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A Decision-Support Model for Ethical Digital Strategy in Banking: Integrating Islamic Values, Digital Social Responsibility, and Organizational Performance

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ABSTRACT

The rapid digital transformation of the banking industry has increased the need for ethical decision-making and socially responsible digital practices. This study examines the influence of Islamic values orientation on organizational performance through the mediating roles of ethical digital strategy, digital social responsibility, and strategic decision-making quality in the Jordanian banking sector. A quantitative, cross-sectional research design was employed, and data were collected from managerial employees of commercial and Islamic banks in Jordan using a structured questionnaire. The findings reveal that Islamic values orientation significantly enhances ethical digital strategy and digital social responsibility but does not directly influence strategic decision-making quality. Digital social responsibility significantly improves strategic decision-making quality and mediates the relationship between Islamic values orientation and strategic decision-making quality, whereas ethical digital strategy does not exhibit a significant mediating effect. Furthermore, strategic decision-making quality has a significant positive influence on organizational performance. The study contributes to the literature by integrating Islamic ethical principles with digital transformation and strategic management, providing practical insights for developing sustainable and ethically driven digital banking strategies.

1. Introduction

Digital technologies have been changing the global banking landscape at an unprecedented speed [1], which has impacted all aspects of the business, from organizational strategies to customer interactions and decision-making processes. Financial institutions have embraced emerging technologies like artificial intelligence, cloud computing, blockchain, big data analytics, and digital banking platforms to gain greater efficiencies [2], deliver a better customer experience, and give them

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a real competitive edge. However, the growing digitization of technologies raised major ethical issues [3] concerning transparency, accountability, data privacy, algorithmic fairness, cyber security and responsible governance. The concerns have led banking institutions to shift from technology adoption to crafting ethical strategies that will support digital transformation in a manner that is in line with the values of the organization and the expectations of society.

Jordan has become a key player in the Middle East for the digital revolution in the financial services industry [4]. The Central Bank of Jordan has implemented various measures to foster digital banking [5], financial technology (FinTech), electronic payment systems and financial inclusion. Jordanian commercial banks and Islamic banks have been making greater investments in digital infrastructure to enhance the quality of their services [6], as well as their operational capabilities and their resilience, and to meet the changing expectations of their customers. The success of digital transformation relies not only on technological capabilities but also on the ethics that underlie strategic decisions. Banks must continue to be transparent, fair and accountable in their digital transformation and in their use of digital innovations, to enhance trust and long-term sustainability. Ethical behavior is tied to Islamic values deeply entrenched in Islamic societies like Jordan [7], which include honesty, justice, accountability and integrity, consultation (Shura), trustworthiness (Amanah), and self-evaluation. They shape managerial conduct and organizational culture in a way that promotes responsible management and ethical decision making. Thus, the Islamic values orientation is an essential organizational resource that helps to form a digital transformation strategy, ensuring that technological innovation does not contradict the moral and social responsibilities.

In addition to digital ethics, digital social responsibility is the other crucial aspect of organizational competitiveness [8]. Digital social responsibility is an extension of traditional corporate social responsibility [9], where digital technologies are harnessed to enhance community engagement, environmental sustainability, communication with stakeholders, and social welfare initiatives. Digital platforms can help banks increase transparency and transparency in their dealing with customers, boost financial literacy and sustainable development programs. These socially responsible digital practices help to build trust among stakeholders and to increase the legitimacy of the organization in a digital economy. Good strategic decision-making is the vehicle through which ethical strategyies and socially responsible practices present themselves in better performance in an organization. Strategic decisions involve resource allocation, managing technological risks, digital opportunities, and reacting to environmental uncertainty [10].

While a few studies have investigated each of these concepts individually, there has been a lack of in-depth research that combines these concepts within an integrated framework for decision support, especially in the developing economies of Jordan. Previous studies have failed to consider the mechanism how Islamic values impact organizational performances through ethical digital strategy, digital social responsibility, and strategic decision-making quality. This gap makes it difficult for both theoretical knowledge and managerial guidance for banking institutions to digitalize. Thus, the aim of the present study is to design and to test the validity of a model for decision support that incorporates the Islamic values orientation, ethical digital strategy, digital social responsibility, strategic decision making quality, and organizational performance in the banking sector of Jordan. This study fills the gap in the literature on ethical digital transformation, strategic management, and Islamic business ethics by offering empirical evidence from Jordan. It provides insights for practitioners such as banking executives and policy makers to improve the performance of their organizations through ethically grounded digital strategies.

