The comprehensive performance approach is : an introduction to achieving stakeholder requirements

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Abstract:

This study aims to clarify the relationship between comprehensive performance and stakeholder theory and try to approach them, as comprehensive performance is an entry point to achieving stakeholder requirements. The key point is that comprehensive performance plays a role in achieving stakeholder requirements. In our study, we relied on the analytical descriptive approach, and we concluded that business organizations must realize the importance of paying attention to comprehensive performance in the three dimensions to fulfill the requirements of stakeholders. Organizations that neglected this relationship knew major problems that threatened their activity.

Keywords: *Comprehensive performance; Aimensionsof comprehensive performance; Stakeholders; Stakeholder management.*

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introduction

Every organization aims for continuity, survival, and profitability. However, the continuous changes taking place in its internal and external environment are among the most important challenges it faces. Facing change, keeping up with developments, and adapting to the environment are necessary conditions for achieving the organization's goals. In order to achieve these goals, it is necessary for the organization to improve its performance.

The organization is not only an economic unit but also a social and economic unit that affects and is affected by multiple parties. It goes beyond improving the relationship with all stakeholders (stakeholder theory), as performance is no longer viewed from an economic perspective only but has expanded to include social and environmental aspects that have become, with economic aspects, what is known as comprehensive performance. Problem Statement: Based on the foregoing, the problem of this study is:

What is the role of comprehensive performance in meeting the requirements of stakeholders within business organizations?

Research Hypothesis:

Comprehensive performance plays a role in meeting the requirements of stakeholders within business organizations.

Research Methodology:

In order to answer the problem statement and test the validity of the hypothesis, we relied in our study on the deductive approach using the descriptive and analytical method, by reviewing the basic concepts of stakeholders and comprehensive performance and addressing the process of stakeholder management and its steps.

Study Themes: This study is divided into four main themes:

1- Comprehensive performance in business organizations

2- Stakeholders

3- The comprehensive performance approach to stakeholders

1. Comprehensive Performance in Business Organizations:

a. Definition of Comprehensive Performance

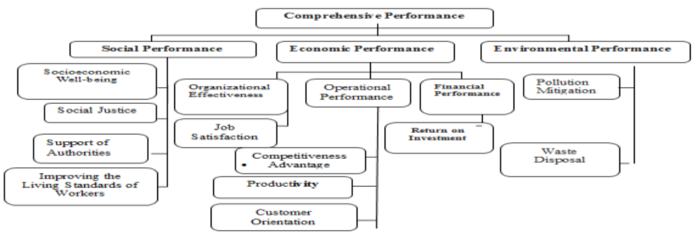
Comprehensive performance is defined as "a combination of economic, social, and environmental results." It also means that "performance is not only financial results and maximizing shareholder value, but sustainability requires taking into account the interests of employees, the local community, customers, the natural environment, and future generations." It is also defined as "the performance that allows judging the relationship of the organization with all stakeholders. It thus goes beyond the mere relationship between the organization and its human resources to the relationship between the organization and the natural environment. Through comprehensive performance, it is possible to judge the organization's ability to demonstrate social responsibility" (Al-Ayeb, 2011). It is also defined as "the performance that allows measuring the effects of the organization's actions on the environment and the environment in which it operates. In the framework of corporate social responsibility, comprehensive performance allows us to understand how the organization manages its social responsibility, measures it, and then judges it." This explains why most researchers tend to define it based on its constituent dimensions, as follows: (Salfaoui, 2018)

- The environmental dimension: is related to external factors that include elements related to the natural environment. It focuses on the active contribution of the organization to the development and improvement of its environment.

- Economic Dimension: Through the economic dimension, an organization can satisfy the desires of its shareholders and customers and gain their trust. This performance is usually measured using financial statements. It also relates to factors that are mostly related to the organization's external environment and that are generated mainly by the market, technological innovation, and the organization of relations with public or financial institutions. It is also strongly related to strategic analysis, which allows for a critical study of the organization's external environment to identify potential risks.

- Social Dimension: focuses on the organization's ability to make its human resources active participants. It is related to internal factors such as rewards and wages, working hours, training, internal communication, etc., and external factors related to the community and the natural environment. This dimension can be determined based on the satisfaction achieved in the social field, such as the relationship between employees and the organization. The socio-economic theory has identified six indicators that can be used to assess the level of social performance in the organization, The following diagram illustrates comprehensive performance:

Figure (01): Components of Comprehensive Performance in the Organization



Source: (Al-Aayeb, 2011,P161)

b. Determinants of Overall Performance:

The factors affecting overall performance are determined according to the context in which the organization operates, and can be classified into internal and external factors.

