# Stakeholder Competencies Intelligence-Scale Development and Validation Some Evidence from KSA

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*Sustainable bank's continuing success and improvement depend heavily upon the competency of stakeholders' relationships with the others environment chain ends. The purpose of the study is to develop operationally and theoretically measures to the construct stakeholder competency intelligence on banking industry. Depending on the literature review, a fifteen items scale was developed for testing. The academics and practitioners viewpoint was invited. The new scale development steps were conducted. The goodness of measure was used. The statistics analysis results are above the acceptable levels and no, systematic response bias was found. The study contribution is a new scale development and validation.*

## INTRODUCTION

Studies advocated towards business intelligence in the intensity competitive environment is not new. Porter (1980) called for the need of a structured intelligence process at all times as well as to continuously and systematically determine the business opportunities and threats. Similarly, Gilad, (2004) affirmed that there was a need for more formal intelligence in major companies. The stakeholder approach to understand organizations in their environments has paved the way for a broader perception of organizational roles and responsibilities beyond profit maximization as compared to the traditional shareholder perspective (Foster and Jonker, 2005). With the same line Radin, (1999), emphasized that stakeholder theory means recognizing that organizations hold responsibilities towards people and entities beyond their stockholders. Researchers proposed that specifying stakeholder groups is a first stage to building relationships (Gummesson, 2002; Freeman, 1984) with the overall objective of improving firm performance (Frow, and Payne, 2011). From stakeholders interest dialogue form dialogue script consumers seek quality, license to consume and distinctiveness networking experience and engagement; Investors seek pay-off, risk minimization and responsible investment mutual briefing ensuring and balancing (finance and ethics); Employees seek identification, safety and job satisfaction involvement sense making and cultural enactment; NGOs seek influence, control, awareness and legitimacy negotiation compromising and partnering; Suppliers seek commitment, long-lasting relationships and inclusion exchange knowledge sharing and (mutual) learning (Johansen and Nielsen, 2011). Clarkson, (1995) argued that the stakeholder concept contains three fundamental actors: firstly, the organization; secondly, the nature of the actors' relationships; and thirdly, the other actors. Danieland Amrik, (2013) affirmed that the use of competency modeling techniques has become widespread, the use of empirical methods for linking competencies to specific performance outcomes still remains the exception, not the rule. To be competent is to be able to build mutual interpersonal trust (Caproni, 2005). As noted by Beckett and Jonker, (2002) the stakeholder engagement establishes a more balanced conception of the organization as a matrix of human relationships and competencies not necessarily limited to the borders of the organization, and may offer the possibility to create a far wider and more dynamic concept of the sustainable organization. The present study uses a sample of practitioners and academics from Kingdom of Saudi Arabia (KSA) banking sector to develop and validate stakeholder competencies intelligence. The study is organized as follows: Section two covers literature review, research method, followed by data analyses and results, and finally, the discussion and conclusions.

## LITERATURE REVIEW

There have been various approaches to describing stakeholders concept (Trebeck, 2008; de Kluyver and Pearce, 2006; Henriques and Sadorsky, 1999; Clarkson, 1995; Cohen, 1995; Donaldson and Preston, 1995; and Freeman, 1984), and others categorizing stakeholders within the relationship marketing literature (Frow, and Payne, 2011; Vargo, 2009; Bhattacharya and Korschun, 2008).

Competency lists or models lacking empirical validation leave much uncertainty about the relative contribution of specific competencies to criterion of interest to organizations Geoff, (2012). For stakeholder involvement to be successful, it must possess the following five characteristics; fairness, efficiency, knowledge, wisdom, and stability (Nicodemus, 2004). According to Donaldson and Preston, (1995), the effectiveness of stakeholder management is positively correlated with conventional performance indicators. Then the term stakeholder is highly popular with businesses, governments, non-governmental organizations and even with the media (Mainardes*et al,*2011). Also, (Behery, and Eldomiaty, 2010) found that banks' support to shareholders interests is positively associated with banks profitability and liquidity, banks support to suppliers' interest is positively associated with banks' profitability, capital adequacy, and asset quality, banks' support to the creditors' interest is positively associated with bank's liquidity. Banks' support to unions, suppliers, and government relations is positively associated with bank's liquidity and banks' support to corporate employees and managers is positively associated with bank's asset quality. Thus, "the corporation's survival and continuing success depend upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each primary stakeholder group, so that each group continues as a part of the corporation's stakeholder system. Failure to retain the participation of a primary stakeholder group will result in the failure of that corporate system" (Clarkson, 1995).