2. Literature Review and Hypotheses Development

The proposed framework in Figure 1 is based on the Resource Based View (RBV) Theory [11] that states that valuable, rare, inimitable and non-substitutable resources and capabilities, if effectively developed and utilized, can give the organization sustainable competitive advantage. Islamic values orientation is an intangible organizational resource which determines ethical behavior, managerial integrity and responsible governance [12]. These values are also used to develop the support of ethical digital strategy and digital social responsibility, as capabilities of the organization that can support the responsible use and implementation of digital technologies. These abilities contribute to strategic decision-making quality by fostering transparency and accountability, stakeholder orientation, and informed managerial judgments. As a result of high-quality strategic decisions, organizational performance is enhanced [13] by efficient allocation of resources, trust and confidence among stakeholders, and effective operations. Therefore, the framework suggests that Islamic values indirectly help to achieve better organizational performance through the development of ethical digital skills that in turn enhance strategic decision making in Jordanian Banks, in line with the main propositions of the Resource Based View theory.

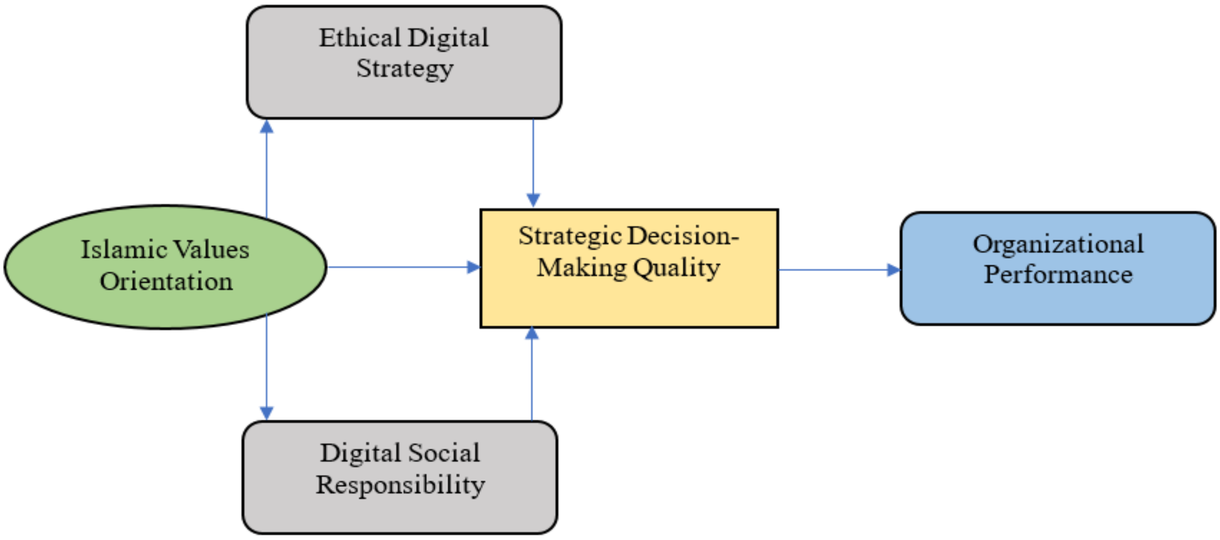

Fig.1: Framework of the Study

2.1 Organizational Performance

Organizational performance is defined as how well an organization fulfills the goals of its strategy using available resources efficiently, and remains competitive in the long-term [14]. It is a multi-dimensional phenomenon covering all aspects of finance, operations, service, customer satisfaction, innovation and organizational effectiveness. Within the banking industry, organizational performance is expressed through a bank capacity to become profitable, to enhance working processes and to satisfy customer needs [15]. The determinants of organizational performance have also been further broadened through digital transformation, focusing on technological capacity, the use of information in decision-making and organizational agility. Good organizational performance is crucial to the confidence of stakeholders and to meeting the speedy changes in the technology and market in the banking sector in Jordan. Therefore, companies with a deep-rooted culture of good governance, digital innovation and strategic decisions are more likely to achieve sustainable performance over the long term and operational excellence over time.

2.2 Islamic Values Orientation

Islamic values orientation is the extent to which one or an institution adopts and pursues Islamic ethical values [16]. These values are derived from the teachings of the Holy Qur'an and Sunnah and include honesty, justice, accountability, trustworthiness (Amanah), consultation (Shura), sincerity (Ikhlas) and self-evaluation (Muhasabah). Islamic values foster ethical leadership, fairness, transparency, social responsibility and stewardship of organization resources within organizational context [12]. Organizations under Islamic principles not only aim just for monetary results, but they also take care of moral and social obligations to satisfy the objectives of Islamic society. Islamic Values Orientation in Jordan banking sector offers a moral compass that influences managerial conduct and the organization's culture, fostering a more responsible banking sector and a greater emphasis on stakeholders. These values, therefore, are an important intangible resource of the organization, which helps in ethical governance and sustainable development of the organization.

