

THE IMPACT OF STRATEGIC PLANNING ON THE USE OF ELECTRONIC INFORMATION SYSTEM: EMPIRICAL EVIDENCE FROM JORDANIAN BANKS

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Abstract: *Recently, the banking sector has been facing many challenges because of rapid and continuous changes in technological developments. Due to these daunting challenges, the traditional management of operations and ways were incapable of making the banks competitive, which requires them to use the modern administrative methods available. However, strategic planning is able to increase the competitiveness of banks and improve their performance. Environment strategic analysis clearly affects many factors in banking business which in particular affects the functioning of electronic information system. Despite these evidences, however, the connection between strategic planning and electronic information system has not received enough attention especially from Jordanian banks. Hence, this study aimed to examine the impact of strategic planning on electronic information system in banks in Jordan. Therefore, a sample of 491 employees from six banks was used in the survey using simple random sampling technique. The items of the constructs that achieved satisfactory points after tests of reliability by Cronbach alpha, KMO from EFA, fit indices through CFA using software such as SPSS and AMOS for the analysis were thus carried forward to the Structural Equation Modelling. The results from the SEM supported the hypotheses raised and revealed that strategic flexibility, strategic direction clarity, and senior management support have a positive direct effect on electronic information system in banks in Jordan. Conclusively, the findings show that the higher the organization's ability to adapt to the fundamental changes occurring within or outside the organization, or define a clear framework for the organization in terms of its mission, vision, goals and core values, or the conviction of the senior management of the philosophy of management, the greater its ability to use and apply procedures, tools and material means, in the information system more efficiently.*

Keywords: *strategic planning, electronic information system, that strategic flexibility, strategic direction clarity, senior management support, banking.*

Introduction

In light of the increasing environmental changes, institutions currently find themselves in a highly competitive environment seeking out for strategic planning. Hence, the need to adopt new approaches in managing organizations through strategic planning became popular. In particular, the banking sector has been facing many challenges in the current era because of rapid and continuous changes in technological developments. Due to these daunting challenges, the traditional management of operations and ways were incapable of making the banks competitive, which requires them to use the modern administrative methods available. Through its operations and means, the strategic planning is able to increase the competitiveness of banks and improve their performance. This method adopted by most banks in developed countries and some other countries in the path of growth and has had a significant impact on the superiority and excellence. Therefore, the need for effective strategic planning becomes clearer during the era of rapid change when the reaction time is critical to the survival and growth of banks.

Recent trends in management of organizations indicate that most business organizations that succeed in their operations and activities are constantly struggling to build a strategic hold that ensures their development, growth and performance improvement in the environment in which they operate. Therefore, the vision of the organization and the critical analysis of the environmental factors affecting its operations is the essence of the strategic planning process (Habtour, 2004). It is however warned that institutions that fail to plan for the future are at risk of losing their opportunity to expand their resource base or increase and diversify their services. They risk not catching up with the changing needs and demands of the community they target. And the price paid by these institutions for not implementing strategic planning may be stagnation and decline (Al-Nabaheen, 2008).

Hence, electronic information systems have become a necessity in all business organizations, whether these organizations are banking, commercial, industrial or service. Due to the tremendous rapid development in technology in recent days, electronic information systems have helped organizations directly in the ease of accomplishing their work, especially administrative works in business organizations, especially in banks of all kinds. Electronic information system helps units and employees in banks to reach appropriate decisions with a low error rate compared to traditional decision-making process (Al-Qaisi, 2016).

Banks face many challenges of different scales and multiple impact which requires high creative abilities that can find new solutions and ideas to enable them to continue, grow and expand their activities through the development and updating of their strategic plans. This is one of the most important activities through which banks can contribute towards increasing the efficiency of its business. The electronic information system is an urgent necessity in the development of the banking business in light of the challenges facing these banks

Therefore, strategic planning is very important for the strategy of using electronic information system. Banks have to keep pace with this development by creating an integrated electronic information system using modern technology to collect, preserve, analyze, store, and classify data to help officials make decisions (Al-Taib, 2015). Sanchez (1995) noted that, in order for the company to respond quickly to new opportunities, it needed an electronic information system that would allow for timely linkage to the various stages of the manufacturing process as a feature of new information technologies.

