



# The Effect of Corporate Governance on Customer Relationship Quality and Marketing Performance

أثر حوكمة الشركات على جودة العلاقة بالزبائن و الأداء التسويقي

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## Committee Pronouncement

This thesis has been discussed under its title "The Effect of Corporate Governance on Customer Relationship Quality and Marketing Performance", and has been approved on 27-5-2012

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Thanks Dr. Laith...

## Dedication:

This thesis is dedicated to my precious family; my father, my mother, my sister and my brothers, who supported me in each and every way it was needed.

This success is dedicated to my beloved wife who was with me in each and every step, for her patience and support.

It's also dedicated to everyone who participated and helped me.

Muthaffar Al-Qudah  
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## ملخص الدراسة :

الهدف الرئيسي من هذه الدراسة هو التأكيد على أهمية حوكمة الشركات في الشركات المتوسطة و الكبيرة وتأثيرها على الأداء التسويقي من خلال جودة العلاقة بالزبائن، من أجل تحقيق ما يلي:

- 1 - إعداد الإطار النظري، من خلال فهم مواضيع حوكمة الشركات، الأداء التسويقي و جودة العلاقة بالزبائن.
- 2 - تحديد مستوى أهمية متغيرات الدراسة الشركات الأردنية المتوسطة و الكبيرة.
- 3 - استكشاف تأثير حوكمة الشركات على الأداء التسويقي.
- 4 - استكشاف تأثير حوكمة الشركات على و جودة العلاقة بالزبائن.

كانت عينة الدراسة من مديري الشركات المتوسطة و الكبيرة في الأردن، الذين يشغلون مناصب رئيسية مثل (رئيس مجلس الإدارة، نائب رئيس مجلس الإدارة، المدير العام و المناصب الرئيسية الأخرى داخل الإدارة العليا على سبيل المثال لا الحصر : المدراء، رؤساء الأقسام و التدقيق الداخلي).

صمم الباحث من أجل تحقيق أهداف هذه الدراسة، استبياناً يتألف من (29) بيانات لجمع المعلومات الأولية من عينة الدراسة تم تطبيق برنامج الحزمة الإحصائية للعلوم الاجتماعية لاختبار فرضيات الدراسة.

طبقت هذه الدراسة العديد من الأساليب الإحصائية. بعد تنفيذ التحليل على فرضيات الدراسة، وخلصت الدراسة إلى أن:

1. كان مستوى أهمية حوكمة الشركات في الشركات الكبيرة و المتوسطة الأردنية عالي.
2. كان مستوى أهمية جودة العلاقة مع الزبائن في الشركات الكبيرة و المتوسطة الأردنية عالية.

3. كان بناء جودة العلاقة مع الزبائن العملاء في الشركات الكبيرة و المتوسطة الأردنية مستويات عالية الأهمية.
4. كان لمستوى الأداء التسويقي في الشركات الكبيرة و المتوسطة الأردنية أهمية متوسطة.

ونتيجة لذلك كانت التوصيات على النحو التالي:

1. ينبغي التأكيد على دور حوكمة الشركات ويوصى بدرجة كبيرة ليتم تطبيقها في كل مؤسسة مهما كانت طبيعة تلك الشركة كانت وفي أي قطاع.
2. حوكمة الشركات يضمن نجاح الشركات، ويخفض تكلفة رأس المال، و تقلل الفوائد ، والفساد، وسوء إدارة المخاطر، كل هذا له تأثيره المباشر على صورة المنظمة الذي يؤدي إلى ثقة العملاء والتزامهم (جودة العلاقة بالزبائن).
3. وينبغي للمنظمات التركيز بشكل أكبر على الحصول على جودة العلاقة بالزبون ، لما لها من تأثير كبير على الأداء التسويقي.

## Abstract:

The main objective of this study is to emphasize the importance of corporate governance in the Jordanian middle and large organizations and its effect on the marketing performance through the customer relationship quality, in order to achieve the following:

- 1- Preparing theoretical framework, through understanding the corporate governance, customer relationship quality and marketing performance topics.
- 2- Identifying the importance level of the study variables in the Jordanian middle and large enterprises.
- 3- Exploring the effect of corporate governance on marketing performance.
- 4- Exploring the effect of corporate governance on customer relationship quality.

The sample of the study was the managers of middle and large enterprises in Jordan, who occupy key positions such as (Chairman of the board, vice chairman of the board, general manager and other key positions within the higher management for example but not limited to: managers, department heads and compliance officers).

In order to achieve the objectives of this study, the researcher designed a questionnaire consisting of (29) statements to gather the primary information from the study sample. The Statistical Package for Social Sciences (SPSS) program was applied to test the hypothesis.

The study applied many statistical methods. After executing the analysis on the study hypothesis, the study concluded that:

1. The importance level of Corporate Governance in Jordanian MLEs was high.
2. The importance level of Customer Relationship Quality in Jordanian MLEs was high.
3. Customer Relationship Quality constructs in Jordanian MLEs had a high importance levels.
4. The importance level of Marketing Performance in Jordanian MLEs was Mid.

As a result the recommendations were as below:

1. Corporate Governance role should be emphasized more and it is highly recommended to be applied in each organization whatever the nature of that firm was and at any sector.

2. Corporate Governance ensures corporate success, lowers capital cost, also minimizes wastages, corruption, risks and mismanagement, this all has its direct influence on the organization image that leads to customer trust and commitment (Relationship Quality).
3. Organizations should focus more on obtaining customer relationship quality since it has a significant effect on marketing performance.

## Chapter One:-

### Introduction:

Corporate governance has been part of research into the business profession since Adam Smith's (1776) seminal publication of *An Inquiry into the Nature and Causes of the Wealth of Nations* and undoubtedly given impetus through Berle and Means's (1932) classic publication of the separation of corporate ownership from control. The latter authors sought to explain why a firm with several dispersed shareholders gave vested control powers to the manager who may or may not have shares in the firm, with relevant guidance through the analytical lens of Jensen and Meckling's (1976) positivist agency theory, there is still an unparalleled interest in the field of corporate governance. Corporate governance is aimed at reducing conflicts of interest, short-sightedness of writing costless perfect contracts and monitoring of controlling interests of the firm; (Denis and McConnell, 2003).

Good corporate governance can also be considered as the diligent way in which providers of corporate financial capital guarantee appropriate rewards in a legal and ethically moral way. There are both internal and external ways of achieving this, the first one is through the structure of ownership (shareholding concentration and voting rights), and board of directors or supervisory board in some regulatory regimes (who monitor firms and are supposed to work in the interest of shareholders).

The second one is through the market for corporate control (takeover threats), regulatory intervention, and product and factor markets (Jensen, 1993).

The importance of corporate governance is driven by the need of the organizations to maximize its profits which leads to more satisfaction for the stockholders, in addition to

building more clearly strategic goals that will improve reputation; market position; less impact for any risk might negatively affect the performance of the organization.

Moreover the corporate governance will encourage organizations pursue their main goal (maximizing outcome) through encouraging every competitor in the market to work harder and obtaining more acts against corruption, more encouragement on competition itself, making the financial markets more stable and preventing scandals such as Enron, BCCI, etc ... (1)

Although a lot of earlier studies focused on the effect of corporate governance over the financial position of the firm, we will focus in our study on corporate governance role in improving marketing performance; therefore we will try to measure the effect of corporate governance on the marketing performance and relationship quality (customer trust and commitment).

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(1) <http://projects.exeter.ac.uk/RDavies/arian/scandals/>

## Study Problem and Questions:

Although some studies indicated the relationship between corporate governance and social responsibility as (Ruth V. Aguilera et al, 2005) ;( Luc Van Liedekerke, 2004), (Je, Drzej George Frynas, 2010), the researcher hasn't found (based on his knowledge) any study that investigates relationship between the corporate governance and the customers.

Most of organizations seek higher revenue, revenue as per the business dictionary is defined as: the income that a company receives from its normal business activities, usually from the sale of goods and services to customers, having said that the main source of revenue is customers that is defined as: any person or organization that a marketer believes will benefit from the goods and services offered by the marketer's organization. (Kotler 2007).

Based on the above it is so important to discuss the relation between corporate governance and the customers, since the governance plays a magnificent role in improving the relation between the organization and the customer (building customer trust and commitment) which eventually leads to better performance for the organization especially if you take into consideration that the cost of new customer is five to six times more than maintaining the current customer.

Based on the above mentioned points, the research questions that seek to address the questions outlined below are:

1. To what extent does the corporate governance affect marketing performance in the Jordanian medium large enterprises (MLE's)?
2. Is there any effect of corporate governance on relationship quality in the Jordanian MLE's?

3. Will the relationship quality affect marketing performance in the Jordanian MLE's?
4. How would the corporate governance affect marketing performance through the relationship quality in the Jordanian MLE's as a mediator?

### Study Hypothesis:

In order to reach the study objectives, four hypotheses have been developed as followed:

- H1: There is a positive effect of corporate governance on marketing performance (customer satisfaction, customer loyalty) in Jordanian MLEs.
- H2: There is a positive effect of corporate governance on relationship quality in (customer trust, customer commitment) Jordanian MLEs.
- H3: There is a positive effect of relationship quality (customer trust, customer commitment) on marketing performance (customer satisfaction, customer loyalty) in Jordanian MLEs.
- H4: There is a positive indirect effect of corporate governance on marketing performance (customer satisfaction, customer loyalty) through relationship quality as a mediator (customer trust and commitment) in Jordanian MLEs.



## Justification of the study:

The importance of this study is taken from the weight of the corporate governance in Jordan since it is very important to the 3<sup>rd</sup> world countries and its emerging markets to be guided with a set of rules and regulations sought in the Corporate governance; This is considered almost as a requirement due to globalization and hard competition among enterprises across all sectors.

Jordan became a member in the world trade organization in 2001, joining such organization and being a member of a lot of global economic agreements forced Jordanian enterprises to apply “Corporate Governance” the codes of corporate governance was set by “Jordan securities commission”; Applying these rules and principles has become a slogan for public and private sectors, and a tool for enhancing confidence in any national economy and evidence of the existence of fair and transparent polices for protecting investors and traders alike. It is also an indication to the level of professional commitments reached by the companies’ managements towards good governance, transparency and accountability, the existence of measures to limit corruption, and consequently raise the economy’s attractiveness to local and foreign investments and bolstering its competitiveness.

These rules are based principally on a number of legislations, mainly the Securities Law and related regulations, the Companies Law, and the international principles established by the Organization of Economic Cooperation and Development (OECD).

