

THE MEDIATING EFFECT OF THE COMPETITIVENESS ON THE RELATIONSHIP BETWEEN INTRAPRENEURIAL SKILLS OF MANAGER AND CORPORATE SUSTAINABILITY OF COMMERCIAL BANKS IN DAVAO REGION

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Abstract:

The aim of the study is to determine the mediating role of competitiveness on the relationship between intrapreneurial skills of manager and corporate sustainability. A descriptive correlation design was used to look into the relationship of these variables. A total of 400 respondents were chosen in the study. The findings of the study revealed that the levels of intrapreneurial skills of manager, corporate sustainability and competitiveness among commercial banks are all very high and the relationship between: intrapreneurial skills of manager and corporate sustainability; intrapreneurial skills of manager and competitiveness and competitiveness and corporate sustainability are all significant. The final result showed partial mediation of competitiveness on the relationship between intrapreneurial skills of manager and corporate sustainability.

Keywords: Business Management, Intrapreneurial Skills, Corporate Sustainability, Competitiveness, Philippines

INTRODUCTION

The environment and climate change are the most complicated issues that world is facing today, so change is needed for the survival and continuous effort for the sustainable development. Banking activities could in uncontrolled circumstances produce unfortunate negative environmental and social impact unintentionally. This scenario prompted every company of their involvement in sustainability practices. Moreover, the changing pattern of global environment has made also the corporate accountable for their impact on the communities and environment they operate, both economic and non-economic like climate change,

community health and corporate sustainability. Commercial banks being pillar of the economy plays a vital role in economic development of a country, as environmental protection and economic development both are important, sustainability practices have become a prominent tool of banks for mitigating the reverse impact of economic development leading towards a sustainable economic development. Banks have to strengthen their corporate sustainability approaches and measures to enhance their competitiveness and to enhance the confidence of their stakeholders by disclosing their social and environmental effects. This is because companies that are carrying out sustainability strategies

are often the best financial performers, because sustainability approach creates long term shareholder value and improves company performance by removing waste and manages risk. It also considers the interrelationship of economic, environmental and social issues, (Gupta 2016 & Ahmad, Nasuridin & Zainal 2012).

This corporate sustainability prompted every firm to transform into a competitive organization which will force them to change the way they think about their products or services, technologies, processes and their business models. Thus, it takes intrapreneurial skills to create an environment wherein employees can pursue new ways of doing things that will help them compete in the industry they belong while maintaining the condition which human and nature exist in productive harmony. Intrapreneurship as a source of innovation plays an important role in the corporate sustainability and improving financial and market performance of the company as they continue to operate and conduct business. Intrapreneurs take direct responsibility of turning an idea into a profitable finish product through assertive risk taking and innovation. It involves the process when an individual within and establish company innovate and create a business process of wealth creation and acquisition.

Purpose of the Study

The main purpose of this study is to assess the mediating effect of company competitiveness on the relationship between intrapreneurial skill of manager and corporate sustainability of commercial banks in Davao Region. This study will also determine the level of intrapreneurial skills of manager in

terms of; management support; preconditions for taking initiatives; rewarding and feedback; shared vision; empowerment; individual intrapreneurship; open communication; clear division of labor; and willingness and teamwork. In addition the study will also determine the level of corporate sustainability in terms of; economic sustainability; social sustainability; and environmental sustainability. Similarly this study will also determine the relationship between; Intrapreneurial skill of manager and corporate sustainability; competitiveness and corporate sustainability; and intrapreneurial skill of manager and competitiveness.

Hypotheses of the Study

The following hypotheses will be tested at 0.05 level of significance.

1. There is no significant relationship between intrapreneurial skill of manager and corporate sustainability.
2. There is no significant relationship between competitiveness and corporate sustainability.
3. There is no significant relationship between intrapreneurial skills of manager and competitiveness.
4. Competitiveness has no mediating effect on the relationship between intrapreneurial skills of the manager and corporate sustainability.