- Internal factors: the set of elements that the organization can control during its daily operations. They include administrative factors, operational factors, and economic factors. (Moumen, 2019)

* **Administrative factors**: includes

Internal organizational structures and administrative procedures

▪ Early identification of potential opportunities and their exploitation

▪ Accurate identification of potential risks that the organization may face and their sound management to reduce them

* **Operational factors:** includes

▪ Identification of environmental problems and work to reduce the environmental impacts that the organization may generate.

▪ Work to reduce material inputs in production processes and try to reduce energy consumption (environmental efficiency).

* **Economic factors:** includes

▪ Reducing costs

▪ Technological innovation

- External factors: the set of elements outside the organization that managers must deal with and respond to in the best way possible. These factors can be divided into government factors and stakeholder factors.

* **Market factors:** include**s**

▪ Product diversification

▪ Customer values (green consumption, human rights, etc.) and developing them, especially in the ethical and social field.

▪ Entering new markets

▪ Competition in the sector in which the organization operates

▪ Obtaining skilled labor from the labor market

▪ The organization's reputation

* **Government factors:** include**s**

▪ The continuous development and renewal of laws that affect the activities of the organization

▪ Mandatory or optional operating licenses

*** Stakeholder factors:** include**s**

▪ The need for full transparency and ease of access to information

▪ Preparing full reports on the organization's activities that may be negative in some cases (pollution and waste)

▪ Adopting international labor laws (human rights organizations)

c. Comprehensive Performance Assessment Tools: The proposed tools for comprehensive performance assessment. Due to the complexity of comprehensive performance assessment, Dohou and Berland (2007) believe that it is difficult to measure it technically, whether in terms of the degree of integration between the three dimensions of sustainable development or in terms of return on investment. Therefore, it is currently limited to measuring this performance based on pre-existing tools and mechanisms. This is related to the following proposed tools: (Salfaoui, 2018).

- The Sustainable Balanced Scorecard (SBSC): The updated model according to the social responsibility of the institution. Many recent studies, including Bieker (2002), have shown that the Balanced Scorecard is a suitable tool for integrating qualitative dimensions - such as the environmental and social dimensions of overall performance - into the institution's main management system. If the strategy is drawn up in a way that includes environmental and social concerns, then this tool is the basic and appropriate support for including these aspects.

- The Global Reporting Initiative (GRI): The Global Reporting Initiative (GRI) is an international independent standards organization that helps businesses, governments, and other organizations understand and communicate their impacts on issues such as climate change, human rights, and corruption. GRI's framework for sustainability reporting helps companies identify, gather, and report this information in a clear and comparable manner. The GRI is the most widely used framework for sustainability reporting. More than 10,000 organizations in over 100 countries use the GRI Standards to report on their economic, environmental, and social impacts.

- The Triple Bottom Line (TBL) Model: The Triple Bottom Line (TBL) is a framework for measuring the overall performance of an organization. It takes into account the organization's economic, environmental, and social impacts. The TBL model is a useful tool for organizations that are committed to sustainability. It can help them to improve their performance and make a positive contribution to society.

d- Key Performance Indicators for Comprehensive Performance Measurement in Business Organizations

The adoption of the social responsibility concept by the economic organization and its interest in performing its duties towards the individuals working for it and towards the society in which it operates, in addition to taking into account the environmental aspects, to gain the competitive advantage and achieve the satisfaction of the stakeholders increases the complexity of the activities and functions that it performs and carries many challenges on the methods of management and administration, which requires the necessity of monitoring and controlling the overall performance of the institution. This goal cannot be achieved except by the good choice of appropriate measurement and evaluation tools, the effectiveness of which depends on the effectiveness of the indicators that are chosen to achieve this (Qararia and Nariman, 2018).

