

**THE INFLUENCE OF MANAGEMENT INFORMATION SYSTEMS
ON BUSINESS CREDIT FACILITATION A CASE STUDY ON
ARABIC BANK, AMMAN, JORDAN**

A thesis submitted to the Graduate School in partial
fulfillment of the requirement for the degree
Master in Science (Management)

By
Wael Ghazi Saleh Bani Melhem

© Wael Ghazi Saleh Bani Melhem, 2008. All Rights Reserved

758.6
B 21 F.
2008



KOLEJ PERNIAGAAN
(College of Business)
Universiti Utara Malaysia

PERAKUAN KERJA KERTAS PROJEK
(Certification of Project Paper)

Saya, mengaku bertandatangan, memperakukan bahawa
(I, the undersigned, certified that)
Wael Ghazi (89248)

Calon untuk Ijazah Sarjana
(Candidate for the degree of) **MASTER OF SCIENCE (MANAGEMENT)**

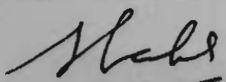
telah mengemukakan kertas projek yang bertajuk
(has presented his/her project paper of the following title)

**THE INFLUENCE OF MANAGEMENT INFORMATION SYSTEMS ON BUSINESS CREDIT
FACILITATION: A CASE STUDY ON ARABIC BANK, AMMAN, JORDAN**

Seperti yang tercatat di muka surat tajuk dan kulit kertas project
(as it appears on the title page and front cover of the project paper)

Bahawa kertas projek tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu dengan memuaskan.
(that the project paper acceptable in the form and content and that a satisfactory knowledge of the field is covered by the project paper).

Nama Penyelia : **MR. SHAHMIR ABDULLAH**
(Name of Supervisor)

Tandatangan : 
(Signature)

Tarikh : **23 NOVEMBER 2008**
(Date)

PERMISSION TO USE

In presenting this thesis in partial fulfilment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the University Library may make it freely available for inspection.

I further agree that permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in their absence by the Dean of College of Business. It is understood that any copying or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis.

Any requests for permission to copy or to make other use of materials in this thesis, in whole or in part, should be addressed to:

Dean of College of Business

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

ABSTRACT

The purpose of this study is to investigate the influence of Management Information Systems in on business credit facilitation by commercial banks in Jordan. A sample of 50 personnel has been chosen from commercial banks in Jordan.

The findings of this study will be age were significant for credit banks in Jordan that provide credit facilitation. The use of Management Information Systems when decision making on loans will allow for transparency of the process as well as the accumulated data which these systems capture will enable further improvement of credit facilitation.

ACKNOWLEDGEMENT

Firstly, I would like to thank God for the special support that the divine guidance given to me. The mental task and a high patience demand for completing this research report can be devastating at times. However, a willing and able support group has been so much contributing and helpful for me. Along the way, I am filled with a huge appreciation for my family, lecturers, colleagues and friends.

I would like to thank my project advisor, Mr. Shahmir Sivaraj Bin Abdullah for his knowledgeable supervision and valuable guidance. I value his sharp intellect in helping me to complete this research even though during his always busy-time. Particularly, I would also like to extend my very special thank to my family. I thank my mother for her caring attitude and patience on me and also my father for his never ending support. I am so grateful to them, who raised me to have faith in myself and God.

I must also mention my lovely sisters and friends who encourage me. Finally, above all else I respectfully express thanks to my respondents, personnel in commercial banks in Jordan. I dedicate this work to them.

TABLE OF CONTENTS	PAGE
PERMISSION TO USE	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	v
LIST OF FIGURE	vi
 CHAPTER 1: INTRODUCTION	
1.1 General	1
1.2 Problem Statement	2
1.3 Research Objective	3
1.3.1 General Objective	3
1.3.2 Specific Objective	3
1.4 Research Questions	4
1.5 Research Hypothesis	5
1.6 Limitation of the study	6
1.7 Assumption	7
1.8 Scope of the study	7
1.9 Significance of the study	8
1.10 Definition of terms	10
1.10.1 Management Information Systems	10
1.10.2 Effectiveness	11