2.3 Ethical Digital Strategy

Ethical digital strategy is a conscious approach to embedding ethics in the way an organization plans, implements and manages digital technologies and digital transformation projects [17]. It helps promote values like transparency, fairness, accountability, privacy, inclusiveness, and responsible use of digital resources in guiding technological innovation. An ethical digital strategy goes beyond technology and includes the development of policies and governance frameworks, leadership practices, ethical communication, and employee training. Ethical digital strategies are essential in the banking sector as financial institutions often handle sensitive customer data and heavily depend on digital channels for service provision [18]. Implementing ethical guidelines within digital operations can enhance customer confidence, mitigate reputational danger, manage regulatory requirements, and foster sustainable innovation for banks. Ethical digital strategy is a strategic organizational competence [19] which improve decision-making and long-term competitiveness of the organization.

2.4 Digital Social Responsibility

Digital social responsibility (DSR) is the responsibility of an organization to do its social, environmental and ethical obligations effectively using digital technologies and online platforms [20]. It is the digital version of the traditional corporate social responsibility, which is used to innovate the use of technologies to improve the engagement with stakeholders, transparency, community development, environmental sustainability and social welfare programs. Digital channels can enhance the organization's communication with stakeholders, facilitate charitable activities, foster financial inclusion, and provide socially useful activities efficiently. Digital social responsibility in the banking sector helps banks build public confidence, and solve social issues with digital finance and social efforts [21]. Banks are actively leveraging digital platforms to show their corporate citizenship and build customer and community relationships, an effort that has become a vital way for them to engage with customers and communities in the evolving digital economy in Jordan. By fostering social responsibility in digital practices, these efforts further bolster organizational legitimacy and trust from stakeholders, as well as sustainable organizational success.

2.5 Strategic Decision-Making Quality

Quality of strategic decision making is the degree of accuracy, reliability, timeliness, informativeness and effectiveness of managerial decisions to meet the intended organizational objectives [22]. Well-informed and carefully considered strategic decisions are made using full information, using a systematic approach, thinking ethically, and weighing options when things are uncertain. The quality of strategic decision-making can directly impact the performance of an organization, particularly in the banking sector, where it affects resource allocation, investment priorities, digital transformation initiatives, risk management practices, and competitive positioning. Digital technologies and organizational data are becoming more prevalent, making informed and responsible strategic decisions more important [23]. The strengthening of decision quality is critical for responding to technological disruption, regulatory changes, and the changing expectations of customers for Jordanian banks.

Islamic values orientation speaks of the extent to which organizations and their leaders embed Islamic moral principles in the practices and activities of their organizations [24]. These values create an ethical organizational culture which influences the way the organization is managed and which encourages responsible governance [25]. In banking, managers with Islamic values have a greater tendency to decisions that are objective, transparent, and considering stakeholder's interests, thus improving the quality of strategic decision making. Additionally, Islamic ethical values urge companies to consider the concept of responsibility, fairness, and transparency [26] in their digital transformation programs. It fosters responsible utilization of new technologies and builds trust among stakeholders. The principle of social welfare, compassion and community development also forms a core tenet of Islamic teachings which are in line with digital social responsibility. In this regard, banks that are more oriented towards Islamic values are more likely to use digital technologies to improve financial inclusion, community engagement, transparency and sustainable business practices. Thus, in the context of banking sector, it is expected that Islamic values orientation will enhance the quality of strategic decision making and the implementation of an ethical digital strategy at the banking sector, which in turn will promote digital social responsibility and consequently responsible and sustainable development of the banking sector.

H1: Islamic values orientation influences strategic decision-making quality.

H2: Islamic values orientation influences ethical digital strategy.

H3: Islamic values orientation influences digital social responsibility.

Ethical digital strategy is the explicit embedding of ethical values within the planning, implementation and governance of digital technologies [27]. Ethical Digital Strategies offer managers a secure governance structure to assess strategic options and mitigate technological risks as they increasingly depend on digital pathways, AI, and data-driven systems in banking. These approaches enhance the quality of information, bolster regulatory adherence and foster clear communication, empowering managers to make well-informed and unbiased choices. Ethical digital practices also eliminate one of the great uncertainties [28], as it provides an organization with clear guidelines for conducting itself in the digital world and engaging with its stakeholders. Jordan banking sector is undergoing rapid digital transformation [29], and those banks which embrace ethical digital strategies stand to benefit from making more effective strategic decisions in their use of digital technology and good governance. Thus, an ethical digital strategy is expected to positively affect strategic decision-making quality.