Similarly, environment strategic analysis clearly affects many factors in banking business which in particular affects the functioning of electronic information system. Strategic analysis necessarily leads to the establishment of electronic information system in many tasks and facilitates the completion of these tasks efficiently and effectively. These include the task of making all employees get adapted and urging them to use electronic information systems to meet the various requirements of banks, as the electronic information system has become the fundamental element in the work.

Lau (1996) points out that achieving strategic flexibility needs to increase the power of IT work, which is critical to the company. The integration of information technology with key business processes, the dissemination of knowledge, and the ability of information technology to enable and enhance cooperative relationships between organizations, allow companies to adapt quickly to changing demands and exploit emerging markets (Sambamurthy et al., 2003). Equally, it was noted that strategic direction clarity has the ability to direct individuals and influence them in learning to use computers, in addition to attracting competent individuals who can deal with all different systems and programs in electronic information system efficiently. Similarly, Seliem et al., (2003) reiterated that several literatures on information systems have pointed out that top management support has been a major factor influencing the success of many information systems projects (such as the performance of the information system, successful planning of the information system and increased efficiency of the information system

Despite these evidences, however, the connection between strategic planning and electronic information system has not received enough attention from Jordanian banks, especially with the noticeable increase in the number of banks in Jordan. Electronic information system has become an urgent necessity in the development of the banking sector in light of the challenges facing these banks. Equally, several previous studies have suggested studies on strategic planning and information systems to be conducted (Al-Garalleh, 2015; Al-Qaisi, 2016; Buhadid, 2014; Abu Zaid, 2014). Hence, it was the intention of this study to explore that by examining the impact of strategic planning on electronic information systems use of banks in Jordan. Therefore, the objective of this study was to examine the impact of strategic planning on electronic information systems use of banks in Jordan.

Next sections would touch on the literature reviewed, then, the methodology carried out in the study, and subsequently, the results, findings and discussions.

Literature Review

The Concept of Strategic Planning

Strategy is defined as the main comprehensive plan which specifies how a state or organization implements its purpose and goals by designing its future and reducing the negative aspects (Al-Maghribi, 1999). Strategic planning is one of the modern management concepts that helps organizations adapt and respond quickly to changes in their external and internal environment. Strategic planning enables organizations to define their current and future capabilities to ensure their success in achieving their goals within changing external environment considerations. It is one of the types of planning that is defined as the process of making continuous decisions based on future information of these decisions (Khattab, 1995).

Similarly, strategic planning is also defined as the integrated process of identifying the interests of the organization in the external environment by focusing on obtaining past and present information, forecasting the level of performance of the expected future, and identifying opportunities and threats to the external environment (Al-Garalleh, 2015). Equally, Al-Sharkawi, (2007) opined that strategic planning is defined as the process by which an organization's internal and external environments are analyzed, the organization's mission and objectives are developed, and strategic plans are selected.

Concept of Electronic Information System

Information is one of the main resources of the organizations used as a means of rationalizing management practices in all areas of its functions such as planning, organizing, directing, (Al-Hawamdeh, 2002). Therefore, information is defined as all forms of knowledge that are communicated related to a particular fact or event in itself or knowledge gained through communication, research, education and other sources of knowledge, culture and work. Information is the interpretation of events leading to accurate prediction of what may happen in the future. Thus, management can maximize its ability to make contacts and make decisions, draw appropriate plans, and control various aspects of its activities (Al-Masri, 2008).

Information systems are also defined as a set of standard procedures that include the collection, operation, storage, distribution, dissemination and retrieval of information needed by the organization to strengthen decision-making and oversight within the organization as well as the administrative process that supports the organization by providing information to achieve its objectives (Hussein, 2006).

Relationship between Strategic Planning and Information System

Here, empirical evidences conducted in previous literature related with the constructs of strategic planning and information system are drawn to highlight the relationship existing between them.

Thus, Al-Garalleh (2015) study of 103 employees in the Jordanian meteorological department to identify the impact of strategic planning on crisis management found that there are statistically significant differences in the level of implementation of strategic planning on crisis management attributed to gender and qualification. Whereas, Mohammad and Mohammad (2015) study using Spearman correlation to test the relationship between strategic management and organizational performance, revealed a positive relationship between effective administrative planning and the performance of corporate workers such as the reduction of product prices, the development and improvement of the quality of products, and the speed of production and display in the market.

