



Building Sustainable Value in E-Business Companies in Jordan

Mohammad J Adaileh^a, Ibrahim Harazneh^b, Mohammad D Othman^c,
^{a,b,c}Faculty of Business, Middle East University, Amman-Jordan, Email:
madaile@meu.edu.jo, tharazneh@meu.edu.jo, mdothman@meu.edu.jo

This paper tests the assumption around creating value for E-Business by integrating sustainable performance. The proposed conceptual model for this study indicates that in order to achieve sustainable economic performance for businesses, social and environmental performance should be combined. This research broadens our knowledge of how to build sustainable performance of E-Business (social and environmental) and economic performance in E-Business companies in Jordan. Using a sample of 158 managers from respected companies, the results of the current study demonstrated the validity of the proposed conceptual model for application in the E-Business environment in Jordan, where the estimation of the structural model revealed the fitness of the proposed model to a study sample. Results indicate that economic performance plays a prominent role as a mediating effect between social performance and the value of E-Business and where results did not support the mediating role of economic performance between environmental performance and the value of electronic business. The results were presented, and its business implication, as well as limitation and future research.

Key words: *Sustainability, Sustainable E-Business Value, Sustainable Performance, Jordan.*

Introduction

Creating sustainable businesses has gain much arguments in literature. Few studies have been directed toward integrating sustainable performance in order to create value for E-Business. As a value creation for E-Business depends on transforming technology into value and based on many studies, the most values appearing and included in literature are mainly directed for economic purpose such as value proposition, value architecture, value network and value revenue (Amit & Zott, 2001; Christensen, & Kagermann, 2008; Teece, 2010). Other sustainable values such as social and environmental are absent in literature and the E-Business aspect. Sikdar (2003) indicated that sustainable business will incorporate economic



development, environmental stewardship, and social equity in their business. Porter (2011) indicated that businesses should incorporate economic, social, and environmental perspective in their core business in order to create value. Businesses need to create economic value in the way that also creates value for society by identifying its needs and challenges. While Carter & Rogers (2008) argue that environmental and social sustainability impact economic return. Many theoretical and practical studies in literature have focused on integration of these three aspects of performance to maintain a comprehensive sustainability for business. Drawing from previous literature, the value of E-Business will be achieved by including social and environmental performance in the pursuit of achieving sustainable economic performance, which in turn supports the value of E-Business. Studies have found that social and environmental performance to be positively linked to economic performance and are shown to have the potential of providing a significant competitive advantage (Porter, 2011; Emerson & Bonini, 2003; Rogers, 2008). Firms must also focus extensively on value creation process if they seek to build effective E-Business value model (Porter, 2011).

This paper focuses on value creation for E-Business by integrating sustainable performance. The Proposed conceptual model of this study indicates that in order to achieve sustainable economic performance for business, social and environmental should be incorporated. Economic performance was hypothesised as a mediator between social, environmental performance and E-Business value. This research extends our knowledge on how to build sustainable E-Business considering (social, environmental) and economic performance in E-Business companies in Jordan. The model and constructs were used in this study are directly derived from the literature. Constructs of the study were based on the measurement scale developed in E-Business companies in Jordan. This measurement scale contained sustainable performance variables, as well as the sustainable E-Business value that been suggested based on previous studies (e.g. Porter study, 1985; Zairi & Peters, 2002; Maçada *et al.*, 2012; Saloojee *et al.*, 2007). The developed measurement scale indicated how these constructs are converged, this scale was applied to a sample from E-Business companies in Jordan and deployed exploratory factor analysis to determine the latent dimensions and then the results was confirmed using confirmatory factor analysis. The measurement model was characterised by appropriate valid and reliable parameters, which made it easier for researchers to apply this scale to a selected sample from electronic business environment in Jordan. Results of the current study indicated the validity of the proposed conceptual model for application in the electronic business environment in Jordan as the estimation of the structural model revealed fitness of the model for the sample of the study. The fitness indicators were improved after several modifications to obtain a suitable model for the Jordanian environment.



Background

Sustainability and Business Value

Many researchers indicated that Sustainable business is a dynamic balancing between "protection of ecosystems and natural resources, economic efficiency, and consideration of social wellbeing such as jobs, housing, education, medical care and cultural opportunities (Bell & Morse, 2009). Porter et al (2011) have proposed a new framework for measuring shared value for business, which focused on the interaction between business and social results, this framework is considered among the most important tools to drive shared value in practice. According to Porter et al (2011), " Companies cannot know the extent to which they are creating shared value if they do not measure their progress on social objectives and, importantly, the degree to which social performance improves economic value for the business. When companies do not understand or rigorously track the interdependency between social and business results, they miss important opportunities for innovation, growth, and social impact at scale".