H4: Ethical digital strategy influences strategic decision-making quality.

Digital social responsibility is the social, environmental and stakeholder value creation of an organization's responsible use of digital technologies and platforms [8]. Digital social responsibility enhances organizations' trust and quality of information to make managerial decisions through transparency, stakeholder engagement, financial inclusion, and ethical digital practices. The proactive banks that work hard to become socially responsible [30] and implement digital initiatives will have a deeper insight into the expectations of their stakeholders. In addition, with digital social responsibility, accountability and long-term thinking is promoted, which decreases the reputation risk and increases the legitimacy of the organization. To achieve this, socially responsible digital practices in Jordan banking sector can help managers meet their goals and societal needs while adhering to regulatory requirements. Thus, it is hoped that digital social responsibility will have a positive impact on the quality of making strategic decisions.

H5: Digital social responsibility influences strategic decision-making quality.

The concept of ethical digital strategy and digital social responsibility illustrates the mechanism that enhances the quality of strategic decision making [31] using the orientation of Islamic values in digital. Ethical digital strategy and digital social responsibility are the mechanisms that explain how strategic decision making is enhanced in the orientation of Islamic values in digital. Ethical digital strategies and socially responsible digital initiatives are translated from the ethical foundation of Islamic values [32] that foster transparency, accountability, fairness and stakeholder responsibility in the organization. An ethical digital strategy ensures that digital technology is managed according to ethical standards allowing managers to have confidence in information sources, improve governance and make informed decisions on strategy. Likewise, digital social responsibility helps to engage with stakeholders [33], gain legitimacy and increase transparency of an organizational actions through digital technologies, and enables managers to have a wider perspective in making a decision for the sustainable future. Hence, the nature of an Islamic value alone is insufficient to enhance decision quality without being incorporated in ethical digital governance and socially responsible digital practices. In the context of banking sector of Jordan, the organizational capabilities have the potential to better influence the managerial decisions made by the managers reflecting the Islamic values, thus acting as the mediation between Islamic values orientation and banking strategic decision quality.

H6: Ethical digital strategy mediates the relationship between Islamic values orientation and strategic decision-making quality.

H7: Digital social responsibility mediates the relationship between Islamic values orientation and strategic decision-making quality.

The quality of strategic decision making is the degree of being accurate, timely, reliable and related to organizational goals [34]. Strategic analysis and decisions that are made to a good standard can help organizations to allocate resources effectively [35] to respond to changes in the environment, to deal with risks and to take advantage of new opportunities. In banking, good decision quality contributes to the efficiency of operations, quality of service, financial results, and customer satisfaction [36]. As sound decision-making is supported by reliable information and reasonable managerial judgment in initiating strategic decisions. Information-based decisions also enhance organizational agility and competitiveness in digital and dynamic world of business. In the rapidly changing banking landscape of Jordan, where digital transformation and regulatory compliance are ongoing, strategic decision-making is paramount to ensuring sustainable organization success. Thus, it is expected that organizations with high strategic decision quality will have high organizational performance.

H8: Strategic decision-making quality influences organizational performance.

3. Methodology

3.1 Questionnaire Development

Islamic values orientation is measured through five items adapted from Wahab et al. [37]. Ethical digital strategy is measured based on the ethical culture which is adapted in relation to digitalization through eight items which are adapted from Tajudin et al. [38]. Furthermore, five items were used to measure digital social responsibility, adapted from Singh et al. [39]. Additionally, strategic decision-making quality is measured by using four scale items adapted from Al-Okaily et al. [40]. Finally, organizational performance is measured by using four scale items adapted from Alkalha et al. [41]. All the scale items are presented in Table 1.

Each question on the questionnaire was scored on a five-point Likert scale from 1 (strongly disagree), to 5 (strongly agree), enabling the respondents to show how much they agreed with each of the questions. Simple random sampling technique was used to prevent the selection bias and to give every managerial worker in the target population a chance to participate in the survey. The questionnaire was discussed with academic experts and banking professionals to ensure content validity and relevance to the banking context of Jordan, before the main survey.

