

## **The Effect of Strategic Thinking Styles on the Enhancement Competitive Capabilities of Commercial Banks in Jordan**

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### **Abstract**

*This study aimed to identify the patterns of strategic thinking (synthetic thinking, realistic thinking, ideal thinking, and the practical thinking) and its impact in enhancing competitiveness in commercial banks in Jordan. The purposive sampling was used for the selection of the study sample which consisted of managers and heads of departments interested in strategic thinking in commercial banks in Jordan, of (21) banks. (121) questionnaires were subjected for statistical analysis and test hypotheses of the study. The study concluded according to the results that the level of adoption of strategic thinking patterns in commercial banks in Jordan was synthetic thinking, ideal thinking, realistic thinking and practical thinking was all of high level. The level of achieving the competitive capabilities, the quality of service and reduce costs came with high level. The study also found that there are significant statistical effect of strategic thinking dimensions of synthetic thinking and realistic thinking. There is no significant statistical effect of strategic thinking dimensions of ideal thinking and practical thinking. Accordingly, the researcher recommends the adoption pattern of synthetic thinking and realistic thinking because of their impact is reflected positively on the increased competitiveness in these banks. Also, providing those sections that are looking at patterns of strategic thinking of new graduates and those of high academic qualifications and the experienced in order to keep these sections contribute actively to the success of the enterprise.*

**Keywords:** strategic thinking, competitive capabilities, commercial banks, Jordan

### **1. Introduction**

With entering of the third millennium and the condensing pressure on the business organizations The world is witnessing the growing interest of business management professionals and economists, that creates a new pressures on modern business organizations, it was the need to play the strategic role toward the change and shift on the way of work to strategic vision work relying on enhancing strategic capabilities in organizations. Managerial approaches have helped to change and develop in business organizations and its organizational environment performance. One of the most important of these approaches was the strategic approach in management and the subsequent modern terms served strategic management to meet the environmental challenges and develop the managerial works.

This type of work needs to make quick, correct, and resolute decisions in response to those changes, which have mainly unexpected results, thus, business organizations are subject to a lot of competitor's pressure, and they must adapt to such pressures rapidly. The dynamic structure of the organization represents the first requirements for success in adapting such pressures; the main requirement for such structure is to respond rapidly to changes in doing business (Kanaan, 2010).

The success of the business organizations depends on good preparation and management of strategic choices, through the sources of strength and weakness of internal resources, or in dealing with the threats and opportunities that exist in the external environment. In addition to the formulation and implementation of strategic choice depends upon the survival of these organizations, their growth, and development under uncertain future conditions (Wheelen & Hunger, 2004). So the success or failure of the organization depends on the strategic management, which is an analytical process that aims to select and determine the status of the organization in the future, depending on changes and developments, and here strategy reflects the prestige and status that is occupied by the organization (Michael, 2006). The competitive capabilities are the common denominator for the efforts made by all employees in the organizations. Hence, one can say that competitive capability is a fundamental and important concept as a cornerstone in improving the performance of the organizations (Macmillan and Mahan, 2010). And it looks at competitive capability as a statement about the superiority of the organization in the areas of marketing, finance, above all priorities, which in turn requires an understanding of the general framework of the organization by top management, as top management must determine the needs of customers of the service provided and how to deliver them through an advanced chain of proper processing time (Evans & Collier, 2007).

There is a relationship between strategic thinking and competitive capabilities, as competitive capabilities plays a big role in improving performance, and has played an increasing role in achieving high levels of organizational performance, and as a result of this kind of capability, a competitive capabilities play a prominent role in various fields and levels pertaining to the organizational financial performance and operations of the various aspects of their activities (industrial, commercial and service), and that naturally affects on customer satisfaction (League, 2005). Contemporary societies face, including Jordan, the most serious effects of the new era, the emergence of a competitiveness as a basic fact determines the success or failure of the organizations. Hence, the commercial banks in Jordan has become in a need at all sizes, and levels for effective strategic role as an urgent need to link the various plans and strategies implementation with effective guide tool that aware of the practical method to move the business in these organizations in accordance with the long-term strategic approach to serve the desired objectives.

The study problem lies on the lack of clarity of understanding the importance of strategic thinking patterns and their impact on enhancing competitive capabilities with the absence of the real knowledge among some managers about these patterns, as well as the absence of organizational awareness of the role that could strategic management plays in enhancing competitive capabilities, and that has been linked to the lack of specialized cadres capable to work in the field of developing the future vision, and work activation to serve the organizational goals. The contribution of study in intellectual enrichment by tracking the theoretical literature and previous studies of the main variables (strategic thinking patterns and competitive capabilities) form in which it is integrated in a conceptual framework for these concepts and its study methodology . As well as The significance of the current study stands in the benefits as a result of its implementation and their contribution to the development of reality, as the link itself is a contribution especially that there is a dearth of such studies in accordance with the access to the Jordanian research, and then can enrich the Jordanian libraries in this the field. Therefore, the current study will shed light on the topic of 'strategic thinking patterns and their impact on enhancing competitive capabilities of the commercial banks in Jordan.