On other hand the term competency refer to an individual's capacity to take initiative, to reach beyond what is prescribed, to understand and control new situations encountered at work and to take on responsibility for them, thus achieving recognition (Zarifian, 1999). Therefore, (Thompson, (1998), argued that there are generic strategic competencies that can be categorized into three broad groups which influence the organization's efficiency and effectiveness and have a relevance for all its stakeholders. Then, the stakeholders and users of the concept of competency have been important in shaping the meaning associated with the concept (Mitchelmore and Rowley, 2010). Moreover, Aaltonen*et al*.,(2008), the existing research points to the management paying attention to stakeholders where these are deemed more important in terms of power, legitimacy and urgency. Societal developments and increasing stakeholder awareness have placed accountability and responsibility high on corporate agendas emphasizing the ability of corporations to secure their licenses to operate (Johansen and Nielsen, 2011).

There is much less attention given to the nature of value co-created and shared between non-enterprise stakeholders (Frow and Payne, 2011). Bank success in marketing environment is not only concern to the bank itself, but to the other parties because bank success is closely related to those other parties' success. Competency began to be argued by US psychologists and administrators rather than intelligence (Fleury, 2002). It is worth noting that the diversity of stakeholder interests caused certain difficulties in terms of measurement and performance in the market place (Behery and Eldomiaty, 2010). A business cannot sustain long-term success if it fails to satisfy its external stakeholders Thompson, (1998). "Managing" stakeholders and "balancing" stakeholders Wilkie and Moore, (1999) work identified 75 marketing system activities, but found that marketing managers control fewer than half of them.

## RESEARCH METHOD

### Data and Procedures

In order to collect the data, the chosen scale items were translated from English into Arabic language to avoid translation errors and minimize loss or dilution of meaning. Further, practitioners and academics with a good understanding and dealing with the aim of the study refined the construct measurement to suit with the banking sector. The questionnaire consisted of two sections. Section one for research objectives and the participants' profile. The second section required the participants to put 1 after strongly disagree, 2 after disagree, 3 after neutral, 4 after agree, and 5 strongly agree) in A fifteen designed scale statements which are developed to measure stakeholders competencies according to their point of view. SPSS version 22 was conducted for the statistical analysis. The questionnaire approach and purposive sampling were chosen so that a targeted group of participants could be reached, thereby achieving a wider understanding of the matter.

Study participants were practitioners (bank branches senior managers) and academics (business administration professors from different countries working in KSA Universities in the Riyadh area). A total number of 136 useable responses were returned, representing a return rate of 68 percent.

Further, the new designed scale is conducted the 8 steps of (Churchill, 1979) which are proposed for new scale development as follows:

1. specify the domain of the construct;
2. generate sample of items;
3. collect data;
4. purify measures;
5. re-collect date;
6. assess reliability;
7. assess validity; and
8. develop norms

### Measures

Stakeholders Competencies is defined as: The combination of knowledge, skills and behaviors that contributed to personal effectiveness (Lampel, 2001; Edum-Fotwe and McCaffer, 2000; Hilland McGowan, 2011). With reference to stakeholders theory of (Freeman, 1984), the 30 stakeholders relationships of (Gummesson, 1995), the shortcoming of stakeholders theory of (Trevin˜o and Weaver, 1999), and the 75 items stakeholder stake dialogue of (Johansen and Nielsen, 2011).The new scale based on the resource based theory, system theory, and organizational theory we developed a fifteen items scale. The appendix provides a detailed list of statements.

## DATA ANALYSIS

Test for response bias, independent samples test, descriptive statistics, factor analysis, reliability tests, and correlation analysis were used to analyze the data in this study. Table 1, shows the demographic data of the respondents, most of the respondents were practitioners and male with age of 40 less than 50 years, majority are post graduated with experience of 10 years and more.

**TABLE 1**
**GENERAL CHARACTERISTICS OF RESPONDENTS (N=136)**

| Variable | Category | frequency | percent |
|---|---|---|---|
| Respondents profession | practitioners | 121 | 89% |
| | academics | 15 | 11% |
| Age | less than 30 | 11 | 8.1% |
| | 30 less than 40 | 30 | 22.1% |
| | 40 less than 50 | 66 | 48.5% |
| | 50 less than 60 | 29 | 21.3% |
| Gender | Male | 116 | 85.3% |
| | Female | 20 | 14.7% |
| Educational level | graduate | 55 | 40.4% |
| | postgraduate | 81 | 59.6% |
| Experience | less than 5 year | 32 | 23.5% |
| | 5 less than 10year | 40 | 29.4% |
| | 10 and more | 64 | 47.1% |

