THE MODERATION OF ORGANIZATIONAL READINESS ON THE RELATIONSHIP BETWEEN TOE FACTORS AND FINTECH ADOPTION AND FINANCIAL PERFORMANCE

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ABSTRACT

Purpose of the study: The purpose of the study was to discuss the impact of the TOE factors on FinTech Adoption and Financial Performance and the role of organizational readiness as moderation in Jordanian commercial banks.

Theoretical framework: In order to examine how to embrace Fintech and its effects on Financial Performance, this study provides an enhanced technology acceptance model (TOE) that includes relative advantage, top management support, competitive pressure, and technological compatibility.

Method: A questionnaire that we created and distributed to bank managers, department heads, and supervisors working for Jordanian commercial banks yielded 215 valid replies. To test the hypotheses, we used a structural equation model (SEM) to analyze the data and examine the correlations between all latent variables.

Results and conclusion: The results reveal that a positive and significant relationship between Relative Advantage, Top Management Support, and Competitive Pressure on Fintech Adoption and technological compatibility has an insignificant effect on Fintech Adoption. Also showed a positive and significant relationship between Fintech Adoption and Financial Performance. The significant moderating positive effect of organizational readiness on the relationship between Technological Compatibility and Competitive Pressure and Fintech Adoption. This study also shows that does not have a significant moderating positive effect of organizational readiness on the relationship between Relative Advantage, Top Management Support, and Fintech Adoption.

Search implications: The study's findings imply the need for further research and exploration into FinTech Adoption to improve the financial performance of commercial banks to remain competitive in the market.

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Originality value: This research contributes to integrating the adoption of Fintech's trust with TOE, this study adds to the body of knowledge on the usage of Fintech in banks by offering a more thorough understanding of the factors that influence users' views.

Keywords: fintech adoption, financial performance, TOE factors.

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A MODERAÇÃO DA PRONTIDÃO ORGANIZACIONAL NA RELAÇÃO ENTRE OS FATORES TOE E A ADOÇÃO DE FINTECHS E O DESEMPENHO FINANCEIRO

RESUMO

Objetivo do estudo: O objetivo do estudo foi discutir o impacto dos fatores TOE na adoção de fintechs e no desempenho financeiro e o papel da prontidão organizacional como moderação nos bancos comerciais da Jordânia.

Estrutura teórica: Para examinar como adotar a Fintech e seus efeitos sobre o desempenho financeiro, este estudo fornece um modelo aprimorado de aceitação de tecnologia (TOE) que inclui vantagem relativa, apoio da alta administração, pressão competitiva e compatibilidade tecnológica.

Método: Um questionário que criamos e distribuímos a gerentes de bancos, chefes de departamento e supervisores que trabalham em bancos comerciais jordanianos rendeu 215 respostas válidas. Para testar as hipóteses, usamos um modelo de equação estrutural (SEM) para analisar os dados e examinar as correlações entre todas as variáveis latentes.

Resultados e conclusões: Os resultados revelam que há uma relação positiva e significativa entre Vantagem Relativa, Apoio da Alta Administração e Pressão Competitiva na Adoção de Fintech e que a compatibilidade tecnológica tem um efeito insignificante na Adoção de Fintech. O efeito moderador positivo significativo da prontidão organizacional na relação entre compatibilidade tecnológica e pressão competitiva e adoção de fintechs. Este estudo também mostra que não há um efeito positivo moderador significativo da prontidão organizacional na relação entre Vantagem Relativa, Apoio da Alta Administração e Adoção de Fintech.

Implicações da pesquisa: As descobertas do estudo implicam a necessidade de mais pesquisas e explorações sobre a adoção de fintechs para melhorar o desempenho financeiro dos bancos comerciais e manter a competitividade no mercado.

Valor de originalidade: Esta pesquisa contribui para a integração da adoção da confiança da Fintech com a TOE; este estudo contribui para o conjunto de conhecimentos sobre o uso da Fintech nos bancos, oferecendo uma compreensão mais completa dos fatores que influenciam as opiniões dos usuários.

Palavras-chave: adoção de fintech, desempenho financeiro, fatores de TOE.

1 INTRODUCTION

Fintech, which stands for financial technology, is the term used to describe the application of cutting-edge technology to the delivery of financial services to both
individuals and organizations (Alshira’h et al., 2020). Due to its capacity to fundamentally alter how individuals handle their finances, fintech has experienced tremendous growth in popularity over the past several years. To assist customers in managing their finances, whether it be for bill payment, investment, or lending purposes, fintech businesses offer a wide range of solutions. These solutions are designed to be practical, secure, and accessible at all times and from any place. One of fintech's primary advantages is its ability to democratize access to finance. Traditional financial institutions have often been reticent to offer services to specific communities, such as low-income individuals, small businesses, and those with limited financial resources. Fintech, however, has altered this by providing innovative financial services and goods that are tailored to the needs of these underserved demographics. The speed and effectiveness of financial transactions have both increased because of fintech. Money transfers, bill payments, and even investing in stocks and cryptocurrencies are just a few of the financial tasks that users may do with a few clicks on a computer or smartphone. Generally speaking, the introduction of fintech has altered how people interact with their money, making it easier, more useful, and more accessible to everyone. (Alkhazaleh & Marei, 2021)

According to research by McKinsey & Company (2019), during the previous ten years, worldwide investment in fintech has dramatically expanded, reaching over $100 billion in 2018. Fintech has also been embraced by consumers, with a survey by EY finding that over half of consumers in the US use fintech products and services. Financial technology (Fintech) combines several existing technologies like blockchain, machine learning, cloud computing, and distributed ledger; into several financial innovations and solutions. Fintech is a recent trend that many businesses are adopting in order to enhance their business models and operations through computer power, information exchange, reduced transaction costs, and competitive benefits (Feyen et al. 2022).