## **2. Literature review**

### **2.1 Strategic thinking concept**

Strategic thinking has become a very modern and important topic in management, as many of the decision makers see the top management has to focus on the process of effective thinking in business organizations today, and the consensus of psychologists, and philosophers, and management scientists that the effective strategic thinking is one of the most important success factors in organization and life alike, Which leads to the movement of strategic thinking to reaches its peak, and got recognition of all the managers of its importance in business organizations.

The interest of organizations in strategic thinking comes from the pursuit of these organizations to develop an integrated plan from determining the vision, mission, and objectives, and to develop strategic alternatives and completion with operations implementation. In other words, setting goals and main policies, and the implementation mechanism to achieve the organizational goals. (Johnson et al., 2006). It can be said that the strategic thinking is an intellectual methodology leads the management processes and events in an organized manner in order to achieve the organizational goals and objectives.

The implementation of this methodology requires a systematic strategic thinking, and an integrated strategic building includes a clear mechanism for setting goals, and desired results and follow-up the achieved results and edit them in light of the internal and external variables. Achieved the competitive capability in the organizations based on strategic thinking, which represents a method to analyze situations faced by the organization and seek to bring this vision to the relevant organizational levels which working on activities that achieved for it.

Mana (2006) mention a set of important reasons to learn strategic thinking: the benefit of self-educated meant to have a good strategic thinking skills, to help the learner to go to the fields and to compete effectively in this age, general social benefit that teach the manager good strategic thinking skills which requires a manager who can look deeply and reign to the problems plaguing his organization, mental health, as it achieve psychological comfort that effectively contribute to adapt events and variables that surround the organization, economic development which needs to develop a strategic thinking before anything, and first, we have to depend on because strategic thinking is the basis for production that relying on it comes first before relying on knowledge, intellectual benefit that make the manager stronger to be able to adapt the rapid response when making decisions, critical thinking which does not grow automatically, but requires educated organized purposeful, and continues exercise. This kind of strategic thinking cannot be achieved, but by training and natural ability and efficiency of thinking. Researchers suggest many patterns and forms of strategic thinking, many managerial studies in the field of strategy emphasizes to the existence of several categories of strategic thinking in accordance with the forms or a symmetric patterns and its multiple methodologies The following explanation for this:

## 2.2 Strategic thinking patterns

There are different patterns of strategic thinking, and can be summarized in these patterns:

**Synthetic thinking:** This type of thinking consists of the total methodologies that can be used with each other, to give the ability to communicate to build a new and original idea, and the development of separate stimuli with each other to produce a new thinkable topic (Al-Said, 2008). This approach is based on building ideas and links it with the mental capabilities in the form of foresight, intuition and scientific imagination, as the composition method compatible with managers with the high intellectual capacity, which assumes that everyone understands things and alternatives according his effervescence mind and the resulting effects on cognitive moment (Mohammed, 2002).

**Ideal thinking:** It is the hardest part in strategic science, it is a form of thinking stand on the real knowledge of reality rely solely on awareness or sense or reason, so transcends the real target on the perception, so values still an important source of thinking as interested in the essence of the strategic work, and this kind of thinking based on the will to overcome the things as they are, or exceeds the physical nature of things in order to understand the philosophical and epistemological nature through a mental process that aims to draw conclusions, and to draw abstract meanings of things and relationships, by default thinking through symbols and circulars, and the ability to the development of assumptions validating (Zayed, 2013).

**Practical thinking:** The steps that have followed in this approach is not based on expertise or experience, and not based on means, but based on pure logic, as it is based on the thought process on the ability of the manager to highlight the real sensual data and facts in practice in order to prove a point of view or strengthen a certain behavior. This thinking approach works through the launch of strategic means priority, until the arrival- through the evidence- to the rules to be followed in order to identify the most important parts, which can be exploited dramatically. All strategists have been based on these principles in order to provide a full definition of rules and regulations, which can be applied at all circumstances (Al-Ghurery, 2010).

