carry out financial services from a wide range of providers to a broad category of recipients (Michelle, 2016).

Digital Financial Services (DFS)

A wide range of financial services, including payments, credit, savings, remittances, insurance, and financial information, are referred to as digital financial services (DFS). Internet, mobile phones (including smartphones and digital feature phones), ATMs, POS terminals, NFC-equipped devices, chips, electronically enabled cards, biometric devices, tablets, phablets, and any other digital system are all considered to be "digital channels" (AFI, 2016).

Through cutting-edge technologies like mobile-phone-enabled solutions, electronic money models, and digital payment platforms, DFS have a significant potential to increase the delivery of basic financial services to the general public (particularly the poor) in an affordable, convenient, and secure environment. Digital channels are being used by financial institutions (banks, microfinance institutions), non-financial companies (mobile network operators), and third party providers (agent network managers, payment aggregators, and others) to provide basic financial services at a higher level of convenience, scale, and lower cost than traditional banking allows. The digital revolution adds new layers to the material cultures of financial inclusion, giving the government new methods to include the "legible" and global finance new ways to "profile" poor households as producers of financial assets (Gabor and Brooks, 2016).

Organisational Performance

Cho and Dansereau (2010) define organizational performance as a company's performance in relation to its goals and objectives. Additionally, according to Tomal and Jones (2015), organizational performance is the difference between an organization's actual outcomes and its anticipated outcomes. Employee performance can be characterized, in part, as a function of leadership because an organization's efficacy is determined by the effectiveness of each of its individual employees (Mastrangelo *et al.*, 2014). In particular, managing the variables that affect employee performance is possible. Numerous different variables are included in these parameters. Employers may not, however, have the authority to influence every one of these factors. For instance, it is frequently impossible to affect an employee's age, seniority, or personal objectives (Cho and Dansereau, 2010). However, a corporation trying to improve organizational performance efficiency must examine and control some aspects. Leadership competencies are one of the main elements that affect organizational effectiveness. The main elements that affect organizational effectiveness are worker performance and leadership qualities. Competent leaders have an impact on their followers, claim Mastrangelo *et al.*, (2014). By providing a supportive atmosphere that affects employees' behaviors, attitudes, and motivations, organizational leaders play a crucial role in the accomplishment of organizational goals and objectives. According to this defense, management would not be counting on its workers to violate the sit-at-home directive during the Covid-19 shutdown and report to work. Therefore, the only option left for the organization to keep afloat during such period would be digital channels.

Digital Financing and Organisational Performance

Academic researchers studying a wide range of subjects have been interested in digital financial services. For instance, Shaikh *et al.*, (2020)'s analysis of the primary factors influencing customer satisfaction with non-financial digital services indicated that consumer awareness, usability, and usefulness all have a significant impact on how well mobile banking applications are used and experienced. According to Niemand *et al.*, (2021)'s study on digitalization in the financial sector, the profitability of banks is affected by having a clear vision for digitization and a willingness to take risks, not merely a raw degree of digitalization. Additionally, Opiyo (2021) investigated how digital financial services affected financial performance using descriptive and correlation analysis and discovered a strong and significant positive correlation between mobile financial services and

financial performance, compared to online financial services, which had a moderate and significant positive correlation.

The impact of digital financial services on the operating results of Cameroonian banks was examined by Beloke *et al.*, (2021). The Taylor linearise variance estimation method was employed in the investigation. The study found that the profitability of banks was significantly and favorably impacted by digital withdrawals, saving services, and transfers. It's interesting that the study discovered a small but significant negative relationship between digital payments and bank profitability.

The effect of digital banking services on the performance of commercial banks in Zimbabwe was examined by Wadesango & Magaya (2020). The Return on Assets (ROA) ratio was employed to quantify performance in the study, which also included a multiple regression model. The study found a link between Return on Assets and digital banking that was favorable. The Return on Assets increased as a result of an increase in online customer deposits and banking activities. The study did discover a negative correlation between Return on Assets, Internet Banking Fees and Commissions, and Internet Banking Spending, though.