Buhadid (2014) highlights the importance of strategic planning in improving the performance of human resources in Algerian hospitals. Similarly, Zoeibee (2014) study of 180 employees found that strategic analysis, strategic choice of strategic planning affects the performance of the university. The study of Arasa (2012) used Pearson correlation to test the relationship which indicated that there is a strong relationship between strategic planning and performance of the company. Al-Majali (2012) used simple random sample of 472 employees in the Saudi Telecom Company in a survey which revealed that the impact of the elements of strategic planning in the process of preparing the engineering processes of management. Šuklev and

Debarlev (2012) study in the Republic of Macedonia and comparing its analysis in various developing countries, showed that strategic planning contributes to the effectiveness of companies in general. Equally, Akinyele and Fasogbon (2010) studied the impact of strategic planning on the performance of bank in Nigeria and its survival. Using Chi Square test, the study revealed that the impact of strategic planning on the performance of the bank and its sustainability and the survival of the bank is strongly dependent on administrative, environmental and institutional factors.

Furthermore, Siam (2010) study consisted of 67 directors of women's organizations and it showed a positive relationship between the support of senior management in strategic planning, strategic analysis of the environment, strategic directions of "vision, mission and objectives", and the performance of women's NGOs in the Gaza Strip. Al-Dajani (2010) study consisting of 130 deans, directors and members of planning committee at Al-Aqsa university and the Islamic university, showed a statistically significant relationship between the level of the role of strategic planning and the quality of the institutional performance of the Palestinian universities. Sabri (2010) used a sample of 264 employees in Jordanian commercial banks and the results showed that the level of clarity of strategic direction, senior management support and strategic flexibility were high and a statistically significant impact of the critical success factors of strategic planning on the performance of banks.

Al-Otaibi (2010) studied a sample of 294 employees of independent institutions in Kuwait which showed a statistically significant impact of strategic planning in all its dimensions (strategic plan design, strategic analysis of the environment, strategic thinking) on adaptation to achieving the objectives. Al-obeidi (2009) study of 315 employees in a research and development company identified the most important variables having impact on strategic factors (strategic analysis, task identification, expectations of planning, implementation and evaluation using the scenario approach) in improving the efficiency of administrative performance.

Additionally, Rollier (2008) aimed to identify creativity in strategic planning and its impact on time perspective at the New York University with a group of 64 planners using scenarios in strategic planning. The results indicated that the use of scenarios that are not possible in the planning process lead to an improvement in the quality of the plans. Al-Dmour (2008) study about 166 workers from ministries in Jordan concluded that there is a significant positive correlation between human resources management activities and the exercise of strategic planning for the management of human resources in the ministries. Whereas, Defifo (2008) study aimed at diagnosing the strategic planning process and its role in building the trust relationship in the decision-making process and development of the institutions performance and the role that the head of the college should play in the process of planned change.

So also, Asamoah (2006) study based on mixed method in Ghana indicated that strategic planning has a significant impact on the performance to meet the social and economic needs of the people. Faiconer and Hodgett (2003) conducted an e-mail survey of 1,115 Australian business organizations and found that existence of strategic planning in information system is expensive which most companies did not adopt IT planning as a strategic issue, nor did they take strategic planning into the needs of information system. Al-Shaikh (2001) survey which consisted of 113 companies operating in manufacturing, services and commercial sectors indicated the prevalence of strategic planning in commercial companies in the United Arab Emirates remains limited, with only 10% of the companies surveyed using strategic planning.

Furthermore, there were studies also on the electronic information system such as Al-Qaisi (2016) whose study in private universities in Jordan using a sample of 177 employees revealed that there was a significant impact of electronic technology such as machines, programs, security and usability on the human resources management in the universities. Whereas, Al-Shamaileh (2012) study in service ministries in Jordan proved the existence of a significant relationship between the use of information technology and the effectiveness of administrative decisions in human resource management. While, Al-Malahim (2012) study involving 342 employees found that the level of awareness of employees and e-trust was high in ministries in Jordan and the information system exerts significant effect on the evaluation of the quality of e-governance sites.

Additionally, Al- Buwareed (2012) study involving 426 employees revealed that the use of information management system technology was quite high in Petra, Jordan, while perceptions of administrative transparency was moderate. There was also impact of the use of IT technology on administrative transparency. Al-Zahrani (2011) studied the perceptions of 318 employees towards information system in the Kingdom of Saudi and found that its effect on human resources management functions was at a high level. Equally, Al-Enezi (2011) found the impact of information systems techniques on the quality of services in the study of 670 employees in the University of Tabuk.

