

EFFECT OF ENVIRONMENTAL FACTORS ON IT/INTERNET USE IN SRI LANKAN ORGANIZATIONS

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ABSTRACT

This study examined the influence of the environment on the use of IT/Internet in Sri Lankan organizations. The study was limited to four sectors where the relevance of IT use was high viz Banking, Financial Services, Insurance and Shipping. The sample included twenty five organizations selected from these four sectors. Data collection was based on a structured questionnaire supplemented by interviews. The study indicated that the most significant factor contributing to IT/Internet adoption and use in an organization is the Strategic Alignment Level, which is an internal factor. In addition, several external factors such as the level of competitiveness, appearance of a technology leader and influence from multinational links have also contributed to it. The research indicated the need for a 'right' combination of internal and external factors in an organization for it to move to a higher level of IT/Internet use.

Keywords: *Strategic alignment level, Stage of development of IT, IT/Internet absorption lag, Relevance of IT, Organizational innovativeness, IT resource level, Technology leader.*