METHODOLOGY

The research design of this study is quantitative non-experimental research utilizing descriptive-correlational technique. It investigates the relationship between variables-intrapreneurial skills of manager, corporate sustainability and competitiveness, with the use of survey questionnaire as a tool in gathering the primary data, (Oh 1993 & Ruggiero 2005). Further this study will investigate the relationship between intrapreneurial skills of manager and corporate sustainability; the relationship between intrapreneurial skills of manager and competitiveness; and the mediating effect of competitiveness on the relationship between intrapreneurial skills of manager and corporate sustainability among commercial banks in Davao Region. This study is also a descriptive nature, pertinent data were gathered through the use of questionnaire and were subjected to appropriate statistical treatment.

Descriptive research involves collecting data in order to test and answer question on the hypotheses concerning the current status of the subject study. A descriptive study determines and supports the way things are. Descriptive data are usually collected through a questionnaire survey, interviews or observation. (Barnes & Turner 2001 & Raines 2000).

RESULTS AND DISCUSSION

Level of Intrapreneurial Skills of Manager among Commercial Banks in Region XI.

Table1 shows the level of intrapreneurial skills of manager among commercial banks in Region XI.

The overall mean of the level of intrapreneurial skills of manager is 4.36 with a descriptive level of very high. As presented the *shared vision* has the highest mean of 4.54 which interpreted as very high. Followed by *Empowerment* of 4.41 mean which indicated a descriptive level of very high, *Clear Division of Labor* has a 4.37 mean indicating a descriptive level of very high; *Management Support* on the other hand shows a 4.36 mean which indicated a descriptive level of very high. *Individual Intrapreneurship* has a mean 4.34 with a descriptive level of very high; *Open Communication and Willingness and Teamwork* obtained the same mean of 4.32 with a descriptive level of very high, a mean of 4.30 with a descriptive level of very high for *Rewarding and Feedback* and 4.29 mean of very high descriptive level for *Precondition for Taking Initiative*.

Table 1
Level of Intrapreneurial Skills of Manager

Indicator	SD	Mean	Descriptive Level
Management support	0.49	4.36	VH
Preconditions for taking initiatives	0.56	4.29	VH
Rewarding and feedback	0.56	4.30	VH
Shared vision	0.49	4.54	VH
Empowerment	0.47	4.41	VH
Individual intrapreneurship	0.48	4.34	VH
Open communication	0.52	4.32	VH
Clear division of labor	0.53	4.37	VH
Willingness and teamwork	0.50	4.32	VH
OVERALL	0.39	4.36	VH

Table 2 shows the level of corporate sustainability among commercial banks in Region XI.

The level of *corporate sustainability* indicates an overall mean of 4.27 with a descriptive level of very high. Among the

three indicators of corporate sustainability, *economic sustainability* has the highest mean of 4.60 which is very high. *Social sustainability* shows a mean of 4.12 and 4.09 mean for *environmental sustainability*; both indicators have the same descriptive level of high.

Table 2
Level of Corporate Sustainability

Indicator	SD	Mean	Descriptive Level
Economic sustainability	0.42	4.60	VH
Social Sustainability	0.49	4.12	H
Environmental Sustainability	0.63	4.09	H
Overall	0.45	4.27	VH

Level of Competitiveness among Commercial Banks in Region XI

Table 3 shows the level of competitiveness among commercial banks in Region XI, (Davao Region).

The level of competitiveness shows an overall mean of 4.28 which indicates very high descriptive level. Most of the items indicate very high descriptive level except for one item that indicates high descriptive level. The item on being quick to respond to clients' complaints has a mean of 4.48 which indicates very high descriptive level. Next is the item on making effort for product and services changes to overcome clients' dissatisfaction with existing product and services indicated a mean of 4.39 with a descriptive level of very high. The item on ability to track changes in clients' needs and wants indicated a mean of 4.37 with the descriptive level of very high. This was followed by the item of collection of strategic information about clients and competitors for use with strategic planning that indicated a mean a 4.36 with a descriptive level of

very high. The item of being quick to respond in meeting changes to clients' needs and wants shows a mean of 4.35 which indicates a descriptive level as very high. Another item is analysis of clients' satisfaction with the product shows a mean of 4.31 which indicates very high descriptive level. Next item of speed in disseminating information in house about competitor indicated a mean of 4.30 with a descriptive level of very high. The item of responds to competitive move in the market place indicated a mean of 4.28 with a descriptive level of very high. The item on products and services having significant advantage over competitor indicated a mean of 4.24 which indicates a descriptive level of very high. The item on product and services designs being unique has the mean is 4.21 with a descriptive level of very high. The item on being difficult for competitor to copy is the only item that indicated a mean of 3.84, which implies a high descriptive level.