Consequently, Al-Sakeny and Awawdeh (2011) study found that there is harmony in the respondents' level of exposure of the accounting systems in the companies and the operational risk to a large extent.

Alavi and Wheeler (2010) found that students using teleconferencing seem more committed and attractive than the local students who are not. Meanwhile, Ryker and Nath (2010) study of 232 users of information systems in some companies found that the respondents' satisfaction regarding the devices, operating procedures and personnel working in the maintenance of the information system affects the total satisfaction of users about the system.

Al-Amaj (2010) conducted a study of 229 border guards in Saudi Arabia and averred that they strongly support the notion that information needs and that there are challenges hampering the role of administrative information system in making decisions during crises. Similarly, Al-Dufairi (2010) study found that there is impact of the use of administrative information systems on planning, guidance, organization and control on the level of job performance of employees in offices in Saudi Arabia. Furthermore, Al-Haidari (2008) studied 700 employees in the Yemeni telecommunications sector and confirmed a positive correlation between computerized management information systems and creativity of the workers. Tartarah (2006) study which consisted of 206 director and head of department in public institutions in Jordan found that there is a statistically significant impact on the efficiency of the employees in the functions of human resource management (polarization, recruitment, training and performance evaluation) by the computerized information systems, the quality of the equipment used, and the suitability of computerized information system.

Al-Mahasneh (2006) used a sample of 250 employees in in the Customs department and found the significant effect of the efficiency of the administrative information system on the decision-making process. Further, Strasser (2004) study in USA showed that the relationship between management performance is higher than that of investment performance in information

technology, and IT management is much more important to federal agencies than IT investment. However, the study of Holm (2004) examining the relationship between the strategy used in information technology and the performance of work study IT strategy was linked to a positive relationship with the performance of work.

Hence, based on the reviewed literature, the following hypotheses were proposed:

1. There a statistically significant positive direct effect of Strategic Flexibility on electronic information systems in banks in Jordan.
2. There a statistically significant positive direct effect of strategic analysis on electronic information systems in banks in Jordan.
3. There a statistically significant positive direct effect of strategic direction clarity on electronic information systems in banks in Jordan.
4. There a statistically significant positive direct effect of senior management support on electronic information system in banks in Jordan.

Method of Data Collection and Analysis

The population of the study is derived from the six operating banks that were chosen to serve as the population directory where 4088 employees were discovered from the departments of the banks. The six banks include Jordan Islamic Bank, Jordan Commercial Bank, Jordan Kuwaiti Bank, Bank of Jordan, Cairo Amman Bank, and Al- Ahli Bank. Furthermore, the sample of the study was obtained using simple random sampling technique, where a sample of 491 employees was then selected. As the study used quantitative approach, hence it involves a survey in which questionnaires were distributed to the sample, and which obtained 94% response rate as 461 were returned, out of which 452 of the questionnaires were deemed usable for analysis.

Method of data analysis is conducted using Structural equation model (SEM) technique to reveal the relationships between electronic information systems independents variables and time management as a dependent variable. Software used for the analysis consisted of SPSS to conduct Exploratory factor analysis (EFA), whereas, AMOS v24 was used to assess the measurement and structural model for this study. Eventually, the result of the Exploratory factor analysis (EFA) based on the value of Kaiser Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity showed significant values which

The construct of strategic planning was adopted and measured based on Al-Garalleh (2015) and Sabri (2010), while the construct of electronic information system was measured using the instrument as used by Al-Qaisi (2016) and Al-Shamaileh (2012). The Strategic Planning and its dimensions (the strategic flexibility, the strategic analysis of environment, the clarity of the strategic direction, the support of the senior management) as the independent variable and the Electronic Information System as the dependent variable.

Table 1: Descriptive of the Demographic Information of the Respondents

		Frequency	Percent
Gender	Male	307	68.0
	Female	145	32.0
	Total	452	100.0
Age	Less than 30 years	88	19.5
	30- 40 years	136	30.1
	41-50 years	100	22.1
	More than 50 years	128	28.3
	Total	452	100.0
Education level	Diploma	105	23.23
	Bachelor	303	67.03
	Postgraduate	44	9.74
	Total	452	100.0
Experience	Less than 5 years	84	18.6
	5-10 years	140	31.0
	10-15 years	95	21.0
	More than 15 years	133	29.4
	Total	452	100.0
Job	Manager	53	11.7
	Head of Department	107	23.7
	Employee	292	64.6
	Total	452	100.0

As shown in table 1 above, the largest percentage of the respondents come from male with 68% male, and 32% female. Regarding age, 19.5% of the respondents were less than 30 years, while 30% of the respondents were between 30-40 years old, 22.1% of the respondents were of the age between 40-50 years old, and 28.3% of the respondents were more than 50 years. Similarly, according to the education level, most of the respondents were those who have B.A degree (67.03%), followed by 23.23% with diploma and only 9.74% have postgraduate degree.

