

STRATEGIC RELATIONSHIP BETWEEN INFORMATION TECHNOLOGY AND WEBSITES AND THEIR IMPACT ON PERFORMANCE OF JORDANIAN INSURANCE SERVICES

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ABSTRACT

This research aims at identifying the degree of attention to the elements of IT and the elements of quality of websites and the relationship and effect between them. The research also discuss the impact of the relationships between (IT and quality of websites) on strategic performance of insurance Jordanian companies, and the relationship and impact of quality of websites and strategic performance. Three basic dimensions that constitute a framework and serves the holistic nature of the quality of Jordanian insurance society are considered, these are; quality of services, quality of information, and the quality of the website system. This study surveyed a sample of 54 pioneer members in the insurance sector. Results revealed that there is a correlation and an impact on three dimensions of strategic performance, which addressed here. Relationship between IT and quality of websites is positive and strong, the adoption of IT and upgrading its components clearly contribute to the upgrading of the quality of websites. Relationship between IT with the quality the websites on strategic performance are positive and significant. The impact of IT is direct on all strategic performance indicators, but they are weak, the indirect effect through the intermediate variables increased clearly and the overall effect was positive and high.

Keywords: Information Technology, Websites, Performance

1. INTRODUCTION AND RESEARCH PROBLEM

The technological development has contributed a lot to business organizations. If it has been invested and adapted correctly, it would have been reflected positively on their performance, and at the same time, if it hasn't been invested properly then it would emerge as a challenge and a threat to these organizations, and probably it would be the end to these organizations. The investment in technology, particularly Information Technology (IT) is becoming a term of the success to the organizations. In addition, the electronic presence of these organizations that is supported by IT has become the need for a competitiveness, and that if IT applications have been invested properly they would become a competitive advantage, which in turns enhances the strategic performance of the organization. This research aims at studying three variables: Firstly, information technology, Secondly: quality of websites, thirdly: strategic performance. The insurance sector in Jordan was chosen as a field of the research because it is considered as one of the economic sectors related to a wide range of Jordanian society and it contributes a lot to the national economy.

Despite the research efforts that addressed IT and quality of websites, they remain under the consideration and investigation of many other researchers and writers. There is also a widespread controversy at determining the dimensions and reflections of technological

advancements on the strategic performance in business organizations. Few studies have linked IT and quality of websites and the impact on strategic performance. All of these setbacks have enticed the authors to carry out such a study in the Jordanian business environment, particularly in the insurance companies that operate in complex environmental conditions, which are unstable. This research tries to answer the following questions: (Q1) is there an interest in IT among insurance companies in Jordan? (Q2) is there an interest in quality of websites at the Jordanian insurance companies? (Q3) is there a relationship between IT and quality of websites? (Q4) is there an impact between IT and quality of websites on strategic performance.

This research derives its significance from: (1) Looking at two variables of significant degree of importance in the literature of administrative and technological sciences, and their impact on strategic performance. (2) Few studies have addressed the combination of the two variables examined, particularly in Arab studies and specifically in the Jordanian business environment. (3) The importance of the sector in which the study was conducted, and its active role in the Jordanian economy.

This research aims at identifying the degree of attention to the elements of IT and the elements of quality of websites and the relationship and effect between them. The research also discuss relationships between information technology and its impact on strategic performance, and the relationship and impact of quality of websites and strategic performance, in addition to a number of recommendations that can serve the insurance sector in Jordan.

2. THEORETICAL BACKGROUND

Information Technology (IT) is the general term that describes any technology that helps to produce, manipulate processes and information, IT capabilities in terms of websites, hardware, software, processes, etc. are focused toward the fulfillment of an IT or business processes that enhance the overall *Strategic performance* of organizations, in both services and manufacturing environments.

2.1 Information Technology

IT has a large degree of importance for contemporary organizations. This importance stems from the importance of the information itself, which represents a vital factor to organization's activity. The lack of IT availability makes organization in a state of uncertainty and blurring. The concept of IT is a group of computers, supporting equipments, programs and services, associated, and applied resources. Such concepts should be easily, used and shared to support work stages to generate and store digital information. In addition, they should be highly efficient to exchange information between employees using computers, fax, phone and the internet. IT consists of the following elements: (1) Hardware, includes four major components namely; input units, processing units, output units and secondary storage units (Post & Anderson, 2003), a computer hardware for input, storage and output of data and information within the information system (Elliotte, 2004). (2) Software implies the instructions coded by programmers or users to instruct computer system what to do. All educational groups for the processing of data can be classified into two categories; (1) operating systems such as software that manages and supports the operations of the computer system. (2) applications software that is the programs that operates the direct processing for personal use by the end user

(Heizer & Render, 2004). (3) Human Resources (Cupta, 2000) has confirmed that with the development of business, communities and the trend towards digitalization, the employees are the most valuable resource to any organization, and the organization has to invest them, to enrich knowledge of workers. Individuals are an important element for the operations of IT and they are of two types; end users, and specialists of information systems. (4) Databases, implies the repository for data and files which are organized and interconnected with each other and that describe organization's current and past operations, which can be referenced with the possibility of addition and updating. There are four types of databases; multidimensional, multimedia, object oriented database.