Table 3
Level of Competitiveness

Item	SD	Mean	Descriptive Level
1. Products/services being difficult for competitors to copy.	0.98	3.84	H
2. Response to competitive moves in the marketplace being good.	0.67	4.28	VH
3. Ability to track changes in clients' needs and wants being good.	0.63	4.37	VH
4. Being quick to respond to clients' complaints.	0.58	4.48	VH
5. Collection of strategic information about clients' and competitors for use with strategic planning being good.	0.57	4.36	VH
6. Speed of disseminating information in-house about competitors being good.	0.61	4.30	VH
7. Analysis of clients' satisfactions with the product being good.	0.58	4.31	VH
8. Making effort for product/services changes to overcome clients' dissatisfaction with existing product/services.	0.62	4.39	VH
9. Products/services having significant advantage over competitors.	0.70	4.24	VH
10. Product/service designs being unique.	0.77	4.21	VH
11. Being quick to respond in meeting changes to clients' needs and wants.	0.63	4.35	VH
OVERALL	0.53	4.28	VH

Correlation between Intrapreneurial Skills of Manager and Corporate Sustainability

Table 4 displays the data on the results of correlations between entrepreneurial skills and corporate sustainability among commercial banks in Region XI (Davao Region).

As shown in the table, management support in relation to economic sustainability, social sustainability, and environmental sustainability has r-values of 0.451, 0.358, 0.305, and 0.449, respectively and with p-values of less than 0.01. The overall r-value is 0.449 with p-value which is also less than 0.01; hence, it indicates that there is a significant relationship existed. That is, management support is related to economic sustainability, social sustainability and environmental sustainability. Further, it is also inferred that management support is related to corporate sustainability. In terms of preconditions for taking initiatives, the computed r-values for economic sustainability, social sustainability and environmental sustainability are 0.343, 0.411, and 0.288 respectively with an overall r-value of 0.424.

Since the r-values are less than 0.01, the null hypothesis of no significant relationship is rejected and thus a significant relationship existed between preconditions for taking initiatives and corporate sustainability. On the aspect of rewarding and feedback, the r-values for economic sustainability, social sustainability and environmental sustainability are 0.416, 0.518, and 0.410, respectively with an overall r-value of 0.424. Results show that the probability values are less than 0.01. This warrants the rejection of the null hypothesis of no significant difference. Hence, rewarding and feedback is related to corporate sustainability. On the aspect of shared vision, the r-values are 0.437, 0.474, and 0.236 with an overall r-value of 0.454. Since all the p-values are less than 0.01, this means that the null hypothesis is rejected. Therefore, there is a significant

relationship between shared vision and corporate sustainability. In terms of empowerment, the r-values are 0.468, 0.458, 0.345, respectively, with an overall r-value of 0.513. It is also shown that the p-values are less than 0.01. Thus, the obtained r-values are significant. This indicates that there is a significant relationship between empowerment and corporate sustainability. Individual intrapreneurship in relation to economic sustainability, social sustainability and environmental sustainability has r-values of 0.480, 0.487, 0.246, respectively with an overall r-value of 0.479. This allows the rejection of the null hypothesis of no relationship. Thus, there is a significant relationship between individual intrapreneurship and corporate sustainability. Open communication in relation to economic sustainability, social sustainability and environmental sustainability has r-values of 0.450, 0.541 and 0.438 respectively with an overall r-value of 0.587. This allows the rejection of the null hypothesis of no relationship. Thus, there is a significant relationship between open communication and corporate sustainability. The remaining intrapreneurial skills like clear division of labor and willing and teamwork also showed relatedness to corporate sustainability since the probability value is less than 0.01. The overall result also reveal that intrapreneurial skills is significantly related to economic, social, and environmental aspects of corporate sustainability since the computed p-values are less than 0.01. This signifies that on the whole, intrapreneurial skill is significantly related to corporate sustainability.