In reference to experience, 18.6% of the respondents have less than 5 years' experience, whereas, 31% have 5-10 years of experience, 21% of the respondents have 10-15 years of experience, and 29.4% have more than 15 years of experience. Also, it is clear from the above table that the highest percentage of respondents was from employees (64.6%), followed by heads of departments (23.7%), and finally the least percentage of respondents was from managers 11.7%.

Table 2: Mean, Standard Deviation, Item-to-total Correlation and Cronbach's alpha

Construct	Items	Mean	S.D	Correlations	Cronbach's alpha
Strategic Flexibility	SF1	4.442	0.672	.757**	0.851
	SF2	4.319	0.689	.816**	
	SF3	4.296	0.754	.784**	
	SF4	4.332	0.676	.758**	
	SF5	4.358	0.711	.743**	
Environment Strategic Analysis	SA1	4.414	0.606	.663**	0.792
	SA2	4.288	0.680	.743**	
	SA3	4.347	0.709	.785**	
	SA4	4.392	0.711	.783**	
	SA5	4.363	0.721	.780**	
Strategic Direction Clarity	SDC1	4.447	0.638	.757**	0.841
	SDC2	4.294	0.692	.810**	
	SDC3	4.336	0.706	.768**	
	SDC4	4.323	0.746	.818**	
	SDC5	4.418	0.695	.709**	

Senior Management Support	MS1	4.485	0.677	.818**	0.89
	MS2	4.405	0.712	.802**	
	MS3	4.462	0.736	.835**	
	MS4	4.454	0.726	.821**	
	MS5	4.540	0.683	.862**	
Electronic Information Systems	UP1	4.447	0.679	.784**	0.923
	UP2	4.232	0.777	.806**	
	UP3	4.310	0.775	.809**	
	UP4	4.265	0.771	.811**	
	UP5	4.409	0.764	.747**	
	IQ1	4.447	0.685	.792**	
	IQ2	4.277	0.763	.788**	
	IQ3	4.352	0.734	.795**	
	IQ4	4.347	0.690	.784**	
	IQ5	4.352	0.719	.785**	
	SC1	4.396	0.646	.784**	
	SC2	4.246	0.747	.787**	
	SC3	4.345	0.736	.790**	
	SC4	4.312	0.755	.800**	
	SC5	4.376	0.733	.832**	

From table 2 above, the items indicated an acceptable item-to-total correlation scores as they are above the cut point of 0.60 (Hair et al., 2006) ranging from 0.663 (SA1) to 0.862 (MS5). Also, all scales report Cronbach's alpha values which are above the satisfactory level of 0.70 (Hair et al., 2006), ranging from 0.808 to 0.885.

Then, exploratory factor analysis (EFA) was conducted on the items to ascertain whether the value of Kaiser-Meyer-Olkin (KMO) which measures the sampling adequacy of the instrument is achieved as satisfactory as it was above 0.5. Equally the Bartlett's test of sphericity proved to be a significant value (Kaiser, 1970) as shown in the table 3 below.

Table 3: Results of EFA (KMO & Barlett's Test of Sphericity)

	Strategic Planning	Electronic Information Systems
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.910	0.908
Bartlett's Test of Sphericity	Approx. Chi-Square	1322.645
	df	190
	Sig.	0.000

Table 4: The EFA Results of strategic planning construct

Strategic Planning	Component			
	1	2	3	4
SF1			0.818	
SF2			0.865	
SF3			0.796	
SF4			0.707	
SF5			0.679	
SA1		0.621		
SA2		0.739		
SA3		0.744		

SA4		0.733		
SA5		0.769		
SDC1				0.661
SDC2				0.743
SDC3				0.575
SDC4				0.724
SDC5				0.831
MS1	0.824			
MS2	0.796			
MS3	0.844			
MS4	0.811			
MS5	0.864			
Cumulative Variance	53.97%	57.91%	61.11%	64.14%

- a. Total variance extracted by 4 factors = 64.14%
b. Extraction Method: Principal Component Analysis.
c. Rotation Method: Promax with Kaiser Normalization.

