Exploring the impact of customer orientation over Jordanian banks performance: The mediating role of competitive advantage

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CHRONICLE	ABSTRACT
	This paper aims to use a dual-process of direct and indirect use of competitive advantage (CA) for investigation of the contribution of customer orientation (CO) in affecting organizational performance (OP) of Jordanian banks. The current empirical research is based on the survey conducted on 16 banks from Jordan. Structural equation modeling was employed along with confirmatory factor analysis for easy comprehension of correlation among the three latent constructs. The results showed that (OP) experienced a partial reconciliation effect of (CO) in the presence of (CA). The study also established the significant immediate impact on performance of organization because of (CO). Moreover, significant indirect positive effect of (CO) over (OP) was evident in presence of (CA). Theoretical and managerial inferences of the outcomes are explained in the last section.

1. Introduction

Numerous local and foreign banking organizations started their operations in Jordon lately. There were only 20 registered banks in Jordon in the year 2003 which significantly elevated to 25 by the end of December 2011. This rise is categorized as addition of 1 more local and 4 more foreign banks in the region. Out of the 25 banks, 16 banks are local and 9 are foreign banks. There are 3 Islamic banks among the 16 local ones. Out of the 9 foreign ones, 7 belong to Arabian countries. There were about 873 bank branches in total which owned 1934 ATM machines all over Jordan as per the figures reported at the end of year 2019 (Association of Banks in Jordan, 2020). This rapid expansion of banking sector triggered more competition in the market. This competition and a wide range of services and facilities offered by banks has made this sector quite instable as even loyal customers are seen switching their banks because of attractive packages offered by competitors (Tarabieh, 2017). This instability has increased the concerns of banks to find ways to lead the competitive market. This makes it imperative for bank managers to comprehend the ways of leading the competitive market through strategic orientations like market orientation. Consequently, these efforts will take the bank to new heights of (OP). The survival of companies in the international competitive environment depends somewhat on the Market orientation (Bao, Fong, Landry, & Zhou, 2014; Jangl, 2016). The service companies adhere to different techniques to satisfy the evolving needs of their customers. The market orientation must involve comprehension of the existing as well as potential needs of clients since their needs keep on changing continuously (Ozturan, Ozsomer, & Pieters, 2014; Al-alak & Tarabieh, 2011). A corporate culture that develops improved customer value, hence providing the company a (CA) is none other than market orientation (Asomaning & Abdulai, 2015).

The market orientation meaning put forward by Kohli and Jaworski (1990) has been used in this research in addition to the definition given by Narver and Slater (1990). Three main market orientation components namely the intelligence formation, intelligence dissemination, and responsiveness were discovered by Kohli and Jaworski (1990). They also drew a contrast of these elements. Similarly, three elements namely the (1) (CO), (2) competitor orientation, and (3) inter-functional co-ordination were discovered by Narver and Slater (1990). Considering the first element of (CO), it is the element which is concerned with the comprehension of the consumer requirements and devotion to fulfill the demands of all consumers (including both existing and prospective ones) in order to develop value for customers. Competitor orientation is the next element which is concerned with comprehending the competitors' strong points as well their weak points in the short term. It is also concerned with their long-term planning regarding the consumer value development. Inter-functional coordination is the last element concerned with integration of all business processes with the aim to achieve superior customer value.

Similarly, the competitors and collection of necessary information and facts pertaining to competitors are among the major concerns of business organizations as competitors and their practices can have a depressing effect on an organization's business (Sorensen, 2009). Ramayah, Samat, and Lo (2011) considered market orientation as similar to (CO). The potential of an organization to meet the expectations of its customers leads to the success of that organization. This implies that the main purpose behind a market orientation must be to deliver superior value to consumers (Mahmoud & Hinson, 2012). Hence, organizations must implement market-oriented strategies like (CO) if they wish to enjoy (CA) besides enhancing their performance (Zhou, Brown, & Dev, 2009).

