

IMPACT OF FINANCIAL INCLUSION ON THE STRATEGIC SUCCESS OF JORDANIAN BANKS

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Date de réception : 25/07/2020	Date d'acceptation : 14/04/2024	Date de mise en ligne : 08/06/2024
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Abstract: This study aims to investigate the relationship between financial inclusion indicators (number of branches, number of ATMs, deposits for small and medium-size enterprises (SMEs), SMEs for loans, credit card, on the strategic success of Jordanian commercial banks, to achieve this, firstly we distributed questionnaires to 102 responsible employees in 7 Jordanian commercial banks for measuring the strategic success of banks, secondly we used the financial reports of banks from 2018 to 2019 to measure financial inclusion indicators. The study found a relationship between the strategic success of Jordanian banks on the one hand and the number of branches and deposits for SMEs, combined on the other. The study also found that there is no relationship between the strategic success of Jordanian banks on the one hand, and between: the number of ATMs and loans for SMEs and credit cards, combined on the other hand.

Key words: Financial, Inclusion, Strategic, Success, Banks, Jordan.

Jel Classification: G21, B26, D73.

Résumé : Cette étude vise à révéler la relation entre les indicateurs d'inclusion financière (nombre d'agences, nombre de guichets automatiques, taille des dépôts des petites et moyennes entreprises, taille des prêts aux petites et moyennes entreprises, taille des cartes de crédit) et le succès stratégique du secteur commercial jordanien. Pour y parvenir, cela a été fait en s'appuyant sur un questionnaire distribué à 102 employés responsables dans 7 banques commerciales jordaniennes afin de mesurer le niveau de réussite stratégique des banques et sur les rapports financiers des banques de 2018 à 2019 pour mesurer

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l'inclusion financière. indicateurs. L'étude a révélé une relation entre le succès stratégique des banques jordaniennes, d'une part, et le nombre de succursales et la taille des dépôts combinés des petites et moyennes entreprises, d'autre part. L'étude a également révélé qu'il n'y a pas de relation entre le succès stratégique des banques jordaniennes, d'une part, et entre : le nombre de distributeurs automatiques, le montant des prêts aux petites et moyennes entreprises et la taille des cartes de crédit combinées, d'autre part. autre main.

Mots-clés : Inclusion, Financier, Succès, Stratégique, Banques, Jordanie.

Classement JEL : G21, B26, D73.

1- Introduction:

Most banks today adopt their success strategies, which range from four dimensions: response and adaptation, growth, continuous development, and finally staying in the banking field by targeting certain segments of customers, and the inter-bank competitiveness often is attracting the segment which a highest income and most dealing with money, however, with a global trend to adopt the concept of financial inclusion, which aspires to enable low income citizens to access and to use financial services at an reasonable cost, that matter considers as a major challenge for achieving the strategic success of banks, that is because financial inclusion is not profitable when we adopt it in the short term because it's a long-term investment, and to overcome this challenge, we must work to find the right balance between quick profit and future profit, for example; When the bank develops a long-term investment strategy based on attracting a certain number of financially excluded clients in the coming years, here, the current return is not feasible (useless) and unprofitable, But the bank here has played its societal role in attracting a new segment that is not currently visible and deprived of financial services, and at the same time relied on it to build more relationships and dealings in the future with it, this is on the one hand, on the other hand, the society is interconnected, as the upper segment always deals with the lower segment, so lack of equality and financial means to deal between two segments will be a challenge and a major obstacle in serving the upper segment effectively in both the present and the future. And Due to the decrease Jordan's financial inclusion to 25% and the increase in the poverty rate to 15.7% in 2018, And in line with the National Strategy for Financial Inclusion 2018-2020

adopted by the Central Bank of Jordan, which focuses on financially excluded groups and on supporting medium, small and micro enterprises, and In the footsteps or in light of the national strategy for financial inclusion (2018-2020) adopted by the Central Bank of Jordan, which focuses on financially excluded categories and on supporting medium, small and micro enterprises, this study came to highlight the effective role of financial inclusion and its gains for each of: the Jordanian citizen in improving his livelihood and fighting poverty and Jordanian banks in improving and rising their financial performance in the short term and supporting their successes strategies in the long term, and finally the Jordan's economy in achieving financial stability and supporting economic and social development.

