

The Impact of adopting Social Media Strategy and Business Intelligence  
on achieving Organizational Excellence

(Jordanian Insurance Companies Study)

أثر اعتماد استراتيجية وسائل التواصل الاجتماعي وذكاء الأعمال في تحقيق التميز المؤسسي  
(دراسة لشركات التأمين الأردنية)

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# The Impact of adopting Social Media Strategy and Business Intelligence on achieving Organizational Excellence

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## Abstract

The aim of this research is to examine the impact of adopting social media strategy and Business Intelligence on achieving organizational excellence in Jordanian insurance companies. The research sample consists of (78) managers answered (68). In addition, the research examined the relationship and the impact between independent variables social media strategy (Facebook, twitter and Instagram strategic fit) and Business Intelligence (insight, consistency and transformation) on dependent variable (Organizational Excellence). Finally the research found the most important recommendations that Jordanian insurance companies should build an integrated model to maximize net profit by using social media strategic fit also it operates the proposed model based on the outcomes of demand forecasting model, the data of actual fact estimated data for several alternative scenarios to reach appropriate net profit in light of business processes and business intelligence relationships.

**Keywords:** Social Media Strategy, Business Intelligence, Organizational Excellence, Jordanian Insurance companies.

## **1- Introduction:**

With the increasing importance of social media in life, events and its impact on people life both on personal and on professional level. Social media strategies became a tool of helping firms and companies in promoting their products and services, we can say that it could change the level of increasing profits.

According to the (Maietta, 2012) the number of customers using social media sites for professional use like looking for a new services and products are increasing in the most recent years, and there is more opportunity to find a professional services through technology and social media application one of the most widely shared and enduring assumptions in the strategy formulation literature is that the appropriateness of firm's strategy can be defined in terms of its fit, match, or congruence with the environmental or organizational contingencies facing the firm. Strategic fit is a core concept in normative models of strategy formulation, and the pursuit of strategic fit has traditionally been viewed as having desirable performance implications (Miles and snow, 1994).

Despite the concept's historic centrality and intuitive appeal. The concept of social media strategic fit based on the contingency perspective facilitated by strategic management pioneers. The social media strategic fit has been established as a superior conceptualization of a framework under which various bivariate relationships of different strategic fit categories and their impact on third variable. Business intelligence system included intelligent exploration, integration, aggregation and multidimensional analysis of data originating from various information resources (olszak & Ziemba, 2007).

## **2- Research Problem:**

The operational system in the Jordanian insurance companies are not the adequate environment for obtaining all this information. If social media strategy with business intelligence and impact on organizational excellence.

## **3- Research Importance:**

In order to help JIC managers in making the right decisions that related to maximize the profits and increasing (customer's satisfaction, knowledge and process excellence) and that is by adopting new and modern social media strategic fit and business intelligence methods.

## **4- Research Hypotheses:**

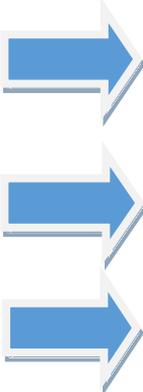
**H<sub>01</sub>:** There is a positive significant relationship between social media strategy and business intelligence in Jordanian insurance companies at level ( $\alpha \leq 0.05$ ).

**H<sub>02</sub>:** There is positive significant impact of social media strategy on organizational Excellence in Jordanian insurance companies at level ( $\alpha \leq 0.05$ ).

**H<sub>03</sub>:** There is positive significant impact of Business Intelligence on organizational excellence in Jordanian insurance companies at level ( $\alpha \leq 0.05$ ).

**H<sub>04</sub>:** There is a positive significant impact of social media strategy and Business intelligence on organizational excellence in Jordanian insurance companies at level ( $\alpha \leq 0.05$ ).

**5- Research Model:**

Independent Variable		Dependent Variable
<b>Social Media Strategy</b>	<b>Business Intelligence</b>	
Facebook Strategic fit	Insight	 Organizational Excellence (Knowledge and Process Excellence)
Twitter Strategic fit	Consistency	
Instagram Strategic fit	Transformation	

**Figure No.1 Model of the Research**

**Source:** the researcher has prepared this model.

**6- Literature Review:**

Strategic fit express the degree to which an organization is matching its resources and capabilities with opportunities in the external environment. The matching takes place through strategy and it is therefore vital the company have the actual resources and capabilities to execute and support the strategy. (Grant, 2007) suggest that the key to profitability is not only through positioning and industry selection but also rather through an internal focus which seek to utilize the unique characteristics of the company's portfolio of resources and capabilities. (Pintelon, pinjala and vereecke, 2005) present a slightly different but related view and explain fit internal and external consistency between functions, strategic elements and the business environment.

In order to improve understanding of business strategic orientations. Miles and snow's classification is the strategy in defenders: aiming at stability and defending a narrow range of products with a narrow market segment. Business intelligence as an active, model based and prospective approach to discover and explain hidden Business intelligence System gives an organization's employees, partner, and supplier's easy access to the information they need to do effectively their jobs (KMBI, 2005).