**Realistic thinking:** this approach is working on the development of strategies to work according to possible means, and it is divided into two types: the objective approach, which is linked to the ability of available means, self-related or personal approach which related to the used method which cannot be suitable to the maximum capabilities of the means available, whether or not cope with it completely, Thus the old physical way that based on the means exist in the organization environment rather than inherited a preview of the past that do not have much to offer disappear, so this form includes trying to get the evidence to support or deny the individual work or views, this type of thinking is practiced by individual when he tried to indicate the reasons and the causes that lie behind things, and try to find out the results of managers work, there are a lot of lessons that utilized in the past situations cannot take advantage of them now (Al- Mograby, 2009).

The researchers believe that the strategic thinking is a continuous mentality process that requires necessary capacity and skills for practicing managerial functions of strategic management, and carried out by using debates for the purpose of discovering what's going to happen to develop new creative ideas, particularly when exposed to the dilemma or when wishing to realize a gain. This process is influenced by the culture of the manager, his experience, his environment, and the circumstances surrounding it, benefiting in solving problems and in the formulation and strategic decision-making.

### **2.3 The concept of competitive capability**

The concept of the competitive capability became of the most important concept that occupy decision-makers think of profit organizations, so that took space and status of important areas of strategic management, and the economics of the business, competitive capability represent the important strategic element that helps the organization profitability to seize real opportunities to be able to carry on and continue compared with its competitors. Here we will learn about competitive capability concept and dimensions:

The competitiveness is the source which strengthens the position of the organization, including achieves economic profits, and through its concession over competitors in the areas of product, price, cost, and therefore focus on production processes (Betlis, 2010). Competitiveness is defined as a skill, technical or outstanding resource, that allows the organization to produce values and benefits to customers more than what is provided by their competitors, and confirms its difference from those of competitors from the customers view who accept this difference and excellence, which will bring them more benefits and values that are superior to what competitors offer (Al-Salmi, 2011). Therefore, competitive capability is a particular property or group of properties owned by the Organization and distinguish it from other organizations, so as to achieve a strong position towards the various parties, where the real challenge faced by any organization is not what to produce or provide products, but also the ability to satisfy the needs and desires of customers, because of the growing role of the customers so that it became difficult to impose the products on them. Therefore, creating competitive capabilities by the organization depends on products offered which achieve customer satisfaction, and increases their loyalty, and then the ability to survival of the organization in the market (Covin, 2010).

The competitive capability also defined as the means by which the organization can win over its competitors (Macmillan and Mahan, 2010), Competitive capability motivate organization for advanced competitive position and its advantage in service market perspective, this ability arises once the Organization reached to employ new methods more effective than those used by competitors, they come by offering and improving new services through learning capabilities and market control (Liu, 2013). To be unique than competitors means that competitive advantage makes the organization unique and distinct from other competitors (Heizer and Render, 2011). So that organizations seeking to excel in its environment through owning and maintaining competitiveness (Macmillan and Mahan, 2010) competitive capability aimed to meet the needs and desires of customers to get service, competitiveness arise once they reach to discover new ways more effective than those owned by competitors (Stevenson, 2007). Where's competitive capability seen as an ads about ability beyond marketing and financial organization above all priorities, which in turn requires understanding the general framework for the organization through identifying the needs and desires of its customers by top management, and how to deliver it to them via sophisticated processing chain, in order to meet the need of customer to get the goods or service on time (Evans and Collier, 2007).

### **2.4 Dimensions of competitive capabilities**

It has become clear to all that the way for any organization to achieve its goals which established for it, is the availability of collection resources such as human resources, financial resources, material resources, and technological resource, which must be commensurate with the activity of the organization. So attention is paid on the organization competitive capability through services which satisfy customer's needs and desires or value that customers wish to obtain of those services. So attention is paid toward transferring those needs into domains, or targeted capabilities which called competitive dimensions. The organization selects its competitive capabilities dimensions when providing their services and meet market demands to enhance competitiveness (Wearawardena and Mccoll-kennedy, 2012). Below is a detailed presentation of the research competitive capability dimensions:

**The quality of service provided:**

Quality means conformance with specifications and requirements, the service system should be developed to reduce the defect so service to be congruent to predetermined specifications and high reliability (Karahasanovic and Lonn, 2007, p:2). Quality concept revolves around two terms both are linked to the other closely, the first focusing on the provided service, and the second focuses on the customer. So the subject of quality got more interest in most of the world organizations in this day and age, especially since these organizations realized the importance of the quality and extent of its contribution to the progress and development of performance, and perceived quality is as a weapon to these organizations faced with competing organizations, whether they are at home or abroad, as it is an essential and important factor to achieve success and distinctive competitive position in the market. Therefore, quality is the degree to meet the qualities and characteristics and match them to customer requirements, and gives an additional competitive attractiveness to be useful to customers, which is significantly associated with the current and future needs and desires (Darwish, 2009).

