E-Business Value Creation in Jordanian Banking Services

Industry: An Empirical Analysis of Key Factors

Abstract

Grounded in the technology–organization–environment (TOE) framework, we have developed an extended conceptual research model for assessing the value of e-business at the bank level. For the purposes of our research some constructs were added to (TOE) framework such as IT/Business strategy alignment, adequacy of IT professionals, and availability of online revenues. Other factors were excluded such as the global scope since our research is at the national level in Jordanian banking sector. Based on our enhanced framework, we have formulated eight hypotheses and identify eight factors (technology readiness or competence, bank size, financial resources commitment, IT/Business strategy alignment, adequacy of IT professionals, availability of online revenues, competition intensity or pressure, and regulatory support environment) that may affect value creation of carrying out e-business in Jordanian banking sector. Survey data from 140 employees in seven pioneered banks in the Jordanian banking services industry were collected and used to test the theoretical model. Based on simple and multiple linear regressions, our empirical analysis demonstrates several key findings: (1) technology readiness is found to have the strongest significant influence on the e-business value in banks. (2) Bank size, IT/Business strategy alignment, and availability of online revenues are found to have significant influence on the e-business value in banks, while financial resources commitment and adequacy of IT professionals do not contribute significantly to e-business value. (3) Both the competition intensity and regulatory support environment contribute significantly to value creation of e-business in banks. These findings indicate the usefulness of the proposed research model for studying e-business value in banks. They also provide insights for both business managers and policy-makers.

Key words: e-business, e-business value, sources of value creation, technology-organization-environment (TOE) framework, bank performance, e-banking, Jordanian banking industry.