As the Harvard Business Review article "Creating Shared Value", they argue that companies should report financial, social, and environmental metrics. There is emergent orientation toward integrated measurement which aim to add sustainability measures to overall performance measurement. Finding a framework which link social progress directly to business success is still missing. This paper is among of the efforts to understand the link between social, environmental, and business performance. Porter et al (2011) also indicated that value for business can be created from revenue growth, market share, profitability, productivity which arise from the environmental, social, or economic development benefits delivered by a company's products and services. Finally, value can be created through improving the external environment by community investments and strengthening local suppliers, local institutions, and local infrastructure in ways that also enhance business productivity.

Many companies adopted E-Business to create value for their business (Akkermans, 2001). Using technology may result in many negative effects on society and environment (Walters, 2007). Building sustainable E-Business can reduce the negative effects and increase the positive impact for business, society, and environment. Many studies have discussed the values that E-Business technology will deliver to their businesses. Bell & Morse (2009) suggest that sustainable business should dynamically balance three mutually interdependent elements, namely protection of ecosystems and natural resources; economic efficiency; and consideration of social wellbeing such as jobs, housing, education, medical care and cultural opportunities. Researchers such as (Ashford & Hall, 2011; Harris, 2003; Khalili, 2011; Meyer, 2009; Rogers, Jalal & Boyd, 2005) have proposed a framework for sustainability in online and mobile-enabled commerce. These framework focused on fact that increase economic growth, more

competitiveness, increased productivity, diversification of potential income sources, increase in local economic growth (i.e. economic growth in rural, or sparsely populated areas or regions), and the creation of entrepreneurial opportunities, could be considered as indicators for delivering economic performance for business. On the other hand, social performance indicators may include: more specialised work-force skills, increase in wages, increase social diversity (e.g. exchange of culture, knowledge, and ideas), reduced poverty, increase in purchasing power and living standards, increase amount of jobs, and increased job security. Finally, environmental value may include less environmental degradation, decrease in non-renewable resource use, increase in resource efficiency, positive effect for climate change, and decreases transport needs (Matandare, 2018).

Many previous research in the area of information systems (IS) field concerned with E-Business and e-commerce, the main focus of these researches were on economic aspects of the business (i.e. Applegate, 2001; Gordijn & H. Akkermans, 2001; Tapscott, et al., 2000; Timmers, 1998), etc. None of the E-Business modelling ideas exclusively considers the sustainability aspects. On the other hand, large amount literature available studied the sustainability of businesses (i.e. (Bell & Morse, 2009; Bieker, Dyllick, Gminder, & Hockerts, 2001; Lo & Sheu, 2007, etc.) and do not focus on E-Business. Integrating Sustainability factor in E-Business values need to be addressed. Based on the above literature, sustainable E-Business must include Social, Environmental adding to Economic factors in line with several studies (e.g. Porter, 2011; Al-Debei & Avison, 2010; Akkermans, 2001; Emerson, 2003; Chan & Wu, 2005; Demirdogen, 2007). This study investigates how E-Business values been developed through E-Business sustainability initiatives.

E-Business Value

E-Business value were identified based on the work of many researchers as it boosts the values of business and its effectiveness (e.g. Al-Debei & Avison, 2010).

Many researchers argue that the business environment had been transformed through information systems as well as information technology (Earl, 1993; Galliers, 1991; Galliers, 1993; Lederer & Mendelow, 1989). The current paper consider the measurement of E-Business value is similar to the field of IS and IT as many researchers (e.g. Kraemer et al, 1994; Brynjolfsson and Hitt, 1996; 1998; Kohli and Devaraj, 2003; Melville et al, 2004; Saloojee et al., 2007; Cao & Emission, 2017; Maçada et al., 2012). Drawing from the above literature, E-Business value can be identified as the organisational performance impacts of information technology at both the intermediate process level and the organisation wide level, and comprising both efficiency impacts and competitive impacts. Majority of E-Business companies do not measure the value of IT and how it can improve and contribute in elevating the businesses. Also, many E-Business companies don't understand the essence of IT/IS and

their role in creating value. Gliedman, (2002) argue that E-Business companies are looking to IT/IS as a pure technology and ignoring its effects on business value. Based on the overall perception of the business value, the value of E-Business can be seen in terms of contribution to organisational performance, focusing on measuring efficiency and effectiveness, adding to innovation and good relationships with customers. On the other hand, the results of using technology can significantly affect the value of business. Many researchers studied business value for information technology and E-Business and have used different measures in different industries. For example, Organisational Effectiveness (Kraemer et al, 1994), Organisational Efficiency (Brynjolfsson and Hitt, 1996), New Business Innovation (Kohli & Devaraj, 2003), Economies of Production (Yu et al., 2003), Customer Relations (Saloojee et al., 2007) , Product & Service Enhancement (Fulton, 2004), Inter-organisational Coordination (Wayne et al., 2005), Supplier Relations (Cao & Emission, 2017), Market Support (Brynjolfsson & Hitt, 1996; 1998), and Competitive Dynamics (Cao & Emission, 2017).