## Tests for Response Bias

A test of response bias has been conducted to confirm that there is no systematic response bias (Armstrong and Overton, 1977). To determine whether non-response bias was presented in the study, practitioners respondents were compared with academics respondents along all the descriptive response items in the survey. Practitioners' responses are defined in this study as banks branches managers, whereas academics responses are those lecturers from different Arabian countries working in Kingdom of Saudi Arabia universities. Accordingly, 121 were considered as practitioners responses and 15 responses were considered as academic responses and to be proxies for non-respondents. To represent practitioners versus academics respondents, a multivariate chi-square test was employed using the respondents' characteristics (4 characteristics) in order to determine whether significant differences exist between the tow groups. Table 2 presents the result of the test. It is clear from the table that no significant differences exist between the practitioners and academic respondents. For all the four characteristics of respondents (age, gender, education level, experiences) the chi-square tests show no significant difference exist between the practitioners and academics respondents. It can be then, concluded that non-response bias is not a serious problem in this study.

**TABLE 2**
**CHI-SQUARE TEST FOR PRACTITIONERS AND ACADEMIC RESPONSES**

| Chi-Square Test for Differences between practitioners and academics Responses | Categories | Practitioners | Academics | Total | Chi-Square value | Sig |
|---|---|---|---|---|---|---|
| Age of the respondents | less than 30 | 9 | 2 | 11 | 2.514 | .473 |
| | 30 less than 40 | 26 | 4 | 30 | | |
| | 40 less than 50 | 58 | 8 | 66 | | |
| | 50 and more | 28 | 1 | 29 | | |
| | Non-response | | | | | |
| | Total | 121 | 15 | 136 | | |
| Gender of respondents | Male | 101 | 15 | 116 | 2.907 | .088 |
| | female | 20 | 0 | 20 | | |
| | Non-response | | | | | |
| | Total | 121 | 15 | 136 | | |
| Educational level | graduate | 55 | 0 | 55 | 5.172 | .075 |
| | postgraduate | 66 | 15 | 81 | | |
| | Non-response | | | | | |
| | Total | 121 | 15 | 136 | | |
| Experiences | less than 5 year | 31 | 1 | 32 | 5.019 | .081 |
| | 5 less than 10year | 37 | 3 | 40 | | |
| | 10 and more | 53 | 11 | 64 | | |
| | Non-response | | | | | |
| | Total | 121 | 15 | 136 | | |

**Independent Samples Test**

To perform the homogeneity test we have the following hypotheses:

- Null hypothesis: the response means of practitioners and academics variance is equal.
- Alternative hypothesis: the response means of practitioners and academics variance is not equal.

Table 3 shows that all the sigvalues are greater than .05 this leads to accept the null hypothesis and rejected the alternative hypothesis. Therefore, the response means of practitioners and academics is homogeneous. In other words there is no difference in respondents' variance between practitioners and academics. According to that we empower to mix the respondents responses later.

**TABLE 3**
**INDEPENDENT SAMPLES TEST**

| Item | Respondent | N | Mean | Std. | t | d f | sig |
|---|---|---|---|---|---|---|---|
| STC1 | practitioners | 114 | 3.52 | .812 | 1.10 | 127 | **.273** |
| | academics | 15 | 3.27 | .961 | | | |
| STC2 | practitioners | 114 | 3.60 | .817 | .258 | 127 | **.797** |
| | academics | 15 | 3.53 | 1.36 | | | |
| STC3 | practitioners | 114 | 3.47 | .843 | .305 | 127 | **.761** |
| | academics | 15 | 3.40 | 1.12 | | | |
| STC4 | practitioners | 114 | 3.51 | .865 | 1.51 | 127 | **.134** |
| | academics | 15 | 3.13 | 1.19 | | | |
| STC5 | practitioners | 114 | 3.49 | .895 | -.429 | 127 | **.668** |
| | academics | 15 | 3.60 | 1.12 | | | |
| STC6 | practitioners | 114 | 3.37 | .934 | -1.62 | 127 | **.107** |
| | academics | 15 | 3.50 | 1.21 | | | |
| STC7 | practitioners | 114 | 3.52 | .989 | -.057 | 127 | **.955** |
| | academics | 15 | 3.53 | 1.19 | | | |
| STC8 | practitioners | 114 | 3.53 | .844 | -.031 | 127 | **.976** |
| | academics | 15 | 3.53 | .743 | | | |
| STC9 | practitioners | 114 | 3.47 | .864 | .871 | 127 | **.386** |
| | academics | 15 | 3.27 | .884 | | | |
| STC10 | practitioners | 114 | 3.52 | .822 | 2.88 | 127 | **.050** |
| | academics | 15 | 2.87 | .834 | | | |
| STC11 | practitioners | 114 | 3.61 | .917 | 1.83 | 127 | **.070** |
| | academics | 15 | 3.13 | 1.25 | | | |
| STC12 | practitioners | 114 | 3.58 | .881 | 1.21 | 127 | **.230** |
| | academics | 15 | 3.27 | 1.33 | | | |
| STC13 | practitioners | 114 | 3.54 | .942 | .796 | 127 | **.427** |
| | academics | 15 | 3.33 | 1.11 | | | |
| STC14 | practitioners | 114 | 3.39 | 1.07 | 1.10 | 127 | **.274** |
| | academics | 15 | 3.07 | .961 | | | |
| STC15 | practitioners | 114 | 3.56 | .893 | .856 | 127 | **.393** |
| | academics | 15 | 3.33 | 1.45 | | | |