1-1. The problem of study: Based on the foregoing, we can pose the following main question: “**To what extent does the financial inclusion contribute to achieving the Jordanian commercial banks’ strategic success?**”

The previous problem can be discussed in depth through the following sub-questions:

- 1) Do Jordanian banks achieve strategic successes? What is the level of these successes? (If they exist)?
- 2) Are there any differences between Jordanian banks in their strategic success levels?
- 3) What is the impact of the following financial inclusion indicators: number of branches, number of ATMs, deposits for SMEs, loans SMEs, credit cards, combined, on Jordanian banks’ strategic success?

1-2. Objectives of study: This study aims to find out:

- 1) Whether Jordanian banks achieve strategic successes, and determine the main successes. (if they exist).
- 2) Differences between Jordanian banks in their strategic successes.

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- 3) The impact of the following financial inclusion indicators: number of branches, number of ATMs, deposits for SMEs, loans SMEs, credit cards, combined, on Jordanian banks' strategic success.

1-3. The importance of study: Banks that are rushing to adopt an open banking strategy and integrate technology services within their services starting from providing banking services via the Internet to digital branches, which will improve clients' experience and keeps pace with their growing needs, and will earn them an increasing market share that will ensure a sustainable flow of revenue in the future. That is the essence and the significance of financial inclusion. Therefore, the current study's importance is stemming from the vital idea that it presents, which is: achieving strategic success for Jordanian banks - especially at present - requires boosting an enhancing financial inclusion, because the financial inclusion considers as a link between the strategic goals of banks, which are: Social objectives (enabling excluded categories to access appropriate and low cost financial services), financial objectives (improving banks ' financial performance), and administrative objectives (planning for long-term strategic successes).

1-4. Hypotheses of study: This study tests the following hypotheses:

- 1) **H₀:** There are no statistically significant differences between Jordanian banks in their strategic success levels.
- 2) **H₁:** There are statistically significant differences between Jordanian banks in their strategic success levels.
- 3) **H₀:** There is no a statistically significant relationship between Jordanian banks' strategic success and the following indicators of financial inclusion: the number of branches, the number of ATMs, deposits for SMEs, loans for SMEs, and credit cards, combined.
- 4) **H₁:** There is a statistically significant relationship between Jordanian banks' strategic success and the following indicators of financial inclusion: the number of branches, the number of

ATMs, deposits for SMEs, loans for SMEs, and credit cards, combined.

1-5. The structure of study: We divided this study into three sections as below:

- ❖ Previous studies
- ❖ Theoretical Framework
- ❖ Practical Framework

2- Literatures Review:

This section presents previous Arab and foreign studies that examined the subject of the current study, and they are many, both in terms of the dependent variable (strategic success) or the independent variable (financial inclusion), but they are rare in terms of studying the relationship between them, so we start with **(Ramakrishna & Trivedi, 2018, pp. 98-112)** are studying the perception of the respondents in Thane, district of the state of Maharashtra, towards the demand side factors of Financial Inclusion. a questionnaire was designed and randomly distributed to 750 respondents. The study concludes that three factors have a significant effect on the extent of Financial Inclusion which are Benefits of having a Bank Account, the Usage of Bank Accounts and Banking Outreach. This means that a bank account gives people different benefits which encourages them to be financially included. but there is a significant negative effect on financial inclusion by Difficulties of Bank Account were not found to be very significant. However, **(SHIHADAH., et al, 2018, pp.117–138)** in their study investigated whether Jordanian banks can earn more profits by promoting Financial Inclusion FI. Data were collected manually from annual reports of listed Jordanian banks from 2009 to 2014. gross income and ROA used as bank performance indicators While SMEs deposits and credits, ATM s, ATM services, and new services, and credit cards used predictors. By using regression analysis the study found a significant impact of FI on ‘ performance when measured by gross income, and ROA. Also we find the study of **(Al-Shammari, 2018, pp.139-189)** that aims to reveal the impact of the axes of financial inclusion (social,

