Deanship of Graduate Studies

Al-Quds University / Palestine

CSV strategy for improving the competitiveness of the Hebron stone and marble sector through clustering

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Master Thesis

Jerusalem – Palestine

1442 / 2020

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A thesis Submitted in Partial Fulfillment of Requirements for the Degree of Master of Sustainable Development / Organization Development and Human Resources Development from the Faculty of Graduate Studies at Al-Quds University.

1442 / 2020

Al-Quds University

Deanship of Graduate Studies
Sustainable Development Institute

Thesis Approval

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Dedication

To whom who taught me to resist whatever the circumstances changed; my mother (Heyam Al-Natshe)

لمن علمتني أن أقاوم مهما تغيرت الظروف؛ أمي (هيام النتشة)

To whom who is the reason for my existence in life, the one who raised me; my father (Abdel Aziz Al-Natshe)

لمن هو سبب وجودي في الحياة، الذي رباني؛ أبي (عبد العزيز النتشة)

To my soul mate; my husband Islam

To my hope of life; my kids Ameer, Mohammad and Ibrahim

To whom who is my bond in my misfortunes; my brother Hazem

To those who light me the way and always supports me; my dearest sisters (Amal, Sawsan, Aya, Bayan, Reem, Jomana)

To the dear supervisor who lit my study path and gave me the guidance throughout my thesis trip, Dr. Ibrahim Awad

To my supportive friends and beloved people.

To everyone who taught and added value to my brain

To everyone who gave me advice

To everyone who criticized me for correcting my steps for the better

To all who sacrificed with their blood and soils for beloved Palestine

To the brave prisoners behind the occupation bars

To our beloved country

To all of you, I dedicate this humble thesis

Nida' Abdel Aziz Al-Natshe

بسم الله الرحمن الرحيم

In the Name of God, the Compassionate, the Merciful

(قَالُوا سُبْحَانَكَ لَا عِلْمَ لَنَا إِلَّا مَا عَلَّمْتَنَا إِنَّكَ أَنتَ الْعَلِيمُ الْحَكِيمُ)

صدق الله العظيم

سورة البقرة الآية (32)

They said: "Glory to Thee, of knowledge we have none, save what Thou Hast taught us: In truth it is Thou Who art perfect in knowledge and wisdom.

(يَرْفَعِ اللَّهُ الَّذِينَ آمَنُوا مِنكُمْ وَالَّذِينَ أُوتُوا الْعِلْمَ دَرَجَاتٍ ۚ وَاللَّهُ بِمَا تَعْمَلُونَ خَبِيرٌ)

صدق الله العظيم

سورة المجادلة الآية (11)

Allah raises up in ranks those who believed among you and those who have been given knowledge. Allah is aware of what you do.

Declaration:

I certify that this thesis submitted for Master's Degree, is the result of my own research, except where otherwise acknowledged, and that this study (or any part of the same) has not been submitted for a higher degree to any other university or institution.

Signed:

Nida' Abdel Aziz Al-Natshe

Date:

Acknowledgments

First of all, my limitless thankfulness for God, Almighty Allah, for his endless blessings and for giving me the strength and health to complete this thesis.

I especially thank Prof. Dr. Ibrahim Awad for his effort in teaching and guiding me to the right way to research, benefit, and learn. Without his guidance and constant feedback, this thesis would not have been achievable. Thank you so much for everything.

I convey my special thanks to the dearest persons in my life, my parents, who taught me the value of hard work and supported me throughout writing this thesis.

I would like to thank my husband, my sons, and the whole family for their undying support, their unwavering belief that I can achieve so much.

I would also like to extend my sincerest thanks and gratitude to my beloved brother and sisters, for their encouragement, and for being there whenever I needed them. Thank you so much; I will be forever thankful to you all.

My special thanks go to the arbitrators for their help and guidance, which was of great value in shaping my thesis.

My deep thanks to all of the questionnaire respondents in the stone factories in Hebron, without whose collaboration I would not have been able to make significant contributions in this study.

I would like to extend my thanks and appreciation to the Foundation of Stone and Marble Union in Hebron, represented by its Chairman and Chief Executive Officer, for their support to facilitate the completion of this study.

In the end, I would like to extend my sincere thanks and appreciation to all who have contributed, advised, or guided me to bring this study into the light.

Nida' Abdel Aziz Al-Natshe

Abstract:

This study aims to create a shared value strategy to enhance the competitiveness of the stone and marble sector in Hebron through the stone cluster. To achieve this goal, a descriptive-analytical and experimental approach was employed. The population of the study consist of stone factories (saws) registered in the Stone and Marble Federation,175 factories. The study sample, which consists of 125 factories, only 102 of which were retrieved. A questionnaire was prepared as the primary tool to obtain the necessary data for this study, and data were collected And statistically processed using the SPSS program and the AMOS program for the structural equation modeling SEM, the study reached several results, the most important of which are: the shared value can be created through the cluster, CSV improves the competitiveness of the stone and marble sector more than if we relied on enhancing its competitiveness through Cluster directly, meaning that the creation of the shared value is an intermediate variable to improve competitiveness, which means that the study model proposed by the researcher is reliable and correct, as the study shows that the atitudes of the factory owners to create shared value are high, and that the ability of these factories to compete is medium, and that 66% of Respondents only participate in the activities of Cluster and see that they benefit from the activities of Cluster in a high way, and that 33% do not participate in the activities of Cluster and the majority of those who do not participate attribute the reason that they do not find benefit from participation, also the study shows that there is no difference in the statistical significance of creating a shared value strategy to improve competitiveness in The stone and marble sector in Hebron by clustering is attributed to (the legal nature of the organization, the total number of employees), while there are significant differences in creating the shared value strategy to improve the competitiveness of the stone and marble sector in Hebron through clustering, attributable to (the degree of education of the respondent and the location of the institution).

Due to the importance of developing the Palestinian national economy, the study recommends the necessity of enhancing Porter's diamond factors for competitiveness, by creating the shared value strategy through clustering to improve the competitiveness of the stone and marble sector in Hebron .

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Abbreviations

CSV: Creating shared value

CSR: Corporate social responsibility

SEM: Structural equation modeling

PSDCP : Private Sector Development Cluster Project

AFD: French Agency for Development

FPCCIA: Federation of Palestinian Chambers of Commerce, Industry and Agriculture

NGOs: Non governmental organizations

CSC: Corporate Service Corps

USA: United States of America

BSS: Brown's Super Stores

SROI: Social Return On Investment

SDGs: Sustainable Development Goals

ISO: International Organization for Standardizations

LCA: Life Cycle Assessment

IIRC: International Integrated Reporting Committee

GRI: The Global Reporting Initiative

KPIs: Key Performance Indicators

R&D: Research and Development

UNIDO: United Nations Industrial Development Organization

SPSS: Statistical Package for the Social Sciences

AMOS: Analysis of Moment Structures

CDA: cluster development approach

CFA: Confirmatory factor analysis

DVs: dependent variables

CFI: The Comparative Fit Index

GFI: The Goodness of Fit Index

RMSEA: The Root Mean Square Error of Approximation

IBM : International Business Machines

1 Chapter One: Orientation

1.1 Introduction

1.1.1 Research background

Stone and Marble industry in Palestine is considered one of the traditional industries. Researches were in agreement with the fact that Palestine is one of those countries where the raw material for construction stone is available in commercial quantities and characterized for its type, quality, and multicolor (Union of Stone and Marble Industry in Palestine, 2017).

This sector is the backbone of the Palestinian national industry as it contributes by 5.4% of the gross domestic product, and employs approximately 20 thousand workers. As for stone export, it is considered the mainstay of Palestinian export. Stone export has reached more than 70 countries, like UAE, Jordan, Al Keweit, USA,Canada and Australia according to data of the stone and marble industry in Palestine (Palestinian Economic Policy Research Institute MAS, 2018). And its exports amount to 19% of the volume of Palestinian exports, according to 2016 statistics (Paltrade,2017). The following table shows the volume of the Palestinian export of stone industries in recent years:

Table 1.1: Palestinian export of stone industries (in USD thousands)

Year	Israel	Jordan	World	Total	Palestinian Stone exports as % of total Exports	Stone exports to Israel as % of total stone exports
2007	83,609	6,211	6,614	96,434	18.8%	86.7%
2008	74,528	7,466	7,764	89,757	16.1%	83.0%
2009	86,485	10,557	9,243	106,285	20.5%	81.4%
2010	93,200	7,689	4,367	105,256	18.3%	88.5%
2011	112,929	9,086	16,097	138,113	18.5%	81.8%
2012	110,388	8,915	9,465	128,769	16.5%	85.7%
2013	125,639	9,258	2,358	137,255	15.2%	91.5%
2014	136,513	19,759	26,001	182,273	19.3%	74.9%
2015	135,357	12,679	23,715	171,751	17.9%	78.8%
2016	135,064	17,546	24,118	176,728	19.1%	76.4%
2017	161,087	31,422	21,119	213,628	20.1%	75.4%

Source: (MAS,2018)

Despite the great importance of this sector, it is considered the least organized, taking into consideration the random spread of quarries, crushers and stone factories in most of the governorates of the West Bank, which in its large majority operate without

obtaining industrial licenses. The number of stone and marble installations reached 1181, of which 602 stone factories or saws, 252 quarries, 279 workshops, in addition to 72 crushers. This industry is concentrated in the governorates of Hebron, Bethlehem, Nablus, and Jenin, in addition to a partial spread in the other governorates of the country (MAS, 2018).

Hebron Governorate has the largest share of the stone and marble industry on the national level, and it is considered a strategic stockpile of raw material in this industry, which is concentrated in the towns of Sa'ir, Al-Shuyukh, Bani Naim, Yatta, Samu ', and the same is the case with regard to the stone factories, which are considered to be mostly developed. In this province, which is spread in several regions in the form of large and small groups (Palestinian Ministry of National Economy, 2019). The number of stone and marble facilities in Hebron Governorate, the annual production volume and the number of workers is as follows:

Table 1.2: The number of stone and marble facilities, the annual production volume and the number of workers in Hebron

Facility type	Number	Annual production volume	Number of labors
Cutting work shops	200	8 million m2	6000
Quarries	400	3 million m3	3000
Small factories and lathes	100	undefined	1000

Source: (Palestinian Ministry of National Economy, 2019)

This sector is struggling with major challenges that weaken its competitiveness due to the problems facing it, which are represented by the problems caused by the existence of the Israeli occupation. Quarry owners also continue to use traditional methods to detect quarries, in addition to some issues related to the Palestinian self-worker such as the absence of competencies. Finally, competition has increased among stone producers in global markets.

The stone industry produces industrial waste that is divided into three sections: liquid slurry mixed with water used in the process of cutting and shaping the stone, dry slurry, and the remains of the stone resulting from the manufacturing process. Due to the absence of suitable collection sites for these wastes, these wastes lead to environmental pollution.

Despite the strategic importance of this industrial sector, it is considered the most random and least organized industrial and production sectors, which often prevents work on its development. (MAS, 2018)

To overcome many of those problems and advance this sector and other sectors, the Ministry of National Economy, along with the Federation of Palestinian Chambers of Commerce Industry and Agriculture collaborate on the emphasis on improving competitiveness and market access for small and medium-sized enterprises (SMEs). This has been achieved through their project; the "Private Sector Development Cluster Project (PSDCP)" aimed at providing a foundation for sustainable economic development by taking a Cluster Approach. The project is funded by the French Agency for Development (AFD). The development of clusters is new for Palestine and the PSDCP had started with five pilot clusters, four in the West Bank and one in Gaza.

Michael Porter (2000), argued that "Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, associated institutions in a particular field that are present in a region".

In PSDCP project, clusters are groups of companies that share local resources, use similar technologies and are making linkages and alliances and increasing their networks. These linkages can take the form of buyer-supplier relationships, joint marketing, training, or research initiatives, and often contain lobbying government. One of the distinctive characteristics of clusters is that of linkages between firms, which in turn affect shared strategies. This is often called «Co-coopetition» – where companies compete in some fields, (such as selling to customers), but cooperate in other fields (such as joint training programs.)

The Private Sector Development Cluster Project had selected the following five pilot clusters to work with after a comprehensive awareness campaign. These are:

- Furniture cluster in Salfit.

- Tourism and Creative Arts cluster in Jerusalem.
- Stone and Marble cluster in North Hebron and Bethlehem.
- Leather and shoemaking cluster in Hebron.
- Date and Palm cluster in Gaza.

The project worked with these clusters to strengthen their competitiveness in order to increase their market share on local market and/or explore new markets for export (Palestine Cluster).

The Stone & Marble Cluster is based in Hebron, and intends to formalize the relationships between all parties in the cluster and establish strong relationships with the supporting institutions in order to integrate all efforts that offer the necessary support for development. It includes stone quarries, fabricators, spare parts and service suppliers, business support organizations, and other related institutions. Many difficulties facing the stone and marble companies can be avoided, and many lost benefits can be achieved by the collaborative working arrangement through the cluster . The cluster offers the space for companies to cooperate and to integrate in order to develop and to increase their competitiveness through a collective and collaborative framework (Palestine Cluster).

In this study, we look forward to evaluate the stone and marble cluster project in Hebron and if it achieved its goals, and check if it can raise the economic value of employers, workers and customers, achieve societal value and reduce the environmental impact resulting from the stone industry as possible by following creating shared value (CSV) strategy, which is a strategy for achieving investments in long-term business competitiveness that simultaneously address societal and environmental objectives (Bockstette & Stamp, 2011).

This chapter discusses the research problem, objective, questions, hypotheses, methodology and the overview of the contents of the chapters.

1.1.2 Research problem:

As the aforesaid, the stone sector is the backbone of the economy in Hebron Governorate, as it is characterized by its high quality globally and its abundant stock, which led to its arrival to 70 countries globally ,the vast majority exports are to Israel , and it is a major operator of labor in the region. But this sector has been suffering

recently from a decline, mainly due to the occupation's policies and practices, from the high competition on the global market level, and other problems such as lack of competencies, non-compliance with laws and inability to keep pace with technology. In addition to the export policies adopted that serve Israel.

The stone industry also produces significant environmental damages mainly represented by dust caused by quarries and stone cutting factories, and slurry resulting from stone cutting factories, in addition to noise pollution (development plan with clusters,2019)

In order to develop this sector and to reduce its economic, socieatal and environmental obstacles, the cluster project was established in the region, but with specific funding within a particular period of time .(What is a cluster?)

Referring to my critical review of previous research, several studies discussed the development of stone and marble sector in Palestine, and about increasing its competitiveness by several strategies, like Sultan's study, Haniea's study and others. And studies about the possibility of benefiting from the slurry resulting from its manufacture in many industries. Probably there are some studies that have not been published. However, it was not observed that there is a study work to develop this sector by increasing its competitiveness, increasing its economic value, reducing its environmental impact and increasing societal value together. To fill this gap, this study is done to evaluate the cluster project and check if it can create a shared value (CSV) that can improve the competitiveness of the stone and marble sector in Hebron, which is defined as a strategy for achieving investments in long-term business competitiveness that simultaneously address societal and environmental objectives.

1.1.3 Research questions

In this sense, the problem of the study can be summed up in the following main questions:

1. **How to create a shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering?**

Sub-questions

Several main questions arose from the main question:

- What are the means of the economic value in the Stone and Marble Sector in Hebron?
- What are the means of the attitudes towards the societal value in the Stone and Marble Sector in Hebron?
- What are the means of the attitudes towards the environmental value in the Stone and Marble sector in Hebron?

2. **To what extent of creating a shared value strategy can affect the competitiveness in provement through clustering?**

1.1.4 Objectives of the study

Main objective: the main objective of the study is to provide background information to both policymakers and researchers about creating a shared value strategy for improving the competitiveness of the stone and marble sector in Hebron through clustering.

Specific Objectives: The specific objectives that drove the research process aim to enhance the competitiveness of this sector.These objectives are:

- Creating economic value in the Stone and Marble Sector in Hebron through clustering.
- Creating societal value in the Stone and Marble Sector in Hebron through clustering.
- Creating environmental value in the Stone and Marble Sector in Hebron through clustering.

1.1.5 Research Hypotheses

In view of the aforementioned questions, the research examines the following hypotheses, and the relationship model "SEM" was used to testify these hypotheses because there are three main variables: clustering, CSV, and competitiveness, linked in a causal relationship.

The first four hypotheses answer the first main question.

- H1: Cluster has a significant impact on creating shared value in the stone and marble sector in Hebron.

- H2: Shared value has a significant impact on improving the competitiveness in the Hebron stone and marble sector.
- H3: Cluster has a significant impact on improving the competitiveness in the Hebron stone and marble sector.
- H4: Creating shared value is an intermediate variable in the relationship between competitiveness and clustering of the Hebron stone and marble sector.
- H5: There is a significant impact on creating the shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering due to (respondent, nature of the enterprise, Enterprise' Location, the total number of employees).

The following hypotheses examin if the current clustr achieves its main goals:

- H6: There is a significant impact on creating a shared value strategy in the Hebron stone and marble sector due to (participating in the cluster's activities or not participating in its activities).
- H7: There is a significant impact on the competitiveness of the Hebron stone and marble factories due to (participating in the cluster's activities or not participating in its activities).

1.1.6 Significance of the study

Practical Significance: This study may help decision-makers and policy-makers related to this sector to make decisions and develop appropriate policies to advance the stone and marble sector.

Theoretical Significance: This study is likely to add new information to researchers and those interested in CSV strategy and show them how to encourage clusters to adopt this strategy to enhance competitiveness, and may use it in their future researches. This study also may open new research horizons for researchers in this field.

1.1.7 Motivations of the study

The study motivations can be summarized as following:

1. To the best of my knowledge, there are no studies focus on CSV in Palestine because CSV is relatively new not only in Palestine but also worldwise.
2. This study enriches scientific research in Palestine.

3. The importance of the stone sector in Palestine and its need for such a successful strategy to enhance its competitiveness.

1.1.8 Scope and Boundaries of the Study

This study underwent the following boundaries:

1. Spatial boundary: This study will focus on the stone and marble sector in Hebron.
2. Temporal boundary: the data of this study will be collected during the second semester of the academic year 2019/2020.

1.1.9 Terminology of study

Corporate Social responsibilities: A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (World Business Council for Sustainable Development, 2001).

Competitive advantage: is what makes an entity's goods or services superior to all of a customer's other choices (Amadeo,2019)

A Cluster: is a geographic concentration of related companies, organizations, and institutions in a particular field that can be present in a region, state, or nation (Harvard Business School) and face common challenges and opportunities (UNIDO, 2013).

1.1.10 Outline of the thesis:

The study consists of five main chapters. Each chapter begins with an introduction that expresses its contents in brief as follows:

Chapter One: The general framework of the study, which deals with: Introduction, the problem of study, the objectives of the study, the questions of the study, the hypotheses of the study, the significance of the study, the motivations of the study, the method of study and the limits and structure of the study

Chapter Two: The theoretical framework of the study and previous studies. It includes clarifying the concept of shared value and the concept of clusters and their relationship. In this chapter, the researcher discusses the elements and dimensions of creation of

shared value and its indicators in stone cluster, and study the extent of their impact on the competitive advantage of stone firms in all its dimensions and indicators

The first section deals with previous studies on clusters , the second axis: creation shared value, and the third axis: the relationship clusters and shared value and their impact on competitive advantage

Chapter Three: Methodology of the Study: This chapter includes research methods, methods of data collection, community and sample of the study, the research tool including independent and dependent study variables, hypothesis of study, validity and stability of the questionnaire; Field

Chapter Four: The results will be discussed and compared with previous studies

Chapter Five: presents conclusions and recommendations

Finally, the references to which the researcher will rely on in the study will be presented and the appendices used by the researcher will be presented in the study.

1.2 The reality of stone and marble sector in Hebron:

1.2.1 An overview of Hebron governorate

Hebron Governorate is located in the southern part of the West Bank, to the south of the city of Jerusalem, about 36 km from it. The area of Hebron governorate rises to 937 sq.km. The population of Hebron governorate in 2017 rose to 711,223 people, according to the statistics of the Palestinian Central Bureau of Statistics. They constitute 15% of the total population of the country's governorates.

1.2.2 The industrial sector in Hebron:

Hebron Industries have become the main goal for achieving economic and social development in the governorate in particular and in Palestine in general, and the number of industrial establishments in Hebron governorate reached to 3,522 industrial and craft facilities according to the statistics of 2017. Those establishments operate (36500) from the workforce. According to data of the National Economy Department in Hebron governorate for the year 2018, there is a clear diversification in the industrial establishments in it, where the number of establishments was concentrated in the industries related to stone, marble, food industries, plastic industries, and shoe industries. Hebron governorate industries are distinguished by quality, and covering local and some foreign markets.

For those reasons, Hebron governorate was chosen to form an integrated industrial cluster that could establish an economic pillar of the Palestinian Authority in the development plan with clusters launched by Prime Minister Shtayyeh in 2019.

Where the industry is based on the export of many of its products, as the most important export from Hebron governorate were concentrated in (stone and marble products, nylon, bags, plastic products, metal products, shoes, and wood products for shipping purposes, wooden and metal home furniture, in addition to some food products)

Hebron governorate has faced many challenges posed by the reality of the Israeli occupation and the results imposed on the ground, including the text of Hebron City Protocol (H1, H2), where H2 is fully controlled by the Israeli occupation, and is completely closed by military checkpoints. The widely spread of the Israeli authorities

in the governorate place many obstacles to movement, which impedes movement, prolongs travel time and impedes the development of the road network in those areas. Added to this is the control of lands 150 meters away from both sides of the roads. These obstacles have affected the reality of water and infrastructure in Hebron governorate, where water shortage is one of the main challenges that led to high prices, which affected the competitiveness of the industrial sector.

In addition to many problems facing the industrial sector in Hebron, such as the absence of the necessary systems to achieve compliance with the implementation of laws supporting the industry, the difficulty of judicial procedures in implementing money collection and commercial arbitration, poor knowledge of exemptions stipulated in the law to encourage investment , not keeping pace with technology and Raw materials costs (Palestinian Ministry of National Economy, 2019).

1.2.3 The Stone Sector in Hebron:

This industry is concentrated in the governorates of the southern West Bank, specifically in two governorates, including Bethlehem and Hebron where 71% of the stone industry is concentrated: Hebron as a flat land for quarries where rocks are extracted and large stone pieces are produced, then factories and saws cut and polish these stones to make stones and marble (Stone industry in Palestine,2014).

1.2.4 Challenges facing stone and marble sector:

AbdElall S., Abu Hanieh A. and Hasan A. (2013) clarify challenges facing this sector as the following:

1.2.4.1 Political and economic challenges

Politics and economy are two sides of the same coin, and they cannot be separated, so they are grouped into one item. Stone and the marble sector faces many political and economic problems starting from the limited resources to difficulties of product transportation. Although Palestine landscape contains a plenty of rocky mountains, but keep in mind that such resources are not renewable and being depleted continuously. Moreover, USM (2011) shows that there are many difficulties in transporting products between cities and areas because of political restrictions. Most of the instruments and machines used in the stone industry are imported from outside which complicates the production processes when repair and maintenance problem arises. Although this

sector forms about 30% of the Palestinian exports (before 2011) but it could be further increased if more flexibility has been given to it by providing more than one border point for export of Product.

The Palestinian stone production is the 12th largest in the world. However, Israeli-imposes closures and curfews, the Apartheid Wall and the instability of the political situation since the start of the Al-Aqsa Intifada have negatively affected the stone and marble industry by decreasing production and sales by half.

On the other hand, large amount of energy is required for the quarrying machinery and later for the stone cutting processes. Energy constitutes 6% of operational costs in quarries and stone cutting factories. And electricity prices are relatively high.

1.2.4.2 Social challenges

Stone and marble industry is categorized as a family owned business which suffers from and restricts the possibilities of development and employment. Many accidents occurred either in quarries or in cutting workshops or in building sites due to the lack of awareness of safety rules and their enforcement. Most of those accidents occurred due to discarding the importance of using safety shoes, gloves, and helmets. Workers are subject to respiratory and lung disease as they breathe the particulate polluted air. Using hand held tools (motorized or manual) leads to the problem of white finger disease and blood vessels blockage. These hand arm vibration syndrome diseases have very big influence on the worker health on the long term. Most workers in this sector are considered unskilled workers, and wages are mostly approved by the day-to-day system rather than monthly salaries, with the workers in this sector not being aware of their legal rights. Despite the imposition of health insurance and compensation, workers in this sector do not get their full rights like other sectors in Palestine.

1.2.4.3 Environmental challenges

Stone industry has a severe impact on the environment in both sites; quarries and cutting workshops. In quarries, the rock extraction process is accompanied by dust polluting air besides to the wide excavations that leave severe effect on landscape and soil. In cutting workshops, the problem of dust is partially treated by adding water to the cutting process. which reduces air pollution. On the other hand, it causes water pollution and forms big basins of sludge that need to be solved, keeping in mind that

water in Palestine is a scarce commodity and should be used efficiently. The powder extracted out of this mud can be used in construction materials especially concrete mixtures and paper production. Cutting process is noisy. Therfore, cutting work- shops must be located away from the local community clusters, and noise safety measures should be taken by the workers. Dust is considered as one of the main health problems due to its influence on lungs and respiratory system. Environmental impact of stone and marble industry can be summarized by the following actions:

Table 1.3 : Environmental impact of stone and marble industry

Process	**Environmental impacts**
Quarrying	Waste stone, dust and bad effects on landscape and soil.
Stone cutting	Harming waste water networks, sludge, powder and noise.
Hole drilling	Liquid sludge, vibrations and noise
Vehicle operation	Fuel emissions and dust

Source (AbdElall S. & others, 2013)

In my view, the Israeli occupation is the biggest challenge that limits the development of this sector through its practices of closures and its control over area C that is rich in stone sources and preventing the Palestinians from benefiting from them. Also, controlling the export of stone through one crossing point, in addition to the occupation's control over electric energy sources and their high prices, and so raising the cost of the stone industry, which reduces its ability to compete in the world. These problems are difficult for us as Palestinians to solve. On the other hand, we can reduce the impact of other problems in developing this sector by increasing its competitiveness and keeping pace with technology.

In this regard, the stone and marble cluster was established in the city of Hebron. It is a group of related and supportive institutions located in the north of Hebron. The cluster received support from the PSDCP project which is being implemented by the Ministry of National Economy in partnership with the Federation of Palestinian Chambers of Commerce, Industry and Agriculture (FPCCIA).

Hebron cluster for Stone and Marble includes quarry stone, manufacturers and spare parts, service suppliers, business support organizations and other related institutions. And aimed to enhance the competitiveness of this sector and develop it. (Palestine Cluster).

This study focuses on investigating the benefits of the stone and marble cluster in Hebron, and enhancing the competitiveness of this sector by creating a shared value strategy through clustering.

2 Chapter two: Theoretical framework & literature review

2.1 Creating shared value

2.1.1 Foreword

In recent years, the business has been increasingly seen as a significant cause of societal, environmental and economic problems, also, it has been seen to be prospering at the expense of the broader community. This led to government intervention by setting policies that reduce competitiveness and economic growth. Besides, the companies themselves are still trapped in an outdated approach to creating value in which they focus on short-term financial profits without taking into consideration the most important customer needs and ignoring the broader effects that lead to long-term success. They used to reduce wages, and follow social responsibility polices in which societal issues are in the margin and not the core (Kramer & Porter, 2011).

Despite many corporate social responsibility (CSR) initiatives that have been launched in recent decades (Harvard Business School), the results have been disappointing from many well-intentioned but unsuccessful development projects that are based on donations. Here, leaders are searching for new models of development that are economically sustainable, have sufficient scale to make a difference to large numbers of people, self-sufficient and allow growth (Christiansen, 2014). Now, it is more than ever the time to restore public confidence in the business by redefining capitalism with the full potential of meeting social needs (Harvard Business School).

2.1.2 What does the shared value mean?

The solution lies in the principle of *shared value, which involves creating economic value in a way that also creates value for society by meeting its needs (Kramer & Porter, 2011), and creating value for the environment (Renken & Schmitt, 2012) by minimizing negative impact and scaling up positive impact (akzonobel report, 2016).*
Companies are advised to relink the company's success to social progress. Shared value is not a social responsibility, philanthropy, or even sustainability, but a new way to attain economic prosperity. Not on the sidelines of what companies do, but at their core. It is a tool to launch a new wave of innovation and long-term competitiveness (Kramer & Porter, 2011). See the figure below:

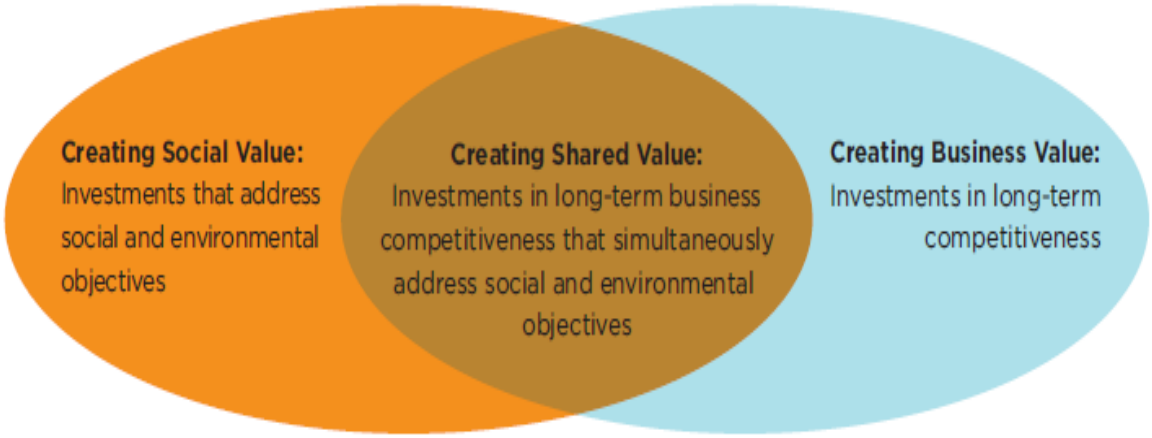

Figure 21.: Creating Shared Value

Source: (Bockstette & Stamp, 2011)

As previously mentioned, *the shared value can be defined as the company's policies and practices that enhance the competitive advantage and profitability of the company while simultaneously advancing societal, economic and environmental conditions in the societies in which the company sells and manages.*

Referring to Christiansen (2014), CSV does not include nonprofits. It does not mean investing in activities that are not related to the value chain of the company. It also does not mean charity.

The term “creating shared value” was first mentioned in 2006 in the Nestle report on corporate social responsibility in Latin America published by Porter and Kramer in the Harvard Business Review "Strategy and Society", where it was agreed in advance between the senior management team of Nestlé, Porter and Kramer to develop a comprehensive framework for social impact of the company. Taking advantage of the comments of Nestlé experts and external experts, Porter and Kramer continued to deepen the concept until they detailed the concept in their 2011 article in the Harvard Business Review "Creating Shared Value" (Kramer & Porter, 2015).

Indeed, Porter and Kramer (2006) proposed that “successful corporations need a healthy society and a healthy society needs successful companies”.

The concept of shared value distinguishes that societal needs, not just conventional economic needs, define markets. It also recognizes that social problems or weaknesses frequently create internal costs for firms—such as wasted energy or raw materials, costly accidents, and the need for remedial training to compensate for inadequacies in

education. In addition, addressing societal harms and constraints does not necessarily raise costs for firms, because they can innovate through using new technologies, operating methods, and management approaches which increase their productivity and expand their markets. This approach is not about “sharing” the value already created by firms; it is about expanding the total pool of economic and social value (Kramer & Porter, 2011).

Accordingly, we realize why companies need to be present in a healthy society, as reducing the harm of society reduces the costs of companies, and this is achieved by creating shared value for communities and businesses.

2.1.3 The new competitive advantage: creating shared value

Shared value opens up new needs, new markets, new value chain configurations, and new ways of thinking about business. This creates new competitive advantages. When companies incorporate a social dimension into their value proposition, they get a more sustainable competitive advantage over competitors than traditional cost and quality benefits (Harvard Business School). Companies have previously focused on cost reduction policies, which have led to price competition and little real innovation, hence the lack of a clear competitive advantage, so societies see profits coming at their expense, as mounting companies profits do not lessen high unemployment and local business distress, while shared value creates a competitive advantage that meets the needs of society by understanding the business environment (Kramer & Porter, 2011).