### Descriptive Statistics Analysis

The results in Table 4 and table 5 for weighted Mean and Standard Deviation show that all the stakeholders competencies statements have weighted mean between (3.40 to 4.19) agree of the observed variability in the scale except STC14 which has weighted mean (3.38) that is very near to agree rate so that it is protected to accept it as agree, therefore, it can be argued that the stakeholders competencies scale includes all the fifteen statements full supported.

**TABLE 4**
**THE WEIGHTS OF RESPONDENTS ANSWER**

| Opinion | Weight | Weighted mean | Level |
|---|---|---|---|
| Strongly disagree | 1 | From 1.00 to 1.79 | Strongly disagree |
| Disagree | 2 | From 1.80 to 2.59 | Disagree |
| Neutral | 3 | From 2.60 to 3.39 | Neutral |
| Agree | 4 | From 3.40 to 4.19 | Agree |
| Strongly agree | 5 | From 4.25 to 5.00 | Strongly agree |

**TABLE 5**
**THE WEIGHT MEANS AND DIRECTIONS**

| | Strongly disagree | Disagree | Neutral | Agree | Strongly agree | Weighted mean | Std. deviation | Direction |
|---|---|---|---|---|---|---|---|---|
| **STC1** | 2 | 13 | 44 | 65 | 10 | 3.51 | .83 | Agree |
| | 1.5% | 9.7% | 32.8% | 48.5% | 7.5% | | | |
| **STC2** | 4 | 9 | 39 | 68 | 14 | 3.59 | .88 | Agree |
| | 3% | 6.7% | 29.1% | 50.7% | 10.4% | | | |
| **STC3** | 2 | 18 | 37 | 66 | 10 | 3.48 | .88 | Agree |
| | 1.5% | 13.5% | 27.8% | 49.6% | 7.5% | | | |
| **STC4** | 3 | 17 | 37 | 63 | 12 | 3.48 | .91 | Agree |
| | 2.3% | 12.9% | 28% | 47.7% | 9.1% | | | |
| **STC5** | 3 | 15 | 40 | 61 | 14 | 3.51 | .91 | Agree |
| | 2.3% | 11.3% | 30.1% | 45.9% | 10.5% | | | |
| **STC6** | 2 | 23 | 41 | 50 | 16 | 3.42 | .97 | Agree |
| | 1.5% | 17.4% | 31.1% | 37.9% | 12.1% | | | |
| **STC7** | 4 | 19 | 32 | 59 | 19 | 3.53 | 1.00 | Agree |
| | 3% | 14.3% | 24.1% | 44.4% | 14.3% | | | |
| STC8 | 2 | 11 | 45 | 64 | 11 | 3.53 | .82 | Agree |
| | 1.5% | 8.3% | 33.8% | 48.1% | 8.3% | | | |
| STC9 | 3 | 13 | 46 | 60 | 11 | 3.47 | .87 | Agree |
| | 2.3% | 9.8% | 34.6% | 45.1% | 8.3% | | | |
| STC10 | 2 | 15 | 45 | 62 | 9 | 3.46 | .84 | Agree |
| | 1.5% | 11.3% | 33.8% | 46.6% | 6.8% | | | |
| STC11 | 4 | 16 | 29 | 68 | 16 | 3.57 | .96 | Agree |
| | 3% | 12% | 21.8% | 51.1% | 12% | | | |
| STC12 | 3 | 15 | 38 | 60 | 17 | 3.55 | .93 | Agree |
| | 2.3% | 11.3% | 28.6% | 45.1% | 12.8% | | | |
| STC13 | 3 | 17 | 37 | 58 | 18 | 3.53 | .96 | Agree |
| | 2.3% | 12.8% | 27.8% | 43.6% | 13.5% | | | |
| STC14 | 4 | 28 | 33 | 50 | 18 | 3.38 | 1.01 | Neutral |
| | 3% | 21.1% | 24.8% | 37.6% | 13.5% | | | |
| STC15 | 5 | 11 | 41 | 56 | 19 | 3.55 | .97 | Agree |
| | 3.8% | 8.3% | 31.1% | 42.4% | 14.4% | | | |