Despite numerous researches on the subjects of (CA), market orientation as well as (OP), not much work is done regarding the contribution made by (CA) in mediating association of (CO) with (OP) with respect to banking sector. Hence, this study addresses the concerned literary gap by employing dual approach of directly and indirectly using (CA) to study the impact of (CO) on the (OP) of Jordanian banking organizations (see Fig. 1).
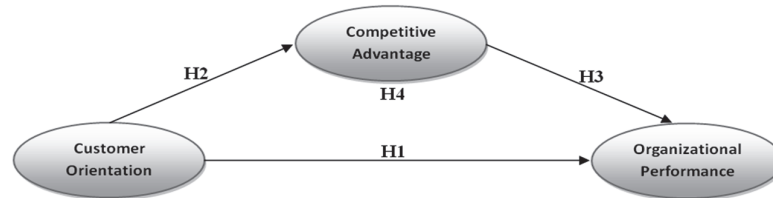

Fig. 1. Theoretical Framework

2. Literature Review and Hypotheses Development

2.1. Consumer Orientation (CO)

(CO) is a concept that explains organizations' strategy of delivering value to consumers and also converge the focus of all the members of organizations towards this purpose (Carlos Pinho, Paula Rodrigues, & Dibb, 2014). Since a long time, there have been debates among marketers that business practices involve aligning their offers of products and services with the ever-changing customer needs (Draheim, 2010). This correspondence may not be achieved at times due to the main focus of business on their products or services instead of focusing on delivering value to consumers. In such a case, the competitors may take advantage of the situation and deliver consumer-friendly items (Tarabieh & Ahmad, 2015).

This study uses (CO) and market orientation in the same sense. This idea was also suggested by (Olander, 2014; Menguc & Auh, 2006 and Deshpande, Farley, & Webster, 1993). Marketing researchers explain (CO) as the involvement of organizations and individuals in implementation of orientation. The concept of (CO) was explained for the first time in context of an employee in the Saxe & Weitz (1982)'s research.

They described (CO) to be the extent of persuasion of consumers by the sales team to make a purchase and fulfilling customers' requirements and enhancing their satisfaction at the same time. Hence, it can be said that customer-oriented strategies mainly focus on customer interests and do not compromise the customers' preferences for the sake of profits. Likewise, it has been defined by Homburg, Muller, and Klarmann (2011) as the communication of product values to the customers by a reliable party like sales team. Whereas, Narver & Slater (1990) defined (CO) with respect to organizational culture and explained that (CO) involves value-development for all consumers (including both existing and prospective ones) keeping in view their needs. The definition of (CO) in context of organizational perspective or at organizational level is more relevant to the current study. Hence this study will consider the definition proposed by Narver and Slater (1990). Ashour (2011) performed a research in Jordan whereby he revealed that (CO) must be the focus of the organizations that intend to enhance their (OP) and take the competitive edge as (CO) is mainly focussed on satisfying the customer needs and fulfilling customer demands. This implies that assessment of the degree of customer satisfaction must be incorporated within an organizations'

system of performance appraisal (Alkhamis, 2018; Mohammad, 2020; Askariazad & Babakhani 2015). Likewise, Zebal & Goodwin (2012) revealed the central significance of consumers in the customer-oriented organizations. It is extremely important to comprehend the customer needs regularly in detail. The same applies to customer-oriented banks that focus on the needs of customers (Tarabieh, Ahmad & Siron, 2015).

2.2. Competitive Advantage (CA)

(CA) refers to the advantage enjoyed by a company in contrast to its competitors which can be achieved by offering superior value to the customers (Stiglingh, 2014; Hunitie, 2018). Superior value may be delivered to customers in the form of low prices as compared to competitors or improved quality of services and products than those offered by competitors (Porter, 1985). Porter (1985) gave the definitions of (CA) in terms of 3 constructs of low cost, differentiation and focus, with each organization in the market competing to achieve the competitive position and to get out of the phase of being stuck (see Fig. 2). He recommended that (CA) can be achieved by producing a product at a comparatively lower cost than others (Savitri, 2018). Such instances are common in large-scale enterprises that lower their cost of production through their professional experience and by making use of efficient processes. Moreover, when discussing (CA), two routes may be adopted by organizations to achieve (CA). Both these routes are associated with the customers' perception of value of product either in the form of certain attractive elements in the product or service (differentiation) or the perception regarding the fulfillment of needs in the most effective way by the product or service (focus) (Porter, 1985).
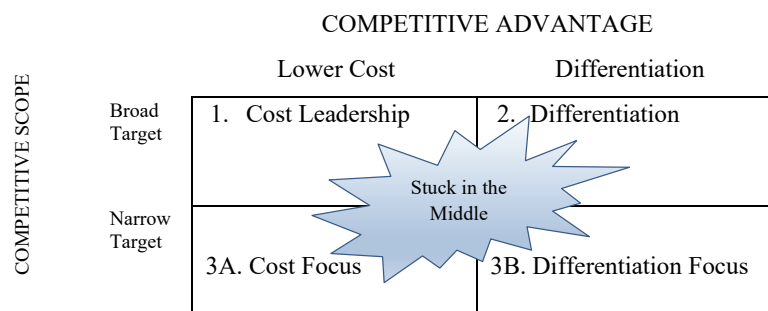
COMPETITIVE ADVANTAGE