Table 5: The EFA Results of Electronic Information Systems construct

Electronic Information Systems	Component 1
IQ1	0.653
IQ2	0.677
IQ3	0.679
IQ4	0.723
IQ5	0.734
SC1	0.736
SC2	0.703
SC3	0.705
SC4	0.710
SC5	0.722
UP2	0.734
UP3	0.708
UP4	0.729
UP5	0.797
Cumulative Variance	51.28%

- a. Total variance extracted by 4 factors = 47.66 %
b. Extraction Method: Principal Component Analysis.
c. Rotation Method: Varimax with Kaiser Normalization.

Subsequently, for measurement of model assessment, confirmatory factor analysis (CFA) is thus conducted to validate the measurement model (Hair et al., 2006). The CFA procedure was done in AMOS version 20 which was performed on all variables concurrently. Garver and Mentzer (1999) assert that a measurement model is tested for evaluations of the model's fit indices, construct reliability and construct validity. The fit indices could be checked upon in the table 6 below:

Table 6 Measurement Model Fit Indices

Fit Indices	Recommended value*	Indices Value
Chi-square/degree of freedom (χ^2/df)	≤ 3.00	1.65
Adjusted goodness of fit (AGFI)	≥ 0.80	.843
Comparative fit index (CFI)	≥ 0.90	.951
Incremental Fit Index (IFI)	≥ 0.90	.951
Tucker-Lewis index (TLI)	≥ 0.90	.949
Root mean square error of approximation (RMSEA)	≤ 0.08	.038

*Source: Lia & others, 2007

After that, some tests were conducted on the measurement models to examine their validity and reliability. The composite reliability for the internal consistency is thus displayed as the values for all constructs have achieved the suggested threshold of 0.70 (Nunnally, 1978). Checking the values in table 7 below, the lowest value of composite reliability is 0.970, which is larger than the recommended value of 0.7, showing good reliability. Similarly, convergent validity was assessed by examining Average Variance Extracted (AVE) from the measures and is indicated by a value of 0.5 accepted as satisfactory (Fornell and Larcker 1981) The AVE ranges from 0.888 to 0.946, which shows convergent validity. More so, the Cronbach's alpha for all the constructs achieved values above 0.70, which indicated a high reliability.

Table 7 Composite Reliability and AVE for Internal Consistency

	Cronbach's Alpha	CR	AVE	R Square
Strategic Planning	0.986	0.986	0.946	
Information Systems	0.929	0.970	0.888	0.34

Second, the standardized factor loadings for all items are above the suggested cut-off 0.60 and all are significant, showing strong evidence of convergent validity. All items are significant with high loadings, which are above the recommended value of 0.60, therefore demonstrating convergent validity

The Structural Equation Modelling Results

The structural model is evaluated by using the R-square (R^2) for the dependent construct which is indicated the size and t-statistics and significant level of structural path coefficient. The t-statistics are estimated using the bootstrap re-sampling procedure. The structural model results show the proposed hypotheses and the path coefficient along with their respective t-statistics.

Table 6: Direct Effect: path coefficient and t-statistics

Paths				Direct Effect		
				Estimate	T-Value	P-value
Strategic Flexibility	→	Electronic System	Information	0.203	3.73***	0.000
Environment Strategic Analysis	→	Electronic System	Information	0.206	3.23**	0.001
Strategic Clarity	→	Electronic System	Information	0.187	2.95**	0.003
Senior Management Support	→	Electronic System	Information	0.493	8.17***	0.000

*** p< .001, ** p<.01, * p<.05, based on two-tailed test; t (p< .001) = 3.29; t (p< .01) = 2.58; t (p< .05) =1.96.

Similarly, the squared multiple correlation (R^2) which is the number that is used to measure the percentage of variation in the construct that the model explained (Wixom and Watson, 2001). Therefore, the R^2 value from the SEM results is 0.65 for this model, which indicates that more than 65% of the variance in electronic information system is explained by strategic flexibility, environment strategic analysis, strategic direction clarity and senior management support which provides strong evidence of the strength of the model in explaining and predicting the model.

