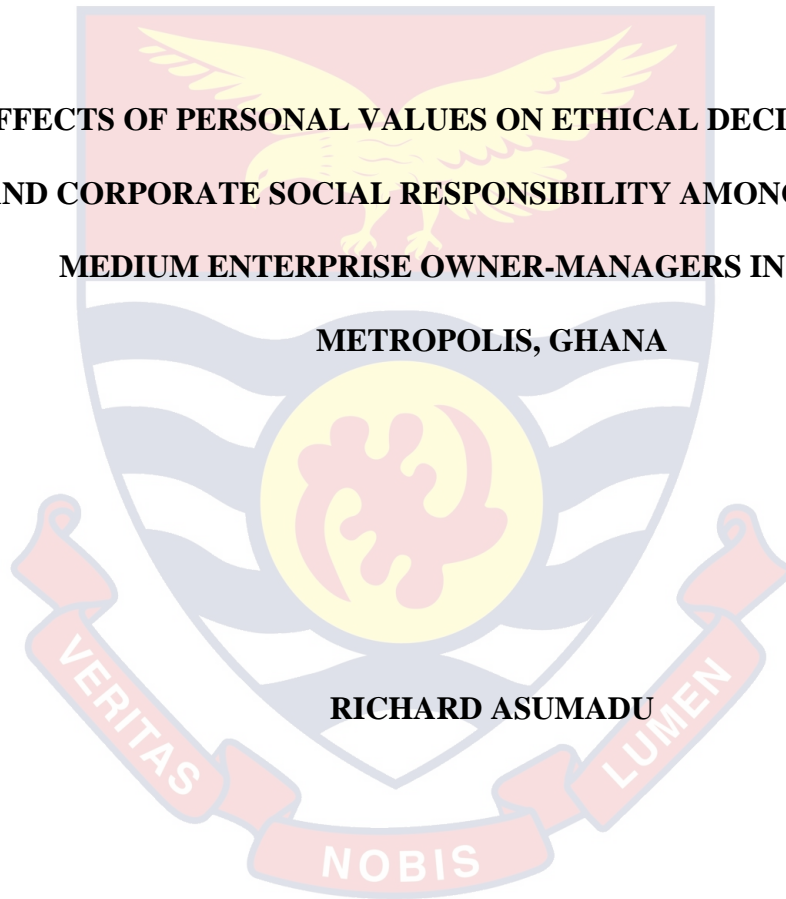


UNIVERSITY OF CAPE COAST

**EFFECTS OF PERSONAL VALUES ON ETHICAL DECISION MAKING
AND CORPORATE SOCIAL RESPONSIBILITY AMONG SMALL AND
MEDIUM ENTERPRISE OWNER-MANAGERS IN KUMASI**

METROPOLIS, GHANA

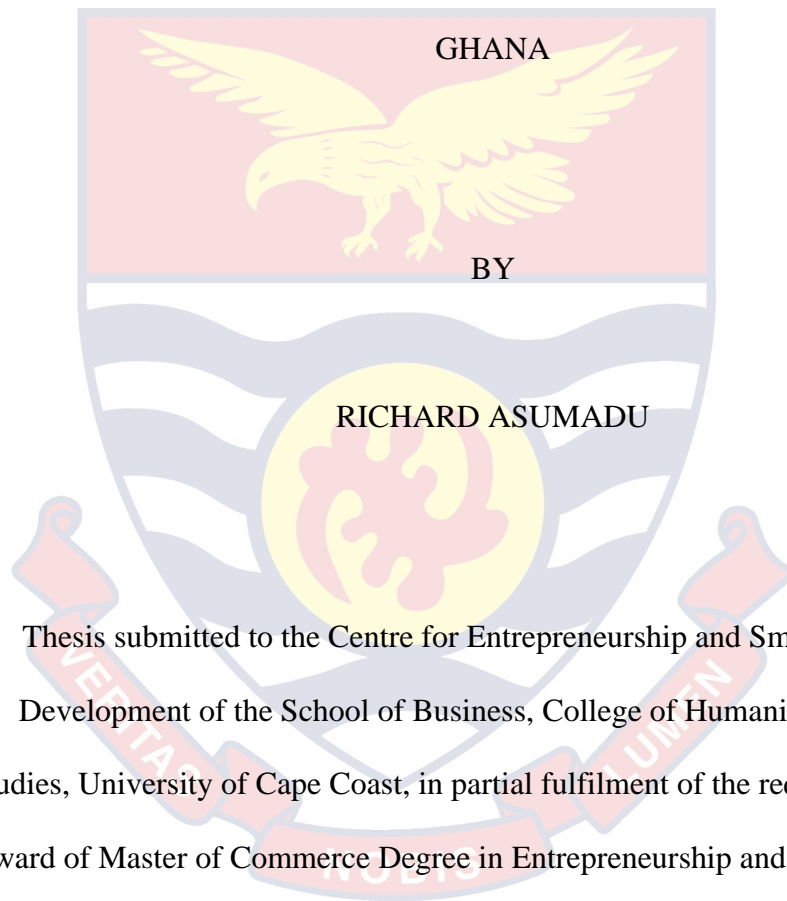
RICHARD ASUMADU



2019

UNIVERSITY OF CAPE COAST

EFFECTS OF PERSONAL VALUES ON ETHICAL DECISION MAKING
AND CORPORATE SOCIAL RESPONSIBILITY AMONG SMALL AND
MEDIUM ENTERPRISE OWNER-MANAGERS IN KUMASI METROPOLIS,



Thesis submitted to the Centre for Entrepreneurship and Small Enterprise
Development of the School of Business, College of Humanities and Legal
Studies, University of Cape Coast, in partial fulfilment of the requirements for the
award of Master of Commerce Degree in Entrepreneurship and Small Enterprise
Development

MARCH 2019



DECLARATION

Candidate's Declaration

I hereby declare that this thesis is the result of my own original research and that no part of it has been presented for another degree in this university or elsewhere.

Candidate's Signature: Date:

Richard Asumadu

Supervisors' Declaration

We hereby declare that the preparation and presentation of the thesis were supervised in accordance with the guidelines on supervision of thesis laid down by the University of Cape Coast.

Principal Supervisor's Signature: Date:

Dr. Abraham Ansong

Co-Supervisor's Signature: Date:

Dr. Otuo Serebour Agyeman

ABSTRACT

Personal values are the core framework of the character of a human being. Every business decision reflects the presence or absence of these core values. The purpose of the study was to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. The study was guided by two (2) research questions and eight (8) hypotheses. The study used explanatory research design rooted in quantitative approach. The study used all 118 registered SMEs in the Kumasi Metropolis. Questionnaire was used to gathered primary data from the respondents. The data gathered from the field was processed using Smart PLS software and analysed using descriptive statistics (frequency, percentages, means and standard deviation) and Partial Least Squares Structural Equation Modelling (PLS-SEM). The study found that SMEs owner-managers had positive attitude towards ethical decision making and corporate social responsibilities. The study found that openness to change, self-enhancement value and traditional values were the main determinants of attitude towards ethical decision making. The study found that traditional values significantly predict attitude towards corporate social responsibility. The study recommended that owner-managers of SMEs should maintain good, trusting relationships with key stakeholders such as customers, employees, suppliers and the community. SME owner-managers should design a code of ethics as a key tool for implementing business ethical decision making. They should align their personal values to those of the organisation in order to achieve organisational and personal goals.

KEY WORDS

Altruistic values

Attitude

Corporate Social Responsibility

Ethical Decision Making

Ghana

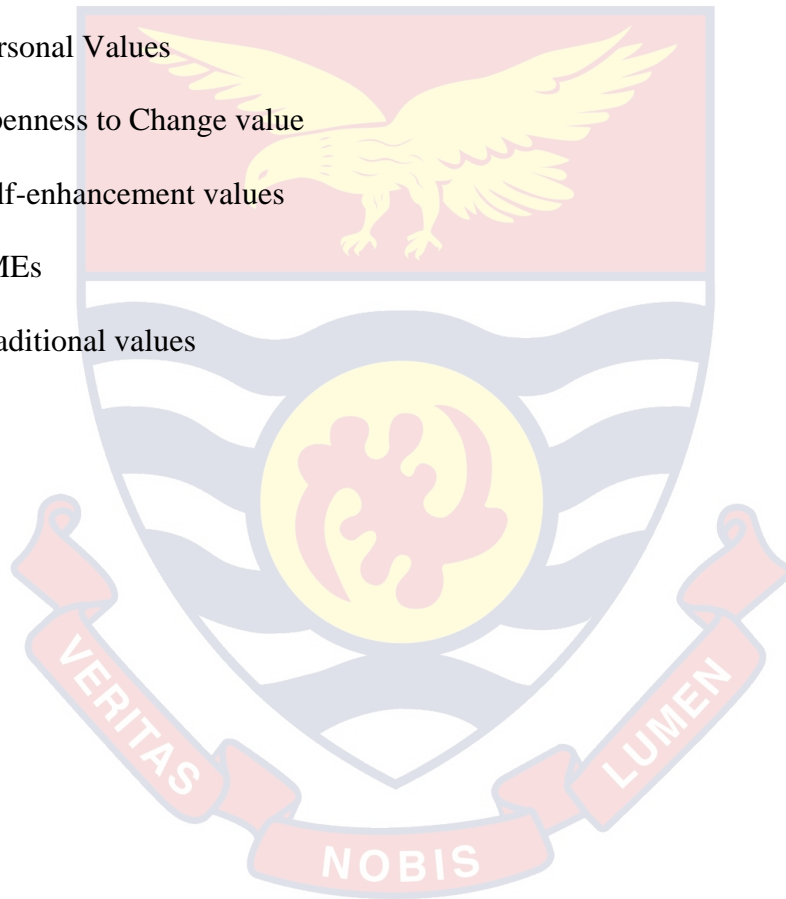
Personal Values

Openness to Change value

Self-enhancement values

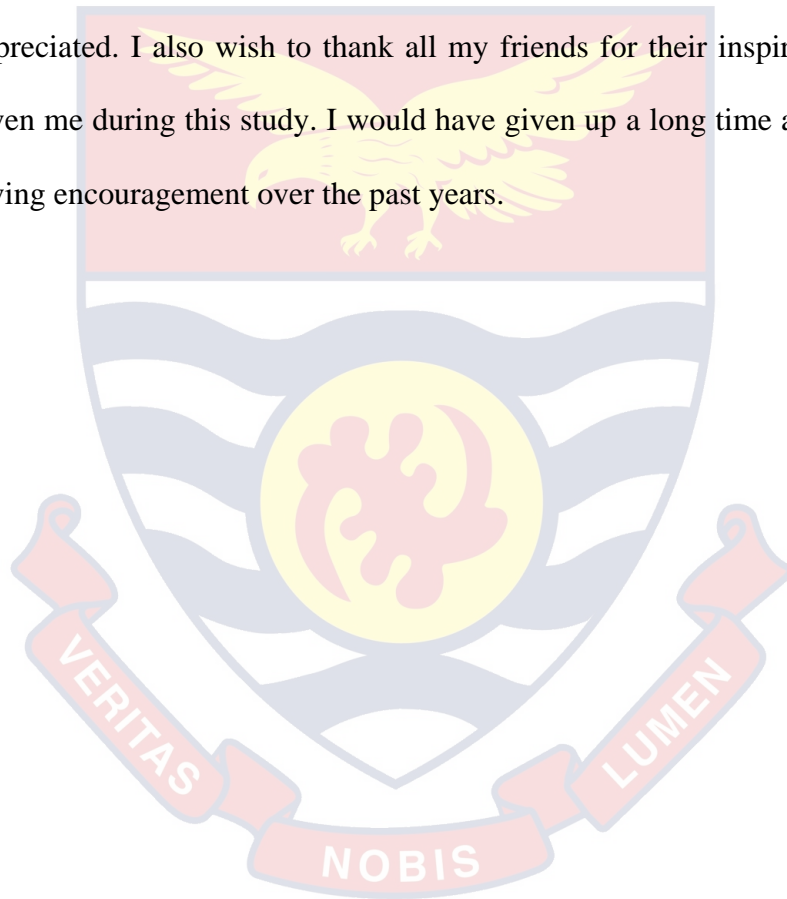
SMEs

Traditional values



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DEDICATION

To my family



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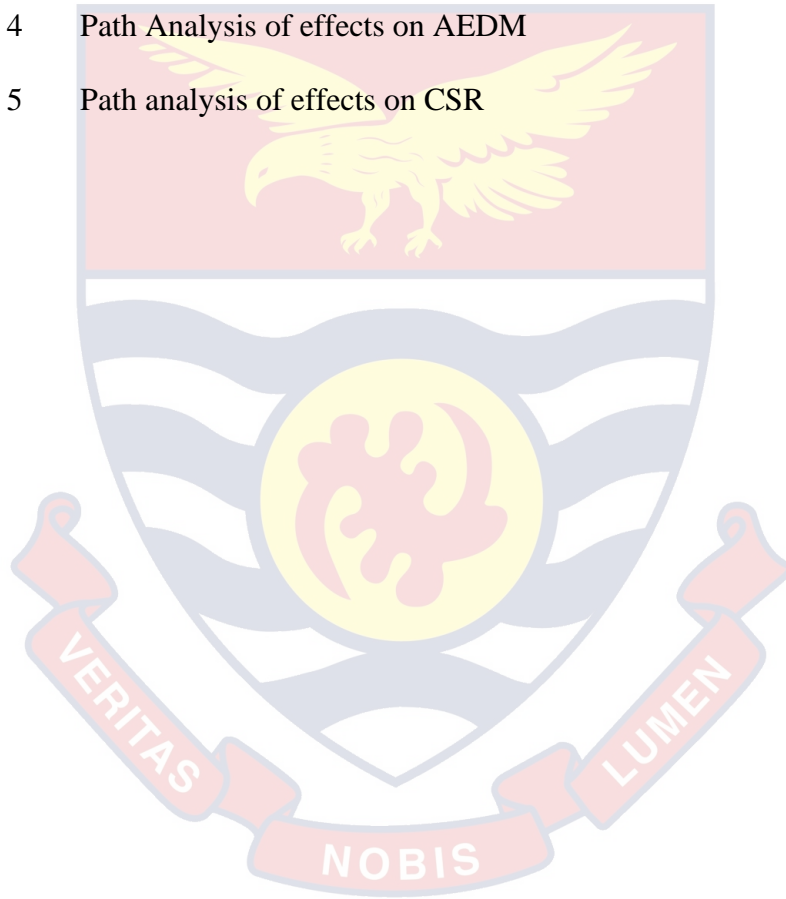
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CHAPTER ONE

INTRODUCTION

Personal values are the core framework of the character of a human being. Managers dispose of a certain set of values, as any other individual, which influence them in their daily work and decision-making process. Every business decision reflects the presence or absence of these core values. People at all levels of an organisation have to make ethical decisions expeditiously and perform with the highest levels of accuracy, efficiency and success. Personal values have long been associated with individual decision-making behaviours. Personal values are one of the important organisational behaviour variables that are perceived to influence managers' ethical decision making and their attitude towards corporate social responsibility. In this current study, an attempt was made to examine the influence of personal values of SME owner-manager on their attitude towards ethical decision making and corporate social responsibility in the Kumasi Metropolis, Ghana.

Background to the Study

Small and medium enterprises (SMEs) make up the largest portions of business world-wide and contribute significantly to the gross domestic product of nations. It is universally accepted that a well-functioning small business sector contributes to the economic and social growth of a country (Organization for Economic Cooperation and Development [OECD], 2000) and Ghana is no exception. In Ghana, readily available data on SMEs is scarce but statistics from the Registrar General's Department suggests that 92 per cent of companies registered are micro, small and medium enterprises (Registrar General's Department, 2015). SMEs in Ghana have also been noted

to provide about 85 per cent of manufacturing employment, contribute about 70 per cent to Ghana's GDP, and therefore have catalytic impacts on economic growth, income and employment (Registrar General Department, 2015).

Nowadays, doing business is no longer only making profits. Today, organisations are confronted with different normative expectations from their environment and are expected to behave in a socially responsible way. SMEs owner-managers makes ethical decisions in the operation and management of the firm and they are engaged in corporate social responsibility in society. Ethical decision-making in SMEs refers to the owner manager's ability to evaluate and choose among alternatives in a manner consistent with ethical principles. Every ethical decision making in SMEs requires owner-managers judgment and interpretation, the application of a set of values to a set of perceptions and estimates of the consequences of an action (Kahneman, 2011). In light of this, Morales-Sánchez and Cabello-Medina (2013) asserted that all business decisions have an ethical or moral dimension because they have an effect on stakeholders.

In making ethical decisions, it is necessary to perceive and eliminate unethical options and select the best ethical alternative (Wu, 2002). According to Reamer (2013) ethical decisions in an organisation generate and sustain trust; demonstrate respect, responsibility, fairness and caring; and are consistent with good citizenship and Duska (2007) concurs that ethical decision making helps people make difficult choices when faced with an ethical dilemma, a situation in which there is no clear right or wrong answer.

These behaviours provide a foundation for making better decisions by setting the ground rules for our behaviour (Kahneman, 2011).

Research on SMEs and corporate social responsibility (CSR) has been quite scant (Jenkins, 2004; Murillo & Lozano, 2006; Sweeney, 2007). CSR has broadly been associated with larger companies, generally multinational in range (Perrini, Russo, & Tencati, 2007; Spence & Rutherford, 2003). CSR is important for both large and small firms (Williams, 2005). SME engagement in CSR has only recently emerged in mainstream academic research (Jenkins, 2006; Murillo & Lozano, 2006). SMEs possess several organizational characteristics that are favourable for promoting the implementation of CSR related practices (Morsing & Perrini, 2009). CSR as a business ethic has intersectional influences in the social, the political and economic world of business (Jenkins, 2009; Spence & Rutherford, 2003).

CSR has been proven to be able to enhance corporate reputations which has become one of the valuable assets of company in the new business environment. Enthusiasms for SMEs to take in CSR are mainly placed in economics motives and moral values (Udayasankar, 2008). The implementation of CSR practices by companies generally and in particular at SMEs is dependent on the basic motivations of owner-managers. Ethical-social values emerge as the most important explanatory reason for the involvement of SMEs in social responsibility practices (Graafland, van de Ven, & Stoffele, 2003; Perrini et al., 2007).

The discussion about responsible behaviour of SMEs is based on the growing importance of personal values in business context. The most important element of the choice of motives for SMEs owner-managers

behaviour and action is the set of values of the person involved in the action (De-klerk & Havenga, 2004; Murillo & Lozano, 2006). The moral values of SMEs owner-managers to be involved in CSR activities is linked to personal values. Surveys continue to indicate that ethics and morals are the primary drivers of CSR in small business (Painter-Marland & Spence, 2009). Ethical perceptions and beliefs affect people's attitudes and the degree to which they accept or do not accept unethical practices, or the manner in which they view ethical decisions made by other people (Jenkins, 2009).

According to Hay and Gray (2004), personal values are beliefs and attitudes of a person who helps to create its frame of reference and determines an individual to behave in a certain way. In this sense, managers dispose of a certain set of values, as any other individual, which influence them in their daily work and decision-making process (Mason, 2002; Painter-Marland & Dobie, 2009). Every business decision reflects the presence or absence of these core values. Ethical practices of SMEs are not limited to financial reporting and top management structures but to the entire company including their corporate social responsibilities. Good personal value of SMEs managers should filter to every activity of a company making it a part of the way business is done (Biery 2001). People at all levels of an organisation have to make ethical decisions expeditiously and perform with the highest levels of accuracy, efficiency and success. Therefore, if the company's core business processes are not grounded in sound ethical values such as integrity, respect, trust and fairness these ethical decision makers may be exposed to unethical behaviours that could lead to fraudulent and illegal activities.

Extant literature has emphasized personal values as a key factor in achieving the ethical decision making and corporate social responsibilities of organizations (Hemingway & MacLagan, 2004; Tuziak, 2010; Bernat, 2012). Previous studies have made an attempt to explore and explain personal values as underlying factors in ethical decision making and has a crucial role in corporate social responsibilities in SMEs (Khalid, Syed Agil, & Khalid, 2011). As Painter-Marland and Spence (2009) suggest, small business managers are often brought into unethical business practices through their personal beliefs and attitudes. Research has however shown that a majority of small business managers do not feel compelled to act unethically even if the prevailing business environment is not extremely competitive (Longenecker, McKinney & Moore, 2009) and this reason is associated to their personal values. A descriptive study by Vitell, Dickerson and Festervand (2000) reported that managers felt that they were more ethical in their decision making of the firms. Furthermore, Vogel (2002) found evidence to suggest that business ethical decision making are not universally similar, but vary by country and by level of entrepreneurship as a result of personal values.