Considerate the significant adoption determinants like technical and organizational influences are important prior to adopting this Fintech to effectively enhance the financial performance of the organization (Shaheen et al., 2023; Matsepe, & Van der Lingen, 2022). Adoption of technologies can increase competitive advantage by qualifying organizations to better understand customers' needs and help them to classify customers upon potential risk (Shatnawi et al 2021; Shatnawi et al 2022; Alshirah et al., 2021a; Hassani, Unger, & Beneki, 2020).
Fintech has been rapidly gaining traction over the past few years and is expected to continue its growth trajectory in the coming years. This is as a result of the growing acceptability of digital financial services and the appearance of fresher, more creative fintech solutions that address the changing requirements of both consumers and enterprises. Fintech adoption is on the rise due to a number of reasons, including the ease of use and accessibility it provides as well as the cost savings connected to online transactions. With the help of fintech, people can now manage their money while they're on the road, from anywhere, at any time. This has significantly lowered access barriers and increased the range of financial services that are available to people, particularly those who were previously underserved by conventional financial institutions. (Qushtom et al., 2022)

Although fintech has transformed the financial industry, it has also sparked worries about data security and privacy. Personal and financial information are now more vulnerable to fraud, theft, and cyberattacks due to the rise in digital transactions. As a result, it's more important than ever to implement effective cybersecurity safeguards to safeguard consumers' sensitive data. Fintech may also make existing financial system disparities worse, which is a worry, especially when it comes to financial inclusion (Marei, 2023; Marei et al., 2022). Despite considerable progress in offering financial services to formerly neglected populations because of fintech, many low-income households still struggle to get affordable financial services. Determining whether fintech solutions maintain or exacerbate these inequities is crucial. Despite these difficulties, fintech has a promising future. Digital financial services are positioned for ongoing development and innovation as more people and organizations realize their advantages. Therefore, cooperation between regulators, policymakers, and business leaders is essential if the adoption of fintech is to be successful and to realize its full potential for all parties involved.

By giving individuals and businesses more access to financial services and products, fintech can also enhance financial performance. More sales and contented customers could result from this. Digital investing platforms, for instance, can enhance access to investment opportunities, whilst Fintech lending platforms might provide more flexible and available credit options. In addition, a McKinsey & Company study from 2016 found that fintech may help businesses make more money by enabling them to provide their clients with more personalized and advanced financial services. The study
also found that Fintech may help with cost reduction by streamlining processes and increasing effectiveness.

Researchers developed the Technology-Organization-Environment (TOE) paradigm to study how technology is adopted in businesses. This paradigm, initially proposed by Tornatzky and Fleischer in 1990, identifies three key components: the technology context, the organizational context, and the environmental context. Several research, like those by Lutfi et al., 2016 and Lutfi (2022a;b), have examined technology adoption using this paradigm. The adoption of fintech is one area where the TOE framework has been used. Understanding the elements that affect fintech's adoption is essential for both consumers and businesses because it has disrupted the traditional banking sector. Researchers studied how many sorts of factors influenced the adoption of fintech and its implications on financial performance in order to achieve this.

The three main kinds of factors that the study focuses on are technological, organizational, and environmental. Fintech's relative advantage over conventional financial services and its interoperability with current technologies are examples of technological aspects. The emphasis of organizational considerations is on the part that top management plays in promoting fintech adoption inside a company. Competition demands from rival companies in the sector are among the environmental variables. The study also looks at how organizational preparation affects the link between these elements and fintech adoption. The capacity and desire of the organization to accept new technologies and adjust to changes brought about by fintech are referred to as organizational readiness. Overall, by offering insights into the factors that promote fintech adoption and its influence on financial performance, this research seeks to close a gap in the body of knowledge. It offers a thorough method for comprehending the intricate interplay of technology, organization, and environment in the context of the adoption of fintech by utilizing the TOE framework.

2 THEORETICAL FRAMEWORK

2.1 Fintech Adoption

The delivery of various financial services through the use of technology is known as fintech (Baber, 2020). Fintech challenges the banking industry by offering cutting-edge business models and digital services including crowdfunding, digital currency, digital cash, online payments, digital invoicing, online investments, wealth management,
digital leasing, and digital advising. Due to their ability to help financial institutions provide services more effectively, blockchain technology and artificial intelligence are also influencing the sector.

Fintech is widely acknowledged as a way to improve the financial industry's transparency, client experience, and efficiency. The dominance of established banks, insurance companies, and investment firms is another way that fintech is expected to fundamentally change the conventional financial landscape. Fintech has expanded due to both technological advancements and the fact that it is subject to different regulatory constraints than conventional financial service providers. The "regulatory sandbox," a special regulatory environment, allows fintech businesses to experiment with new products and do business more freely while still being subject to specified regulatory restrictions (Buchak et al., 2018).