2.1.4 How to create shared value opportunities by companies?

Companies can create shared value by three main ways:

1. **By reconceiving needs, products, & customers by meeting societal needs through products and serving unserved or underserved customers**: The starting point for creating this type of shared value is to identify all the needs, benefits and societal damages that are included or may be included in the company's products. Continuous exploration of societal needs will lead companies to discover new opportunities for differentiation and repositioning them in traditional markets, and to realize the potential of new markets that have already been neglected. These requirements can lead to fundamental innovations that also have applications in traditional markets (Karmer & Porter, 2011).

Companies can also meet current market needs and reach disadvantaged groups and poor services, or reduce costs through innovation. HP, for example, is developing a range of technology solutions to urgent health and educational problems. Low-cost drip irrigation systems from Jain Irrigation greatly affect the efficiency of agricultural water in emerging markets like India (Bockstette & Stamp, 2011).

2. **Redefining productivity in value chains**: A value chain concentrates on the activities starting with raw materials till the conversion into final goods or services. The ultimate goals in performing value chain analysis are to maximize value creation while also monitoring and minimizing costs (What is Value Chain Analysis?). The meaning of redefining productivity in value chain is that companies can improve the quality, quantity, cost, and reliability of inputs and distribution while they act as responsible for essential natural resources and advance economic and social development (Bockstette & Stamp, 2011). The company's value chain inevitably affects - and is affected by many social issues, such as the use of natural resources and water, health and safety, working conditions, and equal treatment in the workplace. Where opportunities arise to create shared value because societal problems can create economic costs in the company's value chain. Excessive packaging of products and greenhouse gases, for example, is not only costly to the environment, but also to the company. Innovation in disposable plastics has saved millions in lower waste disposal costs (Karmer & Porter, 2011).
3. **By improving the local and regional business environment**:

- Improve skills, supplier base, organizational environment, and supportive institutions that influence business (Harvard Business School).

- Reinforce the cluster that the company depends on: There is no single company, as the success of each company is affected by the supporting companies and the surrounding infrastructure. Clusters gain a prominent role in all successful and growing regional economies and play an important role in increasing productivity, innovation and competitiveness. Without a support cluster, productivity is affected and diminished. Weakness in the conditions surrounding the cluster leads to internal costs for companies. Companies create shared value

by building clusters to improve a company's productivity while addressing gaps or failures in the conditions surrounding the cluster. One of the most important aspects of cluster building in both developing and developed countries is the creation of open and transparent markets. Enabling fair and open markets could allow the company to secure reliable supplies and give suppliers better incentives for quality and efficiency while significantly improving citizens ’income (Kramer & Porter, 2011).

The following table shows Business and Social Results by Levels of Shared Value:

Table 2.1: Business and Social Results by Levels of Shared Value

LEVELS OF SHARED VALUE	BUSINESS RESULTS	SOCIAL & ENVIRONMENTAL RESULTS
Reconceiving product and markets: How targeting unmet needs drives incremental revenue and profits	Increased revenue. Increased market share . Increased market growth . Improved profitability.	Improved patient care Reduced carbon footprint Improved nutrition Improved education
Redefining productivity in the value chain: How better management of internal operations increases productivity and reduces risks	Improved productivity Reduced logistical and operating costs Secured supply Improved quality Improved profitability	Reduced energy use Reduced water use Reduced raw materials Improved job skills Improved employee incomes
Enabling cluster development: How changing societal conditions outside the company unleashes new growth and productivity gains	Reduced costs Secured supply Improved distribution infrastructure Improved workforce access Improved profitability	Improved education Increased job creation Improved health Improved incomes

(Porter at.al, 2012)

In light of the challenges facing the stone sector in Palestine in general and in Hebron in particular, and since it consists mostly of small and medium enterprises, these enterprises may not accept the idea of creating a shared value easily because most of them are family businesses, but the existence of a cluster facilitates this problem, so it may be the most appropriate way to create shared value here is through clustering, where clusters can achieve economies of scale and develop professional infrastructure and specialize legal and financial services and encourage innovation and others, which work to persuade these companies of the idea of creating shared value and encourage them to participate in the cluster's activities and proposed projects to create shared value.

2.1.5 Practical cases related to international companies with CSV

Marsé M., Sierra M. and Roig O. (2014) show examples of successful corporates experiences with creating shared value approach

2.1.5.1 IBM Case:

International Business Machines (IBM) is an American multinational company of technology and consultancy, which, in order to contribute to integration and improvement of the running of its offices in Africa, Asia, East Europe and Latin America, created the Corporate Service Corps (CSC). It is a project allowing the creation of shared value from the training of the management team, not only in business terms, but also in culture and harms of societies in which they operate. They study the problems of the city or region in which the company is established, and together with local organizations, Non governmental organizations (NGOs) and the administration, they create a strategic plan in order to improve living conditions and the attraction of these regions. Likewise, it provides with a major growth of local economy of the company, so that its running is also improved. Shared Value is introduced in three manners: Communities solve their problems, IBM employees are trained on leadership and development and IBM develops new markets as well as global managers.

2.1.5.2 Brown's Super Stores (BSS) Case:

Brown's Super Stores is an American supermarket chain. In 2004 formulated a business model in which the objective and opportunity are the United States of America (USA) regions known as "food deserts", with 25 million people of possible customers. These regions have populations with nutritional problems (obesity, diabetes...) and social problems (unemployment, high crime rates...) For the objective of operating in these regions and make them economically viable, BSS focused in three key points: Changing the traditional role of supermarkets (being "more than grocery stores"), Optimization of the product being obtainable, "making people feel like home" and Adjust the operative model of stores to minimize the costs without reducing the quality or the wages. In 2013, the 6 stores following this model (called ShopRite) employ more than 1000 people and they have attained an income of 250 million $.

2.1.5.3 Nestlé Case:

Nestlé is the hugest food and agriculture company of the world, with more than 339.000 employees all over the world. From its position as a market leader, it has bet on the creation of shared value through all long the productive chain, like a manner of achieving long-term benefits for its shareholders as well as for the whole society at large. For such purposes, it has been focusing in these areas: nutrition, water, rural development, health and wellbeing of employees. In this last field, we should mention two projects. The first one is the Welfare Plan that was launched in Nestlé offices in Esplugues del Llobregat (Barcelona) in 2011, gather an ensemble of initiatives going after the creation of a promising labor environment by giving employees some knowledge within the fields of nutrition, postural workshops, motivation for regular practice of exercise and yoga classes. The other project was carried out in Cameroon, where they had a long-term plan in which the aim was to eliminate malaria affecting employees.

2.1.6 Creating shared value across three dimensions

Creating shared value across three dimensions – economic, environmental and social – is an opportunity to achieve sustained business prosperity.

- **Economic value creation:** It is by creating economic value for the company's employees, suppliers, customers, the communities in which it works, governments and investors. Such as identifying, the salaries granted to all workforces in industries along the value chain of the company as a major shareholder, as well as government tax revenues, interest for investors and profit for shareholders. The sum of these values is referred to as economic capital (akzonobel report, 2016).

- **Social value creation:** is defined by business organizations (social value added) as generating extra social benefits or reducing the social costs of stakeholders (Wójcik, 2016).

- **Environmental value creation:** Business activities have an impact on the environment and natural resources. At the same time, it has the opportunity to create positive value through its products that help reduce negative impact and increase positive impact (akzonobel report, 2016).

This study discusses how to help stone and marble companies to add social and environmental dimensions to their strategies. Thus, creating a new and long-term competitive advantage. Where that assistance will be by organizing, assisting and proposing ideas from the cluster, such as: establishing solar system projects to save electrical energy, establishing a waste water treatment plant and using its water in the stone-cutting process and thus saving water and reducing soil pollution, establishing a factory to recycle and reuse the liquid sludge in Gypsum or concrete industry or for industrial stone, organizing training courses in those areas, to provide qualified workforce, construction of a crusher to reuse stone waste, and work to keep up with the latest methods of stone manufacturing, which increases productivity and reduces cost and the socio-environmental impact, and undertakes projects that benefit society and stone sector together, such as the establishment of suitable housing in residential areas, and many other ideas that help to create shared values. It is possible to finance these projects by donors or with contributions from the stone sector itself.

2.1.7 Differences between CSV and CSR

The only similarity between CSV and CSR is the consideration of environmental and societal values, and the differences are many.

CSV: policies and practices that enhance business competitiveness as economic, social and environmental conditions progress through sustainable solutions and competitive advantages. Its primary goal is to maximize profit by promoting environmental and societal values. It is managed by teams across departments from senior management, so it is integral to maximizing profit. It stimulates innovations that create new job chances and expand the core strategy. Its social benefits are so wide-ranging and sustainable that it can convert societies.

CSR: Traditionally focused on matters of compliance, transparency, volunteering and charitable work, with the aim of improving corporate reputation among stakeholders. Managed through the management of a charitable department separate from the senior management of the company. It is limited to charitable activities and its benefits arise through risk reduction and goodwill, so it is short term (Kramer& others, 2011).

I think that the main difference between shared value and social responsibility is that the economic value is enhanced by putting societal and environmental values at the core of

the company's plan that adopts creating shared value and thus creating a new competitive advantage for the company, and not on the margins, nor a charitable act like companies that embrace social responsibility.

This study will help clarify the difference between shared value and corporate social responsibility, and will spread the culture of shared value in the stone sector as it is considered relatively new strategy in Palestine.

2.1.8 The role of business in society

Solving social problems has been ceded to governments and to NGOs (Kramer & Porter, 2011). Therefore, the purpose of a company should not only serve the interests of shareholders. Business leaders should also invest in their employees, protect the environment, deal fairly and ethically with their suppliers, and address poverty and hunger issues, the lack of education and health issues in the areas surrounding their offices, factories, and other measures to address the sustainable development goals (SDGs) (Schumacher, 2019). This means that companies must act as a business in parallel with social goals - and not as charitable donors - only then can they improve profitability while improving environmental performance, public health, nutrition, affordable housing, financial security, and other key measures for the welfare of society. Only companies can achieve these self-sustaining solutions (Harvard Business School).

From the above, it is advised to redefine the purpose of the company as creating shared value. It will legalize work again as a powerful force for positive change and prosperity.

2.1.9 The new role of government, NGOs and stakeholders

Business has the resources to develop societies. At the same time NGOs need cooperation from the business sector. Governments need to invest in infrastructure and move markets (Harvard Business School). The following table explains the new roles for NGOs, governments and companies:

Table 2.2: The new roles for philanthropies, NGOs, governments and companies

	TRADITIONAL ROLES	NEW ROLES
PHILANTHROPISTS	Donate to charitable causes	Partner with companies and NGOs to catalyze shared value initiatives
NGOS	Receive grants to deliver social services	Partner in implementing new shared value business models
GOVERNMENTS	Tax and regulate business; operate social programs	Make platform investments and support shared value strategies; regulate to encourage shared value solutions
COMPANIES	Donate to charitable causes	Partner with NGOs and government to initiate and scale shared value strategies Partner with other companies to leverage impact in shared value

(Source: Harvard Business School)

Accordingly, it is clear that the shared value works to promote new relations between companies, philanthropists, NGOs and the government in addressing social issues and achieving the greatest impact.

2.1.10 Creating Shared Value in Practice

Creating shared value in a company requires a comprehensive effort. The right shared value approach for each company will be unique, depending on its strategy, context, and competitive position. Nevertheless, common building blocks of creating shared value that together provide a blueprint for successfully adopting this approach:

1. **Vision:** Articulate a vision of the company as an engine for creating shared value. Engagement is seen as integral to strategy by board & senior management.
2. **Strategy:** A robust strategy that identifies a clear focus and articulates ambitious goals, key issues of shared value are prioritized for which ambitious shared value goals are set.
3. **Delivery:** Effective delivery that leverages assets and expertise across functions and business units within the company, as well as from external partners and stakeholders. A group of assets are leveraged, including cash, goods, expertise, and influence. Efforts are managed holistically across the company. Partners are mobilized for information and action.
4. **Performance:** Performance management that seeks to measure and learn from results, and to provide successful efforts to expand and communicate progress. Related results are actively measured. Then lessons from participation are used. Successful efforts are brought in. The report is then connected internally and externally.

Embedding shared value creation in a company is probable to require a thoroughgoing change process. While the details of this process will vary for each company, three common lessons can be identified:

- **It takes time to embed a shared value approach**: Creating a shared value requires energy, perseverance, and patience. Often times, it may take years for the company to fully integrate the idea into its processes. It may take a long time to determine the impact of social investments.
- **Companies should work from the inside out and from the top down**: Companies are advised first to define vision and objective, then work systematically to integrate this into the company's methodology and plan. The company should involve employees and managers in this process in deep and sustainable ways. Work begins to achieve shared value from top management.
- **The process requires change managers more than Program managers**: It is recommended that the primary focus be on facilitation and change management. Therefore, it is recommended that you seek for senior positions responsible for implementing change. In short, the process requires more change managers than program managers. Implementing a shared value approach is a chance not only

to contribute to good business, but also to redefine core business strategies (Bockstette & Stamp, 2012).

It is not easy to convince companies that development and prosperity in society benefit companies, because only the costs that businesses will incur in the near term will appear to them. So it may take a long time to integrate the idea of shared value into business strategies and the need for change managers will be greater.

2.1.11 Measuring shared value:

Dimensioning the measurement of creating shared value (CSV) is challenging because it includes economic, social and environmental value creation (Hamilton & Preston, 2018). And the monitoring of the environmental value is long-term (Mayer ,2018).

Pfizer et. al (2013), acknowledged that no universal system exists and suggest a three-step process:

1. Estimate the business and societal value: Estimate how a level of change in a societal condition will drive profits through either incremental sales or reduced costs, and link those benefits with the resources needed to achieve them.
2. Establish intermediate measures and track progress: Use the business plan as the road map to observing progress in achieving the targeted societal and business benefits, with the goal of validating (or otherwise) the anticipated link. Because the timelines may be long, installing metrics to monitor intermediate progress is mandatory.
3. Assess the shared value produced: If the expected benefits are found, is there a business case for expanding via additional investments?

We also want to mention related matters and methodologies:

- Social Return On Investment (SROI) – typically used when a project is designed to deliver savings to government, specifically for social impact bonds and similar government negotiated agreements. A method for translating societal outcomes into savings for government is arranged between the parties prior.
- Sustainable Development Goals (SDGs) - a framework established by the United Nations to help bring focus to global challenges. Many companies make use of them to guide their assessment of societal issue materiality and bring focus to the most important issues. As far as CSV is concerned, they may help companies

in developing and aligning societal goals and measurement systems with broader community objectives. (Hamilton & Preston, 2018)

Wójcik (2016), emphasized that Social value creation identification may be conducted in numerous ways, but all of the prevailing frameworks focus on social program inputs and rarely on reliable social outcomes .

Referring to Mieras (2014), in addition to costs and revenues, all other values created must be set. Existing sustainability reporting or environmental or social impact measurement systems, such as ISO 26000 (International Organization for Standardizations) or Life Cycle Assessment (LCA), can be used to make these types of value observable (cost-benefit analysis can be extended through these types of value). A sample list of possible value types might look like this:

Table 2.3: Sample list of possible value types

Ecological	Economic	Social
Environment	Financial Result	Autonomy
Resources	Productivity Capital	Trust
Climate Change	Productivity Resources	Social Cohesion
Biodiversity	Labor Productivity	Vital community
Waste	Financial Risk	Equality
Healthy Environment	Innovation	Purpose

Source: (Mieras, 2014)

It should be noted here that economic indicators are measured by profit or loss, while environmental indicators are measured by converting the environmental impact into an economic value by calculating the cost of economic damages to this impact, such as calculating the costs of treatment and the cost of lost resources, as well as the societal value.

By explicitly calculating environmental and social values - for others, as well as for yourself - you define the "real profit" of your business model. Then the "real" invoice will be like this:

Table 2.4: The true invoice of calculating shared value

Value type	Unit description	Resource/ Mean	Value*
Economic	Materials	Money payment	$ 10,000 -
Economic	Hours	Money payment	$ 7,500 -

Value type	Unit description	Resource/ Mean	Value*
Economic	Risk	Sharing with services	--
Social	Life environment	Sharing with time	+
Social	Well-being	Created with services	+/-
Social	Meaningfulness	Created with knowledge	+
Social	Social cohesion	Created with goods	++
Environmental	Health environment	Saved with goods	+
Environmental	Biodiversity	Borrowing with goods	++
Environmental	Waste	Exchange of goods	-
Total shared Value			-- +/- + ++ -

Value indicator	
Very positive impact	++
Positive impact	+
Neutral impact	+/-
Negative impact	-
Very negative impact	--

Source: (Mieras,2014)

As shown, there is no universal system for measuring shared value exists yet. Also there are numerous additional initiatives that join financial and social results in one simple report, as are the cases of the Integrated Reporting framework by the International Integrated Reporting Committee (IIRC), and the G4 Sustainability Reporting Guidelines by the Global Reporting Initiative (GRI) (Porter et al., 2011). The latter are utilized by Nestlé to create their annual CSV report (Nestlé, 2014). In accordance to the G4 guidelines, Nestlé tracks progress on its CSV initiatives against Key Performance Indicators (KPIs) aligned with the social issues it addresses. The company sets seven groups of KPIs: economic, nutrition, water, rural development, environmental sustainability, human rights and compliance, and our people. For example, one of their nutrition KPIs is "Products meeting or exceeding Nestlé Nutritional Foundation profiling criteria" , which is based on nutrition science and dietary recommendation by the World Health Organization and other authorities (Nestlé, 2014). However, neither the G4 Reporting Guidelines nor any other existing initiative establishes a direct,

tangible link between social and economic outcomes. To bridge this gap, Porter et al. (2011) have developed the Shared Value measurement report.

2.1.12 The opposing perspectives on creating shared value

Crane and Matten (2014) point out four main problems related to creating the shared value of a business, as shown below:

1. It is not original.

   Porter and Kramer don't both realize that there is nothing new in CSV. People have been writing about the same thing for decades. And corporate initiatives that they rename as CSV are just efforts to rename the practices that were already going on before their article was published. It is just what some people call these practices “CSR strategic” or “social innovation” or “stakeholder management.”
2. It ignores tensions between social and economic goals.

   There are some high chances that business success can correspond to social progress. But there is also a wide range of social harms, especially those arising from business, where social and economic goals inevitably conflict.

3. It is naive about business compliance

   The authors say that it is not conceivable to get companies always to avoid environmental damage. And that getting companies to respect the spirit of the law - in paying their fair share of taxes or complying with international labor standards around the world - would be a much better way to re-legitimize business Commercial.

4. It is based on a shallow conception of the company's role in society

   The CSV is assumed to be about "reshaping capitalism," but it's actually just one of all the things that have given capitalism a bad name - a blind focus on the individual interest of companies. This will help solve some social problems, make some companies, and some stakeholders better, but it will not supply capital, and lead companies to focus on easy victories, while leaving deep social issues that remain unresolved (four big problems with creating shared value).

According to Nicholson (2017), the most considerable concern surrounding CSV is its lack of measurability.

Some or all of these criticisms may be true, but this does not deny the effectiveness and success of this strategy, which takes into account the interests of the company and its employees, suppliers, customers, surrounding communities and the environment at the same time, and works to reduce the negative impact and enhance the positive impact. Thus, these criticisms do not diminish the fact that this strategy deserves to be adopted in business strategies.

2.2 Competitiveness

2.2.1 Foreword

The new global economic order, represented by the liberalization of global trade restrictions, has caused economic activities today to be obsessed with competition at the global level. The traditional barriers to the flow of goods and services from customs taxes and quantitative shares are disappearing, with an increased focus on technical barriers related to quality and environmental standards, which led to the emergence of new highly skilled and powerful competitors. This represents a major challenge and a potential threat to countries in the world, especially in developing countries. However, at the same time, this system is an opportunity for developing countries as well, if possible to benefit from it. The importance of competitiveness lies in maximizing the benefits that are possible from the global economy and minimizing its disadvantages, as it is a key way to develop the ability of developed and developing economies to coexist in an international environment consistent with globalization, open economies, and the liberalization of markets and its slogan for the better.

Competitiveness is an indicator of economic strength and an entry point for its continuity. The strength of any country is the strength of its economy, i.e. its superiority over other economies and its ability to compete internally and externally, which requires governments to pay attention to the issue of competitiveness and benefit from its concept so that it can achieve development and growth, especially developing countries (Hamran, A.A.,2008).

2.2.2 What is competitiveness?

Competitiveness is the ability of companies, productive sectors, or the state to market their products and increase their sales, in light of competition with foreign goods in the internal and external markets (storming international markets). This ability can be attributed to lower prices (price competition), or to other factors outside the price (quality, innovation, brand, etc.). (Competitiveness)

Porter (1990) described competitiveness as the ability of citizens to have a better and higher way of living. This can happen by continuing product development.

Competitiveness can be defined as the power to face competition and to be successful when facing competition. Competitiveness would then be the ability to sell products that meet demand requirements (price, quality, quantity) and, at the same time, ensure profits over time that enable the firm to thrive. Competition may be within domestic markets (in which case firms, or sectors, in the same country are compared with each other) or international (in this case, comparisons are created between countries). Competitiveness is therefore a relative measure. It is, however, a broad concept and there is no definitive agreement on how to measure it exactly .

Competitiveness is also defined as cost control and non-price supremacy, with cost competitiveness measured according to various cost indicators, as well as productivity and efficiency. Particular emphasis should be given to productivity (and its efficiency component), which is generally agreed to be a part of competitiveness, although not often cited as such in empirical studies (Pedraza, J. M., 2014).

As mentioned above, competitiveness can be defined as the ability of companies, productive sectors, or the state to market their products and increase their sales and profits, in light of competition with foreign or domestic goods in the internal and external markets. This ability can be attributed to lower prices, higher quality, innovation, etc. This can happen through the continuous development of productivity.

Pedraza, J. M. (2014) argues that competitiveness should be measured with respect to a benchmark as it is a relative concept. Firms must be compared with each other, or nations with each other. Producing absolute figures for a country or industry is meaningless. For example, an increase in competitiveness occurs when a firm lowers its costs relative to those incurred by rival firms. At the country level could happen that the competitiveness of a nation A increases, but this doesn't mean that the competitiveness of another nation B will decrease. Add to that, infrastructure and public expenditures may be more crucial in developing countries in particular to enhance competitiveness.

2.2.3 Types of competitiveness

2.2.3.1 Price competitiveness

Price competitiveness means how well a country exports compare in terms of price. This is affected by a number of issues, including:

1. Relative inflation : even small yearly differences can build-up over time and become significant.

2. The relative actual exchange rate: which is the nominal exchange rate deflated by an index of prices.

3. Labour costs : involving wage and non-wage costs, such as employer contributions to pensions.

2.2.3.2 Non-price competitiveness

Non-price competitiveness means how well a country exports of branded goods and services do in overseas markets in aspects of competition not associated with price, such as:

1. Product quality and design.
2. Business Research and Development (R&D), especially recent product development.
3. Product reliability.
4. The strength or weakness of 'local' brands.
5. The effectiveness of marketing in overseas markets.
6. Levels of productive and dynamic efficiency of companies.
7. Levels of 'x' inefficiency, including weak management, excessive bureaucracy, and government failures.
8. How effective the economic and political system is in allowing markets to shape – are there missing or incomplete markets?
9. Investment in new technology, which helps advance quality and reliability
10. Investment in human capital, which advances skill levels and reduces skill shortages – low skills, and labor shortages, can both extremely reduce competitiveness.

Due to invasion of foreign products to the local market, the percentage of price competition has increased greatly and often at the expense of the quality. In this study, I will collect the necessary data to check whether there is competition in the stone and marble sector or not, and determine the type of competition if it exists.

2.2.4 Indicators of competitiveness

The World Economic Forum lists the following indicators of competitiveness:

1. Effective institutions : which create an economic environment in which businesses can develop, and consumers have confidence. These should be 'Intact, honest and fair'.
2. Effective infrastructure: which affords effective transport and energy supplies.
3. An intact macro-economic environment, including intact public finances, and low and stable inflation.
4. A healthy and educated labor force, with an emphasis on higher education, and the continuous development of skills.
5. Efficient goods markets, with high levels of competition, and low levels of regulation.
6. Efficient labor markets, which are flexible, and afford effective incentives to work and effort.
7. An effective financial market, which provides a continuous flow of capital to business, effectively manages financial risk, and is reliable and transparent.
8. The 'readiness' of companies to adopt new technology.
9. The extent to which companies operate in large global markets, which enable them to gain from economies of scale.
10. Business complexity, which relates to the effectiveness of business networks, the quality of supporting industries, and advanced business processes.
11. Continuous innovation (economics on line).

Competitiveness does not mean low wages or a weak currency, nor jobs per se. In addition, improving competitiveness requires improving the environment for business, including social conditions such as education, health, and others.

These indicators will be examined and evaluated in the Palestinian stone market through the data collection tool (questionnaire), and then give the appropriate recommendations based on the results.

2.2.5 The dual elements of competitiveness

Productivity: means labor productivity, capital productivity, and total factor productivity.

Labor utilization: means the labor force participation rate, which is influenced by the age characteristics of the population, in addition to working hours.

2.2.6 What determines competitiveness?

Competitiveness can be created in both microeconomics and macroeconomics:

Microeconomics of Competitiveness: determined by Quality of the Business Environment, Economic Composition and the State of Cluster Development and The complexity of Company Operations and Strategy.

- **Quality of the business environment**: The quality of the business environment that supports company operations and underpins productivity, innovation, and development.
- **Economic composition and the state of cluster development:** Clusters are geographic concentrations of companies, suppliers, and associated supporting institutions in particular fields that enable productivity and innovation. The cluster composition of the economy affects productivity, wages, and the role of government .
- **The complexity of company operations and strategy:** The internal skills, capabilities, and management practices that enable companies to achieve high and rising productivity. Productivity ultimately requires developing the microeconomic capabilities of the economy and sustained improvements in institutions and social conditions.

To enhance Microeconomics of Competitiveness, Macroeconomics policies of competitiveness are used.

Macroeconomics of competitiveness: determined by sound monetary and fiscal policies, effective public institutions, and human and social development.

- Intact monetary and fiscal policies:

  A fiscal policy: is public spending that is aligned with revenue over time

  Monetary policy: exemplified in interest rates, exchange rates, and controlling inflation

- Effective public institutions: they mean the rule of law and intact political system.

- Human and Social Development: Basic Education, Health Care, Equal Opportunities, and others. (Porter M., 2018).

2.2.7 Diagnosing the Quality of the Business Environment: The Diamond Framework

Porter (1990) clarifies that a country should focus on some industries that can be highly successful because it is not possible to be highly competitive in every industry. To lay the theoretical underpinnings of this interplay of country and industry competitiveness matters, Porter (1990) developed The Diamond Model, which consists of **four national determinants of competitive advantage in a particular industry**: (1) factor conditions, (2) demand conditions, (3) related and supporting industries, and (4) company's strategy, structure and rivalry. These four sources of competitive advantage can produce a fertile soil to build an internationally competitive industry in a country. See the figure below:

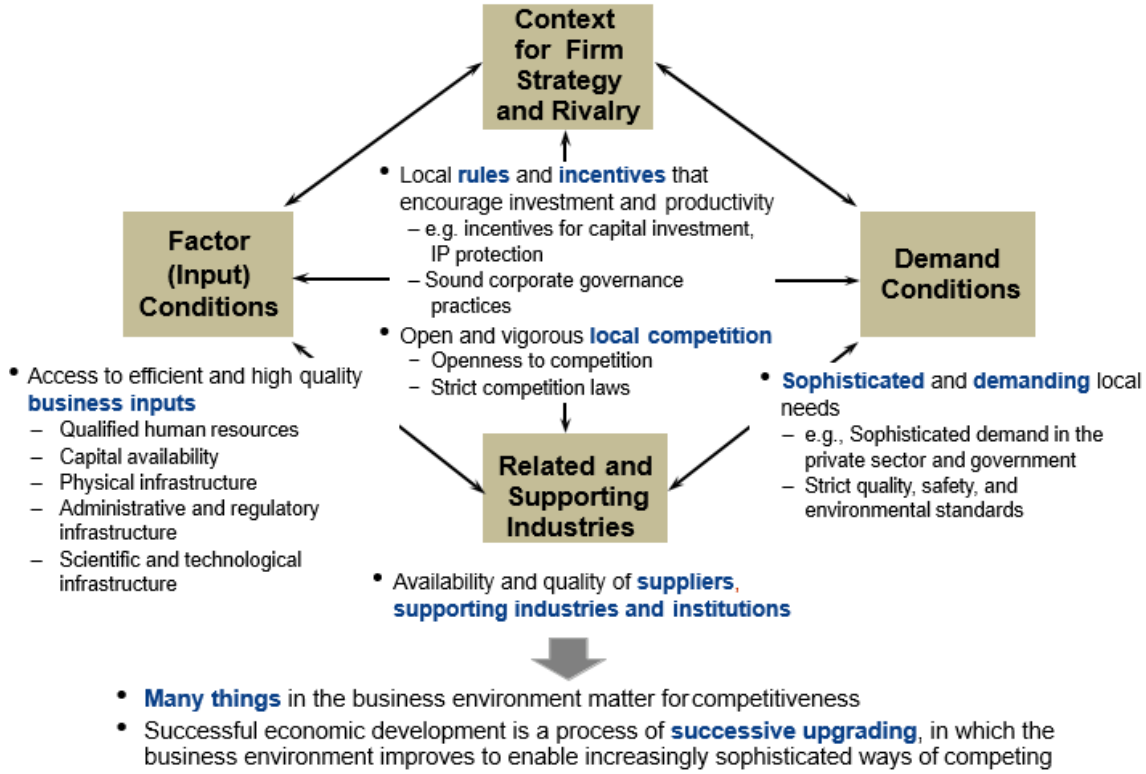

Figure 2.2: The diamond model

Source: Porter 2018

In addition to these four determinants of competitiveness, there are two indirect variables in the model: chance and government. Porter extended his theory to global economy. He believes that economic process is put in four levels: **factor-driven**

economy: in which compete based on low cost inputs, **investment- driven economy**: in which compete based on productivity in more complex industries, **innovation-driven economy**: in which compete based on technology, innovation and rare value and **wealth-driven economy** (Porter, 1990).

Sultan, S. quoted others (2007), There are many criticisms of the Porter diamond model, some of which are logical, as lacking originality, and its just an illustration model, not a certain theory. On the other hand, in his five-strong model (1979), he mentioned that high domestic competition was a threat. As for the diamond model (1990) says the opposite: intense competition motivates companies to innovate. Porter also focuses on intense domestic competition and may decrease the impact of international competition, Multinationals companies are excluded, and many others.

2.2.8 Porter's Five Forces

Porter's Five Forces analysis is a framework that helps analyzing the level of competition within a specific industry. It is especially helpful when starting a new business or when entering a new industry sector. According to this framework, competitiveness does not only arise from competitors. Rather, the state of competition in an industry depends on five main forces: threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products or services, and current industry rivalry. The collective strength of these forces determines the profit possible of an industry and thus its attractiveness. If the five forces are intense (e.g. airline industry), nearly no company in the industry earns attractive returns on investments. If the forces are mild however (e.g. soft drink industry), there is room for higher returns (Porter M.E. 2008).

Figure 2.3: Porter's Five Forces Model

(Business to you, 2016)

Palestine lives in special circumstances that affect the competitive forces of the stone industry, which is represented in the Israeli occupation that controls most of the Palestinian lands that contain the natural stone resource, and preventing the Palestinians from using dynamite to detect stone resources. Also, the occupation's control of electricity energy sources and raising their prices, and the closure policies followed by the occupation and preventing the free movement, in addition to the economic agreements between the Palestinian and Israeli sides, and the resulting disincentives for the local industry in general and the stone industry in particular, such as the tax system imposed on exports to Israel. Therefore, and given the special economic and political situation of Palestine, we add to the five competitive forces of Porter a sixth force, which is the determinants of the Israeli occupation and its measures.