Table 1

Variable Measures

Variables	Questionnaire Items
Islamic Values Orientation [37]	1. "I regularly self-evaluate my own actions for self-improvement. 2. It is important for me to regularly practice self-criticism and self-appraisal. 3. I would regularly practice self-criticism to ensure that I am on the right track. 4. It is important for me to continuously practice self-evaluation to check on my progress. 5. I find self-criticism and self-appraisal useful to bring me back on track.
Ethical Digital Strategy [38]	1. Organizational ethical norms and values follow digitalization. 2. Digital ethical leadership support. 3. Ethical communication within the organization through digital tools. 4. Ethics training for employees through artificial intelligence. 5. Work environment supporting digital ethical behavior. 6. Employee involvement in ethical decision-making through digitalization. 7. Transparency in digital organizational operations 8. Corporate social responsibility by promoting digitalization.
Digital Social Responsibility [39]	1. My bank is interested in corporate donations through digital platforms. 2. My bank gives back to the communities in which it does business via digital platforms. 3. The communities and societies benefit from the bank's contributions through digital platforms. 4. My bank integrates digital charitable contributions into its business activities. 5. This bank is committed to using a portion of its profits to help communities and societies via digital platforms
Strategic Decision-Making Quality [40]	1. The outcome of the decision that I make is usually correct (the outcome may have minor errors). 2. The outcome of the decision that I make is usually accurate (the outcome has no errors at all). 3. The outcome of the decision that I make is usually precise (it led to the same outcome every time I face the same problem). 4. The outcome of the decision that I make is usually dependable.
Organizational Performance [41]	1. Our bank achieves its scheduled goals on specified time. 2. Our bank remains within the limits of budget in terms of costs and expenses. 3. Our bank has achieved its objectives for the previous financial year. 4. Our bank achieves its specific goals with expenses less than what are specified in the budget. 5. Our bank achieves its objectives in less than the expected time."

3.2 Pilot Study

A pilot study was carried out to test the clarity, reliability and readability of the measurement instrument before the main data collection. A questionnaire was sent to 35 managerial employees of commercial and Islamic banks in Jordan who were found to have similar characteristics to the target respondents but were not included in the final questionnaire. Participants were asked to mark any unclear language, statements, and any problems they had with the questionnaire. Some minor adjustments were made to wording and sequencing of items based on their responses that did not change the conceptual meaning. Cronbach's alpha was then calculated to determine the internal consistency reliability. The reliability of all constructs was good, ranging from Cronbach's $\alpha = 0.82$ to 0.91, which is above the 0.70 threshold [42]. These findings verified that the instrument used to measure was reliable, understandable and appropriate for the main survey.

3.2 Population of the Study and Data Collection

The target population included managerial employees in commercial and Islamic banks in Jordan such as department managers, operations managers, information technology managers, and branch managers as well as senior executives. The respondents were chosen due to their adequate knowledge of organizational strategies, digital transformation initiatives, strategic decision-making processes. A questionnaire method was used to collect data after receiving permission from the relevant organizations and respondents' consent and anonymity. Data was collected by filling questionnaires both online and self-administered, with the approval of the relevant organizations and respondents' consent and anonymity. Five hundred (500) were distributed and 190 questionnaires were returned.

3.3 Common Method Bias

Common method bias (CMB) was checked prior to the test of the structural model, since all study variables were measured by a single self-administered questionnaire. The full collinearity variance inflation factor (VIF) approach was used to prevent multicollinearity. In this approach, common method bias is not likely to be a problem if the VIF values for all latent constructs are below 3.3. The results showed that the VIF values were well below 2.0, the recommended cutoff value, ranging from 1.48 to 2.37. Thus, common method bias was not found to be a serious problem, with the relationship between the variables studied not being significantly affected by common method variance.

4. Data Analysis

The descriptive statistics shown in Table 2 provided the mean values, which are somewhere between 2.787 – 3.454, which means that respondents had a moderate perception of the measured constructs. The standard deviation values ranged from 1.129 to 1.444 and were within an acceptable range for response variability. Furthermore, the skewness values varied from −0.437 to 0.319 and the excess kurtosis values ranged from −1.329 to −0.541. All values are within the recommended range of normal distribution (±2 for skewness and ±7 for kurtosis) and can be analyzed using PLS-SEM.

Table 2
Data Statistics

Items	Mean	Median	Standard Deviation	Excess Kurtosis	Skewness
IVO1	2.943	3	1.294	-1.018	0.076
IVO2	2.954	3	1.222	-0.954	0.089
IVO3	2.977	3	1.291	-1.121	0.156
IVO4	3.011	3	1.373	-1.27	0.06
IVO5	3.029	3	1.358	-1.168	0.086
EDS1	3.063	3	1.348	-1.215	0.026
EDS2	3.109	3	1.444	-1.329	-0.019
EDS3	2.874	3	1.197	-0.732	0.165
EDS4	2.937	3	1.16	-0.681	0.258
EDS5	2.96	3	1.284	-1.069	0.043
EDS6	2.862	3	1.27	-1.04	0.109
EDS7	2.874	3	1.244	-0.847	0.134
EDS8	2.787	3	1.22	-0.798	0.319
DSR1	2.862	3	1.219	-0.865	0.19
DSR2	3.293	3	1.179	-0.713	-0.248
DSR3	3.247	3	1.256	-0.888	-0.231
DSR4	3.351	3	1.188	-0.732	-0.272
DSR5	3.408	4	1.208	-0.994	-0.236
SDMO1	3.402	3	1.129	-0.579	-0.335
SDMO2	3.374	3	1.215	-0.944	-0.245
SDMO3	3.305	3	1.311	-1.077	-0.224
SDMO4	3.454	4	1.285	-1.027	-0.307
OP1	3.454	4	1.267	-1.013	-0.341
OP2	3.374	3	1.21	-0.541	-0.437
OP3	3.356	3	1.184	-0.57	-0.303
OP4	2.874	3	1.244	-0.847	0.134
OP5	2.787	3	1.22	-0.798	0.319