The growth of fintech has increased competition in the financial sector, which is fostering innovation. Fintech companies are able to provide clients simple and cheap financial services because to technology, which simplifies and makes the financial sector more accessible to a wider variety of individuals. For instance, peer-to-peer lending platforms, online payment systems, and robo-advisors are fintech innovations that are transforming how people manage their finances. One of the key advantages of fintech is its flexibility and agility in responding to changing market needs. Fintech businesses can develop and launch new goods and services more swiftly than traditional financial institutions because of their more effective organizational structures and cutting-edge business strategies. Fintech companies, however, confront particular difficulties with regard to cybersecurity, data protection, and regulatory compliance. Regulating agencies must thus find a balance between encouraging innovation and making sure that consumers are safeguarded from possible damage (Alshirah et al., 2021b). In conclusion, fintech gives a dynamic potential for financial sector innovation, resulting in greater effectiveness, client-friendliness, and transparency. Due to its distinct regulatory framework, businesses have been able to compete with well-known financial institutions while providing customers with a wide selection of cutting-edge goods and services. To guarantee that fintech adoption continues to spur good change in the financial system, it is still crucial to solve the difficulties that come with it.

The literature presents several points of view on how the financial sector will incorporate fintech. FinTech adoption and competitiveness performance have been
explored in several research (Gupta et al., 2017; Momaya et al., 2020; Bomer, 2020). Technology advancements and adoption within the financial sector alter how it functions and, as a result, alter client expectations (Goel et al., 2012). The adoption of fintech makes use of the accessibility of communication, the pervasive use of the internet, the security and convenience of financial transactions, and the automated processing of data and transactions in the financial sector (Davradakis & Santos, 2019).

There has been more research looking at how new technologies get adopted in recent years. To better understand the factors influencing technology adoption in the South African banking industry, Matsepe et al. (2022) have created a unique model that includes new leadership diversity. In addition to assisting technology executives in the financial industry in revising and improving their adoption strategies, the study's objectives include identifying the elements that impact people's decisions to accept and utilize developing technologies (Haddad et al., 2023). The model put forward by Matsepe et al. concentrates on how leadership diversity affects the adoption of new technologies. The authors contend that diverse leadership teams are better able to negotiate the complexity of a technology environment that is rapidly evolving and make more informed choices about which technologies to employ. The model also considers other crucial elements that may influence the adoption of technology, including user attitudes, corporate cultures, legal and regulatory frameworks, and technical infrastructure. The authors intend to offer a thorough framework that financial institutions may utilize to direct their technology adoption strategies by taking these aspects into account. The financial industry might change as a result of the usage of developing technology, which would increase productivity and enhance consumer satisfaction. However, implementing new technologies is not always simple, and many businesses find it difficult to keep up with the quickly evolving technology environment. Therefore, in order for financial institutions to remain competitive, it is crucial that they have a thorough awareness of the variables that affect technology adoption. In conclusion, the Matsepe et al. model provides insightful information on the factors influencing technology adoption in the South African financial industry, emphasizing the significance of diverse leadership teams in making well-informed choices regarding the technologies to be adopted. The findings of this study offer technology executives a valuable framework for revising and enhancing their adoption strategy and staying ahead of the curve in the rapidly changing field of financial technology.
According to Kemunto & Kagiri (2018), the use of mobile banking, e-banking, agency banking, and process automation has a substantial impact on the competitiveness of commercial banks in Kenya. Similarly to this, Dwivedi et al. (2021) investigated how FinTech may affect the effectiveness and competitiveness of the banking sector in the United Arab Emirates. They discovered that the competitiveness and efficiency of banks operating in the UAE may be greatly increased by the proper deployment of FinTech and its alignment with technology management. The conventional banking business has been challenged by the expanding use of digital financial services, giving users faster and more accessible access to financial goods and services. With the use of e-banking, agency banking, mobile banking, and other digital technologies, banks can now access a larger consumer base and provide simplified services for less money. Due to these advances, commercial banks in Kenya and other areas are now more competitive than ever.

Similar to other industries, the banking sector in the UAE is undergoing fast technological change, and banks are increasingly using FinTech to boost their competitiveness. Bank operations and consumer interactions are changing as a result of fintech technologies including online lending platforms, payment systems, and investing tools. To guarantee that it complements the bank’s current infrastructure and business plan, adequate alignment with technology management is necessary for the adoption of fintech to be successful. Banks in the UAE must take into account elements like legal compliance, cybersecurity, and data protection in order to get the best outcomes from FinTech adoption. The competitiveness of banks in the UAE may be boosted by the successful adoption of these digital solutions since they can improve operational effectiveness, improve client experiences, and generate more money. In conclusion, the competitiveness of banks in Kenya and the UAE is significantly being impacted by the implementation of digital financial services. Despite the fact that these technological advancements provide banks the chance to offer new and better services, they also need to be carefully considered and aligned with technology management to enable a successful integration into the operations of the bank.

For all sectors, managing technological change and innovation effectively is essential, and senior management must be a key player in this process. This is especially true when it comes to adopting FinTech, where it’s crucial to make sure that all parties involved, as well as the systems and procedures in place, are in line with the adoption strategy as a whole (Kroll, 2018). Top management must carefully assess the scope and
timing of implementation in order to successfully manage technological change and innovation. One strategy is to incorporate innovation and technology gradually over time, whilst another is to revamp the entire project (Simoes & Esposito, 2014). The choice of strategy will be determined by a number of elements, including the technology's nature, the organization's size and complexity, and the resources at hand. Regardless of the strategy used, good stakeholder engagement and communication are necessary for technology adoption. Gaining buy-in from all stakeholders and ensuring that everyone is working toward the same objective may be accomplished via clear communication of the advantages and possible hazards connected with technological development. Furthermore, while integrating new technology, senior management must take regulatory compliance, cybersecurity, and data privacy concerns into account. Failure to do so might result in losses in terms of money, legal responsibility, and reputation. In summary, senior management is extremely important in managing technological innovation and change, especially when adopting FinTech solutions. Organizations may boost their competitiveness and profit from technological advances while reducing risks by choosing the right strategy and maintaining efficient communication and collaboration among stakeholders.