Fig. 2. Positioning view theory (Porter, 1985)

According to (Zhou et al., 2009), the main point common between earlier researches is that the most common consequence of competitor orientation is cost advantage. As per Njoya & Niemeier (2011), the technique of lowering the cost of product can bring about (CA) for a short term; however, this technique is not usually employed by organizations. Akdag and Zineldin (2011) stated that customers are not much concerned about the low-cost factor (offered by price competitiveness) when selecting their bank. The same idea has been proposed by Lion's Share Marketing Group which states that cost advantage is not relevant in case of banks particularly in presence of strict competition with strong competitors (Lion's Share Marketing Group website). Moreover, limited resources of organizations and other limitations do not allow the organizations to exploit the (CA) with respect to all 3 dimensions (Prajogo & McDermott, 2011; Remeikienė, Gasparėnienė & Sadeckas, 2019). However, organizations strive to gain (CA) with respect to at least one of the dimensions (Henderson, 2011). Banks usually resort to the dimension of differentiation for gaining a competitive edge (Al-alak & Tarabieh, 2011; Mandal, 2017).

2.3. Organizational Performance (OP)

(OP) must not be considered with reference to financial aspect only. It is a multi-dimensional factor depending on a variety of aspects (Baker & Sinkula, 2005; Gudjonsson, Kristinsson, Gylfason & Minelgaite, 2020; Ofoegbu, & Akanbi, 2012). It is described as an overall outcome of organizational processes and practices by Sanda, Binuyo & Oduyoye (2013). Additionally, the phrase (OP) was described by Ho (2011) as the extent of accomplishment of business goals by an organization. Ramayah (2011) described the phrase (OP) to be the degree of fulfillment of customers' needs and the organizational needs of a business which are essential for the survival of a business. Elkington (2004) proposed the triple bottom line concept that explained more dimensions for measurement of (OP). This concept suggests that the companies must extend their focus and concentrate on other aspects besides financial ones such as the organizations' contribution in addition or depletion of value socially and environmentally. All the sectors including for-profit, public sector and non-profit sectors have acknowledged this triple bottom-line concept (also known as 3BL) in theory as well as in practice. The complexity regarding the interdependent and independent working of government, public and private businesses and society is influenced by 7 interdependent factors which come into play concurrently as the world moves towards sustainable capitalism (Elkington, 2004). These factors are identified as principles, life-cycle technology, organizational governance, markets, lucidity, affiliations and time (Elkington, 2004). Despite the perfection of 3BL concept in theoretical world since it relates to performance evaluation, its application in actual practice is quite challenging due to the intricacy involved in calculation, standardization and evaluation of data financially, environmentally and socially (Slaper and Hall, 2011). The literature on market orientation has focused on various measures of (OP) revealing favorable connection of performance with market orientation. Ramayah (2011) took into account various measures such as the amount of complaints, fiscal performance, expansion of sales, efficiency, return on investment, client

satisfaction and worker satisfaction to reveal the same favorable connection of market orientation with performance of organization. Li and Zhou (2010) employed archived data to evaluate return on assets abbreviated as (ROA) which revealed association of performance with market orientation. Rodriguez-Pinto (2011) employed measures of profit, sales and market share, whereas, only the measure of market share was used to explain this association by Ashour (2011). Tsiotsou and Vlachopoulou (2011) investigated how service performance was influenced by market orientation as well as e-marketing by using measures of net profit, service standard, and service efficiency. Wong & Ellis (2007) conducted a survey whereby participants were requested to give scores to the performance of organization over 3 years' time as compared to competitors for evaluation of (OP) in terms of 5 items of: ROA, net profit, sales volume, return on investment and sales expansion. Sorensen (2009) conducted a survey. The objective data obtained from the survey questionnaire was used to determine ROA while the subjective data gave the value of market share. Both these values were employed for performance appraisal. Kumar et al. (2011) used sales as objective with net income as subjective constructs for the evaluation of (OP). Various measures were used for (OP) evaluation in studies by Boso (2012); Merlo & Auh, 2009; Jandaghi (2011); Zhou (2009); Taylor (2008).