In addition, (Porter, 1985) argues that the company has to specify its generic competitive strategy to determine its position. And, for achieving above-average performance, he defines three basic strategies: cost leadership, differentiation, and focus. In accordance to that, it's very important for the company to adopt only one strategy to attain a competitive advantage. The company that fails in choosing one strategy stuck in the middle and will be in a non-preferred position among competitors.

There are some of the critiques on Porter's theory of the five forces, for example Porter's theories based on the economic situation in the eighties. So this model might not explain today’s dynamic changes. In addition, in the economic sense, the model assumes a classic perfect market. Moreover, the model is best applicable for the analysis of the simple market structures, a comprehensive description and analysis of all five forces gets very tough in complex industries, and many others (Sultan, 2007).

2.3 Clusters

2.3.1 Foreword

The concept of clusters has recently emerged as a central idea in competitiveness and economic development. Drawing on theoretical literature, the reasons for clusters formation and the benefits of clusters for productivity and innovation are better known. With the advance of cluster understanding, clusters have become a dominant component of national and regional economic development plans. Hundreds of cluster initiatives have been launched covering almost all regions of the world, and the number is rising. With more and more resources being devoted to efforts to advance cluster development, the need to understand best practices has become urgent (Ketels, Ch., Lindqvist, G. &Sölvell, O., 2003).

2.3.2 What Are Clusters?

A cluster is a geographic concentration of related companies, organizations, and institutions in a particular field that can be present in a region, state, or nation (Harvard Business School) and handle common challenges and opportunities (UNIDO, 2013). Clusters appear because they raise a company's productivity, which is influenced by local assets and the presence of like firms, institutions, and infrastructure that surround it. Clusters also enhance operational efficiency , stimulate and enable innovation and facilitate commercialization and new business formation (Harvard business School).
Clusters consist of co-located and linked industries, government, academia, finance and institutions for collaboration (Ketels, Ch., Lindqvist, G. &Sölvell, O., 2003).

Institutions within clusters share many common features, such as the possibility to use the same raw material suppliers and other inputs and might satisfy the same markets and customers, and all institutions share the same region, infrastructure, services, and in many cases, a common cultural identity. Companies within a cluster often face common obstacles and challenges including, for example, lack of infrastructure or limited access to capital (UNIDO, 2013).
Dynamic cluster environments are usually characterized by intense local competition which stimulates continuous development and change and creates a basis for the most developed and diversified supplier base. It's also characterized by the dynamic competition which appears from entering new companies and intense cooperation. And

access to increasingly specialized and advanced production factors (human capital, financial capital, infrastructure) and some clusters, links with universities and public/private research institutes. Also links with related industries, sharing talent clusters and new technological developments. And finally near the sophisticated buyers (Ketels, Ch., Lindqvist, G. &Sölvell, O., 2003).

2.3.3 The Benefits of Clusters

Companies active in strong clusters and regions with strong clusters work better. The clusters provide fertile ground for innovation and raise the competitive advantage of companies, as clusters work to gradually reduce technical and economic uncertainty. It works on frequent and continuous interaction between related companies and specialized institutions (including research and education) and works to communicate face to face in the exchange and creation of new knowledge. The most promising clusters are not characterized primarily by realizing scale economies, but rather by the power to constantly innovate and improve goods and services, and in a process to increase specialization and raise the level of human capital and other factors (Ketels, Ch., Lindqvist, G. &Sölvell, O., 2003). Clusters also advance professional infrastructure, legal and financial specialist services and others (DTI, 2006).

In light of facing global competition in all sectors in general and in the stone sector in particular, it was imperative to work to enhance its competitiveness, and the clusters are considered one of the most effective ways to enhance competitiveness in developing countries by providing vertical and horizontal networking between companies, and thus exchanging experiences and achieving savings. The large size such as importing modern machinery for all concerned companies, also strengthening the infrastructure by attracting the necessary infrastructure projects, encouraging innovation, building capabilities, providing the necessary information to companies and helping them to market their products in the global markets by helping them participate in international exhibitions.

2.3.4 General business environments and microeconomics: competitiveness & clusters

A sustainable competitive advantage is not created from global flows of goods, services, or capital available to all, but rather in a mix of internal and external capitals residing in the national and local business environment where strategic decisions are

made and entrepreneurial activity is formed. In a local business environment, people share a common culture, speak the same language and develop trust-based networks. The general business environment within the country in which companies are shaped consists of four pillars: national heritage and culture; geographical location; public institutions and the legal framework; and the macroeconomic environment. In addition to the general business environment, there is the microeconomic business environment, as Michael Porter's diamond model plays an important role in pushing innovation and raising the level of competitive advantage by companies in the country. Thus, the national environment in which companies originate and improve consists of three levels: the cluster, the microeconomic business environment (diamonds), and the general business environment (Ketels, Ch., Lindqvist, G. &Sölvell, O., 2003).

2.3.5 The clusters helps isolated SMEs overcome barriers to growth

Clusters are promising environments for SMEs development. Because of its small size, they are often individually unable to attain economies of scale, and thus find it difficult to take advantage of market opportunities that require delivery of a large stock of integrated products or compliance with international standards. It also manages to have limited bargaining power in the purchase of inputs, does not control the resources required to purchase specialized support services, and has little impact in defining support policies and services. Upon close examination, these barriers were detected as connected to isolation. The spatial proximity and joint strategic interests of the institutions and their support institutions allow for joint gains by organizing joint actions among the cluster companies. The advantage gained from these cluster efforts is stated to as cluster efficiency (UNIDO, 2013).

2.3.6 Successful clusters are linked to global markets

Global markets provide a way for companies to promote efficiency through improved economies of scale in different parts of the value chain: sourcing materials, components, machinery, services, low-cost manufacturing, and access to larger markets, depending on the homogeneity of demand, trade restrictions, transportation costs and technology homogeneity. Global markets are also managed to access pools of standardized low-cost labor, standardized technology, financial capital and other business resources. Through trade fairs and travel operations, companies in clusters have access to specialized and improved production factors. In addition to these local conditions, free and fundamental

movement between the cluster and the world around it is extremely important if the local environment avoids stagnation. To achieve long-term vitality, local clusters must be able to attract companies, venture capital, skills and other resources from all over the world (Ketels, Ch., Lindqvist, G. &Sölvell, O., 2003).

We conclude from the above that the successful cluster is characterized by three distinct dynamics: local dynamics, global attractiveness and access to the global market.

2.3.7 The relationship between CSV, competitiveness and clusters

Marsé M., Sierra M. and Roig O. (2014) argues that the competitiveness of a company and the health of the community in which it operates are strongly joined. Companies require a community being able to create demand for their products as well as a favorable environment. Facing the needs and challenges of society does not have to rise necessarily the costs for companies, given that innovations in using technologies may emerge, improvements in operational means and new approaches in management that predictably may allow an improvement of their competitiveness, but also may provide with major benefits for society. Therefore, companies have to reconnect their businesses with social progress. All companies may create shared value, but at the same time, any company is not self-sufficient. The success of a company is affected by structures of support surrounding it and for this reason, the concept of clusters is a key point by the time of generating shared value, given the synergies emerging among companies and agents that in the past operated without taking in considerations themselves .

Porter (2000) explained how clusters affect competitiveness in three broad ways : (a) increasing the current productivity of constituent companies or industries, (b) increasing the capacity of cluster participants for innovation and productivity progress, and (c) stimulating new business formation that supports innovation and develops the cluster.

Also, a cluster provides the companies with some intangible advantages such as networking among companies of the whole chain of value, competence and other agents (universities, research centers, etc.) by increasing the potential to generate cooperation projects related to shared value. At the same time, it also allows the achievement of knowledge on how companies of a certain industry sector are competing, which are the tendencies and which strategic challenges are generating.These facts shall allow the companies to define strategies with a focus on social value in order to align businesses

with tendencies in consumer's priorities such as a major awareness of welfare, environment, health and social value contribution. Further, not only a company, or cooperation among several companies may make projects around the shared value, but the inter-cluster relationship is also possible in order to create projects and initiatives that may cross the different fields of clusters so that they may have an impact on a certain element of the shared value: use of energies, use of water, the health of employees, etc (Marsé M., Sierra M. and Roig O., 2014).

2.3.8 Empirical review of Literature

2.3.8.1 CSV via Competitiveness previous studies

Indeed, there is a great scarcity of studies about creating shared value strategy in Palestine because it is a relatively new strategy, and a number of researchers have conducted studies on social responsibility in Palestine, while many have studied the issue of competitiveness and its strategies. In this section, previous studies about the relationship of competitiveness with the creating shared value strategy of international companies were presented.

Bednarski, Darren J (2019) shows: **Can the shared value achieve competitive advantage within the private sector? An Australian Study**. This thesis seeks to examine whether CSV strategies influence competitive advantage, and if so, how? The general research approach chosen is a mixed-method approach. Findings indicated that a firm's competitive advantage is enhanced by addressing social issues to reveal new business opportunities.

In addition, Chih-Hsing Liu, et al (2018) explain: How to create competitive advantage: the moderate role of organizational learning as a link between shared value, dynamic capability, differential strategy, and social capital, they theorized a serial mediation-moderation analysis that links the mentioned features to create a competitive advantage. Results from a survey of 328 travel agencies were analyzed and found that travel agencies' shared goals may influence competitive advantage through the mentioned features.

Furthermore, Keiko Nishioka, Kiminori Gemba, Keisuke Uenishi & Atsuko Kaga (2018) explain: **Competitive strategy of family businesses through CSV - case study**

of a family business in Mie Prefecture, Japan. Propose a hypothesis in which CSV, which is important for business management, can also become a source of competitive advantage for companies and analyses the strategic management of a family business in Mie Prefecture. Through detailed case studies, the paper demonstrates that CSV can become an effective competitive strategy for family business and also clarifies conditions for CSV to generate sources of competitive advantage.

Additionally, Youn Kue Na and Sungmin Kang (2018) show **Effects of Core Resource and Competence Characteristics of Sharing Economy Business on Shared Value, Distinctive Competitive Advantage, and Behavior Intention**. This study identifies the need for core resource and competence characteristics, and it presents a comprehensive structural model of the shared value creation, distinctive competitive advantage, and behavior intention of the sharing economy business through these concepts. For this purpose, data were collected by survey questionnaires. The study finds the shared values of sharing economy businesses have a significant effect on distinctive competitive advantage.

Also, Ulrich Lichtenthaler (2017) studies: **Shared Value Innovation: Linking Competitiveness and Societal Goals in the Context of Digital Transformation**. This paper develops the new concept of shared value innovation and discusses its building blocks drawing on different innovation types. Based on an illustrative case study of mobility services, the concept of shared value innovation and its implementation steps are explained. Moreover, implications for academics and managers are discussed, which offer actionable starting points for creating shared value by linking economic performance and societal progress in firms' core business activities.

Benedikt von Liel (2016) explain **Creating Shared Value as Future Factor of Competition**, provides a theoretical and empirical analysis of the concept of Creating Shared Value (CSV). The assessment includes the influence of geography as well as a range of other relevant external and internal factors. As a result, the author identifies critical success factors for the creation of shared value.

Furthermore, Misheel Battur (2016) explain: **The Impact of Creating Shared Value (CSV) on Competitive Advantage and Global Growth**. purposes to assess whether Creating Shared Value (CSV) has a positive effect on the competitive advantage of a

corporation and ultimately have an impact on global growth as a whole. Creating Shared Value (CSV) initially operates on three levels and this paper seeks to analyze whether these levels can be modified or improved upon. The research also delves into case studies of major Korean as well as international corporations that have successfully implemented the strategy and utilized it to improve their position in the market.

Finally, Awale, R and Rowlinson, S (2015) show: An exploratory study of a CSV concept for achieving firm competitiveness in Hong Kong construction firms. This study aims to explore the CSV concept in the Hong Kong construction industry and establish a link between the CSV concept and firm competitiveness. This research employs a multi-method approach, encompassing document review and semi-structured interviews, case study and the grounded theory. Data are analyzed qualitatively. The results show that construction practitioners have mixed attitudes toward the CSV concept and firm competitiveness.

2.3.8.2 Discussion of the Previous studies

In reviewing previous studies, there are some similarities and differences, all Previous studies confirm that creating shared value strategy enhances the competitiveness of the company. Where studies confirm that creating a socio-economic dimension in the company, following the policy of win-win and studying the needs of the markets is considered as adding a new competitive advantage to the company. Most of the previous studies also followed the mixed quantitative and qualitative methods as a methodology of the study.

(Bednarski, Darren J, 2019) used a mixed-method approach quantitative and qualitative, the study proves that a firm's competitive advantage could be enhanced by addressing social issues, where stakeholder management and partnerships play a pivotal role in the process of value creation. Aligned interests and ‘win-win’ outcomes help to shape the competitiveness of a firm, by forging stronger relationships and shared success. Also, (Chih-Hsing Liu et al., 2018) analyzed results from a survey of 328 travel agencies and found that shared value goals influence competitive advantage and organizational learning is the most critical attribute for improving the relationships between shared values goals, dynamic capabilities, and social capital to achieve competitive advantage. the like (Keiko Nishioka, et al., 2018) Through detailed case studies, demonstrate the CSV can become an effective competitive strategy for the family business and also

clarify conditions for CSV to generate sources of competitive advantage. The same (Youn Kue Na and Sungmin Kang, 2018) presents a comprehensive structural model of the shared value creation, distinctive competitive advantage, and behavior intention of the sharing economy business. And show that the shared values of sharing economy businesses have a significant effect on distinctive competitive advantage. For this purpose, data were collected by survey questionnaires. As well (Ulrich Lichtenthaler, 2017) develops a process model of implementation steps for shared value innovation to Link Competitiveness and Societal Goals in the Context of Digital Transformation.and that Basing on an illustrative case study of mobility services, and the like (Benedikt von Liel, 2016) uses The empirical analysis and provides insights from over 60 industry case studies of Creating Shared Value. The author identifies critical success factors for the creation of shared value, and that as Factor of Competition. Also (Misheel Battur, 2016) analyzes whether it is plausible for not only large corporations but all businesses, in general, to utilize Creating Shared Value (CSV) in order to establish a mutual bond with their respective communities and maximize their growth. finally (Awale, R and Rowlinson, S, 2015)employs in her research a multi-method approach, encompassing document review and semi-structured interviews, adhering to the principles of building theory from the case study research and the grounded theory. Data are analyzed qualitatively. The results show that construction practitioners have mixed attitudes toward the CSV concept and firm competitiveness.

This study differs from previous studies as it aims at creating shared value in the Palestinian stone and marble sector to enhance its competitiveness, as it is considered the backbone of the Palestinian economy, and similar studies have not been done before, in addition, no studies have been published on the strategy of creating shared value in any field in the Palestinian market. I will discuss the differences deeply when I address the three axes: Creating Shared Value, Competitiveness, and Clusters.

2.3.8.3 Clusters via competitiveness previous studies

In this section, previous studies on relevant topics are introduced and briefly discussed:
Daniel M. Quaye, Isaac Mensah (2017): **Industrial Cluster and Competitive Advantage of Micro-Firms: Insight from Wood Industry in Ghana**. This paper explored the competitive advantage of micro-firms in a cluster on the basis that firms in a cluster derive essential benefits that those outside do not enjoy. The paper proposed

that factors of product, horizontal networking and innovation increase competitive advantage. Based on a convenient sample of 249 wood operators in a cluster (Ayifua Wood Village) our result supports that horizontal networking and innovation enhances competitive advantage, while access to factors of production was not supported.

In addition, Martijn J.Burger, BasKarreman & Fredvan Eenennaam (2015): The competitive advantage of clusters: Cluster organizations and greenfield FDI in the European life sciences industry. This paper examines the effect of cluster organizations on the international competitive advantages of clusters in the European life sciences industry. A sample of 481 greenfield investments is studied. The results indicate that both the presence of cluster organizations and higher-order activities of cluster organizations have only a small effect in attracting greenfield investments. In addition, cluster organizations help attract economic activities with less specific location requirements, such as production plants and sales and marketing offices.

Furthermore, Han-Sheng Lei , Chin-Hua Huang (2014): **Geographic clustering, network relationships and competitive advantage: Two industrial clusters in Taiwan**. The purpose of this paper is to demonstrate that firms within the same cluster that have established idiosyncratic network resources have stronger competitive advantages than firms that have not. An empirical study of two prominent geographic clusters from Taiwan is analyzed by structural equation modeling. The results indicate that the degree of networking does play a mediating role between a geographic cluster and competitive advantage. The results also find that both degrees of networking and betweenness position are conducive to the pursuit of competitive advantage.

Besides, Rasa Viederyte & Rimantas Didziokas (2014): Cluster models, factors and characteristics for the competitive advantage of the Lithuanian maritime sector. (Theoretical article) this Paper analyses several cluster models on the basis of competitiveness, and then adopting M. Porter's Diamond model methodology to the evaluation of the Lithuanian Maritime sector's clustering on the basis of competitiveness, which creates a convenient theoretical basis and has a practical implication for the real Lithuanian Maritime sector's clustering abilities evaluation. It also helps to systemize basic cluster characteristics, that can be identified in the Maritime industry and measure the reasonable impact factors, which are identified in the Lithuanian Maritime sector.

Additionally, Christian Lechner &Christophe Leyronas (2011): **The competitive advantage of cluster firms: the priority of regional network position over extra-regional networks – a study of a French high-tech cluster.** This paper extends research on industry clusters by unbundling network from cluster effects and by analysing how network effects drive the performance of cluster firms. The results show that a firm's connectedness in a regional network is positively associated with firm performance. However, we found that for cluster firms, it is even more important to build strong network positions by developing rather exclusive alliance networks. In addition, a weak position within a cluster cannot be compensated for by strong extra-regional networking activities. From this perspective, cluster-specific advantages are firm-specific and the basis for competitive advantage. Regional competitiveness is therefore a non-substitutable pre-condition for the overall performance of cluster firms.

Additionally, Weilin Zhaoa, Chihiro Watanabea & Charla Griffy-Brownb (2009): **Competitive advantage in an industry cluster: The case of Dalian Software Park in China**: this paper explores the competitive advantage of Chinese software parks for promoting industrial development. This analysis is conducted qualitatively based on Porter's “diamond” model, SWOT framework and interview results .Industry clusters, which encompass a series of interconnected firms in designated geographic concentrations, show competitive advantages for industrial development with substantial resources rooted in local institutional systems including government, industry and academia aspects.

2.3.8.4 Discussion of the previous studies

In reviewing previous studies, there are some similarities and differences. All previous studies confirm that working within a cluster enhances a firm's competitiveness. Most of the previous studies also followed quantitative, qualitative or both methods as a methodology of the study.

(Daniel M. Quaye, Isaac Mensah, 2017) find that horizontal networking and innovation enhances competitive advantage in the cluster. The same (Han-Sheng Lei & Chin-Hua Huang, 2014) results indicate that the degree of networking does play a mediating role between a geographic cluster and competitive advantage. But an empirical study is used. Also (Christian Lechner & Christophe Leyronas, 2011) show that a firm's connectedness in a cluster is positively associated with firm performance. Moreover,

cluster-specific advantages are firm-specific and the basis for competitive advantage. Likewise (Weilin Zhaoa, et al., 2009) show competitive advantages for industrial development with substantial resources for firms work within a cluster. A qualitative approach is used .

On the other hand (Martijn J.Burger, et al., 2015) indicate that both the presence of cluster organizations and higher-order activities of cluster organizations have only a small effect in attracting greenfield investments. In addition, cluster organizations help attract economic activities with less specific location requirements, such as production plants and sales and marketing offices.

In addition (Rasa Viederyte & Rimantas Didziokas, 2014) in their theoretical article, they adapt M. Porter's Diamond model methodology to the evaluation of the Lithuanian Maritime sector's clustering on the basis of competitiveness. They argue that this model enhances the capabilities of Cluster but at the same time it remains a complex one and something that is hard to adapt to a real economic environment.

In the next section, studies linking the creation of shared value, competitive and cluster will be discussed together to identify similarities and differences.

2.3.8.5 CSV and clusters previous studies

In fact, there is a great scarcity of studies searching in creating shared value strategy for companies that work within a Cluster. Many studies search in creating shared value and clusters separately. As shown in the previous sections, previous studies about the effect of creating shared value on the competitiveness of companies, and others about the competitiveness of companies that belong to a Cluster are discussed, and the results are all proving that both creating shared value, and Clusters enhance company's competitiveness. In this section, I will discuss previous studies on creating shared value for companies working within a Cluster.

Alberti, Fernando& Belfanti, Federica (2019): Creating shared value and clusters: the case of an Italian cluster initiative in food waste prevention. The authors aimed at analyzing how a CSV strategy can be defined and developed when adopted within a cluster initiative. The authors relied on an exploratory case study of an Italian cluster initiative in CSV, i.e. the Science and Innovation Food District (SIFooD) cluster promoted by Whirlpool. This study primarily relied on the use of secondary data. To

arrange its network development process, SIFooD has implemented all the elements that prior literature has considered fundamental for launching and supporting a successful cluster initiative. On the other hand, SIFooD was able to adopt a collective-impact approach, implementing the elements needed in its ecosystem to create shared value.

Furthermore, Pablo Collazzo Yelpo, Livia Kubelka (2019): Shared value clusters in Austria. This study aims to contribute to fill in the gap identified in the literature at the interplay of clusters and shared value creation (CSV). An exploratory, cross-sectional and multiple case study research with data generated through semi-structured interviews carried out with a sample of Austrian cluster managers. The collected data were assessed through a qualitative content analysis following Mayring (2010). And conclude that one-third of the networks labeled as CSV clusters. The lack of a clear understanding of CSV and its strategic value emerged as a barrier for Austrian clusters to further embed shared value in their operations.

In addition, Darla Dore (2018): clustering – a way to create shared value? A case study of a food and drink cluster organization in England. This case study related to food and drink cluster in England (SMFDG) Specifically, this study challenges Michael E. Porter's and Mark R. Kramer's notion that clustering can 'create shared value' by using empirical data. Fieldwork was conducted. Results indicate that clustering can create economic and social benefits for SMFDG members but these benefits are not inclusive to clustering. Many firms act independently to create positive social impacts in their community.

Moreover, Federica Nieri (2016): Creating genuine shared values in industrial clusters: The contribution of the human rights approach. This paper discusses the intricacies of the CSV approach in the light of a set of original case studies of industrial clusters in Asia and Latin America. She proposes an alternative to the CSV approach, which she calls genuine CSV, by drawing on research on business and human rights. We propose a 3-step agenda to facilitate the actual implementation of a genuine CSV approach in industrial clusters as follows: create awareness of business and human rights; undertake human rights due to diligence at cluster level; and engage in multi-stakeholder initiatives.

2.3.8.6 Comments on the previous studies

In this section, the assessment of all the above-reviewed literature studies are briefly summarized.

(Alberti, Fernando& Belfanti, Federica, 2019) This study is similar to my study as it intends to create shared value for companies operating within a Cluster. But it differs from the authors relied on an exploratory case study of a cluster initiative. The Cluster Initiative also implemented all the elements that the previous literature considered essential to launching and supporting the successful Cluster Initiative. The cluster was able to adopt a group influence approach and implement the necessary elements in its ecosystem to create shared value. At the end, CV was created successfully.

(Pablo Collazzo Yelpo, Livia Kubelka, 2019) This study is similar to my study in that it aims to create a common value for companies operating within a Cluster. But it differs in using exploratory, cross-sectional and multiple case study research with data generated through semi-structured interviews carried out with a sample of Austrian cluster managers. Also, The collected data were assessed through qualitative content analysis. The analysis of the data suggests that there are five main categories that shape Austrian clusters' CSV practices, namely, cluster context, cluster purpose, CSV context, development of CSV and types of CSV. The lack of a clear understanding of CSV and its strategic value emerged as a barrier for Austrian clusters to further embed shared value in their operations.

On the other hand, (Darla Dore, 2018) in her study, field work was conducted with 34 SMEs, semi-structured interviews were conducted, and the observation of events and meetings related to the Cluster. The results indicate that the cluster can create economic and social benefits for the members of the Cluster, but these benefits are not inclusive to the cluster. Many companies work independently to create positive social impacts in their community. This is an indication of the idea that many SMEs exercise corporate social responsibility without recognizing them, considering them "the right thing to do." The interactions between the organs are not all positive.

In addition, differently (Federica Nieri, 2016) proposes an alternative to the CSV approach, which she calls genuine CSV, by drawing on research on business and human rights. She proposes a 3-step agenda to facilitate the actual implementation of a genuine

CSV approach in industrial clusters as follows: create awareness of business and human rights; undertake human rights due diligence at cluster level, and engage in multi-stakeholder initiatives.

To conclude, from the literature studies reviewed, several studies describe success factors for starting and developing an industry cluster, and how clusters can improve competitiveness. The benefits of creating shared value for companies, society, and the environment were also described, as well as their impact on creating a new competitive advantage for the companies. But there is little research that discusses them together, and there is a scarcity of studies that relate to the creation of shared value in the Arab world, and a scarcity of studies looking at the stone cluster in Palestine and the obstacles that face it. This study proposes a framework to enhance the competitiveness of the stone cluster in Palestine using creating shared value strategy. This is the first study of its kind in Palestine.

3 Chapter Three: Research Design and Methodology

3.1 Introduction

This chapter describes the methodology used in the study such as study design, study population, sample size, sample process, study method and data collection procedures and data analysis, the researcher uses the secondary resources in collecting data such as books, journals, statistics and web pages in addition to primary resources that are not available in secondary resources. This is done through the distribution of questionnaires to the study population. Research methodology depends on the analysis of data and the use of descriptive analysis, Statistical Package for the Social Sciences (SPSS), and Analysis of Moment Structures (Amos) software of statistical analysis were run.

3.2 Population of the study

The stone sector in Palestine consists of stone quarries, stone factories (saws), crushers, and small stone workshops in which the stone is engraved and formed. Stone factories (saws) are the center of the stone industry and are representative of this sector, where the stone is often cut, engraved and formed. Therefore, we considered the study community to be the stone saws in Hebron registered in the Union of Stone and Marble. I was provided with a list of the names of stone factories (saws) in the Hebron Governorate by the Stone and Marble Union, and the list contained approximately 180 companies, and later it was found that some of them had been suspended, so the final study population size became 175. One questionnaire for each establishment of the study sample.

3.3 sample of the study

The entire population of the study was targeted during distributing the questionairs, but due to the lack of cooperation of many of them due to their fear of the supervisory authorities and their lack of knowledge of the ethics of scientific research, only 102 questionnaires were recovered, 80% of the population of the study, so we considered that the sample is the random available sample.

According to the sample sizes table in Research Methods for Business students the sample size should be 125. (Saunders, M., et al, 2012)

The estimated level of confidence = 95% (z = 1.96)

The estimated margin of error was tolerated = 5%

The number of responses = 102

The estimated proportion of responses = 82%

3.4 Characteristics of the study sample

The following tables (3.1, 3.2, 3.3, 3.4, 3.5, 3.6, and 3.7) and figures (3.1, 3.2, 3.3, 3.4, 3.5, 3.6, and 3.7) describe the demographic characteristics of the target sample, respectively.

The following table 3.1 and figure 3.1 show the distribution of respondents in terms of the respondent is the owner, the manager of a department, the director of the enterprise or other.

Table 3.1: Type of respondent

		Frequency	Percent
Valid	Owner	47	46.1 %
	Other	32	31.4 %
	Manager of a department	15	14.7 %
	the director of the enterprise	8	7.8 %
	Total	102	100.0 %

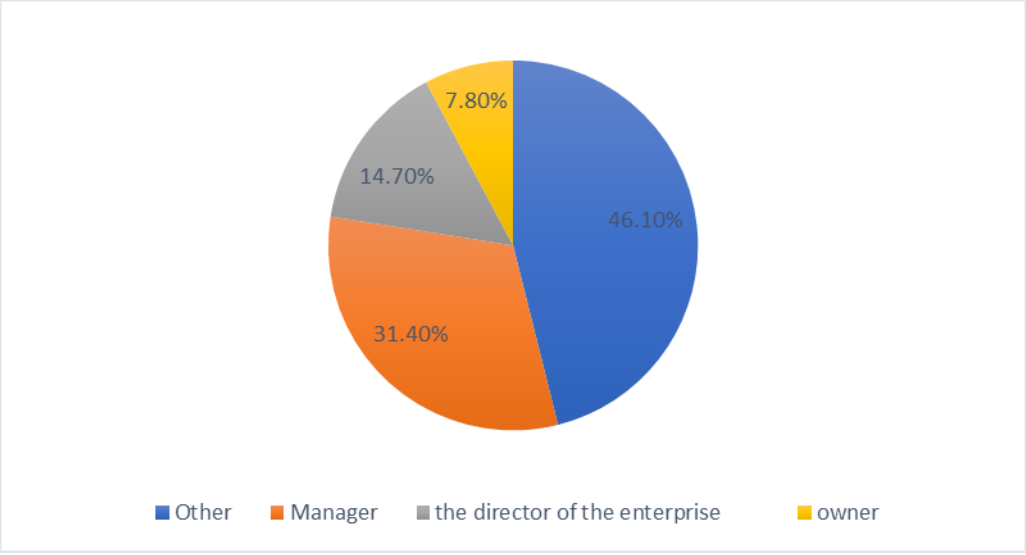

Figure 3.1: Type of respondent

One questionnaire was distributed to each establishment, and the most appropriate person in the facility was chosen to understand the content of the questionnaire and answer it. The respondents were distributed as follows: 46.1% of the sample were

owners, 31.4% were other, 14.7% were managers of departments and 7.8% were the director of the enterprise.

The following table and figure shows the distribution of establishments as being family or non-family.

Table 3.2: Type of the institution

		Frequency	Percent
Valid	Family	85	83.3 %
	Non-family	17	16.7 %
	Total	102	100.0 %

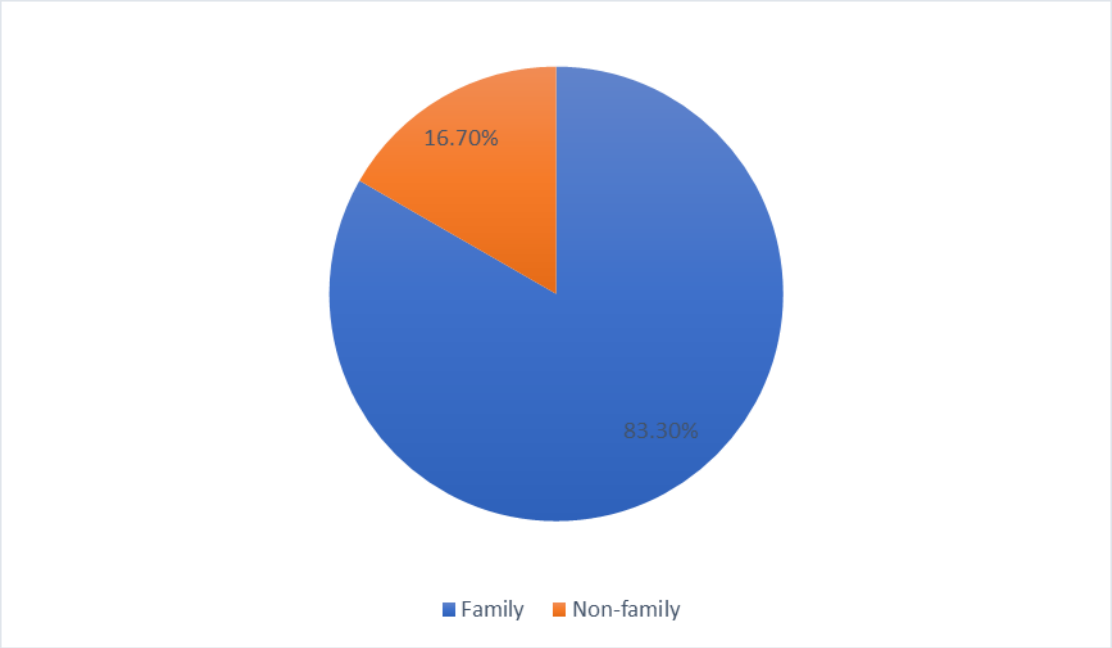

Figure 3.2: Type of the institution

According to the Type of institution, 83.3% of the sample were Family and 16.7% were Non-Family. It is noted that the vast majority of stone factories in Hebron are family companies and this is the case for almost all establishments in all sectors in Hebron. As Hebron is characterized by the strength and interdependence of family relations, this would limit the development of business.