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economic and strategic) on the dimensions of strategic success (survival, adaptation, response, growth) for a sample consisting of (6) Iraqi private banks. The data was collected through a questionnaire designed for this purpose, which consists of three parts, distributed to 60 of the general manager's aides and department managers in those banks. The study showed a number of conclusions and it can be summarized by the existence of a relationship between the axes of financial inclusion and the dimensions of the strategic success of banks, as those axes have a clear impact on achieving that success. In a study conducted by **(Al-Tamimi and Al-Khashli ,2015, pp.641-667)** to test the effect of the components of the strategic alliance (institutional framework, transaction costs, advantage of resources and previous allied experiences) in achieving strategic success consisting of the following elements (specific strategy, effective implementation, motivational culture, organic organization, leadership Transformational and continuous innovation). The data was collected through a questionnaire designed for this purpose, consisting of three parts, and distributed to a sample of 96 managers in the Jordanian commercial banks. The study concluded that there is a statistically significant effect of the components of the strategic alliance on the strategic success of Jordanian commercial banks. While the study of **(Abu Dayyah, 2016, p.5)** was aimed to show the effect of financial inclusion on Palestinian economic activity. Data were collected through reports and statistics issued by the Palestinian Monetary Authority regarding the banking sector for the period from 1995 to 2014. The study adopted the descriptive approach and the standard approach to analyze aspects of financial inclusion and hypothesis testing, and the results showed a positive effect of the spread of financial services banking on mobilizing savings and increasing public deposits, as it showed that deposits play a positive role in increasing gross domestic product, and finally, the study showed a positive relationship between banking branch and the spread and access of financial and banking services to all groups of society. **(Shihadeh, 2019, pp.1-12)** examine whether financial inclusion influences banks' performance and risks. The data collected for 189 countries and 701 banks, including 240 banks from 2011 and 461 banks from 2014. The results show that enhancing financial inclusion through bank branching could enhance the bank's performance and reduce risks. Also it's

indicated that the effect of financial inclusion is clear on the bank's risk than bank's performance. A study of **(Odhiambo and Memba, 2012, pp.167-173)** was investigated the effects of credit cards on performance of commercial banks portfolio in Kenya and particularly in Migori town. The study sought to determine the relationship between adoption of credit cards and credit card holders' satisfaction and to establish whether adoption of credit cards has improved commercial banks revenue. There are six commercial banks were involved in data collection all managers were interviewed. Also A sample of 120 credit card holders was drawn from the bank records. a questionnaire was designed and randomly distributed to credit card holders which sought their opinion on satisfaction with the use of credit card. The study concludes that credit cards have a strong effect to satisfaction of credit card holders and adoption of credit cards enhance commercial banks profitability. **(Le, T. et al. 2019, pp. 310-322)** investigated the trends of financial inclusion, financial efficiency and financial sustainability in a sample of 31 Asian countries. And try to test whether financial inclusion is associated with financial efficiency and sustainability that could give rise to either policy conflicts or synergies, and outlines questions for future research. The study concludes that the patterns are fluctuating among our study sample. Furthermore it financial inclusion have negative significant impact to financial efficiency while positive significantly affect to financial sustainability. Finally, there is a study of (Ikram and Lohdi, 2015, pp.88-98) which tested the impact of financial inclusion on banks profitability in Karachi. a questionnaire was designed and use to gather data from 149 respondents. descriptive analysis was carried out adequately in order to interpret the results of the study. The main results of the study indicate that there is an insignificant relation amongst the variables.

This study is distinguished from previous studies as it deals with a wide range of financial inclusion Axes and their effect on all dimensions of the strategic success of Jordanian banks, where previous studies focused on the impact of one of the financial inclusion Axes or a group of Axes on the performance, profitability or risks of banks. This gives our study an additional advantage by linking financial inclusion with strategic success, which is considered the cornerstone for all institutional departments. Moreover, this study blended data collection from primary

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sources (questionnaire) and secondary sources (annual reports of banks, central bank publishing and reports of international organizations that are concerned with the topic of financial inclusion) where this data was used for the study model and hypothesis testing, while previous studies focused on collecting data through questionnaires or through secondary sources.

3- Theoretical Framework:

3-1. Financial inclusion: The issue of financial inclusion has more interest in in the last two decades by decision makers in different countries of the world, which requires the concerted efforts of several parties and institutions within the state to develop clear strategies to advance this concept, so expanding the circle of Financial inclusion is not only the responsibility of the banking system, but extends to several sides, because of its effects, it affects directly and indirectly on several sides of society and ultimately the economy as a whole. Financial inclusion is the ability for individuals to access and use financial services through the possession of a bank account at a bank or other financial institution (Demirguc. et al, 2013,).

As for the World Bank, financial inclusion is defined as the ability of individuals and companies to access financial products such as savings, credit, payments, and insurance at acceptable prices and in sustainable ways. The continuous development of the concept of financial inclusion has led to the emergence of major dimensions that represent by easy access to finance from all sectors of society, individuals and institutions, guide institutions with the rules of financial regulation and supervision, financial sustainability and finally competition between financial services providers to achieve the best alternatives for customers (Iqbal at al., 2012, pp. 35-64).