The measurement model shown in Table 3 has good reliability and the convergent validity is satisfactory. The Cronbach's alpha for each of the scales ranged from 0.754 to 0.939, and the composite reliability for each of the scales ranged from 0.820 to 0.949, both of which were higher than the 0.70 recommended [43]. The AVE values were within the range of 0.503 to 0.786, which means that the indicators of each construct accounted for over 50% of the variance. In addition, the factor loading ranged from 0.550 to 0.911 with most items above 0.70, suggesting that the indicators adequately represented the latent constructs that they measured.

Table 3

Internal Items Reliability and Convergent Validity

Variable	Item	Alpha	CR	AVE	Loading
Digital Social Responsibility	DSR2	0.909	0.936	0.786	0.892
	DSR3				0.911
	DSR4				0.874
	DSR5				0.869
Ethical Digital Strategy	EDS1	0.939	0.949	0.7	0.845
	EDS2				0.854
	EDS3				0.81
	EDS4				0.852
	EDS5				0.875
	EDS6				0.883
	EDS7				0.791
	EDS8				0.779
Islamic Values Orientation	IVO1	0.931	0.948	0.785	0.872
	IVO2				0.894
	IVO3				0.9
	IVO4				0.895
	IVO5				0.867
Organizational Performance	OP1	0.754	0.82	0.503	0.793
	OP2				0.774
	OP3				0.757
	OP4				0.55
	OP5				0.561
Strategic Decision-Making Quality	SDMO1	0.892	0.925	0.755	0.834
	SDMO2				0.881
	SDMO3				0.895
	SDMO4				0.865

All the HTMT values shown in Table 4 were below the recommended cut-off value of 0.85, ranging from 0.407 to 0.769 [44]. The strategic decision-making quality and organizational performance were found to have the highest value of HTMT (0.769) within acceptable range. These results validate the satisfactory discriminant validity of the measurement model, as each construct is empirically different from the other ones.

Table 4

Discriminant Validity (HTMT)

Variable	DSR	EDS	IVO	OP	SDMQ
Digital Social Responsibility					
Ethical Digital Strategy	0.407				
Islamic Values Orientation	0.439	0.719			
Organizational Performance	0.703	0.581	0.634		
Strategic Decision-Making Quality	0.602	0.411	0.42	0.769	

The estimated structural model is shown in Figure 2 and the standardized path coefficients among the research constructs. The model shows that Islamic values orientation is a strong predictor for ethical digital strategy and directly affects positive digital social responsibility. Digital social responsibility is the main variable explaining Strategic decision-making quality, whereas organizational performance is directly influenced by strategic decision-making quality. Additionally, the indirect paths to assess the mediating effects of ethical digital strategy and digital social responsibility are also illustrated in the structural model.