Dees and Starr (2002), suggest that CSR activities will be directed along the manager's personal values and codes of ethical behaviour. Personal factors help business managers and executives to weight the moral issues based on the ethical notion between right and wrong; or good and bad (Arjoon, 2007). Given these points, the complexity of personal values play a crucial role in ethical decision making as it involves choosing ethical alternatives. Khalid et al. (2012) further explained that unethical practices are based on the individual business managers' and executives' personal values in ethical

reasoning adhered by them. Personal values has been acknowledged as the characteristics that influence the proportional variations in the employers and manager's ethical decision making (Arjoon, 2007; Lovisky et al., 2007). Marta et al. (2008) found that personal moral philosophy was not a good predictor of small business managers' ethical decision making.

Individual managers' decisions to be involved in CSR are driven by a variety of personal values and interests, in addition to the official corporate objectives (Mustamil & Quaddus, 2009). In fact, researchers have determined that there is usually a strong association between owner-manager's personal values and the motivation and desire for CSR (Lovell, 2002). Hemingway (2005) concluded that CSR is not solely driven by economics and that it may also be championed as a result of a personal morality, inspired by an individual's own socially oriented personal values.

Wood (2001) argues that managerial personal value is one of the three key principles of CSR and therefore managers are as "moral actors" within the organization. CSR can be a result, championing by a few managers, due to their personal values and beliefs, despite the risks associated with it (Swanson, 2005; Fineman & Clarke, 2006). Managers express a desire to be involved in CSR and may either remain morally mute or do nothing; develop opportunities for CSR but re-frame them into more commercially acceptable terms (Lovell, 2002b; Stern, Dietz, Kalof & Guagnano, 2005).

Fritzsche and Oz (2007) found a significant positive contribution of altruistic values to ethical decision making and a significant negative contribution of self-enhancement values to ethical decision making. In South Africa, Fatoki (2015) indicated that self-direction, achievement, stimulation,

power and security are the five most important personal values for small business owners.

Similarly, in South Africa, Asah, Fatoki and Rungani, (2015) revealed significant positive relationships between personal values of SMEs owner-managers and their involvement in CSR. Conversely, other researchers did not find a significant relationship between personal values of SME owner-managers and firm ethical decision making and involvement in CSR (Mazzarol et al., 2009). Serban (2015) concluded that managers are strongly influenced by their personal values when they engage in a new campaign development. In most cases their personal values coincide with the values of the organization.

Several empirical studies have examined the relationships between personal values and ethical decisions making, personal values and CSR (Hards, 2011; Jenkins, 2004; Schultz & Zelezny, 2009; Stern, 2000; Tuziak, 2010; Udo & Jansson, 2009; Udo & Pawłowski, 2012; Vives, 2006). However, in Ghana, there is dearth of research on personal values and SMEs. The whole picture about the impact of personal values on ethical decision making and CSR among SMEs owner managers is still blurry in Ghana.

Most of the studies in Ghana on SMEs focused on challenges and prospects (Ackah & Vuvor, 2011; Adjei, 2012), financial management practices and behaviours (Adofo, 2011; Agyei-Mensah, 2011; Dawuda & Azeko, 2015; Mbroh & Quartey, 2015; Saah, 2015), working capital management (Agyei-Mensah, 2011; Pieterse, 2012; Donkor, 2015), Accounting and booking practices (Suraj, 2011; Amoako, 2013; Amoako, Marfo, Gyabaah & Gyamfi, 2014), capital financing and credit (Fuseini, 2015;

Prempeh, 2015), corporate governance practices (Asunka, 2017) and supply chain management practices (Asare & Prempeh, 2016).

In Ghana, it seems that most of the SMEs are often private enterprises, run by owner-managers, who thus have greater freedom of decision making and whose personal values and personal motivations play an important role in the ethical decisions in the direction of the business and the motivation of engaging in CSR. In Kumasi Metropolis of Ghana, it is believed that SMEs owner-managers behaviours, ethical decision making and motivation to be involved in corporate social responsibilities might be influence by their personal. In support of this, Harrison and Freeman (2009) concluded that, the decisions made by owner-managers of SMEs is usually influenced by their personal values since they make many of the key decisions, and are often open to activities that are unchallenged by subordinates as control of the firm lies with the owner. Based on this literature review, there seem to be several gaps in Ghana. Therefore, the current study examines impact of personal values on the attitude towards ethical decision making and corporate social responsibility among SME owner-managers in Kumasi Metropolis, Ghana.

Statement of the Problem

Personal values are powerful and influential in our daily decision making and have implications for our behaviour and approach we adopt in managing our daily situations. In light of this, if the individuals are influenced by personal values in their daily decision makings, then the same may be applied to owner-managers of SMEs, since decision making solely depends on the owner managers of SMEs. Extant literature has emphasized personal values as a key factor in achieving the ethical decision making and corporate social responsibilities of organizations.

From the literature, it is concluded that most of the studies were conducted in foreign countries and the findings of these studies may not be applicable to countries like Ghana, due to differences in cultural, economic and legal environments. Also, most of these studies have contributed to the extant knowledge on how personal values influence ethical decision making of owner-managers of SMEs without looking at how it would also influence their decisions of involving in CSR. Also, most of the studies used descriptive survey design to examine the ethical decision making or corporate social responsibilities among SMEs. Again, most of the studies did not use PLS-SEM in their analysis. But it appears, there is dearth of research on how personal values influence the attitudes of owner-managers of SMEs towards ethical decision making and corporate social responsibilities in Ghana. It is against this backdrop that the current study intended to examine the effect of personal values on the attitude towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana.

Purpose of the Study

The purpose of the study was to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana.

Objectives of the Study

1. Assess the attitude of SMEs owner-managers towards ethical decision making in the Kumasi Metropolis.
2. Assess the attitude of SMEs owner-managers towards corporate social responsibility in the Kumasi Metropolis.
3. Examine the effect of personal values (Altruistic, Openness to change, Self-enhancement and Traditional) on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis.
4. Examine the effect of personal values (Altruistic, Openness to change, Self-enhancement and Traditional) and attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis.

Research Questions

1. What is the attitude of SMEs owner-managers towards ethical decision making in the Kumasi Metropolis?
2. What is the attitude of SMEs owner-managers towards corporate social responsibility in the Kumasi Metropolis?

Research Hypotheses

- H⁰₁ There is no statistically significant effect of Altruistic values on attitude towards ethical decision making among SMEs owner managers in the Kumasi Metropolis
- H₁ There is statistically significant effect of Altruistic values on attitude towards ethical decision making among SMEs owner managers in the Kumasi Metropolis
- H⁰₂: There is no statistically significant effect of Openness to change values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H₂: There is statistically significant effect of Openness to change values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H⁰₃: There is no statistically significant effect of Self-enhancement values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H₃: There is statistically significant effect of Self-enhancement values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H⁰₄: There is no statistically significant effect of Traditional values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H₄: There is statistically significant effect of Traditional values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis

- H⁰5: There is no statistically significant effect of Altruistic values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H5: There is statistically significant effect of Altruistic values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H⁰6: There is no statistically significant effect of Openness to change values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H6: There is statistically significant effect of Openness to change values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H⁰7: There is no statistically significant effect of Self-enhancement values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H7: There is statistically significant effect of Self-enhancement values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H⁰8: There is no statistically significant effect of Traditional values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H8: There is statistically significant effect of Traditional values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis

Significance of the Study

This study makes several contributions, as the study focuses on the personal values, ethical decision making and corporate social responsibility of SMEs in Ghana, the findings would assist management trainers and consultants to identify areas of improvement, especially on the psychological aspect so that a more effective module could be design to help SMEs which are in need of advice and ideas. The research findings have implications for the delivery of programs, financing, and management assistance for small enterprises, as well as implications for entrepreneurial development.

The findings of the study would also give some exposure to the SMEs owner-managers on the role of their personal values on ethical decision makings and corporate social responsibility in sustaining their businesses. This would certainly give them some clues as to which personal values most affect ethical decision makings, corporate social responsibility, and the motivation that could lead them to be entrepreneurial and successful should the relationships be found to be significant. The findings and conclusions would be a useful foundation for furthering research on the interrelationships between personal values, ethical decision making and corporate social responsibility. Another implication would be in the area of entrepreneurship pedagogy, whereby linking the relationship between personal values (psychological characteristics) and entrepreneurial orientation could be used as a technique for identifying students for entrepreneurial careers.

Delimitations of the Study

This study focused only on registered (NBSSI) SMEs in Kumasi Metropolis. Additionally, this study only involved SMEs owner-managers. The study is delimited to how personal values influence the attitude towards ethical decision making and corporate social responsibility among SME owner-managers. The study focused on altruistic, openness to change, self-enhancement and traditional values of SMEs owner managers.

Limitations of the Study

This study has several limitations, among the limitations is the fact that only owner-managers of NBSSI registered SMEs in Kumasi Metropolis are covered, hence the study cannot be generalised to all SMEs in Ghana. Second is the difficulty in gathering data and information, much of which is considered sensitive. Many heads of SMEs had little time for administration of questionnaire owing to their tight schedules. This study relied on self-reports through questionnaire which can raise some concerns about common method variance. The reliance on self-report data raises issues of the consistency motif and common method variance. The reliance on respondents to provide both the independent and dependent data introduces some further limitations to the study.

Third, the utility of research on personal values among SMEs owner-managers lies in the ability of values to explain or predict ethical judgements and behaviour. It is acknowledged that a limitation exists in the use of a convenient sample of SMEs in Kumasi Metropolis which may not be representative of the population, hence the study cannot be generalised to all registered SMEs in Kumasi Metropolis. It is possible, from a construct

perspective, that the personal values investigated in this study may not account for all of the dimensions of personal values that may be relevant to ethical decision-making and motivation to be involved in CSR. The narrow focus of the study limits the generalizability of the findings

Definition of Terms

The following section defines the terms that will be used throughout this study:

Values: Socially and personally shared ideas that are stabilized and represent intrinsic beliefs about what is good, desirable, and righteous. They are preferred beliefs and expectations of how individuals should behave

Personal Values: On an individual level, values are social principles, goals, and standards that members of a culture believe have intrinsic worth. They serve as guiding principles in individuals' lives

Altruistic Value: It is a term used to describe a behavior characterized by acts with no apparent benefits for the individual who performs them but that are beneficial to other individuals

Openness to Change Value: Openness to change refers to an individual's level of acceptance and conscious awareness of the possibility that change may be needed across a range of situations and scenarios, together with the appetite or drive to enact that change.

Self-enhancement Value: It is a type of motivation that works to make people feel good about themselves and to maintain self-esteem. Self-enhancement involves a preference for positive over negative self-views.

Traditional Values: It refers to the beliefs, moral codes and mores that are passed down from generation to generation. It refers to those ideals and values held to be true because of their long history and proven success.

Ethical Behaviours: Ethical behaviours is acting in a manner that is in tandem with what society considers to be good morals. Ethical behaviours are important because they guide people's actions

Ethical Decision Making: Ethical decision making is the process of assessing the moral implications of a course of action. Ethical decision making requires judgment and interpretation, the application of a set of values to a set of perceptions and estimates of the consequences of an action

Corporate Social Responsibility: Corporate social responsibility (CSR) refers to business practices involving initiatives that benefit society. Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model.

Organisation of the Study

The study is organized into five chapters. Chapter one is the introduction, purpose of the study, research questions, significance of the study, delimitation and limitations of the study and definition of terms. Chapter Two is the literature review of the study. This review relevant literatures of authors and other researchers relating to SMEs. Chapter Three deals with the research methodology which looks at methods adopted in carrying out the study. Chapter Four focuses on data results presentation and analysis whiles Chapter Five presents a summary of the study, findings and conclusions drawn from the findings and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

Introduction

The main purpose of this study was to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. This chapter reviewed extant and comprehensive literature on the issue under investigation. The chapter is divided into three-fold. The first part dealt with theoretical review (Schwartz Values Theory, Rest's Ethical Decision Making and Stakeholder Theory of corporate social responsibility). The second part looked that conceptual review. The last part of the chapter provides empirical review on the following areas; personal values and ethical decision making and personal values and CSR of SMEs.

Theoretical Review

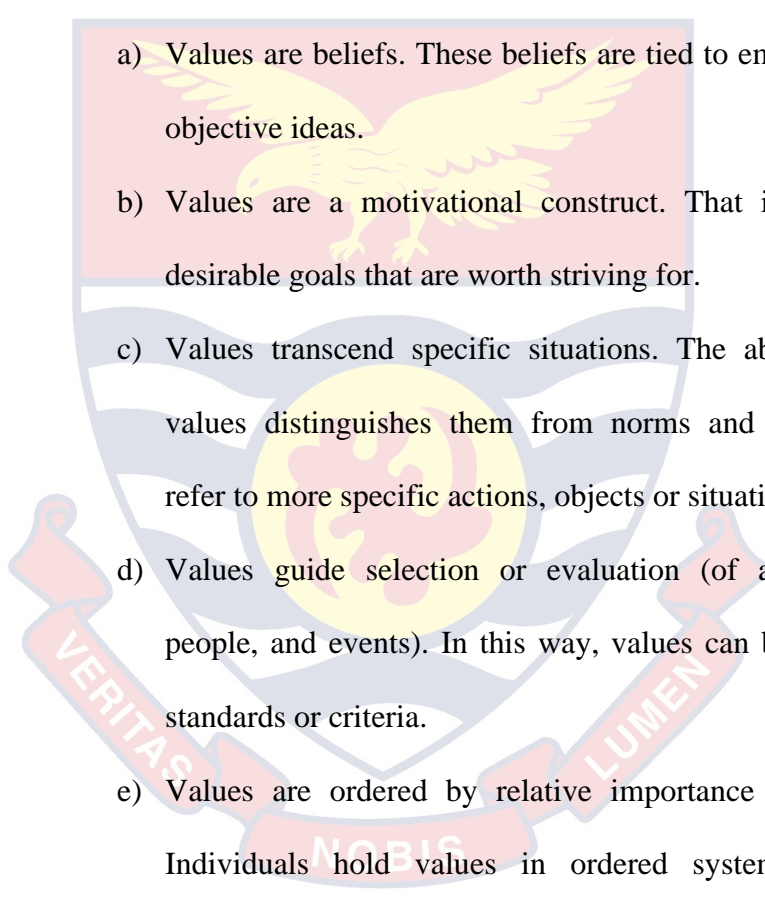
This section provides theories that underpinned the study. The Schwartz values theory, Rest's ethical decision making and Stakeholder theory of corporate social responsibility were reviewed under this section.

Schwartz Values Theory

Various theoretical frameworks have been proposed in order to understand values. Two central values theories have emerged over the past decades: Rokeach (1973) conception of values and the Schwartz values theory. Both continue to provide the basis for much of the management-related research regarding values. Schwartz' theory on values was influenced by both Rokeach and the work of Kluckhohn, an anthropologist and social theorist (Schwartz, 2009). Schwartz' value theory is frequently used in research on

behaviours or attitudes in terms of the underlying values held by an individual or group. Since this study sought to identify the contribution or effect of managerial values on corporate sustainability strategies, Schwartz' values theory appeared to be the appropriate choice.

Analyzing and building on the work of other value theorists, Schwartz (2006) summarized five main features that are common to all conceptions of values:

- 
- a) Values are beliefs. These beliefs are tied to emotion and not to objective ideas.
 - b) Values are a motivational construct. That is, they refer to desirable goals that are worth striving for.
 - c) Values transcend specific situations. The abstract nature of values distinguishes them from norms and attitudes, which refer to more specific actions, objects or situations.
 - d) Values guide selection or evaluation (of actions, policies, people, and events). In this way, values can be understood as standards or criteria.
 - e) Values are ordered by relative importance to one another. Individuals hold values in ordered systems that include priorities.

The hierarchical nature of values also differentiates them from attitudes and norms (Schwartz, 2006, 2009; Schwartz & Bilsky, 2007). Schwartz (2006) defined values as desirable, trans-situational goals, varying in importance, that serve as guiding principles in peoples' lives and sees values as derived from three universal human requirements: (a) needs of the human

organism based in biology, (b) requirements for social coordination between individuals, and (c) requirements that result from the needs for survival and welfare in groups (Schwartz & Bilsky, 2000; Schwartz, 2006, 2009). The motivational, interest-serving aspect of values is central to Schwartz' values theory.

Justification for the use of theory

Schwartz' value theory is frequently used in research on behaviours or attitudes in terms of the underlying values held by an individual or group. Since this study sought to identify the contribution of owner-manager's personal values on ethical decision making and their motivation to be involved CSR Schwartz' values theory appeared to be the appropriate choice. Schwartz (2006) summarized five main features that are common to all conceptions of values:

Values are beliefs, Values are a motivational construct, Values transcend specific situations, Values guide selection or evaluation (of actions, policies, people, and events) and Values are ordered by relative importance to one another. All these features are consistent with personal values as used in the current study. Originally working with Rokeach's (1973) specific lists of terminal and instrumental values, Schwartz and Bilsky (2007) identified distinctive groupings of the universally accepted 57 values derived from Rokeach's lists. The groupings were based on the underlying motivational aspects of these 57 values, as well as the compatible and antagonistic interests implied by individual values. The researchers first identified eight and later ten basic and motivationally distinct values domains. Various scholars have confirmed the validity of this assumption, as well as the comprehensiveness of

the ten basic values across cultures (Schwartz & Bardi, 2001; Schwartz, 2006; Schwartz & Bilsky, 2007).

Rest Ethical Decision Making: The Four Component Model

In order to understand the decision making process of SME owners/managers a model of business ethics was proposed. James Rest's (1994) theoretical model which explained the process of ethical decision making developed out of a desire to piece together theories and research on moral development and behaviour from a variety of perspectives. Rest proposed that ethical decision making involves four distinct psychological processes: moral sensitivity, moral judgment, moral motivation/intention, and moral character/action (see Figure 1). Figure 1 presents the proposed model of business ethics.

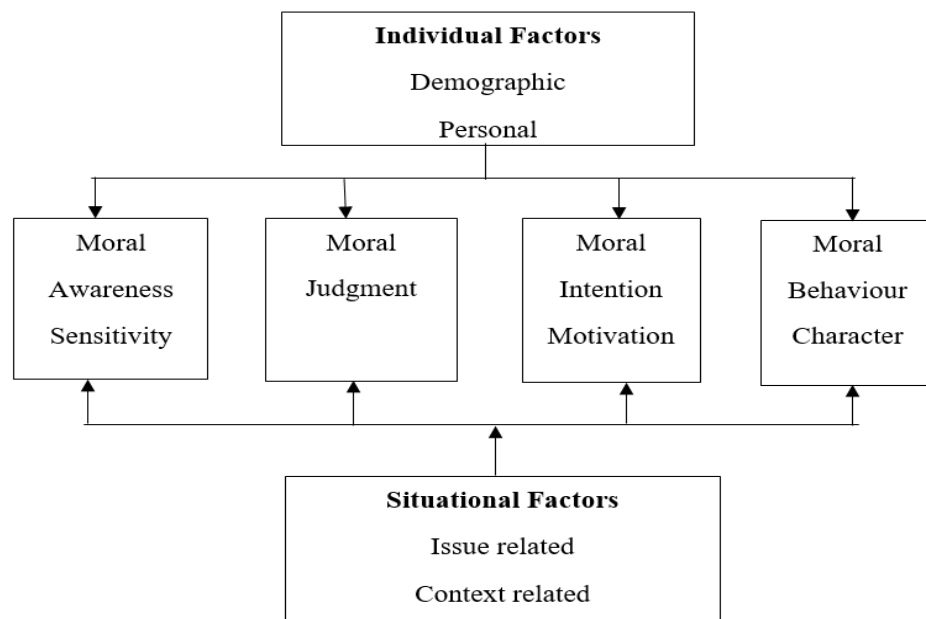


Figure 1: Proposed model of ethical decision making

He argued that each component in the process is conceptually distinct and that success in one stage does not imply success in any other stage. Rest's four component model was a worthy starting point. It is parsimonious, yet it

contains all the key elements of moral decision making and behaviour. This model presents the cognitive processes involved in the decision making, but practically, there are other factors which influence this basic process of moral behaviour. For example, the first component of Rest's model [recognition of moral issue (RMI)] varies from person to person. An individual may find giving or taking bribe a moral issue while another individual may consider it as a normal activity of business. The model presents a process that begins with awareness, perception or sensitivity to moral issue. A decision maker proceeds through judgment as to what is reasoned to be 'ethically justified' course of action to a decision or choice of action, ending with actual behaviour of the decision maker. While cognitive processes occupy centre stage, the model incorporates both non-cognitive individual variables and environmental variables internal and external to organisation. Therefore, two types of factors influencing the basic process of moral behaviour have been included in the proposed model – Individual Factors and Situational Factors. The components of Rest's model and other factors are discussed in detail in the following sections.