The usage of FinTech in banks has, in conclusion, led to a variety of benefits, including cost savings, improved client satisfaction, greater security, and increased innovation. However, it has also brought forth certain challenges, such as the need for bank employees to acquire new skills and cybersecurity concerns. Overall, it is expected that as technology advances and consumers want more easily available and secure financial services, banks will use fintech more frequently.

2.1 Justifications of Adapting TOE Model

One of the concepts that has been extensively employed in IT adoption research is the (TOE) framework. The TOE framework is a helpful paradigm for comprehending the performance and acceptance of technological improvements, claim Srivastava & Teo in 2007. This study examined and mapped the TOE framework to examine how public sector auditors use IT. The TOE framework, created in 1990 by Tornatzky & Fleischer, looks at the variables that affect how an organization absorbs and makes use of technological advancements. Organizational factors are resources already present within the organization, technical factors are technologies related to the organization that is both
internal and external, and environmental factors are traits specific to the industry within their business environment, according to David et al. (2010).

Only a small number of studies in the past, particularly in the public sector, have employed the TOE framework. Here are a few instances of relevant studies that have been conducted in the public sector using TOE (Lutfi et al., 2023; Lutfi et al., 2022a). According to Pudjianto et al. (2011), the ICT infrastructure, top management support, the legal framework, ICT skills, and the competitive environment are the factors that explain an e-government integration. The TOE model was used by Troshani et al. (2011) to analyze how Human Resources Information Systems (HRIS) were adopted in the public sector. From a technological perspective, they evaluated the deployment of HRIS, accounting for increased integration, accessibility, operational effectiveness, adoption costs, and inherent HRIS complexity. Human aptitude and managerial commitment have been mentioned as factors influencing HRIS adoption in the business environment. On the other hand, successful adoption stories and regulatory compliance have a big impact on how well HRIS is adopted in the environment.

Several previous studies employed the theory for investigating Fintech adoption with different business models, factors, and business campaigns like Kowath and Choon (2001), Baker (2012), Bijker et al. (2013), Ryu et al. (2018), and Santos et al. (2022).

2.2 Development of Hypothesis

The extent of organizational acceptance of technology in their operations to create new business models and find solutions is described by the term "technology adoption" (Khasawneh, 2008). This paper proposes a paradigm that explains and predicts Fintech uptake in Jordan based on the TOE. Several research in the IS field, including those on e-business systems (Oliveira and Martins, 2011) and AIS (Lutfi et al., 2020), have supported our theoretical approach. The framework is made up of organizational, technical, and environmental variables.

2.3 (TOE) Framework

This study's framework was the TOE framework, a widely used theory, and paradigm in adoption research. (Lutfi et al., 2023; Lutfi et al., 2022a; Chan & Chong, 2012) All of this research makes use of the TOE paradigm and emphasize the influence of innovation uptake-related factors that are driven by TOE factors.
To determine the beta value and evaluate the degree of correlations between the components, the study model represents financial performance and fintech adoption as the dependent and mediator variables, respectively. Fintech adoption is influenced by a variety of technological, organizational, and environmental factors including relative advantage, technology compatibility, top management, and competitive pressure.

User acceptability is decided collectively. With the exception of the Social Cognitive Theory (SCT) and Motivational Model (MM), all eight models/theories of technology acceptance examined by Venkatesh et al. (2012) showed an increase in predictive validity. The independent and dependent variables are displayed in the study model. The likely connections between the independent, mediator, and dependent variables are shown in Figure 1.

**Figure 1. The Research Model**

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IV                          Mediator                          DV

**Technological Influences**
- Relative advantage
- Technology Compatibility

**Organizational Influences**
- Top management support

**Environmental Influences**
- Competitive Pressure

Organizational Readiness

Fintech Adoption

Financial Performance
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Source: Created by Author

### 2.4 Relative Advantage

Relative advantage, according to Rogers (2003), is the degree to which an invention is seen as being superior to the idea it replaces. He anticipates that potential adopters will perform a cost-benefit analysis, whether formally or informally. As a result,
potential users will pick a new invention over one that is already available and has greater benefits (Lutfi et al., 2017; Saad et al., 2022). Relative advantage in this study is defined as the benefits that banks see from financial technology that outweigh the cost of implementing it. Fintech adoption is anticipated to be positively impacted by cost-benefit analysis.

There are several studies that have explored the impact of relative advantage and financial technology (fintech) on financial performance in banks and predictor in making the financial technology adoption decision (Varma et al., 2022; Shaikh et al., 2020; Maryam & Ahmad, 2022; Urumsah et al., 2022; Pobee & Ansong, 2022; Matsepe, et al, 2022).

These studies together imply that relative advantage and fintech adoption can benefit banks' use of fintech. To fully reap the rewards of fintech innovation, banks must carefully weigh the dangers and difficulties that might arise from adopting it, such as issues with data privacy and cybersecurity.

In conclusion, the relative advantage of FinTech solutions can have a significant impact on the financial performance of banks. Improved customer experience, increased efficiency, enhanced risk management, and increased revenue are some of the ways in which FinTech can contribute to improved financial performance. However, in order to ensure a favorable effect on financial performance, costs associated with the adoption of FinTech solutions, such as technology investment and employee training, must be properly managed.

According to this report, banks are more willing to employ fintech if adoption is anticipated to result in larger benefits. Thus, it is hypothesized that:

**H1. Relative Advantage will influence positively Fintech Adoption.**

### 2.5 Technology Compatibility

The degree to which the adoption of Fintech is compatible with banks’ demands and meets the tasks that banks must carry out is referred to as technology compatibility. It was modified from Rogers' (2003) concept of compatibility in the DOI theory and Goodhue and Thompson's (1995) task-technology fit definition. According to this report, compatibility will have a favorable impact on Fintech uptake.