The following table 3.3 and figure 3.3 show the distribution of the sample according to the legal nature of the facility, whether its Individual projects or limited liability or joint venture.

Table 3.3: The legal nature of the enterprise

		Frequency	Percent
Valid	Other	8	7.8 %
	Individual project	43	42.2 %
	limited liability	10	9.8 %
	joint venture	41	40.2 %
	Total	102	100.0 %

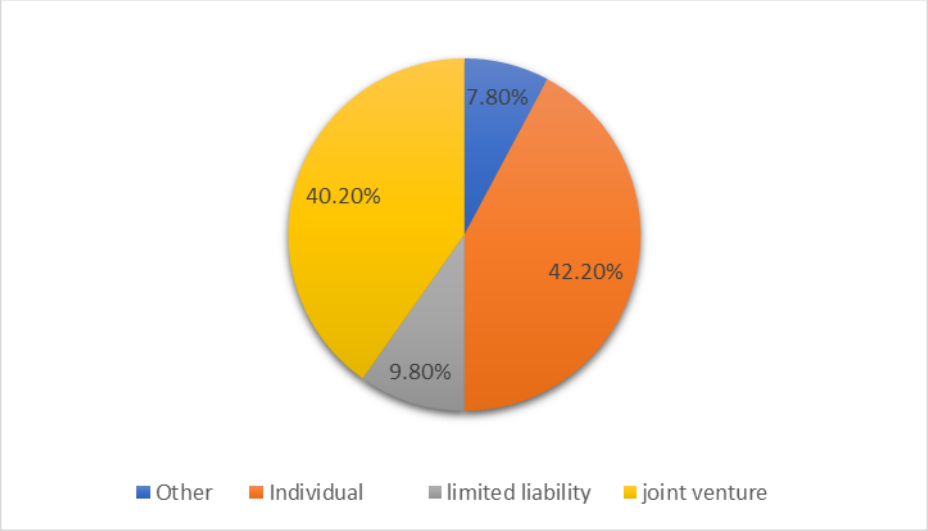

Figure 3.3: The legal nature of the enterprise

According to The table 3.3 and figure 3.3, 42.2 % of the sample were Individual projects, 40.2% were joint venture,9.8% of the sample were a limited liability and 7.8% were other.

The following table 3.4 and figure 3.4 show the distribution of the sample according to the location of the stone factories: in a village, city, or in the industrial area.

Table 3.4: Enterprise' Location

		Frequency	Percent
Valid	Missing	1	1.0 %
	Village	35	34.3 %
	City	11	10.8 %
	Industrial Zone in Hebron City	55	53.9 %
	Total	102	100.0 %

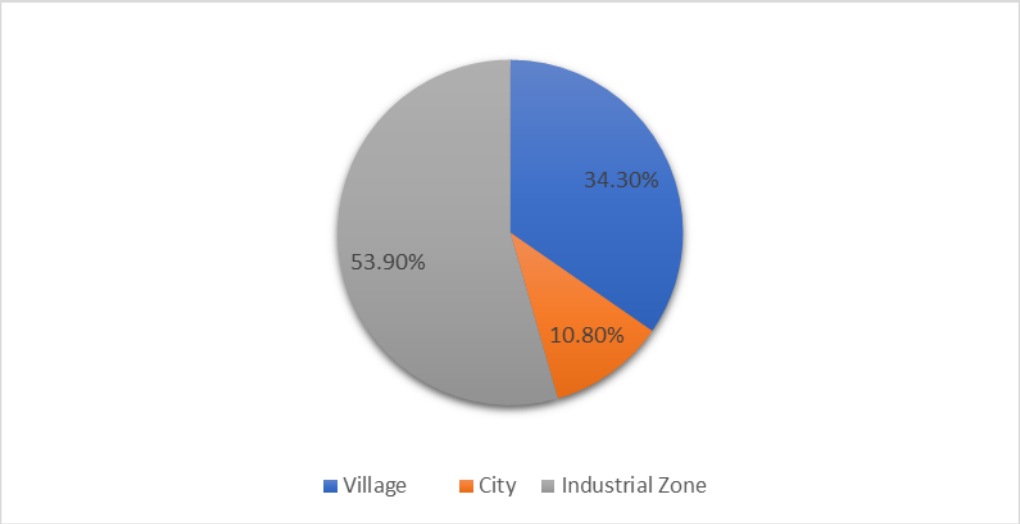

Figure 3.4: Enterprise' Location

According to the above table and figure, it is shown that 53.9 % of the sample were in the Industrial Zone in Hebron city, 34.3% were in a village, and 10.8% were in the city.

The table 3.5 and the figure 3.5 show the distribution of the sample according to the number of its employees: from 1-4, or from 5-20, or from 21 and above, to determine its size according to the criteria of the Palestinian Ministry of National Economy if needed.

Table 3.5: The total number of employees

		Frequency	**Percent**
Valid	More than 21 employees	23	22.5 %
	From 1-4 employees	30	29.4 %
	From 5-20 employees	49	48.0 %
	Total	102	100.0 %

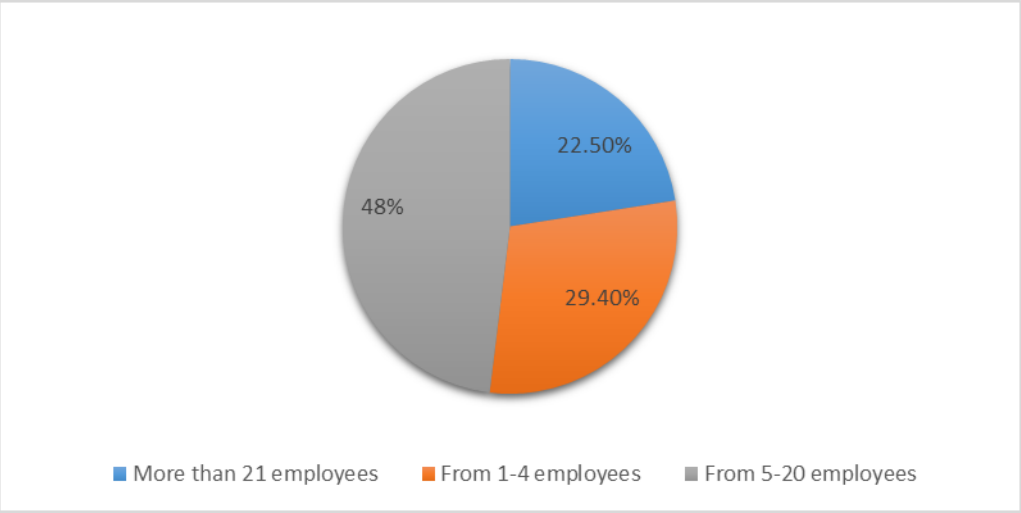

Figure 3.5: The total number of employees

According to table 3.5 and figure 3.5 above, it is shown that 48 % of the sample have employees from 5-20, 29.4% of the sample have employees from 1-4 , and 22.5% of the sample have more than 21 employees.

The table 3.6 and the figure 3.6 show the distribution of the sample according to the number of years of working in the organization for the respondent: less than 5 years, or from 5-10 years, or from 11-15 years, or more than 15 years.

Table 3.6: The number of years of work in the organization

		Frequency	**Percent**
Valid	From 11-15 years	23	22.5 %
	From 5-10 years	22	21.6%
	Less than 5 years	6	5.9 %
	More than 15 years	51	50.0 %
	Total	102	100.0 %

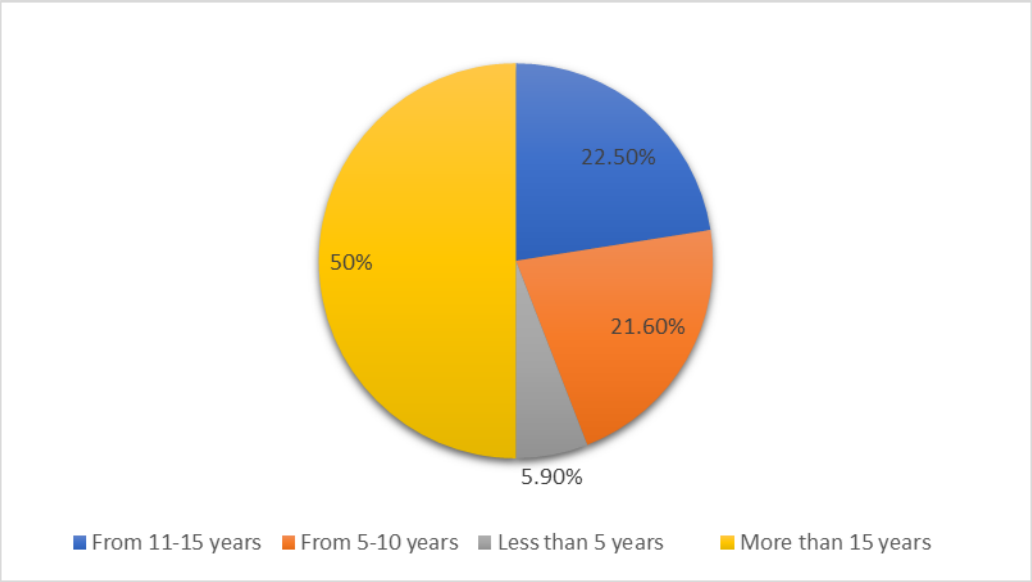

Figure 3.6: The number of years of work in the organization

According to table 3.6 and figure 3.6 above, it is shown that 50 % of the sample were more than 15 years working in the estableshement, 22.5% of the sample were from 11-15 working years, 21.6% of the sample were from 5-10 working years and 5.9% of the sample were less than 5 working years.

The table 3.7 and figure 3.7 show the education level of the respondent: whether it is primary or secondary or university.

Table 3.7: Education Level of the respondent

		Frequency	**Percent**
Valid	Primary	2	2.0 %
	Secondary	38	37.3 %
	University	62	60.8 %
	Total	102	100.0 %

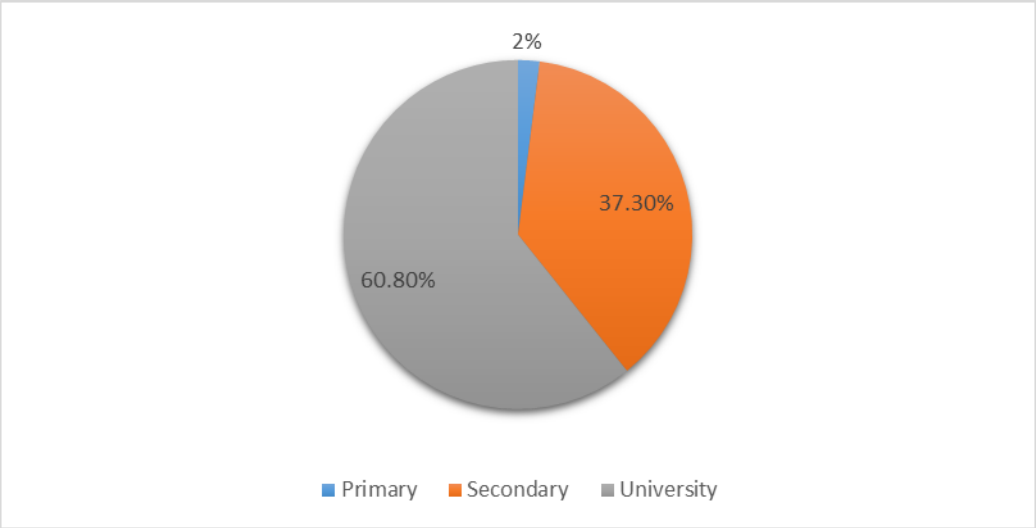

Figure 3.7: Education Level of the respondent

According to table 3.7 and figure 3.7 above, it is shown that 60.8 % of the sample have a university degree, 37.3% reached the secondary level and 2% reached the primary level only.

3.5 Research Method

This study uses the **descriptive analytical** approach, which tries to describe and investigate the Creating shared value strategy for improving the competitiveness of the stone and marble sector in Hebron through clustering. **Experimental** analysis is used to model the structural equation by Structural Equation Modeling analysis (SEM).

3.6 Data Collection Resources

In order to achieve the research objectives, two essential data collection resources were used, which are:

1. Primary Resources: In order to address the analytical aspects of the research theme, the study collected the primary data through creating and distributing a questionnaire as a main tool, which is designed especially to meet the research objectives. This questionnaire was distributed among the study population, (102) from workers in the stone and marble sector in Hebron. In addition, an interview was conducted with the Executive Director of the Stone and Marble Union, Dr. Maher Hashish.

2. Secondary Resources: in order to address the theoretical background of the study, secondary data was collected from several resources, such as references, books, articles, periodicals and some previous studies related to the study.

3.7 Data collection tool

This study is across –sectional -descriptive Study in which quantitative methods are used for data collection using questionnaires as follow:

3.7.1 Questionnaire

After reviewing the relevant literature, previous studies and scientific research articles, and after adopting different questions from the different relevant studies; Questionnaire questions were derived from some studies that touch on the topic of creating shared value for improving the competitiveness to answer study questions and achieve their goals. After that, the theoretical framework was carefully reviewed and all the issues mentioned in it were taken into consideration and included in the questionnaire.

After that, the researcher designed the questionnaire in both English and arabic, developed it and sent it to the arbitrators. Then it was updated and modified to fit the arbitrators' observations and recommendations to be ready for distribution to the study community

3.7.2 Development of the questionnaire

Questionnaires can be used for in descriptive or explanatory research. As for the descriptive research, it identifies and describes the variability in different phenomena; however, explanatory research enables the examination and explanation of relationships.

The purpose of this questionnaire is descriptive-exploratory with some explanatory analysis. Surveys are frequently conducted to make descriptive assertions about the population, (i.e. discovering the distribution of certain traits or attributes (Babbie E., 1990).

Advantages of the surveys design are represented in low cost of this design, the rapid turnaround of data collection, and the ability to identify attributes of a population from a small group of individuals. (Babbie E., 1990)

The researcher developed the questionnaire as a main tool collect data from the study population. As a result, questionnaires were distributed to all of the study population. 102 distributed questionnaires only were received back from the respondents, and all of them were valid for the statistical analysis.

The questionnaire consists of four main sections. The first section relates to the company file and the respondent to the questionnaire: Socio-demographic variables (Type of respondent, Type of your institution, the legal nature of your enterprise, Enterprise' Location, The total number of employees, the number of years of work in the organization, Education Level).

The second part is related to creating the shared value in the stone and marble sector in Hebron (that 49 questions) and it consists of three axes: economic value, societal value and environmental value (these elements were measured in a five-point Likert scale 1 = strongly agree and 5 = strongly disagree).

The third part relates to the company's competitiveness (32 questions) as it measures it through the Porter diamond determinants (these elements were also measured by the five-point Likert scale 5 = Strongly agree and 1 = Strongly disagree), and Porter's competitive forces (ordered by ranking as most threatened, and least threatening), and also there is a Question about the size of competition in different markets.

As for the fourth part, it covers the results and benefits of the stone and marble cluster in Hebron (22 questions), (these elements were measured by Likert scale of five points: 5 = to a large extent and 1 = not at all)

3.7.3 Reliability and Validity of Study Tool

The researcher checked the reliability and the validity of the questionnaire using randomly a small Pilot sample of 30 respondents from the Firms and the reliability and validity were checked as the next sections.

3.7.3.1 Reliability

The study was calculated using the Cronbach Alpha Formula to ensure internal consistency. Accordingly, the reliability coefficient was (0.96), which fits the purpose of the study.

In order to ensure reliability, the researcher, carefully examined the trustworthiness of different data sources including respondents and various forms of documents.

Reliability analysis allows determining the extent to which items in the questionnaire are related to each other, and the reliability coefficient value represents overall index of the repeatability or internal consistency of the scale (questionnaire) as a whole, this procedure also enables to identify problem items that should be excluded from the scale.

Table 3.8: Reliability Statistics

Reliability Statistics		
	Number of Items	**Cronbach's Alpha**
Creating shared value CSV	48	0.945
Competitiveness	37	0.882
Clustering	22	0.950
Total	109	0.964

The Reliability Coefficients (Alpha Cronbach) were 0.96 of the whole questionnaire, 0.94 for the Creating shared value CSV, and 0.88 for the Competitiveness and 0.95 for the Clustering.

These values of reliability coefficients indicate acceptable reliability level of the questionnaire (all greater than 0.70), and from 0.88% to 0.96% of all data can be reproduced or repeated in the case of repeating this research using the same questionnaire.

3.7.3.2 Validity

The validity of a questionnaire is the degree to which the questionnaire measures what it claims to measure, which called also the accuracy measurement.

The validity of the questionnaire was checked by two methods:

First: Context validity:

An academic supervisor and specialists in the field of the study have checked the validity of the questionnaire. They stated that the questionnaire is valid and appropriate to achieve the purpose of the study.

Second: Structural validity

One of the most useful method to measure the validity is the Factor analysis by principal component method. It gives numbers called Extraction communalities which estimate the variance in each questionnaires' item accounted for by the factors (components or dimensions) in the factor solution. For other extraction methods, these values are the proportion or the amount of variance accounted for in each variable by the rest of the variables.

High values of the extraction coefficients (>0.5) indicate that variables (Items) fit well with the factor solution, and should possibly not be dropped from the analysis.

The extraction coefficients were lied between 0.53-0.89 of all items of the questionnaire, 0.58-0.83 for Creating shared value (CSV) items, 0.54-0.81 for the Competitiveness items and 0.53-0.89 for the clustering items, this means that the questionnaire is accepted and shows how the questionnaire is very strong and suitable for this study. The following table shows factor analysis results:

Table 3.9: Factor Analysis Results

Creating shared value (CSV)		**Competitiveness**		**Clustering**	
Statement	**Extraction**	**statement**	**Extraction**	**Statement**	**Extraction**
CSV1.1	.790	COMP1.1	.812	CLUST1	.539
CSV1.2	.775	COMP1.2	.787	CLUST2	.678
CSV1.3	.782	COMP1.3	.702	CLUST3	.762
CSV1.4	.755	COMP1.4	.792	CLUST4	.815
CSV1.5	.586	COMP1.5	.546	CLUST5	.472
CSV1.6	.699	COMP1.6	.806	CLUST6	.797
CSV1.7	.716	COMP1.7	.670	CLUST7	.650
CSV1.8	.838	COMP1.8	.584	CLUST8	.611
CSV1.9	.855	COMP1.9	.816	CLUST9	.733
CSV1.10	.721	COMP1.10	.794	CLUST10	.764
CSV1.11	.717	COMP2.1	.750	CLUST11	.764
CSV1.12	.798	COMP2.2	.748	CLUST12	.671
CSV1.13	.777	COMP2.3	.791	CLUST13	.896
CSV1.14	.645	COMP2.4	.619	CLUST14	.896
CSV1.15	.857	COMP2.5	.680	CLUST15	.874
CSV1.16	.709	COMP3.1	.742	CLUST16	.807
CSV1.17	.768	COMP3.2	.554	CLUST17	.832

Creating shared value (CSV)		Competitiveness		Clustering	
Statement	**Extraction**	**statement**	**Extraction**	**Statement**	**Extraction**
CSV1.18	.796	COMP3.3	.767	CLUST18	.770
CSV1.19	.656	COMP3.4	.599	CLUST19	.594
CSV2.1	.680	COMP3.5	.696	CLUST20	.685
CSV2.2	.684	COMP3.6	.734	CLUST21	.680
CSV2.3	.731	COMP3.7	.767	CLUST22	.722
CSV2.4	.819	COMP3.8	.715		
CSV2.5	.797	COMP4.1	.757		
CSV2.6	.585	COMP4.2	.724		
CSV2.7	.752	COMP4.3	.632		
CSV2.8	.814	COMP4.4	.748		
CSV2.9	.647	COMP4.5	.660		
CSV2.10	.671	COMP4.6	.758		
CSV2.11	.712	COMP5.1	.691		
CSV3.1	.775	COMP6.1	.686		
CSV3.2	.744				
CSV3.3	.774				
CSV3.4	.803				
CSV4.1	.731				
CSV4.2	.583				
CSV4.3	.838				
CSV4.4	.757				
CSV4.5	.680				
CSV5.1	.726				
CSV5.2	.811				
CSV5.3	.831				
CSV5.4	.641				
CSV5.5	.755				
CSV5.6	.779				
CSV5.7	.798				
CSV5.8	.779				
CSV5.9	.702				

3.8 Study model and variables:

3.8.1 Study model:

The following model illustrates the relationship between independent, intermediate, and dependent variables**, (**Prepared by the researcher**)**

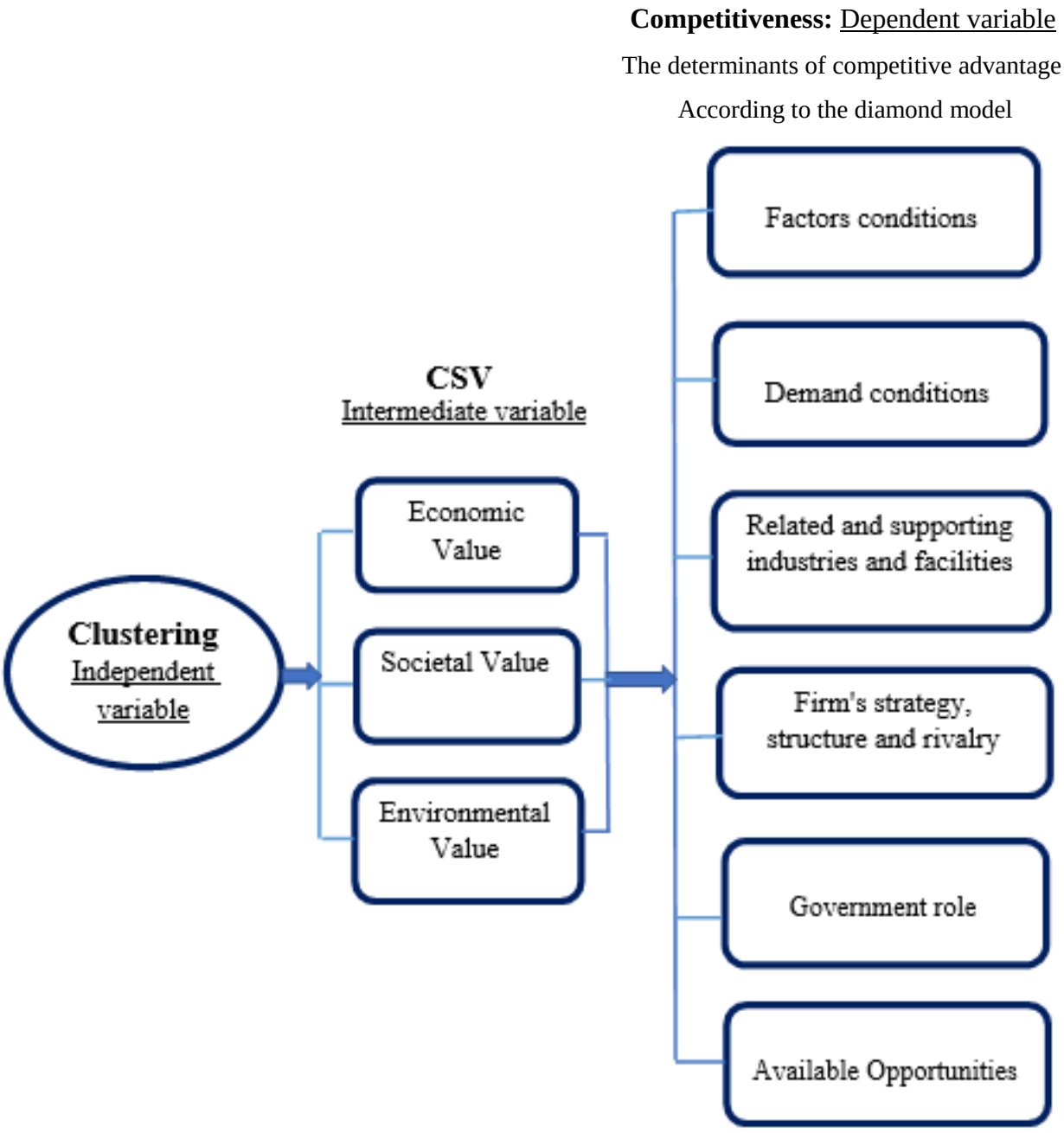

Figure 3.8: The proposed study model

The study model assumes that competitiveness can be improved by creating the shared value, and the shared value can be created through cluster. That is, the cluster is an

independent variable, CSV is an intermediate variable, and the competitiveness is a dependent variable, and the relationship that links the three variables is causal.

3.8.2 Study operational variables

With reference to the previous studies that dealt with the subject of the study, it was found that the variables are as follows:

1. The independent variable: the variable that affects other variables and is not affected by them, the independent variable is what the researcher chose from the qualifiable quantitative or qualitative characteristics to influence all or some of the other variables in the scientific study (BTS-academy). This variable is represented in this study by the cluster, which improves the competitiveness of companies.
2. Intermediate variable: it acts as a mediator between the independent variable and the dependent variable. Through the intermediate variables, the researcher passes the effects that he wants to communicate from the independent variable to the dependent variable (BTS-academy). This variable is represented here by creating the shared value, which consists of three axes: economic value, societal value and environmental value. As this value is created by cluster, it improves companies' competitiveness.
3. Dependent variable: It is the variable that is dependent on the independent variable since the changes made by the independent variable are mainly reflected in the dependent variable (BTS-academy). This variable is represented in this study by competitiveness, factors of competitiveness in the stone and marble industry are determined according to the diamond model, which consists of the national determinants of competitiveness in a particular industry: factor conditions , demand conditions , related and supportive industries, the company's strategy, structure, competition and role Governmental and opportunities.

3.9 Statistical treatments

The researcher collected the data from initial resources, the study sample. ,

Data were considered of a cross-sectional type , processed statistically by the a computer using the Statistical Package for Social Sciences program SPSS / program and Amos for the purpose of statistical analysis and description required by the research. Therefore, the following statistical techniques and methods will be used:

- Frequencies and Percentages to describe personal and demographic variables.
- Means (averages), Standard Deviations and Coefficients of Variation to measure respondents' perceptions toward the Questionnaires' Items .
- The Analysis Of Variance (ANOVA) to test inner differences between statements of Factors the Questionnaire Dimensions.
- Structural Equation Modeling Analysis (SEM) to test the hypothesis of relationship

between clustering, creating shared value and the Competitiveness.

- Alpha (Cronbach) scales for Reliability: A formula to determine the reliability coefficient of the questionnaire.
- Factor Analysis for validity.
- Independent Sample T-test.

3.9.1 Method correction

Some of the results were produced by Likert scale method and the following distribution was used in the correction of questionnaire's paragraphs**:**

Table 3.10: Likert scale

Strongly agree	**Agree**	**Neither agree nor disagree**	**Disagree**	**Strongly disagree**
5	4	3	2	1

After giving numbers to the respondent’s answers, to weights their trends from (1_5), the Range [difference between the highest value (5) and the lowest value (1)] was calculated. After that, it was divided by the number of fields that required to judge the results: (4/5=.08). Later, the researcher continued to increase this value from the lowest value, to give the intervals, and be able to determine the level and intensity of the responses based on the arithmetic mean.

Table 3.11: Correction Key for likart scale

Mean	Level
Less than 1.8	Very Low
1.8 – less than 2.6	Low
2.6 – less than 3.4	Moderate
3.4 – less than 4.2	High
From 4.2 or more	Very High

Source: (AMOS Help, V.24)

3.10 The Structural Equation Modeling Analysis" SEM Models"

Structural equation modeling (SEM): is a series of statistical methods that allow complex relationships between one or more independent variables and one or more dependent variables. Though there are many ways to describe SEM, it is most commonly thought of as a hybrid between some form of analysis of variance (ANOVA)/regression and some form of factor analysis. In general, it can be remarked that SEM allows one to perform some kind of multilevel regression/ANOVA on factors. You should therefore be very familiar with univariate and multivariate regression/ANOVA as well as the basics of factor analysis to implement SEM for your data.

Variables that are not influenced by another other variables in a model are named exogenous variables. Variables that are influenced by other variables in a model are called endogenous variables. A variable that is directly observed and measured is called an indicator variable. A variable that is not directly measured is a latent variable. The “factors” in a factor analysis are latent variables. For the purposes of SEM, specifically, moderation refers to a situation that includes three or more variables, such that the presence of one of those variables changes the relationship between the other two. In other words, moderation exists when the association between two variables is not the same at all levels of a third variable. One way to think of moderation is when you observe an interaction between two variables in an ANOVA. For the purposes of SEM, specifically, mediation refers to a condition that includes three or more variables, such that there is a causal process between all three variables. Note that this is distinct from moderation. In many respects moderation and mediational models are the Enterprise' of structural equation modeling. In fact, they can be considered as simple structural

equation models themselves. Therefore, it is very important to understand how to analyze such models to understand more complicated structural equation models that include latent variables. Generally, a mediation model can be implemented by doing a series of separate regressions.

SEM can conceptually be used to answer any research question involving the indirect or direct observation of one or more independent variables or one or more dependent variables. However, the primary purpose of SEM is to determine and validify a proposed causal process and/or model. Therefore, SEM is a confirmatory technique. Like any other test or model, we have a sample and want to say something about the population that comprises the sample. We have a covariance matrix to serve as our dataset, which is built on the sample of collected measurements. The empirical question of SEM is therefore whether the proposed model produces a population covariance matrix that is consistent with the sample covariance matrix. Because one must specify a priori a model that will go through validation testing, there are many questions SEM can answer.

SEM can show you how if your model is adequate or not. Parameters are estimated and compared with the sample covariance matrix. Goodness of fit statistics can be calculated that will tell you whether your model is appropriate or requires further revision. SEM can also be used to compare multiple theories that are particular a priori.

SEM can tell you the amount of variance in the dependent variables (DVs) – both observable and latent DVs – is accounted for by the IVs. It can also tell you the reliability of each measured variables. As previously mentioned, SEM lets you to examine mediation and moderation, which can include indirect effects.

SEM can also tell you about group differences. You can fit separate structural equation models for different groups and compare results. In addition, you can include both random and fixed effects in your models and thus include hierarchical modeling techniques in your analyses.(Rex & Kline, 2011)

Structural Equation Modeling (SEM) shows significant relationships and effects between variables and it can be noticed as a combination of factor analysis and regression or path analysis (Hox & Bechger, 1998). The basic idea is that, after the indirect and direct pathways that operate on the relationships of interest are defined, the

latent variables, though they cannot observed by the researcher, could be estimated by their relation to observed variables (multiple indicators) (Maruyama, 1997).

Generally, SEM models are applied in order to simultaneously examine more complex relationships between observed and latent variables and to incorporate the latent variable of "cluster" in the analysis. A SEM model of the following form is utilized in order to examine the relationships of interest, namely the relationships of firms" competitiveness with factors that are established in the empirical literature as significant indicators of the former.

Data analysis in this study was operated using structural equation modeling (SEM) to validate the research model. This approach was chosen because of its ability to test casual relationships between constructs with multiple measurement items (Joreskog & Sorbom, 1996). Numerous researchers have proposed a two-stage model-building process for applying SEM (Joreskog & Sorbom, 1996). The measurement model was first examined for instrument validation, followed by an analysis of the structural model for testing associations hypothesized in the research model.

The use of the Structural Model technique includes two main aspects that can be used collectively or individually based on the nature of the research purposes. The first aspect is concerned with Structural Validity Test of research standards (The selection of Measurement Model) which is called CFA (Confirmatory Factor Analysis). The second aspect includes testing the research's assumptive model that is called (The Structural Model).

3.10.1 Measurement Model: Confirmatory Factor Analysis

The investigation of the relationship between the variables without analyzing their dimensions, components, or factors provides us with the true behavior of each variable. In order to receive rich information on the nature of the relationship between the variables, the use of CFA, after we analyze the variables and their dimensions, would enable us to confirm the validity of dimensions which are believed to constitute this concept or variable, therefore, we move to investigate the relationship between the variables instead of studying the relationship between their total degrees.