2.2 Websites, concept, importance and dimensions

The past few years witnessed a lot of developments in IT, and it was reflected heavily on the World Wide Web (www), which has spread all over the world because of its multiple and comprehensive services which includes social stratification without discrimination. This development has incited many organizations to re-evaluate and design the way to share critical business information, and to highlight websites as a means to achieve that. The web page is a number of multimedia that is stored under the title of websites. Websites is an announcement via the internet. (Ines & Salvador, 2011), mentioned that websites can be a group of computers associated with the www multimedia, which can be accessed from any computer connected to the network. Websites is a gateway between the organization and among existing and prospective customers and stakeholders to find important information that form perceptions about organization and it can be seen as a carrier for the organization's culture, values and vision.

Websites is very important now, it is an essential part of the success factors of any organization, it plays an important role in the transmission of information related to strategy of organization, mission and objectives, and it increases the degree of transparency (Barbara, et al. 2002). Websites is a tool for communication and for market integration, it provides the ability to gather information, control options of customers, predict customers' expectations, facilitate the process of supporting them (Maria, et al, 2004). Finally, websites can be used intelligently as a competitive advantage. Websites allows the organization to adjust data by focusing on the positive information provided, and by giving the appropriate interpretation of possible information.

There are many characteristics that should be employed by websites; it should be simple and easy to deal with, modern and interdependence of information. Chaffy (Chaffy, 2009) said that the site should be characterized by stability, reliability, protection from penetration, clarity of purpose. That enables it to be available to serve the largest possible number of visitors (Bocij, et al. 2008), and provide ease navigation (Hasan and Abuelrub, 2011).

Anyone who is trying to follow all the efforts paid to figure out the quality of websites will find that there are some factors that should be considered when determining the dimensions of website quality. The sectors which have been field researched are different, which requires that the dimensions are closely related to this sector. Variation in the technical level of the users and electronic culture, which is different in countries. Moreover, the sensitivity of dealing with some of sites. We will review some of the interpretations related to the dimensions of websites quality.

Yang, et al. (Yang, et al. 2003) indicated that quality is achieved according to the availability of security, confidentiality, loading time, hallmarks of default, advertising, accessibility and mobility, and the use of accelerators. They developed a model of quality system, which relied on three dimensions; quality of information, the quality of services, and impact on user satisfaction (Chen, 2010). Hasan and Abuelrub (Hasan & Abuelrub, 2008) has provided four dimensions of websites quality; content, design, organization, and ease of interaction. While Gounaris & Dimitriad (Gounaris & Dimitriad, 2003) presented three dimensions website quality model, which are, customer care and benefits -related information, interaction with physical facilities, and benefits of reducing risk. The model takes into considerations; (1) Efficiency, the speed of access to the site and its ease of use. (2) Fulfillment, the degree of fulfillment of the promises on time (3) System availability, the technical functions suitable to the correct site. In addition (4) Privacy, preserving relevant information of customers.

Richard S., 2009 presented another quality approach that consists of the following three dimensions: (1) Responsiveness, processing errors while using the site, (2) Compensation, to compensate the customer for any problems arising from the electronic interaction, (3) Contact, the provision of assistance by phone or direct support through the site presented and adopted. The model is known as Technology Acceptance Model because it is based on, perceived usefulness, and perceived ease of use, (Richard S., 2009).

Based on the above-mentioned information, we found that there are many of website quality dimensions. In this study, we will depend on three basic dimensions that constitute a framework and serves the holistic nature of the Jordanian insurance society; quality of services, quality of information, and the quality of the website system.

2.3 Strategic performance

Performance is a significant degree of importance in organizations, because it reflects their ability to achieve their goals, and there are many types of performance such as the financial, strategic, marketing, and many others.