1. ***Moral Sensitivity (Moral Awareness)***. Moral sensitivity (moral awareness), as described by Rest (1994), refers to an individual's ability to recognize that a situation contains a moral issue. Recognizing a moral issue requires the individual's awareness that his/her actions have the potential to harm and/or benefit other people. Later research broadens this definition, suggesting that moral sensitivity is the decision maker's recognition that a situation has moral content and, as a result, a moral perspective is valid (Barnett, 2001; Reynolds, 2006).

Moral issues are present if a person's actions, when freely performed, may harm or help others (Velasquez, 1982). Therefore, recognising moral issues involves two elements; a person must recognise that his or her decision or action will affect others and some choice must be involved. In short, the person must recognise that he or she is a moral agent.

2. **Moral Judgment:** Once a person recognises that a moral issue exists, he or she must make a moral judgment. Moral judgment refers to formulating and evaluating which possible solutions to the moral issue have moral justification. This step in the process requires reasoning through the possible choices and potential consequences to determine which are ethically sound (Chia & Mee, 2000; Butterfield, Trevino, & Weaver, 2000). Cognitive Moral Development (CMD) (Kohlberg, 1969) is the most widely tested measure of moral judgment. An individual's level of CMD has been the single, most important individual characteristic studied in the theoretical and empirical research related to moral psychology and moral judgment.
3. **Moral Motivation (Moral Intention):** Once a person has made a moral judgment, he or she must decide what to do. Moral motivation (moral intention) refers to the intention to choose the moral decision over another solution representing a different value. A decision about what is morally 'correct' (a moral judgment), is not the same as the decision to act on that judgment (that is, to establish moral intent). The term intent is functionally equivalent to the word intentions, which is found in some of the social psychology literature (Fishbein & Ajzen, 1975).

This component of the ethical decision-making process involves committing to choose the moral value. For example, an individual may recognize two solutions to a dilemma; one that results in an increase of personal power and one that is morally right. In this instance, moral motivation is the individual's intention to choose the value of morality over the value of power (Barnett, 2001; Frey, 2000).

4. ***Moral Behaviour (Moral Action)***: The fourth component of Rest's model involves acting on a person's moral intentions, that is, engaging in moral behaviour. Moral courage (moral action) refers to an individual's behaviour. This component is the individual's action in the situation. This step involves courage, determination, and the ability to follow through with the moral decision (Butterfield et al., 2000). Rest (1994) argued that establishing moral intent is not enough; one has to overcome fatigue, distractions and resistance and keep sight of the original goal. Behaviour is a result of many internal (personal) and external (environmental) factors.

Though these steps are arranged logically, they are not in a fixed order. Rest (1994) suggested that each component is distinct and can influence the others. Furthermore, failure at any step can result in a failure to make an ethical decision. An individual may have strong moral judgment skills but will not begin to use them if she or he lacks moral sensitivity and fails to recognize a moral issue (Chia & Mee, 2000; May & Pauli, 2002).

Stakeholder Theory of Corporate Social Responsibility (CSR)

In 1984, Richard Edward Freeman introduced the Stakeholder Theory. He defined a stakeholder as, “any group or individual who can affect or is affected by the achievement of the organization’s objectives” (Freeman et al., 2010). Therefore, a stakeholder could be defined as, any person or group of people affected by a company’s decisions. Stakeholders can be categorized into different groups; the most influential being the main stakeholders. Friedman and Miles (2006) defined the main stakeholders as: customers, employees, local communities, shareholders, suppliers and distributors. Generally, stakeholders are categorized into external and internal stakeholders. This study argued that five different stakeholders are of main importance for SMEs, all derived from previous stakeholder research.

However, depending on the organization, these stakeholders have different amounts of power over a business. Also, an accepted notion is that an appropriate management of stakeholders can help with both risk reduction and improvement of social responsibility in a business (Jenkins, 2006). Overall, large firms have, because of their size, multiple stakeholders to consider in their decision-making. On the other hand, SMEs primarily focus on their main stakeholders since they, in most cases, have limited resources. Campbell referred to this as slack resource theory (Claydon, 2011). This theory suggested that firms with limited resources in time, effort and money are less likely to engage in CSR. Scholars have argued for different main stakeholders influencing CSR commitment. Company stakeholders are often divided into two main categories; internal and external stakeholders (Panayiotou, Aravossis, & Moschou, 2009).

The stakeholder driven stream of CSR research focuses on how businesses meet the expectations of their stakeholders (Massoud, 2010). The literature on SMEs depicts stakeholder theory as a viable explanatory theory for SME CSR activity (Jenkins, 2006; Lepoutre & Heene, 2006; Kusyk & Lozano, 2007; Spence, 2007; Sweeney, 2007). Like large firms, SMEs also must consider the needs of important stakeholders. Internal stakeholders and the local community usually receive more attention from SMEs (Jenkins, 2004; Murillo & Lozano, 2006; Vives, 2006; Spence, 2007). Investing in employees can positively affect employee morale (Jenkins, 2004, 2006). Additionally, SMEs often view their relationship with the local community as reciprocal (Massoud, 2010). For example, CSR potentially leads to improved reputation, an ability to attract and retain good employees, fairer treatment by suppliers, better access to credit from investors and banks who value socially responsible investments (Miller & Besser, 2000; Jenkins, 2004).

Internal stakeholders are within the business and external are outside the business. Fraj-Andrés et al. (2012) proposed that the competitors and customers are the main external stakeholders influencing CSR commitment. At the same time they argued that the main internal stakeholders influencing CSR commitment are the owner and employees. Cheng and Ahmad (2010) argued for a third external stakeholder, partners. They stated that there is a ripple effect down and across the supply chain affecting all the companies' CSR commitment, especially SMEs. SME owners generally have more influence in their business compared to owners in larger corporations. The owner is a main stakeholder in SMEs due to his or her management power on all markets. On some markets, the owner of SMEs can possess a stronger legal

responsibility, making him an even more influential stakeholder regarding CSR commitment (Jenkins, 2006). Also, owner views and values are of great importance since they possess high power in the organizations (Ya Fen, 2010).

Justification for the use of Theory

Research shows that Stakeholder Theory can be a key component of how SMEs perceive CSR. However, more research is needed to develop a theoretical framework in which SMEs and CSR could be best understood; particularly as most research excludes the micro-firms and smaller companies (Jenkins, 2006). There are many different stakeholders in a company. The current study will focus on five main stakeholders, two internal and three external stakeholders. The internal stakeholders are owners and employees. The external stakeholders are customers, competitors and community. These were presented based on previous research and analysis according to how owners of SMEs perceive CSR commitment of the different stakeholders. Finally, how the owner's perception affects CSR commitment of the SME was also investigated.

Empirical Review

This section reviewed empirical studies on (a) personal values and ethical decision making among SMEs and (b) personal values and CSR.

Personal Values and Ethical Decision Making in SMEs

Personal values are acknowledged as components in the process of human perception (England, 2007), due to their connection with social norms and emotions (Jacob et al., 2002). This highlights the importance of values as an integral facet of human decision-making. Ethical views in decision making of managers have continued to be of interest to business practitioners and

researchers. The extant literature suggests that managers in SMEs are able to influence the ethical climate in the organization to a greater extent than those in larger organizations (Arruda, 2010; Spence & Perrini, 2010).

Most SMEs are owner-managed and the owners are directly involved in the day-to-day activities of the company, often undertaking multiple roles and functions. Rather than implementing a set of policies, codes and protocols, these owner-managers operate their companies primarily through informal practices and relations (Arruda, 2010; Spence & Perrini, 2010). The direct involvement of the owner and the informal nature thereof means the values of the owner-manager often constitute the fundamental determinant of company ethics and practices (Klein & Vorbohle, 2010; Collins, Dickie & Weber, 2010; Srinivasan, 2010; Fatoki, 2012).

Homer and Kahle (2008) suggested that values form the foundation for the development of individual attitudes that direct specific decision-making behaviour. Similarly, Mayton, Ball-Rokeach and Loges (1994) contended that personal values are more likely to be predictors of attitudes and actual behaviour. Prior research has found support for personal values significantly influencing ethical behaviour (Giacomino & Akers, 1998; Douglas & Schwartz, 1999). The literature has also shown that personal values have been incorporated into many ethical decision-making models to show the influence on ethical decision-making (Fritzsche & Oz, 2007; Karacaer, Gohar, Aygun, & Sayin, 2009). For example, Fritzsche and Oz (2007) found support for the influence of altruistic values on ethical decision-making. Giacalone and Jurkiewicz (2003) found support for spirituality (religiousness) being associated with perceptions of unethical practices.

It is presumed that personal values are responsible for the formation of perceptions, evaluations, judgments, commitments, level of satisfaction, attitudes and behaviours, and therefore, are very good predictors of attitudes and the driving force behind ethical decision-making behaviours of individuals. Akaah and Lund (1994) tested for the influence of personal values on ethical behaviour among marketing professionals. In their study, personal values were measured using Scott's (1965) four sub-scales (e.g., intellectualism, honesty, self-control and religiousness). They justified the relevance and usefulness of these subscales in their study by arguing that each captures an ideal relationship between people and/or state of affairs that is universally good. How applicable are these subscales to our current study? It is believed that this personal values inventory has the four specific dimensions critical to professionals, especially SMEs owners, managers and accountants (Akaah & Lund, 1994).

Researchers have found that there is a positive relationship between the personal value of religiousness and ethical decision-making (Thomas, 1997; Ji, 2004). For instance, religious orientations were significantly correlated with high levels of moral development and used as possible explanations for ethical decisions among college students (Ji, 2004). Using Jones' (1991) moral intensity construct, Wright, Cullinan and Bline (1997) found that personal values significantly predicted ethical decision-making among undergraduate accounting students. Douglas and Schwartz (1999) found that ethical decisions made by students were significantly influenced by their personal values. Indeed, researchers have argued that personal values influence individuals in

their perceptions, interpretations of situations, and hence direct people in their decisions, choices, and behaviours (Rokeach, 1973; Schwartz, 2009).

In contrast, some research has found little or no support for the influence of personal values on ethical decision making (Shafer et al., 2001; Akaah & Lund, 1994). Using a sample of 323 CPAs and Jones' (1991) ethical decision-making model, Shafer et al. (2001) did not find support for the hypothesised relationship between personal values and ethical behaviour. Nevertheless, based on prior research, it may be argued that the propensity to make sound ethical judgment is based on the personal values that are possessed by individuals.

Drawing on literature, Hemingway and Maclagan (2004) assumed that ethical decisions in an organisation are driven by a variety of personal values and interests, in addition to the official corporate objective. They found that decision makers use their personal values to formulate, adopt and implement policies regarding corporate responsibility. Ali, Ahmed and Krishnan (1995) investigated the relationship between personal values and six types of decision styles (autocratic, pseudo-consultative, consultative, participative, pseudo-participative and delegative styles). The study found that socio-centric value systems correlated significantly with consultative ($r = 0.25$) and delegative ($r = 0.21$) styles. Unsurprisingly perhaps, they found that egocentric values negatively correlated with participative styles ($r = -0.17$), but correlated positively with autocratic styles ($r = 0.15$). Both conformist and realistic values were found to be significantly correlated with consultative, participative and pseudo-participative styles. The results indicate a strong relationship between individual values and decision styles, but also showed

that national or societal influences can affect the individual values of managers.

In Canadian and Irish, McGuire, Garavan, Saha and O'Donnell (2006) explored the relationship between the individual values of managers and HR decision-making by collecting data line managers. Questionnaire data was collected from a total of 340 managers. Results provided modest support for the proposed model in that capability values were shown to be a significant positive predictor of the importance of health and safety, and peace values were a significant positive predictor of the importance of employment equity. The findings emphasised the need to simultaneously examine both individual values and organisational factors as predictors of human resource decision-making.

Similarly, In Greenland, Keast (1996) examined the relationship between values and the decision-making of 10 CEOs in public schools. Using a qualitative research design, the study showed that values played an important role in the decision-making process. It found that a degree of similarity appeared to exist in the frequency with which the same values reoccurred in the decision-making of all ten CEOs. The study also revealed that some values that showed high occurrences in the decision cases were also found to be highly occurring in the follow-up interviews, indicating their high level of prevalence in the CEOs' value make-up. Shared decision-making occurred most often in organizational redevelopment decision cases and this value, alongside trust, featured most frequently in the follow-up organizational redevelopment interviews.

Personal values have long been associated with individual decision behaviour. The role played by personal values in decision making within an organization is less clear. Past research has found that managers tend to respond to ethical dilemmas situationally. Fritzsche and Oz (2007) examined the relationship between personal values and the ethical dimension of decision making using Partial Least Squares (PLS) analysis. The study examined personal values as they related to five types of ethical dilemmas. They found a significant positive contribution of altruistic values to ethical decision making and a significant negative contribution of self-enhancement values to ethical decision making.

In the context of owner/managers of small businesses, Quinn (1997) assumed that small business owners were in a better position to bring ethical values into decisions, and found that there was evidence that personal values influenced attitudes towards “ethically sensitive business issues on absenteeism, employee satisfaction, and motivation. Viviers and Venter (2008) maintained that SME owner-managers must set the ethical tone and commitment at the top, as employees’ attitudes and behaviour towards fraud are more strongly influenced by management’s actions than by the policies and procedures, which they lay down to combat it. Working from the perspective of moral agency, Watson, Berkley and Papamarcos (2009) found that values such as benevolence and universalism (moral values), as well as hedonism and power (non-moral values) have direct effect on ethical decisions. They also found that values significantly influence decisions when they interact with situational factors such as reward and punishment.

Given that the prior research found that managers in small businesses have a high degree of ethical sensitivity when compared to managers in larger corporations and the public. In Botswana, Phatshwane (2013) investigated the ethical views of small business managers and compared these to the views held by a comparison group of key personnel in their organizations. The study hypothesized that managers of SMEs will be more ethically sensitive key personnel in their organizations. A questionnaire was administered on both groups, and the results were statically tested for differences. The study determined that there were no significant differences between the two groups for most of the questions that queried respondents using a set of ethical value statement. The study also determined that respondents felt that there were increased incidences of unethical practices in the country, especially those that involved bribery. The paper concluded by making recommendations for national, industry-focussed studies within SMEs.

Understanding ethical/unethical conduct is difficult, given that the ethical/unethical choice of actions is under the influence of different personal values. Individuals are strongly and permanently stimulated towards a specific action, and their cultural background also contains a framework for permitted and prohibited behaviour. In Croatia Ivaniš and Šturlić (2016) assessed the importance of terminal and instrumental values of top-level management, and to know what values motivate and direct the management of the most ethical/unethical behaviour. The study presented the results of empirical research of ethical/unethical behaviour of top-level management and performance indicators in large hotel enterprises. The obtained results confirmed the academic hypothesis: “Top-level management of large hotel

enterprises in the Republic of Croatia who opt for an ethical progress of behaviour achieve better business results in the long term than those who opt for a non-ethical progress of behaviour.” The role of strategic managers in promoting ethical conduct as well as establishing and implementing ethical values in enterprises has strengthened, while understanding the relationship between ethical behaviour and business success indicators paved the way for creating and enforcing ethical business policies and strategies in the process of strategic management, in order to ensure economic progress.



Personal Values and Corporate Social Responsibility in SMEs

Values are considered as drivers, guides and determinants that can influence human actions in term of social attitudes, ideologies, and behaviour (Hemingway, 2005; Tuziak, 2010; Wang & Juslin, 2012). Values denote an ethical component and these ethical values concern what is right and wrong (Valentine & Barnett, 2003). Values display an important role on each level of a firm, guiding the setting of goals, resource allocation, and the designing of strategies. According to Argandoña (2003), values are part of firms' competences, shaping their long-term success. People from different cultural contexts show different value structures which can influence their own perception of reality and guide their attitudes (Siltaoja, 2006; Schwartz, 2009; Wang & Juslin, 2012).

Responsibility towards society and ethics are considered vital by the managers for the effectiveness of organization before their behaviour becomes ethical and it exhibits more social responsibility (Singhapakdi et al., 2001; Hemingway, 2005). Thus, the evaluation of CSR actions is determined by human values and cultural-societal norms in combination with a number of other considerations that can influence how individuals evaluate such activities (Hemingway & MacLagan, 2004). Thus, for organizational success, the alleged significance of ethics and social responsibility is likely to be an imperative element of actual business behaviour (Singhapakdi et al., 2001).

Personal value has been associated with decision making behaviour of individual managers and owners of firms and it plays a very important role in ethical dimension of CRS decision making (Fritzsche, 1995). Several researchers have claimed that personal values play an essential role in

prompting the behaviour of managers (England, 2007). Numerous researches have studied the effect of personal values on corporate social responsibility at managerial level and organizational level (Hemingway & MacLagan, 2004; Fritzsche & Oz, 2007; Wang, & Juslin, 2011). Many researchers that CSR and business ethics are influenced by values of individual irrespective of corporate policies. Manager's personal values have been considered as aspects elucidating the formation, adoption, and implementation of corporate social responsibility policies in business organization (Shafer et al., 2006; Kim & Kim, 2010).

Recent studies have been addressing the link between CSR campaigns and personal values of CSR managers. CSR campaigns are considered to be influenced by the self-interest and personal values of the managers who coordinate it. In this context the company becomes just an agent of implementation of the campaign (Hemingway & MacLagan, 2004). The same conclusions were also highlighted by the authors of a UK study which investigated the motivation of managers to engage in actions to protect the environment, while the economic arguments and external pressure played an important role in engaging in campaigns for environmental protection, one of the most notable motivations of managers refer to personal values (Williams & Schaefer, 2013).

Regarding what motivates SMEs to pursue CSR, one study has suggested the existence of two dimensions: strategic motives and moral motives for pursuing CSR. The strategic motive suggests that firms pursue CSR in the hopes of achieving profitability. The moral motive suggests that firms have a moral duty towards society (Graafland & van de Ven, 2006).

Another study proposed managers' personal values as an important motivator (Hemingway & Maclagan, 2004). They suggested that CSR was driven by the personal values and beliefs of individual managers. Managers have discretion in whether and what CSR initiatives they adopt and how their own personal belief systems would drive decisions pertaining to this. It could be argued that the SMEs owner-managers motivation for engaging in CSR is always driven by some kind of personal value regardless of whether the activity is strategically driven for commercial purposes alone, or whether it is also partly driven by what appears. This study hypothesized that SMEs owner-managers personal values and interests in a particular social cause could be a motivating factor for CSR.

Moreover, changing personal values are likely to affect corporate values because employees bring their values into the work setting (Robertson, 2001). Moreover, Wood (1991) noted that CSR refers to ethical training, cultural background, preferences and life experiences that motivate human behaviour and in their empirical study, Harris and Crane (2002) highlighted the importance of managers' personal beliefs in the adoption of a green organizational culture. Bansal and Roth (2000) demonstrated that the main reasons for which SMEs chooses to become environmentally responsible are: competitiveness, legitimacy, ecological responsibility, issue salience, field cohesion and personal concern. Personal concern can be viewed as the beliefs and personal values of the managers who make impactful decisions for the company. Personal values influence the decision-making, considering they help the individual to discern when the company is in a crisis situation (Bansal & Roth, 2000).

Environmental surveys recognize personal values as an important source for defining relationships with the environment (Hards, 2011). Evidence about the impact of personal values on employees' economic behaviour can also be easily found (Hambrick & Mason, 2004). People's personal values significantly influence their attitudes toward sustainable development and its underlying aspects (Tuziak, 2010; Hards, 2011; Bernat, 2012). Hemingway (2005) proposed that the concern for social responsibility is not driven exclusively by economic motives; it may be championed as a result of personal morality, inspired by individual's own socially oriented personal values. Each SMEs owner-manager has his/her own perception of the level of CSR based on his/her personal values.

Weaver, Treviño and Cochran (1999) asserted that extrinsic and intrinsic factors influences SMEs owner-managers to engage in CSR campaigns. Extrinsic factors refer to knowledge of legislation in the field of social responsibility and media interest regarding ethics and compliance issues while Intrinsic factors refer to managers' personal values. Weaver et al. (1999) has shown that extrinsic factors determined the existence or nonexistence of social responsibility programs, while intrinsic factors determined the values that such programs are based on.