The CFA is used to verify the constructive validity of research standards which were constituted in the light of a previous theoretical basis. This analysis is an application of

structural model equation whose techniques are represented in the identification of the assumed model that consists of latent variables, or the unmeasured ones represented in the assumed dimensions of the standard from which arrows are directed to the second type of variables known as measured variables which also represent the differences of each variable/s. As a result, we assume that expressions are indicators of latent variables. Through the measurement model, we can identify the extent to which the measured variables are able to measure latent variables, and identify the best-measured variables to measure a specific latent variable, and to what extent these measure variables are able to measure others things rather than the specified latent variable (reliability).

There are many goodnesses of fit indices that enable to assure the appropriateness of the SEM research model and its components: Chi-Square index is the most common index of fit, which represents the fit between the implied, and the observed covariance matrices, Small p values (e.g. < 0.05) indicates of a bad fit. The Comparative Fit Index (CFI) Compares performance on our suggested model to performance on the baseline or the null model that assumes zero correlation between all observed variables. The Goodness of Fit Index (GFI) based on the percentage variance explained (as R-square in Regression). The Root Mean Square Error of Approximation (RMSEA) is an index based on residuals matrix which looks at discrepancies between observed and predicted covariances, practical experience indicates that a value of the RMSEA of about .05 or less would indicate a close fit of the model in relation to the degrees of freedom. (AMOS Help, V.24) (Hans Müller, 2003).

In this study, the CFA has conducted on the three dimensions Clustering, CSV and competitiveness. Path Analysis is used to inspect the research hypotheses (by either rejection or approval) and concluded with the Structural Model of the study.

3.10.2 The Structural Model

Besides including the latent variables, the Structural Model consists of the relationships between these latent variables which characterize the structural dimension of the model. Actually, latent variables are assumptive compositions hard to be directly measured but through a number of noticeable or measurable variables or those indicators supposed to indicate a similar image of the latent variable. The structural model measurement

component is concerned with the relationship between measured indicators by its latent variables, however, the structural component of the model is concerned to study and investigate the relationships between the latent variables. Path Analysis Model will be used (since it is considered as one of the best structural models to investigate the relationship between variables) and provides the deepest and most accurate understanding of causal relationships, in addition to being the only model that specifies influential and influenced variables in the proposed study model.

This analysis answers the following question related to this research:

To what extent of creating a shared value strategy can affect the competitiveness in provement by clustering?

Path Analysis Model depends on analyzing the relationships between variables in causal models based on the applying of logical theories. Finally, in order to understand direct and indirect relationships between variables of models, Path Analysis Model is the only analysis to indicate the mediatory relationships between groups of model variables. The Path Analysis Model is distinguished by a number of features most notably is the ability to specify the subsidiary and independent variables within the proposed model since there is no statistical method that fulfills this purpose. In addition, Path Analysis Model is able to identify the direct impacts of the independent variable within the subsidiary one, the matter which indicates the importance of independent variables on the subsidiary ones. Furthermore, this model identifies the indirect and causal impacts of the independent variable on the subsidiary ones, the matter that helps to specify the minute matters of the independent variable. (The Unidirectional Collective Model) will be utilized due to its suitability with the research as it includes the unidirectional and collective models within one model. It enables the estimation of direct impacts through predicting the extent of internal variables' contribution in its relationships with previous and later variables, and how previous variables affect the connections between the following variables.

3.11 Ethical Considerations

In this section, the researcher represents a number of ethical considerations that were taken into account through this study.

1. The researcher took appropriate measures to ensure that research would cause no physical or psychological harm to research participants.
2. The researcher promised to report the outcomes of the research honestly and completely, and he did not mislead the others about the finding's nature. Therefore, other person or organization materials were acknowledged.
3. The participants were informed about the study nature and their consent was asked to join by the researcher.
4. Select the analysis data carefully.
5. Quote from others studies without plagiarism.
6. Elements sample is creatively representative.
7. The scientific secretariat is considered when making a document, and data from sources is transferred.

4 Chapter Four: Research Results

4.1 Introduction

The previous chapter highlighted the methodological approach adopted in this study. However, this chapter focuses fundamentally on the analysis of the collected data and research findings

4.2 Descriptive Analysis of the Research Sample

4.2.1 Analysis of Statements (Creating shared value CSV)

1- Creating economic value

The table 4.1 below describes the means, standard deviation and variation coefficient of the companies' attitudes towards creating economic value of the stone and marble companies in Hebron, sorted in descending order according to the mean's values.

Table 4.1: The significant differences in all of creating economic value

	Statement	Mean	Level	Standard Deviation	C. V.
CSV1.9	Reducing electricity consumption	4.25	Very High	1.03	.24
CSV1.10	Solar systems installation	4.22	Very High	1.06	.25
CSV1.1	Reducing production costs through creativity.	4.12	High	.75	.18
CSV1.2	Increasing the facility's production	4.12	High	.72	.18
CSV1.8	Use of modern technology	4.07	High	1.01	.25
CSV1.4	Increase the percentage of product profits	4.06	High	.81	.20
CSV1.11	Reducing losses by reducing waste	4.06	High	.89	.22
CSV1.14	There is a need to reduce water consumption costs	4.01	High	.80	.20
CSV1.16	High wages attract skilled workers	3.93	High	.80	.20
CSV1.3	Increase in facility exports	3.92	High	.91	.23
CSV1.19	The prices of your products are suitable for all customers.	3.91	High	.68	.17
CSV1.15	Hiring skilled workers with high wages reduces the company's losses and increases its profits	3.86	High	.88	.23
CSV1.17	Skilled workers reduce waste and accidents and increase productivity	3.85	High	1.01	.26
CSV1.12	Marketing in disadvantaged	3.76	High	1.03	.27

	societies or have not been reached before.				
CSV1.5	Participation in local and international exhibitions	3.75	High	.82	.22
CSV1.7	Add new product lines	3.72	High	1.02	.27
CSV1.13	Increase advertising campaigns	3.58	High	1.04	.29
CSV1.6	Participation in local and international exhibitions	3.54	High	.92	.26
CSV1.18	High wages increase company and worker revenues, and reducing poverty	3.43	High	.96	.28
	Total	**3.91**	**High**	**.56**	**.14**

Note: See the correction key in table 3.11 to recognize overall standards (for each of the average and the deviation in the questionnaire analysis presented in chapter three. Coefficient of variation equals the standard deviation divided by the mean value. (Saunders, M., et al, 2012)

From the table above, it is clear that the total degree of companies' attitudes towards creating economic value is approximately high (3.91) with a small variation coefficient of (0.14). The statement "Reducing electricity consumption" has the highest mean (4.25) with smallest C.V of (0.24). However, the statement "High wages increase company and worker revenues, and reducing poverty" has the smallest mean (3.43) with smallest C.V of (0.28).

It is clear from the previous results that the companies' attitudes towards creating economic value is of great importance to employers and this is logical as profit is the main goal of the business. Whether by reducing costs across the value chain (such as saving electricity consumption using solar cells), increasing profits in innovative ways, accessing new markets, opening new production lines, or employing skilled labor that reduces losses and contributes to increasing production. We note here that skilled workers, even if they require higher wages, are undoubtedly working to increase output and then increase profits.

2- **Creating societal value**: generate additional societal benefits or reduce societal losses and damages (such as unemployment, poverty, diseases, safety measures, workers rights and noise) to stakeholders (workers, customers, and communities)

a- **For workers**: Achieving societal value for workers in the stone and marble sector

The table 4.2 below describes the means, standard deviation and variation coefficient of the companies' attitudes towards creating societal value for workers in the stone and marble factories in Hebron, sorted in descending order according to the mean's values.

Table 4.2: The significant differences in all of achieving societal value for workers in the stone and marble sector

	Statement	Mean	Level	Standard Deviation	C. V.
CSV2.5	Keep workers safe	4.45	Very High	.77	.17
CSV2.4	Providing workers with insurance	4.22	Very High	.90	.21
CSV2.1	Staff training improves their productivity	4.18	High	.74	.18
CSV2.10	Good working conditions positively affect worker productivity	4.12	High	.71	.17
CSV2.2	Achieve worker satisfaction	4.11	High	.70	.17
CSV2.6	Provide safety factors in the machines and tools used in the work.	4.11	High	.89	.22
CSV2.11	Equal treatment for workers increases their productivity.	4.01	High	.87	.22
CSV2.3	Motivate your workers	3.96	High	.80	.20
CSV2.8	The facility is designed according to engineering principles and takes into account human needs: lighting, ventilation, water	3.82	High	.98	.26
CSV2.7	Providing safety helmet, safety glasses, earmuffs, safety belt, plastic gloves, shoes, air purifiers and protective clothing for workers.	3.72	High	.92	.25
CSV2.9	The nature of work in your facility doesn't cause injuries or illnesses for workers.	3.68	High	.97	.26
	Total	**4.05**	**High**	**.51**	**.13**

From the table above, it is clear that the total degree of the companies' attitudes towards creating societal value for workers in the stone and marble sector is approximately high (4.05) with a small variation coefficient of (0.13). The statement "Keep workers safe" has the highest mean (4.45) with smallest C.V of (0.17). However, the statement "The nature of work in your facility doesn't cause injuries or illnesses for workers " has the smallest mean (3.68) with smallest C.V of (0.26).

It is clear from the previous results that the companies' attitudes towards creating societal value of business owners is high in relation to their workers, as they are concerned with public safety measures and the provision of insurance and are interested in training and improving their skills and achieving their satisfaction. This may be due to the focus of the Regulatory agencies such as the Ministry of Labor, the Ministry of National Economy and Civil Defense in the previous period on inspection of industrial establishments, including stone factories (saws), and the resulting fins of those inspection visits and the stopping of facilities from work, so there has become an obligation to follow the public safety measures and provide insurance for workers and preserve the rights Laborers.

On the other hand, the reason that the results are high could be the fear of factory owners during their answer to the questionnaire from paying other fines and their lack of confidence that the answer to the questionnaire is for scientific research purposes only.

b_ For customers: Achieving societal value for customers in this sector.

Table 4.3 below describes the means, standard deviation and variation coefficient of the companies' attitudes towards creating societal value for customers in the stone and marble factories in Hebron, sorted in descending order according to the mean's values.

Table 4.3: The significant differences in all of achieving societal value for customers in this sector

	Statement	Mean	Level	Standard Deviation	C. V.
CSV3.1	Your company is looking to reach a new customer (new markets).	4.24	Very High	.79	.19
CSV3.3	The company strives to satisfy customers' desires quickly.	4.15	High	.81	.20
CSV3.2	The company always studies the needs and desires of customers and their satisfaction with the products.	4.06	High	.79	.20
CSV3.4	The company studies customer complaints constantly and provides appropriate solutions.	4.03	High	.80	.20
	Total	**4.09**	**High**	**.66**	**.16**

From the table above, it is clear that the total degree of the companies' attitudes towards creating societal value for customers in this sector is approximately high (4.09) with a

small variation coefficient of (0.16). The statement " Your company is looking to reach a new customer (new markets)" has the highest mean (4.24) with smallest C.V of (0.19). However, the statement " The company studies customer complaints constantly and provides appropriate solutions." has the smallest mean (4.03) with smallest C.V of (0.20).

It is clear from the previous results that the interest of the owners of stone factories in satisfying the clients and achieving their requirements is high, and this is logical, as satisfying the customers means achieving more customers and thus achieving higher sales. Also, the owners of stone factories are looking to reach new customers to achieve more profits.

c_ For the society: Achieving societal value to the surrounding community and decreasing its problems as unemployment, poverty, diseases and noise.

The table 4.4 below describes the means, standard deviation and variation coefficient of the companies' attitudes towards creating societal value for to the surrounding community of the stone and marble factories in Hebron, sorted in descending order according to the mean's values.

Table 4.4: The significant differences in all of achieving societal value to the surrounding community

	Statement	Mean	Level	Standard Deviation	C. V.
CSV4.3	It is necessary to provide job opportunities to reduce unemployment.	3.92	High	.86	.22
CSV4.1	Do you think it is more profitable for you to market in healthy societies that do not suffer from poverty, for example?	3.82	High	.91	.24
CSV4.5	Your contribution to educational, awareness and training workshops for the surrounding community contributes to providing skilled workers.	3.76	High	.86	.23
CSV4.4	Do you mind moving your facility to an industrial area - with appropriate infrastructure - to reduce inconvenience to those around you?	3.62	High	1.03	.29
CSV4.2	If yes, Have you thought about	3.56	High	.90	.25

	participating in solving the community problems such as poverty and unemployment?				
.	**Total**	**3.75**	**High**	**.59**	**.16**

From the table above, it is clear that the total degree of the companies' attitudes towards creating societal value to the surrounding community is approximately high (3.75) with a small variation coefficient of (0.16). The statement " It is necessary to provide job opportunities to reduce unemployment." has the highest mean (3.92) with smallest C.V of (0.22). However, the statement " If yes, Have you thought about participating in solving the community problems such as poverty and unemployment?." has the smallest mean (3.56) with smallest C.V of (0.25).

Based on the abovementioned, it becomes clear to us that the interest of the owners of stone factories in the surrounding community of their companies is high. The reason for this may be due to their deep understanding that marketing in healthy societies do not suffer from problems is better for them and returns to their companies with much profit, as poor and weak societies do not think about building and investing but rather collecting a living only, while healthy societies plan to invest more and this benefits the owners of companies

3- Creating an environmental value

The table 4.5 below describes the means, standard deviation and variation coefficient of the companies' attitudes towards creating environmental value of the stone and marble factories in Hebron, sorted in descending order according to the mean's values.

Table 4.5: The significant differences in all of creating an environmental value

	Statement	**Mean**	**Level**	**Standard Deviation**	**C. V.**
CSV5.7	Modern machinery and technology are used to cut, shape and engrave the stone.	3.81	High	.97	.26
CSV5.1	Stone wastes are reused in your facilities, for example in making stone chains, in making stone artifacts, or as gardens tile ...	3.52	High	.97	.28
CSV5.6	Modern techniques are used to reduce noise	3.50	High	1.06	.30
CSV5.5	Air pollution (e.g., dust) is treated to protect neighbors and	3.44	High	.94	.27

	employees				
CSV5.2	Stone wastes are recycled in your facility and can be used as gravel or in tiles manufacturing….	3.38	Moderate	1.04	.31
CSV5.9	Modern methods of water conservation, such as wastewater treatment and use in stone industry (such as juicers and presses) are used.	3.38	Moderate	1.18	.35
CSV5.4	Liquid slurry is treated in ways that do not harm the environment.	3.36	Moderate	1.06	.32
CSV5.8	Modern methods are used to save electricity consumption, such as solar systems	3.12	Moderate	1.14	.36
CSV5.3	Dry powder is recycled and used for example in the manufacture of paints, gypsum, chalk or concrete ...	2.92	Moderate	1.16	.40
.	**Total**	**3.75**	**High**	**.59**	**.16**

From the table above, it is clear that the total degree of the companies' attitudes towards creating an environmental value is approximately high (3.75) with a small variation coefficient of (0.16). The statement " Modern machinery and technology are used to cut, shape and engrave the stone." has the highest mean (3.81) with smallest C.V of (0.26). However, the statement " Dry powder is recycled and used for example in the manufacture of paints, gypsum, chalk or concrete ." has the smallest mean (2.92) with the smallest C.V of (0.40).

It is clear from the previous results that the companies' attitudes towards creating environmental value of stone and marble factories is high, and this may be due to the adoption by the relevant authorities of strict measures to reduce environmental pollution and water consumption as the stone cutting process drains a large amount of water, and to reduce pollution of the environment surrounding dust resulting from Stone cutting, and one of the owners of stone factories has informed me during the process of collecting the primer data on a plan to filter the water and re-use it in the industry, which the Ministry of Health obligated to it, as the Ministry of Health and the Environmental Quality Authority are constantly inspecting the stone factories and making sure to follow environment-friendly policies such as the use of dust and water filters. The previous results may be also high just due to the factory owners' lack of

confidence that the data was collected only for scientific research, as a result of the Ministry of Labor and the Ministry of Health inspecting their factories continuously.

The table 4.6 below describes the means, standard deviation and variation coefficient of creating shared value of the stone and marble factories in Hebron

Table 4.6: The means, standard deviation and variation coefficient of creating shared value of the stone and marble factories in Hebron

	Mean	**Standard deviation**	**C. V.**
CSV1	3.91	.56	.14
CSV2	4.05	.51	.13
CSV3	4.09	.66	.16
CSV4	3.74	.59	.16
CSV5	3.40	.75	.22
CSV	3.84	.48	.12

By comparing the previous results for tables 4.1-4.6, we find that the companies' attitudes towards creating the shared value in its various dimensions are all similar and are high, and by also referring to Table 3.7, we find that 60% of the respondents are holders of university degrees, so we can attribute the high averages of the attitudes towards creating shared value to the open mindset of the respondents. And they do not mind entrepreneurial ideas that benefit their community and the surrounding environment as long as they benefit their companies. This indicates that the dimensions of the shared value are related to each other and their effects are reflected in each other (reciprocal relationship).

Also, it is clear from the above table that the total degree of the companies' attitudes towards creating shared value is approximately **high** (3.84) with a small variation coefficient of (0.12)**.** The reason for its high average was previously explained, which is that the economic value is often high in the private sector because the first business goal is profit, and Regulatory agencies such as the Ministry of Health, the Ministry of Labor, the Ministry of National Economy, Civil Defense, and the Environmental Quality Authority provide a strong base for creating societal and environmental value through their inspection visits and control procedures .

In an interview with Dr. Maher Hashish, Executive Director of the Union of Stone and Marble in Hebron, he said that he does not agree with these results as there is, in fact, a disregard for public safety measures in this sector and that workers do not obtain their

full rights, in addition to that measures are not taken that reduce from the environmental pollution caused by this industry as it should, and the answers of the respondents were like this, fearing that one of the supervisory authorities will see it.

4.2.2 Analysis of Statements (Competitiveness)

1- **Factors conditions**: Access to efficient and high-quality business inputs, represented in Capital, Human Factor and Skilled Workforce, Knowledge and Information, Raw Materials, infrastructure and Natural Resources.

The table 4.7 below describes the means, standard deviation and variation coefficient of the factor conditions of the stone and marble sector in Hebron, sorted in descending order according to the mean's values.

Table 4.7: The significant differences in all of Factors conditions

	Statement	Mean	Level	Standard Deviation	C. V.
COMP1.10	I believe that economic situations are bad	4.25	Very High	.97	.23
COMP1.8	I believe that the cost of infrastructure is high.	4.20	Very High	.76	.18
COMP1.9	I believe that political situations are bad.	4.18	High	.98	.24
COMP1.5	Information related to the stone and marble industry in Palestine is easily available	3.57	High	.96	.27
COMP1.6	It is possible to provide large quantities of stone with the same quality and color.	3.41	High	.99	.29
COMP1.3	It is easy to access local markets.	3.37	Moderate	.91	.27
COMP1.4	It is easy to access to efficient human resources specialize in the stone industry.	3.35	Moderate	.91	.27
COMP1.7	I think the available infrastructure is acceptable (roads, electricity, water and sewage networks ...)	3.21	Moderate	1.03	.32
COMP1.1	It is easy to receive capital for local industry development	2.85	Moderate	1.21	.42
COMP1.2	It is easy to access and sell global markets	2.67	Moderate	.99	.37
.	**Total**	**3.30**	**Moderate**	**.56**	**.16**

From the table above, it is clear that the total degree Factors conditions is approximately moderate (3.30) with a small variation coefficient of (0.16). The statement I believe that economic situations are bad " has the highest mean (4.25) with smallest C.V of (0.23). However, the statement " It is easy to access and sell global markets" has the smallest mean (2.76) with smallest C.V of (0.37).

The researcher believes that the problem with the factors of production lies in obtaining capital, which is the most important factor for workers in the field of stone and marble

1. Human Resources: There is a need to make more investment in human resources by providing training and advice to people working on technical and administrative issues. Technicians should be aware of effective methods of production and protecting themselves.
2. Physical Resources: The data indicates that Palestine ranks lower in terms of infrastructure availability. Consequently, the Palestinian government needs to modernize public infrastructure (roads, communications, etc.). and the country's political conditions have contributed to the scarcity of natural stone availability due to the occupation's control of large areas and preventing Palestinians from exploiting them and revealing the sources of stone in them. There is also a shortage of modern technology for the stone industry.
3. Knowledge sources: The data show a lack of access to information regarding domestic and international demand and the difficulty of accessing information in general.
4. Sources of Capital: Palestinian companies face difficulties in obtaining capital. Most of the time, family businesses prefer to stay small and bring no outside partner to their business. In addition, many banks may lack knowledge and experience on how to deal with microcredit. However, in terms of capital assets, the low investment rate in Hebron is consistent with the low productivity of Palestinian capital and Palestinian history, relatively high macroeconomic fluctuations, and bureaucratic rules and regulations. Therefore, there is an imperative to encourage investment, facilitate related procedures, and encourage project financing policies.

2- Demand conditions

The table 4.8 below describes the means, standard deviation and variation coefficient of the demand conditions of the stone and marble sector in Hebron, sorted in descending order according to the mean's values.

Table 4.8: The significant differences in all of Demand conditions

	Statement	Mean	Level	Standard Deviation	C. V.
COMP2.3	The reputation of the Palestinian stone quality in the international markets is good.	3.77	High	.87	.23
COMP2.5	Customers demand continuous development and improvement of products.	3.67	High	.98	.27
COMP2.4	Customer awareness of the technical specifications and quality of stone and marble is high	3.40	High	.98	.29
COMP2.1	There is a high demand for local stone in the local market	2.90	Moderate	1.15	.39
COMP2.2	There is a high demand for local stone on the global market	2.87	Moderate	1.05	.36
.	**Total**	**3.32**	**Moderate**	**.79**	**.24**

From the table above, it is clear that the total degree Demand conditions is approximately moderate (3.32) with a small variation coefficient of (0.24). The statement "The reputation of the Palestinian stone quality in the international markets is good." has the highest mean (3.77) with smallest C.V of (0.23). However, the statement " There is a high demand for local stone on the global market " has the smallest mean (2.87) with smallest C.V of (0.36).

The composition of the local demand shapes how firms perceive, interpret, and respond to buyer needs. In Hebron, Most of local firms focus on the largest segment, (i.e. the commercial one). Unfortunately, most of these firms are competing with each other based on low prices through cutting a part of their profit margins. Still, the size of this segment is not large enough so that SMEs might benefit from the concept of economies of scale. Therefore, the Palestinian SMEs need to better understand act, and to be more familiar with the buyers' needs in the local market. In

order to achieve this, there is a need to open communication channels between firms and their buyers.

3- Related and supporting industries and facilities

Table 4.9 below describes the means, standard deviation and variation coefficient of the related and supporting industries and facilities of the stone and marble sector in Hebron, sorted in descending order according to the mean's values.

Table 4.9: The significant differences in all of the related and supporting industries and facilities

	Statement	Mean	Level	Standard Deviation	C. V.
COMP3.1	Personal relationships in selling and purchasing support local industry development.	4.04	Very High	.93	.23
COMP3.8	Are you satisfied with the level of your enterprise cooperation with other enterprises from other sectors (design, marketing and quality inspection)?	3.36	Very High	1.01	.30
COMP3.7	Are you satisfied with the level of your enterprise cooperation with other enterprises from the stone sector?	3.35	High	.94	.28
COMP3.2	There is cooperation from local insurance institutions with stone factories	3.34	Moderate	1.07	.32
COMP3.5	There is cooperation from public institutions (e.g., Hebron Chamber of Commerce, Unions and the municipality).	3.27	Moderate	1.06	.32
COMP3.4	There is a kind of cooperation with local producers of e equipment and devices.	3.19	Moderate	1.00	.31
COMP3.3	There is a kind of cooperation from domestic manufacturers of electronic equipment and devices	3.11	Moderate	.94	.30
COMP3.6	I notice a kind of cooperation from governmental institutions.	2.80	Moderate	1.20	.43
.	**Total**	**3.32**	**Moderate**	**.74**	**.22**

From the table above, it is clear that the total degree Related and supporting industries and facilities is approximately moderate (3.32) with a small variation coefficient of (0.22). The statement "Personal relationships in selling and

purchasing support local industry development." has the highest mean (4.04) with smallest C.V of (0.23). However, the statement " I notice a kind of cooperation from governmental institutions " has the smallest mean (2.80) with smallest C.V of (0.43).

Related industries are those in which firms can coordinate or share activities in the value chain. Creating an efficient network can affect the competitiveness of the companies by increasing their productivity, and deriving the direction and pace of innovation. Working within a network allows the companies to benefit as if they had greater scale or as if they had merged without any need to sacrifice their flexibility.

From the researcher's point of view, the nature of life in the city of Hebron and the power of social relations play an important role in creating relationships in work and trade as well and creating a kind of cooperation between companies, but also the relevant official authorities and insurance companies must create greater cooperation with the stone sector for its development.

4- Firm's strategy, structure and rivalry

The table 4.10 below describes the means, standard deviation and variation coefficient of the firm's strategy, structure and rivalry in the stone and marble sector in Hebron, sorted in descending order according to the mean's values.

Table 4.10: The significant differences in all of Firm's strategy, structure and rivalry

	Statement	Mean	Level	Standard Deviation	C. V.
COMP4.4	The company excels in its products and works to satisfy customers with high-quality products	3.96	High	.65	.16
COMP4.3	You produce products with different quality levels and at varying prices to satisfy all customers	3.95	High	.73	.19
COMP4.5	The company focuses on its production and marketing on a specific market or on customers with common tastes and needs	3.62	High	.84	.23
COMP4.1	Do you think that the current quality of your products can compete in international markets	3.61	High	.93	.26
COMP4.2	Do you think that increasing the	3.39	High	1.11	.33

	quality will be accepted locally even if it means increasing in price				
COMP4.6	Your company can compete with others in price, while maintaining a relatively average quality level.	3.37	High	1.00	.30
.	**Total**	**3.66**	**High**	**.63**	**.17**

From the table above, it is clear that the total degree of firm's strategy, structure and rivalry is approximately high (3.66) with a small variation coefficient of (0.17). The statement "The company excels in its products and works to satisfy customers with high-quality products" has the highest mean (3.96) with the smallest C.V of (0.16). However, the statement " Your company can compete with others in price, while maintaining a relatively average quality level." has the smallest mean (3.37) with the highest C.V of (0.30).

From the researcher's point of view, the large number of local competitors, the limited size of the local market, and the intensification of competition in external markets forced the local factories to adapt to the local demand in terms of price and quality, even if it is at the expense of the profit margins of the factory owners, and this means high competition in the local market.

5- Government role

Table 4.11 below describes the mean, standard deviation and variation coefficient of the government role in the stone and marble sector in Hebron.

Table 4.11: The significant differences in Government role

	Statement	**Mean**	**Level**	**Standard Deviation**	**C. V.**
COMP5.1	The laws, legislations, and policies in force in Palestine have a positive impact on the development of the industry.	3.08	Moderate	1.22	.40

From the table above, it is clear that the statement is approximately moderate (3.08) with a small variation coefficient of (0.40).

Currently, government supports imports more than industry. However, there are no governmental policies to encourage industry in Palestine, and the stone and marble factories have not benefited from the governmental policies which encourage this industry.

6- Available Opportunities

The table 4.12 below describes the mean, standard deviation and variation coefficient of the available opportunities in the stone and marble sector in Hebron.

Table 4.12: The significant differences in Available Opportunities

	Statement	Mean	Level	Standard Deviation	C. V.
COMP6.1	Skilled labor is always available if the company requires new workers.	2.91	Moderate	1.08	.37

From the table above, it is clear that the statement is approximately moderate (2.91) with a small variation coefficient of (0.37).

From the researcher's point of view, skilled labor is not available due to insufficient interest in training and sensitizing workers, and also because of skilled workers going to work in the Israeli market because of their high wages there compared to their wages in Hebron.

Table 4.13 below describes the means, standard deviation and variation coefficient of creating shared value of the stone and marble factories in Hebron

Table 4.13: The means, standard deviation and variation coefficient of the competitiveness of the stone and marble factories in Hebron

	means	Standard deviation	C.V.
Comp1	3.49	.56	.16
Comp2	3.32	.79	.24
Comp3	3.32	.74	.22
Comp 4	3.66	.63	.17
Comp 5	3.08	1.22	.4
Comp 6	2.91	1.08	.37
Comp	3.35	.57	.21

From the table above, it is clear that the total degree of the competitiveness of the stone and marble sector is approximately moderate (3.35) with a moderate variation coefficient of (0.21)**.**

7- Rank the following forces based on their threats to your organization?

(Number 1 represents the most important factor; The number (6) represents the least important factor)

In order to answer the study questions, the research used mean and standard deviation and weight mean in analyzing the questionnaire items related to the study questions.

Rank 1 means high agree and Rank 6 low agree, we compute mean Rank for factors based on their threats to your organization. Whenever the mean ranks lower, This indicates that the option is the more threatening. The items were ranked in descending order according to the acceptance degree, where the rank (1) represents the item that has the highest acceptance degree.

Table 4.14 illustrates the results of means, standard deviations and coefficients of variation in analyzing each item in the field " forces based on their threats to your organization "

Table 4.14: Means and St. deviations for factors based on their threats to your organization

Items	Mean	St. deviation	Rank
Israeli occupation restrictions	2.09	1.525	1
The rivalry of competition between existing firms.	2.13	1.323	2
Threats of having alternative substitutes.	2.34	1.265	3
Threats of having new competitors in the stone and marble sector.	2.35	1.472	4
The degree the customer's control.	2.43	1.047	5
The degree of the supplier's control.	2.63	1.233	6

Table 4.14 shows that participants see The Israeli occupation restrictions as the most important factors based on their threats to your organization , Follow The rivalry of competition between existing firms as the second important in factors based on their threats to your organization, Follow that Threats of having alternative substitutes , Follow that Threats of having new competitors in the stone and marble sector, Follow that that The degree the customer's control, Follow that the degree supplier's control as the least important.

The researcher explains the previous results as follows:

1. Israeli occupation restrictions: The economic agreements between the Palestinian and Israeli sides impose restrictions and obstacles on the export of stone to Israel. The local stone price is relatively high compared to the imported stone due to the high price of electricity and water due to Israel's control of their resources, also the limited local stone resources due to the control of the Israeli side on the C areas, which constitute 67% of the West Bank. In addition to Israeli barriers that make it difficult to transport and export stone and increase its cost, and prevent Israel of the Palestinians from using dynamite to detect stone sources.
2. The rivalry of competition between existing firms: Although there is a relatively moderate industrial growth, competitors pose a threat due to the limited size of the domestic market and that leads to competitors intensity, most of the existing companies compete in the same sector (the commercial sector).
3. The threat of an alternative substitutes: the reasons behind the introduction of new commodities are the local community, poor economic conditions, lack of employment opportunities that forced consumers to buy imported stone and ore at a low price and various assets, meaning that all prices and quality have become available in the local market, especially after Importing Egyptian, Chinese, Turkish and Jordanian stone.
4. The threat of new rivals: economies of scale are an obstacle to new arrivals. Besides, there are government restrictions to establish new companies in Palestine. So from my perspective this factor doesn't threat the stone and marble sector competitiveness largely.
5. Buyers' control: Most companies in Hebron compete in the same commercial sector, and the main buyers of this sector are construction companies and contractors. This means that buyers are completely focused and familiar with the all factories of the stone and marble in Hebron.
6. The supplier's control: the control of the suppliers is limited by the local sources of stone and the difficulty and high cost of extracting the raw stone from the quarries and thus the high price of the raw stone supplied to the stone factories (saws). From my perspective this factor threats the stone and marble sector competitiveness largely more than the threat of new arrivals.

All these factors pose a threat to the competitiveness of the Palestinian stone sector locally and globally.

8- How do you see the size of the competition in the following markets?

Table 4.15: The size of the competition in the following markets (frequency and percent)

	severe n(%)	**weak central n(%)**	**Medium n(%)**	**I do not know n(%)**
Local market	49(48%)	12(11.8%)	39(38.2%)	0
Arab market	26(25.5%)	23(22.5%)	45(44.1%)	4(3.9%)
Israeli market	51(50%)	14(13.7%)	29(28.4%)	5(4.9%)
International market	33(32.4%)	19(18.6%)	25(24.5%)	23(22.5%)

In general, respondents see that competition is intense on the levels: the local, Israeli and international markets, while they see that competition is moderate in the Arab market.