In recent years, researchers have become interested in the effects of technological compatibility on financial technology (FinTech) and financial performance in banks.
Technology integration into current systems and procedures is referred to as technology compatibility. Technology compatibility is crucial for assessing the effectiveness of implementation and the subsequent effect on financial performance in the context of FinTech adoption in banks.

In conclusion, technological compatibility plays a critical role in evaluating how FinTech will affect banks' financial performance. FinTech solutions that work with current banking systems and procedures can increase acceptance rates, lower installation costs, improve integration, and lessen resistance to change. These elements may have a favorable effect on financial performance since they lower operating costs, boost customer happiness, and raise revenue.

Higher levels of compatibility will make it possible to implement fintech by making the fewest adjustments to the status quo (Yigitbasioglu, 2015; Widuri et al., 2016). Additionally, advantages are perceived as having more value at increasing levels of compatibility (Lutfi et al., 2022b; Lutfi et al., 2022c). Thus, it is hypothesized that:

**H2. Technology Compatibility will influence positively Fintech Adoption.**

### 2.6 Top Management Support

Better ICT selection, investment, and execution in the company would result from top management support for an organization's ICT project (Salleh et al., 2007). The adoption of new technologies is favorably influenced by "Top Management Support" for two reasons. First, the majority of the company's resources—technical, financial, and human resources—are under the hands of senior management (Alsyouf & Ishak, 2018). According to Lutfi et al. (2022d), Saad et al. (2022), and other authors, strong management support supports the effective deployment of these resources required for the seamless adoption of an IT innovation. Second, top management is a significant factor that may support or hinder innovation. Top managers may lessen organizational resistance to embracing new innovations by fostering cultural values that encourage innovation adoption (Ahmad et al., 2015; Alsyouf et al., 2022; Lutfi et al., 2022e).

Prior TOE research found that top management assistance might take many various forms, including financial resources (Zhu et al., 2003), human resources (Pudjianto and Hangjung, 2009), and other types of support (Pudjianto and Hangjung, 2009). Top management support was consistently identified as a key factor influencing
IT adoption in the studies that have already been conducted. The importance of top management in facilitating the adoption of new technologies through resource supply and dedication is therefore highlighted by this study, as it is with every invention (Lee and Kim, 2007).

The level of top management engagement, guidance, and support provided for Fintech Adoption in Banks is referred to as top management support. According to several studies (Bradford and Florin 2003; Mahzan and Lymer 2009), top management support is crucial when making choices on the use of technology in firms. Thus, it is predicted that senior management backing would have a favorable impact on Fintech adoption.

Furthermore, senior management backing may aid in ensuring that fintech adoption in the banking industry is in line with the bank's overall strategy. Top management may aid in ensuring that the adoption of fintech is compatible with the bank's long-term aims and objectives by offering direction and advice. This can increase the likelihood that fintech will be successfully adopted and help the bank succeed overall.

In conclusion, while senior management support is essential to the adoption process, financial performance can have an impact on the uptake of fintech solutions in the banking industry. Top management in the banking industry may support the adoption of fintech solutions and aid to assure its success by fostering an environment of innovation, giving resources, and coordinating it with strategic goals. Thus, it is hypothesized that:

H3. Top management support will influence positively Fintech Adoption.

2.7 Competitive Pressure

Businesses have undoubtedly been more attentive to competitor behavior in the 21st century, especially in the context of a global economy (Ciganek, Haseman, & Ramamurthy, 2014; Tarofder et al., 2016). Information system adopters and non-adopters are shown to be discriminated against by the environment's competitiveness (Lutfi et al., 2021, Alshira’h et al., 2021, Khassawneh, 2014).

Competitive pressure is the level of pressure brought on by the potential loss of a competitive advantage that encourages businesses to adopt and spread innovation throughout their operations (Lin, 2013). Tingling and Parent (2004) look at how managers act in a highly competitive environment to highlight the importance of competition. They discovered that managers frequently accept IT innovation, even when it conflicts with the
requirements of their firm. This is a result of their anxiety over falling behind (Tingling & Parent, 2002).

IT literature (Pea-Vinces et al., 2012; Lutfi et al, 2022) have provided evidence of the impact of IT use on a company's capacity to compete. Since there are various characteristics of IT adoption, the conclusions of the TOE literature on the topic of competitive pressure are similarly equivocal. However, research in a range of IT adoption contexts, including ERP, e-CRM, and Cloud systems (Lutfi et al., 2022h:i; Chang et al., 2005; Lutfi, 2021), revealed that it was essential. For instance, Pan, Jang, and colleagues (2008) discovered that ERP adoption was not significantly influenced by competitive pressure.

The adoption of fintech may also have an influence on financial performance. Fintech adoption can assist banks in strengthening their financial performance, but it can also be expensive and risky. Therefore, banks must carefully weigh the advantages and disadvantages of implementing fintech in order to make the best investment choices (Lutfi et al., 2022j).