2.4. Organizational Performance (OP) and Customer Orientation (CO)

Significant direct effect on (OP) due to (CO) was revealed in Ramayah (2011)'s research on Malaysian service organizations. Tsiotsou and Vlachopoulou (2011) also obtained the same outcome in a similar study conducted in different context. Moreover, Singh (2009) highlighted the significance of (CO) in enhancing the performance of libraries. The association of market orientation with (OP) was studied in Megicks & Warnaby (2008)'s research in context of UK. He found that both factors have a positive correlation; specifically, the most essential market orientation factor for success of an organization was none other than the (CO). Another study conducted in UK by (Boso et al., 2012) suggested that performance was considerably enhanced because of (CO). In Iranian context, similar research work of Jandaghi et al. (2011) involving the investigation of insurance sector revealed the notable role of (CO) in market orientation due to its significant impact on (OP). Conversely, (OP) was found to be affected only to a small extent by competitor orientation. The same impact of (CO) was noted by Rodriguez et al. (2014) in a similar study performed in context of USA. Hence, the researcher developed the following hypothesis:

H₁: (CO) has a positive effect on (OP).

2.5. Competitive Advantage (CA) and Customer Orientation (CO)

(CO) is basically an ability to deliver superior customer value than the value offered by competing organizations (Mazaira, Avendano and Gonzalez 2003). Hsieh et al. (2008) comments about (CO), saying that; "It is deemed to be a crucial and important organizational resource that helps the organization gain a (CA) as per the resource-based view (RBV) theory. Bick, Moller & Abratt (2010) plus Harangus (2011) stress on the fact that an organization/bank must focus on keeping in touch with the clients , comprehending their requirements, and fulfilling their banking needs for enjoying (CA). As per Zhou et al. (2009), this is considered to be the most appropriate means of gaining superiority over competitors. Likewise, Al-alak & Tarabieh (2011) showed that (CA) can be gained by (CO) in Jordanian banking sector through differentiation, allowing the organization to offer superior value to customers than the competitors. Hence, the researcher developed the hypotheses:

H₂: (CO) has a positive effect on (CA).

2.6. Organizational Performance (OP) and Competitive Advantage (CA)

According to (Porter, 1985), the theory of positioning view suggests the central significance of (CA) in a policy. Differentiation helps an organization in expanding its sales volume at certain price level for manipulation of premium price and sometimes for accomplishing similar advantages like customer loyalty which ultimately bring more profits and greater market share for the organization (Zhou,2009). It was Chowdhury (2011) who explored the banking sector in Bangladesh to discover a positive association of performance with (CA). Positive impact on (OP) in the presence of (CA) through diffirentiation was found by Safarnia et al. (2011). To conclude, the organization's potential to gain (CA) is indicative of good (OP) (Evans et al., 2005; Ussahawanitchakit, 2017; Li & Zhou, 2010). The following hypothesis was developed:

H₃: (CA) has a positive effect on (OP).

2.7. Organizational Performance (OP), Competitive Advantage (CA) and Customer Orientation (CO)

Lee (2015) performed a research which revealed the (CO) consequence of differentiation that ultimately enhances the financial and non-financial performance. Li and Zhou (2010) also reported the same outcome in China regarding (CO). Zhou et al. (2009) examined the hospitality industry and revealed that most of the organizations in USA adopted (CO) to enhance financial efficiency. Researcher developed the following hypotheses:

H₄: (CA) mediates the relationship between (CO) and (OP).

3. Methodology

3.1. Measures and instrumentation

(Ramayah (2011) as well as Zhou et al. (2009) are the studies from which 10 items were taken to evaluate (CO). 10 items associated with differentiation were taken from (Li and Zhou (2010)'s study as well as Zhou (2009)'s study for the evaluation of (CA). Moreover, 10 items were taken from the studies by Tsiotsou and Vlachopoulou (2011); (Brown (2003); Ramayah et al. (2011) and Prajogo and McDermott (2011) for evaluation of (OP).

3.2. Data collection process

721 managers of bank branches in Jordon were given the self-administered questionnaires. All 16 banks operating in Jordan were included in the survey.

3.3. Data analysis

The current research employed SEM analysis which involves 2 stages; (1) the measurement model, (2) the structural equation model. Basically, measurement model is also termed as confirmatory factor analysis abbreviated as (CFA) and involves the evaluation of the association between apparent variables and the latent ones. At first, CFA is found for constructs on individual basis and then the entire model is analyzed on the basis of construct validity and Goodness-Of-Fit abbreviated as (GOF) indices to reveal estimates.