Table 4
Correlations between Intrapreneurial Skill and Corporate Sustainability

Intrapreneurial Skills	Corporate Sustainability			
	Economic	Social	Environmental	Overall
Management support	.451* (.000)	.358* (.000)	.305* (.000)	.449* (.000)
Preconditions for taking initiatives	.343* (.000)	.411* (.000)	.288* (.000)	.424* (.000)
Rewarding and feedback	.416* (.000)	.518* (.000)	.410* (.000)	.553* (.000)
Shared vision	.437* (.000)	.474* (.000)	.236* (.000)	.454* (.000)
Empowerment	.468* (.000)	.458* (.000)	.345* (.000)	.513* (.000)
Individual intrapreneurship	.480* (.000)	.487* (.000)	.246* (.000)	.479* (.000)
Open communication	.450* (.000)	.541* (.000)	.438* (.000)	.587* (.000)
Clear division of labor	.536* (.000)	.470* (.000)	.364* (.000)	.551* (.000)
Willingness and teamwork	.430* (.000)	.506* (.000)	.287* (.000)	.491* (.000)
Overall	.579* (.000)	.612* (.000)	.425* (.000)	.652* (.000)

Correlation between Competitiveness and Corporate Sustainability

Shown in Table 5 is the relationship between competitiveness and corporate sustainability. The components of corporate sustainability are economic, social, and environmental aspects.

In terms of economic sustainability in relation to competitiveness, the computed r-value is 0.471 with probability value less than 0.01. Thus, the null hypothesis was rejected. This means that there is a significant relationship between competitiveness and economic sustainability. On the social aspect of sustainability, the computed r-value is 0.431 with probability value less than 0.01. This also suggests that a significant relationship existed between these variables. The computed r-value for environmental sustainability in relation to competitiveness is 0.517 and has a probability value which is less than 0.01. Again, this warrants the rejection of the null hypothesis in favor of the alternative hypothesis. This indicates that there is a significant relationship between environmental sustainability and competitiveness. On the overall result, it is revealed that the computed r-value is 0.591

with probability value less than 0.01. Hence, there is a significant relationship between corporate sustainability and competitiveness.

Table 5
Correlations between Competitiveness and Corporate Stability

Corporate Stability	Competitiveness
Economic sustainability	.471* (.000)
Social Sustainability	.431* (.000)
Environmental Sustainability	.517* (.000)
Overall	.591* (.000)

Correlation between Intrapreneurial Skills and Competitiveness

Table 6 shows the correlation between Intrapreneurial Skills of Manager and Competitiveness among commercial banks in Region XI (Davao Region).

The test on the significant relationship between intrapreneurial skills and competitiveness is reflected in Table 6. As displayed, there are nine components of intrapreneurial skills namely: management support, preconditions for taking initiatives, rewarding and feedback, shared vision, empowerment, individual intrapreneurship, open communication, clear vision of labor and willingness and teamwork.

Between management support and competitiveness, the computed r-values 0.434 with p-value which is less than 0.01; this allows rejection of the null hypothesis of no significant relationship which means that there is a significant relationship existed between management supports as one of the components of intrapreneurial skills. In terms of preconditions for taking initiatives, the computed r-value is 0.245 and the probability value is less than 0.01. This