Strategic performance is a concept that gained the attention of researchers and organizations alike, because it reflects the strategic direction of organization. Numerous interpretations of strategic performance has been carried out, Daft (Daft, 2001) defined strategic performance as a result of final implications of activities and operations carried out by the organization for the adoption of indices levels of focus and the relationship with the environment. Hoffman and Famster (Hoffman & Famster, 2001) considered strategic performance as one of the important indicators to characterize organizations over its competitors. Cokins (Cokins, 2003) mentioned that strategic performance is the consequences for translation of strategic plans of the organization according to a comprehensive view of organization's work.

As for the indicators to measure strategic performance, there has also appeared some mixed contributions of researchers where early people focused on financial indicators. Busler (Busler, 2002) stated that characterized financial indicators are weak due to their inability to predict the performance compared to qualitative indicators, which has a greater impact, so there is a need for the adoption of standards -oriented the future of organizations, including customer satisfaction and the satisfaction of the employees.

Resources is considered as a major source of organizational efficiency, effectiveness, and competitiveness. Torrington and Hall (Torrington & Hall 1998) confirmed Wade and Holland (Wade & Holland, 2004) on the importance of resources and their role in strengthening the strategic performance.

Capacity of organization enable it to; get better performance, achieve an adaptation to the changing environment, and contribute to capacity building and development. That enables organizations to manage and to direct resources towards achieving objectives efficiently and effectively. (Bhatt & Grover, 2005) highlighted the need to distinguish between resources and capacities, where the capacity is the output of the interaction of resources.

Customers are considered as a partner and a resource for the organization, customers contribute to achieving objectives of the primary and secondary levels reflecting their performance. Interest on customer should be increased and work to achieve satisfaction and earn his loyalty. Kotler (Kotler, 2003) stated that the consent issue depends on the customer's expectations regarding what they offer organization, and where that feeling of happiness or frustration caused by comparing the performance of the product perceived with expectations. Customer inherently seeks to choose opportunities that combine high product quality with low price, which leads to the reduction of the total cost to the customer himself and realize its value and satisfaction.

The third indicator of the strategic performance is the social responsibility that has been known (Prid & William, 2000) as a pledge and commitment of organization to maximize the positive effects and to minimize its negative effects on society (Carroll, 1991).

It could be argued that social responsibility is a self-directed treaty or a behavioral agreement into the direction of the community or the work environment that aims to balance the consequences of this treaty in order to serve the requirements and interests of the community and the organization.

3. RESEARCH METHODOLOGY AND HYPOTHESES

The hypothetical relationships between the various elements of the study are defined and summarized as follows:

- H1: There is a statistically significant relationship between IT and strategic performance.
- H2: There is a statistically significant relationship between the quality of websites and strategic performance.
- H3: There is a statistically significant relationship between IT and the quality components of the Websites.
- H4: There is a statistically significant relationship between resources and capabilities and strategic performance.
- H5: There is a statistically significant relationship between customer satisfaction and loyalty and strategic performance.
- H6: There is a statistically significant relationship between social responsibility and loyalty and strategic performance.

This research is conducted for 27 insurance companies in Jordan. It targeted departments that are responsible for industry and decision-making related to the activities of insurance. Field and electronic visits to the companies are conducted, related books,

resources, similar theoretical and applied studies are reviewed. Accordingly a proper questionnaire is developed for data collection, 60 copy of the questionnaire are distributed to three job positions (general director, deputy –general director, assistant of – general director). They constitute 77 % of the total community; responses that represent 69% of the total community were analyzed. Statistics such as; the arithmetic mean, standard deviation, correlation coefficients are analyzed. The statistical analysis takes into consideration the following limitations; (1) Human limitations, a sample of current leading insurance companies in Jordan positions (general director, deputy general-director, assistant general -director), (2) Spatial limitations, number of the insurance companies in Jordan is limited, (3) Temporal limitations: the period of distribution and getting back the questionnaire is carried out during August 2013.

4. STATISTICAL ANALYSIS AND RESULTS

The arithmetic mean of IT implementation in insurance sector has reached (3.866) with a standard deviation of (0.705), as shown in table1, this confirms that the companies are seeking to acquire IT. The arithmetic mean of quality of websites is (3.51) and standard deviation (0.807). Strategic performance has reached arithmetic mean of (3.11) and standard deviation of (0.909), this means that the strategic performance did not live up to high levels.