Table (01): Indicators for Measuring Comprehensive Performance in Business Organizations

Economic Performanc Measurement Indicato	Environmental Performance Measurement Indicators	Social Performance Measurement Indicato
reak-Even Point evenue Growth abor Productivity rofitability by Segment ost Benchmarking ost Reduction Rate arnings Growth Rate eturn on Assets (ROA) eturn on Equity (ROE) eturn on Investment OI) esearch and velopment (R&D) pense Ratio quidity Ratios larket Share ustomer Turnover Rate ustomer Satisfaction lumber of Complaints umber of Disputes h Suppliers umber of Suppliers in mpliance with ntract Terms umber of Non- mpliant Purchase	The Image and Reputation of the Organization Regarding its Environmental Practices - Number of training days dedicated employees aimed at respecting the environment. nissions that negatively affect the - vironment. nsumption of materials and supplies ed in the production process. olume of waste and debris resulting - m the production process. e proportion of waste and - adlines allocated for recycling.	absenteeism Rate he ability of the institution to attract and ain skilled workers The e image and reputation of ththe titution in the field of its interest in cupational health and safety e quality of dialogue and consultation that ks it to social partners e extent to which the legislation and laws e respected ercentage of workers with disabilities to e total number of workers umber of occupational accidents velopment of wages and social benefits nted to workers

Source: (Qararia and Nariman R,2018 , 95)

2- Stakeholders

a- Definition of Stakeholders:

The most important developments that the concept has experienced can be summarized in several stages, starting with strategic planning The idea of stakeholders was first introduced by Igor Ansoff in his book "Corporate Strategy" in the 1960s. Bernard Taylor predicted the decline of shareholder importance and emphasized the need for organizations to consider all stakeholders in order to be financially and socially profitable. This shift from shareholders to stakeholders is a key development in the stakeholder concept (Arous, Ramli , 2018).

Ackoff Russel added to the literature on systems theories that stakeholder participation is essential in designing effective systems, and that organizations cannot be considered "narrow entities" or independent. From a corporate social responsibility perspective, this means that companies need to take into account the interests of all stakeholders, not just shareholders. A lot of research has emerged, and social movements in the 1960s and 1970s played a major role in rethinking the role of the institution in society. The organizational theory developed by Jeffrey Pfeiffer and Richard Salancik in 1978 stated that there is a direct relationship between managing demands and organizational effectiveness, especially those related to interest groups. This theory has been influential in the field of management, and it has helped to shape the way that companies think about their stakeholders.

from a strategic management perspective, Edward Freeman is considered the first person to conceptualize the stakeholder concept in what is known as stakeholder theory. Freeman defines corporate social responsibility as "corporate social responsiveness." Stakeholders were defined at a meeting of the Stanford Research Institute in the United States in 1963 - where the term first appeared - as "the groups without which the organization would cease to function." In other words, stakeholders are those groups that are considered vital to the survival and success of the company.

Freeman defined stakeholders, and many theorists agreed with him, as "groups or individuals who can affect or be affected by the achievements and goals of the organization."

b- Stakeholder groups

Based on the previous definitions, stakeholders can be divided into two groups: (Ali Sayah Safiya , 2020)

- The main stakeholder groups: They include:

*** Stakeholders:** Stakeholders represent an important minority of stakeholders, as they own ownership rights to a portion of the company's assets, which entitles them to the right to benefit from a portion of its profits.

*** Customers:** Customers are a very important segment for all economic companies without exception. The existence and survival of the company is linked to the production of goods and services, their marketing, and the existence of a demand for them from these customers.

*** Suppliers and distributors:** The activity of any company depends on building a close relationship based on mutual trust with suppliers, as they represent a source of inputs for the company and a main driver of its supply chain.

*** Workers:** Workers are considered the source of value creation in the company and have an important interest that is not limited to wages only, but also extends to providing appropriate working conditions, training and development, and a system of incentives.

*** Local community:** The local community represents an important segment of the beneficiaries, referring to all those who live or work around the production units and are affected by the company's activities.

- Secondary stakeholders: They include:

* Competitors: This group includes all companies that operate in the same industry as the company, and who are affected by the company's activities and affect it.

*** Governments:** Government authorities intervene as a stakeholder in the company through their influence on companies through regulatory policies, laws, and investment legislation.

*** Creditors:** This party includes the holders of bonds issued by the company and subscribed to by them or purchased from the financial market.

*** Environment and nature:** This refers to the soil, water, and air. Society has become increasingly concerned about the environmental impacts of the various practices of economic companies on human health.

*** Non-governmental organizations:** The role of these groups has grown in recent times. Whether they are independent organizations or come as representatives of other stakeholders, their activities have a major impact on the company's operations.

*** Public and media:** The media plays a major role in pressuring companies to provide clarifications and information about their activities and make them more transparent.

