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STAKEHOLDER PRESSURE AND RESOURCE CAPABILITY: HOW PARTNERSHIP PROGRAMS CAN ENHANCE BANKING PERFORMANCE

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ABSTRACT
This study aims to examine the influence of stakeholder pressure and resource capability on bank performance through partnership programs. A quantitative approach was employed with the population consisting of Rural Banks (BPR) in West Java. The sample included 205 respondents comprising Directors, Division Heads, And Section Heads directly involved in resource management and partnership programs, selected using a non-probability sampling technique. Data were collected through questionnaires and analyzed using Structural Equation Modeling (SEM) with AMOS 22. The results reveal that stakeholder pressure and resource capability positively affect partnership programs. Resource capability has a direct positive effect on bank performance, while stakeholder pressure does not directly influence it. Partnership programs significantly enhance bank performance and mediate the relationship between both stakeholder pressure and resource capability with bank performance. These findings highlight the crucial role of internal resource management and effective partnership strategies in strengthening the competitiveness of banks, particularly rural banks in West Java. Practical recommendations suggest that bank managers should enhance resource capabilities and optimize strategic partnerships as responses to external pressures to sustain performance improvements.
Key words: stakeholder pressure; resource capability; partnership programs; bank performance; rural banking

INTRODUCTION

The banking sector plays a crucial role in maintaining economic stability, making it essential for banks to sustain performance through robust governance and regulatory compliance (Lubis et al. 2023). However, the rapid digital transformation has created intense competition, particularly with the rise of financial technology (fintech) companies that offer innovative financial services. To remain competitive, banks are urged to adopt emerging technologies such as artificial intelligence and blockchain while simultaneously diversifying their financial products to meet evolving customer demands (Deloitte 2023). Recent studies also emphasize that the integration of digital transformation and stakeholder management significantly enhances organizational performance in financial institutions (Kumar, Shrestha, and Badir 2022).

Stakeholder expectations, regulatory reforms, and sustainability initiatives increasingly influence the banking industry in this dynamic environment. Stakeholder pressure plays a vital role in shaping strategic responses, particularly in how organizations adapt to digital ecosystems (Shi and Zailani 2025). Recent evidence shows that stakeholder engagement fosters sustainability and environmental performance, especially in emerging economies where institutional frameworks are developing (Ho, Nguyen, and Dang 2024). This highlights that stakeholder influence extends beyond compliance, shaping innovation and partnership behaviors in the financial sector.

Furthermore, banking competitiveness in the Asian context relies heavily on the effective utilization of internal resources and technological capabilities. Studies indicate that resource capability remains a critical determinant of sustainable competitiveness and performance within Asian banking institutions (Danso et al. 2020). Therefore, understanding the interplay between stakeholder pressure, internal resource capability, and partnership programs becomes essential to sustain performance amidst technological disruption.

METHOD

This study applied a quantitative research design to test the effects of stakeholder pressure and resource capability on bank performance through partnership programs. The population consisted of Rural Banks (BPR) in West Java, with a sample of 205 respondents (Directors, Division Heads, and Section Heads) selected through non-probability random sampling. Data were collected using a structured questionnaire with four constructs: stakeholder pressure (5 indicators, adapted from Noorliza ,2020), resource capability (6 indicators, Mbogo ,2019), partnership programs (5 indicators, Peng and Isa ,2020), and bank performance (4 indicators, Ali et al. ,2024).

All items used a Likert scale. Validity was confirmed with factor loadings >0.50, while reliability met the required thresholds (CR >0.70; VE >0.50) (Hair et al. 2023). The operationalization of resource capability and stakeholder pressure follows contemporary approaches emphasizing digital agility and sustainability orientation as key organizational resources (Singh et al. 2022).

RESULTS AND DISCUSSION

The measurement model was first assessed to ensure validity and reliability of the constructs. All indicators demonstrated factor loadings above 0.50, confirming convergent validity (Table 1). Construct Reliability (CR) values exceeded the 0.70 threshold, and Variance Extracted (VE) values were greater than 0.50, indicating good reliability and convergent validity (Table 2). These results confirm that the measurement instrument was robust and suitable for further structural analysis.