That was proven by a visit of high level Jordanian economists to the headquarter of the OCED – Paris in 2007.

<http://jsc.gov.jo/library/634365426651890968.pdf>

[http://www.oecd.org/document/28/0,3746,en\\_34645207\\_34645590\\_38065372\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/28/0,3746,en_34645207_34645590_38065372_1_1_1_1,00.html)

## Objectives:

Based on some of the setbacks encountered in corporate governance studies, the main objective of this thesis is to:

1. Determining the effect of corporate governance on relationship quality.
2. Investigating the effect of relationship quality on marketing performance.
3. Examining the effect of corporate governance on marketing performance.
4. Determining the indirect effect of corporate governance on marketing performance through the relationship quality as a mediator.

## Study Terminology

1. Corporate governance : is the set of processes, customs, policies, laws, and institutions affecting the way a corporation is directed, administered or controlled.

(Becht, et al 2002)

2. Relationship Quality : is a set of acts performed by the organization in which the ultimate goal is to strengthen already strong relationships and to convert indifferent customers into loyal ones and it is comprised of two different but related dimensions, which are: quality and trust. (Papassapa Rauyruen, et al. 2009)

- Customer Trust, trust in social science is the willingness of one party (trustor) to be vulnerable to the actions of another party (trustee), however in our terminologies it could be defined as “which exists when one party has confidence in an exchange partner’s reliability and integrity, (Morgan and Hunt, 1994)

- Customer Commitment: is defined as an implicit or explicit pledge of relational continuity between exchange partners, (Dwyer et al. 1987). In simpler terms, commitment refers to the motivation to stay with a supplier or supplier (Moorman et al. 1992). In a business relationship, commitment is a psychological sentiment of the mind through which an attitude concerning continuation of a relationship with a business partner is formed (Wetzels, et al.1998).

Marketing Performance: is a term used by marketing specialists to describe the efficiency and effectiveness of marketing, it is accomplished by focus on the alignment of marketing activities, strategies, and metrics with business goals, It also involves the creation of a metrics framework to monitor marketing performance, afterwards develops marketing dashboards to manage marketing performance.

Or it easily could be defined as the ability to achieve the objective of marketing (Solcansky et al 2010)

- Customer Satisfaction: a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation.

Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. (Farris, Paul W, et al 2010)

- Customer loyalty: can be defined as the totality of feelings or attitudes that would incline a customer to consider the re-purchase of a particular product, service or brand or re-visit a particular company, shop or website. Customer loyalty has always been critical to business success and profitability. (Buchanan, et al 1990)

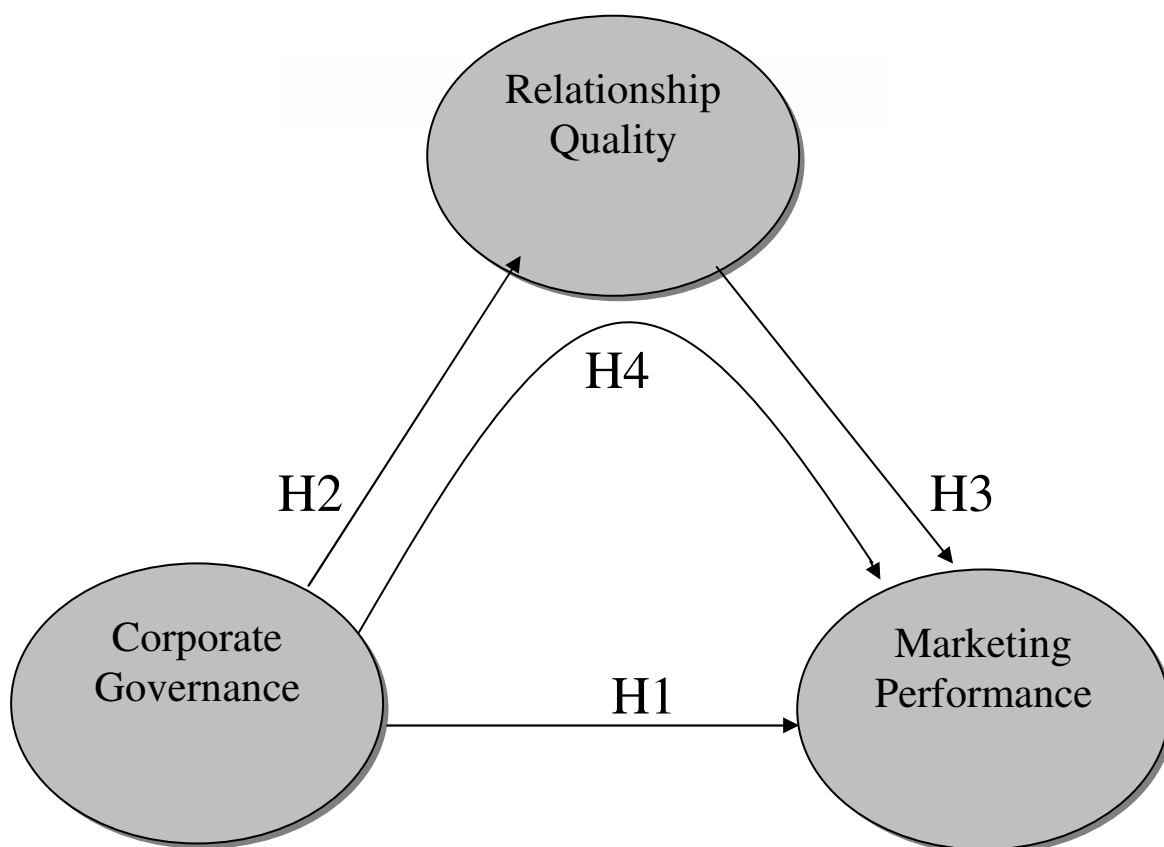
## Study Limitations

1. Place limitation: companies which are affected by corporate governance and have a market for its products in Jordan.
2. Time limitations: the time absorbed to study accomplishment, (February & March 2012)
3. Human limitation: the general managers of medium and large firms in Amman.

## Study Difficulties

1. The term “Corporate Governance” is not widely known in the companies that were selected as a sample for this study.
2. The study was limited to Jordanian MLE’s.
3. The findings of the study will be limited by the instruments that will be used in the evaluation with its validity and reliability.
4. The study is limited to the higher management that is aware of the term “Corporate Governance”; people in such positions ( were not easy to find available for interview or spending time to answer the questionnaire.
5. Secondary data was rare Arabic.

## Study Model



The study module was developed depending on a number of studies related to the variables of this study as below:

Corporate Governance, including (3) constructs (Corporate Governance Compliance; Management Duties and Corporate Governance Evaluation) through 7 items by (Osiyemi, 2006), 4 items by (Becht, 2006) and 5 items by (Becht, 2006), as a scale measures respectively. Customer Relationship Quality, including (2) constructs (Customer Trust and Customer Commitment thorough 4 items by (Lohtia et al, 2005) and 3 items by (Ashour, 2006) as a scale measures respectively. Marketing Performance, including (2) items (Market Share and Profitability) by (Julian, 2003).

## Chapter Two:

1- Theoretical Framework.

2- Literature Review.

### Theoretical Framework:

#### Corporate Governance:

There are a large number of codes or guides describing best corporate governance practice. Many of these codes or guides have their own definitions of corporate governance. An analysis of these definitions shows that there is a reasonable consensus that, at a minimum, corporate governance is broadly about two things:

- **Firstly**, it is about the mechanisms by which corporations are directed and controlled; and
- **Secondly**, it is about the mechanisms by which those who direct and control the corporation are monitored and supervised. That is, it is about mechanisms that ensure those who are in control are accountable.

Of course, some definitions go further and refer to balancing the interests of different stakeholders in the corporation. They refer to the need to balance and align the interests of employees, creditors, suppliers, customers, and the local community, as well as the relationship between management, the board and shareholders.

The debate about whether corporate governance should be concerned about balancing the interests of stakeholders beyond management, the board and shareholders, is clearly an interesting one. However, I do not want to pursue it at the moment.

### Customer Relationship:

Morgan and Hunt (1994) define relationship marketing by using the concepts of commitment and trust. Commitment appears to be one of the most important variables for understanding the strength of a marketing relationship, and it is a useful construct for measuring the likelihood of customer loyalty as well as for predicting future purchase frequency (Dwyer et al., 1987). While commitment is the most common dependent variable used in buyer-seller relationship studies (Wilson, 1995), Morgan and Hunt (1994) regard relationship commitment as the cornerstone of relationship marketing. They define commitment as “an ongoing relationship with another that is so important as to warrant maximum efforts at maintaining it”.

Morgan and Hunt (1994) conceptualize trust as “willingness to rely on an exchange partner in whom one has confidence”. The level of trust between exchange partners is an important criterion for understanding the strength of marketing relationships and has been defined in a variety of related ways. As Wilson (1995) suggests, trust is a fundamental relationship model building block and is included in most relationship models. Trust has been defined in diverse ways in the relationship marketing literature. Morgan and Hunt (1994) identify trust as a key construct in their model of relationship marketing. For the operationalization purpose definition of Morgan and Hunt was taken because it has considered the exchange and confidence which would be important in relationship marketing as a base.



## Customer Trust:

Trust is a focal key in the development of the relationship between banks and customers. It is also acknowledged in marketing theory as the basic policy in developing and sustaining long-term relationships (Crosby et al., 1990; and Doney and Canon, 1997), to build a mutually beneficial relationship with customers on the basis of mutual trust, and to enhance competitiveness generally, trust is viewed as an essential element for successful relationships (Morgan and Hunt, 1994)

Although, trust has different meanings from the perspective of various disciplines (i.e. psychology, economic, finance, marketing, and religion), and has been studied in a variety of disciplines, every discipline has its own understanding and concepts in defining trust, and consequently, there is no consensus on its definition (Lewis and Weigert, 1985; and Young and Wilkinson, 1989).

For example, Morgan and Hunt (1994) explained that trust exists when one group has the confidence to engage in a relationship with another trustworthy and honest party. This definition is in line with the one proposed by Moorman et al., (1992), where trust is defined as the willingness to engage in partnership. The elements of confidence and reliability from both parties are crucial in building trust. Furthermore, Moorman et al., (1993) explained that trust has two approaches.

First, trust is defined as belief, confidence, or where there is an expectation on a trusted partner who has expertise, reliability and intentionality.

Second, trust is also perceived as the intentional behavior or the behavior that reflects partner's trust, and it involves the element of uncertainty and vulnerability on the party who is trusting. Similarly, Garbarino and Johnson (1999) defined trust as customer confidence in the quality and reliability of the services the services offered by the organization.