Alliance of Financial Inclusion (AFI) has prepared a working association for financial inclusion data in order to develop a set of dimensions to measure financial inclusion. This group focused on two dimensions: access to financial services and the use of financial services. And with the more interest of many international and global bodies in financial inclusion, the global partnership for financial inclusion realized the vital role of financial inclusion, where the members of the

Association agreed at the Los Cabos 2012 conference to provide a recommendation that includes three main indicators of financial inclusion which are (AFI, 2013):

- Easy access to financial services.
- Effective use of financial services.
- Enhancing the quality of financial services.

Ease of access indicates the ability to use financial services from banking institutions. We can measure ease of access by several points, including the number of access points per 10,000 adults, the number of ATMs per 1,000 square kilometers, and the extent of correlation between service delivery points and electronic money accounts ((AFI, 2013).

As for the use of financial services, it indicates the extent to which customers use financial services by banking sector institutions, and one of the most important indicators for measuring the use of financial services, the proportion of adults who have at least one type as a deposit account or one type as a credit account, the number of non-cash retail transactions per capita and payment By phone, the percentage of adults receiving domestic or international transfers, the proportion of medium and small companies with formal financial accounts, deposit accounts, and existing loan accounts. (AFI, 2013)

Regarding the quality of financial services, the struggle to ensure the quality of financial services continues, because the quality dimension is not a clear and direct dimension, as there are many indicators for measuring the quality dimension developed by the Alliance of Financial Inclusion : which is the ability to bear the costs of maintaining bank accounts and Especially for low-income people by knowing the average monthly and annual costs of maintaining a bank account and credit account. Transparency of access to information has a critical role in financial inclusion, as financial service providers must ensure that all clients have access to information related to financial services in order to make sound decisions. Convenience and ease of using financial services by measuring the average time that customers spend waiting in line or in the branches of financial institutions. Protecting the consumer from fraud and unfair practices through the existence of a law or regulation of standards for complaints and dealing among users of the financial institution. (AFI,2013)

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3-2. Strategic success: In the past, organizations have been focusing on the concepts of efficiency and effectiveness to judge the success of the organization, the concept of strategic success that went beyond these two concepts to the extent to which organizations invest mental capabilities in transferring knowledge, learning and putting them into practice has become a priority for a large number of institutions. (Al-Tamimi and Al-Khashali, 2015, p.646). Staying in a competitive environment and continuing to work is the basis for strategic success and the ability to achieve this success is linked to the institutions' ability to formulate a strategy that allows them to achieve their long-term goals. (David, 2009)

Strategic success is leadership and successful management that estimates the goals of the organization, and what happens in the business environment, and has a long-term outlook that focuses on factors of success and continued competition, through which it adds value to the customer and to all employers, and focuses on motivating Employees, performance development, feedback, evaluation and review. (Taylor, 2005, pp.469-490)

To achieve strategic success, there is a set of requirements that must be met, such as the quality of service provided to customers and taking any feedback from them into consideration, providing a clear future vision for the leadership, choosing employees at a high level of skill. credibility and love of work, which creates an environment of Innovation and creativity are reflected in the provision of products and services with a high degree of excellence, as well as the ability to adapt and flexibility to keep abreast of what is new and correct the path if necessary . (sara., 2016, pp. 447-454)

Strategic success can be measured as indicated (Daoudi and Mahboub, 2007, pp. 37-58) by relying on several indicators first: the organization's ability to survive and continue in the business environment (survival). Survival is the primary goal of any organization and to reach that, organizations must work to maximize profits, And reduce costs. Reducing costs helps to give the organization a competitive advantage for its products in the market (Jumaa, 2009). Second: The ability to predict internal and external problems in order to face them in the future (adaptation), that what characterizes the business environment in recent years are huge technological developments and changes in manufacturing methods and the large size of business organizations

putting organizations in front of an environment that can be described as intense competition, which requires Management Adaptation to matters that affect its continuity and market share, such as limited resources, higher performance and quality rates, customer satisfaction, and lower costs. Third: Increasing the size of the organization to achieve the goals of the owners, whether in terms of increasing the number of human resources, the size of investments, the size of the return, or the market share (growth). Growth is a natural phenomenon that creates an incentive to seize opportunities and provides greater capabilities to confront and adapt to the threats and challenges surrounding the organization.