While the researcher believes that the competition is intense at all levels and in all markets, due to the reasons that have been explained previously, such as: the high cost of manufacturing local stone because of the high cost of extraction and transport and the high price of electricity and water, and at the same time provides global products of high quality and acceptable and at a lower price.

4.2.3 Analysis of Statements (Benefits and Results of Clustering)

1- Do you participate in clustering activities of the stone and marble sector?

Table 4.16 and Figure 4.16 shows whether stone factories within the study sample participate in the activities of the stone cluster or not.

Table 4.16: Joining Cluster Activities

Options		**Frequency**	**Percent**
	No	34	33.3
	Yes	67	65.7
	Total	102	100.0

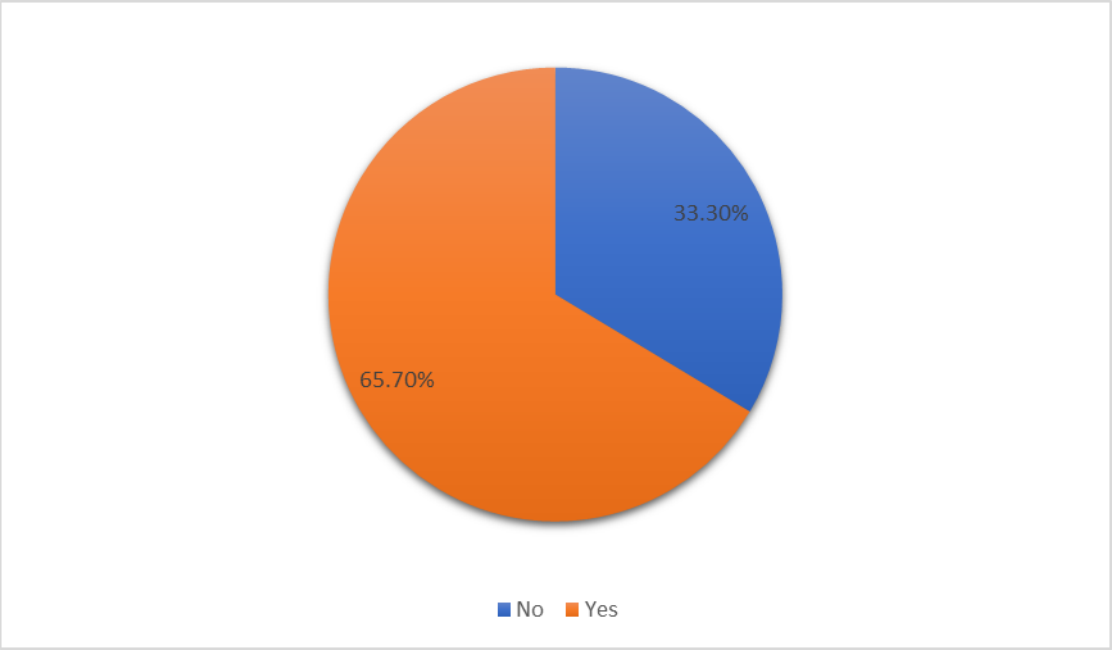

Figure 4.1: Joining Cluster Activities

The results of the above-mentioned table show that most of firms joined cluster activities represented in (65.7%).

A lot of previous studies and literary texts show that the clusters work for sure to improve the competitiveness of companies, but here in this study, a third of the study sample does not participate in the activities of the cluster for a number of reasons and it is considered a high percentage, and this may be due to the misrepresentation of the idea and activities of the cluster, which It is due to the poor management of the cluster and the inability to reach all stone companies and explain the importance of their participation in the activities of the cluster, but all this does not negate the effectiveness of the Cluster in improving the competitiveness of companies.

2- If your answer is No, Why don't you involve?

The table 4.17 below describes reasons of Non-joining in cluster's activities in the stone and marble companies in Hebron (Here the respondent is allowed to choose more than one choice)

Table 4.17: Reasons of Non-joining in cluster's activities

Reason	Frequency	Percent
I do not find any benefit to participate.	29	30.8%
Other reasons	25	26.5%
I prefer to work alone rather than in a cluster	23	24.4%
Because I do not know about cluster's activities.	17	18.1%

The results of the table above show that the most important reason behind not joining cluster's activities "do not find any benefit to participate" which scored(30.8%), followed by "Other reasons' (26.5%), followed by "prefer to work alone rather than in a cluster" (24.4%) , followed by "Because I do not know about cluster's activities" (18.1%).

3- What extent do you think the cluster would help below?

The table 4.18 below describes benefits and results of the stone and marble cluster in Hebron**.**

Table 4.18: Benefits and Results of Clustering

	Statement	Mean	Level	Standard Deviation	C. V.
CLUST17	Improve your ability to develop new products.	3.67	High	.89	.24
CLUST9	Improve the image of the company.	3.66	High	.99	.27
CLUST20	Training and capacity building courses	3.63	High	.94	.26
CLUST4	Facilitate reaching new customers and new markets.	3.61	High	.94	.26
CLUST6	Helps to enter new markets.	3.59	High	.96	.27
CLUST13	Reduce the costs of transactions.	3.57	High	1.05	.29
CLUST19	Increase the competitiveness of the domestic economy.	3.57	High	.79	.22
CLUST3	Facilitate reaching new suppliers.	3.52	High	.89	.25
CLUST14	Reduce costs of raw material transportation.	3.52	High	1.06	.30
CLUST12	Facilitate obtaining productive input.	3.48	High	1.01	.29
CLUST16	Increase market share.	3.45	High	1.05	.30
CLUST11	It helps to increase productivity	3.42	High	.99	.29
CLUST10	It solves problems represented in the lack of resources, research, and development.	3.40	High	.95	.28
CLUST21	Enabling fair and open markets for companies	3.39	Moderate	1.14	.34

CLUST22	Helps in Infrastructure improvement	3.38	Moderate	1.11	.33
CLUST5	Form a defense device against competitors.	3.37	Moderate	1.00	.30
CLUST15	Reduce row materials costs	3.31	Moderate	1.08	.33
CLUST18	Reduce unemployment rates and limit poverty.	3.25	Moderate	1.01	.31
CLUST7	Enable creation at the enterprise.	3.21	Moderate	1.14	.35
CLUST2	Improve the quality of service/product.	3.18	Moderate	1.00	.31
CLUST1	Reduce the cost of the product.	3.13	Moderate	.94	.30
CLUST8	Create job opportunities in the company.	3.09	Moderate	1.17	.38
.	**Total**	**3.43**	**High**	**.70**	**.21**

From the table above, it is clear that the total degree of Benefits and Results of Clustering is approximately **high** (3.43) with a small variation coefficient of (0.21). The statement "Improve your ability to develop new products" has the highest mean (3.67) with smallest C.V of (0.24). However, the statement " Create job opportunities in the company" has the smallest mean (3.09) with the highest C.V of (0.38).

From the abovementioned competitiveness of firms could be further enhanced by building networks and work closely with the relevant and supporting industries and stakeholders such as universities, architects, engineers, shippers, banks and others. The suggested concept of cluster can promote productivity, innovation and competition in many ways, e.g., reduced cost of sharing resources, having a pool of specialized skills, expertise and value-added products. The cluster enhances enterprises' economies such as a skilled workforce, helping to reach global markets, research and development capacity and infrastructure; and thus creates assets such as trust, synergy, collaboration and cooperation, which are all essential for competitiveness.

4.2.4 Confirmatory Factor Analysis:

Using Maximum Likelihood Method of estimation, we first use a CFA (Confirmatory Factor Analysis) on our data to analyze the latent variables and their components for validity.

There are many goodnesses of fit indices that enable to assure the appropriateness of the SEM research model and its components:

- Chi-Square index is the most common index of fit that represents the fit between the implied and the observed covariance matrices, Small p values (e.g. < .05) indicates of a bad fit.
- The CFI (Comparative Fit Index) Compares performance on our suggested model to performance on the baseline or the null model that assumes zero correlation between all observed variables.
- The GFI (Goodness of Fit Index) based on the percentage variance explained (as R-square in Regression).
- The Root Mean Square Error of Approximation (RMSEA) is an index based on residuals matrix which looks at discrepancies between observed and predicted covariances, practical experience indicates that a value of the RMSEA of about .05 or less would indicate a close fit of the model in relation to the degrees of freedom. (AMOS Help, V.24), (Hans Müller, 2003).

4.2.4.1 Confirmatory Factor Analysis of CSV

The following table shows the fitting Indexes of Confirmatory Factor Analysis of CSV.

Table 4.19: Fitting Index of Confirmatory Factor Analysis of CSV

Index	Goodness of Fit Rule	CSV
Chi Square test Significance level	>0.05	0.707
Goodness of Fit (GFI)	>0.9	0.994
Comparative Fit Index (CFI)	>0.9	0.999
Root Mean Square Error of Approximation (RMSEA)	<0.05	0.001
CMIN/DF	<5	0.464

As shown in the table above, the results of CFA indicate an adequate fit, and the CSV variable satisfies the goodness of fit rules. All elements of the CSV latent variable components were statistically significant. The Chi Square= 0.707 > 0.05 , GFI=0.994 > 0.9 (99.4% is the percentage variance explained), CFI=0.999 > 0.9 (99.9% is the CSV of our suggested model compared with the CSV on baseline or the null model that assumes zero correlation between all observed variables), and RMSEA=0.001 < 0.05

(about 0.1% discrepancies between observed and predicted covariance) . CMIN/DF =0.464 <5.

The following figure shows the Confirmatory Factor Analysis diagram of CSV:

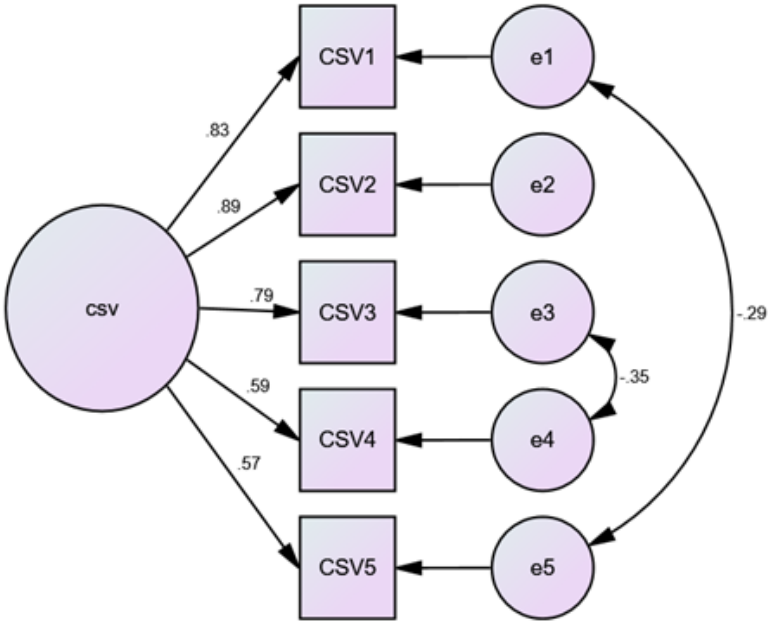

Figure 4.2: Confirmatory Factor Analysis diagram of CSV

4.2.4.2 Confirmatory Factor Analysis of competitiveness

The following table shows the fitting Indexes of Confirmatory Factor Analysis of competitiveness.

Table 4.20: Fitting Index of Confirmatory Factor Analysis of competitiveness

Index	Goodness of Fit Rule	Compet.
Chi Square test Significance level	>0.05	0.212
Goodness of Fit (GFI)	>0.9	0.954
Comparative Fit Index (CFI)	>0.9	0.987
Root Mean Square Error of Approximation (RMSEA)	≤0.05	0.05
CMIN/DF	<5	1.263

As shown in the table above, the results of CFA indicate an adequate fit, and the competitiveness variable satisfies the goodness of fit rules. The Chi Square=0.212 its > 0.05, GFI=0.954 > 0.9 (95.4% is the percentage variance explained), CFI=0.987 > 0.9 (98.7% is the Competitiveness of our suggested model compared with the

Competitiveness on the baseline or the null model that assumes zero correlation between all observed variables), and RMSEA=0.05 ≤ 0.05 (about 5% discrepancies between observed and predicted covariance). And CMIN/DF =1.263 <5.

Where while trying to simulate the observations of the latent variable (competitiveness), all the elements mentioned in the Competitiveness section of the questionnaire were considered, which are the six elements of Porter Diamond (determinants and factors of competitiveness), the Porter six forces of competitiveness and the question of how do you see stone competition in the following markets, which consists of four Paragraphs. all of the total 16. 8 elements remained from 16 elements of the Competitiveness latent variable components (the items deleted were not statistically significant). (comp7.2, comp7.4, comp7.5, comp7.6, comp8.1, comp8.2, comp8.3, comp8.4) has been deleted, because it has not significantly affected.

The following figure shows the confirmatory factor analysis diagram of competitiveness:

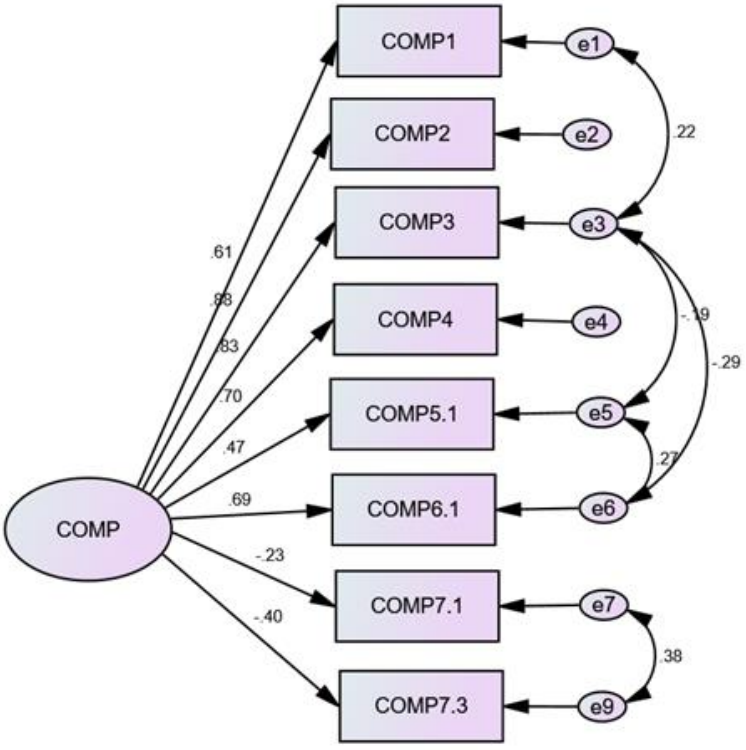

Figure 4.3: Confirmatory Factor Analysis diagram of competitiveness

4.2.4.3 Confirmatory Factor Analysis of Clustering

The following table shows the fitting Indexes of Confirmatory Factor Analysis of clustering.

Table 4.21: Fitting Index of Confirmatory Factor Analysis of Clustering

Index	Goodness of Fit Rule	Clustering
Chi Square test Significance level	>0.05	0.01
Goodness of Fit (GFI)	>0.9	0.930
Comparative Fit Index (CFI)	>0.9	0.949
Root Mean Square Error of Approximation (RMSEA)	<0.05	0.006
CMIN/DF	<5	1.532

As shown in the table above, the results of CFA indicate an adequate fit, and the Clustering variable satisfies the goodness of fit rules. 17 elements remained from 22 elements of the Clustering observation components (the items deleted were not statistically significant). (clust4, clust5, clust7, clust8, clust19) has been deleted, because it has not significantly affected.

The Chi Square= 0.01 (we can ignore one unsatisfying), GFI=0.930 > 0.9 (93.0% is the percentage variance explained), CFI=0.949 > 0.9 (94.9% is the Clustering of our suggested model compared with the Clustering on the baseline or the null model that assumes zero correlation between all observed variables), and RMSEA=0.006< 0.05 (about 0.6% discrepancies between observed and predicted covariance). And CMIN/DF= 1.532 <5.

The following figure shows the confirmatory Factor Analysis diagram of clustering:

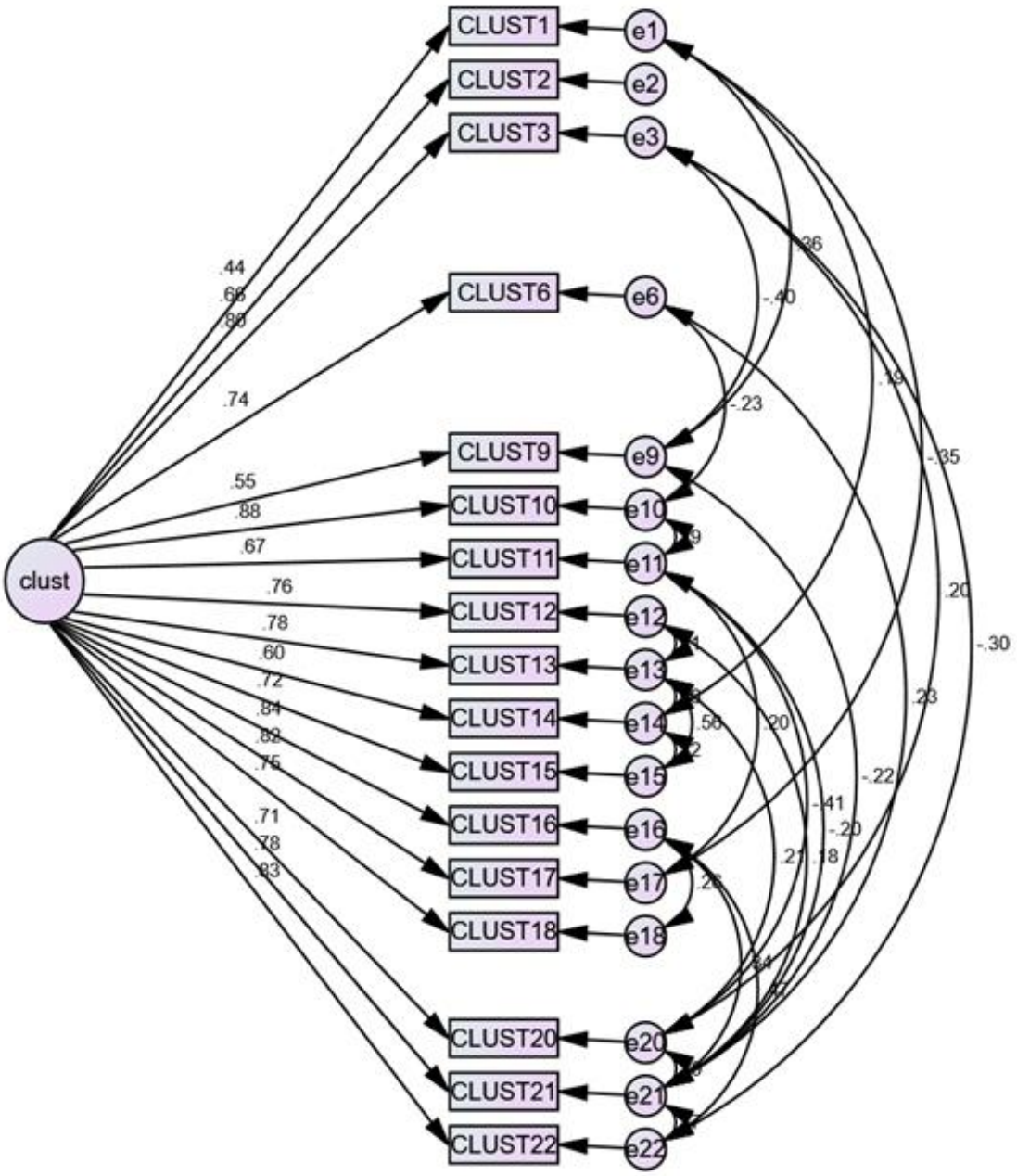

Figure 4.4: Confirmatory Factor Analysis diagram of Clustering

4.2.5 The structural model of analyzing the path

The general pattern of analyzing the path as follows:

As:

Path Analysis Equation:

The general formula of the Path Analysis Equation is:

$$Y_{P+1} = B_{P*P}Y_{P*1} + \Gamma_{P*q}X_{q*1} + \xi_{p*1}$$

Y_{p+1} : Dependent Variables Matrix, p is the number of dependent variables.

B_{p*p} : Direct Effects Matrix of Endogenous Variables.

Γ_{p*q} : Direct Effects Matrix of Exogenous Variables, q is the number of independent variables.

X_{q*1} : Independent Variables Matrix.

ξ_{p*1} : Random Errors Matrix.

The general formula of the suggested Path Analysis Equation of our research will be as the following:

CLUST = αCLUST1* CLUST1+ αCLUST2* CLUST2 + αCLUST3* CLUST3+ αCLUST6* CLUST6 + αCLUST9* CLUST9+ αCLUST10* CLUST10+ αCLUST11* CLUST11+ αCLUST12* CLUST12+ αCLUST13* CLUST13+ αCLUST14* CLUST14+ αCLUST15* CLUST15+ αCLUST16* CLUST16+ αCLUST17* CLUST17 +αCLUST18* CLUST18+ αCLUST20* CLUST20+ αCLUST21* CLUST21+ αCLUST22* CLUST22 +e1

CSV= αCLUST* CLUST+ αCSV1* CSV1+ α CSV2* CSV2+ α CSV3* CSV3+ α CSV4* CSV4+ α CSV5* CSV5 + e2.

COMP = αCLUST* CLUST + αCSV * CSV+ αCOMP1* COMP1 + αCOMP2* COMP2+ αCOMP3* COMP3+ αCOMP4* COMP4+ αCOMP5.1* COMP5.1+ αCOMP6.1* COMP6.1+ αCOMP7.1* COMP7.1+ αCOMP7.3* COMP7.3+e3

Where:

CLUST Benefits and results of clustering

CLUST1 Reduce the cost of the product.

CLUST2 Improve the quality of service/product.

CLUST3 Facilitate reaching new suppliers.

CLUST4 Facilitate reaching new customers and new markets.

CLUST5 Form a defense device against competitors.

CLUST6 Helps to enter new markets.

CLUST7 Enable creation at the enterprise.

CLUST8	Create job opportunities in the company.
CLUST9	Improve the image of the company.
CLUST10	It solves problems represented in the lack of resources, research, and development.
CLUST11	It helps to increase productivity
CLUST12	Facilitate obtaining productive input.
CLUST13	Reduce the costs of transactions.
CLUST14	Reduce costs of raw material transportation.
CLUST15	Reduce row materials costs
CLUST16	Increase market share.
CLUST17	Improve your ability to develop new products.
CLUST18	Reduce unemployment rates and limit poverty.
CLUST20	Training and capacity building courses
CLUST21	Enabling fair and open markets for companies
CLUST22	Helps in Infrastructure improvement
	**********
CSV	Creating shared value CSV
CSV1	Creating economic value
CSV2	For workers: Achieving societal value for workers in the stone and marble sector
CSV3	For customers: Achieving societal value for customers in this sector
CSV4	For the society: Achieving societal value to the surrounding community
CSV5	Creating an environmental value
	**********
COMP	Competitiveness
COMP1	Factors conditions
COMP2	Demand conditions
COMP3	Related and supporting industries and facilities

COMP4	Firm's strategy, structure and rivalry
COMP5.1	Government role
COMP6.1	Available Opportunities
COMP7.1	The rivalry of competition between existing firms.
COMP7.3	The degree of the supplier's control.

All (α's) are the direct effect parameters.

The following guideline table exhibits the goodness of fit rules and the indices results for each main variable of the study.

The Estimated Path Analysis Equation:

Using the previous analysis, the general formula of the suggested estimated Path Analysis Equation of our research will be as follows:

CLUST = 1.01* CLUST1+ 1.57* CLUST2 + 1.84* CLUST3+ 1.85* CLUST6 + 1.57* CLUST9+ 2.06* CLUST10+ 1.66* CLUST11+ 1.93* CLUST12+ 2.04* CLUST13+ 1.73* CLUST14+ 1.84* CLUST15+ 2.19* CLUST16+ 1.98* CLUST17 +1.83* CLUST18+ 1.78* CLUST20+ 2.13* CLUST21+ 2.22* CLUST22

CSV= 0.482* CLUST+ 1.03* CSV1+ 1.005* CSV2+ α 1.134* CSV3+ 0.776* CSV4+ CSV5

COMP = 0.352* CLUST + 0.372 * CSV+ COMP1 + 1.93* COMP2+ 1.80* COMP3+ 1.28* COMP4+1.70* COMP5.1+ 2.26* COMP6.1 -0.991* COMP7.1 -1.52* COMP7.3

The following figure shows the Structural Model of the study (the matrix results from the analysis):

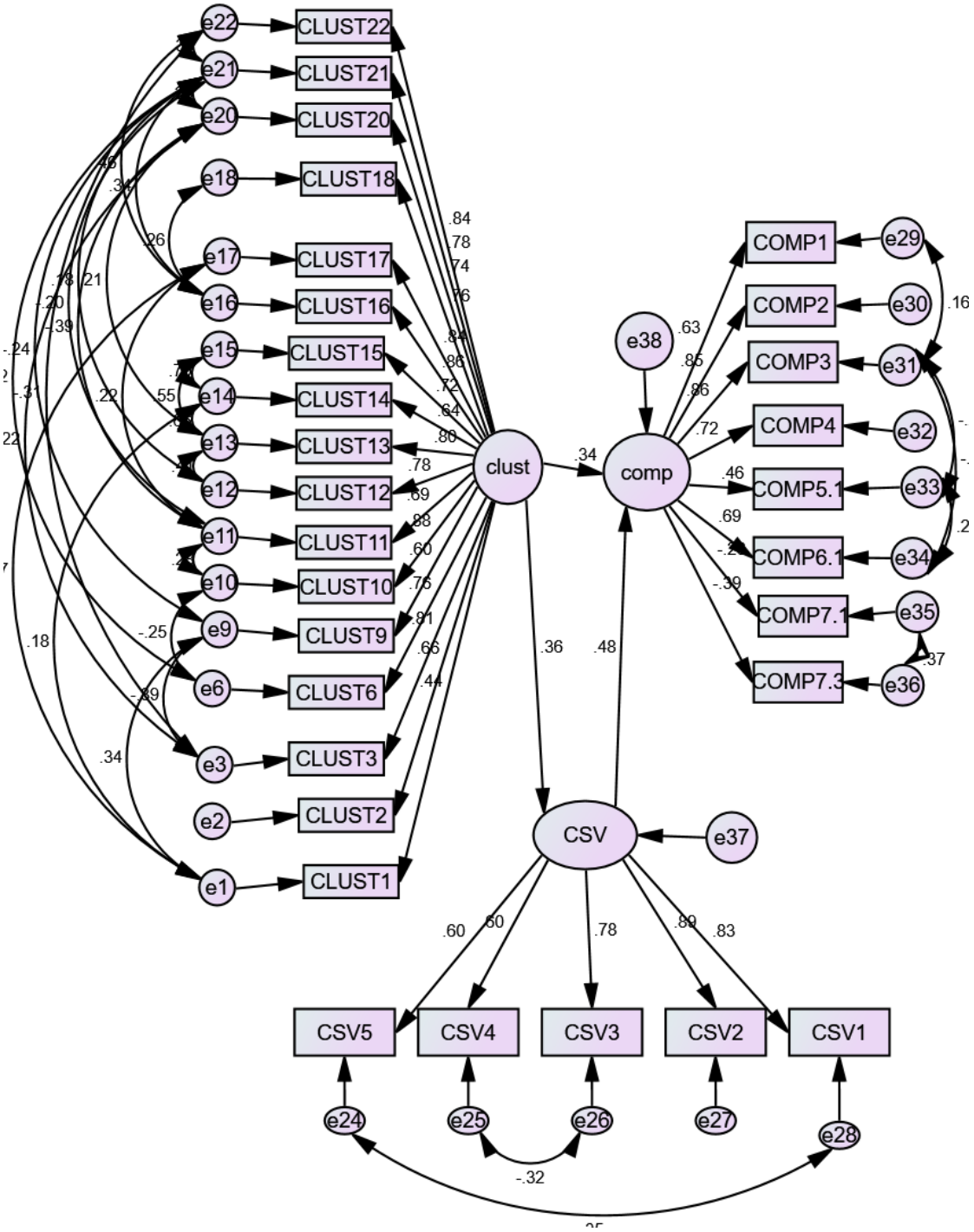

Figure 4.5: Structural Model (the matrix results from the analysis)

The previous figure shows the structural model (the results of the matrix from the analysis), and it turns out that the model is strong, where the results of the study are in

line with the theoretical framework that says that creating shared value through the cluster improves the competitiveness of stone and marble companies in the city of Hebron (the effect of creating shared value on improving competitiveness = 0.36 + 0.48= 0.84) More than if we relied on improving its competitiveness directly through Cluster (its effect only = 0.34)**.**

Whereas the cluster is the (independent variable) through which the shared value (the mediating variable) will be created, and in turn, the creation of the shared value will enhance the competitiveness (the dependent variable).

4.2.6 Path Analysis of Study Hypothesis Test

Path Analysis of Study Hypothesis Test in order to examine the study results, direct and indirect (mediatory) and overall impacts of the variables, Bootstrap Data-Resampling Procedure was adopted since it is considered the most robust statistical tools to check direct, indirect, and overall impacts of variables because it is not affected by the sample size in its estimations. This method considers the largest number of random samples along with constant change where the possibility of choosing any sample is equal in each random selection. (Mallinckrodt, Abraham 2006)

We test the full structural equation model using the Bootstrap data-Resembling Procedure Method for the data, after that, the path analysis in AMOS was performed for hypotheses testing. The researcher presents the overall model fit and the test of each hypothesis.

The research examines the following hypotheses:

H1: Cluster has a significant impact on creating shared value in the Hebron stone and marble sector.

H2: Creating Shared value has a significant impact on improving the competitiveness in the Hebron stone and marble sector.

H3: Cluster has a significant impact on improving the competitiveness in the Hebron stone and marble sector.

H4: Creating shared value is an intermediate variable in the relationship between competitiveness and clustering of the Hebron stone and marble sector.

H5: There is a significant impact on creating a shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering due to (respondent, nature of your enterprise, Enterprise' Location, the total number of employees).

H6: There is a significant impact on creating a shared value strategy in the Hebron stone and marble sector due to (participating in the cluster's activities or not participating in its activities).

H7: There is a significant impact on the competitiveness of the Hebron stone and marble factories due to (participating in the cluster's activities or not participating in its activities).

The following table shows the path analysis results (to examine H1, H2 and H3):

Table 4.22: Parameters estimated for research model

Hypothesis	Path	Standardized Coefficient β	S.E.	C.R.	p-value	result
H1	Clust → Csv	.432	.157	2.755	0.006	Not reject H1 (Alternative)
H2	CSV Comp	.432	.116	3.715	<0.001	Not reject H2 (Alternative)
H3	Clust Comp	.329	.116	2.824	0.005	Not reject H3 (Alternative)

H1: Cluster has a significant impact on Creating shared value strategy in the Hebron stone and marble sector.

The results of the table above show that the clustering influence on competitiveness is significant similar to first hypothesis (H1) (β=0.432, P-value<0.05). Therefore, the conclusion here is to accept H1.

H2: Creating Shared value strategy has a significant impact on improving the competitiveness in the Hebron stone and marble sector.

The results of the table above show that the Creating Shared value influence on competitiveness is significant similar to second hypothesis (H2) (β=0.432, P-value<0.05). Therefore, the conclusion here is to accept H2.

H3: Cluster has a significant impact on improving the competitiveness in the Hebron stone and marble sector.

The results of the table above showed that the Clustering influence on competitiveness is significant similar to third hypothesis (H3) (β=0.329, P-value<0.05). Therefore, the conclusion here is to accept H3.

The next includes the analysis of the direct, indirect, and total impact of Clustering (clust) on competitiveness (Comp) in order to test H4.

H4: Creating shared value is an intermediate variable in the relationship between the competitiveness and clustering of the Hebron stone and marble sector.