Table 6 shows the means descending order and ranking numbers of the stakeholders' competencies statements. The table shows that the Kingdom of Saudi Arabia stakeholders emphasized more on STC2 (mean=3.5891), followed by STC11 (mean=3.5581), STC12 (mean=3.5891), STC15 (mean=3.5349), STC8 (mean=3.5271), STC7 and STC13 (mean=3.5194), STC5 (mean=3.5039), STC1 (mean=3.4884), STC3 And STC4 (mean=3.4651), STC9 (mean=3.4496), STC10 (mean=3.4419), STC6 (mean=3.4186), and the lowest statement of stakeholders competencies is STC14 (mean=3.3488). Therefore, the items (STC2, STC11, STC12, and STC15) means were achieved above the average mean (3.49). On the other hand all the score means are greater than the assumed mean. It can be concluded that Saudi Arabian banking sector is highly of stakeholders competencies above the assumed mean.

**TABLE 6**
**DESCRIPTIVE STATISTICS ANALYSIS**

| Items | Means descending order | Ranking number | St.D |
|---|---|---|---|
| STC2 | 3.5891 | 1 | .88928 |
| STC11 | 3.5581 | 2 | .96749 |
| STC12 | 3.5426 | 3 | .94379 |
| STC15 | 3.5349 | 4 | .96862 |
| STC8 | 3.5271 | 5 | .82989 |
| STC7 | 3.5194 | 6 | 1.0086 |
| STC13 | 3.5194 | 6 | .96096 |
| STC5 | 3.5039 | 8 | .91961 |
| STC1 | 3.4884 | 9 | .83025 |
| STC3 | 3.4651 | 10 | .87542 |
| STC4 | 3.4651 | 10 | .91041 |
| STC9 | 3.4496 | 12 | .86568 |
| STC10 | 3.4419 | 13 | .84693 |
| STC6 | 3.4186 | 14 | .97386 |
| STC14 | 3.3488 | 15 | 1.0581 |
| Items Average Mean | | | 3.49 |
| Items Assumed Mean | | | 3.00 |
| Items Variances | | | .857 |
| Items standard error | | | .074 |

**Exploratory Factor Analysis**

Table 7 shows the summary of results of factor analysis on stakeholders' competencies intelligence ((Rotation method: varimax with Kaiser Normalization, Extraction method: Principal component analysis). All the remaining statements had more than recommended value of at least 0.50 in MSA with KMO value of 0.947 (above the recommended minimum level of 0.60), and Bartlett's test of spherecity is significant ($p<.01$). Thus, the statements are appropriate for factor analysis. Factor analysis was done on fifteen statements, which was developed to measure stakeholders' competencies. In the first run of factor analysis, all statements were found to have communalities more than 0.50. Also to provide a simple structure column for interpretation, the factors were subjected to varimax rotation. Finally, all assumptions were satisfactory fulfilled. Table7 shows that the statements for stakeholders' competencies loaded on one component with eigen values exceeding 1.0that were greater-than-one rule. This component explains 66.77% of variance in the data (above the recommended level of 0.60. Also, all the remaining statements had the factor loading values above the minimum values. As shown in Table7 factor loading of stakeholders competencies items on this component ranged from 0.756 to 0.859 and this provided satisfactory evidence for both these criteria and random sample. Thus, this study found that stakeholders' competencies intelligence in Saudi Arabian banking sector consists of fifteen items.