4- Results and Discussion:

4-1. The methodology of study: We are going to clarify the study's methodology through the following main points:

4-1-1. Tool of study: In order to measure the strategic success of Jordanian banks, we designed a questionnaire, which consists of two parts:

- ❖ **The first part:** It contains (22) A question showing the degree of approval about the four dimensions of strategic success, namely: (staying in the banking field, response and adaptation, growth, continuous development). These paragraphs were measured by using the Likert five-way scale where:

(1) very agree, (2) agree (3) neutral (4) disagree (5) very disagree.

- ❖ **The second part :** It includes an open question about proposals to achieve strategic success in the bank that were not mentioned in the questionnaire.

4-1-2. Sincerity and reliability of study: To examine the external sincerity of the study's questionnaire, it has been evaluated from number of professors at the Faculty of Economics on both of Ghardaia University in Algeria and Al-Balqa Applied University in Jordan. While for measuring the degree of reliability and (credibility) of the answers to the questionnaire paragraphs, we used the reliability coefficient (Alfa kronbach), which its results reached to (92%), and this indicates a high

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degree of reliability in answers. This is a clear indicator of a strong and solid consistency, and therefore we can based on the reliability of the questionnaire and generalize results of current study.

4-1-3. Variables and the model of study:

❖ **Variable of study:** are as follows:

- **First: The dependent variables: (The strategic success of banks (SS)):** It is measured in the first section of questionnaire through a set of questions, which fall within the four dimensions of strategic success:(staying in the banking field - response and adaptation - growth - continuous development), the answering of questionnaire is according to Likert scale consisting of five degrees.
- **Second: The independent variable: (Financial Inclusion (FI)):**

It is measured with several indicators that fall into two dimensions, which are:

- **Bank Accessibility dimension (BAC)** : it indicates the size and extent of availability of banking services and the ability to use them, as we will measure this dimension with two indicators: The number of branches and the number of ATMs deployed in Jordan from 2018 until 2019.
- **Bank Usage dimension (BAU)**: It refers to the extent and the depth of financial services that banks have provided to individuals and SMEs, as we will measure this dimension with three indicators: credit cards, deposits for SMEs, loans for SMEs during (2018-2019).

4-1-4. The model of study: To test and analyze the effect of (independent variables) indicators of financial inclusion on the level of strategic success of Jordanian banks (dependent variable), we develop the following model:

$$SS_i = \beta_0 + \beta_1 \ln BRACH_{it} + \beta_2 \ln ATM_{it} + \beta_3 \ln CARD_{it} + \beta_4 \ln DEP_{it} + \beta_5 \ln CRED_{it} + u$$

Where:

SS_i: Average of approval's degree on the strategic success of the bank i.

ln BRACH_{it}: The logarithm of average number of branches of the bank i over the period t.

ln ATM_{it}: The logarithm of average number ATMs of the bank i over the period t.

ln CARD_{it}: The logarithm of average size of credit cards issued by the bank i during the period t.

ln DEP_{it}: The logarithm of average size deposits for SMEs, giving by the bank i during the period t.

T: represents two years: 2018 and 2019

β₀: intercept.

β₁, β₂, β₃, β₄, β₅ : Regression coefficients.

U: error coefficient.

4-1-5. population and sample of the study:

The Population of this study included all commercial and Islamic banks in Jordan, which are 15 banks listed on the Amman Stock Exchange in 2020. While the sample of study consisted of 7 commercial banks (we excluded Islamic banks because they work according to the principles of Islamic Sharia, so principles of their work is different from commercial banks), whereas questionnaires were distributed to the responsible employees (directors, assistant directors and heads of departments) in the main centers of banks, in order to be filled out. The number of questionnaires which were distributed, reached (130), we retrieved from it (102) questionnaires valid for the purposes of statistical analysis, with a good recovery rate of 79%.

4-2. Statistical description of variables.