1.10.3	Credit facilities	11
1.11	Organization of the study	11

CHAPTER 2: LITERATURE REVIEW

2.1	Introduction	13
2.2	Previous Studies	13
2.3	The concept and importance of Management Information Systems	14
2.4	The essence and importance of information	16
2.5	The use of Management Information Systems	17
2.6	The position of Management Information Systems in Task Organization Framework	18
2.7	Effectiveness	19
2.8	Definitions of effectiveness	20
2.9	Measuring the effectiveness of an organization	21
2.10	Speed	23
2.11	Accuracy	24
2.12	Credit Facilitation	26
2.12.1	Definitions and credit function	26
2.13	Information Systems and decision making in granting trade credit	27
2.14	Reason for formation of commercial banks information systems	28
2.15	Research variables	31

2.15.1	Independent variables	31
2.15.2	Dependent variables	31
2.16	Hypothesis	31

CHAPTER 3: RESEARCH METHODOLOGY

3.1	Introduction	33
3.2	Research design	34
3.3	Instrumentation	35
3.4	Respondents	36
3.5	Reliability Analysis	37
3.6	Data collection procedures	38
3.7	Data analysis and interpretation	38
3.7.1	Pearson correlation	39

CHAPTER 4: ANALYSIS AND FINDINGS

4.1	Introduction	41
4.2	Profile of the respondent	41
4.3	Reliability analysis	44
4.3.1	Reliability statistics of decision making effectiveness (IV1) = 0.759	45
4.3.2	Reliability statistics of speed of performance (IV2) = 0.467	47
4.3.3	Reliability statistics of accuracy of business performance (IV3) = 0.458	49

4.4	Pearson correlation	51
4.5	Regression between effectiveness, speed and accuracy with credit facilitation	52
4.5.1	Regression between effectiveness (IV1) and credit facilitation (DV)	53
4.5.2	Regression between speed (IV2) and credit facilitation (DV)	55
4.5.3	Regression between accuracy (IV3) and credit facilitation (DV)	57

CHAPTER 5: SUMMARY, DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1	Introduction	59
5.2	Research summary	59
5.3	Research Implication	60
5.3.1	Theoretical implication	60
5.3.2	Practical Implication	62
5.4	Discussion and conclusion	62
5.5	Recommendations	64

REFERENCES	66
-------------------	----

APPENDICE

Appendix 1 - Questionnaire

LIST OF TABLES

Table 3.1	Alpha Coefficient
Table 4.1:	Profile of Respondents
Table 4.2:	Reliability Statistics of Making Effectiveness
Table 4.3:	Item-Total Statistics of Making Effectiveness
Table 4.4:	Reliability Statistic of Speed of Performance
Table 4.5:	Item-Total Statistics of Speed of Performance
Table 4.6:	Reliability Statistic of Accuracy of Business Performance
Table 4.7:	Item-Total Statistics of Accuracy of Business Performance
Table 4.8:	Person Correlation between the Variables
Table 4.9:	Multiple Regression Analysis Organization Factors (IV1)
Table 4.10:	Model Summary of Multiple Regressions Analysis Effectiveness (IV1)
Table 4.11:	ANOVA (b) of Multiple Regressions Analysis Organization Factors
Table 4.12:	Multiple Regression Analysis Technical Factors (IV2)
Table 4.13:	Model Summary Multiple Regression Analysis Speed (IV2)
Table 4.14:	ANOVA (b) of Analysis Speed (IV2)
Table 4.15:	Multiple Regression Analysis Accuracy (IV3)
Table 4.16:	Model Summary of Multiple Regression Analysis Accuracy (IV3)
Table 4.17:	ANOVA (b) of Accuracy (IV3)

LIST OF FIGURES

Figure 2.1 Theoretical framework

CHAPTER 1

INTRODUCTION

1.1 GENERAL

The study of Management Information Systems (MIS) turns out to be very effective for its users in business constructions and foundations. It had proven usefulness to industrial or service constructions, in terms of reducing the costs, labourers and increasing the profits.

As we are living in the industrial era, customers constantly discover new products that can be found in the market. This means we need alternative and competitive products amongst the constructions companies. As a result, the need of information system that helps the companies and institutions, to stay in market and to be on par with much successful companies is essential.

Management Information Systems have the ability to acquire correct, perfect and clear information. This information can be sent to the MIS final users in the perfect time and when the needs are required. MIS is considered as a connective circle among the administrations.

The contents of
the thesis is for
internal user
only

profitability of different sectors, and at the level of product and customer, to ensure and guarantee the identification of products list profitable maintain and develop. This can helps to reduce the risks of information systems such as threat of viruses which may lead to the destruction or alteration of information

Moreover it is recommended that the banks should be careful when buying software from Arab or foreign organizations to avoid buying low quality or duplicate software which might harm the organization. Bank also should conduct more research and field studies on the subject of Management Information Systems and their impact in increasing the effectiveness of the credit facilitation through the study of factors other than those included in the studies.