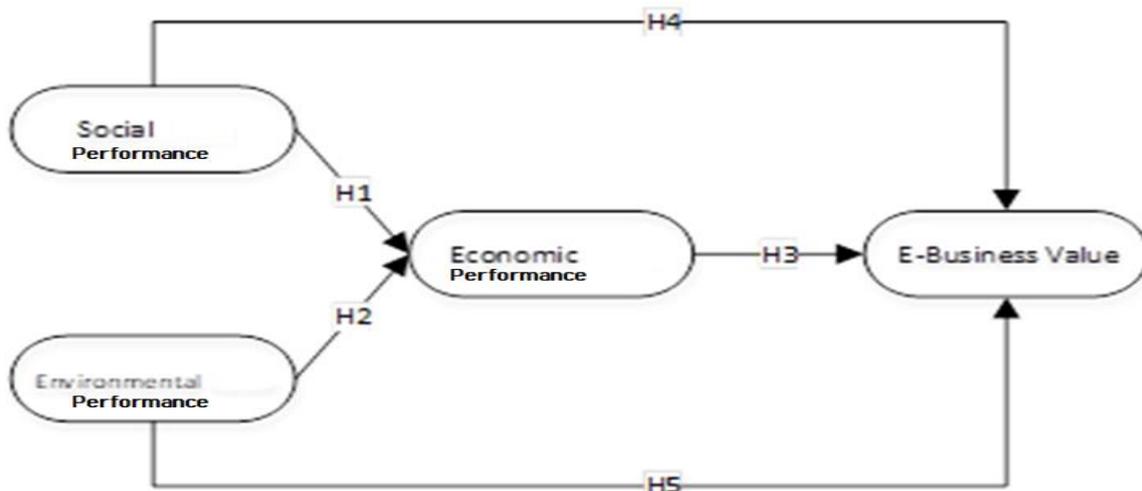
The researchers proposed and confirmed a measurement model for sustainable IT/ E- Business Value in E-Business companies in Jordan. Their proposed measurement model contained five dimensions namely (Strategic, Informational, Transformational, Transactional, and Infrastructure benefits). The proposed measurement model has used and integrated models from Weill, Broadbent (1998), Gregor, Martin, Fernandez, Stern and Vitale (2006), Maçada et al (2012). Study instrument was revised using exploratory and confirmatory factor analysis. The final model consists of four business value factors: strategic value, informational, transactional, infrastructure. The measurement model of Maçada et al (2012) excluded Infrastructure benefits during the modification process because it was discovered during interviews that managers were unable to recognise it as a distinct dimension to the value of IT. Conversely, this measurement model emphasising infrastructure value and excluded transformational benefits as the studies were carried out in an environment that are differed in its characteristics. The differences can be attributed to several reasons, including that managers in E-Business in Jordan have pointed to the importance of the dimension of infrastructure because the actual use of E-Business is not yet mature and requires intensive investment in E-Business infrastructure to accelerate development. This finding can explain that the results did not support the transformational value or advantages in the measurement model. Where managers are not convinced that this value variable can be measured at the present time, or cannot be considered an independent dimension because of the inability to recognise the benefits of E-Business transformation in the company's activities in several areas, such as developing business plans, expanding organisational capabilities, improving business models, and developing staff capabilities. Few recent studies have incorporated all dimensions of business value, and there has been a paucity of studies that have examined the impact of sustainability factors on the value of E-Business. In this study, the four dimensions used in the study of were used to assess E-Business Values. This measurement model offered evidence to three dimensions of sustainable performance that can be used in Jordanian E-Business

environment, and hints that these factors are important in driving E-Business companies toward enhancing their value creation practices.

Conceptual Model and Research Hypotheses

Drawing from the above literature, we consider integrating social, environmental performance in E-Business as precursors to Economical performance attempting to advance the understanding of the role of economic performance of EB in the relationship between (social and environmental performance) and EB Value. As shown in Fig. 1, we created a conceptual model for this research consists of four constructs namely (Social, Environmental performance and, Economic performance and EB Value) in which economic performance assumed to play a mediating role in carrying the impact of (social and environmental Performance) on EB Value. Figure.1 shows the conceptual model which include four dimensions.