**TABLE 7**
**EXPLORATORY FACTOR ANALYSIS**

| **Component matrix** | | **Communalities** | |
|---|---|---|---|
| Items | Component1 | initial | Extraction |
| STC4 | **.859** | 1 | **.737** |
| STC9 | **.855** | 1 | **.731** |
| STC5 | **.848** | 1 | **.719** |
| STC12 | **.848** | 1 | **.719** |
| STC13 | **.833** | 1 | **.629** |
| STC3 | **.826** | 1 | **.684** |
| STC2 | **.818** | 1 | **.669** |
| STC11 | **.817** | 1 | **.667** |
| STC7 | **.817** | 1 | **.667** |
| STC1 | **.813** | 1 | **.661** |
| STC8 | **.804** | 1 | **.646** |
| STC10 | **.799** | 1 | **.731** |
| STC14 | **.793** | 1 | **.629** |
| STC6 | **.763** | 1 | **.582** |
| STC15 | **.756** | 1 | **.572** |
| Eigen values **10.015** | | | |
| A cumulate variance **66.77%** | | | |
| Kaiser-Meyer-Olkin of sampling adequacy **.947** | | | |
| Barllett's Test of Sphericity (Approx.Chi-square **1751.298** | | | |
| Degree of freedom **105** | | | |

## Reliability Analysis and Validity of Measures

Reliability is an assessment of the degree of consistency between multiple measurements of variables (Hair *et al*., 2010). To test reliability the study used Cronbach's alpha to assess the consistency of entire scale, since being the most widely used measure (Sharma, 2000).

The results of the reliability analysis summarized in table 8 confirmed that all the scales statements displayed satisfactory level of reliability (Cronbach's alpha exceed the generally accepted cut-off value of 0.7 that are recommended by (Hair *et al*., 2010) and the reliability score for each of the items if items deleted ranged between 0.961 and 0.963, which showed excellent reliability (Chin,1998). On the other hand all items Cronbach's Alpha and the Cronbach's alpha on standardized items are within acceptable level. Moreover, the average variance extracted for each items as well as the correlations between statements were exceed 0.5 and the square roots of the reliability of statements were exceed the correlations between items. Therefore, it can be concluded that the measures have convergent and discriminant validity (Chin, 1998).

**TABLE 8**
**ITEMS RELIABILITY ANALYSIS AND STATISTICS**

| Items | Corrected item-total correlation | Squared multiple correlation | Cronbach's alpha if item delete | Validity |
|---|---|---|---|---|
| STC1 | .788 | .720 | .962 | .981 |
| STC2 | .794 | .749 | .961 | .980 |
| STC3 | .791 | .766 | .961 | .980 |
| STC4 | .829 | .772 | .961 | .980 |
| STC5 | .825 | .743 | .961 | .980 |
| STC6 | .732 | .619 | .963 | .9813 |
| STC7 | .792 | .703 | .962 | .981 |
| STC8 | .774 | .711 | .962 | .981 |
| STC9 | .827 | .781 | .961 | .980 |
| STC10 | .768 | .669 | .962 | .981 |
| STC11 | .787 | .678 | .962 | .981 |
| STC12 | .827 | .755 | .962 | .981 |
| STC13 | .809 | .730 | .961 | .980 |
| STC14 | .760 | .624 | .962 | .981 |
| STC15 | .718 | .570 | .963 | .9813 |
| Cronbach's Alpha | | | | **.964** |
| Cronbach's Alpha Based on Standardized Items | | | | **.965** |
| Average variance extracted | | | | **64.06%** |
| N of Items | | | | **15** |

**Correlation Analysis**

Table9 presents the results of the intercorrelation among the statements. Therefore, the importance of conducting correlation analysis is to identify any potential problems associated with multicollinearity (Sekaran, 2003). The table 9 shows that no correlations near 1.0 (or approaching 0.8 or 0.9) were detected, which indicate that multicollinearity is not a significant problem in this particular data set. Also table 9 shows that all statements are positively and significantly correlated with each other as well as ranged($r = 0.795$- 0.516, p–value < 0.01).

**TABLE 9**
**PEARSON'S CORRELATION**

| Vari | ST C1 | ST C2 | ST C3 | ST C4 | ST C5 | ST C6 | ST C7 | ST C8 | ST C9 | STC 10 | STC 11 | STC 12 | ST C 13 | STC 14 | STC 15 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **STC 1** | **1** | .782** | .685** | .7oo** | .688** | .571** | .581** | .701** | .638** | .635** | .631** | .686** | .610** | .578** | .576** |
| **STC 2** | | **1** | .689** | .682** | .704** | .516** | .658** | .656** | .638** | .544** | .677** | .715** | .626** | .585** | .647** |
| **STC 3** | | | **1** | .795** | .745** | .558** | .600** | .681** | .742** | .616** | .604** | .647** | .593** | .616** | .534** |
| **STC 4** | | | | **1** | .726** | .651** | .637** | .624** | .694** | .674** | .625** | .768** | .650** | .649** | .610** |
| **STC 5** | | | | | **1** | .644** | .684** | .693** | .645** | .625** | .691** | .700** | .701** | .597** | .598** |
| **STC 6** | | | | | | **1** | .652** | .624** | .683** | .617** | .554** | .592** | .651** | .562** | .556** |
| **STC 7** | | | | | | | **1** | .613** | .679** | .562** | .661** | .703** | .759** | .663** | .593** |
| **STC 8** | | | | | | | | **1** | .766** | .622** | .652** | .580** | .565** | .581** | .560** |
| **STC 9** | | | | | | | | | **1** | .718** | .687** | .646** | .684** | .655** | .596** |
| **STC 10** | | | | | | | | | | **1** | .641** | .695** | .676** | .620** | .576** |
| **STC 11** | | | | | | | | | | | **1** | .718** | .694** | .648** | .546** |
| **STC 12** | | | | | | | | | | | | **1** | .721** | .638** | .637** |
| **STC 13** | | | | | | | | | | | | | **1** | .689** | .606** |
| **STC 14** | | | | | | | | | | | | | | **1** | .632** |
| **STC 15** | | | | | | | | | | | | | | | **1** |