Studies by Too *et al.*, (2016) and Oyomo (2018) found a strong correlation between mobile banking and the success of commercial banks. Internet banking has a favorable impact on bank revenues, operating expenses, the loan book, and consumer deposits, according to Mateka & Omagwa's (2016) study. In the countries of the Euro area, Tunay *et al.*, (2015) identified a significant correlation between internet banking and bank performance, and Dinh *et al.*, (2015) concluded that internet banking had an effect on bank profitability.

However, Giordani *et al.*, (2013) discovered that the profitability of banks in terms of Return on Assets (ROA) and Return on Equity is unaffected by the use of the internet as a delivery channel for financial services (ROE). According to the study's findings, the adoption of internet banking has no effect on the ratio of net loans to assets, assets, and stocks to total assets. The effectiveness of Nigerian banks as a result of the use of digital payments was examined by Takon *et al.*, (2019). The study found that the efficiency of banks was negatively and significantly impacted by digital payments, including those made at points of sale, using ATMs, via mobile devices, and online.

The study by Boateng & Nagaraju (2020) looked at how digital banking affected Ghanaian

deposit money institutions' profitability. According to the study, the profitability of banks was positively correlated with the Ghana Automated Clearing House, Ghana Interbank Settlement, and GH-Link. Mobile money, E-zwich, and the profitability of banks were all found to be negatively correlated by the study.

2.3 Theory of Financial Innovation

The analysis was based on Silber's 1983 Theory of Financial Innovation, which asserted that the expansion of financial foundations is the primary driver of financial inclusion (Sekhar, 2013). According to the notion, financial innovations are new approaches or established methods that have been made available to increase organizations' liquidity and attract more applicants because of their credentials in the scenario. As a result, financial innovation is a key factor driving the financial system, which results in improved economic competence and competitive advantage from the new and ongoing changes. The theory defined financial innovations as advancements made by developing new technological solutions that improve return rates and competitive edge, thereby fostering the growth of financial entities through better resource allocation, increased efficiency, and a decrease in financial and administrative costs (Radcliffe & Voorhies, 2012). The relationship between digital financing and organizational performance is thus explained by this idea. As a financial innovation, digital financing is viewed here as a technology advancement that provides organizations' financial needs with technological solutions to increase return on investment, competitive advantage, efficiency, and cost-effectiveness. This study therefore expects that organisations must have taken advantage of this innovation to keep their businesses afloat during the Covid-19 lockdown period, and therefore is set to assess the impact on organizational performance.

3. METHODOLOGY

The study used the survey method as study design in attempts to picture or document conditions or attitudes that exist at the moment. Primary data is adopted and sourced through questionnaires of a 4-point Likert scale. The study is centered in Uyo senatorial district of Akwa Ibom state which houses the capital of Akwa Ibom. The latest available records on registered MSMEs in Akwa Ibom state is that of 2021 which puts the number at 11,999 (Idongesit, 2021). The same report states that Uyo senatorial district which is the study's interest contributes 4,796 (40%) of that number. Therefore, the population of this study is 4,796 registered MSMEs in Uyo senatorial district of Akwa Ibom state. From the population, the Taro Yamane formula for known population was

employed to arrive at the sample size of 400. And to draw the respondents, 400 was divided for the 9 local governments making up the senatorial district as follows: Ibiono Ibom (45), Itu (44), Uyo (45), Uruan (44), Ibesikpo Asutan (45), Nsit Ibom (44), Nsit Atai (44), Etinan (45), Nsit Ubium (44); such that the purposive sampling method was used to select owners of the MSMEs as well as management staff as respondents. Therefore, with this multi-stage method, 400 questionnaires were distributed, from which 362 were completely and clearly filled and returned. For data analysis and testing of the hypotheses, descriptive and inferential statistics such as frequencies, rating scales, and Pearson Product Moment Correlation (PPMC) were used to analyze the data acquired through the questionnaire.

4. Data Analysis and Discussion of Findings

This section shows the socio-demographic data of respondents as presented in tabular form so that percentages show weight of response, mean scores define the variables according to the research objectives, while the Pearson Product Moment Correlation (PPMC) is used to evaluate the hypotheses.

4.1 Socio-demographic characteristics of respondents

The socio-demographic characteristics of the respondents are presented in Table 4.1.