allows the rejection of the null hypothesis and thus concludes that there is a significant relationship between preconditions for taking initiatives and competitiveness. Between rewarding and feedback, the computed r-value of 0.398 and the probability value of less than 0.01 this indicates a significant result and concludes that there is a significant relationship between the two variables. In the aspect of shared vision in relation to competitiveness, the computed r-value is 0.431 with probability value of less than 0.01. Therefore, there is a significant relationship that exists between shared vision and competitiveness. On the aspect of empowerment the computed r-value 0.501 with probability value of less than 0.01. Therefore, there is a significant relationship that exists between empowerment and competitiveness. In terms of individual intrapreneurship, the computed r-value is 0.474 and the probability value is less than 0.01. This allows the rejection of the null hypothesis and thus concludes that there is a significant relationship between individual intrapreneurship and competitiveness. On the aspect of open communication, the computed r-value is 0.501 and a probability value of less than 0.01. This allows the rejection of the null hypothesis and thus concludes that there is a significant relationship between open communication and competitiveness. On the aspect of clear division of labor the computed r-value indicates 0.526 and a probability value of less than 0.01. This allows the rejection of the null hypothesis and thus concludes that there is a significant relationship between clear division of labor and competitiveness. On the aspect of willingness and teamwork the computed r-value is 0.445 and a probability value of less than 0.01. This allows the rejection of the null hypothesis and thus concludes that there is a significant relationship between willingness and teamwork and competitiveness. This means that there is a significant relationship between the indicators of intrapreneurial skills of manager and competitiveness. As

indicated in the table the result shows that the overall computed r-value is 0.569 with an overall computed probability value of less than 0.01. This implies rejection of the null hypothesis of there is no relationship between intrapreneurial skills of manager and competitiveness thus it indicates that there is a significant relationship exist between intrapreneurial skills and competitiveness.

Table 6
Correlation between Intrapreneurial Skills and Competitiveness

Intrapreneurial Skills	Competitiveness
Management support	.434* (.000)
Preconditions for taking initiatives	.245* (.000)
Rewarding and feedback	.398* (.000)
Shared vision	.431* (.000)
Empowerment	.501* (.000)
Individual intrapreneurship	.474* (.000)
Open communication	.501* (.000)
Clear division of labor	.526* (.000)
Willingness and teamwork	.445* (.000)
Overall	.569* (.000)

Data Entry for the Different Paths (MedGraph)

Shown in Table 7 is the regression analysis on the mediating effect of competitiveness on the relationship

between intrapreneurship skills of manager and corporate sustainability.

The data in this table were used as input to the medgraph in Figure 1. There are three steps to be met for a third variable to be acting as a mediator. In Table 7 these are categorized as Steps 1 to 3. Step 4 is the final step. In Step 1 (Path c) intrapreneurial skills as the independent variable (IV) significantly predicts corporate sustainability, the dependent variable (DV). In step 2 (Path a) intrapreneurial skills (IV) significantly predicts competitiveness, the mediator (MV). In step 3, competitiveness (MV) significantly predicts corporate sustainability. In step 4 the combined effect of intrapreneurial skills and competitiveness on corporate sustainability is significant.

The above mentioned steps (paths a, b and c) are significant, hence, further mediation analysis through medgraph is warranted, involving the Sobel test to assess the significance of mediation effect. If the effect of the IV on the DV becomes non-significant at the final step in the analysis, full mediation will be achieved. It means all of the effects are mediated by the mediating variable. If the regression coefficient is substantially reduced at the final step but remains significant, only partial mediation is obtained. It means part of the IV is mediated by the MV but other parts are either direct or mediated by other variables not included in the model. In this particular case, the effect of the IV (intrapreneurial skills) on DV (corporate sustainability) is significantly lessened after controlling MV (competitiveness). Therefore, only partial mediation took place since the effect is still significant.

Table 7
Data Entry for the Different Paths

Independent Variable (IV)	Intrapreneurial Skills
Dependent Variable (DV)	Corporate Sustainability
Mediating Variable (MV)	Competitiveness
STEPS	
1. Path C (IV and DV)	
Corporate Sustainability Regressed on Intrapreneurial Skills	
B (Unstandardized regression coefficient)	.686
e (Standard error)	.040
Significance	.000
2. Path B (MV and DV)	
Corporate Sustainability Regressed on Competitiveness	
B (Unstandardized regression coefficient)	.460
e (Standard Error)	.031
Significance	.000
3. Path A (IV and MV)	
Competitiveness Regressed on Intrapreneurial Skills	
B (Unstandardized regression coefficient)	.769
e (Standard Error)	.056
Significance	.000
4. Combined Influence of IV and MV on DV	
Corporate Sustainability Regressed on Competitiveness and Intrapreneurial Skills	
Competitiveness:	
B (Unstandardized regression coefficient)	.253
SE (Standard Error)	.034
Beta (Standardized regression coefficient)	.325
Part Correlation	.268
Intrapreneurial Skills:	
Beta (Standardized regression coefficient)	.467
Part Correlation	.384
Total R Square	
	.497