**. Correlation is significant at the 0.01 level (2-tailed). Inter-Item Correlation Matrix

## DISCUSSION

The discussion based on the data analysis after fulfilled the acceptable statistical recommended standards. The designed scale of the study is anchored on the resource-based theory as a main theory besides system theory and organizational theory. So, resource-based theory explained the significance of competencies as resources that are valuable, cannot be easily purchased, or require a long learning process, as an essential way to achieve superior performance (Barney, 1991). This theory is based on the idea that a firm performs well over time because it develops a “distinctive competence” or “core competences” (Prahalad and Hamel, 1990) which allows it to outperform its competitors. However, these resources are “assets and capabilities that are available and useful in detecting and responding to market opportunities" (Wade and Hulland, 2004)”.

On the other hand, both systems theory and organizational theory focus upon the idea that organizations are open systems that interact with diverse third parties and thus it is necessary to set out collective strategies that perfect the system as a whole beyond the actual recognition of all the relationships on which companies depend for their own survival (Mainardes, *et al*., 2011). An enterprise's approach to stakeholders can be firm-centered or system-centered (Mitchell *et al.,* 1997). Moreover, the new scale depends on concurrent validation. Concurrent validation studies statistically tests whether competencies currently correlate with variables of interest to the organization (Daniel and Amrik, 2013).

With reference to the different competency definitions approaches, the designed scale most statements contained knowing how and knowledge (see McClelland, 1973; Zarifian, 1999).A fifteen study statements were outlined to attain the aims of the research. The statements are discussed as follows:

STC1: Banking stakeholders know how to use and determine the direction impact of balancing gains value or concerns. With reasons of some stakeholders may share the same need, but what drives that need is different (Wright, 2010) and business organizations should be concerned about the interests of other stakeholders when taking strategic decisions (Freeman, 1984) this statement came.

STC2: Banking stakeholders know how to build talent communication relationships from stakeholders' network. Therefore, stakeholder response strategy is practiced when organizations try to engage stakeholders in actions and decision making with the aim of obtaining external endorsement through market surveys, opinion polls and the like (Morsing and Schultz, 2006). Additionally, a key competency is the ability to enhance your human capital by creating social capital through building quality relationships that are both professional and personal (Caproni, 2005; Baker, 2000).

STC3: Banking stakeholders know how to model social responsibility. So, this statement agrees with the need of "awareness and learning competencies that include the ability to satisfy stakeholders, ethical and social issues and the ability to avoid and manage crises (Thompson, 1998)". Because corporate social performance is related positive to corporate financial performance and does not affect owner equity value Margolis *et al*., (2007) argued.

STC4: Banking stakeholders know how to manage the required needs of long- term values or concerns. This statement can be matched the concluded that banks' performance is positively associated with their orientations toward fulfilling corporate stakeholders' interests (Behery and Eldomiaty, 2010). Hence, a work is poured towards the best end performance. Also, concurred with (GRI, 2002), that argued "Achieving sustainability requires balancing the complex relationships between current economic, environmental, and social needs in a manner that does not compromise future needs".STC5: Banking stakeholders know how to set oriented policies toward balancing interest value or concerns that drove performance measures. Orientated policies make the bank extended vision and values to drive performance measures that algins with (Freeman, 1984) who argued that corporations should extend their mission to include stakeholder groups beyond shareholders. Also, it is worth mentioning that stakeholder management refers to the necessity of an organization to manage its relationship with stakeholder groups on an action-oriented basis (Johansen and Nielsen, 2011; Freeman, 2005).