Sharfman, Pinkston and Sigerstad (2000) examined the effects of managerial values on social issues evaluation. A total of 129 managers from the US participated in the study. They found a clear relationship between the issues evaluated as important and the values of the manager conducting the evaluation. Economic values-oriented managers emphasised both community and regulatory values less than managers of other values orientations. The

contention here, which is supported by Carroll (1993), is that managers with a strong set of economic values will put economic issues ahead of social issues. Sharfman et al. (2000) also found that managers with a strong ethical value focus emphasised community issues, regulatory issues and political issues equally. Similarly, legal values-oriented managers emphasise regulatory and political issues equally with community issues. A series of regression analyses were conducted which showed that managerial values had a moderate to low effect in explaining the evaluation of community issues ($R^2 = 0.21$) and regulatory issues ($R^2 = 0.10$). The third regression model, examining the effect of managerial values on the evaluation of political issues, was insignificant indicating that the evaluation of political issues could not be adequately explained, in this research instance, from the managerial values orientation proposed.

Bansal (2003) linked the level of individual concern as an expression of personal values regarding environmental issues with pro-environmental behaviours. Stern and Dietz (1994) found that there is a link between biospheric-altruistic values (equivalent to self-enhancement) and environmentalist beliefs and behavioural intentions. In a cross-cultural study of university students, Schultz, Gouveia, Cameron, Tanhka, Schmuck and Franek (2005) found evidence that although universalism (environment) is a significant predictor of biospheric and egotistic environmental concerns, universalism (without the environment) also provides a unique contribution to the prediction of environmental concerns.

Hemingway (2005) specifically proposed that socially oriented, collectivistic managerial values lead to the support of CSR initiatives. She also

promotes the idea of a corporate social entrepreneur (CSE), who may identify opportunities for and/or champion socially responsible activity within the corporation, regardless of an organizational culture that is pre-disposed towards CSR. Furthermore, Karp (1996) found that a values profile that combines self-transcendence and openness to change values has a positive influence on pro-environmental behaviours (and conversely that self-enhancement/conservation values had a negative effect). Jakob and von Passavant (2009) reported that Swiss SMEs take social responsibility very seriously and concentrate initial efforts in building an appropriate organizational culture that includes leadership principles, organizational values, and employee motivation for CSR activity. However, the researchers find that Swiss SMEs do not necessarily communicate their commitment outside of the firm – often because CSR engagement is based on the personal values of decision-makers, and they feel that they are simply “doing what’s right” and that this is nothing special.

Williams and Schaefer (2010) found that SMEs owner-mangers motivations to engage in with environmental issues were based on values rather than on business strategic and externally legitimacy considerations. Milfont, Sibley and Duckitt (2010) replicated Schultz et al.’s study and found evidence that there is an interaction between three factors to predict self-reported environmental behaviour: 1) the perceived seriousness of global environmental problems, 2) the ascription of responsibility for global problems, and 3) altruistic values. There is significant theoretical and empirical evidence to suggest a relationship between decision-makers’ personal self-transcendent values to the promotion of environmental, social,

and ethical issues. There is also support for the idea that sustainability oriented organizational cultures, based on the values. Russo and Perrini (2010) also found that SMEs approach CSR less formally and depend on trust, informality, and networking to engage with their stakeholders, SMEs can exploit these relationships to improve their image and standing in the community.

A study conducted by Williams and Schaefer (2013) found that the managers had relatively good understanding of environmental issues in general and climate change in particular and had implemented a range of pro-environmental measures in their firms. Their understanding of climate change was a holistic one, which sat within their overall understanding of environmental and social issues. While economic arguments and external pressure played a role in their pro-environmental engagement, perhaps the most notable motivation for managers in this study to engage with environmental and climate change issues were personal values and beliefs. Environmentally engagement managers exhibited an internal locus of control. Some of these findings contrast with the views of key informants in local government and business advice organisations, who tend to emphasise the business case and cost arguments when trying to encourage small businesses towards greater environmental engagement. These findings suggested that public policy and business advice in this area should perhaps focus more strongly on personal values and a sense of being able to contribute to environmental protection in their engagement with small businesses.

Similarly, in Slovenia and Romania, Cirnu and Kuralt (2013) examined the impact of SMEs owner-managers' personal values on their

attitudes toward economic, environmental, and social aspects of sustainable development. Furthermore, relations between aspects of sustainable development are empirically examined, not previously done in literature. These findings reveal that personal values play an important role in employees' perception of different aspects of sustainability. Slovenian employees understand sustainability as an entity of three aspects: economic, environmental, and societal, while results for the Romanian sample indicate that sustainability comprises primarily environmental and societal dimensions. Findings also suggest that the content of the sustainability concept in countries with different cultural backgrounds is understood differently.

To summarize, the general informality of management in SMEs extends to the approaches and implementation of CSR (environmental and social responsibility issues). Sustainability approaches in SMEs tend to be values oriented and embedded in the organizational culture. However, there are indications that SMEs do implement formal techniques to strategically ensure sustainability. Therefore, the sustainability strategies and their management is applicable to firms regardless of size if attention is paid to some of the critical differences, which may even make implementation of the concepts presented in this study easier for smaller firms.

Conceptual Framework

According to Punch (2006), a conceptual framework shows the conceptual status of the objects of study, as well as their relationships to each other. Such a framework is closely related to the research questions and, as a result, to the research design. First, the general conceptual framework is introduced. Then, the individual concepts and important definitions are discussed.

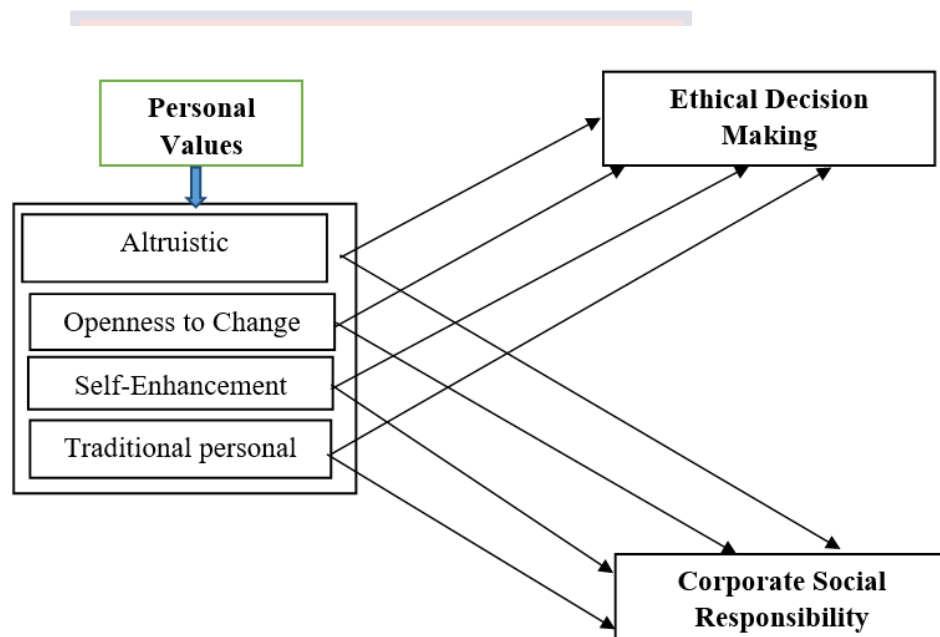


Figure 2: Conceptual framework

Source: Author's own construct, [Asumadu \(2017\)](#)

Figure 2 shows the general conceptual framework of concepts and relationships under investigation, which followed from the initial question identified in the discussion of the relevance of the research problem. The conceptual framework focused on the personal values (Altruistic, Openness to change, Self-enhancement and Traditional) of SMEs owner-manager as a factor that influences their attitude towards ethical decision making and involvement in CSR strategy process. For the ethical decision making process to begin, a person must be able to recognise the moral issue once a person

recognises that a moral issue exists, he or she must make a moral judgment. Once a person has made a moral judgment, he or she must decide what to do. Behaviour is a result of many internal (personal) and external (environmental) factors.

On the other hand, it is believed that personal values of SMEs owner-managers might influence their ethical decision of CSR. Personal values act as a catalyst for CSR and for ethical decision making. Both social responsibility and Personal values are considered important factors in CSR strategy thereby linking leaders' values to the decision making and strategy process. Personal values influence ethical work behaviours (outcomes) and in establishing an ethical organizational climate.

Chapter Summary

This chapter focused on the review of related literature regarding the constructs of the study. It began with an overview of the chapter, theoretical review of the independent variable (Personal values), Schwartz Values Theory was found to be appropriate theory underpinning the study. Rest's Ethical Decision Making and Stakeholder Theory of corporate social responsibility were found appropriate for the two dependent variables (Ethical decision making and CSR respectively). The empirical review was based on the relationships among the constructs on which research hypotheses were formulated. Based on the proposed hypotheses and the theoretical review, this chapter presented the personal values and ethical decision, and the personal values and CSR in a conceptual framework.

CHAPTER THREE

RESEARCH METHODS

Introduction

This chapter describes the procedures and methods that were used in the study and how the questionnaire survey was undertaken. The chapter covers areas such as the research approach, research design, population of the study, study sample and sampling procedures, research instrument, data collection procedures and data processing and analysis procedures.

Research Approaches

There are three main approaches to research. These are quantitative approach, qualitative research and mixed method approach. Quantitative research gathers data in a numerical form which can be put into categories, or in rank order, or measured in units of measurement (Judd, McClelland, & Ryan, 2009). It is used to quantify the problem by way of generating numerical data or data that can be transformed into usable statistics (Black, 1999). It is used to quantify attitudes, opinions, behaviours, and other defined variables – and generalize results from a larger sample population (Creswell, 2013). For the quantitative approach, the researcher reality is objective and exist separately to the researcher, and is capable of being seen by anyone (Black, 1999).

Qualitative research is multimethod in focus, involving an interpretive, naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 1994). Qualitative research is empirical research where

the data are not in the form of numbers (Punch, 1998). The aim of qualitative research is to understand the social reality of individuals, groups and cultures as nearly as possible as its participants feel it or live it (Denzin & Lincoln, 1994).

Mixed methods research is a methodology for conducting research that involves collecting, analysing and integrating quantitative (e.g., experiments, surveys) and qualitative (e.g., focus groups, interviews) research. This approach to research is used when this integration provides a better understanding of the research problem than either of each alone (Judd et al., 2009). By mixing both quantitative and qualitative research and data, the researcher gains in breadth and depth of understanding and corroboration, while offsetting the weaknesses inherent to using each approach by itself (Creswell, 2013).

From these three research approaches, the current study is based on quantitative research approach. This approach was used in the current study in order to collect numerical data from SMEs owner-managers in Kumasi Metropolis on the influence of personal value on ethical decision making and corporate social responsibility. This approach help gather data from a large group and then generalize those results to a larger group of people to explain a phenomenon. The researcher used this approach in order to get objective and conclusive answers on the research questions that guided the study (Goertzen, 2017).

Research Design

Explanatory research design was adopted to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. According to Creswell and Plano-Clark (2006), explanatory research aims to identify any causal links between the factors or variables that pertain to the research problem. Explanatory research explains which causes produce which effects (Yin, 2003). Explanatory studies go beyond description. It attempts to explain the reasons for the phenomenon that the descriptive study only observed. In an explanatory study, the researcher uses hypotheses to represent the forces that caused a certain phenomenon to occur (Creswell & Plano-Clark, 2006; Manicas, 2006).

The explanatory research design was adopted in this study because the researcher intended to identify the extent and nature of cause-and-effect relationships between personal values, ethical decision making and corporate social responsibility among SME owners. The researcher used this design because it focuses on an analysis of a situation or a specific problem to explain the patterns of relationships between variables considered in this study (Manicas, 2006). The researcher concern in explanatory research is how one variable (personal values) affects, or is 'responsible for', changes in another variables (ethical decision making and corporate social responsibility). The study is more interested in understanding, explaining and predicting relationships between the variables (personal values, ethical decision making and corporate social responsibility).

Study Population

The study population was all registered SMEs in the Kumasi Metropolis. Kumasi Metropolis was chosen because it has the highest number of registered SMEs in Ghana (Register General Department, 2018). This helped the researcher to have a representative sample for our study. SMEs are chosen for this study because the individual owner of the SMEs makes most of the important decisions, and his or her actions are for the success of the company. It is more likely that their personal values would influence their ethical decision makings and engagement in corporate social responsibility. There were 118 registered SMEs in Kumasi Metropolis as at 31st October 2018 (Register General Department, 2018).

Sample and Sampling Procedure

The sample frame for the study was all registered SMEs in Kumasi Metropolis. On the basis of the study, all the registered SMEs (n=118) in Kumasi Metropolis was used in the study. A census survey was to include all the SMEs in Kumasi. This was used because, it was realistic to include all the SMEs in the study.

Data Collection Instrument

A self-developed questionnaire was used for the data collection (see Appendix A). It was closed-ended type having seven-point Likert scale type item ranging from strongly disagree (SD) to strongly agree (SA). This provided options for respondents to indicate their degree of agreement or disagreement to the question items. The questionnaire was made up of four (4) sections (A, B, C, & D). Section “A” sought the demographic information of respondents. Section “B” solicited information from SMEs owner-managers

on their attitude towards ethical decision making. Section “C” gathered information on SMEs owner-manager attitude towards CSR and Section “D” solicited for information on SMEs owner-managers personal values. Questionnaires was used because they provide important information about the population. It has the ability to collect a large amount of information within limited time (Mugenda & Mugenda, 2003). This technique is found to be appropriate because it is an explanatory study and that requires the use of questionnaires. It is also found because the respondents are scattered over a wide geographical area and they are literate. Questionnaires are also economical to the user in terms of time and money.

Validity and Reliability of the Instrument

Validity refers to the degree to which a study accurately reflects or assesses the specific concept that the researcher is attempting to measure. According to Gay, Mills and Airasian (2012) validity is the degree to which a test measures what it is supposed to measure. Thus, validity is concerned with the study’s success at measuring what the researchers set out to measure. The face, content and construct validity of the instrument were validated by the two supervisors and one expert in School of Business, University of Cape Coast. Face validity is the extent to which an instrument is subjectively viewed as covering the concept it purports to measure. Content validity is concerned with adequacy of coverage of the content area being measured. Construct validity is the degree to which a test measures what it claims, or purports, to be measuring (Creswell, 2015). The supervisors and one expert in School of Business has judged the extent to which the face, content and construct of the questionnaire appeared logical and covered the scope of the

research. The supervisors and the expert after examining the instrument made some corrections which were effected in the final draft of the instrument.

Reliability is the extent to which an instrument or measuring procedure yields the same result on repeated trials. Reliability is concerned with how consistently an instrument measures the concept of interest (Burns, Grove & Gray, 2015). In other words, reliability shows a measure of consistency in measuring the same phenomenon. A pre-test was carried out among 20 selected registered SMEs owner-manager in Takoradi Metropolis. The Takoradi Metropolis were selected for the pre-test because the registered SMEs have some characteristics equal to the characteristics of the SMEs in Kumasi Metropolis. The questionnaire was administered to 20 owner-managers of registered SMEs in Takoradi Metropolis. The reliability indices of ethical decision making (0.640), corporate social responsibility (0.552) and personal values (0.944) were obtained using Cronbach Alpha technique. These values were deemed appropriate for the instruments to be used for the study (Fraenkel, Wallen & Hyun, 2012; Polit & Beck, 2012).

Data Collection Procedures

The researcher ensured ethical consideration before data collection. The topic for the study had been first approved by the Centre for Entrepreneurship and Small Enterprise Development of the School of Business, University of Cape Coast. The researcher explained the purpose of the questionnaire to the respondents and assured respondents their confidentiality and anonymity of the information they provide. This measure was put in place to ensure that accurate information is retrieve from the respondents. The owner managers self-administered the questionnaire each of

them lasted about 30 minutes in filling the questionnaire. Out of the 118 questionnaires administered, 100 were retrieved making a return rate of 84.7% (approximately 85%). This exercise was done within eight days.

Ethical Consideration

This study did not cause any risk or harm to the participants. The respondents were assured that this research was for academic purposes only and that whatever information they gave would be kept highly confidential. Anonymity was also assured. Any information given by the respondents was kept private and no third party had access to the responses given. Information given could not be traced back to the respondents. The purpose of the study was explained to the participants and they were informed that their participation was voluntary and that they could decide not to answer certain questions they felt uncomfortable with.

Data Processing and Analysis Procedures

The data collected was edited without altering the responses and processed using the Statistical Package for the Service Solution (SPSS) software version 21. The data was analysed using descriptive statistics (frequency, percentages, means and standard deviation). After this, it was converted into a comma separated value (CSV) file and exported into Smart PLS software for structural equation modeling analysis.

Descriptive Statistics

According to Gujarati (2003), descriptive statistics utilizes statistical, numerical and graphical methods to look for patterns in a set of data. It usually summarizes the information in a set of data by revealing the average indicators of the variables used in the study and present that information in a convenient

way. This study presented some measures of central tendencies and measures of dispersion of the main variables of the study which helped to understand the distribution of the variables. The distributions of the variables were necessary for the regression analyses in order to determine the relationship among the variables and the effect that the variables had on one another. The mean and standard deviation were the respective measures of central tendency and dispersion that were employed.

Research question one and two was analysed using means and standard deviation. The mean and standard deviation of the ratings for each of the items will be computed to ascertain the respondents' perception on the themes studied. The mean analysis helps to describe the average responses of the respondents concerning the research questions in respect to teachers' effectiveness. The standard deviation was used to measure how concentrated the data are around the mean. Basically, a small standard deviation means that the values in a statistical data set are close to the mean of the data set, on average, and a large standard deviation means that the values in the data set are farther away from the mean, on average (Sobh & Perry, 2006). Research hypotheses were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM).

Structural Equation Modelling (SEM)

Structural Equation Modelling which was the main statistical tool for achieving the primary objective of the study was the comprehensive statistical approach to testing hypotheses about relations among observed and unobserved variables. SEM is a blend of two statistical methods of factor analysis and path analysis into one broad statistical method.

There are two parts in a PLS Structural Equation Modelling; first, a measurement model relating to the observable variables to their own latent variables and second, a structural model relating to both the endogenous and the latent variables. The measurement model is also called the outer model and the structural model is known as the inner model (Tenenhaus, Vinzi, Chatelin & Lauro, 2005). According to Hair, Hult, Ringle and Sarstedt (2016), an assessment of PLS-SEM outcomes could be extended to more advanced analyses (for example, examining the mediating and/or moderating effects and multi-group testing)

Measurement Model

Before the results from the SEM could be relied on, it was necessary to consider its conformance to various validity and reliability checks (internal consistency). This included assessing the internal reliability, and construct validity which were assessed using the convergent and discriminant validity tests.

Internal Consistency Reliability

The first criterion evaluated was the internal consistency reliability. In preference to Cronbach's alpha, composite reliability was used as a measure of internal consistency in PLS-SEM. This measure was preferred over Cronbach's alpha because it offered a better estimate of variance shared by the respective indicators and because it uses the item loadings obtained within the nomological network (Hair et al., 2016). The composite reliability ranges between 0 and 1, with higher values indicating higher levels of reliability. It is generally interpreted in the same way as Cronbach's alpha. Specifically, composite reliability values of 0.601 to 0.701 are acceptable in exploratory

research, whereas in more advanced stages of research, values between 0.701 and 0.901 can be regarded as satisfactory (Hair et al., 2016).

Convergent Validity

This is the degree to which items measuring the same concept or construct agreed (Rouibah, Ramayah & May, 2011). To establish convergent validity, researchers consider the outer loadings of the indicators, as well as the average variance extracted (AVE). High factor loadings on a construct indicate that the associated indicators have much in common, which is captured by the construct. This characteristic is also commonly called indicator reliability. At a minimum, all indicators' outer loadings should be statistically significant. Because a significant outer loading could still be fairly weak, a common rule of thumb is that the (standardized) outer loadings should be 0.708 or higher (Hair et al., 2016). However, indicators with outer loadings between 0.40 and 0.70 should be considered for removal from the scale only when deleting the indicator leads to an increase in the composite reliability or the average variance extracted (AVE) above the suggested threshold value. This study, therefore, adopted a minimum outer loading of 0.60.