## Literature Review:

(Jensen, J.B and R.E. Markland, 1996)

This paper examines the role of the corporate objective function in corporate productivity and efficiency, social welfare, and the accountability of managers and directors. Jensen argues that since it is logically impossible to maximize in more than one dimension, purposeful behavior requires a single valued objective function. Two hundred years of work in economics and finance implies that in the absence of externalities and monopoly (and when all goods are priced), social welfare is maximized when each firm in an economy maximizes its total market value. Total value is not just the value of the equity but also includes the market values of all other financial claims including debt, preferred stock, and warrants.

(Hallowell, 1996)

The purpose of Hallowell's paper is to illustrate the relationship of profitability to intermediate, customer-related outcomes that managers can influence directly.

The service profit chain (Heskett et al., 1994) hypothesizes that:

Customer satisfaction --> customer loyalty --> profitability.

The research presented in his paper, is unable to demonstrate causality because of its reliance on OLS regression of cross-sectional data, does illustrate that customer satisfaction, customer loyalty, and profitability are related to one another. Thus:

Customer satisfaction <--> customer loyalty <--> profitability.

The marketing literature suggests that customer loyalty can be defined in two distinct ways (Jacoby and Kyner, 1973). The first defines loyalty as an attitude. Different

feelings create an individual's overall attachment to a product, service, or organization (see Fornier, 1994). These feelings define the individual's (purely cognitive) degree of loyalty.

The second definition of loyalty is behavioral. Examples of loyalty behavior include continuing to purchase services from the same supplier, increasing the scale and or scope of a relationship, or the act of recommendation (Yi, 1990). The behavioral view of loyalty is similar to loyalty as defined in the service management literature. This study examines behavioral, rather than attitudinal, loyalty (such as intent to repurchase).

(Bushman, et al 2001)

Bushman's paper reviews and proposes additional research concerning the role of publicly reported financial accounting information in the governance processes of corporations. He first reviews and analyzes research on the use of financial accounting measures in managerial incentive plans and explore future research directions. He then proposes that governance research be extended to explore more comprehensively the use of financial accounting information in additional corporate control mechanisms, and suggest opportunities for expanding such research in the U.S. and abroad, including the consideration of interactions among control mechanisms. He also proposes research to investigate more directly the effects of financial accounting information on economic performance through its role in governance and more generally using a cross-country approach.

(Mintz, 2001)

The purpose of Mintz's paper is to apply Stakeholder Theory to the relationships that exist in a public corporation and evaluate the adequacy of corporate governance systems in the U.S.

Following the Enron and WorldCom scandals, the regulators and courts in the U.S. took steps to enhance corporate governance by:

- (1) Adopting the Sarbanes-Oxley Act of 2002;
- (2) Fostering increased shareholder democracy by creating a mechanism for long-term security holders with significant investments to "participate meaningfully in the proxy process for the nomination and election of directors"
- (3) Establishing guidelines to increase expectations for independent action by board members through recent decisions of the Chancery Court in Delaware where more than 50percent of U.S. corporations are incorporated (New York Times 2004); and (4) By applying standards in the Employee Income and Security Act (ERISA) that require specific information on available investment options to relieve the plan sponsor of certain liabilities associated with employee 401(k) or other retirement accounts.

(Denis, et al. 2003)

Denis surveys two generations of research on corporate governance systems around the world, concentrating on countries other than the United States. The first generation of international corporate governance research is patterned after the US research that precedes it. These studies examine individual governance mechanisms - particularly board composition and equity ownership - in individual countries. The second generation of international corporate governance research recognizes the fundamental

impact of differing legal systems on the structure and effectiveness of corporate governance and compares systems across countries.

(Brown, 2004)

Brown in that paper was looking forward to create a broad measure of corporate governance, Gov-Score, based on a new dataset provided by Institutional Shareholder Services. Gov-Score is a composite measure of 51 factors encompassing eight corporate governance categories: audit, board of directors, charter/bylaws, director education, executive and director compensation ownership, progressive practices, and state of incorporation. He relate Gov-Score to operating performance, valuation, and shareholder payout for 2,327 firms, and we find that better-governed firms are relatively more profitable, more valuable, and pay out more cash to their shareholders. He examines which of the eight categories underlying Gov-Score are most highly associated with firm performance. He shows that good governance, as measured using executive and director compensation, is most highly associated with good performance. He showed how often his sample firms meet each of 51 minimum governance standards. Ninety-five percent or more of our sample firms meet at least one of five governance provisions, including no interlocks exist among compensation committee, and directors and the CEO serves on two or fewer boards of other public companies. Ninety-five percent or more of our sample firms fail to meet at least one of 12 minimum governance standards, including incorporation in a state without any anti-takeover provisions, firm does not expense stock options, firm has no formal policy on auditor rotation, and firm has no policy requiring outside directors to serve on, at most, five additional boards

## (الشمري 2008)

تتناول الباحث عيد بن حامد الشمري في تلك الورقة مفهوم حوكمة الشركات وأسباب ودوافع ظهورها في السنوات الأخيرة والجهود المبذولة لتفعيلها ومناقشة أهم الآليات المطبقة في المملكة العربية السعودية وفقاً للتسلسل التاريخي والتي تتمثل في كل من النظام التجاري، نظام الشركات، نظام المحاسبين القانونيين، المعايير المهنية، لجان المراجعة، نظام الرقابة الداخلية، لائحة حوكمة الشركات، المراجعة الداخلية، وتنتهي تلك الورقة بتقديم أهم النتائج والتوصيات.

ملخص النتائج كان يتمثل بهذه النقاط:

- 1- تعد السوق السعودية الأكبر عربياً من حيث القيمة السوقية.
- 2- وجدت الحوكمة بالمملكة منذ عام 1931م متمثلة في صدور أول نظام تجاري.
- 3- الموافقة على النظام الجديد للمحاسبين القانونيين وإنشاء الهيئة السعودية للمحاسبين القانونيين.
- 4- غياب الرقابة على آليات الحوكمة ونقص الإفصاح والشفافية في بعض الشركات المساهمة.
- 5- المراجعة الداخلية لدى بعض الشركات لا زالت تحتل مكاناً متواضعاً .

بناءً على تلك النتائج كانت التوصيات كما يلي:

- 1- ضرورة تعديل بعض أحكام نظام الشركات السعودي لتعزيز نظام الرقابة الداخلية
- 2- الدعوة لزيادة الوعي لدى مساهمي الشركات المساهمة بحقوقهم في حضور اجتماع الجمعيات العمومية بتنفيذ تعليمات هيئة سوق المال ومن ضمنها لائحة حوكمة الشركات.
- 3- ضرورة تعديل بعض أحكام لائحة الحوكمة بما يتناسب وطموحات أصحاب المصالح وإلزام الشركات المساهمة بأحكامها.

(Maria Maher, et al, 2009)

The paper of Maria titled “corporate governance: effects on firm performance and economic growth” addresses corporate governance and its effect on corporate performance and economic performance; It also provides a survey of empirical evidence on the link between corporate governance, firm performance and economic growth.

As a conclusion the author implies that corporate governance affects the development and functioning of capital markets and exerts a strong influence on resource allocation and that there is no single model of good corporate governance.

(BBVA Microfinance Foundation, 2011,)

The purpose of that paper is to explain good corporate governance principles and how they are put into practice in the microfinance sector. That paper is targeted at members of governing bodies in microfinance institutions (MFI) interested in improving their institution's corporate governance practices. Based on examples and real situations in the microfinance sector, this practical tool will encourage MFIs to become more aware of the importance of implementing specific policies and programs to improve corporate governance practices.

Although this separation of ownership and management duties is useful, it can also cause problems when the owners' interests are not aligned with the directors' interests. This problem is analyzed in economic theory and the theory of organizations and is known as the agency problem. It analyzes formal and informal contracts through which one (or more people) called "the principal" hires another person called "the agent" to defend their interests, delegating that person a certain amount of decision-making

power. The problem arises when managers act in their own interests, losing sight of the objectives agreed with the shareholders or contributors.

This problem gets worse, the more exaggerated the information asymmetry is. In the general finance system and in the microfinance sector in particular, information asymmetry problems are bigger than in other sectors, which is why good corporate governance rules are of special importance for MFIs.

Information asymmetry occurs when one of the parties in a relationship or contract has incomplete information compared to the other party. Due to the very nature of microfinance activity, there may be situations in which the interests of an MFI's stakeholders –contributors, investors, customers, employees, and government– vary among them. For instance, managers may want to increase the MFI's profitability by investing in high-risk projects and/or projects that do not seek the corporate goal pursued by the institution's owners. This could result in excessive risks and/or distancing from the MFI's corporate purpose. There are many situations of conflicting interests among an organization's stakeholders.

#### Definition of corporate governance

Corporate governance in the broadest sense refers to principles and rules regulating an organization's operations to ensure that it achieves its goals. It is therefore intrinsically linked to an organization's management and control system. Good governance means that an organization has a system of processes and rules that guarantee fulfillment of its mission and the efficient use of resources.

In the case of MFIs, corporate governance is closely related to how the governing body (Board of Directors) and the management body (Management) manage the institution



A good corporate governance policy plays an essential part in generating transparency and keeping up society's confidence in the institution. Poor corporate governance practice can lead to an MFI's downfall.

## CHAPTER THREE

### METHOD AND PROCEDURES

#### (3-1): Introduction

This chapter is divided into the following six sections: Study Methodology; Study Population and Sample; Study Tools and Data Collection; Statistical Treatment; Reliability and Validity

#### (3-2): Study Methodology

Descriptive Studies involves collecting data in order to test hypotheses and answer questions concerning the current status of the subject(s) of a study. Typical descriptive studies are concerned with the assessment of attitudes, opinions, demographic information, conditions, and procedures. In this Study the researcher chose the Analytical descriptive method using an applied manner.

#### (3-3): Study Population and Sample

The population of the study is the whole of members of higher management of manufacturing and services sector companies in Jordan, of these about 555 (DOS, 2008) 54.0% of that population was taken as a sample, 300 questioners were distributed, the number of received questioners equal 90 which made 30.0 % was returned from the

distributed questioners, 3 questioners were eliminated due to so the number of questioners were taken in analysis was 87.

### (3-4): Study Tools and Data Collection

The current study consists of three dimensions (Factors), theoretical and practical. In the theoretical dimension the researcher depended on the scientific studies/thoughts that are related to the current study. Whereas, in the practical side the researcher depended on descriptive and analytical methods using the practical manner to collect, analyze data and test hypothesis.