In conclusion, financial institutions may employ fintech solutions to maintain their competitiveness in the market. However, the adoption process also heavily depends on financial performance. For banks to invest in cutting-edge technology, they need to have the cash on hand and the potential to realize a profit (Lutfi, 2020). To make sure they are selecting investments that will enhance their financial performance, companies must also carefully weigh the costs and advantages of embracing fintech. Thus, it is hypothesized that:

**H4. Competitive Pressure will influence positively Fintech Adoption.**

### 2.8 Moderating Role of Organizational Readiness

An organization's structure and behavior are significantly shaped by its organizational resources and capacity. Depending on their role, organizational resources may facilitate or impede change (Unsworth et al., 2012). The necessity of matching the nature of the technological change and the capacities of enterprises is highlighted by a classic idea in the organization as well as IT literature for the proper adoption of such technology (Guo & Wu, 2010; Tarofder et al., 2013).

The financial and technological resources of a corporation can be used to illustrate its organizational readiness (Iacovou, Benbasat, & Dexter, 1995). By outfitting the
company with technical tools and fostering a work environment that supports technology adoption, these resources are leveraged to boost organizational readiness.

This organizational readiness covers finances, technology, corporate culture, links inside the firm, and partnerships. The findings support research by Hiran and Henten (2020), which found that businesses must plan for a variety of needs for the present and the future in order to deal with circumstances and technology advancements. The use of financial technology has consequences for organizational readiness in that businesses must understand the significance of an organizational readiness plan in order to deal with potential future challenges, according to Urumsah et al. (2022).

The organizational readiness's moderating function may be utilized to better comprehend the elements that affect banks' adoption of fintech. The TOE elements, which encompass technical, organizational, and environmental aspects, have an impact on the adoption of fintech. The association between the TOE variables and fintech adoption, however, might be moderated by the bank's organizational readiness to implement fintech solutions. The association between the TOE criteria and fintech adoption in banks might be moderated by organizational readiness. The capacity and willingness of an organization to adopt new technologies can be referred to as organizational readiness. How effectively the TOE factors can forecast the adoption of fintech depends on the extent of organizational readiness inside a bank.

The significance of organizational readiness as a moderator in the association between TOE variables and fintech adoption in banks is highlighted by this study. Banks may better position themselves for the benefits and difficulties of the digital revolution by understanding how organizational readiness affects the adoption of fintech solutions. These studies also provide light on how various Organizational Readiness (TOE) characteristics may influence the adoption of fintech in various circumstances, which may help build more focused strategies for fintech adoption in banks. Thus, it is hypothesized that:

H5A. The positive significant relationship between Relative Advantage and Fintech adoption is high (low) when Organizational Readiness is high (low).
H5B. The positive significant relationship between Technology compatibility and Fintech adoption is high (low) when Organizational Readiness is high (low).
H5C. The positive significant relationship between Top Management Support and Fintech adoption is high (low) when Organizational Readiness is high (low).

H5D. The positive significant relationship between Competitive Pressure and Fintech adoption is high (low) when Organizational Readiness is high (low).

2.9 Fintech Adoption and Financial Performance

According to Gai et al. (2018), the term "FinTech" refers to a recent wave of technological developments that predominantly characterizes the financial technology sectors in a variety of activities, primarily involving improving service quality through a significant dependence on IT solutions. There are several definitions of fintech in the literature, however they don't really differ that much. It refers to companies that have business strategies that alter how financial services are delivered and employ technology to conduct operations outside the scope of conventional financial services (KPMG, 2022). According to the proposed definition of fintech provided by the International Monetary Fund (IMF) (He et al., 2017), a vast array of financial services fall under this category, all of which rely on digital platforms for both delivery and access. Modern financial solutions made feasible by technological advancement are referred to as fintech. It is widely used to describe newly established companies that offer these solutions. It also includes well-known financial service companies like banks, according to Puschmann et al. (2017).

The industry is having an influence on how organizations and the economy use technology, leading to a virtual transformation that calls for people to have the right FinTech capabilities. It has been noted that the adoption of FinTech is a direct result of how heavily banking and FinTech businesses rely on automation. With significant skill set changes, there is a chance that the FinTech industry may see one of the largest workforce shifts in the upcoming years (Dietz et al., 2017). Consumer acceptance of fintech is a danger to banks because customers want the same level of service from banks. Unfortunately, banks are unable to provide this demand since they lack the necessary expertise (Pozzolo, 2017). A threat to the banks is posed by these FinTech enterprises because of the technology's user-friendly and quick services (Kyari & Akinwale, 2020). The bond between banks and their customers is being broken by fintech businesses, which is causing banks to become increasingly concerned (Vives, 2017). On the other hand,
banks view fintech as a fresh opportunity to integrate it into their operational environments (Zarrouk et al., 2020). For instance, banks now provide mobile banking to customers who don't yet have a bank account.

As a cutting-edge technological enabler, financial technology (FinTech) services offer digital financial services in easier and more practical ways for the company (Lee & Shin, 2018). The firm anticipated that the use of FinTech would reduce transaction costs and boost financial services. (2013) Blohm & Leimeister

The term "financial technology" (FinTech) is frequently used to refer to a mobile-based technology system with the goal of improving financial performance (Kim, 2015). By introducing new, enticing benefits for its clients, the new financial digital platform altered the organization's business strategy (Walchek, 2020).

Due to the interconnectedness of all contacts and networking through technology, information technology has revolutionized corporate life (Lim, 2020). The new sharing economy system model and the government's support for regulations as a response to the development of information technology were the catalysts for the emergence of fintech (Blohm & Leimeister, 2013).

In conclusion, as technology has continued to change the financial services sector, the use of fintech (financial technology) by banks has grown in significance. The use of fintech has the potential to significantly affect banks' financial performance since it may boost productivity, save expenses, and enhance customer satisfaction. Numerous research has looked at the connection between bank financial performance and fintech adoption. According to one study, banks that incorporated fintech solutions tended to be more profitable, have lower operational expenses, and have assets of greater quality.