Table (1) arithmetic mean and standard deviation of the variables of the study

The variable	The arithmetic mean	The standard deviation
IT	3.86	0.705
Quality of websites	3.51	0.807
Strategic performance	3.11	0.909

Data listed in Table (2) shows that the relationship of IT with resources and capacity reflects a correlation coefficient of (0.25), the relationship is strong, a reference to the interest of IT lead to a strengthening of resources and capacity. IT is correlated to customer loyalty by a correlation coefficient of (0.53), which means that the increased attention of IT contributes to the consolidation of customer satisfaction and loyalty. IT and social responsibility has a correlation coefficient of (0.41), a positive correlation coefficient, which means that the effectiveness of IT will ensure the achievement of social responsibility. Relationship between quality of websites and resources and capacity were positive relationship. The correlation coefficient is (0.39), which means that an increase in interest in the site -mail contributes strengthening resources and capacity. (0.69) correlates relationship between quality of site and customer satisfaction and loyalty. Relationship between quality of the websites and social responsibility has a correlation coefficient of (0.54). Similarly, the relation between (the relations of IT with quality of websites) and resources and capabilities, customer satisfaction, and social responsibility has a correlation coefficients of (0.39), (0.59), and (0.49), respectively. Table (3) shows that the relationship between IT and three elements of quality of websites. Correlation coefficient between IT and quality of service is (0.73), correlation coefficient between IT and quality of information (0.68) and with the quality system site is (0.71), where the interest of IT contributes positively to quality of the websites.

Table (2) Correlation coefficients between IT and elements of strategic performance

Variables	Strategic performance		
	Social responsibilities	Customer satisfaction and loyalty	Recourses and capabilities
IT	0.41 P = 0.004	0.53 P = 0.000	0.25 P = 0.030
Quality of websites	0.54 P = 0.000	0.69 P = 0.000	0.39 P = 0.002
Relation between IT and websites quality	0.49 P = 0.000	0.59 P = 0.000	0.36 P = 0.003

Table (3) Relationship between IT and elements of quality of Websites

Variables	Quality of websites		
	The quality of the websites system	The quality of information	The quality of services
IT	0.71 P = 0.000	0.68 P = 0.000	0.73 P = 0.000

Table (4) shows the direct effect, the indirect effect, the total effect, and the correlation coefficient with resources and capabilities, customer satisfaction and loyalty, and social responsibilities, for example, the direct, the indirect, and the total impact of the relation between IT and quality of websites on customer satisfaction and loyalty is correlated by (0.134), (0.270), and (0.422) respectively. The coefficient of determination between the relation between the relation of IT and quality of websites on customer satisfaction and loyalty is 0.42. Table (4) also depict the indirect effect of quality of electronic services, quality of information, and quality of websites on each of; resources and capability, customer satisfaction and loyalty, and social responsibility.

5. CONCLUSIONS AND RECOMMENDATIONS

The attention to IT among insurance companies Jordanian is clear, and they are seeking to acquire this technology. There is interest in the quality of websites of these companies. Strategic performance of these companies did not rise to high levels. That there is a positive relationship between IT and customer satisfaction and loyalty, and between IT and resources and capabilities. The increased attention to IT enhances and supports strategic performance. Relationship between quality of websites and performance indicators, with the top relation is the customer satisfaction and loyalty, and with the least relation is with resources and capabilities, and this confirms that the quality of websites is higher and reflected strategic performance. Relationship between IT and quality of websites is positive and strong, the adoption of IT and upgrading its components clearly contribute to the upgrading of the quality of websites. Relationship between IT with the quality of websites significantly affected strategic performance directly and indirectly.

Table (4) the impact of the relation of IT with elements of quality of websites on dimensions of strategic performance

The responder variable	Coefficient value	type of relation	Intermediate variable	Indirect effect	Explanatory variable
Recourses and capabilities	0.134	Direct effect	Quality of electronic services	0.151	IT
	0.603	Indirect effect			
	0.737	Total effect	Quality of information	0.102	
	0.72	R ²			
	0.53	Re	Quality of websites	0.79	
Customer satisfaction and loyalty	0.152	Direct effect	Quality of electronic services	0.021	
	0.270	Indirect effect			
	0.422	Total effect	Quality of information	0.035	
	0.42	R ²			
	0.72	Re	Quality of websites	0.41	
Social responsibilities	0.009	Direct effect	Quality of electronic services	0.078	
	3.48	Indirect effect			
	0.393	Total effect	Quality of information	0.101	
	0.51	R ²			
	0.70	Re	Quality of websites	0.082	

Results of this work can be used as guidelines to; encourage individuals to develop their own skills, and to add value to the assets they already know. Building databases covering various aspects of insurance company's activities allows them to participate significantly in the work, to develop software, to update their current and future needs, to raise company's ability to deal with information, and to obtain services and equipment with high specifications. a periodic evaluation of the websites is essential to find out the extent to which the objectives of the site created for have been met.

Customer satisfaction and loyalty can be enhanced by meeting their demands and expectations. Balance between needs and interests of insurance organization should be achieved. IT should be compatible with the needs of company's websites.

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