3.3.1. Data normality calculation

Before the maximum likelihood estimation, the normality test was performed for finding normal distribution related to constructs' data. This model included 30 items in total for which the normality test was performed. The outcomes of the normality test are shown in Table 1. For all model items, the skew was found to be between ±2 and the kurtosis was between ±7. These results indicate the normal distribution for all items. Table 2 also depicts skew range to be between -0.292 and 0.334, while the kurtosis was found between -0.949 and -0.418.

Table 1
Assessment of normality for measurement model

Construct	Item	Skewness	c.r.	Kurtosis	c.r.	Distribution Statues
(CO)	CO1	0.004	0.022	-0.731	-2.213	Normal
	CO2	-0.181	-1.097	-0.492	-1.488	Normal
	CO3	-0.239	-1.446	-0.628	-1.902	Normal
	CO4	-0.292	-1.771	-0.949	-2.874	Normal
	CO5	-0.177	-1.069	-0.298	-0.903	Normal
	CO6	-0.017	-0.102	-0.62	-1.877	Normal
	CO7	0.132	0.799	-0.764	-2.312	Normal
	CO8	-0.065	-0.392	-0.757	-2.291	Normal
	CO9	-0.195	-1.182	-0.589	-1.784	Normal
	CO10	-0.111	-0.67	-0.66	-1.998	Normal
(CA)	CA1	-0.112	-0.677	-0.207	-0.627	Normal
	CA2	0.232	1.405	-0.466	-1.411	Normal
	CA3	-0.03	-0.184	-0.4	-1.21	Normal
	CA4	0.174	1.051	-0.403	-1.22	Normal
	CA5	0.098	0.592	-0.571	-1.729	Normal
	CA6	0.192	1.163	-0.524	-1.586	Normal
	CA7	0.127	0.766	-0.143	-0.433	Normal
	CA8	0.125	0.755	-0.494	-1.497	Normal
	CA9	0.18	1.092	-0.069	-0.21	Normal
	CA10	-0.002	-0.01	-0.412	-1.246	Normal
(OP)	OP1	-0.062	-0.376	-0.096	-0.289	Normal
	OP2	0.247	1.495	-0.643	-1.946	Normal
	OP3	0.334	2.023	-0.418	-1.267	Normal
	OP4	0.054	0.328	-0.088	-0.265	Normal
	OP5	-0.084	-0.51	-0.484	-1.467	Normal
	OP6	0.001	0.008	-0.219	-0.662	Normal
	OP7	0.14	0.848	-0.042	-0.127	Normal
	OP8	-0.209	-1.266	-0.599	-1.814	Normal
	OP9	0.018	0.106	0.118	0.357	Normal
	OP10	0.106	0.64	-0.344	-1.041	Normal

3.3.2. Standardized loadings for items in model

Outcomes of standardized factor loading of each model item are presented in Table 2. There are 30 items in this model; new value of the factor loading obtained after the removal of some items is also given in the table. The outcomes of the standardized loadings for the entire model indicated that four items including CA2, CO4, OP8 and CA6 had factor loading lower than the cut-off value (0.5). Hence, these were deleted and new factor loadings were calculated for the 26-item model to see if the

factor structure has stability. Consequently, new reading for factor loadings for the entire model was between 0.744 and 0.892 which is higher than 0.5, thus indicating stability.

Table 2
Discarded items due to insufficient factor loadings in overall CFA model

Construct	Item	First Factor Loading	Item Deleted	Second Factor Loading
(CO)	CO1	0.783		0.783
	CO2	0.772		0.773
	CO3	0.792		0.792
	CO4	0.042	Deleted	
	CO5	0.763		0.763
	CO6	0.804		0.803
	CO7	0.745		0.744
	CO8	0.777		0.777
	CO9	0.792		0.792
	CO10	0.829		0.829
(CA)	CA1	0.812		0.812
	CA2	0.326	Deleted	
	CA3	0.846		0.846
	CA4	0.806		0.807
	CA5	0.815		0.816
	CA6	0.285	Deleted	
	CA7	0.793		0.79
	CA8	0.816		0.817
	CA9	0.815		0.815
	CA10	0.825		0.826
(OP)	OP1	0.833		0.835
	OP2	0.805		0.805
	OP3	0.792		0.793
	OP4	0.786		0.787
	OP5	0.777		0.777
	OP6	0.834		0.833
	OP7	0.792		0.792
	OP8	0.347	Deleted	
	OP9	0.753		0.753
	OP10	0.815		0.815