Table 1. Factor Loadings

Variables	Indicators	Loading Factors	Validity
Resource Capability	RC4	0,95	Valid
	RC3	0,68	Valid
	RC2	0,62	Valid
	RC5	0,96	Valid
	RC6	0,50	Valid
Stakeholder's Presure	SP4	0,84	Valid
	SP3	0,65	Valid
	SP1	0,82	Valid
	SP5	0,78	Valid
Partnership Program	PP4	0,75	Valid
	PP3	0,53	Valid
	PP2	0,61	Valid
	PP5	0,67	Valid
Bank Performance	BP1	0,67	Valid
	BP2	0,76	Valid
	BP3	0,75	Valid
	BP4	0,77	Valid

(Source: SEM-AMOS Output, 2025)

Table 2. Construct Reliability and Validity

Variables	Construct Reliability	Variance Extracted	Reliability
Resource Capability	0,9	0,6	Reliabel
Stakeholder's Presure	0,9	0,6	Reliabel
Partnership Program	0,7	0,5	Reliabel
Bank Performance	0,8	0,5	Reliabel

(Source: SEM-AMOS Output, 2025)

The structural model evaluation confirmed that the model fits the data well, with RMSEA = 0.06, CMIN/DF = 1.80, CFI = 0.95, TLI = 0.95, PGFI = 0.66, and PNFI = 0.75, all of which meet the recommended thresholds (Table 3).

Table 3. Model Fit Results

Fit Index	Goodness of Fit	Criteria	Cut-off value	Result
Absolute Fit	RMSEA	≤ 0.08	0,06	Fit
	CMINDF	≤ 2,00	1,80	Fit
Incremental Fit	CFI	≥ 0.90	0,95	Fit
	TLI	≥ 0.90	0,95	Fit
Parsimony Fit	PGFI	≥ 0.60	0,66	Fit
	PNFI	≥ 0.60	0,75	Fit

(Source: SEM-AMOS Output, 2025)

Hypothesis testing results are summarized in Table 4. Stakeholder pressure significantly affects partnership programs ($\beta = 0.423$, CR = 6.142, $p < 0.001$**), while resource capability also positively affects partnership programs ($\beta = 0.424$, CR = 7.388, $p < 0.001$**). However, stakeholder pressure does not directly influence bank performance ($\beta = 0.100$, CR = 0.962, $p = 0.336$). In contrast, resource capability has a positive effect on bank performance ($\beta = 0.201$, CR = 2.065, $p = 0.039$*) and partnership programs also positively affect bank performance ($\beta = 0.548$, CR = 2.571, $p = 0.010$*).

Hypothesis testing results revealed that stakeholder pressure significantly affects partnership programs, while resource capability also positively influences partnership programs and directly enhances bank performance. These findings are consistent with previous studies that highlight how stakeholder engagement and collaboration mechanisms promote financial and environmental performance (Ho et al. 2024).

Table 4. Path Analysis Results

Hyphothesis				Estimate	C.R.	P	Label
H1	PP	<---	SP	0,423	6,142	0,000	Supported
H2	PP	<---	RC	0,424	7,388	0,000	Supported
H3	BP	<---	SP	0,1	0,962	0,336	Not Supported
H4	BP	<---	RC	0,201	2,065	0,039	Supported
H5	BP	<---	PP	0,548	2,571	0,010	Supported

(Source: SEM-AMOS Output, 2025)

The mediation analysis results further confirm that partnership programs significantly mediate the relationship between stakeholder pressure and bank performance, as well as between resource capability and bank performance. Similar findings were reported by (Kumar et al. 2022), who found that strategic partnerships strengthen the link between digital capabilities and performance across industries. Furthermore, (Prayag et al. 2024) emphasized that partnerships build organizational resilience, particularly during times of economic and technological uncertainty.

The mediation analysis results are presented in Table 5. Partnership programs significantly mediate the relationship between stakeholder pressure and bank performance (p = 0.011) and between resource capability and bank performance (p = 0.016).