A common measure to establish convergent validity on the construct level is the average variance extracted (AVE). This criterion is defined as the grand mean value of the squared loadings of the indicators associated with the construct (that is, the sum of the squared loadings divided by the number of indicators). Therefore, the AVE is equivalent to the communality of a construct. An AVE value of 0.50 or higher indicates that, on average; the construct explains more than half of the variance of its indicators. Conversely,

an AVE of less than 0.50 indicates that, on average, more error remains in the items than the variance explained by the construct. According to Hair et al. (2016), convergent validity is established if the AVE value exceeds 0.50.

Discriminant Validity

According to Hair et al. (2016), discriminant validity is the extent to which a construct is truly distinct from other constructs by empirical standards. Therefore, establishing discriminant validity entails that a construct is unique and captures phenomena not represented by other constructs in the model. A conservative approach to measuring discriminant validity is the Fornell-Larcker criterion. It compares the square root of the AVE values with the latent variable correlations. Specifically, the square root of each construct's AVE must be greater than its highest correlation with any other construct. The logic of this method is based on the idea that a construct shares more variance with its associated indicators than with any other construct. Furthermore, discriminant validity is confirmed if the diagonal elements are significantly higher than the off-diagonal values in the corresponding rows and columns. The diagonal elements are the square root of the AVE score for each construct.

However, the Heterotrait-Monotrait Ratio (HTMT) is preferred over the Fornell-Larcker criterion. A recent simulation by Henseler et al. (2015) proves that HTMT is a more robust form of determining discriminant validity. This measures the average correlations of the indicators across constructs measuring different phenomena, relative to the average of the correlations of indicators within the same construct. The criterion from the aforementioned authors is to have HTMT values less than 0.85 (in the strict sense) or less than 0.90 (an acceptable parameter) (Henseler et al., 2015).

Structural Model Analysis

In Partial Least Squares (PLS) method, the structural model is tested by computing path coefficients because PLS does not require a normally distributed data. It is evaluated with R-squared calculation for dependent latent variables and the average variance extracted (AVE). The first item that PLS provides is to assess how well the model fits the hypothesised relationship which is the squared multiple correlations (R^2) for each dependent construct in the model. The R^2 measures a construct's percentage variation that is explained by the model (Kline, 2015, Hair et al., 2016). The R^2 value shows that variations in the dependent variable can be explained by the independent variables.

The quality of the structural model for each endogenous block can be measured by the Redundancy Index which is the capacity of the model to predict its manifest variables from the indirectly connected latent variables (Chantelin, Vinzi & Tenenhaus, 2002). Since the objective of PLS is to maximize variance explained rather than fit, the prediction-oriented measures such as R^2 are used to evaluate PLS models. According to Hair et al. (2016) recommendations, a bootstrapping procedure using 5,000 sub-samples is performed to evaluate the statistical significance of each path coefficient which also corrects for cases of non-normality of data. Additionally, the confidence interval, effect sizes (f^2) and predicative relevance (Q^2) were assessed. The predictive of the construct to construct relationship was further assessed for their effect sizes using the f^2 statistics as suggested by Hair et al. (2016). This was important because the p value can only provide information

on the presence or otherwise of an effect but without any indication of the actual size of the effect (Sullivan & Feinn, 2012). Hair et al. (2016) suggest an effect size of 0.02, 0.15 and 0.35 to represent small, medium and larger effects respectively. However, Hair et al. (2016) recommended the effect sizes of 0.005, 0.01 and 0.025 to represent small, medium and larger effect sizes respectively, especially for moderation analysis. Finally, predictive relevance indicates how relevant and reliable the model is in terms of its overall predictive ability, which is the cross-validated relevance. This was assessed by a blindfolding procedure (Stone, 1974; Geisser, 1975) which is recommended only for endogenous constructs of reflective models as suggested by Hair et al., (2016). As a rule of thumb, the Q^2 value of more than 0 is required to indicate model predictive value or otherwise (Hair et al., 2016).

Justification for the Use of Structural Equation Modelling

The first reason involved the greater recognition given to the validity and reliability of observed scores from measurement instruments. Specifically, measurement error has become a major issue in many disciplines, but measurement error and statistical analysis of data have been treated separately. Structural equation modelling techniques explicitly take measurement error into account when statistically analysing data. The second reason pertained to the ability to analyse more advanced theoretical SEM models. For example, interaction terms can now be included in an SEM model so that main effects and interaction effects can be tested. PLS-SEM can handle more complex relationships which have more than two dependent variables (Hair et al., 2016). This function is not possible in multiple regression analysis using just

SPSS. Figure 3 shows the summary of the relationship between independent variables and dependent variables.

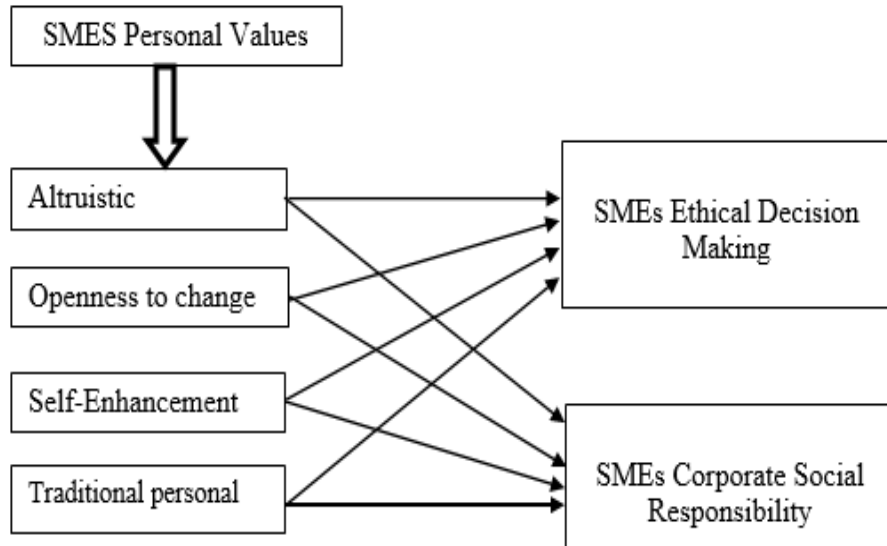


Figure 3: Relationship between SMEs personal values and ethical decision making and CSR

Source: Authors' own construct, [Asumadu \(2017\)](#)



CHAPTER FOUR

RESULTS AND DISCUSSION

Introduction

The purpose of the study was to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. This chapter deals with the presentation, interpretation and discussion of the results.

The presentation of the results is in two sections. The first section presents the results of the respondents' socio-demographic characteristics and the second section presents the results based on the research questions and hypotheses. The valid sample used in the study is 100.

Socio-Demographic Characteristics of Respondents

The socio-demographic characteristics of the respondents who participated in the study were sought. These included their gender, age distribution, educational qualification and working experience. The data of the background information of respondents were analysed using frequency and percentages as shown in Table 1.

Table 1 shows the results of the respondents regarding their background information. Concerning the sex distribution of the respondents, it was found that out of 100 registered SMEs owners, the majority (60%) of them were males and the rest were females. This suggests that the male respondents were more than the female respondents who owned and control SMEs.

To their age distribution, it was found that most (52%) of them were within the age group of 30-39years while 32 percent of them were also within the age group of 40years and above. This result implies that most of the SMEs owner-managers are matured. It is believed that this could influence their personal values towards ethical decision making in the firm and their corporate social responsibilities.

Table 1: Background Information of Respondents (n=100)

Variables	n	%
Sex distribution		
Male	60	60.00
Female	40	40.00
Age distribution		
20-29years	16	16.00
30-39years	52	52.00
40years and above	32	32.00
Education qualification		
Secondary education	19	19.00
Diploma/HND	19	19.00
Degree	39	39.00
Masters	23	23.00
Working experience		
Less than 5years	23	23.00
5-10years	35	35.00
11-15years	16	16.00
Above 15years	26	26.00

Source: Field data, 2018

In Table 1, it was found that out of 100 SMEs owner-managers, 39 percent of them were had degree and 23 percent of them had masters. This result implies that most of the SMEs owner-managers are educated. Hence, it

is believed that this could influence their personal values towards ethical decision making and corporate social responsibilities.

Regarding working experience, all the SMEs owner-managers had some level of working experience. For example, 35percent and 26 percent of them had been working for 5-10years and above 15years respectively. This level of working experience of SMEs owner-managers could influence their personal values towards ethical decision making and corporate social responsibilities (Table 1).



Main Results

This section presents the actual results of the study in relation to the research questions and hypotheses that guided the study.

Attitude of SMEs Owner-Managers towards Ethical Decision Making

The main objective of this research question was to examine the attitude of SMEs owner-managers towards ethical decision making in the Kumasi Metropolis. The respondents were asked to indicate the extent to which they agree or disagree with the statements on ethical decision making. Since, the researcher is interested in respondents' attitude towards ethical decision making, the results were investigated using means and standard deviation. On 7-point Likert scale $[(1+2+3+4+5+6+7) = 28/7 = 4]$, a mean of below 4.00 is considered as respondents' negative attitude towards ethical decision making while a mean of 4.0 and above is considered as respondents' positive attitude towards ethical decision making. The results are presented in Table 2.

Table 2: Attitude of SMEs Owner-Managers towards Ethical Decision Making (n=100)

Statement	Mean	SD	Skewness		Kurtosis	
			Stat	SE	Stat	SE
I always take decisive actions and decisions when addressing a moral/ethical decision	5.15	1.59	-	.241	-	.478
When others are doing unethical practices I also do not do the same	6.65	0.89	3.34	.241	12.1	.478
I ensure that my actions do not affect others in the firm and society	4.71	1.78	-	.241	-	.478
I determine what needs to be done when I face moral/ethical dilemmas	5.14	1.35	7.21	.241	64.6	.478
I make ethical decisions by seeing what other businessmen are doing	4.10	1.62	.193	.241	-	.478
I always rely on hard facts rather than personal feelings or intuitions when taking decisions	4.77	1.63	-	.241	-	.478
I always decide on the basis of my own moral principles/standards	4.97	1.65	.600	.241	-	.478
I ensure that my experience does not conflicts my personal values and business expectations	4.62	1.59	6.86	.241	60.5	.478
I am highly organised when decision involves some moral issues	4.95	1.73	.471	.241	-	.478
I engage business practices which are ethical and necessary to survive	5.14	1.66	.645	.241	-	.478
Average Means/SD	5.02	1.55				

Source: Field data, 2018

There is currently increasing pressure on SMEs organisations to be ethical, in addition to running their operations in the most economical, efficient and effective manner possible to increase performance. It is important to note that most SMEs employ people with diverse backgrounds in terms of nationality, culture, religion, age, education and socioeconomic status. Each of

these persons comes into the workplace with different values, goals and perceptions of acceptable behaviour. This diverse background might create ethical challenges for individuals as well as managers. Due to this, businesses have realised that ethical misconduct can be very costly not only for the organisation but also to society as a whole (Table 2).

Table 2 presents the mean results of the attitude of SMEs owner-managers towards ethical decision making. It is apparent from the results that the majority of the SMEs owner-managers agreed to the statement on ethical decision making. This agreement featured predominantly among the subscales of ethical decision making among SMEs owner-managers. For example, the majority of the SMEs owner-managers highly indicated that they never engaged in unethical practices when other are involved in it. This was evident by the mean score of $M=6.65$; $SD=0.89$). The value of the standard deviation implies that the majority of SMEs owner-managers share the same opinion about the statement. In Table 2, the majority of the SMEs owner-managers agreed ($M=5.15$; $SD=1.59$) with the statement that they always took decisive actions and decisions when addressing a moral/ethical decision. However, there are significant difference in their agreement. This could be an outlier in the responses of owner-managers of SMEs. Similarly, the respondents indicated ($M=5.14$; $SD=1.35$) that they determined what needs to be done when they are face with moral/ethical dilemmas (Table 2).

In Table 2, the respondents also reported ($M=5.14$; $SD=1.66$) that they engaged business practices which are ethical and necessary to survive. They also decided on the basis of my own moral principles/standards ($M=4.97$; $SD=1.65$) and they are highly organised when decision involves some moral

issues ($M=4.95$; $SD=1.73$). From these results, it is concluded that most of the owner-managers of SMEs agreed ($MM=5.02$; $SD=1.55$) with the statement concerning their attitude towards ethical decision making. This implies that they have positive attitude towards ethical decision making. Thus, the owner-managers of SMEs engage in ethical decision making concerning the operation of the firm. That is, they evaluate and choose among alternatives in a manner consistent with ethical principles. In making ethical decisions, they perceive and eliminate unethical options and select the best ethical alternative (Table 2).

All managers face decision-making challenges. The processes and techniques used by SME managers are akin to those used in larger corporations; they rely on a variety of decision-making processes including rational processes (Pina e Cunha, 2007), insights and intuition (Khatri & Ng, 2000; Miller & Ireland, 2005). Olson (2005) suggests that SME managers can be expected to use either holistic, intuitive processes, or step-by-step analytical processes, for different types of tasks. Rice and Hamilton (2009) noted that many of SMEs managers' decisions were the result of "experience", "intuition" or "guesswork". Busenitz and Barney (1997) found that SMEs managers tend to rely on heuristics for decision-making more than large company managers (Table 2).

Hunt and Vitell (2006) suggest that when individuals confront problems, they may use some sort of broad-based ethical judgement as a screening device and then apply an evaluation process. Ethical decision-making becomes an issue when exceptions occur and there is uncertainty about ethical obligations or when considerations of ethics come into conflict

with the practical demands of business where multiple stakeholders, interests, and values are in conflict and laws are unclear (Boatright, 2003; Treviño, 2006). In recent years, several authors have contended that often ethical decisions are the result of factors other than step-by-step reasoning. Rather, they could be dependent on intuition (Narvaez & Lapsley, 2009; Provis, 2010) and heuristics (Fisher & Lovell, 2009, Hamilton, Knouse, & Hill, 2009; Hayibor & Wasieleski, 2009) (Table 2).

It also seems that individual, organizational, and situational factors have a significant impact on ethical decision-making. Ferrell and Gresham (2005) suggest that 'ethical/unethical decisions are moderated by individual factors, significant others within the organizational setting, and opportunity for action'. Individual factors include the nature and personal characteristics of the decision-maker such as age, sex, attitudes, values, education, and religion (Arnold, 2000; Fritzsche, 2007). Organizational factors may also be relevant, including the situation at issue (Arnold, 2000), type of surrounding environment and organizational culture (Fritzsche, 2000; Sims & Keon, 1999) (Table 2).

Attitude of SMEs Owner-Managers towards Corporate Social Responsibility (CSR)

The main objective of this research question was to assess the attitude of SMEs owner-managers towards CSR in the Kumasi Metropolis. The respondents were asked to indicate the extent to which they agree or disagree with the statements concerning CSR. Since, the researcher is interested in respondents' attitude towards corporate social responsibilities (CSR), the results were investigated using means and standard deviation. On 7-point Likert scale, $[(1+2+3+4+5+6+7) = 28/7 = 4]$, a mean of below 4.00 is considered as respondents' negative attitude towards CSR while a mean of 4.0 and above is considered as respondents' positive attitude towards CSR. The results are presented in Table 3.

SMEs has been pressured to engage in activities of Corporate Social Responsibility (CSR) and has accepted the argument that a company has responsibilities to society that go beyond the production of goods and services at a profit (Buchholz & Rosenthal, 2002, Jenkins, 2006). The major benefits that SMEs actually realise from engaging in CSR may include good image, trust and reputation, improved market position, enhanced employee motivation, risk management, and cost savings (Jenkins, 2006). Motivations for firms to involve in CSR are largely placed in economic motives and moral ones (Udayasankar, 2008). Understanding the individual at the heart of the SME is the basis for understanding the firm's CSR direction. CSR activities in SMEs are a clear reflection of the specific owners' beliefs, desires or experiences that drive their engagement in CSR (Table 3).

Table 3 shows the mean results of the respondents concerning their attitude towards CSR. It is obvious from the results that most of the SMEs owner managers agreed with the statement concerning their attitude towards CSR. Thus, they believed to be engaged in CSR. For example, the majority of the respondents agreed ($M=5.78$; $SD=1.38$) with the statement that there should be more public recognition given to companies doing well in the area of CSR. Thus, they believed that individual SMEs should be publicly recognised for their engagement and involvement in CSR. This implies that they had positive attitude towards CRS.

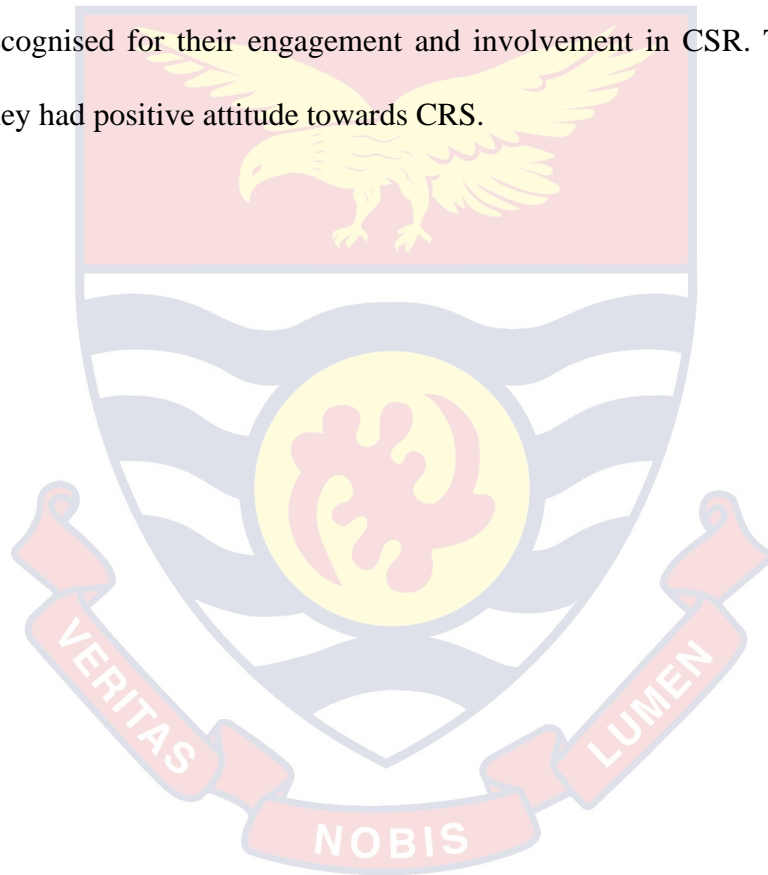


Table 3: Attitude of SMEs Owner-Managers towards CSR (n=100)

Statements	Mean	SD	Skewness		Kurtosis	
			Stat	SE	Stat	SE
Business executives' main concerns are to make a profit	5.37	1.67	-			
Involvement by business in improving its community's quality of life will also improve long run profitability	5.55	1.37	1.147	.241	.788	.478
There should be more public recognition given to companies doing well in the area of CSR	5.78	1.38	-.301	.241	.990	.478
A business that wishes to capture a favourable public image will have to show that it is socially responsible	5.78	1.47	-.830	.241	.009	.478
Socially responsible corporate behaviour can be in the best interest of the stakeholders	5.30	1.57	-.827	.241	.659	.478
The idea of socially responsibility is needed to balance company's power and discourage irresponsible behaviour	5.04	1.59	-.272	.241	.846	.478
Firms are social institutions and as such must live up to society's standards	5.30	1.35	-.432	.241	.126	.478
Efficient production of goods and services is no longer the only thing society expects from businesses	4.94	1.74	-.745	.241	.851	.478
If business is more socially responsible, it will discourage additional regulation of the economic system by the government	4.38	1.97	-.705	.241	.404	.478
A company that ignores corporate social responsibility can obtain competitive advantage than a company that does not	4.59	1.14	-.184	.241	.786	.478
It is unwise to allow business to participate in social activities where there is no direct way to hold it accountable for its actions	4.21	1.68	.248	.241	1.27	.478
Consumers and general public will bear the costs of social involvement because the business will pass these costs along through their pricing strategies	4.05	1.91	-.076	.241	.671	.478
Average Mean/SD	5.02	1.57				

Source: Field data, 2018

Similarly, the respondents agreed ($M=5.78$; $SD=1.47$) with the statement that A business that wishes to capture a favourable public image would have to show that it is socially responsible. Thus, they believed that CRS enhances firms' public image and reputation (Table 3). Regarding profitability of the firm, SMEs owner-managers revealed ($M=5.55$; $SD=1.37$) that involvement by business in improving its community's quality of life would also improve long run profitability. In Table 3, most of the respondents believed ($M=5.30$; $SD=1.35$) that firms are social institutions and as such must live up to society's standards. They also indicated ($M=5.30$; $SD=1.57$) that socially responsible corporate behaviour can be in the best interest of the stakeholders. Also, CSR is needed to balance company's power and discourage irresponsible behaviour ($M=5.04$; $SD=1.59$). It is concluded from these results that majority of the SMEs owner-managers agreed ($M=5.02$; $SD=1.57$) with the statements concerning their attitude towards CSR. This implies that they have positive attitude towards CSR. This positive attitude could be associated to the knowledge they have on CSR. Hence, it could be adduced that SMEs owner-managers engage in CSR. This could be attributed to several factors like personal and organisation values, motivation and the benefit accrued to CSR (Table 3).