3.3.3. GOF indices

Table 3 depicts outcomes of GOF indices for the overall measurement model. CFA results for the entire model showed that it well-fitted the data. Moreover chi-square value of 741.523 while df = 521 and p=.000 were also obtained. Value of GFI had been found to be 0.840, slightly higher than 0.8 [the least permissible cut-off value suggested by Hair (2006) and Kline (2015)]. 0.817 AGFI was also obtained which was higher than 0.8(the cut-off point) as per the recommendations of Chau and Hu (2001). It was found that CFI value =0.963, TLI =0.960 and value of IFI =0.963, all of which exceeded 0.9 (cut off value) indicating that data adequately fitted in the model (Ho., 2006; Byrne., 1998; Bagozzi and Yi., 1988; Hair et al., 2006). RMSEA (abbreviation of root-mean-square error of approximation) = 0.044 (relatively smaller as compared to 0.1 threshold value recommended by Schumacker and Lomax (2010). In addition, a value lower than 5 (i.e.1.423) was obtained for the Relative NORMEDCHISQ ($\chi2/df$) indicating adequate fitness of data in the model (Bagozzi and Yi., 1988). Since the data was adequately fitted in the overall measurement model, it did not require any adjustments.

Table 3
GOF indices of the overall measurement model

Fit index	Calculated values	Recommended values	Source
df	521		
Chi Square ($\chi^{2)}$)	741.523		
p-value	0.000	> 0.05	
NORMEDCHISQ (χ^2/df)	1.423	≤ 5.00	Bagozzi and Yi (1988)
GFI	0.840	≥ 0.80	Hair et al. (2006); Kline (2015)
AGFI	0.817	≥ 0.80	Chau and Hu (2001)
CFI	0.963	≥ 0.90	Bagozzi and Yi (1988); Byrne, 1998
TLI	0.960	≥ 0.90	Hair et al., (2006); Ho, (2006)
IFI	0.963	≥ 0.90	Hair et al., (2006); Ho, (2006)
RMSEA	0.044	≤ 0.10	Schumacker and Lomax, 2010

3.3.4. Reliability and convergent validity

The reliability and validity of the constructs was tested after they attained uni-dimensionality. The Cronbach's Alpha and convergent validity values were found for the model consisting of 26 items and tabulated in Table 4. The deletion of 4 items out of the total of 30 items does not have a significant impact since this number is relatively smaller than the total number of constructs and because the constructs removed were conceptualized. Table 5 reveals the factor loadings for the remaining

indicators having higher values ranging from 0.744 to 0.846. This also highlights the fact that these indicators have not lost the meaning of the factors. The values of AVE for all the constructs tabulated in Table 5 were found between 0.615 and 0.666 which is higher than the cut-off value of 0.5suggested by Nunnally and Bernstein (1994). All constructs showed the values of composite reliability between 0.935 and 0.941 which were higher than 0.6 which was recommended by Bagozzi and Yi (1988). The values of Cronbach's Alpha were found between 0.935 and 0.941 exceeding the threshold of 0.7 suggested by Nunnally and Bernstein (1994). Hence, the Cronbach's alpha for all constructs was deemed to be adequately reliable and valid.

Table 4
Results of Cronbach Alpha and convergent validity for overall measurement model

Construct	Item	Final Factor Loading	(AVE)	(CR)	Cronbach Alpha
(CO)	CO1	0.783	0.615	0.935	0.935
	CO2	0.773			
	CO3	0.792			
	CO4	0.042[c]			
	CO5	0.763			
	CO6	0.803			
	CO7	0.744			
	CO8	0.777			
	CO9	0.792			
	CO10	0.829			
(CA)	CA1	0.812	0.666	0.941	0.941
	CA2	0.326[c]			
	CA3	0.846			
	CA4	0.807			
	CA5	0.816			
	CA6	0.285[c]			
	CA7	0.79			
	CA8	0.817			
	CA9	0.815			
	CA10	0.826			
(OP)	OP1	0.835	0.639	0.941	0.941
	OP2	0.805			
	OP3	0.793			
	OP4	0.787			
	OP5	0.777			
	OP6	0.833			
	OP7	0.792			
	OP8	0.347[c]			
	OP9	0.753			
	OP10	0.815			

3.3.5. Discriminant validity

The construct's individual discriminant validity determines the extent of its distinction with other constructs. The model's discriminant validity is depicted in Table 5. From the table 6, it is apparent that the values of the absolute inter-correlations among the three constructs were between 0.414 and 0.687, which are lower than the threshold value of 0.85 and are hence acceptable. Moreover, it is found that discriminant validity between factors is acceptable since co-relation values are seen to be comparatively smaller than AVE square root (Kline, 2015). Assessment of the entire measurement model with respect to GOF indices, discriminant and convergent validity revealed the appropriateness of scale in terms of validity and reliability.