Figure (02): Main stakeholder groups

Source: Prepared by the researcher

c- stakeholder management process

- Stakeholder Management Process Definition

Stakeholder management is considered part of stakeholder theory, and it is also one of the main factors that determine the success of the institution, and therefore it is one of its strategic priorities. Freeman and others defined it as: "All practices that work to understand the complex relationships between the institution and the stakeholders of the institution, and analyze the resulting interactions to create value and make strategic decisions based on this analysis" (Najat Dekkar and Widad, 2020).

Table Number (02): Stakeholder Relationship Management Models

stakeholder management process	researcher
- identifying stakeholders - communicating and exchanging information with stakeholders - developing the strategy - follow-up	**Karlesen (2002)**
- identifying stakeholders - gathering information about stakeholders - analyzing the impact of stakeholders	**Young (2006)**
- identifying stakeholders - prioritizing stakeholders - engaging stakeholders - monitoring - communication effectiveness	**Walker (2008)**

Source:

- Steps in the Stakeholder Management Process: It consists of four steps as follows: (Abdelkader and Berrish, 2017)

*** Identifying Stakeholders:** This process depends on some conditions, including developing and preparing a list of stakeholders, as well as identifying the identity and commonalities between stakeholders, through which the nature of relationships can be described. This process can affect or be affected by the decisions and outputs of the organization, and by analyzing and documenting the information collected about their interests, involvement, affiliation and impact, as well as the potential effects on the success of the organization.

* **Stakeholder Management Plan:** The goal of this process is to analyze the level of stakeholder engagement when identifying them.

* **Stakeholder Involvement:** Involving stakeholders in risk management

* **Monitoring Stakeholder Engagement:** Monitoring stakeholder engagement is the process of tracking the level of stakeholder involvement and ensuring that it is effective.

* **Monitoring in the Context of Stakeholder Engagement:** Monitoring in the context of stakeholder engagement refers to the process of continuously tracking and evaluating the relationships between stakeholders and the organization.

d- Stakeholder Pressure Tactics

In the face of differing aspirations and fragmented parties, an organization must identify relevant stakeholders at both the group level and for a specific location. It must first understand them: what are their goals, their areas of expertise (reducing truck traffic near a location, the phenomenon of global warming, etc.), and their geography? What are their methods of intervention? How are they organized? What is the status of their relationship with the organization (Belhamou andKerzabi, 2019).

* **Capital:** This is done by making a decision to invest or withdraw their investments if their weight is sufficient**.**

* **Corporate Governance:** Through voting in general meetings, an association can influence the direction of the company, and management practices (allocating stock options to executives, setting work plans for a specific side such as combating global warming), and the same applies to trade unions using their representatives in the company.

* **Product or Service Offered:** It can move from labeling to boycott at the initiative of consumer organizations or certain associations, but also on the part of trade unions.

* **Brand Image:** By carrying out media work to show some practices by the company.

With the diversity of the logic of work, some are looking for ways to finance their own projects, and others want to strengthen their legitimacy and influence by presenting themselves as a distinguished partner for the large company, while others seek to change the practices of the company, in addition to non-governmental organizations and associations, other stakeholders concerned with its activities.

3- A comprehensive performance approach towards stakeholders

a- Comprehensive Performance Objectives Towards Stakeholders: The objectives of comprehensive performance towards stakeholders can be summarized as follows: (Al-Aayeb, 2011)

- Comprehensive Performance Objectives Towards Organizational Customers: Where Social Responsibility is Crystallized Through Commitment to Making All Efforts and Providing All Necessary Conditions to Create and Deepen a State of Satisfaction and Satisfaction with the Goods and Services Provided to Them.

- Comprehensive Performance Objectives Towards the Owners Category: In the Case of Private Ownership, the Objective is Crystallized in Making All Efforts to Achieve the Appropriate Return on Invested Funds and Ensure Its Flow for the Longest Period, While in the Case of Public Ownership, the Objective is Crystallized in Making All Efforts to Achieve the Planned Objectives of the State.

- Comprehensive Performance Objectives Towards the Organizational Workers Category: Where Social Responsibility Towards Workers is Crystallized Through Commitment to Making All Efforts and Working to Provide All Possible Factors to Create and Deepen a State of Satisfaction and Belonging to the Organization and Improve Their Social, Material and Psychological Level.