STC6: Banking stakeholders know how to innovate brand. This question could recovered the primary innvation stage. So, this can be fulfilled the (Daniel and Amrik, 2013) arguing of projects seeking to implement an innovation the initial stage was to identify poor stakeholder competency.

STC7:Banking stakeholders know how to do in difficult circumstances. Clearly, the statement reflected the different roles that stakeholders have to play in banking environment. This agreed with Hutt, (2010), who argued that the same people or groups can and do take on different roles at different times, depending on circumstances roles are blended.

STC8: Banking stakeholders know how to use their rights to accept or reject interest value or concerns. The possible philosophy behind this statement is that legal and ethical concerns can also be seen as a potential driving force in the modern competency movement (Daniel and Amrik, 2013).

Regarding, the stakeholder theory that builds on several fields, comprising ethics, strategy, law, economics and organizational corporate social responsibility is found the main topic searched (Morsing and Schultz, 2006; Freeman and Liedtka, 1991). Thus,statement STC9:was come banking stakeholder know how to use appropriate competency to his/her industry.

STC10: Banking stakeholders know how to work in an open situation (transparency is key). This statement is consistent with the existing literature, in which (Caproni, 2005 and Baker, 2000) argued that a key competency is the ability to enhance your human capital by creating social capital through building quality relationships that are both professional and personal.

STC11: Banking stakeholders know how to seek for responsible leaderships that effectively used resources. This statement is increasing the evidence that firms need people who know how to act and react to situations, who are able to continuously learn and relearn Kevin *et al*., (2012). However, management of such stakeholders is frequently the most important part of marketing for companies producing infrastructural goods and services (Gummesson, 2002).

According to the competencies definition as personal characteristics that can lead to higher performance McClelland, (1973),and later Kevin *et al*., (2012) argued that these characteristics are aptitudes, abilities and knowledge. Regarding the characteristics that cemented a stakeholder competency to do tasks effective the statement STC12: was carried out.

Considered support service offers as an essential competency that would cover the shortage of introducing services. As Lozano, (2005), points out, in relationships between various stakeholders, not only interests but many other elements are at stake including emotional, evaluative and moral ones. The statement STC13 was come.

STC14: Banking stakeholders acquire different competencies that would lead to compete in domestic markets and foreign markets. This statement is matchingthe previous researchers' arguments (Rotheroe *et al*.,2003) who argued that sustainable development can only be given real meaning and achieved through a multi-stakeholder approach, and Daniel and Amrik, (2013) who claimed that the communication and data transfer activities between different stakeholders become critical as each stakeholder possesses different competencies. That when we put in account the bank performance is not limited to local market only.

STC15:Banking stakeholders know how to Set challenging goals. This statement ensure the affirmation made by scholars (Clarkson, 1995), when arguedif one, or all, of "internal" or "external" stakeholders "becomes dissatisfied or outbalance from the corporate system, in whole or in part, the corporation will be seriously damaged or unable to continue as a going concern". To Andrew, (1999), to be effective in introducing services, the banks must be able to develop quality relationships with many other stakeholders' parties continuously.

## Implications of the Study

The current designed scale has supported the present knowledge on stakeholder competencies intelligence within the field of banking industry. The theoretical contribution focus on the new stakeholder competencies intelligence scale development and validation.

For managerial practice, this finding has showed the managers how to integrate, share, learn and balance the interest and concerns when dealing or building intelligence relationships with other stakeholders' insight and outsight to achieve successful sustainable competitive advantages and long-term performance in banking environment.

## Limitations and Direction for Future Research

The study has some limitations that open several directions for future studies that can be tested. First, this work demonstrated the stakeholder competencies intelligence through banking sector and this may shorten the generalized of the findings. Therefore, future research is needed to investigate the stakeholder competencies intelligence scale in other sectors and services types. Moreover, this study determined the stakeholder competencies intelligence across one culture, context or country. However, future studies can replicate this research using cross countries in other cultures to see whether it would reach to the similar finding. Finally, the new designed scale identified stakeholder competencies intelligence in 15 items. Further studies could explore more items.

## Conclusions

The aims of the study is to develop and validate stakeholder competencies intelligence that needed in banking sector. On the other hand, this study tried to test the skills, knowledge and behavior that the stakeholder is needed when dealing with others network parties, and adds to the growing set of research findings the role stakeholder competencies intelligence does in the banking environment. This study provided empirical evidence that stakeholder competencies intelligence can leads Saudi Arabia banking sector to long end performance and successful relationships marketing building.

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## APPENDEX

**STC1:** Banking stakeholders know how to use and interact the direction impact of balancing gains value or concerns.

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