Figure 1. Proposed conceptual model



Five hypotheses were proposed to examine effects and the mediating effect. In this study, Social and environmental performance for EB assumed to have a positive impact on the economic performance of EB. This impact was supported by many researchers such as Rogers (2008) who indicated the environmental and social sustainability impact on economic return. Bell & Morse (2009) indicated that the protection of ecosystems and natural resources will increase economic efficiency for business. The shared value framework proposed by Porter et al (2011) have focused on the interaction between business and social results. Adopting E-Business to create value for business may result in many negative effects on society and environment as stated by (Walters, 2007; Houghton, 2010). Integrating Sustainability factors in E-Business values was addressed from (Porter, 2011; Al-Debei & Avison, 2010; Akkermans, 2001; Emerson, 2003; Chan & Wu, 2005; Demirdogen, 2007) and assumed to have a positive impact on the economic performance. According to Nelson, (1998), Snider, Hill, & Martin,



(2003), Zairi & Peters, (2002), in particular, companies should focus on social factors in order to maximise and increase sales and/or profit and achieve cost effective infrastructure. Implementing social human resource policies, offering training program to the community, creating local jobs, promote education, contribution to the social policies including education, training, local economic development employment management, etc will produce economic performance in some areas like cost effective infrastructure, getting cheaper raw materials, linkages with suppliers and channels, economies of scale through linkages with suppliers and channels (Jahanshad & Vedadi, 2019).

On the other hand, Zairi & Peters (2002) have found that creating products or processes that offer environmental benefits, implementing environmental friendly operations, recycling of materials, improved waste management and reuse, minimise packaging and, reduce the impact of (raw material, procurement, product design, manufacture and distribution) on the environment will also positively impact economical results such as economies of scale and increasing profits. Therefore, we propose the first two Hypotheses as:

- H1. Integrating Social performance in E-Business impacts economic performance.
- H2. Integrating Environmental performance in E-Business impacts economic performance.

Companies should incorporate social, and environmental performance adding to economic performance. These factors should be included in core business in order to create value. As stated on the introduction. Business need to create economic value in the way that also creates value for society by identifying its needs and challenges (Porter, 2011). Companies should understand the interdependency between social and business economical results to have opportunities for innovation, growth. This supports the indirect effects of incorporating social and environmental performance in achieving value for E-Business. The direct effect of economic performance was drawn from Porter et al (2011) who indicated that value for business can be created from revenue growth, market share, profitability, productivity which arise from the environmental, social, or economic development benefits delivered by a company's products and services. Business value in E-Business ensure future profitability for business (Maçada et al., 2012). integrating sustainable performance in business value will guarantee the future profitability of the businesses. Sustaining the profitability in the long run is imperative, and businesses must consider sustainability in their future strategy (Porter, 1980, 1985) and increase the social or environmental performance as well as economic performance. Porter (2011) Emerson & Bonini (2003); Rogers (2008) indicated that social and environmental performance to be positively linked to economic performance and shown to have the potential of providing a significant competitive advantage to firms and firms must focus extensively on value creation process if they seek to build effective E-Business value model (Porter, 2011).

We propose the third Hypotheses of direct impacts as:

H3. Integrating Economic performance in E-Business impacts E-Business Value.

Based on these observations, we assumed that economic performance mediates the impact of integration of social and environmental performance on E-Business Value. Business value refers to the contribution of E-Business to performance which can be represented by corporate efficiency and effectiveness, competitiveness, product and service innovation, customer and supplier relationships etc. For example, increasing of sales and/or profit getting cheaper raw materials, saving of time and energy, economies of scale will ensure efficiency and effectiveness (Porter, 1980, 1985). Many researches indicated that more specialised work-force skills, increase in wages, increase social diversity (e.g. exchange of culture, knowledge, and ideas), reduced poverty, increase in purchasing power and living standards, increased amount of jobs, and increased job security will have a positive impact on firm effectiveness (Ashford & Hall, 2011; Harris, 2003; Khalili, 2011; Meyer, 2009; Rogers, Jalal, & Boyd, 2005). On the other hand, creating products or processes that offer environmental benefits, reducing the impact of (raw material, procurement, product design, manufacture and distribution) on the environment could be considered as indicator of New Business Innovation, Organisational Effectiveness, Competitive Dynamics (Wayne et al., 2005; Cao & Emission, 2017). These sustainable practices indirectly lead to achieve value for business as they play a critical role in producing economical results and necessarily value for business. Based on above, the study enhances our understanding of how integrating social and environmental performance in E-Business will indirectly impact the E-Business value. We propose the last two Hypotheses of indirect impacts as:

H4. Integrating Social performance in E-Business indirectly impacts E-Business Value.