(Olszak and ziemba, 2003) define business intelligence as a set of concepts, methods and processes that all at not only improving business decisions but also at supporting realization of an enterprise's strategy. Other authors mentioned that business intelligence supports decision making for managerial activities. Thus, business intelligence can be classify as an MSS (Baars and kemper, 2008) Examining business intelligence in the light of research based on other types of MSS may lead to better decision support and a higher quality. Considered as growth and enhancement the level of an organization in all its various dimensions so, that probability of success of the organization will be increased in long term by obtaining favorable satisfaction of all beneficiaries and creating balance among them organization excellence is intentional and reasonable creating, strengthening and dissemination of change in order to improve effectiveness of the organization excellence is a holistic method to improve performance of the organization the other side, excellence means perfectness, accuracy and absoluteness. (Sharma & Talwar 2007) defines excellent organization as below with a comprehensive view point; an excellent organization during a long term period through appropriate adaptation with changes and rapid reaction to such changes, creating a coherent and purposeful management structure, permanent improvement of key capabilities and suitable behavior with employees.

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**MSS:** Management Support Systems are computer-based systems that are supposed to be use or at least to support managers in making decisions.

## **7-Previous Studies:**

(Kursan & Mirela, 2010) The role of the internet in marketing research and business decision – making. The paper aims to stress the importance of web opportunities in conducting the web segmentation and collecting customer data. (Ahmad & Shiratuddin, 2010). (B. I) sustainable competitive advantage of telecommunications industry in Malaysia. The study conducted via interviews with key personal whom are involved in decision – making tasks in their organizations. The results of the interviews identify nine major variables affecting successful business intelligent deployment. (Soni & Kodali, 2011). The strategic fit between competitive strategy and supply chain strategy in Indian manufacturing. The aims of study to explore the state of strategic fit, between competitive strategy and performance of company supply chain, the major results are the existence of strategic fit in Indian manufacturing industry, which explained by analyzing the interaction effect between competitive strategy and supply chain strategy. (Riabacke, et.al, 2011). Business Intelligent as decision support in business processes. The study purposed to investigate the role of business intelligence systems and their contribution to facilitate the full of organizational goals. (Malik & Naeem, 2011). Miles and snow strategy typology. A critical commentary the study purposed to enrich the understanding by presenting critical overview on Miles and snows strategy. Miles and snow strategy typology received wide spread general acceptance yet mixed empirical findings about whether or not prospectors, analyzers and defenders register significantly different business performance. (Ramakrishnan et.al, 2012). Factors influencing business intelligence data collection strategies. The research purpose was to study factors related to collecting the huge amounts of data for business intelligent. This study also provides managers with a mental model on which to base decisions about the data required to accomplish their goals for business intelligence.

## 8-The Data, Methodology and Statistical Treatment:

In this section, the researcher will use the questionnaires result in order to test the hypothesis by using the population and it was the Jordanian insurance companies in Amman and that is (24) companies, the research sample consists of (78) managers and head of sections only (68) Answered questionnaires were valid for the research.

**Table (1)**

### **The Reliability of Questionnaire Dimension**

<b>Variable's</b>	<b>Alpha Value x</b>
Social Media Strategy	0.942
Business Intelligence	0.936
Organizational Excellence	0.905

**Table (2)**

### **The VIF, Tolerance and Skew ness**

<b>Variable's</b>	<b>VIF</b>	<b>Tolerance</b>	<b>Skew ness</b>
Social media Strategy	2.391	0.185	0.381
Business Intelligence	1.881	0.302	0.361
Organizational Excellence	1.385	0.231	0.442

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**VIF:** variance inflation factor is the ratio of variance in a model with multiple terms, divided by the variance of a model with one term alone It quantifies the severity of multicollinearity in an ordinary least squares regression analysis.

### 8-1 Research Hypotheses Test:

To test the first hypothesis, the researcher used the Pearson correlation to ensure the relationship between social media strategy (Facebook, twitter and Instagram strategic fit) and business intelligence (insight, consistency and transformation) in Jordanian insurance companies.

**Table (3)**

**Matrix Coefficients of the relationship between Social media Strategy and Business intelligence**

<b>Variables</b>	<b>Facebook Strategy</b>	<b>Twitter Strategy</b>	<b>Instagram Strategy</b>
<b>Insight</b>	R =0.320** P =0.008 N =68	R =0.373** P =0.002 N =68	R =0.480** P =0.000 N =68
<b>Consistency</b>	R =0.527** P =0.00 N =68	R =0.345** P =0.004 N =68	R =0.493** P =0.000 N =68
<b>Transformation</b>	R =0.387** p=0.001 N=68	R =0.391** p=0.001 N=68	R =0.450** p=0.001 N=68

Sig at  $P \leq 0.05$

The results showed the highest values correlated were among Facebook strategy and consistency value of (0.527\*\*) at level ( $\alpha \leq 0.05$ ) or less with the lowest values correlated between Facebook strategy and insight value of (0.320\*\*). The results presented more relations and confirms valid first hypotheses accepted. The second hypothesis test we show the result at table (4) .