Table 7: R^2 for each endogenous construct

Construct	R Square
Strategic Planning	0.65
Electronic Information System	0.33

Thus the results of the hypotheses were identified subsequently. Strategic flexibility has a positive direct effect on electronic information system. This hypothesis is verified with the path coefficient = 0.203; t-statistic = 3.73 and p-value < .001. Therefore, it shows that the higher the organization's ability to adapt to the fundamental changes, whether expected, unexpected or rapid, occurring within or outside the organization, the greater its ability to use and apply procedures, tools and material means, which include the collection, operating, deployment and retrieval of information more efficiently. The hypothesis is thus accepted. Secondly, environment strategic analysis has a positive direct effect on electronic information system. This hypothesis is verified with the path coefficient = 0.206; t-statistic = 3.23 and p-value < .01. It therefore shows that the higher the organization's ability to review the external environment in order to identify the most important opportunities and threats facing the organization, as well as the internal environment in order to identify the most important weaknesses and strengths in the organization, the greater its ability to use and apply procedures, tools and material means, which include the collection, operating, deployment and retrieval of information more efficiently. Therefore, this hypothesis was supported.

Similarly, strategic direction clarity has a positive direct effect on electronic information system. This hypothesis is verified with the path coefficient = 0.187; t-statistic = 2.95 and p-value < .01. in this case, it shows that the higher the organization's ability to define a clear framework for the organization in terms of its mission, vision, goals and core values, the greater its ability to use and apply procedures, tools and material means, which include the collection, operating, deployment and retrieval of information more efficiently. Hence, the hypothesis was supported.

Equally, senior management support has a positive direct effect on electronic information systems. This hypothesis is verified with the path coefficient = 0.493; t-statistic = 8.17 and p-value < .001. This shows that the higher the conviction of the senior management of the philosophy of management and the participation and application of this philosophy mentally and emotionally, and ensure that all employees are committed to and are trying to develop, the greater its ability to use and apply procedures, tools and material means, which include the collection, operating, deployment and retrieval of information more efficiently. Therefore, this hypothesis is equally supported.

Discussion of the Findings

Having tested the research hypotheses and extracted the results, the researchers provide discussion that involved explanations of these results, as well as their congruence and incongruence with previous studies.

The first hypothesis revealed that strategic flexibility has a positive direct effect on electronic information systems. Literature that support these findings include Weill et al. (2002) who indicated that achieving strategic flexibility requires the company to invest more in information technology, where technological information systems play a vital role in the organization's ability to achieve and maintain competitive advantage. Similarly, Sanchez (1995) noted that for the company to respond quickly to new opportunities, it needs an electronic information system that allows for timely linkage as a feature of new information technologies to the various stages of the manufacturing process. Lau (1996) pointed out that achieving strategic flexibility requires boosting the power of IT work, which is critical to the company. Zhang (2006) found that technological investments aimed at supporting strategic flexibility were positively linked to performance, especially in companies operating in uncertain and turbulent environment Reddy (2006) suggests that quality, size and timeliness of IT investments, especially in legacy systems, may limit the ability to compete flexibly. Paradoxically, being proactive as an essential aspect of flexibility for an early adopter of new information technology may eventually limit the flexibility of the company by linking it to an expensive old system.

Equally, environmental strategic analysis was found to have a statistical significant positive direct effect on electronic information systems. This is consistent with Faiconer and Hodgett (2003) which found that despite the high cost of electronic infrastructure, it lends success to companies, and the success of strategic analysis will lead to the efficiency of information systems as well as enhancement of ways of working at all levels in Australia.

For strategic direction clarity, it showed a statistical significant positive direct effect on electronic information systems. The findings coincided with Holm (2004) which concluded that IT strategy was linked to a positive relationship with work performance and usability.

So also, senior management support has proven to have a statistical significant positive direct effect on electronic information systems. This is consistent with studies such as Seliem et al., (2003) have pointed out that top management support has been a major factor influencing the success of many information systems projects (such as the performance of the information system, successful planning of the information system and increased efficiency of the information system. Similarly, Cash et al., (1992) opined that a supportive management position would provide information systems executives with an environment in which their

work can be appreciated and recognized and likely to motivate them to achieve higher performance.

Conclusion

In conclusion, it could be deduced that the level of application of electronic information systems used in Jordanian banks is high among the employees. This is logical because of increased competition in the banking sector both from within and outside, the widespread availability and low cost of information technology in Jordan, compared to other countries, as well as the government initiatives encouraging the use of technology in different sectors.

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