- Comprehensive Performance Objectives Towards the Community: Where Social Responsibility is Crystallized in the Diligent Pursuit of Human Happiness and Well-Being and the Advancement of Their Economic, Social, Scientific and Educational Level Through Commitment to Making All Efforts.

b- Comprehensive Performance Formulas Towards Stakeholder Categories in the Organization:

Given the multiplicity and diversity of the goals of the stakeholders in the institution, whether outside or inside it, the meanings and implications of performance differ; performance for the manager can be embodied in achieving the institution's profitability or competitiveness, and it can also represent the work climate and atmosphere for workers and employees, or it can be embodied in the quality of the services provided for the customer (Salfaoui, 2018). Therefore, comprehensive performance takes a set of formulas that are determined based on the goals desired by the institution for each category of stakeholders. This can be illustrated through the following table:

Table Number (03): Comprehensive Performance Formulas Towards Stakeholders

Comprehensive Performance Formulas	Stakeholder Categories

Towards Stakeholders	
- Upgrading the quality of goods and providing them to those in need in various assortments that suit different income levels. - Providing all necessary information about goods and services objectively and honestly. - Adhering to the guarantees provided for goods and services and presenting them in the prescribed (or advertised) forms. - Notifying customers in a timely manner of any expected changes in the quantities, prices, or assortments of goods and services provided. - Fair pricing of goods and services and complete abstention from creating artificial crises to control prices. - Abstaining from and stopping the production of any good or service if it is proven to be used for harmful purposes that contradict what was planned. - Putting in place all the necessary safeguards to ensure that goods and services are used properly and appropriately. - Focusing on some of the data and information found on the product packaging.	**Customers**
- In the case of private ownership, the need to preserve the invested capital and achieve the best profit margin for these investors is considered the basic social commitment of the institution towards its shareholders. - In the case of public ownership, exerting all necessary efforts to achieve the goals that the state seeks to achieve is considered the basic social commitment of the institution towards the state. This may be represented in providing goods and products at very reasonable prices, at the appropriate time, and in suitable packaging.	**Shareholders**
- Maintaining a reasonable and appropriate level of wages, salaries, and financial incentives. - Training workers and providing them with the necessary skills and knowledge. - Providing appropriate guarantees in cases of illness, retirement, death, and accidents. - Providing appropriate and healthy workplaces, protecting workers against all	**Workers**

occupational hazards and work injuries, and thus creating appropriate working conditions that are characterized by security and stability. - Providing all means of health care. - Providing entertainment and recreational facilities such as resorts, clubs, trips, and others. - Appreciating the capabilities of all categories of workers and providing equal opportunities for promotion.	
- Contributing to alleviating social problems such as housing and transportation. - Effectively participating in alleviating pollution and adhering to the provisions of regulations and laws related to the disposal of production waste, as this may lead to air, water, and environmental pollution in general. - Supporting all educational, social, and sports institutions, as they aim at the well-being of society, its growth, development, and alleviating the burden on the state. - Actually contributing to providing training opportunities at the institution for members of the community who require such qualification. - Hiring the largest possible number of individuals with special needs in appropriate activities, as well as for unqualified individuals. - Protecting green areas and spaces, natural and architectural beauty, and archaeological sites. - Providing equal employment opportunities for all individuals without discrimination based on religion, gender, color, tribe, or belief. - Disposing of waste and debris in a manner that ensures the reduction of pollution risks to the lowest possible level. - Conserving available energy resources and contributing to the search for alternative and new energy sources and conserving the use of raw materials.	**Other Community Members and the Surrounding Community**

Source: (Dekkar and Widad , 2020, P464)

Conclusion

At the end of our study, we concluded that the institution must interact with its external and internal environment, as it has gone beyond the mere relationship between the institution and its human resources to the relationship between the institution and the natural environment. Through comprehensive performance, the ability of the institution can be judged, as comprehensive performance is considered within the internal environment and is a collection of economic, social, and environmental results that include several dimensions. Institutions should expand their role towards many parties, including stakeholders, who are considered the external environment of the institution, and abandon the view based on their role in maximizing profit only. Institutions should adopt comprehensive performance management as a comprehensive strategy that allows them to gain a good reputation and a positive impact on stakeholders.

Considering that they have an impact on the institution and are affected by it, in order to achieve the desired effectiveness and efficiency, the institution must deal accurately with the various factors that may affect its performance. However, it is not enough for the institution to care about its financial performance and evaluate it in order to reach the highest levels; it must also care about comprehensive performance by considering the environmental and social dimensions in addition to the economic dimension.

We have proven the validity of our hypothesis that comprehensive performance has a role in meeting the requirements of stakeholders within business organizations and allows the institution to satisfy all parties despite the difficulty of this due to the difference of interests. This leads to gaining their satisfaction and loyalty and allows for achieving a competitive advantage and a position in the market.

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