Table 5
Discriminant validity of overall CFA model

Construct	CO	CA	OP
(CO)	0.784		
(CA)	0.414	0.816	
(OP)	0.497	0.687	0.799

4. Hypotheses Testing

4.1. Direct impact of variables

Fig. 3 shows outcomes of hypotheses testing in structural model. Standardized regression coefficients and the outcomes obtained by studying hypothesized effects have been tabulated in Table 6.

Table 7
Examining results of hypothesized effects of the variables

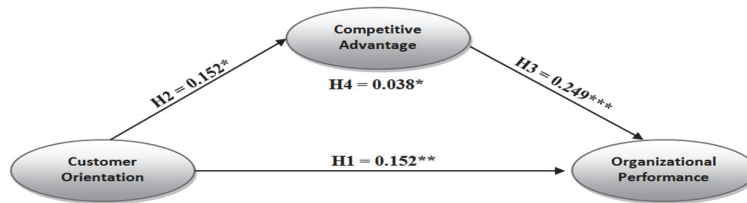| Path	Unstandardized Estimate		Standardized Estimate	C.R.	P-value	Hypothesis Result
	Estimate	S.E.	Beta (β)			
CO → OP	0.13	0.044	0.152[**]	2.964	0.003	H1) Supported
CO → CA	0.138	0.057	0.152[*]	2.428	0.015	H2) Supported
CA → OP	0.234	0.061	0.249[***]	3.818	0.000	H3) Supported

Fig. 3. Theoretical framework

The results reveal that each path shows the p-values < 0.05 (standard level of significance), indicating their statistical significance; consequently, supporting H1, H2 and H3 hypotheses. We will explain path analysis outcomes in the research structural model with respect to the mentioned hypotheses subsequently:

H1) (CO) has a positive effect on (OP)
The results tabulated in Table 7 show that (CO) shows the C.R value of 2.946 and p-value of 0.003 for prediction of (OP). These figures suggest that there is 0.003 probability of obtaining a significant critical ratio like 2.946 in case of absolute value. Conversely, at 0.01 level, regression coefficient value for CO while forecasting (OP) is not equal to 0 (two-tailed), hence, supporting H1. Moreover, a positive association was evident from standardized approximation of Beta (beta was found to be 0.152). This implies that (OP) rises by 0.152 standard deviations as there is 1 standard deviation rise in CO.

H2) (CO) has a positive effect on (CA)
(CO) showed a C.R value of 2.428 and p-value of 0.015 for prediction of (CA) which indicates that there is a probability of 0.015 to achieve a significant critical ratio of 2.428 in absolute value. Or simply it can be said that (CO) showed a regression coefficient other than zero for prediction of (CA) at 0.05 level (indicating a two-tailed hypothesis); hence, supporting H2. Moreover, a positive association was evident from the standardized estimate of Beta which was found to be 0.152. This implies that (CA) rises by 0.152 standard deviations as CO rises by 1 standard deviation.

H3) (CA) has a positive effect on (OP)
The results in table 7 show that (CA) shows 3.818 CR value and p-value of 0.000 for prediction of (OP). These figures suggest that there is zero percent chance for any significant critical ratio like 3.818 in case of absolute value. Conversely, at 0.001 level, the regression coefficient value for (CA) while forecasting (OP) is not equal to 0 (two-tailed), hence, supporting H3. Moreover, a positive association was evident from the standardized estimate of Beta which was found to be 0.249. This implies that (OP) rises by 0.249 standard deviations as there is a rise of 1 standard deviation in (CA).

4.2. Mediation analysis or indirect Impact of variables

Hypotheses 4 had been proposed to study reconciling role of the mediating factor (CA) on impact exerted by the independent variable of (CO) on dependent variable (OP) by performing mediation analysis. Table 7 shows the outcomes of hypotheses 4 testing. The table also depicts the standardized effect of different paths.