Table 4.1: Socio-Demographic Characteristics of the Respondents

Description	Demographic Variables	Frequency	Percentage (%)
Gender	Male	253	69.9
	Female	109	30.1
	Total	362	100
Age	30-39	20	5.5
	40-49	90	24.9
	50-59	155	42.8
	60-above	97	26.8
	Total	362	100
Marital Status	Married	189	52.2
	Single	113	31.2
	Divorced	21	5.8
	Separated	20	5.5
	Widowed	19	5.2
	Total	362	100
Educational Qualification	First school leaving	-	-
	WASSCE/Equivalent	5	1.4
	OND/NCE	113	31.2
	B.Sc./Equivalent	173	47.8
	Post Graduate Degree	71	19.6
	Total	362	100
Annual Income	960,000-1,499,000	79	21.8
	1,500,000-2,499,000	141	38.9
	2,500,000-3,499,000	97	26.8
	3,500,000 and above	45	12.4
	Total	362	100

Source: Field Survey, 2022

From the data in table 4.1, it is observed that the socio-demographic distribution of respondents shows more of male respondents (69.9%) than female (30.1%), and more of the respondents (42.8%) are in the age bracket 50-59, followed by those 60 and above (26.8%), 40-49 (24.9%), while the age bracket with the least of the respondents (5.5%) are those 30-39years of age.

This indicate that more of the entrepreneurs and management staff of MSMEs in the study area are between age 50 and above and

with the least number of respondents in age bracket 30-39, one is left to wonder how much of the digital technology will be appreciated. The data reveals in a descending order, that 52.2% of the respondents are married, 31.2% are single, 5.8% are divorced, 5.5% are separated, while 5.2% are widowed. For the education qualification, it is observed that the highest percentage (47.8) of the respondents holds B.Sc./Equivalent, followed by OND/NCE holders (31.2%), Postgraduate degree holders (19.6%), WASSCE/Equivalent (1.4%) and no First School Leaving Certificate holder. Interestingly, the data

reveals their annual income to assess the economic status of the respondents, and it was observed that majority (38.9%) of the respondents earn between 1,500,000-2,499,000 per annum, which in average is 166,625 per month.

4.2 The Relationship between the Study's Variables

The relationship between the dependent and independent variables are described in the table 4.2 below, following the study's objectives.

Table 4.2: The Descriptive Statistics on the impact of digital financing on organizational performance

S/N	Items	SA	A	D	SD	Descriptive			Remark
		Freq.	Freq.	Freq.	Freq.	Total	Mean	Standard Deviation	
Digital financing and firms' profitability									
1	My firm operated digital channels of transaction before the Covid-19 lockdown	95	170	57	30	362	2.76	1.14	Agreed
2	My firms' monthly net sales remained stable during the covid-19 lockdown	20	57	195	80	362	2.29	1.12	Disagreed
3	The adoption of digital financing increased the net profit of my firm during the lockdown due to reduction in additional expenses	75	165	72	40	362	2.73	1.20	Agreed
4	With digital financing, my firm remained operational during the lockdown, yet reduced operational cost	116	154	50	32	362	2.55	1.09	Agreed
5	The lockdown reduced selling and administrative expenses for my organization with the use of digital financing	25	67	180	80	362	2.27	1.11	Disagreed
Digital financing and firms' revenue									
6	With the reduction in operational cost during the lockdown, using digital financing, my firm's revenue increased	26	60	167	99	362	2.21	1.29	Disagreed
7	The lockdown did not affect the price of my organisation's product/services	105	165	55	27	362	2.76	1.30	Agreed
8	Digital financing helped my firm deliver seamless transactions during the lockdown	74	162	75	41	362	2.59	1.13	Agreed
9	The lockdown did not affect the quantity of sales of my firm's products/services.	38	77	170	67	362	2.07	1.09	Disagreed
10	There was a high increase in my firm's revenue during the lockdown	37	75	155	85	362	2.34	.95	Disagreed
Digital financing and firms' market share									
11	Digital financing drives in more revenue for my firm than others in my industry who don't operate digital financing	115	155	52	30	362	2.56	1.11	Agreed
12	Due to digital financing my firm outcompeted its rival during the lockdown	81	144	88	39	362	2.52	1.17	Agreed
13	The lockdown did not affect my firm's revenue at all	24	68	181	79	362	2.26	1.10	Disagreed
14	My firm's client appreciated our online transaction channels better during the lockdown	45	162	88	57	362	2.73	1.03	Agreed
15	Digital payment helped increase my firm's revenue against our competitors during the lockdown	75	165	72	40	362	2.73	1.20	Agreed