The result of the mediation computation is shown in Figure 1 and Figure 2. The Sobel z-value of 6.542382 yielded a p-value less than 0.01, hence significant partial mediation occurred. The association between intrapreneurial skills (IV) and corporate sustainability (DV) has been significantly reduced by the inclusion of the mediating variable which is competitiveness. It could be seen in the graph that .652 is reduced to .467 in the subsequent regression. The 95% confidence interval conclusively tells that significant mediation has occurred. It yielded a small standard error (se) of .02974 obtained by subtracting the lower limit (.13627) from the upper limit (.2584) and dividing the difference with 3.92 (constant). The small se measures the precision of the estimate of the coefficient, the smaller the standard error, the more precise the estimate. The effect size (.283) measures how much of the effect of intrapreneurial skills (IV) on corporate sustainability (DV) can be attributed to the indirect path (IV to MV to DV). The total effect (.652) is the raw correlation between intrapreneurial skills (IV) and corporate sustainability (DV). The direct effect (.467) is the size of the correlation between intrapreneurial skills (IV) and corporate sustainability (DV) with competitiveness (MV) included in the regression. The indirect effect is the amount of the original correlation between the IV and the DV that now goes through the mediator to the DV ($a*b$) where “a” refers to the path between IV and MV and “b” refers to the path between the MV and the DV. The ratio index is computed by dividing the indirect effect by the total effect, in this case 0.185 by 0.652. It seems that about 28.3 percent of the total effect of the IV on the DV goes through the MV, and about 71.7 percent of the total effect is either direct or mediated by other variables not included in the model.

Significance of Mediation		Significant
Sobel z-value	6.542382	$p = < 0.000001$
95% Symmetrical Confidence Interval		
Lower	.13627	
Upper	.25284	
Unstandardized indirect effect		
a*b	.19456	
Se	.02974	
Effect size Measures		
<u>Standardized Coefficients</u>		
Total:	.652	
Direct:	.467	
Indirect:	.185	
Indirect to Total Ratio:	.283	

Fig. 1. Result

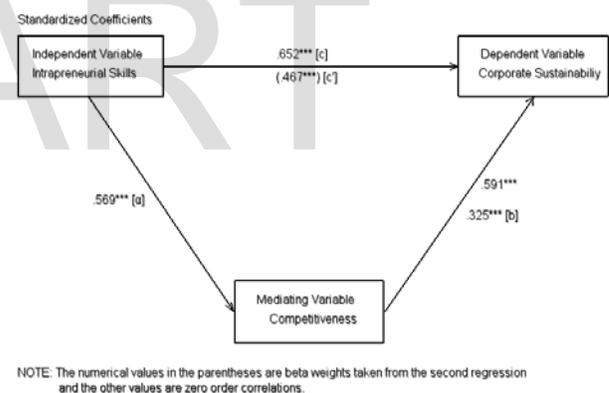


Fig 2. MedGraph

CONCLUSION

The result of the study implied that an intrapreneurial skill of managers among commercial banks in Davao Region is very high. Furthermore, the corporate sustainability among commercial banks is also very high and the competitiveness as well. Moreover, there is a significant relationship between intrapreneurial skills of manager and corporate sustainability

and the null hypothesis is rejected. Likewise, there is also a significant relationship between competitiveness and corporate sustainability among commercial banks and implies also that the null hypothesis is rejected. Similarly, there is a significant relationship between intrapreneurial skills of manager and competitive and reveals also that the null hypothesis is rejected. Likewise, there is a mediating effect on the relationship between intrapreneurial skills of manager and corporate sustainability; however, it implies partial mediation only since independent variable affects the dependent variable as mediated by the mediating variable.

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