H5. Integrating Environmental performance in E-Business indirectly impacts E-Business Value.

Methodology

The Sample procedures

Data for this study were obtained through a survey from companies that practice electronic commerce in their operations. The questionnaire was offered to three executives from these companies, and five academics in Jordanian universities to ensure the compatibility of the questionnaire to electronic business environment in Jordan; some minor modifications to the questionnaire were conducted. The questionnaire was then distributed to 300 companies using E-Business in all or part of their operations. The survey aimed to obtain strategic and operational information. The questionnaire was sent to E-Business Unit Managers and

Executives. The survey included sales, procurement and purchasing managers, supply chain managers, marketing managers, logistics, customer relations, inventory, and manufacturing, operations. The survey also included some managers of supporting activities such as planning, human resources managers, executives and senior management in companies. Each survey instrument was sent to the selected sample and attached with a cover letter. The field survey lasted 45 days to ensure sample adequacy for analysis. 183 responses were received, 16 were excluded due to missing values because they considered not valid for analysis. 9 were excluded due to outliers' values. Outliers in data have been checked using AMOS.22, the values have been extracted away from the centre in order to ensure normality in data distribution. All of the following analysis reported statistics were conducted on a sample of 158 managers in the companies that practice electronic business in Jordan. Table 1 shows the distribution of managers in companies surveyed.

Table 1: Types of Survey Respondents

Types of Managers	Frequency	Percentage
CEO	9	6%
Senior Manager	8	5%
Sales	14	9%
Procurement and Purchasing	18	11%
Supply Chain	17	11%
Marketing	32	20%
Logistics	14	9%
Customer Relations	8	5%
Inventory	16	10%
Manufacturing	6	4%
Operations	16	10%
TOTAL	158	100

The study did not distinct between large and Small- Medium companies, although there are many studies that indicated that large companies differ in their characteristics from medium and small size companies. Large companies differ in that their infrastructure investments are huge, their ability to reach distant markets is faster, and the organisational structures are more complex than SMEs. Although non-differentiation may produce confusing results, the conceptual model of the study can give insight to companies to focus on important aspects of sustainable performance that lead to the value of E-Business. The study also did not separate manufacturing companies from the service companies. Instead, the study included all companies that conduct E-Business in all or part of their operations, although there are differences between products and services, and processes related to services are completely different from manufacturing tangible products in terms of access to products, manufactured or marketing to final customer. The conceptual model of the study can be considered as

comprehensive for all E-Business companies because all companies may use similar marketing channels, in addition, the consumer of the product or service may use the same channels to access the product or service. Therefore, the study included a sample from all sectors. Table 2 shows the demographic information of surveyed companies and their industry.

Table 2: Types of Industry

Industry	Frequency	Percentage
Beverage manufacturing	11	7%
Machinery manufacturing	23	15%
Transport equipment	8	5%
Food manufacturing	38	24%
Retailing	19	12%
Telecommunications	3	2%
Textile trade sector	23	15%
Travel & Tourism Companies	7	4%
Furniture and related product	6	4%
Electrical/electronic equipment	14	9%
Other	6	4%
	158	100