It also means that the quality is the different individual's views or different organization outlook compared to the different expectations of individuals, as the service properties will meet customer satisfaction, and therefore should services be reliable, efficient, and effective in order to correspond to the needs required by customers (Atem and Yella, 2007). The quality is a competitive advantage which is important to organization, which refers to the works and things correctly to provide services which fit customers' needs and desires (Slack et. al, 2004). It is also means that the quality is the different individuals views or different organization outlook and contribute to high-quality services, also improve the organization reputation and achieve customer satisfaction, as well as organization can impose higher prices in the case of providing high quality services to meet customer requirements (Evans and Collier, 2007). Since customers want services at high quality that meet the required characteristics, which they expect, therefore the organizations that are not offering services which meet the needs and desires of customers, or their expectations will not be able to survive and succeed in the competition (Krajewsky and Ritzman, 2013). Therefore, the Organization for getting expected value commensurate with its mission requires to identify customer expectations and desires for quality and work to achieve them (Heizer and Render, 2011).

The researchers believe that the quality dimension is one of the pillars organization's successes in business world, by providing customized products which achieve or exceed customers requirements that satisfy them, and then make them happy, and this contributes to strengthening organization competitive capability in the market. And despite the lack of a agreed definition, however these definitions shared that the quality is a process that includes: meet current and future needs of customers, and that the concept of quality is renewed and change, and it is linked to meeting the customer's needs, and the quality concept is not limited to products rather than to include services, and finally quality is a process that starts from the customer and end with him.

***Cost reduction:***

Organizations focused on the cost dimension of keeping service providing at costs lower than competitors do, and to achieve this it is necessary to possess the better technology and resources to compete, and optimal use of the human resources, efficiency of marketing operations, effectiveness of service delivery systems, and efficient delivery of service operations (Dilworth, 2006). Organizations are also seeking a larger market share as a basis for achieving success and excellence, and offer their services at a lower cost than competitors offer. As the least cost is the main operational objective of the organization that compete through cost, and even organizations that compete through other competitive advantages, it seeks to achieve low cost of the services provided (Slack et. al., 2009).

**3. *Research hypotheses***

Based on the above literature reviewed, the research hypothesis is:

H1. Strategic thinking styles directly influences competitive capabilities of Commercial Banks in Jordan More specifically:

H1a. Synthetic thinking directly influences competitive capabilities of Commercial Banks in Jordan More specifically.

H1b. Realistic thinking directly influences competitive capabilities of Commercial Banks in Jordan More specifically.

H1c. Ideal thinking directly influences competitive capabilities of Commercial Banks in Jordan More specifically.

H1d. Practical thinking directly influences competitive capabilities of Commercial Banks in Jordan More specifically.

#### 4. Research Framework

Based on study hypothesis, the following theoretical framework, shown in Figure I. As can be seen from the framework, the study investigates the impact of Strategic thinking styles on the competitive capabilities, where Strategic thinking styles are the independent variable and are positively related to competitive capabilities as the dependent variable.

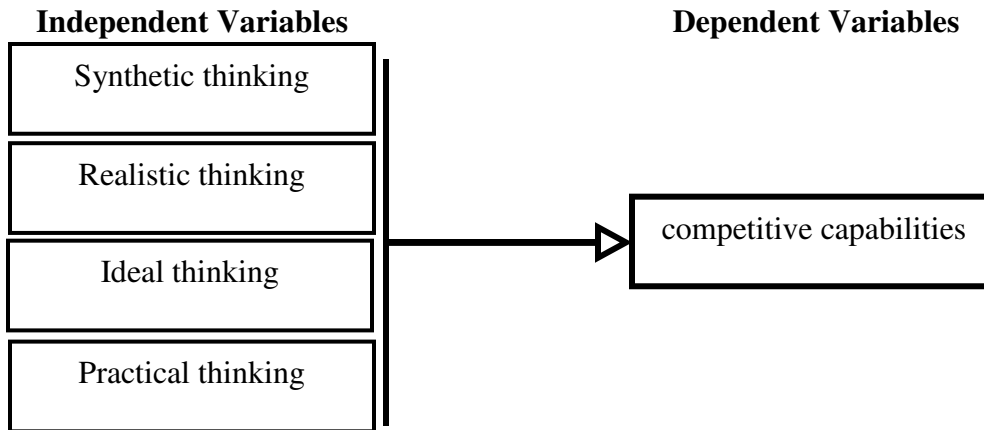


Fig. I. Theoretical Model

#### 5. Methodology

In this section, we discuss measures, sample and data collection as well as the statistical tests used to evaluate the hypothesis.