4-2-1. For independent variables. The sample of study consisted of (7) Jordanian commercial banks, namely: **(Bank of Jordan, The Housing Bank for Trade and Finance, Jordan Kuwait Bank, Capital Bank of Jordan, Arab Bank, Cairo Amman Bank, Jordan Ahli Bank).**

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**Table N° (1) : The statistical description of indicators of financial
inclusion**

Variables	N	Min	Max	Mean	SD
BRACH	7	14	142	87,3	46,11
ATM	7	53	400	384,93	117,92
DEP	7	1573583	405447795	187123529,93	146427604,81
CRED	7	30077423	1694500433	395161386	580819435,3
CRD	7	179394	23738097	10940174,93	7567219,23

The table N° (1) shows the most important descriptive statistics of some characteristics of those banks, as the following:

- ❖ The mean and the standard deviation of the number of banks' branches reached (87.3) and (46,11) respectively. The mean's value ranged from (14) as a minimum (Jordan Capitan Bank) to (142) as a maximum (Housing Bank for Trade and Finance).
- ❖ The mean and the standard deviation of the number of ATMs in banks reached (184.93) and (117.92) respectively. The mean's value ranged from (43) as a minimum (Jordan Ahli Bank) to (400) as a maximum (Arab Bank).
- ❖ The mean of deposits for SMEs is (187123529.93 JD) and its value ranged between (1573583 JD) as a minimum for Arab Bank and (405447795) JD as a maximum for Housing Bank.
- ❖ The mean of loans for SMEs is (395161386 JD) and its value ranged between (3007743 JD) as a minimum for Arab Bank and (1694500433 JD) as a maximum for Jordan Kuwait Bank.
- ❖ The mean of credit cards issued by banks is (10940174.93 JD) and its value ranged between (3007743 JD) as a minimum for Bank of Jordan and (23738097 JD) as a maximum for Arab Bank.

4-2-2. For dependent variable: The statistical description of the strategic success of Jordanian banks is explained according to the following steps:

- ❖ **Step No (1):** In order to answering, we used a five Likert scale with five degrees of approval which are shown according to the table N° (2).

Table N° (2): classification of The approval's degree

Classification	Very agree	Agree	Neutral	Disagree	Very disagree
Degrees	1	2	3	4	5

- ❖ **Step No (2):** We estimated categories to which the weighted mean (X) belongs, as follows:
 - The range (five-Likert scale) = Highest – Lowest = 5-1 = 4.
 - Category Length: Range / Number of degrees = 4/5 = 0.8.
 - We gradually add 0.8 to categories starting, as follows:
 - ✚ X ∈ [1- 1.8] means **the approval level is very low;**
 - ✚ X ∈ [1.81 - 2.6] means **the approval level is low;**
 - ✚ X ∈ [2.61 - 3.4] means **the approval level is medium;**
 - ✚ X ∈ [3.41-4.2] means **the approval level is high;**
 - ✚ X ∈ [4.21-5] means **the approval level is very high;**

The table N° (3) shows the mean and the standard deviation (SD) for each paragraph in questionnaire.

Table N° (3): Degree of approval of questionnaire' paragraphs

N/P	Paragraphs	Arrangement	SD	Mean
4	The bank possesses specialized competencies, which guarantee its continuous success.	1	0.5808	4.196
6	The bank has the ability to constantly adapting to requirements of the competitive and the external environment.	2	0.6407	4.1862
5	The bank periodically assesses its capabilities, in order to eliminate any deficiency in its performance.	3	0.6409	4.1568

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13	The bank seeks to increase its revenues by increasing and diversifying its services, to meet the different needs of all clients' categories.	4	0.6806	4.147
12	The bank constantly uses technologies, that ensure its success and growth.	5	0.7536	4.0784
20	The bank's management uses the knowledge of its experts in making decisions, that achieve the bank's goals.	6	0.7347	4.0686
1	The bank has the ability to deal with challenges and predicting the future risks.	7	0.7627	4.049
16	The bank provides its services by using the latest technology.	8	0,6588	4,0392
14	The bank's management is constantly seeking to expand by opening new branches.	9	0,7435	4,0392
19	The bank-s management encourages its employees to exchange the necessary information to improve the internal work environment.	10	0,7825	4,0392
2	The bank analyzes external environment information up-to-date.	11	0,7642	3,9901
18	The bank-s management interests with developing and improving the capabilities of its employees by holding courses, conferences, exhibitions ... etc	12	0,6891	3,9803
22	The bank- management encourages and motivates its employees to use innovative methods for solving problems	13	0,7575	3,9803
21	The bank benefits from the experiences of leading banks in its field.	14	0,7575	3,9803
7	The bank has the ability to adapt quickly to events in the internal work environment.	15	0,7238	3,9705
15	The bank's management attracts employees, those have a highly experience.	16	0,826	3,9705
8	The bank has the ability to change its plans and organizational goals set by board of directors.	17	0,6737	3,9607
9	The bank has the ability to improve its conditions in crisis situations.	18	0,6194	3,9509
17	The bank's management interests in looking for new ways to reduce service costs.	19	0,6656	3,9509
10	The bank has additional capabilities in adapting with the changing and renewed needs of clients	20	0,7537	3,9215