Table 7
Results of examining mediation effects of (CA) using bootstrapping

Dependent Variable (DV) = (OP) Mediator (M) = (CA)	Independent Variable (IV) = (CO)
Total Effect of IV on DV without M	0.190**(sig:0.001)
Direct Effect of IV on DV with M	0.152**(sig:0.001)
Indirect Effect of IV on DV through M	0.038*(sig:0.030)
Effect of IV on M	0.152*(sig:0.047)
Effect of M on DV	0.249**(sig:0.002)
Mediation Path	CO → CA → OP
Mediation Effect	Yes
Degree of Mediation	Partial
Hypothesis Result	H6) Supported

H4) (CA) mediates the relationship between (CO) and (OP)
Results tabulated in Table 7 revealed positive connection of (CO) with (OP) directly without involving (CA). Results also showed P-value equal to 0.001 and 0.190 standardized overall impact which indicates that an overall impact of Independent variable (CO) on Dependent Variable (OP) with no involvement of (CA) showed statistical significance at 0.01 level. Even the use of (CA) did not affect the statistical significance of this relation showing a value of 0.152 for standardized direct effect and a value of 0.001 for P-value indicating direct effect of independent variable of (CO) on dependent variable of (OP) with use of mediating effect of (CA) having statistical significance at 0.01 level.

Table 7 shows statistically significant effect of independent variable of (CO) on mediating effect of (CA) at 0.05 level, showing 0.152 standardized impact. Conversely, statistical significance of the reconciling impact of (CA) on dependent variable of OP was evident at 0.01 level, showing 0.249 standardized impact. Moreover, significant indirect positive impact of (CO) on (OP) using (CA) for reconciliation showed P-value = 0.030 and standardized indirect impact equal to 0.038 indicating the contribution of (CA) in reconciling the connection of (CO) with (OP). Limited reconciliation effect was evident as each path was statistically significant, hence, supporting hypotheses H4.

5. Conclusion

Support for each of the research hypotheses was revealed by research outcomes. This implies that (OP) in banking sector in Jordon depends on the factors of (CO) and (CA). Besides this, studying the connection between both these factors revealed a significant positive connection of (CO) with (CA). It was also revealed that the (CO) used (CA) for indirectly enhancing the (OP). At last, the partial mediating impact of the (CA) on impacts of (CO) on performance of banking organizations in Jordon was evident from the outcomes of the mediation analysis.

6. Implications of Research Outcomes

Inferences of these research outcomes are categorized as theoretical and managerial inferences.

6.1. Theoretical implications

Outcomes of the current research contribute significant theoretical inferences to the existing literature. The most significant among these is that this research addresses the lack of data pertaining to the connection of (CO) with (CA) that is vital for performance of banking organizations (refer to Ioannou, 2008, for instance). Earlier research pertaining to (CO) and (CA) were limited since these focused only on financial factors of (OP) (for instance, Zhou, 2009) with slight or no consideration to market performance. However, the current research extends its focus to cover numerous aspects besides the fiscal aspects of (OP). It expands its scope of exploration to cover both the market and financial aspects of (OP) in Jordon's banking sector and hence contributes to existing literature.

6.2. Managerial implications

There are numerous managerial inferences of this study that can prove helpful for the banking sector in Jordon. The results offer the bank executives to appreciate and acknowledge the strong connection among (CA), (CO) and (OP). This research insists on the favorable impact on performance of banking organizations by (CO) since it enables an organization to win competitive edge and offers practical evidence on significance of (CO) to the managers. This allows managers to acknowledge and exploit this significant association for organizational benefits. Moreover, the research insists on more focus on (CO) and adopting it as a helpful technique and making it a part of the organizational culture.

7. Limitations and Future Research

This research indicates the mediating effects of (CO) on performance of banking organizations in Jordon in the presence of (CA). This study also involves certain limitations. The limitations of the current research must be considered while planning future research to avoid the repetition of same mistakes. The main limitation is that the research investigates the association between these three factors in context of Jordanian banking sector; however, no indication for the three factors' association in other sectors has been given. Another limitation was that the study was limited to Jordon only with no consideration to other countries leading to culture-specific outcomes with little applicability and generalizability in other contexts. Thirdly, the group involved in research was comprised of Jordanian banks branch managers only with no consideration to the perspectives of other stakeholders like customers or executive managements that may have delivered different results. Therefore, more generalized outcomes may be obtained by conducting further research to test the model in different contexts.

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