CSR has been proven to be able to enhance a corporate reputation which has become one of the valuable assets of a company in the new business environment. Scholars have found engagement of SMEs in CSR important (Vyakarnam et al., 1997; Spence, 1999; Spence & Rutherford, 2000; Tilley, 2000; Spence et al., 2003; Jenkins, 2004; Jenkins, 2006). Lepourte and Heene (2006) asserted that SMEs are socially responsible by

nature but they just do not know that they are. Azmat and Samaratunge (2009) noted that SMEs often unknowingly adopt socially responsible practices or follow a silent or sunken version of CSR, have a special relationship with specific stakeholders...and are willing to sacrifice some of their profits while serving a greater goal. Likewise, Fassin (2008) maintains that SMEs engage in responsible business practices even though they do not publish formal social reporting. Spence (2004) argues that SMEs are largely rooted in local communities and their physical proximity to customers and community may translate to moral proximity which can focus the mind of owner/managers considerably on socially responsible behaviour (Table 3).

Further, as clients and employees become visible in the local communities in which SMEs operate, these SMEs build and enhance their reputation, which in turn augments their business competitiveness. This chain of events largely depends on how well an SME's activities are aligned with the exigencies of its local community. Hence, SMEs would naturally engage themselves in CSR activities. The constant interactions of SMEs with the local communities and the knowledge they accumulate throughout can help them design sustainable strategies that serve the community well (Table 3).

However, a number of authors have indicated that SMEs are rarely engaged in formal CSR practices and that they encounter more challenges than their larger counterparts in implementing CSR strategies (Lepoutre & Heene, 2006). This lack of engagement is largely attributed to the lack of awareness of the SMEs about the significance of their engagement in CSR (Tilley, 2000; Hitchens et al., 2005). Jenkins (2006) points out that most SMEs believe their duty to concern social and environmental responsibilities

but SMEs are unlikely to regard CSR in terms of risk to brand image or reputation. Fuller and Tian (2006) presented that SMEs do not have a high degree of explicit corporate social responsibility except charitable activities (Table 3).

Small businesses generally view that they lack time, resources and support necessary to engage in more thoroughgoing CSR activities (Tilley, 2000; Jenkins, 2006; Sweeney, 2007). Empirically, the size of enterprise has been identified as a barrier for SMEs to engage in CSR practices (Brammer & Millington, 2006). Nevertheless, a number of researchers suggest that this barrier may not prevent SMEs from engaging in CSR activities (Castka et al., 2004; Vives, 2006), and that SMEs may actually benefit significantly from doing so. Business benefits are not the deciding factor for SMEs to engage in CSR, it is rather the values and attitudes of owner/managers that largely drive CSR among SMEs (Hopkins, 2003; Spence et al., 2003; Spence & Rutherford, 2003; Jenkins, 2006) (Table 3).

Several scholars have alluded personal style in CSR as one of the peculiarity in the context of SMEs. Jenkins (2006) argues that SMEs are likely to have a “personalized style” of management due to ownership management characterized by informal structure in units or staffs and high dependence on individual’s personalities and that in turn influences their approach to CSR. Similarly, Fuller and Tian (2006) also presented SMEs’ nature of doing business is personal often with contact between owner and customers, and suggest that reputation and their embedment of the business within stakeholder are important to shape socially responsible behaviour. Sweeney (2007) refers that SMEs used to have a

conglutination between ownership and management and the allocation of resources used to depend upon the owners' personal choices. Thus, the personal attitudes of the owner or manager have an influence to CSR in SMEs when they decide to introduce CSR (Table 3).

Motivational base to participate in CSR is likely different according to firm size (Jenkins, 2006; Udayasnakar, 2008). Smaller firms are motivated to engage in CSR, mainly to differentiate themselves from others and seek visibility to facilitate access to resources (Udayasnakar, 2008). Very small firms are inclined to participate in CSR equally with very large firm, but middle-sized firms tend to have less motivation than small and large firms. This is because middle-sized companies are faced with increasing pressure-resistance to resource-access due to still less visibility by becoming bigger (Table 3).

Vyakarnam et al. (1997) argue that dilemmas for small firms in being involved in CSR can be solved by knowing the benefits of CSR such as enhanced reputation, a professional image, and an increase in confidence and loyalty. These are also motivation factors for the company's sustainability by guaranteeing a stable work force and an improved relationship with financial bodies (Murillo & Lozano, 2006). Spence and Lozano (2000) presented the concern for the employees' health and welfare as a key motivation for CSR practice in SMEs because the empirical study in UK shows that small firm owner-managers are influenced the most by their employees regarding the social and ethical issues (Table 3).

Research Hypotheses Testing

This section presents the results of the study based on research hypotheses. Eight (8) research hypotheses were formulated that guided the study. Four (4) hypothesis on each of the dependent variables (Ethical Decision Making and Corporate Social Responsibility). Research hypotheses were analyzed using Partial Least Squares Structural Equation Modelling (PLS-SEM). All the processes involved in using PLS-SEM were exhausted but clarity sake only the final results were discussed here. The rest of the discussions have been sent to the appendix.

SMEs Owner-Managers’ Altruistic Value and Attitude towards Ethical Decision Making

The main objective of this research hypothesis was to examine the influence of SMEs owner managers’ altruistic value on attitude towards ethical decision making. The results were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) and presented in Table 4.

Table 4: Results for Path Significant Analysis of effects on AEDM

Hypotheses	Relationships	Beta	Std.	T	P	f ²	Confidence Interval	
		Values	Error	Values	Values		5.0%	95.0%
H1	AV-> AEDM	0.100	0.206	0.485	0.314	0.010	-0.306	0.349
H2	OTCV -> AEDM	0.337	0.143	2.365	0.009*	0.120	0.125	0.558
H3	SEV -> AEDM	0.459	0.096	4.764	0.000*	0.269	0.273	0.580
H4	TDV-> AEDM	-0.311	0.121	2.567	0.005*	0.099	-0.497	-0.135

* $p < 0.01$

Table 4 (H1) shows the influence of SMEs owner-managers’ altruistic value on their attitude towards ethical decision making. From the Table 4, the beta coefficient and t-statistics indicated that, altruistic value ($\beta=0.100$;

$t=0.458$, $p=0.314$: $p > 0.05$) was positively related to attitude towards ethical decision making.

However, the influence of SMEs owner-managers' altruistic value on their ethical decision making was not significant on the basis of both the p-value and the multidimensionality of the confidence interval coupled with the low values of the predictive relevance (f^2). Hence, SME owner managers' altruistic value did not determine their ethical decision making tendencies. Hence, the research hypothesis which state that there is no statistically significance influence of altruistic value on attitude towards ethical decision making among SMEs owner-managers in Kumasi Metropolis was retained.

SMEs Owner-Managers' Openness to Change Value and Attitude towards Ethical Decision Making

Table 4 (H2) indicates the influence of SMEs owner-managers' openness to change value on their attitude towards ethical decision making. Table 4 revealed that Openness to Change Value (OTCV) has a significant influence on Attitude towards ethical Decision Making (AEDM). This is evidenced from the unidimensionality of the confidence interval values (0.125 for lower level: 0.558 for upper level). From Table 4, the beta coefficient was also large coupled with the t-value (2.365) and the fact that the p-value was significantly less than 0.01.

This means that OCTV actually predicted the AEDM of SME managers. Thus, OCTV has a greater causal interactive effect on the attitude of SME owners towards their ethical decision making initiatives. Consequently, the researcher failed to reject the null hypothesis which state

that there is no significant influence of openness to change value on SMEs owner managers' attitude towards ethical decision making.

SMEs Owner-Managers' Self Enhancement Value and Attitude towards Ethical Decision Making

The Hypothesis H3 which seeks to measure the influence of SMEs owner-managers' self Enhancement value on their attitude towards ethical decision making has been depicted in table 4.. The various indices for examining the relationship between SEV and AEDM as shown in Table 4 indicate that there is a significant positive causal relationship between the aforementioned variables. This is proven by the large t-value of 4.764 with a significant p-value less than 0.01 ($p=0.000$).

The confidence interval also proved that the significant relationship is not spurious, against the background that the effect shows a one-dimensional trend. This presupposes that for SME owners within this study, their AEDM is determined by their SEV. Therefore, the researcher failed to reject the null hypothesis which state that there is no significant effect of self-enhancement value on SMEs owner managers' attitude towards ethical decision making.

SMEs Owner-Managers' Traditional Values and Attitude towards Ethical Decision Making

Partial Least Squares Structural Equation Modelling (PLS-SEM) was used to examine the effect of SMEs owner managers' traditional values on attitude towards ethical decision making and it is presented in Table 4 (H4).

From the Table 4, the beta coefficient and t-statistics indicated that, Traditional value ($\beta=-0.311$; $t=2.567$, $p=0.005^*$: $p < 0.05$) was negatively

related to Attitude towards Ethical Decision Making. However, the relationship was significant on the basis of both the p value and the confident interval which was one-dimensional but in a negative direction. This indicates that, SME owner managers' traditional value did determine their Ethical Decision Making tendencies. The negative relationship means that as traditional values of SME owner managers increases their attitude towards ethical decision making decreases and vice versa. As a result, the researcher failed to reject the null hypothesis which state that there is no statistically significant effect of traditional value on SMEs owner managers' attitude toward ethical decision making.

SMEs Owner-Managers' Altruistic Values and Attitude toward CSR

The main objective of this research hypothesis was on and attitude towards corporate social responsibility CSR). The results were analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) and presented in Table 5 (H5).

Table 5: Altruistic Values and Attitude toward CSR among SMEs Owner Managers

Table 5: Results for Path Significant Analysis of effects on CSR

Hypotheses	Relationships	Beta Values	Std. Error	T Values	P Values	f ²	Confidence Interval	
							5.0%	95.0%
H5	AV -> ACSR	0.062	0.133	0.463	0.322	0.03	-0.168	0.272
H6	OTCV -> ACSR	-0.060	0.162	0.372	0.355	0.003	-0.296	0.243
H7	SEV -> ACSR	0.048	0.135	0.357	0.361	0.002	-0.175	0.265
H8	TDV-> ACSR	0.461	0.116	3.967	0.000*	0.157	0.241	0.625

* $p < 0.01$

Table 5 indicates the effect of SMEs owner-managers' altruistic value on attitude towards corporate social responsibility (CSR). The various thresholds for examining the relationship between AV and ACSR as shown in Table 5 indicates that there is an insignificant positive causal relationship between the above-mentioned variables. This is proven by the low t-value of 0.463 and beta value of 0.062 with an insignificant p value greater than 0.05 ($p=0.322$). The confidence interval also proved that the insignificant relationship is true, against the background that the effect shows a multi-dimensional trend. This suggests that for SME owners within this study, their ACSR is not determined by their AV. Therefore, the null hypothesis which state there is no significant impact of Altruistic values on attitude towards corporate social responsibility among SMEs owner managers was retained.

SMEs Owner-Managers' Openness to Change Values and Attitude toward CSR

The main objective of this research hypothesis was to examine the effect of SMEs owner managers' openness to change values and attitude toward CSR.

Table 5 (H6) indicates the effect of SMEs owner-managers' openness to change values on the attitude towards corporate social responsibility (CSR). From the analysis, it was revealed that, openness to change value (OTCV) has an insignificant negative relationship with attitude towards corporate social responsibility (ACSR) based on the t-value of (0.372). This is also evidenced from the multi-dimensionality of the confidence interval values of (-0.296 lower level: 0.243 for upper level). The beta coefficient of (-0.060) signifies that the two variables are inversely related. This means that OCTV actually

did not predict the ACSR of SME managers. Thus, OCTV has an insignificant causal interactive effect on the attitude of SME owners towards their corporate social responsibility initiatives. For that reason, the null hypothesis which state there is no significant effect of openness to change value on attitude towards corporate social responsibility among SMEs owner managers was retained.

SMEs Owner-Managers' Self-Enhancement Values and Attitude toward CSR

The objective of examining the impact of SMEs owner managers' self-enhancement values on attitude towards CSR was analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM) and presented in Table 5 (H7).

Table 5 indicates the impact of SMEs owner-managers' self-enhancement values on their attitude towards corporate social responsibility (CSR). Table 5 indicates that there was positive causal relationship between self-enhancement values and their attitude towards CSR. However, the relationship was not significant. This was proven by the low t-value of 0.357 and beta value of 0.048 with a p-value greater than 0.05 ($p=0.361$). The confidence interval also proved that the insignificant relationship is true, against the background that the effect shows a multi-dimensional trend. This suggests that for SME owners within this study, their ACSR is not determined by their SEV. Hence, the researcher failed to reject the null hypothesis which state there is no significant influence self-enhancement value on attitude towards corporate social responsibility among SMEs owner managers.

SMEs Owner-Managers' Traditional Values and Attitude towards CSR

Table 5 (H8) indicates the impact of SMEs owner-managers' traditional values on the attitude towards corporate social responsibility (CSR). It was revealed that traditional values have a significant relationship with attitude towards corporate social responsibility (ACSR). This is evidenced from the unidimensionality of the confidence interval values (0.241 for lower level: 0.625 for upper level). The beta coefficient was also large coupled with the t-value (3.967) and the fact that the p-value was significantly less than 0.01. This means that TDV actually predicted the ACSR of SME managers. Thus, traditional values have a greater causal interactive effect on the attitude of SME owners towards their involvement in corporate social responsibility activities. Consequently, the researcher rejects the null hypothesis which state there is no significant effect of traditional value on attitude towards corporate social responsibility among SMEs owner managers.

In summary, the results of the hypothesized model as indicated in Table 5 showed that the main determinants of Attitude towards ethical decision making (AEDM) were openness to change ($\beta=0.337$, $p<0.01$); self-enhancement value ($\beta=0.459$, $p<0.01$); and traditional values ($\beta=-0.311$, $p<0.01$). Only altruistic value did not predict Attitude towards ethical decision making (AEDM). Additionally, only traditional values ($\beta=0.461$, $p<0.01$); was significant in predicting attitude towards corporate social responsibility. The other three variables: openness to change ($\beta=-0.060$, $p=0.355$); self-enhancement value ($\beta=0.048$, $p=0.361$) and altruistic values ($\beta=0.062$, $p<0.322$) were insignificant in determining attitude towards corporate social responsibility.

From these results, it is concluded that the discussion about responsible behaviour of SMEs is based on the growing importance of personal values of owner-managers. The most important element of the choice of motives for SMEs owner-managers' behaviour and action is the set of values of the person involved in the action (De-klerk & Havenga, 2004; Murillo & Lozano, 2009). Harrison and Freeman (2009) contended that, the decisions made by owner-managers of SMEs is usually influenced by their personal values since they make many of the key decisions, and are often open to activities that are unchallenged by subordinates as control of the firm lies with the owner. Extant literature has emphasized personal values as a key factor in achieving the ethical decision making and corporate social responsibilities of organizations (Hemingway & Maclagan, 2004; Fritzsche & Oz, 2007; Schwartz, 2009; Tuziak, 2010; Bernat, 2012).

Fritzsche and Oz (2007) found a significant positive contribution of altruistic values to ethical decision making and a significant negative contribution of self-enhancement values to ethical decision making. In South Africa, Fatoki (2015) indicated that self-direction, achievement, stimulation, power and security are the five most important personal values for small business owners. Similarly, in South Africa, Asah, Fatoki and Rungani, (2015) revealed significant positive relationships between personal values of SMEs owner-managers and their involvement in CSR. Conversely, other researchers did not find a significant relationship between personal values of SME owner-managers and firm ethical decision making and involvement in CSR (Shiu, 2006; Mazzarol et al., 2009).

The moral values of SMEs owner-managers to be involved in CSR activities is linked to personal values. Surveys continue to indicate that ethics and morals are the primary drivers of CSR in small business (Painter-Marland & Spence, 2009). Ethical perceptions and beliefs affect people's attitudes and the degree to which they accept or do not accept unethical practices, or the manner in which they view ethical decisions made by other people (Jenkins, 2009).

Every business decision reflects the presence or absence of these core values. Ethical practices of SMEs are not limited to financial reporting and top management structures but to the entire company including their corporate social responsibilities. Good personal value of SMEs managers should filter to every activity of a company making it a part of the way business is done (Biery 2001). People at all levels of an organisation have to make ethical decisions expeditiously and perform with the highest levels of accuracy, efficiency and success. Therefore, if the company's core business processes are not grounded in sound ethical values such as integrity, respect, trust and fairness these ethical decision makers may be exposed to unethical behaviours that could lead to fraudulent and illegal activities.

Dees and Starr (2002), suggest that entrepreneurial activities will be directed along the manager's personal values and codes of ethical behaviour. Personal factors help business managers and executives to weight the moral issues based on the ethical notion between right and wrong; or good and bad (Arjoon, 2007). Given these points, the complexity of personal values plays a crucial role in ethical decision making as it involves choosing ethical alternatives. Khalid et al. (2012) further explained that unethical practices are

based on the individual business managers' and executives' personal values in ethical reasoning adhered by them. Personal values have been acknowledged as the characteristics that influence the proportional variations in the employers and manager's ethical decision making (Arjoon, 2007; Lovisky et al., 2007). Marta et al. (2008) found that personal moral philosophy was not a good predictor of small business managers' ethical decision making.

Individual managers' organizational ethical decisions to be involved in CSR are driven by a variety of personal values and interests, in addition to the official corporate objectives (Mustamil & Quaddus, 2009). In fact, researchers have determined that there is usually a strong association between owner-manager's personal values and the motivation and desire for CSR (Lovell, 2002). Giacomino, Fujita and Johnson (2000) discuss the influence of personal values on business CSR towards society while Hemingway (2002) suggested that the formal adoption of CSR by firms could be associated with the changing personal values of managers and that there may be an association between different industries, the personal values of the managers who work in them and their commitment to CSR.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Introduction

The purpose of the study was to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. This chapter deals with summary of the study. The study summary was divided into two parts: summary of the research process and the key findings. Based on the key findings, conclusions and implication were drawn. Appropriate recommendations were made based on the key findings and conclusion drawn.

Summary of Research Process

The purpose of the study was to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. The study was guided by two (2) research questions and eight (8) hypotheses.

1. What is the attitude of SMEs owner-managers towards ethical decision making in the Kumasi Metropolis?
2. What is the attitude of SMEs owner-managers towards corporate social responsibility in the Kumasi Metropolis?

Research Hypotheses

H⁰¹ There is no statistically significant effect of Altruistic values on attitude towards ethical decision making among SMEs owner managers in the Kumasi Metropolis

- H1 There is statistically significant effect of Altruistic values on attitude towards ethical decision making among SMEs owner managers in the Kumasi Metropolis
- H⁰₂: There is no statistically significant effect of Openness to change values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H₂: There is statistically significant effect of Openness to change values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H⁰₃: There is no statistically significant effect of Self-enhancement values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H₃: There is statistically significant effect of Self-enhancement values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H⁰₄: There is no statistically significant effect of Traditional values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H₄: There is statistically significant effect of Traditional values on attitude towards ethical decision making among SMEs owner-managers in the Kumasi Metropolis
- H⁰₅: There is no statistically significant effect of Altruistic values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis

- H5: There is statistically significant effect of Altruistic values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H⁰6: There is no statistically significant effect of Openness to change values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H6: There is statistically significant effect of Openness to change values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H⁰7: There is no statistically significant effect of Self-enhancement values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H7: There is statistically significant effect of Self-enhancement values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H⁰8: There is no statistically significant effect of Traditional values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis
- H8: There is statistically significant effect of Traditional values on attitude towards corporate social responsibility among SMEs owner-managers in the Kumasi Metropolis

Explanatory research design rooted in quantitative approach was adopted to examine the effect of personal values on the attitudes towards ethical decision making and corporate social responsibility among SME owner-managers in the Kumasi Metropolis, Ghana. The study population was

all registered SMEs in the Kumasi Metropolis. The total registered SMEs in Kumasi Metropolis was 118. Questionnaire was used to gathered primary data from the respondents. Ethical protocols were followed during the data collection. The data gathered from the field was processed using Smart PLS software and analysed using descriptive statistics (frequency, percentages, means and standard deviation) and Partial Least Squares Structural Equation Modelling (PLS-SEM).