Table 4.23: Results of Direct, Indirect, and Total Impact of Research Model

Independent	Dependent	Standardized estimates		
		Direct Coefficient (P-value)	Indirect Coefficient (P-value)	total
Clust	CSV	0.373(0.02)		0.373(0.02)
CSV	Comp	0.498(0.013)		0.498(0.013)
Clust	Comp	0.326 (0.03)	0.379(0.02)	0.705(0.001)

The results in the table above show the direct, indirect, and total impact of Clustering (clust) on competitiveness (Comp). The direct impact of Clustering on competitiveness is 0.326 which is significant, while the indirect impact is 0.379 which is considered as more significant (p-value=0.001<0.05). Since the indirect impact is larger and significant than the direct one, the relationship between Clustering and the competitiveness is fully mediated by the CSV. As a result, this supports the fourth hypothesis (H4).

To examine H5 the researcher uses One Way ANOVA test:

H5: There is a significant impact on creating a shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering due to (respondent, nature of your enterprise, Enterprise' Location, the total number of employees).

Table 4.24: One Way ANOVA and their p-values to respondent

		Sum of squares	**Mean squares**	**Degree of freedom**	**F Test**	**Sig.**
respondent	Between Groups	2.220	3	.740	4.111	.009**
	Within Groups	17.645	98	.180		
	Total	19.865	101			
Legal nature of	Between Groups	.432	3	.144	.726	.539
	Within Groups	19.433	98	.198		

your enterprise	Total	19.865	101			
Enterprise' Location	Between Groups	1.514	2	.757	4.091	.020*
	Within Groups	18.135	98	.185		
	Total	19.650	100			
total number of employees	Between Groups	.925	2	.462	2.417	.094
	Within Groups	18.940	99	.191		
	Total	19.865	101			

*** The mean difference is significant at 0.05 level**
**** The mean difference is significant at 0.01 level**

As shown in the table 2.24 that there is no difference in the statistical significance of creating the shared value strategy to improve the competitiveness of the stone and marble sector in Hebron by clustering due to (the legal nature of the organization, the total number of employees). This indicates that these projects are similar and do not distinguish or differ from one to the other, and there are no differences between them in essence, even if their size and the number of employees in them differ, or whether their legal nature is individual, a joint venture, or a specific responsibility.

Besides, that there are statistically significant differences in creating the shared value strategy to improve the competitiveness of the stone and marble sector in Hebron by clustering due to (the respondent education degree, the institution's location). Where the degree of education affects the ideas of the respondent in terms of accepting new ideas and strategies such as participating in cluster activities, creating shared value and certifying that it improves the competitiveness of the company. Also, the institution's location in terms of its close up to facilities and related agencies may affect the extent of its participation in the activities of the cluster.

To examine H6 and H7 the researcher uses T-test as follow:

H6: There is a significant impact on creating a shared value strategy in the Hebron stone and marble sector due to (participating in the cluster's activities or not participating in its activities).

H7: There is a significant impact on the competitiveness of the Hebron stone and marble factories due to (participating in the cluster's activities or not participating in its activities).

Table 4.25: Independent Sample T-Test and their p-values to (Do you participate in clustering activities of the stone and marble sector?)

		N	Mean	St. Deviation	T Test	Sig.
CSV	YES	67	3.7690	.53858	2.562-	*0.013
	NO	34	3.9782	.29323		
COMP	YES	67	3.4830	.54410	1.223	0.224
	NO	34	3.3395	.58340		

*** The mean difference is significant at 0.05 level**
**** The mean difference is significant at 0.01 level**

Based on the table above, we conclude:

H6: There is a statistically significant difference to create the shared value of the stone and marble sector in Hebron through clustering due to (Do you participate in clustering activities of the stone and marble sector?) favor (No).

The creation of shared value in these factories is caused by forcing the relevant ministries of factory owners to adhere to the standard working conditions and not the activities of the cluster, and for this, it is expected that there will be no differences in the averages between the joint value of the participants in the activities of the cluster and the non-participants, and the differences here in the means are few, and that the stop of Funding of the Cluster project has weakened and reduced its activities.

H7: There is no statistically significant difference to the competitiveness of the stone and marble sector in Hebron through clustering due to (Do you participate in clustering activities of the stone and marble sector?).

The short period of the Cluster Stone project may be insufficient to note the improvement in the competitiveness of the companies participating in its activities, and the companies not participating in its activities may be already large and highly competitive companies, in addition to stopping the financing of the Cluster project from the donor, which weakened and reduced its activities.

In an interview with the Executive Director of the Union of Stone and Marble in Hebron, Dr. Maher Hashish, in which he said that during the implementation period of the Cluster project, which was 4 years, the Cluster did not achieve the desired goals especially the horizontal networking between the stone companies, where the role of the Cluster in the first two years was limited to meetings And brainstorming meetings without actual activities, and in the last two years its activities were normal as the

interests of the cluster focused on the traditional activities that could be carried out by other institutions such as workshops and not activities related to the Cluster such as horizontal networking and opening means of cooperation with other institutions, therefore, this indicates that those responsible for the Cluster project did not have a clear view of the project. From the point of view of Dr. Maher Hshayesh, the cluster did not contribute to enhancing the competitiveness of companies. In addition, the stop of cluster project funding from the donor has weakened its activities and effects.

5 Chapter Five: Summary and Discussion of the Results, Conclusions and Policy Implications

5.1 Summary

In this chapter, the researcher highlights and discusses the main results and conformity with Previous Studies in section 5.1. In addition, conclusions are presented in section 5.2, while the practical and policy implications are introduced in section 5.3. Finally, the research concludes with opportunities for future research and Summary. This chapter provides a broad discussion of the concluding remarks about the research as a whole.

5.1.1 Summary of the study questions

In this section, summary of the results related to study questions are shown.

Q1: How to create a shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering?

The results of the study show that the creation of the shared value through clustering has a role in improving the competitiveness of the stone and marble factories in Hebron and that this is through enhancing the three axes of the shared value together: economic value, societal value and environmental value. The results also show that the companies' attitudes towards creating economic, Sosietal, and invironmental values are high in this sector. In addition, the results also show that the competitiveness of this industry is moderate. The study also shows that 66% of the respondents participate in the activities of Cluster and benefit from their participation in it at a high rate, while 33% of them do not participate.

Therefore, in order to enhance the competitiveness of this sector, we must consider Reinforcement of Diamond Porter factors by creating shared value through Cluster, and enhancing Cluster activities themselves by informing all stone companies about them and explaining the benefit of sharing with them in cooperation with the USM.

Q2: To what extent of creating a shared value strategy can affect the competitiveness in provement through clustering?

The results show that the indirect effect of clusters on competitiveness (that is, with the creation of shared value as an intermediate variable) is higher than the direct effect of clusters on competitiveness..

5.1.2 Summary and discussion of the results related to study hypotheses

All the study hypotheses are discussed here:

H1: Cluster has a significant impact on creating shared value in the Hebron stone and marble sector.

Where the study emphasized the possibility of creating shared value through cluster, and this corresponds to many previous studies, including the study of Alberti, Fernando & Belfanti, Federica (2019) the authors relied on an exploratory and experimental case study, and they succeeded in Creating shared value through a special cluster to achieve sustainable and collaborative innovation in preventing food waste in Italy. As for Darla Dor's study (2018), it has been proven that companies can create a shared value independently and not a condition that is through the cluster, and this does not contradict our study as it can be created as mentioned in the theoretical framework of the study independently or through the cluster, but according to the nature of companies that exist in the Palestinian market in that most of them are small and medium-sized, so creating shared value through the cluster will be more feasible and acceptable, as companies can benefit collectively from economies of scale, or companies may collectively adopt an idea that contributes in creating shared value that cannot Each company adopts it individually or independently. Cluster management can also provide technical support and training courses for workers in this sector, which helps to increase economic and societal value in this sector. Since economic and political conditions are generally bad, it is difficult to convince every business owner (which may be small-sized) of the importance of taking societal and environmental value into consideration during the practice of work activities and their potential to improve economic value, but through cluster activities such as solving problems and improving infrastructure, and also through teamwork, business owners are more motivated by the idea.

H2: Shared value has a significant impact on improving competitiveness in the Hebron stone and marble sector.

The study also confirmed that the shared value has an impact in improving the competitiveness of the stone and marble sector in Hebron, and this is consistent with the results of many previous studies such as Keiko Nishioka, Kiminori Gemba. Keisuke Uenishi & Atsuko Kaga (2018) as the study shows that CSV can become an effective competitive strategy for family businesses and clarifies CSV requirements for generating sources of competitive advantage. In addition, the study (Bednarski, Darren J, 2019) that uses a systematic, quantitative and qualitative approach as my study, and demonstrate that the company's competitive advantage can be enhanced by addressing social issues. Also, the study (Chih-Hsing Liu et al., 2018) that shows that goals of shared value affect competitive advantage. In addition to the study (Keiko Nishioka, et al., 2018) that demonstrate that CSV could become an effective competitive strategy for family businesses. The study (Youn Kue Na and Sungmin Kang, 2018) also shows that shared values in economic business have a significant impact on a distinct competitive advantage. moreover, the study (Benedikt von Liel, 2016) in which the author identifies critical success factors for creating shared value, as a competitive factor.

Creating shared value is a new competitive advantage for the company because it creates an economic value for the company by preserving the environment and solving the problems of the surrounding community, which may be solved by serving disadvantaged communities, for example, which benefits the company and society.

H3: Cluster has a significant impact on improving competitiveness in the Hebron stone and marble sector.

This research also emphasized the positive and direct relationship between work within the cluster approach and improving competitiveness. This hypothesis is accepted and is consistent with the study (Sultan, 2014) and the study (Amro, 2016) on the application of the concept of clustering and its impact on improving competitiveness. Also the study of Daniel M. Quay, Isaac Mensah (2017) concluded that horizontal networking (clusters) and innovation enhance competitive advantage. Likewise, the study (Han-Sheng Lei & Chin-Hua Huang, 2014) concludes that the degree of networking plays an intermediate role between the cluster and competitive advantage. Also, the study (Christian Lechner & Christophe Leyronas, 2011) shows that the corporation's association with a cluster is positively correlated with the company's performance. Likewise (Weilin Zhaoa, et al., 2009) show competitive advantages for industrial

development with significant resources for companies operating within a cluster. A qualitative approach is used.

H4: Creating shared value is an intermediate variable in the relationship between competitiveness and clustering of the Hebron stone and marble sector.

The results have proven that it is correct and the hypothesis has been accepted, that means the creation of the shared value is an intermediate variable to improve the competitiveness of the stone and marble sector in Hebron through the cluster.

H5: There is a significant impact on creating shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering due to (respondent, nature of your enterprise, Enterprise' Location, the total number of employees).

The results of the study show that there is no difference in the statistical significance of establishing a shared value strategy to improve the competitiveness of the stone and marble sector in Hebron by clustering due to (the legal nature of the organization, the total number of employees).

In addition, there are statistically significant differences in establishing a shared value strategy to improve the competitiveness of the stone and marble sector in Hebron by clustering due to (the respondent education degree, the institution’s location).

H6: There is a significant impact on creating a shared value strategy in the Hebron stone and marble sector due to (participating in the cluster's activities or not participating in its activities).

The study shows that there is a statistically significant difference to create the shared value of the stone and marble sector in Hebron by clustering due to (Do you participate in clustering activities of the stone and marble sector?) favor (No), but the differences are very simple and almost negligible**.** And the stop of cluster project funding from the donor has weakened its activities and effects.

H7: There is a significant impact on the competitiveness of the Hebron stone and marble factories due to (participating in the cluster's activities or not participating in its activities).

The results shows that there is no statistically significant difference to the competitiveness of the stone and marble sector in Hebron by clustering due to (Do you participate in clustering activities of the stone and marble sector?).
In addition, the stop of cluster project funding from the donor has weakened its activities and effects.

5.2 Conclusions

The study shows that creating shared value through clustering improves competitiveness significantly and higher than if we were relying on achieving competitiveness through the cluster directly, this is when studying the stone companies ' trends towards creating shared value (noting that we concluded this after using the SEM analysis and deleting the non-significant paragraphs from of the two axes of cluster and competitiveness using the Amos program). At the same time, the study shows that there is no statistically significant difference in the competitiveness of the stone and marble sector in Hebron due to participation in the activities of the cluster or not participating in it, due to the short period Cluster project timelines and the lack of a clear view of the core activities of the group (by applying the Independent Sample T-Test using SPSS program without deleting the non-significant paragraphs). Therefore, we conclude that:

- Ministry of Labor and the Ministry of Health and the other Regulators should continue their inspection visits to stone factories and follow-up on their commitment to occupational safety measures and give workers their rights, and follow procedures to reduce risks and pollution.
- The relevant authorities such as Cluster, Municipalities, Chambers of Commerce and Industry, Union of Stone and Marble, and the Ministry of National Economy should follow up on the disposal of waste from the stone industry (sludge) in healthy ways, to enhance the environmental value, spread awareness and the importance of the environmental dimension among the factory owners.
- The cluster should focus on activities related to increasing competitiveness of companies.
- The Cluster should continue to provide training courses for workers in this sector.
- The Cluster should carry out awareness-raising campaigns for factory owners about the importance of customer satisfaction and marketing in new societies that

products have not reached before, and the importance of marketing in healthy societies.

- The project financing procedures should be facilitated by the Ministry of Economy.
- If the government is pressed by the cluster coordination to ease the procedures and conditions for exporting the stone and tightening the procedures for importing the stone, this increases the demand for the local stone and helps the Palestinian product reach international markets.
- The relevant authorities, under the coordination of the Cluster, should continue to develop the infrastructure.
- The Cluster should adopt a strategy to create the shared value of this sector.
- The cluster should coordinate with industries and services supporting the stone industry to support this industry.
- The cluster should help the business owners to access information, inform them about new technology in this field and help them to market in other markets.
- Factories owners should employ people in this sector who are aware of the importance of strategic management and who invent and adopt creative ideas.
- The cluster must inform all stone companies of their activities and educate them about the benefits expected from participating in them.
- All relevant bodies such as the Union of Stone and Marble and the Chambers of Industry and Trade and the Palestinian Ministry of National Economy must attract a grant from one of the funded bodies to revive the Stone Cluster project and activate its activities to reach the desired results because of its importance in developing this sector and improving its competitiveness.
- here should be a clear vision for those responsible for the Cluster project if its duration is extended to its goals, importance, and effective activities.

5.3 Policy Implications

- If the Ministry of Labor and the Ministry of Health continue their inspection visits to stone factories and follow-up on their commitment to occupational safety measures and give workers their rights, and follow procedures to reduce risks and pollution, this will work to enhance the shared value in stone factories.

- If the relevant authorities such as Cluster, Municipalities, Chambers of Commerce and Industry, Union of Stone and Marble, and the Ministry of National Economy follow up on the disposal of waste from the stone industry (sludge) in healthy ways, this works to enhance the environmental value, spread awareness and the importance of the environmental dimension among the factory owners.
- If the Cluster continues to provide training courses for workers in this sector, this enhances societal and economic value together as developing workers' skills increases their productivity and reduces losses.
- If Cluster carries out awareness-raising campaigns for factory owners about the importance of customer satisfaction and marketing in new societies that products have not reached before, and the importance of marketing in healthy societies, this enhances societal and economic value.
- If the project financing procedures are facilitated by the Ministry of Economy, this will work to develop this sector.
- If the government is pressed by the cluster coordination to ease the procedures and conditions for exporting the stone and tightening the procedures for importing the stone, this increases the demand for the local stone and helps the Palestinian product reach international markets.
- If the relevant authorities, under the coordination of the Cluster, continue to develop the infrastructure, this will encourage investment, including the stone industry, and thus improve its economic value.
- If the Cluster adopts a strategy to create the shared value of this sector, this will inevitably improve its competitiveness.
- If the cluster works to coordinate with industries and services supporting the stone industry, this improves the competitiveness of this sector.
- If the cluster helps the business owners to access information, inform them about new technology in this field and help them to market in other markets, this enhances their economic value.
- The importance of employing people in this sector who are aware of the importance of strategic management and who invent and adopt creative ideas.
- If the relevant bodies such as the Union of Stone and Marble, the Chambers of Industry, Trade, and the Palestinian Ministry of National Economy attract a

grant from one of the funded bodies, the stone Cluster project will activate its activities and will achieve the desired results in developing this sector and improving its competitiveness.

5.4 Future research:

Future research can be conducted in the following areas:

- In the subject of development of clusters in various industries due to its impact on developing and improving the competitiveness of industry.
- On the topic of creating shared value as it is relatively new strrategy and there is a scarcity of research in this field in Palestine in particular and in the Arab region in general.
- About other strategies that improve the competitiveness and sustainability of the stone sector because of its importance in the Palestinian national economy and the decline in this sector.
- Repeat this research in other sectors because of the importance of the results of this study.

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Interview:

An interview was conducted with the Chief Executive Officer of the Stone and Marble Union, Dr. Maher Hashish, and the results of the study were discussed with him.

Appendices

Appendix 1: Arabic questionnaire

جامعة القدس

عمادة الدراسات العليا

معهد التنمية المستدامة

"استبانة"

الأخ الفاضل/الأخت الفاضلة:

تحية طيبة وبعد،

يطيب لي أن أضع بين أيديكم هذه الاستبانة التي تم تصميمها لأغراض البحث العلمي، بهدف جمع المعلومات حيث تقوم الباحثة بإجراء دراسة بعنوان:

" خلق إستراتيجية القيمة المشتركة لتحسين القدرة التنافسية لقطاع الحجر والرخام في الخليل من خلال التجمع العنقودي"

كمتطلب لنيل درجة الماجستير في بناء المؤسسات وتنمية الموارد البشرية، آمل منكم التكرم بتعبئة الاستبانة المرفقة بعد قراءة موضوعية ومتأنية لكل فقرة من الفقرات، ووضع إشارة(✓) في الخانة التي تتوافق مع رأيكم الشخصي، وتعبر عن الواقع الذي تعملون به، علماً بأن اجاباتكم ستكون موضع تقدير، وستحاط بالسرية التامة ولن تستخدم إلا لأغراض البحث العلمي، حيث إن استكمال الإجابة على كافة فقرات الاستبانة والدقة في الإجابة ينعكسان على صحة النتائج التي ستتوصل إليها الدراسة.

شاكرة لكم حسن تعاونكم

وتفضلوا بقبول فائق الاحترام والتقدير

الباحثة: نداء عبد العزيز النتشة

الجزء (I): ملف الشركة

1. **المجيب:** □ المالك □ مدير □ مدير المؤسسة □غير ذلك
2. **هل المؤسسة؟** □ عائلية □ غير عائلية
3. **ما هي الطبيعة القانونية لشركتك؟**

□ فردية □ مشروع مشترك □ مسئولية محددة □ أخرى

4. **موقع المؤسسة:** □ مدينة □ قرية □ المنطقة الصناعية
5. **العدد الإجمالي للموظفين** :.....
6. **عدد سنوات العمل في المنظمة:**

□ أقل من 5 سنوات □ 5-10 سنوات □ 10-15 سنة □ أكثر من 15 سنة

7. **المستوى التعليمي للمستجيب:** □ ابتدائي □ ثانوي □ جامعي

الجزء :(II) خلق القيمة التشاركية

هي سياسات وممارسات الشركة التي تعزز الميزة التنافسية والربحية للشركة وفي نفس الوقت تحسن الظروف المجتمعية والاقتصادية والبيئية في المجتمعات التي تبيع وتدير فيها الشركة. و يتم خلقها في ثلاث أبعاد: الاقتصادي و المجتمعي و البيئي.

يرجى الإجابة على الأسئلة التالية عن طريق وضع علامة (✓) في المربع الصحيح بناءً على وجهة نظرك:

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
خلق القيمة الاقتصادية: يعني خلق القيمة الاقتصادية للشركة نفسها وموظفيها ومورديها وعملائها والمجتمعات التي تعمل فيها والحكومات والمستثمرين. أي من التدخلات التالية برأيك يزيد القيمة الاقتصادية و الى أي درجة؟						
.1	تخفيض تكاليف الإنتاج من خلال الإبداع.					
.2	زيادة الإنتاج بالمنشأة					
.3	زيادة صادرات المنشأة					
.4	زيادة نسبة أرباح المنتجات					
.5	المشاركة في المعارض المحلية والدولية					

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
.6	تصنيع منتجات جديدة					
.7	إضافة خطوط إنتاج جديدة					
.8	استخدام التكنولوجيا الحديثة					
.9	تقليل استهلاك الكهرباء					
.10	تركيب أنظمة الطاقة الشمسية					
.11	تقليل الخسائر بتقليل نسبة المخلفات					
.12	التسويق في المجتمعات المحرومة أو لم يتم الوصول إليها من قبل					
.13	زيادة الحملات الإعلانية					
.14	هناك حاجة لتقليل تكاليف استهلاك المياه					
.15	توظيف العمال المهرة بأجور عالية يقلل من خسائر الشركة ويزيد من أرباحها					
.16	الأجور المرتفعة تجذب العمال المهرة					
.17	العمال المهرة يقللون من النفايات والحوادث ويزيدون الإنتاجية					
.18	الأجور المرتفعة تزيد من إيرادات الشركة والعامل مما يحد من الفقر					
.19	أسعار منتجاتك تلائم جميع الزبائن.					
القيمة المجتمعية: توليد منافع مجتمعية إضافية أو تقليل الخسائر و الأضرار المجتمعية (مثل البطالة والفقر والأمراض وتدابير السلامة وحقوق العمال والضوضاء) لأصحاب المصلحة (العمال والعملاء والمجتمعات)						
للعمال: تحقيق القيمة المجتمعية للعاملين في قطاع الحجر والرخام						
.20	تدريب العاملين يحسن إنتاجيتهم.					
.21	تحقيق رضا العمال					
.22	تحفيز العاملين لديك					

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
.23	توفير تأمين للعمال					
.24	الحفاظ على سلامة العمال					
.25	توفير عوامل الأمان في الآلات والأدوات المستخدمة في العمل.					
.26	توفير خوذة الأمان ، نظارات السلامة ، غطاء للأذنين على الرأس ، حزام أمان ، قفازات بلاستيكية ، أحذية ، تنفسات لتنقية الهواء وملابس واقية للعمال.					
.27	تم تصميم المنشأة وفقًا للمبادئ الهندسية وتراعي الاحتياجات البشرية: الإضاءة والتهوية والمياه ...					
.28	طبيعة العمل في مؤسستك لا تسبب إصابات أو أمراض للعمال.					
.29	ظروف العمل الجيدة تؤثر بشكل إيجابي على إنتاجية العامل					
.30	المساواة في المعاملة بين العمال تزيد من إنتاجيتهم.					
للعملاء: تحقيق القيمة المجتمعية للزبائن في هذا القطاع						
.31	تتطلع شركتك الى الوصول إلى زبون جديد (أسواق جديدة)					
.32	تدرس الشركة دائمًا احتياجات ورغبات الزبائن ورضاهم عن المنتجات.					
.33	تسعى الشركة لإرضاء رغبات الزبائن بسرعة.					
.34	تدرس الشركة شكاوى الزبائن باستمرار وتوفر الحلول المناسبة.					
للمجتمع: تحقيق القيمة المجتمعية للمجتمع المحيط						
.35	هل تعتقد أنه من المربح بالنسبة لك أن تسوق في مجتمعات صحية لا تعاني من الفقر ، على سبيل المثال؟					
.36	إذا كانت الإجابة بنعم ، هل فكرت في المشاركة في حل مشاكل المجتمع مثل الفقر والبطالة؟					
.37	من الضروري توفير فرص عمل للحد من البطالة					
.38	هل تمانع نقل منشأتك إلى منطقة صناعية – مع بنية تحتية مناسبة – لتقليل الإزعاج لمن حولك؟					

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
.39	مساهمتك في ورش العمل التعليمية والتوعوية والتدريبية للمجتمع المحيط تساهم في توفير العمالة الماهرة					
خلق قيمة بيئية: توليد قيمة بيئية إيجابية من خلال منتجات وعمليات الشركة التي تساعد على تقليل التأثير السلبي وزيادة التأثير الإيجابي.						
.40	يتم إعادة استخدام نفايات الحجر في منشآتك ، على سبيل المثال في صنع السلاسل الحجرية ، أو في صنع التحف الحجرية ، أو كبلاط حدائق ...					
.41	يتم إعادة تدوير المخلفات الحجرية في منشأتك ويمكن استخدامها كحصى أو في تصنيع البلاط ...					
.42	يتم إعادة تدوير المسحوق الجاف (الروبة) واستخدامه على سبيل المثال في صناعة الدهانات أو الجبس أو الطباشير أو الخرسانة ...					
.43	يتم معالجة الربو بطرق لا تضر بالبيئة.					
.44	يتم معالجة تلوث الهواء (مثل الغبار) لحماية الجيران والموظفين.					
.45	يتم استخدام التقنيات الحديثة للحد من الضوضاء					
.46	يتم استخدام الآلات والتكنولوجيا الحديثة لقطع وتشكيل ونقش الحجر.					
.47	يتم استخدام الأساليب الحديثة لتوفير استهلاك الكهرباء ، مثل الأنظمة الشمسية					
.48	يتم استخدام الأساليب الحديثة للحفاظ على المياه ، مثل معالجة مياه الصرف الصحي واستخدامها في صناعة الحجر(مثل العصارات والمكابس)					

الجزء :(III) التنافسية

أولاً: في هذا القسم ، يتم تحديد محددات الميزة التنافسية في صناعة الحجر والرخام وفقًا لنموذج الماس ، الذي يتكون من المحددات الوطنية للميزة التنافسية في صناعة معينة: ظروف العوامل ، وظروف الطلب ، والصناعات ذات الصلة والداعمة ، استراتيجية الشركة وهيكلها ومنافستها ودورها الحكومي والفرص المتاحة.

يرجى الإجابة على الأسئلة التالية عن طريق وضع علامة (✓) في المربع الصحيح بناءً على وجهة نظرك

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
شروط العوامل: الوصول إلى مدخلات تجارية فعالة وذات جودة عالية ، ممثلة في رأس المال والعامل البشري والقوى العاملة الماهرة والمعرفة والمعلومات والمواد الخام والبنية التحتية والموارد الطبيعية.						
.1	من السهل الحصول على رأس المال لتطوير الصناعة المحلية					
.2	من السهل الوصول إلى الأسواق العالمية والبيع فيها					
.3	من السهل الوصول إلى الأسواق المحلية.					
.4	من السهل الوصول إلى الموارد البشرية الفعالة المتخصصة في صناعة الحجر.					
.5	تتوفر المعلومات المتعلقة بصناعة الحجر والرخام في فلسطين.					
.6	من الممكن توفير كميات كبيرة من الحجر بنفس الجودة واللون.					
.7	أعتقد أن البنية التحتية المتاحة مقبولة (طرق , كهرباء, شبكات المياه والصرف الصحي..)					
.8	أعتقد أن تكلفة البنية التحتية مرتفعة.					
.9	أعتقد أن الأوضاع السياسية سيئة.					
.10	أعتقد أن الأوضاع الاقتصادية سيئة.					
شروط الطلب: العوامل التي تساعد على خلق ميزات تنافسية من خلال إنتاج منتجات متطورة بجودة عالية ومستويات طلب عالية.						
.11	يوجد طلب عالي على الحجر المحلي في السوق المحلي					
.12	هل أنت راض عن مستوى الطلب العالمي على الرخام والحجر المحلي؟					
.13	إن سمعة جودة الحجر الفلسطيني في الأسواق الدولية جيدة.					
.14	وعي الزبون بالمواصفات الفنية وجودة الحجر والرخام عالي					
.15	يطلب الزبائن التطوير المستمر للمنتجات وتحسينها					
الصناعات والخدمات ذات الصلة والمساندة: تعني الصناعات والخدمات التي تكمل وتدعم الصناعة الحجرية ، ووجود مثل هذه الصناعات ، إلى جانب الصناعة الأساسية ، ستسهل استخدام عوامل إنتاجية مهمة للإبداع. وهي تشمل الخدمات التي تسهل الإبداع وتبادل الأفكار.						

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
.16	العلاقات الشخصية في البيع والشراء تدعم تطوير الصناعة المحلية.					
.17	هناك تعاون من مؤسسات التأمين المحلية مع مصانع الحجر					
.18	يوجد تعاون مع التدريب البحثي ومراكز الاستشارات والجامعات.					
.19	هناك نوع من التعاون من المنتجين المحليين للمعدات والأجهزة الإلكترونية					
.20	هناك تعاون من المؤسسات العامة (مثل غرفة تجارة الخليل والنقابات والبلدية).					
.21	لاحظت نوعا من التعاون من جهة المؤسسات الحكومية.					
.22	هل أنت راضٍ عن مستوى تعاون مؤسستك مع مؤسسات أخرى من قطاع الحجر؟					
.23	هل أنت راضٍ عن مستوى تعاون مؤسستك مع مؤسسات أخرى من قطاعات أخرى (التصميم والتسويق وفحص الجودة)؟					
استراتيجية الشركة وهيكلها ومنافستها: تعني قواعد الشركة التي تشجع على الاستثمار والتنافس والإنتاجية						
.24	هل تعتقد أن الجودة الحالية لمنتجاتك يمكن أن تنافس في الأسواق الدولية					
.25	هل تعتقد أنه سيتم قبول زيادة الجودة محليًا حتى لو كان ذلك يعني زيادة السعر					
.26	شركتك تنتج منتجات بمستويات جودة مختلفة وبأسعار مختلفة لإرضاء جميع العملاء					
.27	تتميز الشركة في منتجاتها وتعمل على إرضاء العملاء بمنتجات عالية الجودة					
.28	تركز الشركة في انتاجها وتسويقها على سوق معين أو على الزبائن ذوي الأذواق والاحتياجات المشتركة					
.29	شركتك تستطيع منافسة الآخرين في الأسعار ، مع الحفاظ على مستوى جودة متوسط نسبيًا.					
دور الحكومة: يؤثر على الشركة بغرض رفع القدرة التنافسية. على سبيل المثال ، التأثير على العرض والطلب من خلال التأثير على عوامل الإنتاج						
.30	تؤثر القوانين والتشريعات والسياسات المعمول بها في فلسطين بشكل إيجابي على تطوير الصناعة.					

#	الفقرة	موافق بشدة	موافق	متوسط	غير موافق	غير موافق بشدة
الفرص المتاحة: يحدث أن عناصر الإنتاج لا يمكن السيطرة عليها ، بالإضافة إلى رغبة الشركات مثل اكتشاف بعض العناصر الطبيعية المهمة لعمليات الإنتاج.						
.31	تتوفر العمالة الماهرة دائمًا في حالة تطلب الشركة عمالًا جددًا.					

ثانيا:

ثانيا: رتب العوامل التالية بناءً على تهديداتها على مؤسستك: الرقم (1) يمثل العامل الأكثر أهمية ؛ الرقم (6) يمثل العامل الأقل أهمية.

#	العبارة	1	2	3	4	5	6
1	**شدة المنافسة ما بين المنافسين الحاليين**						
2	**القوة التفاوضية للزبائن**						
3	**القوة التفاوضية للموردين**						
4	**المخاطر من دخول منافسين جدد**						
5	**المخاطر من وجود خدمات بديلة**						
6	**قيود الاحتلال الإسرائيلي**						

كيف ترى حجم المنافسة في الأسواق التالية؟

1. **السوق المحلية:** ☐ شديدة ☐ متوسطة ☐ضعيفة ☐ لا أدري
2. **الأسواق العربية:** ☐ شديدة ☐ متوسطة ☐ ضعيفة ☐ لا أعرف
3. **السوق الإسرائيلية:** ☐ شديدة ☐ متوسطة ☐ ضعيفة ☐ لا أعرف
4. **الأسواق الدولية:** ☐ شديدة ☐ متوسطة ☐ ضعيفة ☐ لا أعرف

الجزء :(IV) فوائد ونتائج التجمع العنقودي

هل تشارك في أنشطة التجمع العنقودي للحجر والرخام؟ الانضمام إلى أنشطتها؟ ☐ نعم ☐ لا

إذا كانت إجابتك لا ، فلماذا لا تشارك؟ : (يمكنك اختيار أكثر من خيار)

☐ .1 لأنني لا أعرف عن أنشطة المجموعة.

☐ .2 لا أجد أي فائدة للمشاركة.

☐ .3 أفضل العمل بمفردي وليس في مجموعة

☐ .4 أسباب أخرى.....