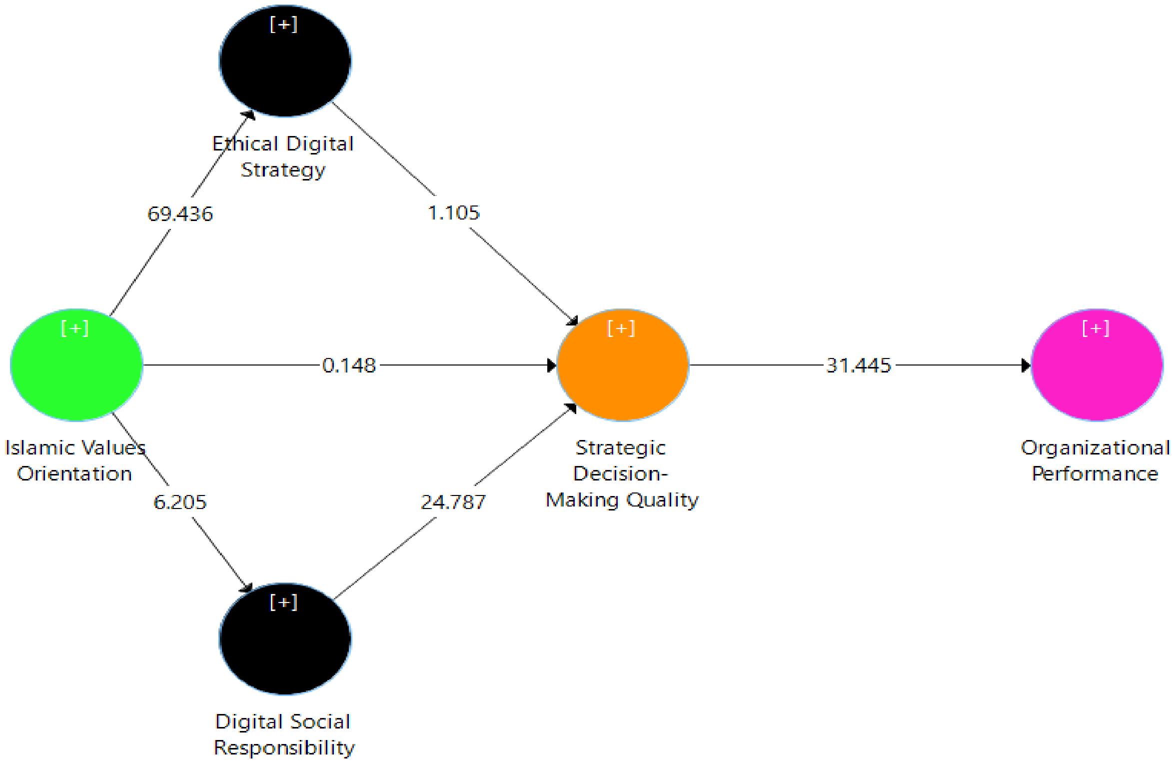

Fig.2: Structural Model

The results of structural model in Table 5 shows that Islamic values orientation significantly affects ethical digital strategy (β = 0.865, t = 69.436, $p < 0.001$) and digital social responsibility (β = 0.405, t = 6.205, $p < 0.001$), supporting H2 and H3. Digital social responsibility also has a significant positive effect on strategic decision-making quality (β = 0.786, t = 24.787, $p < 0.001$), supporting H5. Similarly, strategic decision-making quality has significant positive impact on organizational performance (β = 0.740, t = 31.445, $p < 0.001$) which supports H8. The effects of ethical digital strategy on strategic decision-making quality (β = 0.091, p = 0.270) and Islamic values orientation on strategic decision-making quality (β = 0.012, p = 0.882) are, however, statistically insignificant and H4 and H1 are rejected.

Table 5

Direct Effect Results

Relationship	β	Mean	SD	T Statistics	P Values
Digital Social Responsibility -> Strategic Decision-Making Quality	0.786	0.788	0.032	24.787	0
Ethical Digital Strategy -> Strategic Decision-Making Quality	0.091	0.092	0.082	1.105	0.27
Islamic Values Orientation -> Digital Social Responsibility	0.405	0.406	0.065	6.205	0
Islamic Values Orientation -> Ethical Digital Strategy	0.865	0.867	0.012	69.436	0
Islamic Values Orientation -> Strategic Decision-Making Quality	0.012	0.014	0.084	0.148	0.882
Strategic Decision-Making Quality -> Organizational Performance	0.74	0.744	0.024	31.445	0

The mediation analysis shows mixed results, presented in Table 6. The indirect effect of the Islamic values orientation to strategic decision-making quality through digital social responsibility is statistically significant (β = 0.319, t = 5.874, p < 0.001) which supports H7. The indirect effect of Islamic values orientation to strategic decision-making quality through ethical digital strategy is also not significant (β = 0.078, t = 1.103, p = 0.271). Thus, H6 is not supported.

Table 6
Mediation Effect

Relationship	B	Mean	SD	T Statistics	P Values
Islamic Values Orientation -> Ethical Digital Strategy -> Strategic Decision-Making Quality	0.078	0.079	0.071	1.103	0.271
Islamic Values Orientation -> Digital Social Responsibility -> Strategic Decision-Making Quality	0.319	0.32	0.054	5.874	0

5. Discussion

The aim of this study was to investigate the relationships between Islamic values orientation, ethical digital strategy, digital social responsibility, strategic decision-making quality and organizational performance in the Jordanian banking sector. The results show that the orientation on Islamic values has a positive influence on ethical digital strategy and digital social responsibility, but not on the quality of strategic decision making. However, strategic decision-making quality is mainly enhanced by digital social responsibility, which in turn enhances organizational performance. The results revealed that the Islamic values have an indirect effect on the organizational effectiveness through the way of ethical and socially responsible digital practices in the organization.