Summary of Key Findings

1. Concerning research question 1, the study found that SMEs owner-managers had positive attitude ($MM=4.02$; $SD=2.13$) towards ethical decision making
2. Regarding research question 2, the study found that SMEs owner-managers had positive attitude ($MM=4.90$; $SD=1.67$) towards corporate social responsibilities.
3. Relating to research hypotheses (1-4), the study found that the main determinants of attitude towards ethical decision making (AEDM) were openness to change ($\beta=0.337$, $p<0.01$); self-enhancement value ($\beta=0.459$, $p<0.01$); and traditional values ($\beta=-0.311$, $p<0.01$). Only altruistic value did not predict Attitude towards ethical decision making (AEDM).
4. Finally, with reference to research hypotheses (5-8), the study found that only traditional values ($\beta=0.461$, $p<0.01$); was significant in predicting attitude towards corporate social responsibility (ACSR). The other three variables: openness to change ($\beta=-0.060$, $p=0.355$); self-enhancement value ($\beta=0.048$, $p=0.361$) and altruistic values ($\beta=0.062$,

$p < 0.322$) were insignificant in determining attitude towards corporate social responsibility (CSR).

Conclusions

Personal values are powerful and influential in our daily decision making and have implications for our behaviour and approach we adopt in managing our daily situations. The study concluded that SMEs owner-managers had positive attitude towards ethical decision making and involvement in CSR. This suggests that most of the SMEs-owner-managers had knowledge on how to behave ethically in addition to running their operations in the most economical, efficient and effective manner possible to increase performance and they are involved in corporate social responsibilities. Thus, owner-managers of SMEs considered to have proactive stances toward CSR as have an ethical and economic orientation in their CSR activities.

However, this does not indicate that they are running business dishonestly, but for them their personal thinking and values is the base for running the business. They are less dependent on formal systems of ethics implementation like ethical codes of conduct, company philosophy and mission. It is clear that SMEs can no longer afford to disregard business ethical decision making and involvement in corporate social responsibility. There are continuous business failures as a result of unethical practices and poor involvement in corporate social responsibilities. Hence, SMEs owner-managers need to behave ethically and protect their own business interests.

Ethical decision making and corporate social responsibility practices among owner-managers benefit them financially in the long run. This means

that behaviours and decision making associated with maintaining honesty and integrity, being trustworthy, engaging in fair commercial practices, taking responsibility and being accountable for one's own actions are very important for SMEs in the long run. SMES owned-managers engage in discretionary decision-making behaviour affecting the lives and well-being of others, thus, they are involved in ethical decision making. Their decisions and acts can produce tremendous social consequences, particularly, in the realms of health, safety, and welfare of consumers, employees and the community. Business ethical decision making and corporate social responsibility are very important to the success of SMEs. Therefore, there is the need for owner-mangers of SMEs to maintain good, trusting relationships with key stakeholders such as customers, employees, suppliers and the community. Hence, they might sometimes be better placed to adopt socially responsible practices than larger corporations.

From the study, it is concluded that personal values (traditional values) was a significant determinant of attitude towards ethical decision making and corporate social responsibility among SMEs owner-managers. The study further concluded that personal values (openness to change and self-enhancement value) significant and positively influence SMEs owner-mangers attitude towards ethical decision making. Thus, owner-managers of SMEs personal values (traditional values, openness to change and self-enhancement value) are major component of their traits that influence their ethical decision behaviours and their involvement in corporate social responsibilities. The results suggest that personal values of owner-managers might lead to achieve greater increase in business performance.

It could be adduced that SMEs owner-managers might have greater freedom of ethical decision-making concerning CSR and their personal values and motivations are important in the strategic direction of the business, which can lead to greater engagement with social and environmental issues. SMEs owner-managers might firm that are in line with their personal values and philosophies. They might have greater strategic and operational discretion over their business, and it might be within their power to disseminate their own vision to permeate organisational values and culture.

SMEs owner-managers' personal values may conflict with ethical decision making and corporate social responsibilities behaviours and if those personal values are different than the organizational norms of the business or institution. To be ethically successful in decision making and to be highly involve in corporate social responsibilities, it is paramount that SMEs owner-managers understand and respect how values impact their business operations. Without the emphasis on ethics, SMEs can miss the opportunity to reinforce responsibility for their internal and external environment. This failure can lead to an outcry of negative public opinion, or even worse, legal issues. From a practical point of view, the results of this study can enable SMEs owner-managers to improve their business growth by considering all the personal values (traditional values, altruism values, openness to change and self-enhancement value) and their attitude towards ethical decision making and CSR.

Recommendations

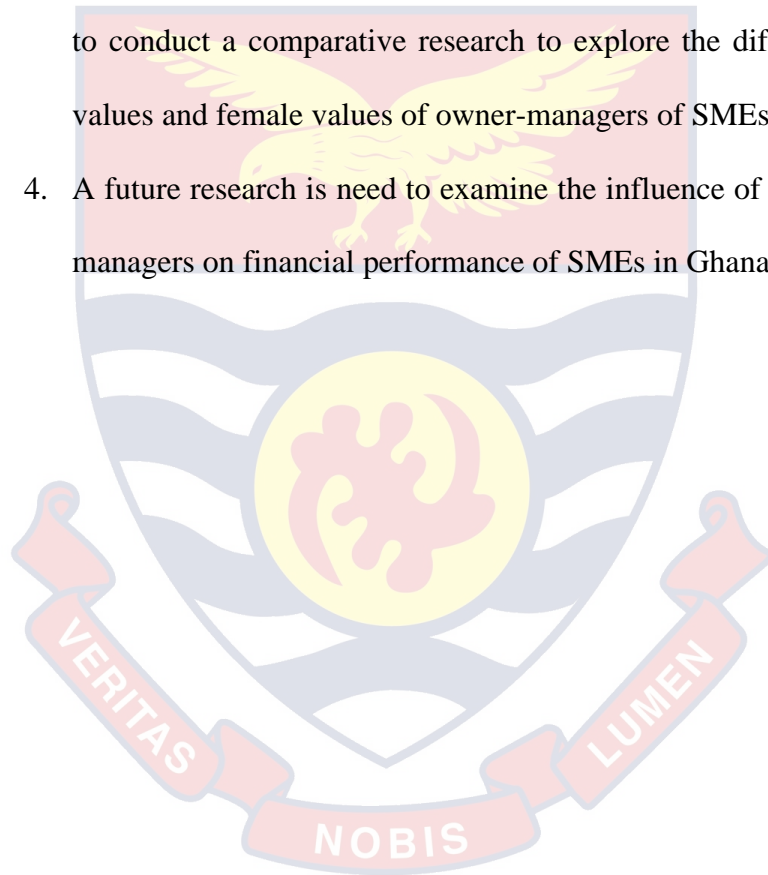
1. Business ethical decision making and corporate social responsibility are very important to the success of SMEs. Therefore, the study

recommended that owner-managers of SMEs should maintain good, trusting relationships with key stakeholders such as customers, employees, suppliers and the community.

2. It is recommended that SME owner-managers should design a code of ethics as a key tool for implementing business ethical decision making. The code of ethics should also clearly show how the business will address would be involved in social and environmental responsibility.
3. It is recommended that owner-managers of SMEs should intensify their involvement in CSR, by being a responsible, they will win consumers, increase customer retention, develop and enhance relationships with suppliers and networks; improve business reputation, attract investment and funding opportunities, attract, retain and maintain a happy workforce, encourage innovative business practices and inspire your people.
4. As managers are face increasing responsibility, making more complex and far-reaching decisions, a personal values standard is therefore required as an essential guide for organisational behaviour. The study suggests that SME owners should incorporate values in their business operations. This is simply because values form the bedrock of any corporate culture.
5. The study recommended that individual owner-managers of SMEs should align their personal values to those of the organisation in order to achieve organisational and personal goals as both personal values and organisational values provide the foundation for implementing an organisation's strategy, mission and structure.

Suggestions for Further Research

1. Since the study only focus on Kumasi Metropolis, there is a need of future research to replicate the above study using all the SMEs in Ashanti Region of Ghana.
2. It is also worthwhile to investigate the impact of values of owner-managers on management practices of SMEs in Ghana
3. Furthermore, for the purpose of filling the research gap, it is important to conduct a comparative research to explore the differences of male values and female values of owner-managers of SMEs in Ghana
4. A future research is need to examine the influence of values of owner-managers on financial performance of SMEs in Ghana



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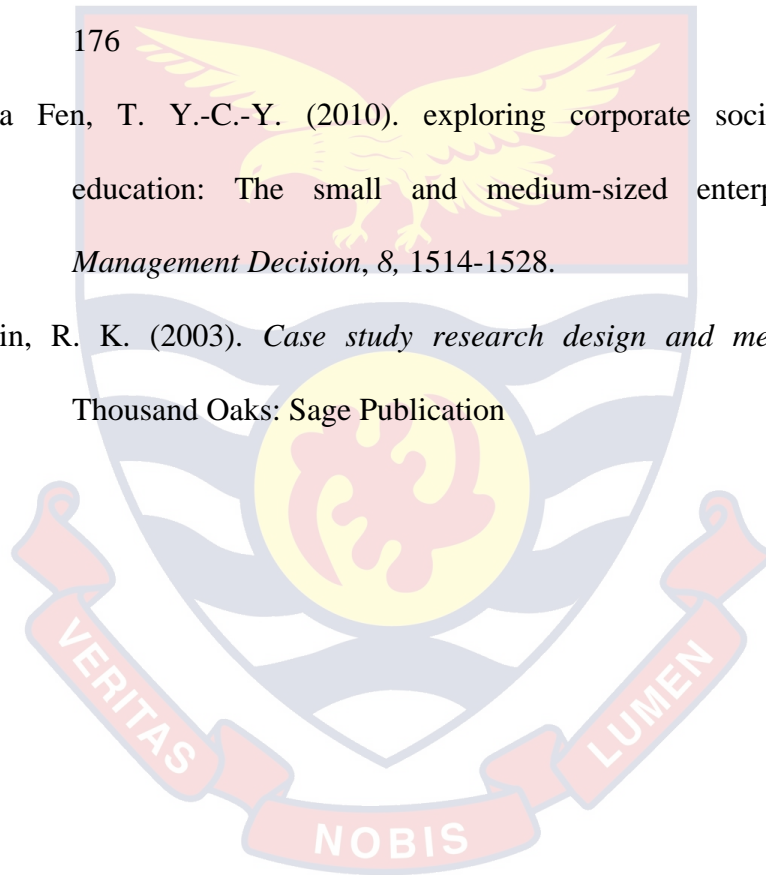
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APPENDIX A
SCHOOL OF BUSINESS
THE UNIVERSITY OF CAPE COAST

Questionnaire for SMEs Owner-Managers

Attitude towards Corporate Social Responsibility (CSR) and Ethical Decision Making Among SMES Owners: The Role of Personal Values.

Dear Respondent

I am conducting a research on the topic "*Attitude towards CSR and Ethical Decision Making among SMES Owners: The Role of Personal Values*". I hereby request you to fill in this questionnaire with frankness and objectivity which will enable the researcher to obtain important information for the research. I assure you that the information gathered will be treated with utmost confidentiality and will be used for academic purposes only. Your assistance and cooperation is greatly appreciated. Thank you.

Instructions: Please, kindly tick (✓) the response that apply to you most.

SECTION A
Socio-Demographics Characteristics

- | | | | |
|------------------------------|------------------------|---|---|
| 1. Gender | a) Male | [|] |
| | b) Female | [|] |
| 2. Age distribution | a) 20-24 years | [|] |
| | b) 25-29 years | [|] |
| | c) 30-34 years | [|] |
| | d) 35-39 years | [|] |
| | e) 40-44 years | [|] |
| | f) 45+ years | [|] |
| 3. Educational Qualification | a) No formal education | [|] |
| | b) SSSCE/WASSCE | [|] |
| | c) Diploma/HND | [|] |
| | d) Degree | [|] |
| | e) Masters | [|] |
| | e) others | [|] |
| 4. Working Experiences | a) less than 5 years | [|] |
| | b) 5-10 years | [|] |
| | c) 11-15 years | [|] |

d) 15+ years []

SECTION B

Attitude towards Ethical Decision Making

Ethical decision-making refers to the process of evaluating and choosing among alternatives in a manner consistent with ethical principles. **Ethical decision-making** requires a review of different options, eliminating those with an unethical standpoint, and then choosing the best ethical alternative.

Indicate the extent to which you agree with the following statement by ticking (√) from **1= Weakest agreement** to **7=Strongest agreement**.

S/N	Statements	1	2	3	4	5	6	7
1	I always take decisive actions and decisions when addressing a moral/ethical decision.							
2	If others are doing unethical practices I also do the same							
3	My actions affect others in the firm and society							
4	I determine what needs to be done when I face moral/ethical dilemmas.							
5	I make an ethically difficult decisions by seeing what other businessmen are doing							
6	I always rely on hard facts rather than personal feelings or intuitions when taking decisions							
7	I always make a decision on the basis of my own moral principles/standards							
8	My experience conflicts between my personal values and business expectations							
9	I get confused if decision involves some moral issues							
10	I have to do practices which are unethical but necessary to survive							

SECTION C

Attitude towards Cooperate Social responsibilities (CSR)

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR aims to ensure that companies conduct their business in a way that is ethical.

Indicate the extent to which you agree with the following statement by ticking (√) from **1= Weakest agreement** to **7=Strongest agreement**.

S/N	Statements	1	2	3	4	5	6	7
1	Business executives' main concerns are to make a profit							
2	Involvement by business in improving its community's quality of life will also improve long run profitability							
3	There should be more public recognition given to companies doing well in the area of CSR							
4	A business that wishes to capture a favourable public image will have to show that it is socially responsible							
5	Socially responsible corporate behaviour can be in the best interest of the stakeholders							
6	The idea of socially responsibility is needed to balance company's power and discourage irresponsible behaviour							
7	Firms are social institutions and as such must live up to society's standards							
8	Efficient production of goods and services is no longer the only thing society expects from businesses							
9	If business is more socially responsible, it will discourage additional regulation of the economic system by the government							
10	A company that ignores corporate social responsibility can obtain competitive advantage than a company that does not							
11	It is unwise to allow business to participate in social activities where there is no direct way to hold it accountable for its actions							
12	Consumers and generally public will bear the costs of social involvement because the business will pass these costs along through their pricing strategies							

SECTION D

Personal Values

Personal values are the general expression of what is most important for you. A value expresses the worth of something, and in this case what you categorically like and dislike.

Here, I briefly describe some people. Please read each description and think about how much each person is or is not like you. Tick (✓) in the box to the right that shows how much the person in the description is like you.

Altruistic Values

S/N	Statements	1	2	3	4	5	6	7
1	The manager cares for the people well-being and he/she helps the people around him/her							
2	The manager is loyal to everyone and he/she devotes him/herself to people close to him/her							
3	The manager responds to the needs of others and tries to support everyone							
4	The manager forgives people who have hurt him/her and he/she tries to see what is good in them and not to hold a grudge							
5	The manager thinks it is important that every person in the world be treated equally and he/she believes everyone should have equal opportunities in life							
6	The manager listens to everyone, even when she disagrees with them, she still wants to understand them							
7	The environment is important to the manager, hence, he/she strongly believes that people should care for nature							
8	The manager believes that all the people in the organisation should live in harmony, hence, he/she promote peace among all groups							
9	The manager treats everyone equally and justly, even people she doesn't know.							
10	The manager believes that people should not change nature but they should adapt to nature							

Openness to Change Values

S/N	Statements	1	2	3	4	5	6	7
1	Thinking up new ideas and being creative is important to him. He likes to do things in his own original way							
2	It is important to him to make his own decisions about what he does. He likes to be free to plan and to choose his activities for himself							
3	He thinks it's important to be interested in things. He likes to be curious and to try to understand all sorts of things							
4	It is important to him to be independent. He likes to rely on himself							
5	He thinks it is important to do lots of different things in life. He always looks							

	for new things to try							
6	He likes to take risks. He is always looking for adventure							
7	He likes surprises. It is important to him to have an exciting life							

Self-Enhancement Values

S/N	Statements	1	2	3	4	5	6	7
1	He seeks every chance he can to have fun. It is important to him to do things that give him pleasure							
2	Enjoying life's pleasures is important to him. He likes to 'spoil' himself							
3	He really wants to enjoy life. Having a good time is very important to him							
4	It's very important to him to show his abilities. He wants people to admire what he does							
5	Being successful is important to him. He likes to impress other people							
6	He thinks it is important to be ambitious. He wants to show how capable he is							
7	Getting ahead in life is important to him. He strives to do better than others							
8	It is important to him to be rich. He wants to have a lot of money and expensive things							
9	It is important to him to be in charge and tell others what to do. He wants people to do what he says							
10	He always wants to be the one who makes the decisions. He likes to be the leader							

Traditional Values

S/N	Statements	1	2	4	4	5	6	7
1	It is important to him to live in secure surroundings. He avoids anything that might endanger his safety							
2	It is very important to him that his country be safe. He thinks the state must be on watch against threats from within and without							
3	It is important to him that things be organized and clean. He really does not like things to be a mess							

4	He tries hard to avoid getting sick. Staying healthy is very important to him								
5	Having a stable government is important to him. He is concerned that the social order be protected								
6	He believes that people should do what they are told. He thinks people should follow rules at all times, even when no-one is watching								
7	It is important to him always to behave properly. He wants to avoid doing anything people would say is wrong								
8	He believes he should always show respect to his parents and to older people. It is important to him to be obedient								
9	It is important to him to be polite to other people all the time. He tries never to disturb or irritate others								
10	He thinks it is important not to ask for more than what you have. He believes people should be satisfied with what they have								
11	Religious belief is important to him. He tries hard to do what his religion requires								
12	He thinks it is best to do things in traditional ways. It is important to him to keep up the customs he has learned								
13	It is important to him to be humble and modest. He tries not to draw attention to himself								

APPENDIX B

Assessment of Measurement Model

The first stage approach for testing the reflective measurement model was to assess the convergent validity, reliability and average variance extracted. A PLS algorithm for confirmatory factor analysis (CFA) was run to first assess the indicator loadings for all constructs as recommended by Hair et al., (2017). The graphical presentation is depicted in Figure 4.

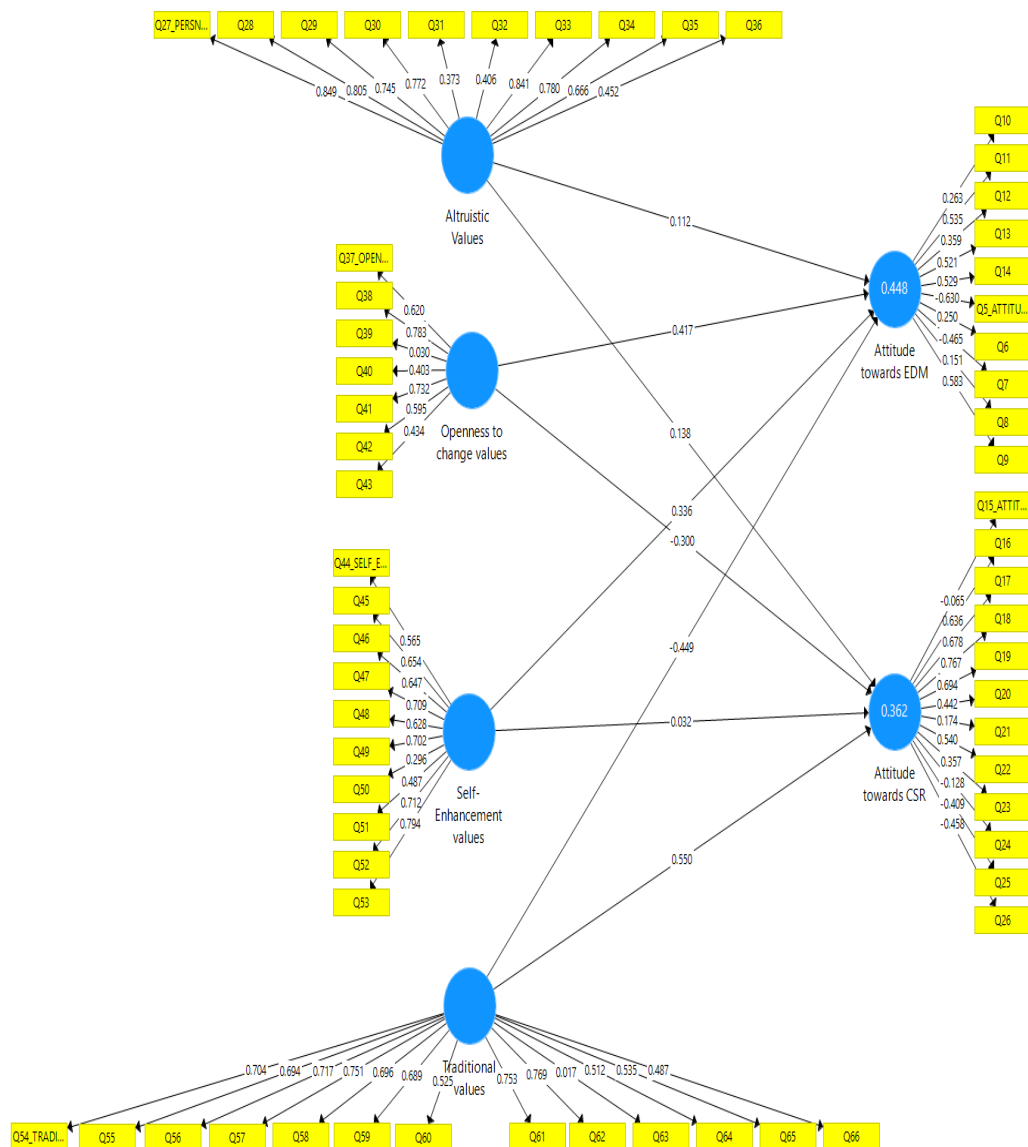


Figure 4. PLS algorithm for CFA indicator loadings.