##### 5.1 Measures

The constructs in this study were developed by using measurement scales adopted from prior studies. Modifications were made to the scale to fit the purpose of the study. All constructs were measured using five-point Likert scales with anchors strongly disagree (= 1) and strongly agree (= 5). All items were positively worded. Strategic thinking styles consist of synthetic thinking, realistic thinking, ideal thinking, the practical thinking were adapted from previous studies (Munqith, 2013; Bushra, 2008). Competitive capabilities construct captures the respondents' evaluation of the competitive capabilities of the Commercial Banks in Jordan were adapted from previous studies (Slack et. al., 2009; Heizer & Render, 2011).

##### 5.2 Sample

The study population consists of top managers of commercial banks working in Jordan; six questionnaires were distributed to each bank. The unit of analysis of this study was of top managers of commercial banks working in Jordan. Six banks were chosen because of their size, and the availability of information regarding their customers, and the desire of their managers for cooperation. 120 questionnaires distributed to managers of the banks, all of them were returned, . The questionnaires, with instructions of how to complete them, were distributed to respondents by an interviewer. Subjects were asked to assess their perceptions of various items of different constructs. Assessments were based on A Five-point Likert scale ranging from "strongly disagree (1) to "strongly agree (5) was used to measure the 34 items. In order to minimize possible response bias, instructions emphasized that the study focused only on their personal opinions. There were no rights or wrong answers. After completion, the questionnaires were checked and collected by the interviewer.

| Variable          |                   | Frequency | %    |
|-------------------|-------------------|-----------|------|
| Experience        | less than 5       | 17        | 14.0 |
|                   | 5- less than 10   | 40        | 33.1 |
|                   | 10- less than 15  | 34        | 28.1 |
|                   | 15 years and more | 30        | 24.8 |
| Gender            | Male              | 69        | 57.0 |
|                   | Female            | 52        | 43.0 |
| Educational level | Diploma and below | 15        | 12.4 |
|                   | Bachelor          | 67        | 55.4 |
|                   | Master            | 44        | 36.4 |
|                   | PhD               | 10        | 8.3  |

**Table I: Sample characteristics**

Females make (43.0 percent) of the top managers of the commercial banks working in Jordan on the other hand Males respondents represented (57.0 percent) of the survey population. The largest group of respondents (33.1 percent) their experience were 5- less than 10 years. The next largest groups (28.1 percent) were 10- less than 15 years of experience. Smaller groups of experience were less than 5 years (14.0 percent). With regard to educational level, respondents with Bachelor degrees were the largest groups of respondents make (55.4percent). Holders of postgraduate degrees make (36.4 percent) of the top managers of the commercial banks working in Jordan. The sample characteristics of the respondents represented in Table I.

### 5.3 Data collection

Data are collected using a questionnaire. The questionnaire was divided into three sections: Section A consisted of a list of questions intended to probe the demographic variables of the respondents. Section B contained questions aimed at gauging the respondents' evaluation of the adoption of Strategic thinking styles by the top managers of the commercial banks working in Jordan adopted from previous studies, and which could possibly influence competitive capabilities, using a five-point Likert scale. The following styles were focused on; synthetic thinking (6 statements), realistic thinking (5 statements), ideal thinking (5 statements), and practical thinking (5 statements). Section C is also adopted from previous studies, contained questions aimed at gauging the competitive capabilities of the commercial banks working in Jordan, thirteen statements used to measure the competitive capabilities of the commercial banks working in Jordan.

A pretest was carried out with four professors of business management to determine the validity of the content of the survey questionnaires. In the main survey study, a total of 121 top managers of the commercial banks working in Jordan were chosen. A cover letter was attached together with the survey questionnaire. The cover letter described the aim of the study, guaranteed anonymity of data, requested the respondent to answer each question.

### 5.4 Reliability and validity of the survey instrument

The survey instrument with 34 items was developed based on the four variables as independent variables: Synthetic thinking (ST1-ST6), Realistic thinking (RT1-RT5), Ideal thinking (IT1-IT5), and Practical thinking (PT1-PT5), and one dependent variable, competitive capabilities (CC1-CC13). The instrument was evaluated for reliability and validity. Reliability refers to the instrument's ability to provide consistent results in repeated uses (Gatewood & Field, 1990). Validity refers to the degree to which the instrument measures the concept the researcher wants to measure (Bagozzi & Phillips, 1982).