Based on the results, Islamic values orientation has a significant positive influence on ethical digital strategy supporting H2. This finding indicates that banks with Islamic moral outlook are more likely to formulate strategies for their digital transformation that include transparency, accountability, fairness, and responsible governance. The finding aligns with the previous studies, which emphasize that the ethical values of organizations are the basis of digital transformation and ethical leadership in organizations [8; 45]. Similarly, the orientation of Islamic values has a significant influence on digital social responsibility supporting H3. The result suggests that Islamic ethics foster the use of digital technologies by banks to develop the community, engage stakeholders and conduct responsible banking. This finding is in line with Masnama et al. [46], who suggested that organizations with high ethical values are more prone to adopt digital social responsibility programs to promote trust and legitimacy among the stakeholders.

The direct impact of Islamic values orientation is not significant with strategic decision-making quality, consequently H1 was rejected. Likewise, quality of strategic decision-making is not significantly influenced by ethical digital strategy, consequently H4 is rejected. The results indicate that ethical values and digital governance create an ethical organizational context, but it does not necessarily enhance the quality of managerial decision making without additional organizational mechanisms. Digital social responsibility has a strong positive influence on the quality of strategic decision making that supports hypothesis H5. These results are consistent with the previous studies [47; 48]. Engaging with stakeholders through socially responsible digital initiatives is likely to provide banks with a wider picture of information, enhance transparency of the organization and provide a clarity of stakeholder expectations, which will help to inform better strategic decisions.

Additionally, the mediation analysis shows that digital social responsibility plays a significant role as a mediator in the relationship between Islamic values orientation and strategic decision-making quality, while ethical digital strategy does not have a significant role as a mediator. The results show that by promoting socially responsible use of digital tools, Islamic values influence superior quality managerial decisions, not only creating ethical digital governance. Finally, H8 is supported by the strategic decision-making quality having a significant positive impact on organizational performance.

This finding is consistent with Al-Okaily et al. [40], who found that good strategic decisions is a key factor in increasing the effectiveness of the organization, as they increase operational efficiency, resource allocation and managerial responsiveness. The overall results support that socially responsible digital practices are the main pathway used to achieve better strategic decisions and organizational performance in the banking sector in Jordan in terms of Islamic values.

6. Conclusion

The study examined the impact of Islamic values orientation on organizational performance via ethical digital strategy, digital social responsibility and strategic decision-making quality in the banking sector of Jordan. The results showed that the use of Islamic values orientation has a positive effect on enhancing the ethical digital strategy and digital social responsibility. But its direct impact on the quality of strategic decision-making is very small, which shows that the impact of Islamic values on decision-making quality is limited to organizational practices and not directly in managerial practices. The mediating variables include digital social responsibility, which has an important mediating effect on increasing the quality of strategic decision making, and the ethical digital strategy, which does not have an important mediating effect. Also, the quality of strategic decision-making has a strong impact on organizational performance, substantiating its significance for achieving sustainable banking success. Therefore, the research contributes to the body of knowledge by combining the concepts of Islamic ethics and digital transformation and strategic management perspectives. The results offer empirical evidence of how socially responsible digital initiatives can be a key tool to translate the Islamic values into organizational performance in a digital banking context.

7. Implications of the Study

Theoretically, this builds upon the existing strategic management and digital transformation literature by combining the concepts of Islamic values orientation, ethical digital strategy, digital social responsibility, strategic decision making quality, and organizational performance into a single framework. The research results indicate that digital social responsibility has more impact as a mediator rather than ethical digital strategy in the process of converting Islamic values to quality strategic decisions. A practical application of the study is guidance for the bank executives and policymakers in Jordan to integrate Islamic ethical principles in their digital transformation process. Banks should focus on digital social responsibility initiatives that boost their stakeholder engagement, transparency, and trust and improve their decision-making capacities. Moreover, managers need to be aware that, without the support of socially responsible digital practices, ethical digital strategies alone do not enhance decision quality. These insights can help inform the evolution of sustainable digital banking approaches and can help organizations excel in their organizational performance while also being stewards of ethical and social responsibility.

8. Future Research Directions

The proposed model can be tested and validated in other countries and industries to see if the result of this study is generalizable across other institutional and cultural contexts. A longitudinal study would benefit with more insight on the long-term impact of Islamic values on digital transformation and organizational performance. Further research could also explore other mediating and moderating factors such as organizational culture, digital maturity, ethical leadership and artificial intelligence capacity to gain a deeper understanding of the quality of strategic decision making. Furthermore, the comparative research between Islamic financial institutions and conventional financial institutions could provide insights into the influence of Islamic values on digital strategies and organizational results.

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