The data collection, manners analysis and programs used in the current study are based on two sources:

1. Secondary sources: books, journals, articles thesis to write the theoretical framework of the study.
2. Primary source: the questionnaire that was designed to reflect the study objectives and questions.

In this study, both primary and secondary data were used. Data for the model collected via questionnaire .After conducting a thorough review of the literature pertaining to Bottlenecks in Operations Management, the researcher formulated the questionnaire instrument for this study.

The questionnaire instrument sections are as follows:

**Demographic Variables:** The demographic information was collected with closed-ended questions, through (6) variables , such as Gender , Age Gender , Age , Educational Level , Job Position , Companies Sectors, Firm Size (Number of Employee.

**Cause & Effect Factors:** This section measured the Cause and effect factors of three main dimensions, such as; Corporate Governance, including (3) constructs (Corporate Governance Compliance; Management Duties and Corporate Governance Evaluation) through 7 items by (Osiyemi, 2006), 4 items by (Becht, 2006) and 5 items by (Becht, 2006), as a scale measures respectively. Customer Relationship Quality, including (2) constructs (Customer Trust and Customer Commitment thorough 4items by (Lohtia et al, 2005) and 3 items by (Ashour, 2006) as a scale measures respectively. Marketing Performance, including (2) items (Market Share and Profitability) by (Julian, 2003).

The Corporate Governance items measured on a Likert-type such as:

Never	Rarely	Sometimes	Often	Always
1	2	3	4	5

The Customer Relationship Quality items measured on a Likert-type such as:

Disagree At all	Disagree	Neutral	Agree	Agree Completely
1	2	3	4	5

The Marketing Performance items measured on a Likert-type such as:

Less	Somewhat less	Similar	Somewhat more	More
1	2	3	4	5

### (3-5): Statistical Treatment

Data from the returned responses were collected for the analysis and conclusions of the study questions. The researcher used the Statistical Package for the Social Sciences SPSS and AMOS Packages. Finally, the researcher used the suitable Statistical methods that consist of:

- Cronbach's Alpha ( $\alpha$ ) to test Reliability.
- Percentage and Frequency.
- Arithmetic Mean and Standard Deviation to answer the study questions.
- Simple Liner Regression analysis to test first three hypotheses , with (F) test statistic from ANOVA table and test statistic to inference the significance to both estimated regression and its coefficient which means the effect of cause and effect factors on Customer Loyalty.
- Multiple regression and variance inflection factor as the assumption to apply path analysis to identify direct and indirect effect between study variables.
- Relative importance, that assigning due to:

$$\text{Level of Importance} = \frac{\text{Upper limit of response} - \text{Lower limit of response}}{\text{Number of Levels}}$$

Number of levels are (3) as ; High , Mid and Low.

The following table (3 – 1) show how the range of number of levels computed

Table (3 – 1 1)

Range of Level of Importance Scale

Mean Range	level
2.33 and less	Low
More than 2.33 to 3.66	Mid
More than 3.66	High

### (3-6): Reliability and Validity

#### (A) Validation

To test the questionnaire for clarity and to provide a coherent research questionnaire, a macro review covers all the research constructs was accurately performed by academic reviewers-from Jordanian universities - specialized in management information systems, Total Quality Management; Production and Operation Management, and Statistical science. Some items were added based on their valuable recommendations .Some other was reformulated to become more accurate which is expected therefore to enhance the research instrument. The academic reviewers who evaluated the questioner are:

- 1- Dr. Mohammad Al Nuaimi. MEU
- 2- Dr. Mohammad Al Shoura. MEU

### B) Study Tool Reliability

The reliability analysis applied the level of Cronbach's Alpha ( $\alpha$ ) as the criteria of internal consistency. Which were at a minimum acceptable level ( $\text{Alpha} \geq 0.60$ ) suggested by (Sekaran, 2003). The coefficients after removing some items from each construct are as in Table (3 - 2).

Table (3 - 2)

Cronbach's Alpha Coefficients for Dimensions its Constructs

No.	Dimension	Items Number	Coefficient
1	Corporate Governance Compliance	7	0.837
2	Management Duties and responsibilities	4	0.848
3	Corporate Governance Evaluation	5	0.860
Corporate Governance		16	0.890
4	Customer Trust	4	0.866
5	Customer Commitment	3	0.906

Customer Relationship Quality	7	0.856
Marketing Performance	2	0.815
All Dimensions	25	0.912

The Cronbach's Alpha coefficient of first factor " Corporate Governance " including ( 16 ) statements as a scale to it was ( 89.0% ), within it constructs , the highest coefficient ( 86.0 % ) belongs to " Corporate Governance Evaluation " and the lowest ( 83.7 % ) belongs to " Corporate Governance Compliance ". The second factor " Customer Relationship Quality " including ( 7 ) statements as a scale to it was ( 85.6% ), within it constructs , the highest coefficient ( 90.6 % ) belongs to " Customer Commitment " and the lowest ( 86.6 % ) belongs to " Customer Trust ".

The third factor "Marketing Performance" including (2) criteria as a scale to it was (81.5%). Finally the overall Cronbach's Alpha coefficient equal to (91.2%), and according to (Sekaran, 2003) suggestion, all these coefficient levels are acceptable.



## Chapter Four

### Analysis Results & Hypothesis Test

#### (4-1): Introduction

Following the research purpose and research framework presented in previous chapter, this chapter describes the results of the distribution of responses for each demographic variable, statistical analysis of the data collection for research question and research hypothesis.

The data analysis included a description of the means and standard deviations, ranking and level of importance for study questions .Simple and multiple regression analysis to test the first three hypotheses. Finally, path analysis applied to identify direct and indirect effect between cause and effect factors to test fourth hypothesis.

#### (4-2): Study Questions Answers

##### A. Demographic Variables of Sample

Six demographic variables included in this study (Gender , Age , Educational Level , Job Position , Companies Sectors, Firm Size (Number of Employee ) . The results in table (4 – 1) represent distribution of sample individuals according to demographic variables:

Table ( 4 -1 )

## Distribution of Sample individuals according to demographic Variables

No.	Variable	Class	Frequency	Percentage
1	Gender	Males	59	67.8
		Females	28	32.2
Total			87	100
2	Age	Less than 30 years	27	31.0
		30 – 40 years	29	33.3
		41 – 50 years	18	20.7
		51- 60 years	10	11.5
		More than 61 years	3	3.4
Total			87	100
3	Educational Level	Secondary School or less	3	3.4
		Diploma	8	9.2
		BS.C	41	47.2
		Master	21	24.1
		PhD	14	16.1
Total			87	100
4	Job Position	Chairman of the Board	5	5.7
		Vice Chairman of the Board	9	10.3
		General Manger	25	28.7
		Others	48	55.2
Total			87	100

5	Companies Sectors	Manufacturing Sector	30	34.4
		Services Sector	57	65.5
Total			87	100
6	Firm Size (Number of Employees)	100 to 500	67	77.0
		500 and more	20	23.0
Total			87	100

Results in table (4 - 1) indicate that number of "Males" in the response sample is equal to (59) with (67.8%) as percentage while the reminders are "Females ". There were (29) of responses their age between (30 – 40) years which made (33.3%) as a percentage of "Age" classes while only (3) of responses found in "more than 61 years" class with (3.4%) percentage.

(47.2 %) of sample their "Educational Level" was a "BS.C", this percentage made this class the highest in educational level demographic variable and the smallest one was the class where the sample responses (3) had Secondary School or less "with (3.9 %) percentage.

The largest percentage of "Job Position" was (28.7%) to "" while the smallest one was (5.7 %) to "Chairman of the Board", the "Others" category had a wide variety of "Job Position".

More than half of sample responses (65.5%), dealing with "Services Sector" while (34.4%), dealing with "Manufacturing Sector"

The last demographic variable was " Firm Size" depending on the number of employee working in it, " Firm Size" divided into (2) class as in above table results,

about ( 67 ) of response works in Firm has "100 to 500" employees , which made (77.0%) as a percentage , ( 20 ) of response works in Firm has " 500 and more"

## B. Descriptive Variables

This section illustrates the descriptive statistics for each Factors and their construct as Mean and standard deviation, also the same measures to the item which followed to each of them and the rank beside the level of importance.

### 1. Corporate Governance :

Main dimension Corporate Governance was measured by (16) items divided to (3) constructs ; " Corporate Governance Compliance " measured with ( 7 ) items," Management Duties and responsibilities " measured with (4) items and " Corporate Governance Evaluation " measured with ( 5 ) items.

The descriptive statistics of "Management Duties and responsibilities" items in the table (4-2).

Table (4 - 2)

## Descriptive statistics of Corporate Governance Compliance

Item	Statement	Mean	Standard Deviation	Rank	Level of Importance
1	Does your company have a written code of corporate governance wherein the rights of shareholders and duties of the boards are specified?	4.4138	.72420	1	High
2	Does the company have a compliance officer whose task is to ensure full compliance of the company with existing laws and regulations?	4.1609	.81944	2	High
3	Training on corporate governance is provided to employee during staff induction program.	4.1149	.82723	3	High
6	Our company will terminate the appointment of any staff found guilty of giving or receiving bribe	4.0690	.99759	4	High
5	Does the company have a written code of conduct / ethics that is distributed to all employees	4.0575	1.02703	5	High
4	Does your board have a	3.9080	.94785	6	High

	governance committee to help the board perform to its best in assisting the company to achieve its objectives				
7	Unequal treatment of employees exists in our organization.	3.3448	1.31916	7	Mid
Grand Mean & Standard Deviation of Corporate Governance Compliance		4.0099	.68885		High

From table (4-2) the " Corporate Governance Compliance " construct scale had High level importance with mean (4.0099) and standard deviation (.68885), all items belong to him had "High" level of importance except one item , the highest mean of it's items was (4.4138) with standard deviation (.72420) to " Does your company have a written code of corporate governance wherein the rights of shareholders and duties of the boards are specified?, " This made it in the first rank when compared with others items , the second highest mean to " Does the company have a compliance officer whose task is to ensure full compliance of the company with existing laws and regulations " which equal to (4.1609) and standard deviation (.81944) , these results made it in the second rank, the smallest mean (3.3448) belong to statement " Unequal treatment of employees exists in our organization" make it in " Mid" level of importance with standard deviation (1.31916) and in the ( 7<sup>th</sup> ) rank .

The descriptive statistics of "Management Duties and responsibilities" items in the table (4-3).