Regarding construct validity of the instrument, it has been done through calculation of Corrected Item-Total Correlation, to make sure the relation of each item of strategic thinking styles to which they belong, as well as the Corrected Item-Total Correlation was calculated to make sure the link of each item of the competitive capabilities to which they belong, with a condition that the coefficients of Corrected Item-Total Correlation not less than (0.30), and the presence of a statistically significant for those coefficients. Table II and Table III shows the values of the coefficients.

| Variables               | Mean        | Standard deviation | Corrected Item-Total Correlation | K.M.O | Variance | Reliability |
|-------------------------|-------------|--------------------|----------------------------------|-------|----------|-------------|
| synthetic thinking (ST) | <b>4.15</b> | <b>0.51</b>        |                                  | 0.818 | 49.872   | 0.80        |
| ST1                     | 4.43        | 0.71               | .63                              |       |          |             |
| ST2                     | 4.20        | 0.70               | .49                              |       |          |             |
| ST3                     | 4.20        | 0.78               | .56                              |       |          |             |
| ST4                     | 4.12        | 0.61               | .47                              |       |          |             |
| ST5                     | 4.05        | 0.83               | .54                              |       |          |             |
| ST6                     | 3.93        | 0.71               | .63                              |       |          |             |
| realistic thinking (RT) | <b>4.12</b> | <b>0.53</b>        |                                  | 0.790 | 53.846   | 0.78        |
| RT1                     | 4.29        | 0.80               | .64                              |       |          |             |
| RT2                     | 4.12        | 0.75               | .60                              |       |          |             |
| RT3                     | 4.11        | 0.75               | .45                              |       |          |             |
| RT4                     | 4.07        | 0.65               | .50                              |       |          |             |
| RT5                     | 4.01        | 0.68               | .62                              |       |          |             |
| ideal thinking (IT)     | <b>4.07</b> | <b>0.53</b>        |                                  | 0.724 | 49.650   | 0.74        |
| IT1                     | 4.17        | 0.72               | .40                              |       |          |             |
| IT2                     | 4.09        | 0.83               | .57                              |       |          |             |
| IT3                     | 4.03        | 0.71               | .48                              |       |          |             |
| IT4                     | 4.03        | 0.80               | .50                              |       |          |             |
| IT5                     | 4.02        | 0.74               | .60                              |       |          |             |
| practical thinking (PT) | <b>3.98</b> | <b>0.53</b>        |                                  | 0.708 | 75.283   | 0.77        |
| PT1                     | 4.07        | 0.79               | .63                              |       |          |             |
| PT2                     | 4.02        | 0.88               | .58                              |       |          |             |
| PT3                     | 3.94        | 0.54               | .63                              |       |          |             |
| PT4                     | 3.93        | 0.78               | .55                              |       |          |             |
| PT5                     | 3.92        | 0.63               | .35                              |       |          |             |

**Table II: Factor analysis of Strategic thinking styles**

| Variables             | Mean        | Standard deviation | Corrected Item-Total Correlation | K.M.O | Variance | Reliability |
|-----------------------|-------------|--------------------|----------------------------------|-------|----------|-------------|
| Cost minimization(CM) | <b>2.96</b> | <b>0.64</b>        |                                  | 0.664 | 58.442   | <b>0.65</b> |
| CM1                   | 4.25        | 0.84               | .33                              |       |          |             |
| CM2                   | 4.21        | 0.67               | .16                              |       |          |             |
| CM3                   | 4.17        | 0.60               | .35                              |       |          |             |
| CM4                   | 4.12        | 0.78               | .40                              |       |          |             |
| Service quality (SQ)  | <b>3.61</b> | <b>0.68</b>        |                                  | 0.733 | 67.490   | <b>0.78</b> |
| SQ1                   | 4.35        | 0.74               | .55                              |       |          |             |
| SQ2                   | 4.34        | 0.81               | .38                              |       |          |             |
| SQ3                   | 4.29        | 0.61               | .53                              |       |          |             |
| SQ4                   | 4.26        | 0.70               | .42                              |       |          |             |
| SQ5                   | 4.23        | 0.73               | .38                              |       |          |             |
| SQ6                   | 4.21        | 0.69               | .53                              |       |          |             |
| SQ7                   | 4.18        | 0.70               | .37                              |       |          |             |
| SQ8                   | 4.13        | 0.53               | .64                              |       |          |             |
| SQ9                   | 4.11        | 0.62               | .55                              |       |          |             |

**Table III. Factor analysis of competitive capabilities**



### 5.5 Correlation analysis: relationships between the independent variables

The correlation coefficients as shown Table IV between the independent variables **Strategic thinking styles** (synthetic thinking, realistic thinking, ideal thinking, the practical thinking) were less than 0.9, indicating that the data was not affected by a co linearity problem (Hair et al., 1998). These correlations are also further evidence of validity and reliability of measurement scales used in this research (Barclay et al., 1995; Hair et al., 1998).

| Variables          | ST | RT     | IT     | PT     |
|--------------------|----|--------|--------|--------|
| Synthetic thinking | 1  | .819** | .705** | .744** |
| Realistic thinking |    | 1      | .767** | .742** |
| Ideal thinking     |    |        | 1      | .662** |
| practical thinking |    |        |        | 1      |

Notes: \* Correlation is significant at the 0.05 level (2-tailed);

\*\* Correlation is significant at the 0.01 level (2-tailed).