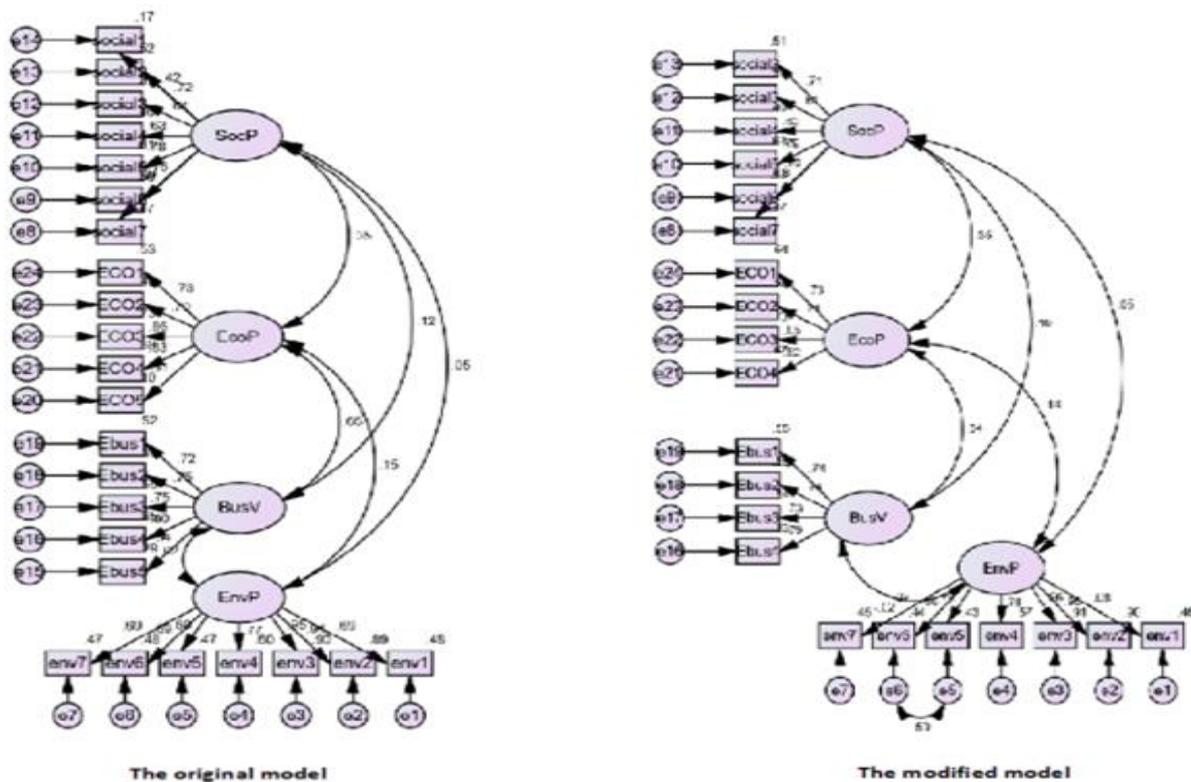
In order to ensure Non- Response Bias in the data, Chi-Squared test was applied to the data sample in order to identify significant differences among the respondents. Data were broken down into two parts and T- tests were conducted to ensure data adequacy. A total of 21 items for the questionnaire were used in the study, and results indicated no statistically significant differences between the two samples. The differences between the respondents were calculated by type of managers ($\chi^2 = 2.44$, $p > 0.05$), and industry type ($\chi^2 = 2.69$, $p > 0.05$). These results indicate that the non- response bias is not exist in the data based on (Teo & King, 1997).

Measurement and Study Instrument

The current study developed a measurement scale as a tool for data collection (See figure 2). As mentioned above, this measurement scale has been developed in the environment of Jordanian companies that conduct electronic business in their activities. The scale contained four factors. The first factor is economic performance. This factor included four items focused on aspects such as (The company's website helps to achieve economic value for the company, Designing of IT infrastructure contributes to cost effectiveness, the company's website helps increasing sales / profits, our business model helps the company getting cheaper raw materials). These items have been used in many previous studies, most notably Porter study (1985) and repeated in several subsequent studies. Factor 2 measures social performance, 6 items were used to evaluate this factor in areas such as: paying taxes and royalties, implementing social

human resource policies, offering training program to the community, running employee volunteering schemes and business education projects, as well as sponsoring community development trusts. These items have appeared in many previous studies such as (Snider, Hill, & Martin, 2003; Zairi & Peters, 2002). Factor 3 measures environmental performance and included 7 items focus on areas such as: creating products or processes that offer environmental benefits that implement environmental friendly operations by minimising the use of environmentally-toxic chemicals, reducing contaminations, recycling materials, improving waste management and reuse and, using fuel efficient machineries. These items have agreed with many previous studies (e.g. Zairi & Peters, 2002). Finally, factor 4 which incorporate four kinds of value – Strategic Benefits, Informational Benefits, Transactional Benefits and, Infrastructure Benefits – was used to measure the value of electronic business. These items coincided with the environment of Jordanian companies that conduct electronic business in their activities. Several studies have been used to develop this construct (e.g. Maçada *et al.*, 2012; Saloojee *et al.*, 2007), studies have differed in terms of value / values that has been confirmed. The difference is due to the environment, industries in which the study is applied and, finally, the nature of the value/ values that companies are seeking to achieve. All adapted constructs in the measurement scale have used five-point Likert scale where (1= Strongly disagree and 5= Strongly agree).

Figure 2. The measurement model for sustainable E-Business value



Testing of the Structural Model

The results of tested structural model are shown in figure 3. Goodness of fit statistics indicated that the model is satisfactory based on the criteria recommended by (Hu and Bentler, 1999; Hair et al, 2010). Chi-square/ degrees of freedom was ($\chi^2/d.f. = 313.45/183 = 1.713$), comparative fit index (CFI = 0.947), goodness of fit index (GFI = 0.864), normed fit index (NFI = 0.884), incremental fit index (IFI = 0.948) and (RMSEA = 0.058). The satisfied criteria serve as the basis for evaluation of the five hypotheses.