Table (4 - 3)

## Descriptive statistics of Management Duties and responsibilities

Item	Statement	Mean	Standard Deviation	Rank	Level of Importance
9	Has the board of directors formulated Corporate Strategy & announced significant policies	4.0690	.87329	1	High
10	Are all significant matters brought to the attention of the board e.g. investments, divestments, writing off bad debts, inventories etc	4.0115	.92125	2	High
8	Has the board of directors adopted a vision/mission statement	3.9540	.87482	3	High
11	There is a good alignment (relationship) between the Board and Management in our organization	3.7356	.93336	4	High
Grand Mean & Standard Deviation of Management Duties and responsibilities		3.9425	.74680		High

From table (4-2) the " Management Duties and responsibilities " construct scale had High level importance with mean (3.9425) and standard deviation (.74680), all its items had a "High" level of importance , the highest mean of it's items was (4.0690) with standard deviation (.87329) to " Has the board of directors formulated Corporate Strategy & announced significant policies " this made it in the first rank when compared with others items , the second highest mean to " Are all significant matters brought to the attention of the board e.g. investments, divestments, writing off bad debts, inventories etc " which equal to (4.0115) and standard deviation (.92125) These results made it in the second rank, the smallest mean (3.7356) belong to statement " There is a good alignment (relationship) between the Board and Management in our organization " with standard deviation (.93336) and in the 4<sup>th</sup> rank .

The descriptive statistics of "Corporate Governance Evaluation" items in the table (4-4).

Table (4 - 4)

Descriptive statistics of Corporate Governance Evaluation

Item	Statement	Mean	Standard Deviation	Rank	Level of Importance
12	Has the implementation of the Code of Corporate Governance contributed to any improvement in operational and organizational efficiency	3.8391	.98681	1	High
14	Are you facing any problems in implementing the requirements of the Code of Corporate Governance (CCG)	3.7701	.96088	2	High



13	Has your company published and circulated a statement along with their annual reports to set out the status of their compliance with the best practices of corporate governance	3.7126	1.05553	3	High
15	Are the minutes of the meeting properly recorded in the minutes book & subsequently circulated to the Directors within 30 days of the meeting for their comments	3.6552	.97441	4	Mid
16	Are all significant issues placed at Board meeting for their consideration	3.6092	1.13462	5	Mid
Grand Mean & Standard Deviation of Corporate Governance Evaluation		3.7172	.82041		High

From table (4-4) the " Corporate Governance Evaluation " construct scale had High level importance with mean (3.7172) and standard deviation (.82041), three of his items had "High" level of importance and two of them had a " Mid" level , the highest mean of its items was (3.8391) with standard deviation (.98681) to " Has the implementation of the Code of Corporate Governance contributed to any improvement in operational and organizational efficiency " this made it in the first rank when compared with others items , the second highest mean to " Are you facing any problems in implementing the requirements of the Code of Corporate Governance (CCG)" which equal to (3.7701) and standard deviation (.96088) These results made it in the second rank, the smallest mean (3.6092) belong to statement " Are all significant issues placed

at Board meeting for their consideration " with standard deviation (1.13462) and in the 5<sup>th</sup> rank with " Mid" level of importance

The following table (4-5) summaries the construct descriptive results.

Table (4 - 5)

Descriptive statistics of Corporate Governance factor and it's constructs

Construct	Mean	Standard Deviation	Rank	Level of Importance
Corporate Governance Compliance	4.0099	.68885	1	High
Management Duties & responsibilities	3.9425	.74680	2	High
Corporate Governance Evaluation	3.7172	.82041	3	High
Grand Mean & Standard Deviation of Corporate Governance	3.9016	.59907	4	High

From table ( 4-5 ) results , the Corporate Governance factor had a "High" level of importance with mean (3.9016) and standard deviation (.59907) , the descending rank of his construct as follows , Corporate Governance Compliance, Management Duties and responsibilities and at last Corporate Governance Evaluation.

## 2. Customer Relationship Quality

Main dimension Customer Relationship Quality was measured by (7) items divided to (2) constructs; "Customer Trust" measured with (4) items and "Customer Commitment" measured with (3) items.

The descriptive statistics of "Customer Trust" items in the table (4-6).

Table (4 - 6)

Descriptive statistics of Customer Trust

Item	Statement	Mean	Standard Deviation	Rank	Level of Importance
17	Our Firm is perfectly honest and truthful	4.0805	.91776	1	High
19	Our firm is always faithful	4.0000	.88921	2	High
18	Our firm can always be relied upon to do what is right for the customer	3.9770	.88891	3	High
20	Our firm can be trusted completely	3.9310	.89952	4	High
Grand Mean & Standard Deviation of Customer Trust		3.9971	.75914		High

From table (4-6) the "Customer Trust" construct scale had High level importance with mean (3.9971) and standard deviation (.75914), all its items had a "High" level of importance.

The highest mean of its items was (4.0805) with standard deviation (.91776) to "Our Firm is perfectly honest and truthful." this made it in the first rank when compared

with others items , the second highest mean to " Our firm is always faithful " which equal to (4.00) and standard deviation (.88921) These results made it in the second rank, the smallest mean (3.9310) belong to statement " Our firm can be trusted completely) " with standard deviation (.89952) and in the ( 4<sup>th</sup> ) rank.

The descriptive statistics of "Customer Commitment " items in the table (4-7).

Table (4 - 7)

Descriptive statistics of Customer Commitment

Item	Statement	Mean	Standard Deviation	Rank	Level of Importance
21	The firm is highly involved in developing on-going relationship with the customers	4.1609	.92603	1	High
22	The strength of our commitment to the relationship with the customer is very high	4.0000	.91499	2	High
23	The relationship that we have with our customers is something we intend to maintain indefinitely	4.0000	.96449	2	High
Grand Mean & Standard Deviation of Customer Commitment		4.0536	.85797		High

From table (4-7) the " Customer Commitment " construct scale had High level importance with mean (4.0536) and standard deviation (.85797), all its items had a "High" level of importance , the highest mean of its items was (4.1609) with standard deviation (.92603) to " The firm is highly involved in developing on-going relationship

with the customers ", This made it in the first rank when compared with others items , the second highest mean to both items " The strength of our commitment to the relationship with the customer is very high " and " with our customers is something we intend to maintain indefinitely "which equal to (4.00) and standard deviation (.91499), (.96449) respectively , these results made two items in the second rank.

The following table (4-8) summaries the constructs descriptive results.

Table (4 -8)

Descriptive statistics Customer Relationship Quality and its constructs

Construct	Mean	Standard Deviation	Rank	Level of Importance
Customer Commitment	4.0536	.85797	1	High
Customer Trust	3.9971	.75914	2	High
Grand Mean & Standard Deviation of Customer Relationship Quality	4.0213	.66954		High

From table ( 4-8 ) results , the Customer Relationship Quality had a "High" level of importance with mean (4.0213) and standard deviation (.66954) , the descending rank of his construct as follows , Customer Commitment and then Customer Trust.

### 3. Marketing Performance

Third factor Marketing Performance was measured by only (2) items concern with "Market Share" and "Profitability". The descriptive statistics of Marketing Performance with above two items in the table (4-9) .

Table (4 - 9)

Descriptive statistics of Marketing Performance and its items

Item	Statement	Mean	Standard Deviation	Rank	Level of Importance
24	Our market share comparing to our competitors	3.6897	.98016	1	High
25	Our profitability comparing to our competitors	3.5057	1.07696	2	Mid
Grand Mean & Standard Deviation of Marketing Performance		3.5977	.94573		Mid

From table (4-9) the "Marketing Performance " factor had Mid level of importance with mean (3.5977) and standard deviation (.94573),while the "Market Share" had a "High" level of importance with mean (3.6897) and standard deviation (.98016) and the "Profitability" had a "Mid" level of importance with mean (3.5057) and standard deviation (.94573).

### (4-3): Study Hypotheses Testing

## Study Hypotheses

Based on the study problems and the literature review, four hypotheses were tested in this study. The researcher used Statistical Package for Social Sciences (SPSS) to test the first three hypotheses and Analysis of Moment Structures (AMOS) to test the fourth hypothesis. Many statistical criteria have been taken into analysis as simple and multiple regression , F – test for estimated equations significance , t – test for effect significance of independent variable (ID) on dependent variable ( DV ) and coefficient of determination ( $R^2$  ) to know how the ID explains the variation in DV.

The following are the main research hypotheses examined:

### Hypothesis № One (H1)

H<sub>1</sub>: "There is a positive effect of corporate governance on marketing performance in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )"

To test this hypothesis, two branches hypothesis were derived from it, the first one concerns the test if there is a positive effect of corporate governance on market share, while the second if there is a positive effect of corporate governance on Profitability. These were tested by using simple regression, the next step, testing the first main hypothesis by simple regression. The final results for test these effects are in table (4 – 10).

Table (4-10): Effect of Corporate Governance on Marketing Performance and its constructs using simple regression

DV	R <sup>2</sup>	F	D.F	Sig*	Regression Coefficient				Decision
					ID	$\beta$	SE	t	
Market Share	.205	21.867	1	.000	Corporate	.452	.158	4.676*	Support

			85		Governance				
			86						
Profitability	.298	36.011	1	.000	Corporate Governance	.546	.163	6.001*	Support
			85						
			86						
Marketing Performance	.297	35.917	1	.000	Corporate Governance	.545	.860	5.993*	Support
			85						
			86						

\*significant if  $\text{sig} \leq 0.05$

Simple regression is a good fit to the relationship between independent variable (Corporate Governance) and dependent variable (Market Share) according to F test (21.867) which is significant when comparing with level ( $\text{sig} = 0.000 < 0.05$ ), coefficient of determination  $R^2$  indicate Corporate Governance explain (20.5%) in the differences of Market Share values, while increasing degree in Corporate Governance will increase Market Share by (0.452) This is the positive effect of Corporate Governance on Market Share and at the same time is significant which is measured by t test, which is equal to (4.676) the opposite ( $\text{sig} = 0.000 < 0.05$ ) mean we support there is positive effect of Corporate Governance factor on Market Share in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ ).

Also simple regression is a good fit to the relationship between independent variable (Corporate Governance) and dependent variable (Profitability) according to F test (36.011) which is significant when compared with level ( $\text{sig} = 0.000 < 0.05$ ), Corporate Governance explain ( $R^2 = 29.8\%$ ) in the differences of Profitability values, while increasing degree in Corporate Governance will increase Profitability by (0.546), this is a positive effect of Corporate Governance on Profitability which is significant t test equal to (6.001) when comparing with ( $\text{sig} = 0.000 < 0.05$ ), so we support there is



positive effect of Corporate Governance factor on Profitability in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ ).