Table 5. Mediation Test

Hypothesis		Significancy	Result
H6	SP-PP-BP	,011	Significant Mediating
H7	RC-PP-BP	,016	Significant Mediating

(Source: SEM-AMOS Output, 2025)

From a resource perspective, banks with greater technological and managerial capabilities demonstrate superior adaptability and competitiveness. These results are aligned with research showing that dynamic resource capability is a primary driver of sustainable competitiveness in the banking industry (Lubis et al. 2023). Moreover, (Harvey and Shaefer 2001; Noorliza 2020) also found that partnership quality mediates the relationship between innovation and firm performance, reinforcing the importance of cooperative strategies in achieving long-term growth.

These results confirm that partnership programs act as a mediating mechanism, transforming external stakeholder pressure and internal resource capability into enhanced bank performance.

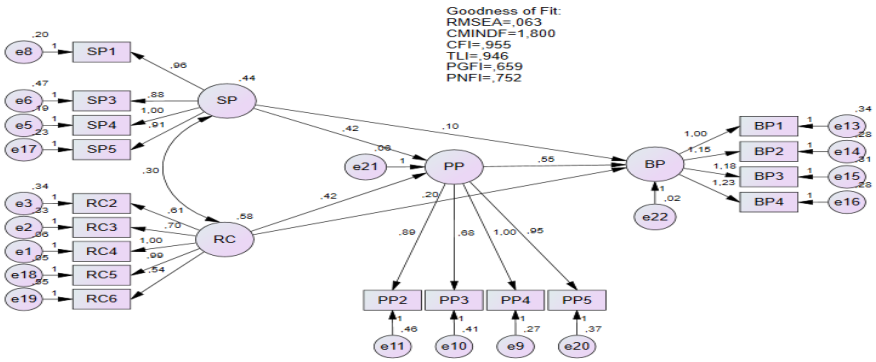

Figure 1. Hyphoteses Measurement

Figure 1 illustrates the full structural equation model generated through AMOS, depicting the causal relationships among stakeholder pressure, resource capability, partnership programs, and bank performance. The model demonstrates that both stakeholder pressure and resource capability positively influence partnership programs, while resource capability and partnership programs significantly enhance bank performance. These findings confirm that the proposed model fits the data perfectly and effectively represents the hypothesized relationships among variables.

CONCLUSION

This research provides clear evidence that stakeholder pressure and resource capability influence bank performance in distinct ways, with partnership programs emerging as a crucial mediating mechanism. While stakeholder pressure does not directly lead to performance improvement, it drives the establishment of partnership initiatives that in turn enhance outcomes (MacDonald et al. 2019). Conversely, resource capability strengthens performance both directly and indirectly, demonstrating that banks with stronger managerial, technological, and

physical resources are more resilient and adaptive to external challenges (Ali et al. 2024; Mbogo 2019; Noorliza 2020). These findings collectively suggest that bank performance is not merely the product of external demands or internal assets, but rather the synergy between the two when institutionalized through structured partnership programs (Lubis et al. 2023; Peng and Isa 2020).

Theoretically, this study contributes to the enrichment of stakeholder theory and the resource-based view by showing that their integration provides a more comprehensive explanation of organizational performance in the banking sector (Danso et al. 2020; MacDonald et al. 2019). The results highlight that external pressures alone are insufficient unless mediated by collaborative practices, while internal resources are most effective when leveraged through partnerships (Ali et al. 2024; Peng and Isa 2020). This advances the understanding of how dynamic capabilities and stakeholder engagement can be operationalized in emerging economies, particularly in the context of rural banks that face both regulatory pressures and limited resource endowments (Lubis et al. 2023; Noorliza 2020).

From a practical standpoint, the findings underscore the need for bank managers to invest in strengthening internal resources while simultaneously fostering partnerships as a strategic response to stakeholder demands (Lubis et al. 2023). Rural banks in Indonesia, in particular, should adopt a dual strategy of resource development and partnership engagement to remain competitive in the digital financial ecosystem (Deloitte 2023). For future research, it is recommended to explore longitudinal designs to capture causal dynamics, conduct cross-country comparisons to generalize findings, and incorporate the role of digital transformation as an intervening variable to better explain how partnerships evolve

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