Figure 3. The Structural Model

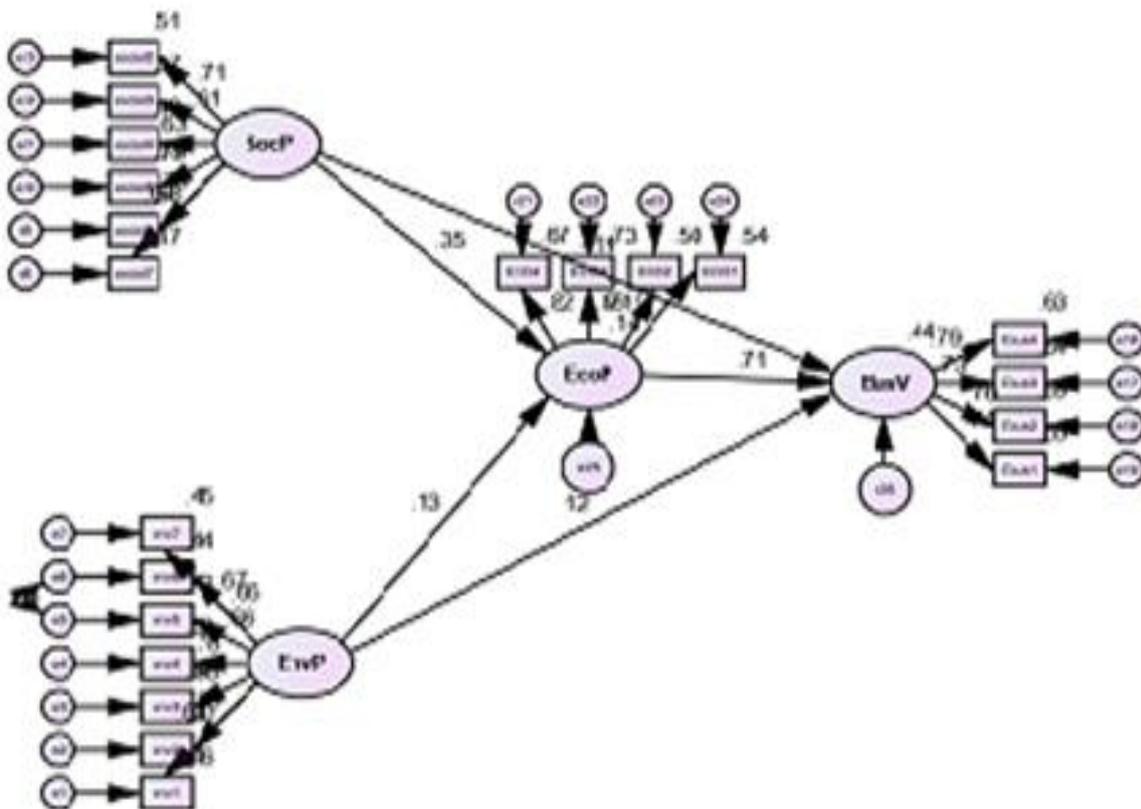


Table 3 presents summary for testing hypothesis results using structural model.

Table 3: Results of Testing Structural Model

Path			Estimate	Critical Ratio	Probability Value	Result	
H 1	Social performance	→	economic performance	0.346	4.278	***	Significant
H 2	Environmental performance	→	economic performance	0.131	1.833	0.067	Insignificant
H 3	Economic performance	→	E-Business Value	0.708	8.057	***	Significant
H 4	Social performance	→	E-Business Value	0.142	1.921	0.055	Insignificant
H 5	Environmental performance	→	E-Business Value	0.122	1.877	0.061	Insignificant

Path significant at: *** $p < 0.05$

Results in table 3 demonstrate path coefficient of standardised regression weight for causal effect of exogenous variables on endogenous variables perpetrated in AMOS report. The results found that standardised regression weight of economic performance is most closely correlated to the of E-Business value as the parameter estimate for economic performance on E-Business value (0.708) is significant, then the parameter estimate for social performance path on economic performance (0.346, $P \leq 0.05$). Other standardised regression weights (Environmental performance → Economic performance, Social performance → E-Business Value, Environmental performance → E-Business Value) were found to be insignificant. This study focuses on measuring the mediation effect of economic performance on the relationship between the dimensions of other sustainable performance (social, environmental) and the electronic business value. In this case, the economic performance variable was chosen to analyse the statistical power of structural model.