The last row in above table (4-10) represents the results for first main hypothesis, where a simple regression is a good fit to the relationship between independent variable (Corporate Governance) and dependent variable (Marketing Performance) according to F test (35.917) which is significant when compared with level (sig = 0.000 < 0.05), Corporate Governance explain ( $R^2=29.7\%$ ) in the differences of Marketing Performance values, increasing degree in Corporate Governance will increase Marketing Performance by (0.545). This is a positive effect of Corporate Governance on Profitability, which is significant because T test equal to (5.993) when compared with (sig = 0.000 < 0.05). These results confirm the first main hypothesis, so:

"There is a positive effect of corporate governance on marketing performance in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )"

#### Hypothesis No Two (H2)

$H_2$ : There is a positive effect of corporate governance on relationship quality in Jordanian MLEs, at the significant level ( $\alpha \leq 0.05$ )

The same procedure as done in first main hypothesis is used to test this hypothesis. Therefore two branches hypotheses are derived from it, the first one concerns the test if there is a positive effect of corporate governance on Customer Trust, while the second if there is a positive effect of corporate governance on Customer Commitment.

These were tested by using simple regression, after that, testing the second main hypothesis by simple regression. The final results for test these effects in table (4 – 11).

Table (4-11): Effect of Corporate Governance on Customer Relationship Quality and its constructs using simple regression

DV	R <sup>2</sup>	F	D.F	Sig*	Regression Coefficient				Decision
					ID	β	SE	t	
Customer Trust	.241	26.966	1	.000	Corporate Governance	.491	.120	5.193*	Support
			85						
			86						
Customer Commitment	.053	4.749	1	.000	Corporate Governance	.230	.151	2.179*	Support
			85						
			86						
Customer Relationship Quality	.297	35.917	1	.000	Corporate Governance	.444	.109	4.572*	Support
			85						
			86						

\*significant if sig ≤ 0.05

From table (4-11) results , the simple regression is a good fit to the relationship between independent variable (Corporate Governance) and dependent variable (Customer Trust) according to F test (26.966) which is significant when compared with level ( sig =0.000 < 0.05) , coefficient of determination indicate that Corporate Governance explain ( 24.1%) in the differences of Customer Trust values , while increasing degree in Corporate Governance will increase Customer Trust by (0.491) , this is the effect of Corporate Governance on Customer Trust and in same time is significant which measured by t test , which is equal to (5.193) the opposite ( sig = 0.000<0.05) mean we support there is positive effect of Corporate Governance factor on Customer Trust in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ ).

Again simple regression is a good fit to the relationship between independent variable (Corporate Governance) and dependent variable (Customer Commitment)

according to F test (4.749) which is significant when compared with level ( sig =0.000 < 0.05) , Corporate Governance explain ( $R^2=5.3\%$ ) in the differences of Customer Commitment values , while increasing degree in Corporate Governance will increase Customer Commitment by (0.230 ) , this is the effect of Corporate Governance on Customer Commitment which is significant t test equal to ( 2.179 ) when compared with ( sig = 0.000<0.05) , so we support there is positive effect positive of Corporate Governance factor on Customer Commitment in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ ).

The last row in above table (4-11) illustrates the results for second main hypothesis, where a simple regression is a good fit to the relationship between independent variable (Corporate Governance) and dependent variable (Customer Relationship Quality) according to F test (20.905) which is significant when compared with level ( sig =0.000 < 0.05) , Corporate Governance explain ( $R^2=19.7\%$ ) in the differences of Marketing Performance values , increasing degree in Corporate Governance will increase Marketing Performance by (0.444 ) . This effect of Corporate Governance on Profitability is significant because t test equal to ( 4.572 ) when comparing with ( sig = 0.000<0.05) . These results confirm the second main hypothesis, so:

"There is a positive effect of corporate governance on Customer Relationship Quality in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )"

### Third Hypothesis

$H_3$ : "There is a positive effect of customer relationship quality on marketing performance in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

To test this hypothesis, three branch hypotheses are derived from it, since each variable has two constructs, the researcher attempts to test:

H<sub>31</sub>: "There is a positive effect of customer relationship quality constructs on market share in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

H<sub>32</sub>: "There is a positive effect of customer relationship quality constructs on Profitability share in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

H<sub>32</sub>: "There is a positive effect of customer relationship quality constructs on marketing performance factor in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

Multiple regression is used to test each of these hypotheses here the two independent variable are the customer trust and customer commitment while the dependent variable market share in H<sub>31</sub> , profitability in H<sub>32</sub> and marketing performance in H<sub>33</sub>. The result for test the effect in H<sub>31</sub> are represented in table (4 – 12):

Table (4 -12)

The effects of Customer Trust and Customer Commitment on Market Share

DV	R <sup>2</sup>	F	D.F	Sig**	Regression Coefficient				
					ID	$\beta$	SE	t	Sig**
Market Share	.232	12.715	2	0.000	Customer Trust	.204	.134	1.963	.050
			84		Customer Commitment	.364	.119	3.506	.001

\*significant if sig  $\leq 0.05$

The multiple regression fitting model in table (4-12) is significant, where ( F test = 12.715) and ( sig=0.000<0.05), the two customer relationship quality constructs (Customer Trust and Customer Commitment) as an independent variables explain ( 23.2 %) of the differences in market share as a dependent variable , each independent

variable has a positive significance effect on dependent variable , since the t test values has a ( sig  $\leq$  0.05) , therefore the H<sub>31</sub> support , in other words :

"There is a positive effect of customer relationship quality constructs on market share in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

The result for test the effect in H<sub>32</sub> represent in table (4 – 13):

Table (4 - 13)

The effects of Customer Trust and Customer Commitment on Profitability

DV	R <sup>2</sup>	F	D.F	Sig**	Regression Coefficient				
					ID	$\beta$	SE	t	Sig**
Profitability	.130	6.253	2	0.003	Customer Trust	.182	.157	1.649	.103
			84		Customer Commitment	.247	.139	2.233	.028

\*significant if sig  $\leq$  0.05

In spite of the multiple regression fitting model in table (4-13) is significant, where ( F test = 6.253) with ( sig=0.000<0.05) and the two customer relationship quality constructs (Customer Trust and Customer Commitment) as an independent variables explain ( 13.0 %) of the differences in market share as a dependent variable , only the independent variable Customer Commitment has a positive significance effect on dependent variable , since the t test values has an associate ( sig = 0.028  $\leq$  0.05) , but the independent variable Customer Trust effect has not significance effect on

dependent variable even its positive, since the associate t test value ( sig = 0.103) greater than 0.05 , therefore the H<sub>32</sub> not support in one variable , in other words :

"There is a positive effect of customer relationship quality construct "customer commitment on market share in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

The result for test the effect in H<sub>33</sub> represent in table (4 – 14):

Table (4 -14)

The effects of Customer Trust and Customer Commitment on Marketing Performance

DV	R <sup>2</sup>	F	D.F	Sig <sup>**</sup>	Regression Coefficient				
					ID	$\beta$	SE	t	Sig <sup>**</sup>
Marketing Performance	0.348	22.461	2	0.000	Customer Trust	.433	.155	4.400	.000
			84		Customer Commitment	.253	.139	2.574	.012

\*significant if sig  $\leq 0.05$

Multiple regression analysis fitting model in table (4-14) is significant, where ( F test = 22.461) with ( sig=0.000<0.05), the two customer relationship quality constructs (Customer Trust and Customer Commitment) as an independent variables explain ( 34.8 %) of the differences in marketing Performance as a dependent variable , each independent variable has a positive significance effect on dependent variable , since the t test values has a ( sig  $\leq 0.05$  ) , the direct effect of customer Trust on marketing

performance equal ( 0.433) , while the direct effect of customer commitment on marketing performance equal ( 0.253) , therefore the H<sub>33</sub> support , in other words :

"There is a positive effect of both customer relationship quality constructs on marketing performance in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

Finally , the researcher tests the if there is an effect of Customer Relationship quality factor on Marketing Performance factor, the results for this test are in table (4-15).

Table (4 -15)

The effect of the Customer Relationship Quality on Marketing Performance \*

DV	R <sup>2</sup>	F	D.F	Sig <sup>*</sup>	Regression Coefficient				
					ID	$\beta$	SE	t	Sig <sup>*</sup>
Marketing Performance	.198	21.019	1	.000	Customer	.445	.137	4.585	.000
			85		Relationship				
			86		Quality				

\*significant if sig  $\leq 0.05$

From table (4-15) results , the simple regression is a good fit to the relationship between independent variable Customer Relationship Quality and dependent variable Marketing Performance according to F test (21.019) which is significant when compared with level ( sig =0.000 < 0.05) , coefficient of determination indicate that Customer Relationship Quality explain ( 19.8%) in the differences of Marketing

Performance values , while increasing degree in Customer Relationship Quality will increase Marketing Performance by (0.491 ). This is the effect of Customer Relationship Quality on Marketing Performance and in same time is significant which measured by t test , which is equal to (4.585) the opposite ( sig = 0.000<0.05) , this means we support the third main hypothesis which is "There is positive effect of Customer Relationship Quality factor on Marketing Performance in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ ).

#### Hypothesis No Four (H4)

H<sub>4</sub>: "There is a positive indirect effect of corporate governance on marketing performance through relationship quality as a mediator in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

The first step to test f hypothesis is to verify if the assumption of no " Multicollinearity " , which means no higher correlation between independent variables and mediator variables in our case before starting with path analysis as a tool to test this hypothesis.

It is clear that independent variable "Corporate Governance" and mediator variable "Customer Relationship Quality " , while" Marketing Performance" is dependent variable.

The study used the stepwise regression, the results in the following table (4 – 16).