References

- Abdul Mohamad Ibrahim Alarki. (1993). *Management Magazine: Management Information System position and the effectiveness of natural system frameworks functions*.
- Alfdgha Abah. (1999). *The Informative concepts*. Kuwait: The Committee of Composing and Publications.
- Alhosnaeh Salim. (1998). *The Principles of Management Information Systems Security*.
- Almnyaoi Gad. (2000). *The Department of Commercial Banks "entrance application"*. Mansoura: Modern Library.
- Andrew, C. (1993). *A retrospective look at Pd projects, Communications of the Banks*.
- Archie, D. (1979). *Management Information and Systems*. New York: Pegamon Press.
- Bakri., Sonja., & Sultan Ibrahim. (2001). *Information Systems Management*. Alexandria.
- Batston, E. & Ferner, A. (1984). *Consent and Efficiency: Labour Relations and Management*.
- Berman B. (1996). *Marketing Channels*. John Wiley & Sons.Inc..
- Bertelsmann. (2000). *Finance Service: Using Business Intelligence for Factoring Credit Analysis*.
- Channon, D. F. (1986). *Bank Strategic Management and Marketing*.
- Chorafas, D. (1982). *Money: the Bank of the 80s*. Princeton: Petrocelli Books.
- Chorafas, D. (1980). *Computer Networks for Distributed Information System*. Princeton.

Chorafas, D. (1980). *Data Communications for Distributed Information System*. Princeton: Petrocelli Books.

Chorea, D. (1982). *Money: The Banks of the 80s*. New York: Apetrocelli Book. Eldar University .

Ex-Mohammed. (1994). *Administration*. Egypt : Dar Hani.

Hanafi. (1978). *Solomon managerial behaviour*. Alexandria : Dar Egyptian universities. House.

Ifreem Tomyam,. & Ifreem Makleen. (2000). *Information Technician in supporting Company Management*. Alreda House For Publication.

Imad, S. (1997). *Information Technology*. Jordan: The library's House of Culture.

Kanter, J. (1977). *Management Information System*.

Livy L. (1980). *Management and People In Banking*. London: The Institute of Bankermm .

Maheshwari, S.N. (1987). *Elements of Banking law & Practice*.

Meidan, A. (1984). *Bank Marketing Management*. Sheffield University.

Mohammed Al-Taee. (1988). *Management Information System*. University of Mosul.

Mohammed Saeed Sultan., & Abdul Ghaffar Hana. (1989). *Bank Management*. Alexandria:

Mr. Muhammad. (1986). *Management Magazine: Analytical consideration in evaluating the effectiveness of organizations*.

Muhammad Ali. (1999). *Director: how to build effective team work effectively*. Egypt: Dar.

Murdick, R. G. & Munson, J.C. (1986). *MIS Concepts and Design*. PHG.

Najjar. (1999). *Unique technology, economic and organizational behaviour*. Alexandria: Egypt.

Nicholas, G. E. (1974). *Development in Management Information System*.

Nouri., & Qais. (1999). *Conduct administrative and social background*. Jordan: The Canadian publishing house.

Parker, S. C. (1989). *MIS Strategy and Action* . McGraw Hill.

Parker, S. C. (1989). *Management Information Systems : Strategy and Action*. McGraw Hill International Edition.

Raymond, Jr. M. (1993). *Management Information Systems: Study of Computer Based Information System*. New York.

Sabah Abdul Rahman. (1998). *Management Information Systems*. Oman: Zahran Publishing.

Shahad Mohammad. (1980). *The Management System for Industrial and Service Management Purposes Strategy in the State Enterprise*.

Talat Asaad Abdel-Hamid. (1998). *The effective management of the overall banking services*. United Advertising.

Thirauf R.J. (1988). *New Direction in MIS Management*. Guorum Books: New York.

Union of Arab Banks. (1986). *Raise Efficiency and Productivity in the Banking*. Beirut.

Waheeb Wasfi. (1994). *The boundaries of using the electronic computers and library technology in deveopment of management procedures*. Warraq Foundation.

Williams. (1980). *A.P.O. Organization Development and the Management of Change*. London Clubs.

Yasin Sa'ad. (2000). *Analysis and Design Information System*. Curriculum House and Distribution.

Ziad Salim Ramadan & Ahmed Mahfouz, (1995). *Contemporary Trends in the Management*.