Source: SPSS 23

LEGEND: 4.00-2.50= Agreed; 2.49-1.00= Disagreed

Looking at the relationship between digital financing and firm's profitability as described in the table 4.2 above, it is observed that more of the firms studied already operated digital channels of transaction before the covid-19 (mean = 2.76), so,

the firms remained operational during the lockdown period using digital financing to reduce operational cost (mean = 2.55); this digital financing therefore, increased the net profit of firms during the lockdown due to reduction in additional expenses

(mean = 2.73). Nevertheless, it is observed that the firms' monthly sales was never stable during the lockdown period (mean = 2.29) and that notwithstanding the high level of adoption of digital financing, the selling and administrative expenses did not reduce during the lockdown (mean = 2.27).

Furthermore, the relationship between digital financing and revenue of the firms is observed to show that the lockdown did not affect the price of goods and services (mean = 2.59), digital financing helped firms deliver seamless transactions during the lockdown (mean = 2.59); but it is interesting to observe that the reduction in operational cost did not increase firm's revenue (mean = 2.21); the lockdown affected sales volume, and that there weren't a high increase in firm's revenue during lockdown, digital financing notwithstanding.

Finally, it is observed on the firms' market share, that digital financing drives in more revenue for the firm compare to those who don't operated digital financing (mean = 2.56), digital financing

gives a firm a competitive edge over others in the industry (mean = 2.52), clients appreciated firms operating digital financing more during the lockdown period (mean = 2.73), and firms that operated digital financing during the lockdown period had higher revenue than those who didn't (mean = 2.73). Nevertheless, it is observed that notwithstanding the use of digital financing, the lockdown still affected firms' revenue.

Test of Hypotheses

The stated hypotheses are tested using the PPMC to test whether significant relationship exists between the digital financing and firm's profitability, revenue and market share. The correlation coefficient (r) ranges from -1 to +1; so, the closer the r value to +1, the stronger the relationship between the study's variables.

Hypothesis One:

Ho1: There is no significant impact of digital financing on firms' profitability.

Table 4.3: Impact of digital financing on profitability

Variables	N	Mean	Std. Deviation	R	T cal	Sig.
Digital financing	362	2.9950	0.80053	0.828	14.111	0.001
Profitability	362	3.0550	0.70985			

Source: SPSS 23

The result shows that the digital financing has a mean of 2.9950 which is less than profitability with a mean of 3.0550. The implication is that the digital financing is significant to whatever change occurred in profitability of the firm's studied within the period of study. Also, the correlation (R) indicates a positive result of 0.828 which is above 0.5 thus implying a strong relationship between digital financing and profitability. The T-cal has a

value of 14.111 with a significance value of 0.001 which is less than 0.05 significance, therefore the null hypothesis is rejected and the alternate accepted that there is significant impact of digital financing on firm's profitability.

Hypothesis Two:

Ho2: There is no significant impact of digital financing on firms' revenue.

Table 4.4: Impact of digital financing on firms' revenue

Variables	N	Mean	Std. Deviation	R	T cal	Sig.
Digital financing	362	2.0950	0.96501	0.765	12.043	0.005
Revenue	362	2.1454	1.00401			

Source: SPSS 23

The result in table 4.4 shows that digital financing has a mean of 2.0950 while revenue has a mean of 2.1454. Also, the correlation (R) indicates a positive value of 0.765, the T-cal has a value of 12.043 with a significance value of 0.005 which is less than 0.05 significance, implying a significant impact of digital financing on revenue. Therefore,

the null hypothesis is rejected and the alternate accepted that there is a significant impact of digital financing on revenue.