**Table IV: Summary of correlation coefficients of independent variables**

### 6. Descriptive statistics analysis

Table II and Table III indicate that top managers of the commercial banks working in Jordan evaluate Synthetic thinking (with the highest mean scores, i.e.  $M = 4.15$ ) to be the most dominant and evident to a considerable extent, followed by Realistic thinking ( $M = 4.12$ ), Ideal thinking ( $M = 4.07$ ), and practical thinking ( $M = 3.98$ ). With regard to competitive capabilities, top managers of the commercial banks working in Jordan evaluate the competitive capabilities of commercial banks working in Jordan with high level (with the mean scores, i.e.  $M = 4.22$ ).

### 7. Test of hypothesis

Multiple regression analysis was employed to test the hypotheses. It is a useful technique that can be used to analyze the relationship between a single dependent variable and several independent variables (Hair et al., 1998). Before employing the multiple regression test, Variance Inflationary Factor (VIF) test and Tolerance test were used to test the relationships between independent variables, taking into account that VIF should not exceed the value of 10 and Tolerance value should exceed the value of 0.05. The results shown in Table V indicate that VIF values for all variables were less than 10 (2.599-4.132), and values of Tolerance for all variables were greater than 0.05 (.242-.385).

Therefore, there is no multicollinearity between independent variables, which means that the model used in this study is correct. Based on this method, the four main independent variables of the Strategic thinking styles (synthetic thinking, realistic thinking, ideal thinking, the practical thinking) and dependent variable (competitive capabilities) were entered together. Histogram and Normal P-P plot of standardize residual that were conducted also indicate normality of the error term while scatter plot shows consistent variance of error terms (Homoscedasticity). The partial regression plot indicates positive linearity of the relationship between the independent (Strategic thinking styles) variables and dependent variable (competitive capabilities). From these analyses, it can be concluded that multiple regression model of this study meets the four assumptions required to ensure validity of its significance test. This indicates that there is a statistically significant relationship between Strategic thinking styles and competitive capabilities.

As depicted in Table V, the coefficient of determination ( $R^2$ ) was 0.541, representing that 54.1 percent of competitive capabilities can be explained by the four model variables of the Strategic thinking (synthetic thinking, realistic thinking, ideal thinking, the practical thinking). The proposed model was adequate as the F-statistics was significant at less than 5 percent level ( $p < 0.05$ ). The individual model variables revealed that Synthetic thinking (which got the highest effect,  $B = .386$ ,  $p < 0.05$ ) followed by practical thinking ( $B = .237$ ,  $p < 0.05$ ) were found to have a significant and positive effect on competitive capabilities. Therefore, the hypotheses H1a, H1d were supported. With regard to Realistic thinking ( $B = .072$ ,  $p > 0.05$ ), and Ideal thinking ( $B = .114$ ,  $p > 0.05$ ), were found to have insignificant effect on competitive capabilities. Therefore, the hypotheses H1b, H1c were not supported

**Table V: Regression Summary of Strategic thinking styles and competitive capabilities (N=121)**

| Model |                           | Unstandardized coefficients |            | Standardized coefficients | t      | Sig. | Collinearity statistics |       |
|-------|---------------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|-------|
|       |                           | B                           | Std. error | $\beta$                   |        |      | Tolerance               | VIF   |
| 1     | <b>Constant</b>           | 1.783                       | .212       |                           | *8.425 | .000 |                         |       |
|       | <b>Synthetic thinking</b> | .290                        | .089       | .386                      | *3.259 | .001 | .282                    | 3.544 |
|       | <b>Realistic thinking</b> | .052                        | .092       | .072                      | .562   | .575 | .242                    | 4.132 |
|       | <b>Ideal thinking</b>     | .083                        | .073       | .114                      | 1.128  | .261 | .385                    | 2.599 |
|       | <b>practical thinking</b> | .171                        | .074       | .237                      | *2.328 | .022 | .383                    | 2.610 |

Notes: R<sup>2</sup> = 0.541; Adj. R<sup>2</sup> = 0.525; Sig. F = 0.000; F-value = 34.136; dependent variable, competitive capabilities p < 0.05

**Table V: Regression Summary of Strategic thinking styles and competitive capabilities (N=121)**

## 8. Discussion

The study examined the strategic thinking and its impact on competitive capability patterns where the results indicated the impact of strategic thinking patterns and this is consistent with Saleh (2001) and clear from study results the lack of real proportionality of strategic thinking at the top management level and functional level. Thus the copying domination appears upon realistic thinking that disrupts the ability of thinking and consideration and met the argument, as well as it is not achieving any knowledge. Where the results of this study conflict with Mohamed study (2002).