The researcher used the Sobel test which implies that the indirect effect of the independent variable on dependent variable should be considered. The value of the regression weight is multiplied by each of regression paths, it can be judged that the mediation effect occurred when the indirect effect was higher than the direct effect in the structural model as indicated by Baron & Kenny (1986). This indicates that the mediator contributes to increasing or decreasing the effect of the independent variable on the dependent. Also, if non-statistically significant value ($P\text{-value} > 0.05$) is found, it does not provide any change or shift to the effect on the dependent variable, it can be said that the mediation effect did not occur. In order to achieve the condition of occurring mediation effect, the probability value must be significant ($P < 0.05$) value. If one or both of these paths are insignificant, the mediation effect is not supposed to occur. The calculation illustrates a deeper understanding to recognise the flow or process that have been taken. The indirect effect (Social performance → Economic performance → E-Business Value = $0.346 \times 0.708 = 0.245$), and the direct effect = 0.142, both indirect effect (Social performance → Economic performance) and (Economic performance → E-Business Value) is significant.

Since the indirect effect is higher than direct effect, we conclude that the mediation occurs, and the mediation type here is partial mediation because the direct effect is still significant after mediator enters the path model. On the other hand, the second indirect path model (Environmental performance → Economic performance → E-Business Value) was calculated as follow ($0.131 \times 0.708 = 0.093$), The direct effect = 0.122. (Environmental performance → Economic performance) is not significant and (Economic performance → E-Business Value) is significant, we conclude that the mediation is not accrued because the direct effect is still higher than the indirect effect although the mediator variables has a significant path. The previous results indicate that economic performance plays a prominent role as a mediator effect between social performance and E-Business value.

Discussion and Implications

The purpose of this research paper is to propose and test a model of direct and indirect relationships of sustainable performance and E-Business value. The significant contribution of this paper is the empirical test of the extant theory which assumes that sustainable performance enhances creating business value. On the other hand, social and environmental performance contributes to the achievement of the best economic indicators, which in turn reflected on the value of business. A number of important findings which have both theoretical and managerial implications have emerged. Researchers suggested that creating the value of E-Business should go through different types of sustainable performance, which was supported by many previous studies. In agreement with previous literature, economic performance is the basis for creating the value of E-Business. The achievement of the best economic indicators is evidence on that the company is heading in the right direction towards achieving value. The results of the present study supported this theory, it was found that creating business model that helps the company getting cheaper raw materials and building company's website that helps increasing sales / profits. Also, designing of IT infrastructure that contributes to cost effectiveness, and adopting electronic business model which contributes to efficient machines utilisation and achieves the best use of labour will help to achieve economic value for the company and in turn leads to the value of electronic business which represented in (Informational Benefits, Infrastructure Benefits, Transactional Benefits and, Strategic Benefits). The results also supported the significant impact of social performance indicators on economic performance. In other words, social performance indirectly effects of value of E-Business through economic performance.

The social performance indicators that has an significant impact such as the performance of E-Business companies in business education projects, running employee volunteering schemes, paying taxes and royalties, sponsoring community development trusts, offering training program to the community, and implementing social human resource policies. The results demonstrated no significant impact of the environmental performance either on the economic performance or the value of electronic business. The proposed statistical power of the structural



model was achieved, but the mediator did not play a role in the effect between environmental performance and the E-Business value. Failure to mediate cannot be considered as a failure in analysing data or mistakes in the specified model. However, it may be attributed to the absence of the effect of environmental performance on dependent variables (economic performance, E-Business value) due to lack of correlation between these constructs, or the targeted sample does not see that environmental performance can affect economic performance or even the value of electronic business, or that the sample does not see that the performance should be addressed as one of the dimensions of sustainable performance at this time. Although many previous literatures have pointed to the importance of focusing on environmental performance as mentioned earlier, as good environmental practices increase the effectiveness of the company and improve its image to the community as environmentally friendly and thus will reflect on economic performance and value. This finding can also be explained by the fact that E-Businesses do not attach importance to the environmental performance variable. Most companies that operate electronic businesses are service companies as the nature of the practices in these companies require moving away from what causes damage to the environment. Quite the opposite of manufacturing companies in which the production process requires effective waste management and recycling and the use of fuel efficiency mechanisms. Business models can help to carry out environmentally friendly operations, also electronic communication lead to reduce pollution. Such practices lead to the reduction of the use of toxic chemicals and reduce pollution rates and other practices that affect the environment.

Limitations and Future Research

This study focused on companies that conduct their business online. This study can be applied to other sectors, in order to compare how to create value for business through dimensions of sustainability and obtain more insight on how environmental and social performance relates to economic performance, which in turn creates value for business. Future research must be taken as a small and medium-sized company, as large companies are always seen as guiding the creation of economic value. The model developed in this study can be used to compare the types of companies (large, medium, and small) in order to judge the extent of the difference in dealing with the dimensions of sustainability. Finally, this model can be compared in different countries, as the view of nations may differ in order to reach a generalisation of the model.

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