**Table (4)**

**Multiple regression analysis test of the impact of social media strategy on organizational excellence**

	<b>R</b>	<b>R2</b>	<b>F</b>	<b>DF</b>	<b>Sig</b>	<b>B</b>		<b>T</b>	<b>Sig</b>
O. E	0.849	0.720	109.05	3	0.00	Facebook	0.343	8.521	0.000
				64		Twitter	0.586	0.586	0.000
				68		Instagram	0.442	6.017	0.000

At level ( $\alpha \leq 0.05$ )

From table (4) the  $R^2$  was (0.720) that is mean's (DF) changeability's results from the changeability in social media strategy variables. The value of (F) was (109.051) at it is significance at level (0.05) and that confirms valid second hypothesis and accepted. All the dimension of social media (Facebook strategy, twitter strategy and Instagram strategy) are having a positive significant impact on organizational excellence.

The third hypothesis test the positive significant impact of business intelligence (insight, consistency and transformation) on organization excellence at level ( $\alpha \leq 0.05$ ) as we can see on table (5).

**Table (5)**

**Results of test the impact of Business intelligence on organization excellence**

	<b>R</b>	<b>R2</b>	<b>F</b>	<b>DF</b>	<b>Sig</b>	<b>B</b>		<b>T</b>	<b>Sig</b>
O. E	0.762	0.531	31.945	3	0.00	Insight	0.695	4.537	0.00
				64		Consistency	0.720	3.663	0.00
				68		Transformation	0.528	6.973	0.00

At level ( $\alpha \leq 0.05$ )

From table (5) the results showed that there is a significant effect of business intelligence on organization excellence in Jordanian insurance companies. The ( $R^2$ ) was (0.531) this mean organization excellence changeability's results from the changeability in business intelligence variable's. The values of insight = (0.695) consistency = (0.720) and transformation = (0.528) confirms significant effect (F) was (31.945). Therefore, we accept the null hypothesis. There is a positive significant effect of business intelligence for all dimension's (insight, consistency and transformation) on organization excellence.

The fourth hypothesis test if there is a positive significant impact of social media strategy and Business intelligence on organizational Excellence in Jordanian insurance companies at level ( $\alpha \leq 0.05$ ). The researcher used canonical analysis to find the impact of (Facebook, Twitter and Instagram strategic fit) and (insight, consistency and transformation) on organization excellence as on table (6).

**Table (6)****Results of test the impact of Social Media Strategy and Business intelligence on Organizational Excellence in Jordanian insurance companies**

Indep. Variable		Dep. Variable	R Canonical	R <sup>2</sup> Canonical	
Social media strategy	Facebook, twitter and Instagram	organization excellence	0.564	0.318	
Business intelligent	Insight, consistency and transformation				
contrast ratio interpreter of indep. var	%84.811	contrast ratio of the dep. var	% 18.389	CHI2	Sig
				29.160	0.000

At level ( $\alpha \leq 0.05$ )

Social Media strategy and business intelligence as rate (84.811%) of the variance in the organization excellence. The canonical correlation coefficient (R canonical = 0.564) and the coefficient of determination canonical correlation. (R<sup>2</sup> canonical = 0.318) that means that the value of the changes in organization excellence resulting from the change in the level of social media strategy and business intelligent. The results show that there is a proportion on the variance is unknown as well as social media strategy and business intelligent for the predication by the organization excellence.

**8-2 The main Results:**

- 1- There is a positive relationship between Social media strategy (Facebook, twitter, and Instagram strategic fit) and Business intelligence (insight, consistency and transformation) in Jordanian insurance companies.

- 2- There is a positive significant impact of Social media strategy (Facebook, twitter, and Instagram strategic fit) on organization excellence in Jordanian insurance companies.
- 3- There is a positive significant impact of Business intelligence (insight, consistency and transformation) on organizational excellence in Jordanian insurance companies.
- 4- There is a positive significant impact of social media strategy and Business Intelligence on organizational Excellence in Jordanian insurance companies.

## **9- Conclusion and Recommendations:**

The research found that organization today collect enormous amounts of data from numerous sources. The use of Business intelligence to collect, organize, and analyze this data can add great value to a business. In addition, Business intelligence has always been an important part of the competing business world and the core activities of business intelligence are for from new. It is also good to mention that there are two perspectives of business intelligence: technological and organizational. Technological means a system that takes data and transforms it into various information products, while organizational means an umbrella term for decision support. Based on the previous results the researcher recommend that Jordanian insurance companies must build an integrated model to maximize net profit by using social media strategy. In addition, it operates the proposed model based on the outcomes of demand forecasting model, the data of fact, estimated data for several alternative scenarios, to reach appropriate net profit in light of business processes and Business intelligence relationship, and strategic alliances with main customers and suppliers.

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