إذا كانت إجابتك نعم ، الى أي حد برأيك يساعد التجمع العنقودي فيما يلي

#	الفقرة	إلى حد كبير جدا	إلى حد كبير	إلى حد متوسط	إلى حد ما	على الاطلاق
.1	تخفيض تكلفة المنتج.					
.2	تحسين جودة الخدمة / المنتج.					
.3	تسهيل الوصول إلى موردين جدد.					
.4	تسهيل الوصول إلى عملاء جدد وأسواق جديدة.					
.5	تشكل جهاز دفاع ضد المنافسين.					
.6	دخول أسواق جديدة.					
.7	تمكين الابتكار في المؤسسة.					
.8	خلق فرص عمل في المؤسسة.					
.9	تحسين صورة الشركة.					

#	الفقرة	إلى حد كبير جدا	إلى حد كبير	إلى حد متوسط	إلى حد ما	على الاطلاق
.10	حل المشكلات المتمثلة في نقص الموارد والبحث والتطوير.					
.11	يساعد على زيادة الإنتاجية.					
.12	تسهيل الحصول على المدخلات الإنتاجية.					
.13	تخفيض تكاليف المعاملات.					
.14	تخفيض تكاليف نقل المواد الخام					
.15	تخفيض تكاليف المواد الخام					
.16	زيادة حصة الشركة في السوق.					
.17	تحسين قدرتك على تطوير منتجات جديدة.					
.18	تخفيض معدلات البطالة والحد من الفقر.					
.19	زيادة القدرة التنافسية للاقتصاد المحلي.					
.20	عقد دورات تدريبية وبناء القدرات					
.21	تمكين أسواق عادلة ومفتوحة للشركات					
.22	يساعد في تحسين البنية التحتية.					

انتهت الأسئلة

شكرا لحسن تعاونكم

الباحثة: نداء النتشة

Appendix 2: English Questionnaire:

Al-Quds University

Deanship of Graduate Studies

Institute for Sustainable Development

"Questionnaire"

Dear Sir / Madam,

After Greetings**,**

It is my great pleasure to put in your hands this questionnaire, which was designed for the purposes of scientific research, with the aim of collecting information where the researcher conducts a study entitled**:**

" Creating shared value strategy for improving the competitiveness of the Hebron stone and marble sector through clustering"

As a requirement for a master's degree in institution-building and human resources development. I hope you will fill out the attached questionnaire after an objective careful reading for each paragraph, and signal mode (/) in the box means that the question is compatible with your personal opinion, and reflects the reality that you work in. Please note that your answers will be appreciated, completely confidential and will only be used for the scientific research purposes, as the complete answer to all paragraphs of the resolution and accuracy in answer will be reflected on the findings of the study**.**

Thank you for your cooperation

Researcher: Nidaa Abdelaziz Al-Natsheh

Supervisor: Dr. Ibrahim Awad

Part (I): Firm's Profile

1. **The respondent is:** ☐ Owner ☐ manager ☐the director of the enterprise ☐ Other

2. **Is your institution?** ☐ Family ☐ Non-family

3. **What is the legal nature of your enterprise?**

☐Individual ☐ joint venture ☐ limited liability ☐ others.

4. **Enterprise' Location:** ☐City ☐ Village ☐ Industrial Zone

5. **The total number of employees:** …….

6. **The number of years of work in the organization:**

☐Less than 5 years ☐5-10 years ☐10-15 years ☐ More than 15 years

7. **Education Level:** ☐ primary ☐ secondary ☐ university

Part (II): Creating shared value CSV

CSV is the company's policies and practices that enhance the competitive advantage and profitability of the company and at the same time improve the societal, economic and environmental conditions in the societies in which the company sells and manages. And it is created in three dimensions: economic, social and environmental.

Please answer the following questions by ticking (/) in the correct box based on your viewpoint:

#	The statement	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
Creating economic value: Means creating the economic value for the company itself, its employees, suppliers, customers, the communities in which it operates, governments and investors. Which of the following interventions do you think increases the economic value and to what degree?						
1	Reducing production costs through creativity.					
2	Increasing the facility's production					
3	Increase in facility exports					
4	Increase the percentage of product profits					
5	Participation in local and international exhibitions					
6	Participation in local and international exhibitions					
7	Add new product lines					
8	Use of modern technology					
9	Reducing electricity consumption					
10	Solar systems installation					
11	Reducing losses by reducing waste					
12	Marketing in disadvantaged societies or have not been reached before.					
13	Increase advertising campaigns					
14	There is a need to reduce water consumption costs					
15	Hiring skilled workers with high wages reduces the company's losses and increases its profits					
16	High wages attract skilled workers					

#	The statement	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
17	Skilled workers reduce waste and accidents and increase productivity					
18	High wages increase company and worker revenues, and reducing poverty					
19	The prices of your products are suitable for all customers.					
Societal value: generate additional societal benefits or reduce societal losses and damages (such as unemployment, poverty, diseases, safety measures, workers rights and noise) to stakeholders (workers, customers, and communities)						
For workers: Achieving societal value for workers in the stone and marble sector						
20	Staff training improves their productivity					
21	Achieve worker satisfaction					
22	Motivate your workers					
23	Providing workers with insurance					
24	Keep workers safe					
25	Provide safety factors in the machines and tools used in the work.					
26	Providing safety helmet, safety glasses, earmuffs, safety belt, plastic gloves, shoes, air purifiers and protective clothing for workers.					
27	The facility is designed according to engineering principles and takes into account human needs: lighting, ventilation, water					
28	The nature of work in your facility doesn't cause injuries or illnesses for workers.					
29	Good working conditions positively affect worker productivity					
30	Equal treatment for workers increases their productivity.					
For customers: Achieving societal value for customers in this sector						

#	The statement	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
31	Your company is looking to reach a new customer (new markets).					
32	The company always studies the needs and desires of customers and their satisfaction with the products.					
33	The company strives to satisfy customers' desires quickly.					
34	The company studies customer complaints constantly and provides appropriate solutions.					
For the society: Achieving societal value to the surrounding community						
35	Do you think it is more profitable for you to market in healthy societies that do not suffer from poverty, for example?					
37	If yes, Have you thought about participating in solving the community problems such as poverty and unemployment?					
38	It is necessary to provide job opportunities to reduce unemployment.					
39	Do you mind moving your facility to an industrial area - with appropriate infrastructure - to reduce inconvenience to those around you?					
40	Your contribution to educational, awareness and training workshops for the surrounding community contributes to providing skilled workers.					
Creating an environmental value: generating positive environmental value through the company's products and operations that help to reduce the negative impact and to increase the positive impact.						
41	Stone wastes are reused in your facilities, for example in making stone chains, in making stone artifacts, or as gardens tile ...					
42	Stone wastes are recycled in your facility and can be used as gravel or in tiles manufacturing….					
43	Dry powder is recycled and used for example in the manufacture of paints, gypsum, chalk or concrete...					
44	Liquid slurry is treated in ways that do not harm the environment.					

#	The statement	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly Disagree
45	Air pollution (e.g., dust) is treated to protect neighbors and employees					
46	Modern techniques are used to reduce noise					
47	Modern machinery and technology are used to cut, shape and engrave the stone.					
48	Modern methods are used to save electricity consumption, such as solar systems					
49	Modern methods of water conservation, such as wastewater treatment and use in stone industry (such as juicers and presses) are used.					

Part (III): Competitiveness

First: in this section, the determinants of competitive advantage in the stone and marble industry are shown according to the diamond model**,** which consists of the national determinants of competitive advantage in a particular industry: factor conditions, demand conditions, related and supporting industries, firm's strategy, structure and rivalry, Government role and Available Opportunities.

Please answer the following questions by ticking (/) in the correct box based on your viewpoint:

#	The statement	Strongly agree	Agree	In between	Disagree	Strongly Disagree
Factors conditions: Access to efficient and high-quality business inputs, represented in Capital, Human Factor and Skilled Workforce, Knowledge and Information, Raw Materials, infrastructure and Natural Resources.						
1	It is easy to receive capital for local industry development					
2	It is easy to access and sell global markets					
3	It is easy to access local markets.					
4	It is easy to access to efficient human resources specializes in the stone industry.					
5	Information related to the stone and marble industry in Palestine is easily available					
6	It is possible to provide large quantities of stone with the same quality and color.					
7	I think the available infrastructure is acceptable (roads, electricity, water and sewage networks ...)					
8	I believe that the cost of infrastructure is high.					
9	I believe that political situations are bad.					
10	I believe that economic situations are bad					
Demand conditions: factors that help to create competitive features through producing developed products, with high quality and high demand level.						
11	There is a high demand for local stone in the local market					
12	There is a high demand for local stone on the global market					
13	The reputation of the Palestinian stone quality in the international markets is good.					
14	Customer awareness of the technical specifications and quality of stone and marble is high					
15	Customers demand continuous development and improvement of products.					
Related and supporting industries and facilities: means the industries and facilities that complement and support the stone industry, and the existence of such industries, besides the basic one will facilitate using important productive factors of creativity. They include individual and feeding industries that facilitate creativity and exchange of thoughts and ideas.						

#	The statement	Strongly agree	Agree	In between	Disagree	Strongly Disagree
16	Personal relationships in selling and purchasing support local industry development.					
17	There is cooperation from local insurance institutions with stone factories					
18	There is a kind of cooperation from domestic manufacturers of electronic equipment and devices					
19	There is a kind of cooperation with local producers of e equipment and devices.					
20	There is cooperation from public institutions (e.g., Hebron Chamber of Commerce, Unions and the municipality).					
21	I notice a kind of cooperation from governmental institutions.					
22	Are you satisfied with the level of your enterprise cooperation with other enterprises from the stone sector?					
23	Are you satisfied with the level of your enterprise cooperation with other enterprises from other sectors (design, marketing and quality inspection)?					
Firm's strategy, structure and rivalry: Firm's rules that encourage investment, rivarly and productivity						
24	Do you think that the current quality of your products can compete in international markets					
25	Do you think that increasing the quality will be accepted locally even if it means increasing in price					
27	You produce products with different quality levels and at varying prices to satisfy all customers					
	The company excels in its products and works to satisfy customers with high-quality products					
	The company focuses on its production and marketing on a specific market or on customers with common tastes and needs					
	Your company can compete with others in price, while maintaining a relatively average quality level.					
Government role and: It affects the company for the purpose of raising the competitiveness. For example, the effect on offer and demand through affecting production factors						
30	The laws, legislations, and policies in force in Palestine have a positive impact on the development of industry.					
Available Opportunities: It occurs production elements are incontrollable, in addition to the companies' desire such as, discovering some natural elements important for production						

#	The statement	Strongly agree	Agree	In between	Disagree	Strongly Disagree
processes.						
31	Skilled labor is always available if the company requires new workers.					

Second:
Second: Rank the following factors based on their threats to your organization: Number 1 represents the most important factor; The number (6) represents the least important factor

#	Statement	1	2	3	4	5	6
1	The rivalry of competition between existing firms.						
2	The degree the customer's control.						
3	The degree of the supplier's control.						
4	Threats of having alternative substitutes.						
5	Threats of having new competitors in the stone and marble sector.						
6	Israeli occupation restrictions						

How do you see the size of the competition in the following markets?

1. **Local market**: ☐ severe ☐ weak central ☐ Medium ☐ I do not know
2. **Arab markets**: ☐ severe ☐ weak central ☐ Medium ☐ I do not know
3. **Israeli market**: ☐ severe ☐ weak central ☐ Medium ☐ I do not know
4. **International markets**: ☐ severe ☐ weak central ☐ Medium ☐ I do not know

Part (IV): Benefits and results of clustering

A. Do you participate in clustering activities of the stone and marble

sector? join in its activities? ☐ Yes ☐ No

If your answer is No, Why don't you involve? : (*you can choose more than one choice*)

1. ☐ Because I do not know about cluster's activities.

2. ☐ I do not find any benefit to participate.

3. ☐ I prefer to work alone rather than in a cluster

4. ☐Other reasons……

If your answer is yes, to what extent do you think the cluster cluster would help below?

#	The statement	to a large extent	to a quite large extent	to some extent	to a small extent	not at all
1	Reduce the cost of the product.					
2	Improve the quality of service/product.					
3	Facilitate reaching new suppliers.					
4	Facilitate reaching new customers and new markets.					
5	Form a defense device against competitors.					
6	Helps to enter new markets.					
7	Enable creation at the enterprise.					
8	Create job opportunities in the company.					
9	Improve the image of the company.					

#	The statement	to a large extent	to a quite large extent	to some extent	to a small extent	not at all
10	It solves problems represented in the lack of resources, research, and development.					
11	It helps to increase productivity					
12	Facilitate obtaining productive input.					
13	Reduce the costs of transactions.					
14	Reduce costs of raw material transportation.					
15	Reduce row materials costs					
16	Increase market share.					
17	Improve your ability to develop new products.					
18	Reduce unemployment rates and limit poverty.					
19	Increase the competitiveness of the domestic economy.					
20	Training and capacity building courses					
21	Enabling fair and open markets for companies					
22	Helps in Infrastructure improvement					

End of Questionnaire

Thank you for your cooperation

Researcher: Nidaa Abdelaziz Al-Natsheh

ppendix 3: Arbitrators Names

No.	Name	Position	Phone	Email
1	Dr. Ibrahim M. Awad.	PhD. Assoc. Prof. of Business Economics and Econometrics- Director of Al-Quds Institute for Competitiveness and Strategy	0599707737	iawad00@googlemail.com
2	Dr. Maher Hshayesh	The Chief Executive Officer (CEO) of The Union of the Stone and Marble Industry (USM)	0599676001	maher@usm-pal.ps
3	Dr. Ahmed Haneyye	Associate professor Mechanical and Mechatronics Engineering Department Birzeit University	02 2982115	Ahanieh@birzeit.edu

Appendix 4: The total population: includes the stone and marble factories in Hebron city regestred in the stone and marble union

الرقم	اسم مصنع الحجر(المنشار)	اسم المالك	الهاتف
1	شركة الادهم للحجارة والرخام	مروان عبد السلام عبد القادر العجلوني	0599229495
2	شركة اللؤلؤة للحجارة والرخام	ماهر الرجبي	0599337488
3	شركة جير وسالم ماربل أندستونز للاستثمار	محمد محمود الشرباتي "محمد ماجد"	0599394480
4	شركة التوكل على الله	راتب وجوادعبد المعطي ابو قويدر	0599478657
5	شركة الشرق الاوسط	رياض حسن يوسف غيث	0598870575
6	شركة الحجر الابيض للتجارة	خضر عبد المغني الطويل	0599253180
7	شركة الانوار لتصنيع الحجارة والرخام	محمد اسماعيل علي المناصرة	0599245503
8	المعمل الفني للرخام	محمد الاطرش	0599242067
9	منشار فايز غيث	فايز غيث	0598544013
10	شركة زهرة المدائن	عنتر سيف الدين رشاد غيث	0598906737
11	الوفاء للرخام	جمال ومحي شفيق السلايمة	0599103975
12	شركة سكافي وابو زينة	الحاج عبد أبو زينة	0599555583
13	شركة البندقية للحجارة الذهبية والرخام	جبريل جميل حامد الرجبي	0599678521
14	شركة اليوبيل للحجارة والرخام	رائد زكريا مصطفى ادريس	0598777780
15	مصنع بركات للحجارة والشايش	بركات عطية الاطرش	0599676868
16	شركة القصور للحجارة والرخام	غالب نعمان أبو قويدر	0599379134
17	مصنع أبو حمدية	محمد خليل أبو حمدية	0595970000
18	النسيم للرخام والجرانيت	نسيم الاطرش	0599875094
19	شركة العنان للحجر والرخام	الحاج عبد الصمد سليمان الأطرش	
20	شركة الشرباتي الحديثة للرخام والحجارة	عبد الله محمد محمود الشرباتي	599676897
21	شركة الصاحب التميمي الصناعية التجارية	يوسف الصاحب	0599844544
22	شركة التوفيق للرخام	نعمان عمران شبانة	0569924925
23	شركة عبد الرحمن للحجارة والرخام	اكرم محمد عبد الجلال ابو اسنينة	0599314700
24	شراكة نايف أبو قويدر	نايف أبو قويدر	0597346482
25	شركة الانشاءات	عمر حسين أبو شرخ	0599555734
26	الحاج ابراهيم الرجبي	برهان ابراهيم الرجبي	0599991161
27	منشار عبد المعز محمود الجمل	عبد المعز محمود الجمل	0599798926
28	شركة خليل الرحمن للرخام	راشد دعنا	0599188629
29	شركة الاطياف للحجارة والرخام	نافذ ادريس	0599478907
30	مصنع عبد المهدي برقان للحجارة والرخام	عبد المهدي برقان	0599374861
31	شركة البتراء لصناعة البلاط والطوب والحجارة	هاني محمد "محمد يحيى" غيث	0599297662
32	شراكة محمد شفيق غيث	محمد شفيق غيث	0598921048
33	شراكة فواز غيث	فواز غيث	0598514391
34	منشار جابر للرخام	سليمان عمر جابر	0599399651

35	شركة الوفاء للرخام	سامح أبو حمدية	0599379955
36	شركة جابر وإمام للحجارة والرخام	بلال جابر	0598890000
37	شركة خليلة للحجارة والرخام	عماد ادريس	0599375407
38	شركة الحرمين للحجر والرخام	عز العجلوني	0598150095
39	شركة الحماية للرخام والحجارة	برهوم طلال الرجبي	0599665058
40	شركة مصنع الفحص للرخام	شحدة مناصرة	0599873540
41	شركة الدراويش	يحيى الرجبي	599254557
42	شركة منابع الصخور	محمد فايز عبد اللطيف رجبي و فايز عبداللطيف عبدالجليل رجبي	599552866
43	شراكة بيسان للرخام	فلاح سالم جابر	599675735
44	شركة وايلد كات للحجارة والرخام	هايل محمد عبد أبو حمدية	599348171
45	شركة أبو جهاد للحجارة والرخام	ايوب حافظ غيث	599319312
46	شركة أبو حمدية للرخام	اسماعيل أبو حمدية	599377972
47	شركة محاجر الوطن للحجارة والرخام	مازن محمد عزا ت سليم غيث	598273458
48	شركة الأخوة و المحبة	ادريس جابر	599011270
49	الياقوت للحجارة والرخام	حميدان جابر	599675733
50	شركة دنيا للحجارة والرخام	عبد المطلب العجلوني	599656977
51	شراكة عصام ونضال الرجبي	بلال الرجبي	599765778
52	شركة الصحابة	باسم الرجبي وبلال أبو قويدر	599766477
53	شركة المقدس للحجارة والرخام	احمد محمد يوسف غيث	599260621
54	منشار فارس عبدالحميد غيث	فارس عبدالحميد غيث	599593827
55	شركة الاعمار للحجارة والرخام	كمال ابو شرخ	568247505
56	شركة الحاج خميس جابر	الحاج خميس جابر	599989575
57	شركة الاطرش للحجر والرخام	أيمن وجابر الأطرش	599350812
58	شركة النخيل	جبرين ابراهيم عبدالحليم ابو داود	599377006
59	شركة النهضة	عصام القواسمي	599831551
60	مصنع الخليل للحجارة والرخام	محمد حازم ادريس	598585623
61	شركة العودة للحجارة والرخام	محمد عودة غيث	598932958
62	شركة البدوي	ماهر فيصل بدوي	598939218
63	شركة منشار التقوى للحجارة والرخام	خلف رضوان جابر	599824434
64	شركة ابو العاص وابو غالب للحجارة والرخام	فايز شفيق ابو حمدية	599378952
65	شركة العلامين للحجارة والرخام	هاني حسين حمودة أبو قويدر	599999806
66	شركة الاصالة للحجارة والرخام	راجح العجلوني	599962124
67	شركة الجمل للرخام	محمد الجمل	599593815
68	شركة اجنادين للحجارة والرخام	محمد جمال محمد بنات	599209070
69	شركة الرواد	نافذ الفاخوري	599303300
70	العصر الجديد للحجارة والرخام	عبد الفتاح الرجبي	599277570

71	شركة الشهامة للحجارة والرخام	الحاج زياد الرجبي	599340613
72	شركة الوحيد	بسام الرجبي	599678527
73	شركة الهديل للحجارة والرخام	فضل الله عبد ربه فياض الاطرش	599939395
74	شركة الودود	اسماعيل غيث	599538964
75	نصار غيث(شركة النجاح للحجارة والرخام)	غاندي نصار غيث	597299293
76	شركة البراء للحجارة والرخام	أحمد شحدة سليمان زين	599203101
77	شركة الرضا للحجارة والرخام	ناصر الجمل	599898645
78	شركة العلا للمناشير والمحاجر	حلمي الاطرش	524800030
79	شركة سوفت ستونز للحجارة والشايش	أشرف غيث	595333338
80	شركة ابو لافي للشايش والرخام	لافي غيث	599361906
81	شركة الأقصى	زايد البكري	599705761
82	شركة المعتصم	فواز الرجبي	599264150
83	شركة البياريق	جهاد شعيب عطا السلايمة	599098227
84	شركة الشام للرخام	عوني الرجبي	599439463
85	شركة غيث إخوان	رسمي غيث	599552358
86	شركة الاسراء للرخام م .خ .م	عماد عصام جابر	599365085
87	شركة العلالي للحجارة والرخام	تامر حلمي الأطرش	599828986
88	شركة الرضوان للمقالع والرخام	رضوان الرجبي	599365782
89	شركة الوسام للحجارة والرخام	ابراهيم أسامة محمد الخضور	0599926535
90	شركة الثريا للرخام والجرانيت م.خ.م	عمار اعسيله	0598416131
91	شركة التجديد للمناشير والمحاجر والاستثمار	سعدي عبد الحميد جابر	0598878990
92	شركة الرافدين للحجارة والرخام		0599291950
93	شركة مناصرة للرخام والجرانيت	صابر خليل محمود موسى	0597860120
94	شركة سنابل للرخام	عزت محمود محمد خضور	0592374640
95	شركة السلطان للحجارة والرخام	غالب حسين ثلجي جرادات	0595478467
96	شركة آرك ستوتز	خلدون القاضي	0509140606
97	شركة العين للحجارة والرخام	جمال نصار الوراسنة	0599514865
98	منشار عايد عبد الفتاح الشلالدة	عايد عبد الفتاح الشلالدة	0595129702
99	شركة الأمراء للرخام	عبد الفتاح جرادات	0599292656
100	شركة الدار للحجر والرخام	محمد علي خليل المشني	0599849551
101	شراكة التوحيد للحجارة والرخام	صفوان عبد الرؤوف القواسمة	0599872786
102	شركة العويضات للرخام	علي محمد عويضات	0599838428
103	منشار اسامة احمد الشلالدة	اسامة احمد الشلالدة	0598582662
104	منشار محمد حسين خليل الطروة	محمد حسين خليل الطروة	0599660483
105	منشار محمد سالم الطروة	ناصر محمد سالم الطروة	0598529452
106	شركة صافي لحجر البناء و الرخام	اسماعيل محمد جبر وراسنة	0599275493
107	شركة سبأ للرخام و الجرانيت	سامي وراسنة	0599678282

108	شركة ابو سامح للحجارة والرخام	ربحي محمد جبر وراسنة	0599734029
109	منشار محمد خليل الطروة	عصام محمد خليل الطروة	0598423338
110	معمل السلام للرخام	عماد ابو ارميثاث	0599296621
111	شركة عبر البحار للحجارة و الرخام	اسامة ابراهيم الحلايقة	0599209000
112	منشار العودة	هيثم فائق ابو عياش	0595874229
113	منشار يوسف خليل الطروة	فارس يوسف الطروة	0597469813
114	شركة الاخوة للرخام	سمير الطروة	0599354246
115	حاتم أبو عيشة	حاتم أبو عيشة	0599998858
116	منشار جميل حسن الطروة	جميل حسن خليل الطروة	0599814629
117	شركة دار الكرامة للحجارة و الرخام	عبد العزيز جبرين كرمه	050402022
118	علاء فايز سالم الطروة	علاء فايز سالم الطروة	0599483351
119	شركة اياد واخوانه	اياد سعد الطروة و فؤاد الطروة و اخوانه	0598135141
120	شركة جرانيت النورين للرخام	عمر محمد فطافطة	0599674499
121	مناشر الحسنات للرخام	خالد محمد حرب الحسنات	0597699490
122	منشار النماء	يونس الطروة	0599660973
123	شركة التنمية للرخام	عيد محمد يوسف الحلايقة	0599849700
124	شركة البدائع للحجارة و الرخام	نعيم ثوابتة	0599878277
125	شراكة المصنوعات الحجرية	كامل نايف كامل الخليل	0599428600
126	شركة بابل لتصنيع الحجارة	اسماعيل محمد عبد المهدي حلايقة	0568764576
127	شركة العويوي لتجارة و صناعة الحجر و الرخام	عادل العويوي	0599708526
128	الشركة المميزة للشايش و الرخام	شحدة محمود منصور مناصرة	0599873540
129	شركة الحلايقة للاستثمار	محمد عيسى الحلايقة	0598355559
130	شركة النامية للحجارة والرخام	الحاج نظمي العيايدة	0598522973
131	شركة طرادكو للحجر و الرخام	رضوان علي محمود الخضور	0599522928
132	شركة البهاء للحجر والرخام	عيسى رمضان الحلايقة	0599281604
133	شركة الشعاع للحجارة و الرخام	ابراهيم عودة حلايقة	0599296014
134	شركة البادية للرخام	مجاهد كامل حلايقة	
135	شركة رجبي و خضور للحجارة و الرخام	يونس الرجبي	0599254545
136	شركة مناوس للتجاره العامه و الاستثمار الشايش و الرخام	خالد علي قاسم موسى	599829014
137	شركة العربية الاسلامية للرخام	عبد الكريم حلايقة	0599292457
138	شركة التنمية للرخام و التعهدات العامة	زايد عودة الحلايقة	0599795470
139	شركة الاستقامة للحجر و الرخام	احمد بدر رباح ابو رمية	0599828183
140	منشار يوسف موسى عطيات	يوسف موسى عطيات	0598621334
141	شركة المصبح الاستثمارية العقارية	نسيم محمود عبد الفتاح طردة	0599672766
142	منشار الصحراوي للحجارة	محمد عبد الحليم غيث	0599818913

143	شركة الوسيم للحجارة و الرخام	خالد اسماعيل ابو حميد	0599965074
144	نادر الشلوده	نادر محمد عطا الشلوده	0568302055
145	شركة المعبر للحجر و الرخام	احمد محمود ابو رعية	0598079089
146	شركة محمد نصار للشايش	محمد موسى نصار حريزات	0597619685
147	شركة النخبة للحجارة و الرخام	وليد ربحي الشواهين	0597340453
148	شركة اطفيحة للرخام	عبدالله محمود الحوامدة+شفيق ابراهيم الحوامدة	0599977705
149	شركة الازدهار للحجارة و الرخام	صلاح موسى حريزات	0599375081
150	شركة العربد للاستثمار و المقاولات	موسى عربد	0599245786
151	شركة التعاون للرخام	احمد موسى محمد حريزات	0597248000
152	شراكة مسلم عبدالله المحاريق	مسلم عبدالله المحاريق+امجد مسلم المحاريق	0599291342
153	شركة اقصى الجنوب للحجر و الرخام	امجد مسلم المحاريق	0599291342
154	شركة النبيل	نعيم عمرو حوامدة	
155	شركة الحوامدة للحجارة و الرخام	عبد المنعم الحوامدة	
156	منشار دعنا للحجارة و الرخام	نصري محمد علي دعنا	0599554714
157	مصنع خليل سالم خليل الدرابيع	خليل سالم خليل الدرابيع	0599250041
158	شركة الراشدون للرخام	محمد محمود محمد رشيد	0599310050
159	شركة صمود2000 للحجارة و الرخام	خالد موسى نصار حريزات	0505686714
160	الشركة الرائدة العربية للحجارة و الرخام	محمد احمد سلمان دعابدة(عربد)	0569211883
161	شركة الشواهين	ربحي الشواهين	0505350978
162	شركة التقدم للحجارة و الرخام	عمر ابراهيم عبدالله الزعارير	0599268717
163	شركة السعد للرخام و الاستثمار	محمود محمد حمد الرواشدة	0522862215
164	الطريق الى الحجر	خليل فرهود جبر ابو القيعان	0597849553
165	شركة نعمان ابو عواد	نعمان ابو عواد	0522351678
166	شركة زياد و محمد المحاريق	زياد محمد المحاريق	0599822204
167	شركة الدغامين للرخام المساهمة الخصوصية المحدودة	عمر & عامر عبدالله دغامين	0598881288
168	شركة اللهالية للحجارة و الرخام	غاندي روحي محمد اللهالية	0597995670
169	منشار عبد الحليم اللهاليه	عبد الحكيم محمد عبد الحليم اللهاليه	0569869856
170	منشار زياد حمدان الشلالدة	زياد حمدان الشلالدة	0598241961
171	منشار نادر جبريل الشلالدة	نادر جبريل الشلالدة	0599551447
172	منشار رزق جابر الشلالدة	زيد رزق جابر الشلالدة	0599295180
173	شركة النبعة الجديدة للحجر و الرخام	ناجح الجعبري	0599218001
174	شركة طافش الخمايسة للمقالع و النشر	محمد حلايقة	0598966374
175	شركة الزعيم للحجارة و الرخام	محمد علي الحلايقة	0599204730

الملخص

تهدف هذه الدراسة إلى خلق استراتيجية القيمة التشاركية لتعزيز القدرة التنافسية لقطاع الحجر والرخام في الخليل من خلال التجمع العنقودي للحجر والرخام. لتحقيق هذا الهدف ، تم استخدام المنهج الوصفي التحليلي والتجريبي. يتكون مجتمع الدراسة من مصانع الحجر (المناشير) المسجلة في اتحاد الحجر والرخام, وعددها 175 مصنعا. وقد بلغ حجم عينة الدراسة 125 مصنعاً تم استرجاع 102 منها فقط. تم إعداد استبيان كأداة أولية للحصول على البيانات اللازمة لهذه الدراسة ، وتم جمع البيانات ومعالجتها إحصائياً باستخدام برنامج SPSS وبرنامج AMOS لنمذجة المعادلة الهيكلية SEM . وقد توصلت الدراسة إلى عدة نتائج أهمها: يمكن إنشاء القيمة التشاركية من خلال التجمع العنقودي للحجر والرخام في مدينة الخليل . و أن خلق القيمة التشاركية يحسن القدرة التنافسية لقطاع الحجر والرخام أكثر مما لو اعتمدنا على تعزيز قدرته التنافسية من خلال التجمع العنقودي بشكل مباشر ، مما يعني أن إنشاء القيمة التشاركية هو متغير وسيط لتحسين القدرة التنافسية, و هذا يدل على أن نموذج الدراسة الذي اقترحته الباحثة قوي وصحيح . حيث أظهرت الدراسة أن توجهات أصحاب المصانع نحو خلق القيمة التشاركية عالية , وأن قدرة هذه المصانع على المنافسة متوسطة ، وأن 66٪ من المستجيبين يشاركون فقط في أنشطة التجمع العنقودي ويرون أنهم يستفيدون من أنشطة التجمع بطريقة عالية ، وأن 33٪ من المستجيبين لا يشاركون في أنشطة التجمع العنقودي, ويعزو غالبية الذين لا يشاركون ذلك الى عدم استفادتهم من المشاركة في تلك الأنشطة. كما تظهر الدراسة أنه لا توجد فروق في الدلالة الإحصائية لإنشاء استراتيجية القيمة التشاركية لتحسين القدرة التنافسية في قطاع الحجر والرخام في الخليل من خلال التجمع العنقودي تعزى إلى (الطبيعة القانونية للمنظمة ، إجمالي عدد الموظفين) ، في حين توجد فروق ذات دلالة إحصائية في إنشاء استراتيجية القيمة التشاركية لتحسين القدرة التنافسية لقطاع الحجر والرخام في الخليل من خلال التجمع العنقودي تعزى إلى (درجة تعليم المبحوث وموقع المؤسسة).

و نظرا لأهمية تطوير الاقتصاد الوطني الفلسطيني ، أوصت الدراسة بضرورة تعزيز عوامل ماسية بورتر للتنافسية، عن طريق إنشاء استراتيجية القيمة التشاركية بأبعادها الثلاثة, من خلال التجمع العنقودي, لتحسين القدرة التنافسية لقطاع الحجر والرخام في الخليل.