Table (4-16)



The effects of Corporate Governance and Customer Relationship Quality on Marketing Performance

DV	R <sup>2</sup>	F	D.F	Sig**	Regression Coefficient				
					ID	β	SE	t	Sig**
Marketing Performance	0348	22.461	2	0.000	Corporate Governance	.433	.155	4.400	.000
			84		Customer Relationship Quality	.253	.139	2.574	.012

\*significant if sig ≤ 0.05

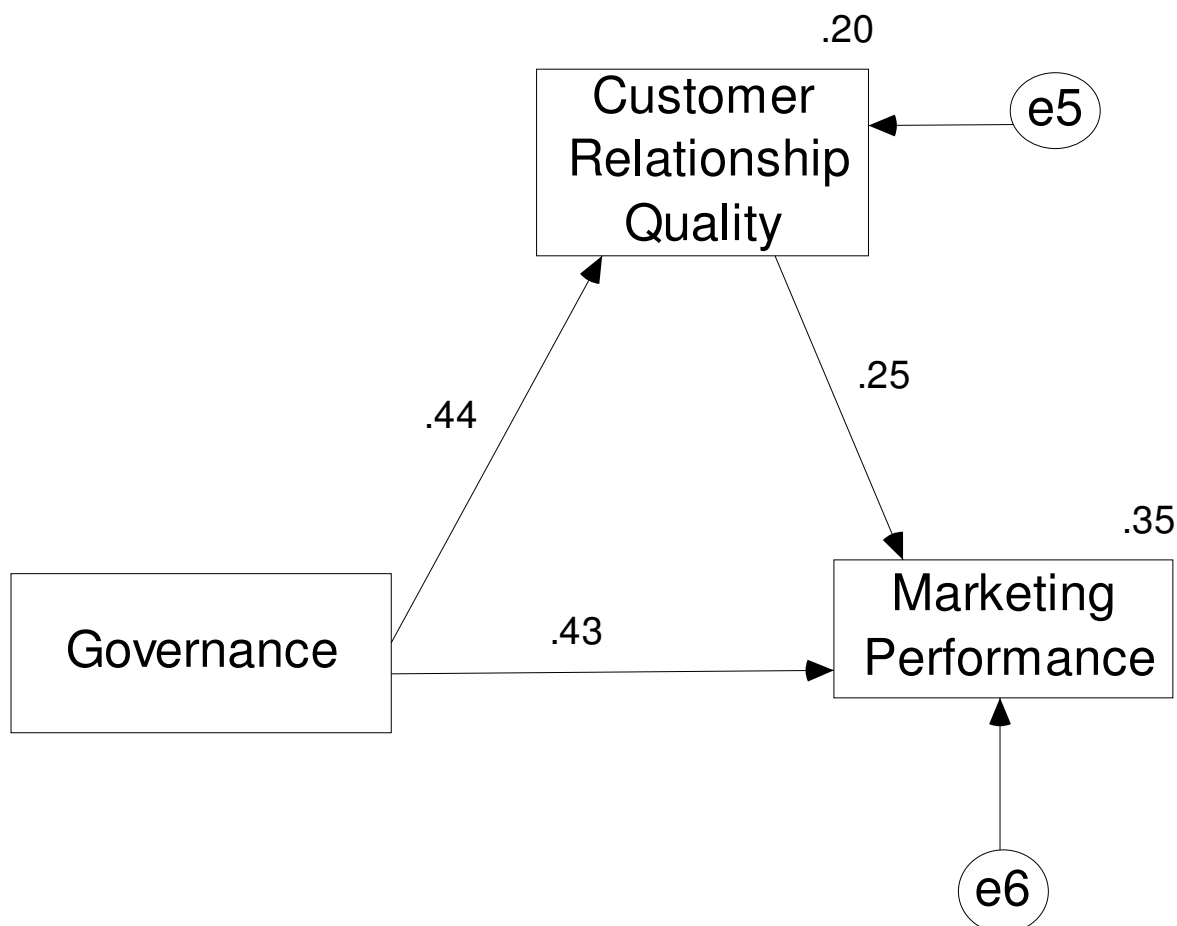
First of all, the multiple regression fit the relationship between three study factors as goodness fit, since F test (22.461), which indicator a significance model to represent the relationship ( sig=0.000 < 0.05). Both Corporate Governance and Customer Relationship Quality explain (34.8.3%) of the differences in Marketing Performance values. Increasing one degree in the Corporate Governance will increase Marketing Performance ( 0.433 ) , this is a significant positive direct effect because t test ( 4.400 ) associate with ( sig 0.000< 0.05) ,while increasing one degree in the Customer Relationship Quality will increase Marketing Performance ( 0.253 ) , this a significant positive direct effect , where it is t test ( 2.254 ) and associate ( sig =0.012< 0.05).

For the multicollinearity problem, the indicator Tolerance equal to (0.803) which failed in rang (greater than 0.1 and less than 1) the values that there is no problem between independents variables in multiple regression analysis.

After satisfying the assumption of path analysis, Researcher used Amos 7 soft ware to test the fourth hypothesis. Figure (4-1) presents the model study paths.

Figure (4 - 1)

Study Path Model



The numbers on path arrow are the direct effects of independent variables on dependent variable (in italic font), while the numbers above rectangular are the coefficient of variation (in bold font), so the direct effect of Corporate Governance on Marketing Performance is equal to (0.44), the direct effect of Customer Relationship Quality on Marketing Performance is equal to (0.38) and the direct effect of Corporate Governance on Customer Relationship Quality is equal to (0.43). All these direct effects are significant as the research has shown in the previous discussions.

Corporate Governance explains (20% ) in the differences Customer Relationship Quality Customer Value , while (35%) of the differences in Marketing Performance explained by independent variable Corporate Governance and mediator variable Customer Relationship Quality.

Table (4-17) summaries direct, indirect and total effects of study model factors.

Table (4 - 17)

Direct, indirect, total effects in path analysis

From	Direct Effect		Indirect Effect		Total Effect	
	Corporate Governance	Customer Relationship Quality	Corporate Governance	Customer Relationship Quality	Corporate Governance	Customer Relationship Quality
Customer Relationship Quality	0.444	0.000	0.000	0.000	0.444	0.000
Marketing Performance	0.433	0.253	0.112	0.000	0.545	0.253

Only one indirect effect appears in above table ( 4 - 17 ) , this indirect effect ( 0.112) belongs to Corporate Governance on Marketing Performance through Customer Relationship Quality. This result increases the total effect of Corporate Governance on Marketing Performance to reach (0.545) .Finally, some goodness of fit indicators to study model are computed and viewed in the following table (4-18) .

Table (4 - 18)

## Indicators Goodness of Fit for Study Model

Chi $\chi^2$ Square	D.F	Chi Square / D.F	Sig	NFI	CFI	GFI	RAMSA
14.145	3	4.715	0.003	0.900	0.915	0.940	0.108

GFI: Goodness of fit index must Proximity to one

NFI : The Bentler-Bonett normed fit index

CFI: The comparative fit index

RMSEA: Root Mean Square Error of Approximation must Proximity to zero

From table (4 - 18), we observe that there is significant impact of optimizing the Corporate Governance on Marketing Performance through Relationship Quality.

The Chi<sup>2</sup> was (14.145) at level ( $\alpha \leq 0.05$ ), and after dividing it on degree of freedom, the result is equal (4.715). , whereas the Goodness of fit index, GFI is equal to (0.940) closed to 0.95 as an lower bound in GFI, according to many researches, The comparative fit index, CFI equal to (0.915) which is near in some way to 0.95 the lower bound for consideration a great fit, Root Mean Square Error of Approximation, RAMSA equal to 0.108 failed in moderate category in goodness fit based on this indicator. On the same level the NFI is equal (0.900) which is equal to lower bound to best goodness of fit in many path analysis literature.

According to all results in path analysis, and the goodness of fit indicators our conclusion that the fourth main hypothesis is true, in other words:

"There is a positive effect of corporate governance on marketing performance through relationship quality as a mediator (customer trust and commitment) in Jordanian MLEs at the significant level ( $\alpha \leq 0.05$ )".

## Chapter Five

### Results & Recommendation

#### (5-1): Discussion Results and Conclusions

#### (5-2): Recommendation

#### (5-1): Discussion Results and Conclusions

The current study has raised a set of questions, and constructed hypotheses related to the positive effects between study variables. The study reached many results that contribute to solving the study problem, answering the study questions and its hypotheses. The main results are:

- 1- This study obtained the evaluation of corporate governance in the Jordanian enterprises through three main dimensions (Corporate governance compliance, Management duties and responsibilities and corporate governance evaluation).

The study showed a high level of importance of corporate governance in Jordanian enterprises with all dimensions discussed earlier in this study.

That agrees long with the study of (Bech, et al 2002)

- 2- This study evaluated the seriousness of the customer relationship through two main dimensions (Customer trust and commitment) and the study showed a high level of importance of customer relationship quality in

Jordanian enterprises., and that strongly agrees with the study of (Shariaa, 2010).

- 3- The study showed that the importance of marketing performance with all its dimensions (Market share and profitability) was high, which agrees with the study of (Julian, 2003).
- 4- The effect of corporate governance in all its dimensions( Corporate governance compliance, Management duties and responsibilities and corporate governance evaluation) is very high on customer relationship quality in all its dimensions (customer trust and commitment)
- 5- We found that there is a strong positive effect of corporate governance in all its dimensions (Corporate governance compliance, Management duties and responsibilities and corporate governance evaluation) on marketing performance on all its dimensions (Market share & Profitability)
- 6- There was a significant positive indirect effect of corporate governance on marketing performance through customer relationship quality as a moderate variable.

## (5-2): Recommendations

Due to the results, the researcher suggests the following recommendations:

1. This study recommends giving more attention in the Jordanian enterprises to the corporate governance, since it is one of the new terminologies that needs to be taken care of in the culture of the enterprise.
2. This study recommends to the management of the enterprises that is seeking for building long-term relationships of (trust and commitment) to focus more on implementing corporate governance in all its dimensions.
3. The management of the enterprises that is looking forward to strengthening its marketing performance has to enhance its efforts into implementing and developing strong corporate governance, because of its strong effect in increasing its marketing performance in general and especially the market share and the profitability.

Recommendations for researchers in the future researches:

This study recommends researchers to focus on the corporate governance subject and studying the effect of other dimensions that has not been taken into consideration in this study, and the importance of focusing in specific sectors that could lead into more accurate results.



## Appendixes:



إستبانة بحث ميداني

الأخ المستجيب/ الأخت المستجيبة

تحية طيبة

تهدف هذه الإستبانة الى دراسة " أثر حوكمة الشركات على جودة العلاقة مع الزبائن و الأداء التسويقي"، نرجو التفضل بقراءة بنود و فقرات الإستبانة بدقة و توشي الدقة في اختيار الإجابة المناسبة من وجهة نظركم، و إن هذه الدراسة سرية لا تحتاج لذكر أي أسماء و هي لأغراض البحث العلمي البحث، راجياً التفضل بالإطلاع و الإجابة على كافة أسئلة الإستبانة مع خالص الشكر و التقدير.  
الطالب: مظفر يونس القضاة  
المُشرف: الدكتور ليث

الرّبيعي

الخصائص الديموغرافية:

(1) الجنس

ذكر  أنثى

(2) العمر

أقل من 30 سنة  30 - 40 سنة  41 - 50 سنة  51 - 60 سنة  61 سنة فأكثر

(3) المُستوى الدراسي

ثانوية فما دون  دبلوم (كلية مجتمع)  بكالوريوس  ماجستير  دكتوراه وما يعادلها

(4) المركز الوظيفي

رئيس مجلس الإدارة  نائب رئيس مجلس الإدارة  المدير العام  أخرى

(.....)