Overall, it indicates that the implementation of fintech can improve banks' financial results. To better understand the connection between fintech adoption and bank performance, further study is required to determine the scope and nature of this influence, which may vary based on a number of variables. Thus, it is hypothesized that:

H6. Fintech Adoption will influence positively Financial Performance.

3 RESEARCH METHODOLOGY
3.1 Population and Sampling

The population of this study consisted of supervisors, department heads, and bank managers who worked for Jordanian commercial banks. Due to the simplicity of using it
for data collection, a convenience sampling strategy was used (Fraenkel, Wallen, & Hyun, 1993). Because of their expertise and position within the banks, the mail survey specifically targeted bank managers, department heads, and supervisors (Trites, 2004).

3.2 Instrument

Information for this study was acquired via an online questionnaire. The survey items were scored on a Likert scale with a range of 1 to 7. The measurement source, the total number of items, and Cronbach's alpha values from the pilot study are shown in Table 1.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Items</th>
<th>Cronbach’s alpha of pilot study (N = 33)</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relative Advantage</td>
<td>5</td>
<td>0.848</td>
<td>Rosli et al. (2013)</td>
</tr>
<tr>
<td>Technology Compatibility</td>
<td>3</td>
<td>0.889</td>
<td>Rosli et al. (2013)</td>
</tr>
<tr>
<td>Top management support</td>
<td>3</td>
<td>0.789</td>
<td>Rosli et al. (2013)</td>
</tr>
<tr>
<td>Competitive Pressure</td>
<td>4</td>
<td>0.888</td>
<td>Rosli et al. (2013)</td>
</tr>
<tr>
<td>Organizational Readiness</td>
<td>5</td>
<td>0.915</td>
<td>Rosli et al. (2013)</td>
</tr>
<tr>
<td>Fintech Adoption</td>
<td>5</td>
<td>0.813</td>
<td>Tun-Pin et al. (2019)</td>
</tr>
<tr>
<td>Financial Performance</td>
<td>5</td>
<td>0.810</td>
<td></td>
</tr>
</tbody>
</table>

Source: Created by Author

3.3 Data Collection

In this field study, 392 questionnaires were delivered through email referral to the respondents. The Bank workers who meet the requirements for this study were given the questionnaires. Between January and March 2023, data were gathered. 215 of the 392 questionnaires are returned as usable, out of which 392 total. Despite being considered to be of modest size, the sample nonetheless satisfies the requirements for structural equation modeling (SEM) (Hair et al., 2010).

3.4 Hypotheses Testing

Before testing the hypothesis, it is essential to assess how accurate the measurement model and the structural model are. Hair et al. (2017) recommend assessing the measurement model's factor loading, validity, and reliability. One from relative advantage and one from TMS were both eliminated. The validity and reliability are therefore adequate. Table 2 shows the findings of the validity and reliability evaluations. In situations where the correlation value was less than 0.85, Hair et al. (2019) suggested using HTMT to test discriminant validity. Table 2 demonstrates that the average variance
extracted (AVE) is greater than 0.50, composite reliability is greater than 0.70, and Cronbach's Alpha (CA) is greater than 0.70.

### Table 2: Result of Evaluating Measurement Model

<table>
<thead>
<tr>
<th>Variable</th>
<th>CA</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Pressure</td>
<td>0.841</td>
<td>0.904</td>
<td>0.759</td>
</tr>
<tr>
<td>Financial Performance</td>
<td>0.868</td>
<td>0.894</td>
<td>0.628</td>
</tr>
<tr>
<td>Fintech Adoption</td>
<td>0.838</td>
<td>0.894</td>
<td>0.68</td>
</tr>
<tr>
<td>Relative Advantage</td>
<td>0.923</td>
<td>0.945</td>
<td>0.811</td>
</tr>
<tr>
<td>Technological Compatibility</td>
<td>0.937</td>
<td>0.955</td>
<td>0.842</td>
</tr>
<tr>
<td>Top Management Support</td>
<td>0.801</td>
<td>0.884</td>
<td>0.721</td>
</tr>
</tbody>
</table>

Source: Created by Author

The structural model was also evaluated. The value of R-square for fintech adoption as shown in Figure 2 is 0.536 while for financial performance is 0.518. This indicates that 53.6% of fintech adoption can be explained by the variables while 51.8% of financial performance can be explained by fintech adoption. For the effect size, it has a value greater than 0.02 except for the path of technological compatibility with fintech adoption.

For testing the hypotheses of the direct effect, Figure 2 shows the result of testing the hypotheses.

Figure 2: Structural Model of Direct Effect

Source: Created by Author
Table 3 shows the results of testing the hypotheses.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path</th>
<th>B</th>
<th>Std</th>
<th>T</th>
<th>P values</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Relative Advantage -&gt; Fintech Adoption</td>
<td>0.438</td>
<td>0.057</td>
<td>7.749</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H2 Technological Compatibility -&gt; Fintech Adoption</td>
<td>0.057</td>
<td>0.05</td>
<td>1.132</td>
<td>0.258</td>
<td>Not supported</td>
<td></td>
</tr>
<tr>
<td>H3 Top Management Support -&gt; Fintech Adoption</td>
<td>0.252</td>
<td>0.041</td>
<td>6.117</td>
<td>0.000</td>
<td>Supported</td>
<td></td>
</tr>
<tr>
<td>H4 Competitive Pressure -&gt; Fintech Adoption</td>
<td>0.149</td>
<td>0.05</td>
<td>2.989</td>
<td>0.003</td>
<td>Supported</td>
<td></td>
</tr>
</tbody>
</table>

Source: Created by Author

3.4.1 Direct effect

Thus, as seen in Table 3, the impact of relative advantage on the uptake of fintech is favorable, supporting H1. The p-value of the effect for H2 is more than 0.05, hence it is rejected. Therefore, technological compatibility has an insignificant effect on fintech adoption. For H3, it is supported. Top management is critical for fintech adoption. Similarly, competitive pressure is important for fintech as shown in H4, it has a significant positive impact on fintech adoption. Thus, H4 is supported.