Researchers define the synthetic thinking that gives the ability to communicate and build a new and original ideas and the development of separate stimuli for a new stimulus by building ideas and linked mental capabilities through the foresight and intuition and scientific imagination so managers with the ability of high mental are aware of things and alternatives and the resulting effects, making it be lovely pattern by the managers, the ideal think is the finest and most difficult in the science of strategic that the real knowledge of reality only based on the consciousness or feeling, or reason, so that the real goal risen above cognition and interested in the essence of the strategic work, While the practical thinking based on pure logic, as it is based on the manager ability to highlight the physical data and sensory facts in the work so that can prove the view point or strengthen a particular behavior.

The realist thinking is based on the strategies development to work according possible means by linking capability means at its disposal, and that includes trying to get the evidence to support or deny the individual work or his views, which its practiced thinking by an individual when trying to release the causes and reasons that lie behind things, and try to find out the results of the manager, where it is not limited to the physical aspect but also the possibility of material means to be associated and consisted with the way in which we want to use, making bank managers moving away from this type of thinking. The reason -as seen by the researcher - that compositional thinking gives managers the possibility of thinking about the total methods that can be used with each other which facilitates the ability to build new and original ideas for the future, which will require them to put the separate stimuli with each other to produce exciting new thinkable stimuli which motivate managers for building new ideas and linked mental capabilities, if possible, through the foresight, intuition and scientific imagination.

The researcher believes that the reason for managers using ideal thinking, that they rely on real knowledge of reality through awareness or sense or reason, as managers interested in the essence of the strategic framework document on the will to overcome the things as they are, or exceeds the physical nature of things in order to understand the philosophical nature that make him able to draw conclusions, meanings and relationships, by default thinking and the ability to set assumptions and make sure that it is correct. The researchers believe that managers in the practical thinking follow the steps that are not dependent on the expertise or experience and means, but pure logic as the manager relies on highlighting the data of physical and sensory facts in practice in order to prove the point of view or strengthen certain behavior through the starting of the priority strategic means, Until reaching the rules that will be followed in order to identify the most important parts, which can be utilized dramatically.

Researchers find that managers using realistic thinking that they are developing strategies to work according to possible means, through linking ability of the available means, and connecting self curriculum to the used curriculum which cannot match with the maximum capacity of the available means, or not to adapt permanently with it and this form includes to try to get evidence supports or denies the work of an individual or his views and to explain reasons and causes that lie behind things, and try to find out managers results.

The researchers believe that the competitive capability refers to the organization's ability to excel in the areas of marketing and finance, above all priorities, it must at the senior management to determine the needs and desires of the beneficiaries of provided service and how to deliver them through a series of advanced processing in a timely and distinguish it from other organizations and the ability to continuing satisfaction to the needs and desires of customers so that will achieve satisfaction, and increase their loyalty, and then the ability to organization survival in the market and enable them to keep it for a relatively long period of time as a result of difficult emulating. In addition, the ability established once the organization reaches to employing new methods more effective than those used by competitors, which comes through the provision and development of new services through the learning capabilities and market supervision.

The competitive ability aims to build a system that has a unique advantage Excel the organization upon competitors through customer value; As the customer is dealing with the organization that realizes its service will bring him the highest benefit or value compared to the services provided by competitors and meet the needs and desires with respect to customers in order to Purchase service and that arise Once the discovery of new more effective ways than those used by organization competitors this requires identifying the needs and desires of customers and how to deliver them through a series of sophisticated supply chain.

## 9. Recommendations

In light of the findings that have been reached, a researcher recommends the decision-makers and top managers of commercial banks to:

1. Work to increase awareness of the importance of compositional thinking and realistic thinking patterns on increasing the competitive capabilities.
2. Further studies on strategic thinking patterns variables (not included in the current study, such as inductive thinking) to learn more about the extra dimensions to the strategic thinking patterns in enhancing competitive capabilities.
3. Send departments that searching on strategic thinking patterns for new graduates and high academic qualifications holders and experienced people in order to keep these sections contribute actively to the organization success.
4. Regular meetings and open brainstorming field in order to discover the talents of intelligence to build a distinctive ideas and work to motivate it.
5. Commercial banks managers in Jordan have to reconsider the strategic thinking used by them and adopt structural thinking pattern and realistic thinking because of their impact reflected positively on increasing the competitive capability of these banks policy.

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