3	The bank can change its strategies and integrate with other banks when it necessary to stay in its work field.	21	0,8373	3,8235
11	The bank tries to forge alliances with competitors and open up to other banks.	22	0,9232	3,3823
Σ	Whole tool	/	0,75	4

We note from the table N° (3) that the general mean equals (4) and it reflects a **high level of strategic success** achieved by Jordanian commercial banks, and main reasons (paragraphs) of strategic success are:

- a) .The possession of specialized competencies, which guarantees continued success (**This paragraph belongs to the dimension of stay-in-work**).
- b) The ability to constantly adapting to requirements of the competitive and the external environment (**This paragraph belongs to the dimension of response and adaptation**).
- c) The periodic assessment of capabilities in order to eliminate any deficiency in the performance (**This paragraph belongs to the dimension of stay-in-work**).
- d) The permanent seeking to increase revenue by increasing and diversifying services to meet needs of different categories of clients (**This paragraph belongs to the dimension of growth**).

4-3. Test and discuss hypotheses:

4-3-1. The first and second hypotheses: state that:

- **H₀**: There are no statistically significant differences between Jordanian banks in their strategic success levels.
- **H₁**: There are statistically significant differences between Jordanian banks in their strategic success levels.

To verify the validity of these hypotheses, we relied on (One Sample T-test), and the table N° (4) shows the results of applying this test.

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Table (4): Results of One Sample T-test

Field	Mean	SD	Degrees of freedom	T	Significance
The strategic success of Jordanian banks (SSi)	4	0.75	101	22,338	0.00

The table No (4) shows that the value of (T) for all distributed questionnaires is (22,338), and that is a statistically significant value at degrees of freedom (102) because it is greater than the tabular value of T, which is (1.98) at the level of significance ($\alpha = 0.05$), This proves that there are statistically significant differences between Jordanian banks in their strategic success levels, **and accordingly we accept the hypothesis (H₁)**; There are statistically significant differences between Jordanian banks in their strategic success levels.

4-3-2. The third and fourth hypotheses: state that:

- **H₀**: There is no a statistically significant relationship between Jordanian banks' strategic success and the following indicators of financial inclusion: the number of branches, the number of ATMs, deposits for SMEs, loans for SMEs, and credit cards, combined.
- **H₁**: There is a statistically significant relationship between Jordanian banks' strategic success and the following indicators of financial inclusion: the number of branches, the number of ATMs, deposits for SMEs, loans for SMEs, and credit cards, combined.

To validate these hypotheses, we will rely on the Pearson correlation between the independent variables, as well as the multiple regression analysis.

- ❖ **Pearson Correlation Coefficient:** is shown in the table N° (5):

Table N° (5): Pearson correlation between the independent variables in study

Variables	BRACH	ATM	DEP	CRED	CARD
BRACH	1				
ATM	0.749**	1			
DEP	-0.239*	-0.164	1		
CRED	-0.325**	-0.452**	0.933**	1	
CARD	-0.262**	-0.193	0.955**	0.906**	1

*statistically significant at the level of significance ($\alpha=0.05$), (2-tailed).

**statistically significant at the level of significance ($\alpha=0.01$), (2-tailed).

- There is a weak and negative multiple correlation:
 - ✚ at a significance level of 1% between number of branches and deposits for SMEs, estimated at (-0.239).
 - ✚ at significance level of 5% between number of branches and loans for SMEs, estimated at (-0.235). And between number of branches and size of credit cards, estimated at (-0.262).
- There is a strong and positive multiple correlation relationship at the level of significance of 5% between each of:
 - ✚ Number of branches and number of ATMs, estimated at (0.749).
 - ✚ Deposits for SMEs and loans for SMEs, estimated at (0.933).
 - ✚ Deposits for SMEs and credit cards, estimated at (0.955).
 - ✚ loans for SMEs and credit cards, estimated at (0.906).
- There is a medium and negative multiple correlation at significance level 5% between number of ATMs and loans for SMEs, estimated at (-0.45).