3.4.2 Moderating effect

To examine the moderating effect of organizational Organizational Readiness, Smart PLS 4 has a new function that can create immediately the interaction term. As shown in Figure 3, the moderating effect of organizational Organizational Readiness is tested. Four new paths were created.
Table 4 shows the results of testing the moderating effect of Organizational Readiness (OR)

<table>
<thead>
<tr>
<th>H</th>
<th>Path</th>
<th>B</th>
<th>Std</th>
<th>T</th>
<th>P values</th>
<th>Label</th>
</tr>
</thead>
<tbody>
<tr>
<td>H5a</td>
<td>OR x RA -&gt; Fintech Adoption</td>
<td>0.032</td>
<td>0.053</td>
<td>0.606</td>
<td>0.544</td>
<td>Not supports</td>
</tr>
<tr>
<td>H5b</td>
<td>OR x TC -&gt; Fintech Adoption</td>
<td>0.115</td>
<td>0.048</td>
<td>2.408</td>
<td>0.016</td>
<td>Supports</td>
</tr>
<tr>
<td>H5c</td>
<td>OR x TMS -&gt; Fintech Adoption</td>
<td>0.053</td>
<td>0.042</td>
<td>1.265</td>
<td>0.206</td>
<td>Not supports</td>
</tr>
<tr>
<td>H5d</td>
<td>OR x CP -&gt; Fintech Adoption</td>
<td>-0.121</td>
<td>0.046</td>
<td>2.663</td>
<td>0.008</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Fintech Adoption -&gt; Financial Performance</td>
<td>0.72</td>
<td>0.011</td>
<td>65.32</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Organizational Readiness did not moderate the effect of relative advantage (RA) on fintech adoption. The p-value is larger than 0.05 as shown in Table 4. Thus, H5a is not supported. For H5b, it is supported because the effect of technological compatibility is moderated positively by organizational readiness. This means that the increase in Organizational Readiness as a moderator will enhance the effect of technological compatibility. H5c as shown in Table 4 is rejected. Organizational readiness did not moderate the effect of TMS on fintech adoption. On the other hand, organizational readiness negatively moderated the effect of competitive pressure on fintech adoption indicating that the increase in organizational readiness will reduce the competitive pressure. Therefore, H5d is supported. For the last hypothesis, this study proposed that the effect of fintech adoption will be positive on financial performance. As shown in Table 4 as well as in Figure 2 and Figure 3, the effect of fintech adoption on financial performance is positive and significant. Therefore, H6 is supported.

4 CONCLUSION AND DISCUSSION

This study fills a knowledge gap on the use of Fintech in Jordanian commercial banks. Consumer perception has a huge impact on how the Fintech trend develops, but it is still very confusing in the study areas that require a strong academic foundation to support mapping on literature. Therefore, the major goal of this study is to examine TOE characteristics and their importance in promoting FinTech adoption and their effects on financial performance.

The findings of the study suggest that there is a significant and positive relationship between three factors: relative advantage, support from top management, and competitive pressure, with respect to the adoption of financial technology for achieving the main objective. Relative advantage refers to the degree to which fintech is perceived
as superior to traditional methods in terms of efficiency, speed, cost-effectiveness, or other advantages. Top management backing denotes the extent to which leaders within an organization are supportive of adopting fintech and provides resources and investments to advance this goal. Competitive pressure relates to the external forces that compel organizations to adopt fintech in order to remain competitive in the market.

Furthermore, the research reveals that financial performance has a strong and affirmative correlation with fintech adoption. This implies that companies that adopt fintech tend to experience better financial outcomes than those that do not. Fintech adoption can lead to increased revenue, profitability, customer satisfaction, and operational efficiency. On the other hand, technical compatibility was found to have minimal influence on the relationship between fintech adoption and financial performance. Technical compatibility refers to the ease with which fintech systems integrate with existing technologies within an organization. While it is important for fintech to be compatible with existing systems, it does not seem to have a significant impact on the overall success of fintech adoption.

According to this study, organizational readiness has a strong moderate beneficial impact on the relationship between technological compatibility, competitive pressure, and fintech adoption. The findings also demonstrate that moderating is positive and that an increase in organizational readiness as a moderator will result in an increase in the positive relationship between technological compatibility, competitive pressure, and fintech adoption because the high-end (high organizational readiness) is higher than the low end (low organizational readiness). This study demonstrates that organizational preparation does not significantly moderate the favorable association between relative advantage, top management support, and fintech adoption. The relationship between relative advantage, top management support, and fintech adoption will not change whether organizational readiness is higher or lower.

According to Alsamydai, et al. (2014), the use of financial technology increases its use in banking transactions and reduces the amount of knowledge needed to master the new system's procedures. Additionally, the system's user interface, friendliness, and clarity of instructions have a significant impact on users' intentions to utilize financial technology for banking operations. Jeong and Yoon (2013) claim that the implementation of technology does increase the efficacy and efficiency of the provision of financial services. The study's results, therefore, provide credence to the notion that technological
features are a crucial draw that influences consumers' decisions to adopt financial technology.

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