Hypothesis Three:

Ho3: There is no significant effect of digital financing on firms' market share

Table 4.5: Effect of digital financing on market share

Variables	N	Mean	Std. Deviation	R	T cal.	Sig.
Digital financing	362	3.2150	0.96501	0.256	6.332	0.066
Market share	362	3.3950	1.02401			

Source: SPSS 23

The table 4.5 shows that the mean value of digital financing is 3.2150 while market share have a mean of 3.39500 suggesting that there is less effect of digital financing on market share. Also, the correlation (R) shows a positive result of 0.256, with the T-cal value of 6.332 and insignificance value of 0.066, the conclusion therefore is that there is a positive relationship between the variables, but an insignificant effect of digital financing on firms' market share. The implication is that in as much as digital financing is expected to improve the firms' market share, the opposite was the case, probably as a result of some other factors that may have to do with the lockdown effect on people's demand. Therefore, the study accepts the null hypothesis, that there is no significant effect of digital financing on market share. Nevertheless, more research is necessary on this especially beyond the lockdown period.

DISCUSSION OF FINDINGS

Most of the existing empirical research on digital financing has concentrated on the benefits to financial institution. But this study has gone beyond the financial institution to include other organization that makes use of digital financing in their business transaction. The study has found in agreement with previous studies (Tan, Pan & Hackney, 2010; Opiyo, 2021) that digital financing have a positive and significant relationship with organizational performance.

Specifically, the study has found that digital financing impacts on firms' profitability, as it was observed in the study that digital financing helped the firms remain operational during the Covid-19 lockdown period, which led to a reduction in operational cost. This is because, the man hour that would have been paid for during person-to-person transaction have been substituted with online transactions. This therefore, increased the firms' net profit due to reduction in additional expenses. This finding agrees with the findings of Drnevich & Croson (2013), who argued that digital capabilities positively affect a firm through reduced costs and increased flexibility.

Also, the study found a positive and significant impact of digital financing on firms' revenue. This is because, it is observed that with digital financing, the lockdown did not affect the price of goods and services, digital financing helped firms deliver seamless transactions during the

lockdown which helped maintain substantial amount of revenue in the face of the lockdown effect. This seamless transaction wouldn't have been possible during the Covid-19 lockdown period without the use of online transactions, which agrees with the findings of Opiyo (2021) who concluded that online financial services had a moderate and significant positive correlation between mobile financial services and financial performance.

Finally, the study found a positive relationship but insignificant effect of digital financing on firms' market share. This could be interpreted to mean that if other factors that were affected by the Covid-19 lockdown were taken care of, digital financing should also have effect on firms' market share. This is so because the study found that firms that operated digital financing drives in more revenue than those who don't, which implies that such firms have competitive edge over others in same industry. It was also found that clients appreciated during the Covid-19 lockdown appreciated firms that operated digital financing, which implies that such firms will have increase in patronage and consequent increase in revenue all things being equal.

CONCLUSION AND RECOMMENDATIONS

The importance of digital financing for this technology driven age cannot be overemphasized, as the Covid-19 lockdown effect have come to make clearer. Prior to the Covid-19 lockdown period, many believed they can always walk to the bank or market to transact whatever business they wanted. But the lockdown introduced another reality that says, 'though you have your legs, they could be restrictions of movement such as was during the lockdown, so technology is your friend'.

This new reality of how technology can be helpful to businesses during periods of restriction in movement underscores the impact of digital financing on organizational performance as has been found in this study. The study therefore concludes that digital financing impacts on firms' profitability and revenue, which describes organizational performance. Therefore, how an organization will perform in this competitive technology age with attendant realities is to a large extent dependent on their digital capabilities that can be employed in digital financing.

From the above conclusion, the study recommends as follows:

1. Business organisations should see the need and urgency in acquiring digital capabilities and training their staff on the use of digital channels in order to improve on organisational performance.
2. Firms that are yet to adopt digital financing should learn from the Covid-19 lockdown experience. In as much as traditional means of transaction can still be useful, there are times that there will be insufficient, give a firm's competitors an edge.
3. The government should improve on digital infrastructures to aid business organizations gain optimum benefit of digital financing. The place of the MSMEs in driving the economy cannot be overemphasized. Therefore, to motivate their effort, the government should improve on digital infrastructures.

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