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- ❖ **Multiple regression analysis:** Results of a multiple regression analysis reveal the impact of independent variables on the dependent variable, and the table N° (6) shows all of those results:

Table N° (6): Multiple regression analysis

Variables	Standardized Coefficients (Beta)	Sig	Adjusted R Square	F Change
BRACH	0.5	0.035	0.5	0.000
ATM	0.78	0.14		
DEP	0.57	0.03		
CRED	0.52	0.07		
CARD	-0.011	0.9		

The table N° (6) shows that the study's model is statistically significant, because the value of (F Change) equals (0,000) and less than the level of significance (0.05). In other hand the model's explanatory power (Adjusted R Square) is 50%, which means that 50% of the changes in the dependent variable (the strategic success) are due to the changes that occur in independent variables (indicators of financial inclusion).

The results also showed a statistically significant relationship at the level of significance (0.05) between each of the following independent variables: (number of branches and deposits for SMEs) and the dependent variable (the strategic success of Jordanian banks), this because significance levels for each of the mentioned independent variables are (0.035) (0.03), respectively, and all of these values are less than (0.05).

As for other indicators of financial inclusion (the number of ATMs, loans for SMEs, and credit cards) there is no statistically significant relationship between them and the strategic success of

Jordanian bank, because their significance levels equal: (0.14), (0.07), (0.9) respectively, and all of these values are greater than (0.05).

As for the nature of the relationship between each of the independent variables – which are statistically significant- and the dependent variable in the study, they are:

There is a direct relationship between number of branches and the bank's strategic success, when number of branches increases (by 1%), the average of strategic success of Jordanian bank will increase by (0.005), we explain this by increasing the degree of geographical spread of the bank, which facilitates clients 'access to financial services provided, and this increases number of clients and number of bank transactions, and consequently to the bank's market share, which increases profits of bank, all of which will contribute to achieving The bank's strategic success.

There is a direct relationship between deposits for SMEs and the bank's strategic success, when size of deposits for SMEs increases (by 1%), the average of strategic success of Jordanian bank will increase by (0.0052), we explain this by increasing in deposits for SMEs will increase profits of bank due to its investment in deposits of SMEs, this will increase ability of banks to give loans to both of existing and new clients, and contributes to building a future relationships and banking transactions, all of this will definitely contribute to achieving the bank's strategic success.

5- Conclusions:

Based on the statistical analysis and testing hypotheses of the study, we can summarize the main results as follows:

1) Jordanian banks achieve a high level of strategic success, where the main reasons are:

- a.** The possession of specialized competencies, which guarantees continued success
- b.** The ability to constantly adapting to requirements of the competitive and the external environment.
- c.** The periodic assessment of capabilities in order to eliminate any deficiency in the performance.

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- d. The permanent seeking to increase revenue by increasing and diversifying services to meet needs of different categories of clients.
- 2) There are statistically significant differences between Jordanian banks in their strategic success levels.
- 3) There is a statistically significant relationship between the following independent variables: number of branches and deposits for SMEs, combined and the strategic success of Jordanian banks.
- 4) there is no statistically significant relationship between other indicators of financial inclusion: the number of ATMs, loans for SMEs, and credit cards, combined and the strategic success of Jordanian banks.

6- Recommendations:

- 1) Focusing on the customer experience, which contributes to improving the results of customer indicators and reducing the effort made by customers to obtain services and products.
- 2) Financing various economic sectors, and heading to target new economic sectors to reach financial services to the largest possible segment of customers, through a specialized team of relationship managers with high professional competence.
- 3) Developing a number of financing programs for the small enterprise sector.
- 4) Developing existing services and products, and studying launching new services and programs with a focus on financially excluded groups by upgrading and raising the efficiency of digital and electronic channels and developing services provided through them.
- 5) adopt the best procedures to maintain depositors' funds, raise the efficiency of banking services, and expand the bank's customer base while maintaining the quality of the credit facilities portfolio.
- 6) Banks focus on maintaining comfortable ratios of capital adequacy and on classification of good capital according to the requirements of the Central Bank of Jordan, enabling it to continue expanding its business.

- 7) Enhancing the bank's position among the leading banks in providing banking services to individuals through expanding retail sales, and preparing specific programs that meet the needs of different customer segments with a focus on card services of all kinds.
- 8) Continuing to develop information technology systems to contribute developed of the bank's operations.
- 9) Working to increase performance efficiency and control costs while working to improve the level of services provided to clients.
- 10) Increase the network of sales outlets and work to develop electronic banking services through the optimal distribution of ATMs and increase their number.

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