(5) نوع النشاط الذي تمارسه الشركة:

إنتاج (تصنيع) السلع. أذكر المنتج .....

- تسويق الخدمات. أذكر طبيعة الخدمات .....
- أخرى أذكر .....

(6) حَجَم الشركة أو المؤسسة التي تعمل فيها (عدد العاملين):

□ من 100 إلى 500 موظف.

□ أكثر من 500 موظف.

الرجاء الإجابة على الأسئلة التالية:

تقييم نظام حوكمة الشركات :					
أبداً	نادراً	أحياناً	غالباً	دائماً	
					1 للشركة مجموعة من القواعد و الاحكام الموثقة (المطبوعة) التي تبين واجبات مجلس الإدارة.
					2 يوجد بالشركة موظف مسؤول عن مواكبة الشركة لقواعد و أنظمة العمل و تطبيقها.
					3 يتم تدريب الموظف على أنظمة الشركة و قواعدها عند توظيفه.
					4 لدى الشركة لجنة لحوكمتها حتى تساعد مجلس الإدارة على تحقيق أهداف المنظمة.
					5 يوجد للشركة مجموعة من قواعد السلوك التي تم توزيعها على الموظفين.
					6 تعمل الشركة على إنهاء عمل أي موظف يقبل الرشوة.
					7 هناك إعتقاد بأنه يوجد في الشركة عدم مساواة بالتعامل بين الموظفين.
					واجبات ومسؤوليات الإدارة:-
					8 يعتمد مجلس الإدارة رؤية أو مهام الشركة.
					9 يقوم مجلس إدارة الشركة بوضع استراتيجيات الشركة و الإعلان عن سياساته.
					10 يتم تقديم جميع الأمور الهامة لمجلس الإدارة مثل السرقة ، شطب الديون المعدومة وغيرها.
					11 هناك علاقة وظيفية جيدة بين أعضاء مجلس الإدارة.
					تقييم نظام حوكمة الشركات:-
					12 ساهم نظام حوكمة الشركات المطبق في شركتكم في تحسين الكفاءة التشغيلية أو التنظيمية.

					13	الشركة تنشر مع تقاريرها السنوية تقريراً بخصوص إتفاقها مع قوانين حوكمة الشركات الخاصة بها.
					14	واجهت الشركة أو تواجه حالياً مشكلة في تطبيق نظام حوكمة الشركات في شركتكم.
					15	محضر اجتماع مجلس الإدارة يسجل بشكل صحيح ويتم تعميمه لاحقاً إلى الإدارات المختلفة للتعليق عليها.
					16	يتم مناقشة كل القضايا المهمة في إجتماع مجلس الإدارة.
لا أتفق إطلاقاً	لا أتفق	محايد	أتفق	أتفق كلياً		رضا الزبائن:-
					17	لدى زبائننا النية بإعادة الشراء من شركتنا.
					18	يوصي زبائن الشركة بقية المستهلكين بالتعامل معنا.
					19	زبائننا راضون عن علاقتهم مع شركتنا.
					20	يقيم الزبائن شركتنا على أنها الأفضل مقارنة بالشركات المنافسة.
لا أتفق إطلاقاً	لا أتفق	محايد	أتفق	أتفق كلياً		ثقة الزبائن:-
					21	تمتاز الشركة بالثقة و المصدقية.
					22	يمكن الإعتماد على شركتنا لعمل ما هو الأنسب للزبون.
					23	تمتاز الشركة دائماً بالإخلاص في تعاملها مع الزبائن.
					24	يمكن الوثوق بشركتنا تماماً.
لا أتفق إطلاقاً	لا أتفق	محايد	أتفق	أتفق كلياً		الإلتزام:-
					25	تعنى الشركة بشكل كبير في تطوير علاقة طويلة الأمد مع الزبائن.
					26	تلتزم الشركة بشكل كبير في تقوية علاقتها مع زبائننا.
					27	تسعى الشركة دوماً على المحافظة على علاقتها مع الزبائن.
أقل	أقل بعض الشيء	مشابه	أكثر بعض الشيء	أكثر		أداء الشركة:-
					28	معدل نمو الحصة السوقية قياساً بالمنافسين.
					29	معدل الربحية قياساً بالمنافسين.

	Applying Corporate Governance	Never	Rarely	Sometimes	Often	Always
1	Does your company have a written code of corporate governance wherein the rights of shareholders and duties of the boards are specified?					
2	Does the company have a compliance officer whose task is to ensure full compliance of the company with existing laws and regulations?					
3	Training on corporate governance is provided to employee during staff induction program.					
4	Does your board have a governance committee to help the board perform to its best in assisting the company to achieve its objectives?					
5	Does the company have a written code of conduct / ethics that is distributed to all employees?					
6	Our company will terminate the appointment of any staff found guilty of giving or receiving bribe.					
7	Unequal treatment of employees exists in our organization.					
	Management duties and responsibilities	Never	Rarely	Sometimes	Often	Always
8	Has the board of directors adopted a vision/mission statement?					
9	Has the board of directors formulated Corporate Strategy & announced significant policies?					
10	Are all significant matters brought to the attention of the board e.g. investments, divestments, writing off bad debts, inventories etc?					
11	There is a good alignment (relationship) between the Board and Management in our organization					
	Corporate Governance Evaluation	Never	Rarely	Sometimes	Often	Always
12	Has the implementation of the Code of Corporate Governance contributed to any improvement in operational and organizational efficiency?					
13	Has your company published and circulated a statement along with their annual reports to set out the status of their compliance with the best practices of corporate governance?					
14	Are you facing any problems in implementing the requirements of the Code of Corporate Governance (CCG)?					
15	Are the minutes of the meeting properly recorded in the minutes book & subsequently circulated to the Directors within 30 days of the meeting for their comments?					
16	Are all significant issues placed at Board meeting for their consideration?					
	Customer Satisfaction	Disagree At all	Disagree	Neutral	Agree	Agree Completely
17	The customer holds repurchasing intention to our business					
18	the customer recommends other consumers to do business with us.					
19	the customer is satisfied with the relationship with us.					
20	compared to our competitors, the customer rates our					

business higher on overall satisfaction						
	Customer Trust	Disagree At all	Disagree	Neutral	Agree	Agree Completely
21	our organization is honest and truthful					
22	our organization can always be relied upon to do what is right for the customer					
23	our organization is always faithful					
24	our organization can be trusted completely					
	Customer Commitment	Disagree At all	Disagree	Neutral	Agree	Agree Completely
25	the organization is highly involved in developing on-going relationship with customers.					
26	the strength of our commitment to the relationship with customers is very high					
27	the relationship that we have with our customer is something we intend to maintain indefinitely.					
	Performance	Less	Somewhat less	Similar	Somewhat more	More
28	Our market share comparing to our competitors					
29	Our profitability comparing to our competitors					

## List of Companies that received a copy of the questioner:

Abo khadir group	Al Faouri Trading
ACC construction	Arab trading co.
Al Alami exchange	Arabic Group Insurance
Al Quasmi consulting	Arc Electronics and Real Estate Investment
Al Quasmi trucking	Arif Hameed Abuste & Co.
Al Samhore exchange	Ashraf Ramadan and his partner
Alpha transpiration	Atmisah and Momani
Arab bank	Bashiti trading
Balalbaki industries	Central car trading
Bloom bank	Crown hotel
CC Construction	DA Tours and Travel
Ernest and young	Dalia Steel and aluminum
Gargour and fiels.	David trading est.
Housing bank	Dtn Trading and services
JOramco	F & W Co.
Jordan American insurance co.	Falcon icc
Jordan aviation	Far east trading
Jordan bank	Gardens of Eden Farms
Jordan electricity distribution	Holly Land Insurance
Jordan ice	Islamic bank
JPMC	Jordan chemicals co.
Manaser group	Jordan hotel
Miyahona	Jordan River For development
Noqul group	Jorsal
Orange	Jowico
Royal Jordanian	Mahmoud Awad & Co.
Shahed beverage	Mareeba for Housing Projects
Sukhtian group	Mohammed Abu Issa Juma and Zahia
Transjordan trading	Muhammad and his partner Gomorrah
Umniah	National Insurance
Union bank	National paints co.
Zain	Shweiki Osama & Co.

And it's for example but not limited to.

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## Jordanian Minister and high-level delegation visit the OECD Secretary General

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On 30th January 2007, a high level Jordanian visit to Paris was conducted by His Excellency Mr. Salim Al Khazaaleh, Jordan's Minister of Industry and Trade, Dr. Maen Nsour, CEO of the Jordan Investment Board, Dr. Mohammad Abu Hammour, Chairman of the Executive Privatisation Commission, and Mr. Saleh Al Kilani, Commissioner of Investment for the Aqaba Special Economic Zone.

The delegation, which was accompanied by Jordanian Ambassador to Paris, Mrs. Dina Kawar, visited Secretary-General of the OECD, Mr. Angel Gurría.

Minister Khazaaleh and Secretary-General Gurría discussed the relations between Jordan and the OECD, Jordan's role in the MENA-OECD Investment Programme, and the development of future projects with the Economic Privatisation Commission.

Since the inception of the Programme, Jordan has continued to play an active role within the MENA-OECD Investment Programme. As founding chair, it has hosted the Programme's first Ministerial at the Dead Sea in February 2006 before handing over to Egypt, the current Chair.

Jordan also co-chairs the Programme's Working Group on Transparent and open investment policies, and participates actively in all five Working Groups of the Programme and in regional meetings.

In June 2006, the Jordan Investment Board held Jordan's National Investment Reform Agenda workshop in cooperation with the Programme. The workshop focussed on the development of a new investment promotion law, issues relevant to the improvement of institutional arrangements for investment promotion, introduction of a corporate governance code and creating an enabling environment for operation of venture capital funds.

Concrete projects have already commenced following this workshop in the area of corporate governance, where a representative of the MENA-OECD Investment Programme has been assisting in the codification process with the Jordan Securities Commission. The Programme will also continue to assist in the review of the draft investment law, and in capacity building for the Executive Privatisation Commission.

The delegation concluded their visit by extending an invitation to the Secretary-General to visit Jordan for upcoming events.

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