After running the initial PLS algorithm for confirmatory factor analysis, all items that loaded below 0.5 and 0.6 for each of the constructs were deleted. The items removed, further improved the composite reliability values and average variance extracted values of the measurement model. After deleting the items, the PLS algorithm was run again to obtain satisfactory item loadings and corresponding reliability and validity values. Figure 4 shows the second PLS algorithm for CFA.

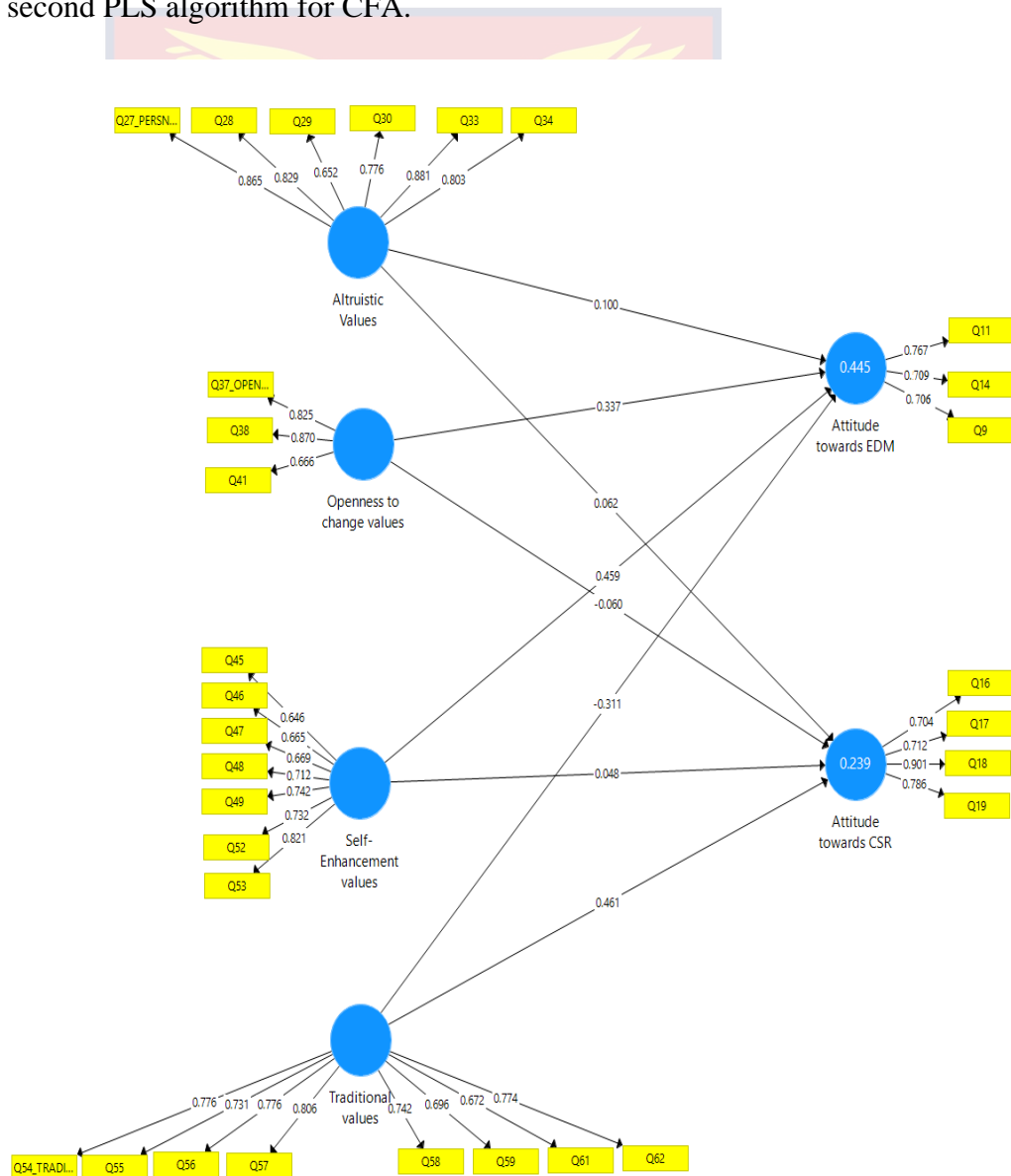


Figure 5: Second PLS algorithm for CFA indicator loadings.

The second PLS algorithm shows better item loadings above 0.7 with the exception of Q29 (0.652); Q45(0.645); Q46 (0.665); Q7 (0.669); Q59 (0.696) and Q61 (0.672). However, these items were maintained in consistent with the literature (Hair et al., 2017; Hulland 1999; Fornell & Larcker, 1981) that, when average variance extracted (AVE) values are achieved, items that load below the threshold of 0.7 and above, but higher than 0.50 should be not be deleted due to content validity.

Summarized Results of Measurement Model

Table 12 shows the results for outer loadings, Cronbach's alpha, rho_A, composite reliability, and average variance extracted.

Table 12: Summarized Results of Measurement Model

Constructs	Outer Loadings	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Altruistic Values Q27	0.865	0.895	0.903	0.916	0.647
Q28	0.829				
Q29	0.652				
Q30	0.776				
Q33	0.881				
Q34	0.803				
Attitude towards CSR	0.704	0.788	0.829	0.860	0.608
Q16					
Q17	0.712				
Q18	0.901				
Q19	0.786				
Attitude towards EDM	0.767	0.711	0.725	0.703	0.529
Q11					
Q14	0.709				
Q9	0.706				
Openness to change values	0.825	0.702	0.753	0.833	0.627
Q37					
Q38	0.870				
Q41	0.666				
Self-Enhancement values Q45	0.646	0.828	0.844	0.870	0.510
Q46	0.665				
Q47	0.669				
Q48	0.712				
Q49	0.742				
Q52	0.732				
Q53	0.821				
Traditional values Q54	0.776	0.889	0.921	0.910	0.559
Q55	0.731				
Q56	0.776				
Q57	0.806				
Q58	0.742				
Q59	0.696				
Q61	0.672				
Q62	0.774				

With reference to Table 12, Cronbach’s Alpha values for all constructs were higher than the 0.7 threshold (Cronbach, 1990). Composite reliability values ranged between 0.703 to 0.916, satisfying the requirement (Henseler, Hubona & Ray, 2016; Hair et al., 2017). Rho_A which is the eta squared value that assesses both the sum scores and the construct’s scores were validated for the measurement model. Values obtained ranged from 0.725 to 0.82. Based on these values, the Rho_A criterion was achieved since its required values are higher than 0.7 (Henseler et al., 2016). The above values for all the measurement model indices proved that the measurement model achieved the validity and reliability standards.

Discriminant Validity

As suggested by Henseler et al., (2015), a more robust approach for measuring discriminant validity is the Heterotrait-Monotrait Ratio (HTMT). This measures the average correlations of the indicators across constructs measuring different phenomena, relative to the average of the correlations of indicators within the same construct (Henseler et al., 2015). The criterion from the aforementioned authors is to have HTMT values less than 0.85 (in the strict sense) or less than 0.90 (an acceptable parameter). The result for HTMT is shown in Table 13

Table 13: Heterotrait-Monotrait Ratio (HTMT)

Constructs	AV	ACSR	AEDM	OCV	SEV	TV
Altruistic Values (AV)	0					
Attitude towards CSR (ACSR)	0.358	0				
Attitude towards EDM (AEDM)	0.499	0.460	0			
Openness to change values (OCV)	0.562	0.318	0.836	0		
Self-Enhancement values (SEV)	0.338	0.246	0.824	0.654	0	
Traditional values (TV)	0.714	0.500	0.402	0.589	0.331	0

Source: Field data, 2018

From Table 13, the HTMT results of constructs were all lower than the 0.85 (from 0.246 to 0.836) strict criterion; meaning HTMT higher standard has been met.

Multicollinearity

For PLS-SEM, Common Method Bias (CMB) is detected through a full Collinearity assessment approach (Kock, 2015). The results of the VIF statistics are indicated in Table 14.

Table 14: Collinearity (VIF) Statistics

Constructs	Attitude towards CSR	Attitude towards EDM
Altruistic Values	1.760	1.760
Attitude towards CSR		
Attitude towards EDM		
Openness to change values	1.714	1.714
Self-Enhancement values	1.411	1.411
Traditional values	1.772	1.772

Source: Field data, 2018

From Table 14, CMB was not an issue because, the VIF values were all lower than the 3.3 (between 1.411 and 1.772) threshold (Hair et al., 2017, Kock, 2015). This is indicative that the model is free from common method bias and multicollinearity.

Assessment of Structural Model

In assessing the structural model the relationships and significance of path coefficients, coefficient of determination, t-statistics, mediation effects, effect sizes, predictive relevance confidence interval and IPMA were analyzed (Hair et al., 2017).

Path Analysis and Hypotheses Testing

For path analysis, a bootstrapping procedure of 5000 samples was used to correct for non-normality and calculate for significance of model hypotheses. The graphical result of the bootstrapping analysis is presented in Figure 6.

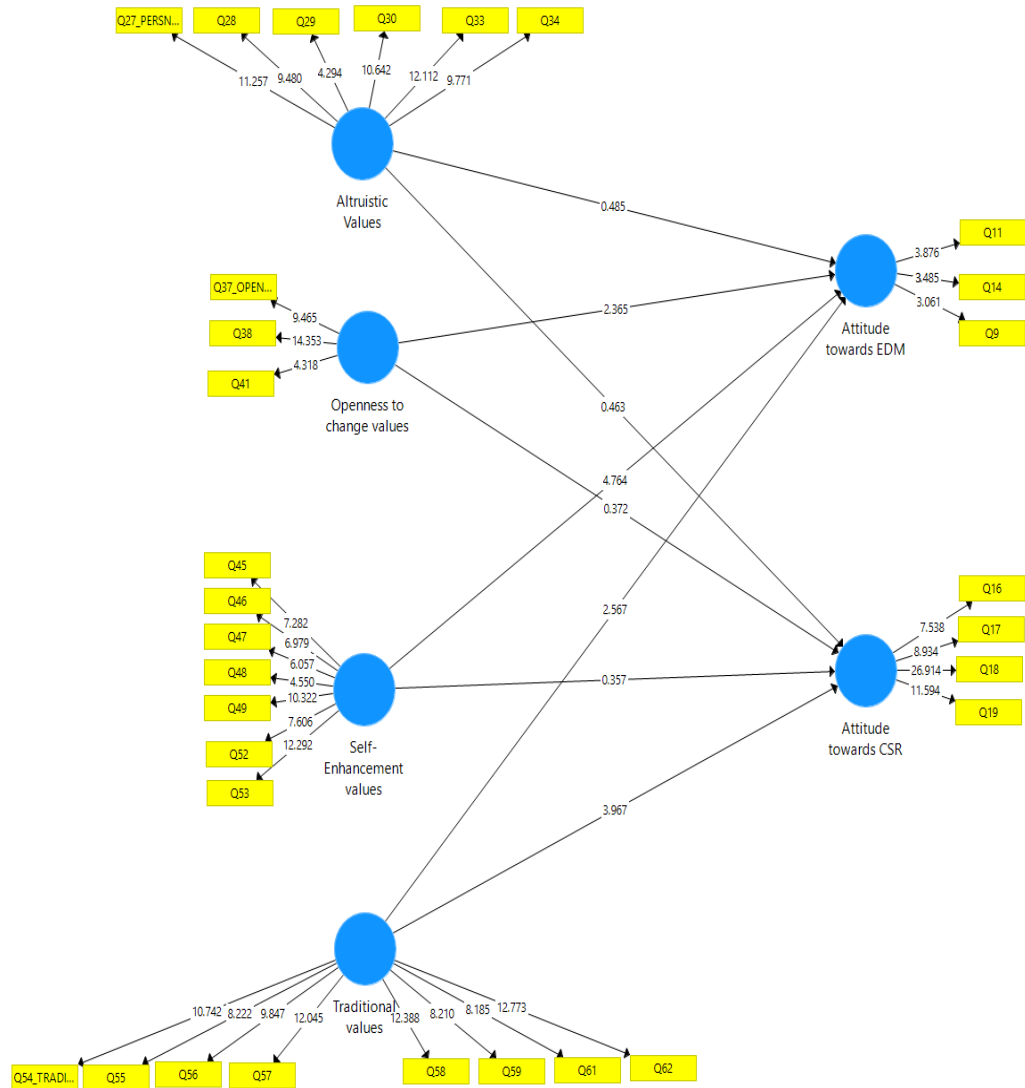


Figure 6. Bootstrapping image for path analysis.

Assessment for Mediation

The insignificance of altruistic values in predicting attitude towards ethical decision making and corporate social responsibility as well as the insignificance of openness to change and self-enhancement value in determining attitude towards corporate social responsibility, informed a

further mediation analysis. Preacher and Hayes (2008) suggested a bootstrapping of the indirect effects to statistically confirm full mediation or otherwise by an initial predictive construct (Hair et al., 2015). Tables 15 and 16 show the mediation results.

Table 15: Mediation Effect for Altruistic Values for Attitude towards Ethical Decision Making

Relationships	Beta Values	Std. Error	T Values	P Values	Confidence Interval	
					5.0%	95.0%
AV -> TDV -> ACSR	0.257	0.064	3.857	0.000*	0.145	0.351
OTCV-> TDV-> ACSR	0.194	0.059	3.251	0.001*	0.104	0.298
SEV-> TDV-> ACSR	0.090	0.059	1.119	0.132	-0.135	0.133

Source: Field data, 2018

* $p < 0.01$

The results from Table 15 indicates that the predictive effect of altruistic values on attitude towards ethical decision making is absorbed fully by the effects of openness to change values ($\beta=0.175$, $p=0.004$) and traditional values ($\beta=-0.159$, $p=0.004$) at a 95% confidence interval. This presupposes that the absence of both variables (openness to change values and traditional values) will render the predictive effect of altruistic values on attitude towards ethical decision making significant within the model.

Table 16: Mediation Effect for Altruistic, Openness to Change and Self Enhancement Values for Attitude towards Corporate Social Responsibility

Relationships	Beta Value	Std. Error	T Values	P Value	Confidence Interval	
					5.0%	95.0%
AV -> TDV -> ACSR	0.257	0.064	3.857	0.000*	0.145	0.351
OTCV-> TDV-> ACSR	0.194	0.059	3.251	0.001*	0.104	0.298
SEV-> TDV-> ACSR	0.090	0.059	1.119	0.132	-0.135	0.133

Source: Field data, 2018

* $p < 0.01$

Results from Table 16 further proves that the predictive effects of altruistic values and openness to change values on attitude towards corporate social responsibilities were absorbed by the effects of traditional values at ($\beta=-0.257, p=0.000$) and ($\beta=-0.193, p=0.001$) respectively at a confidence interval of 95%. However, the indirect effect of traditional values on self-enhancement values in relation to attitude towards corporate social responsibilities was insignificant ($\beta=-0.090, p=1.119$).

Importance Performance Map Analysis (IPMA)

The Importance Performance Map Analysis (IPMA) provides further emphasis on the PLS estimates of the structural model relationships providing additional clues to the performance and relevance of each latent variable in the model (Hair et al., 2014, Yeap et al., 2015). For this study, assessment of IPMA for the two endogeneous constructs (EDM and CSR) was conducted. Table 17 and 18 display the results.

Table 10: IPMA for Attitude towards EDM

Constructs	Importance	Performance
Altruistic Values	0.100	72.173
Openness to change values	0.337	51.011
Self-Enhancement values	0.459	54.393
Traditional values	-0.311	69.240

Source: Field data, 2018

From Table 17, the most important factor determining EDM was Self-Enhancement values (0.459) followed by Openness to change values (0.337). However, for performance, Altruistic values was the highest (72.173) followed by Traditional values (69.240). These results were graphically shown in Figure 7.

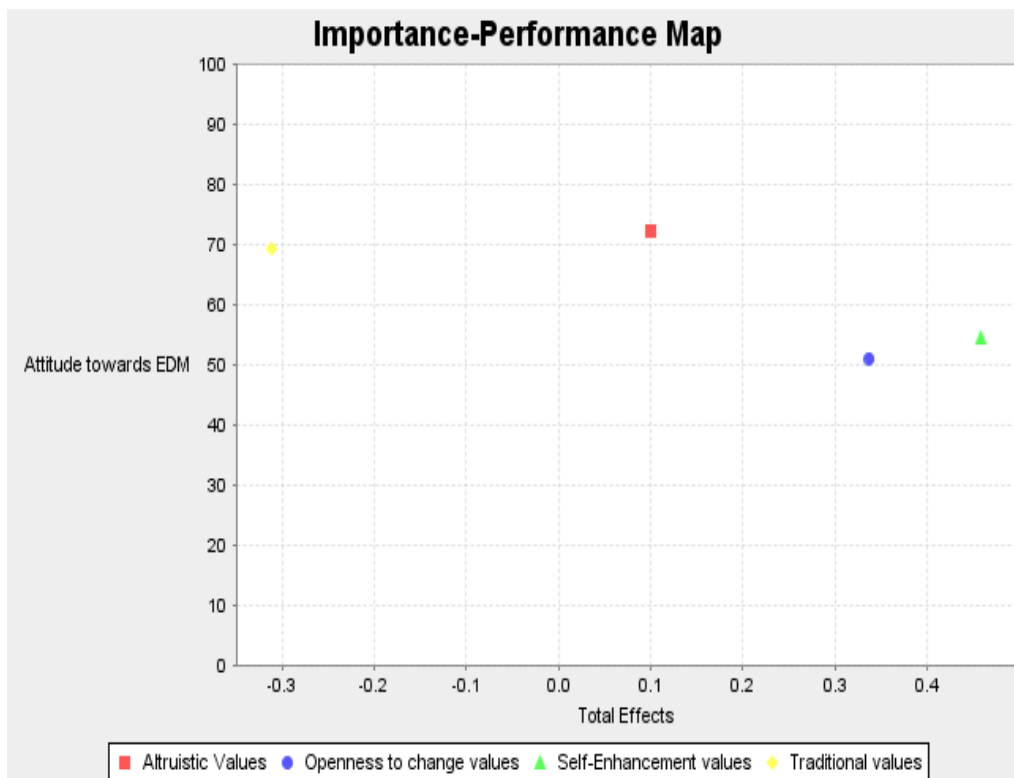


Figure 7. Importance-Performance Map for EDM.

Table 18: IPMA Attitude towards CSR

Constructs	Importance	Performances
Altruistic Values	0.062	72.173
Openness to change values	-0.060	51.011
Self-Enhancement values	0.048	54.393
Traditional values	0.461	69.240

Source: Field data, 2018

From Table 18, Traditional values was the most important construct determining CSR while Altruistic values was the most performing construct (72.173) towards CSR followed by Traditional values (69.249). The results are graphically depicted by Figure 8.

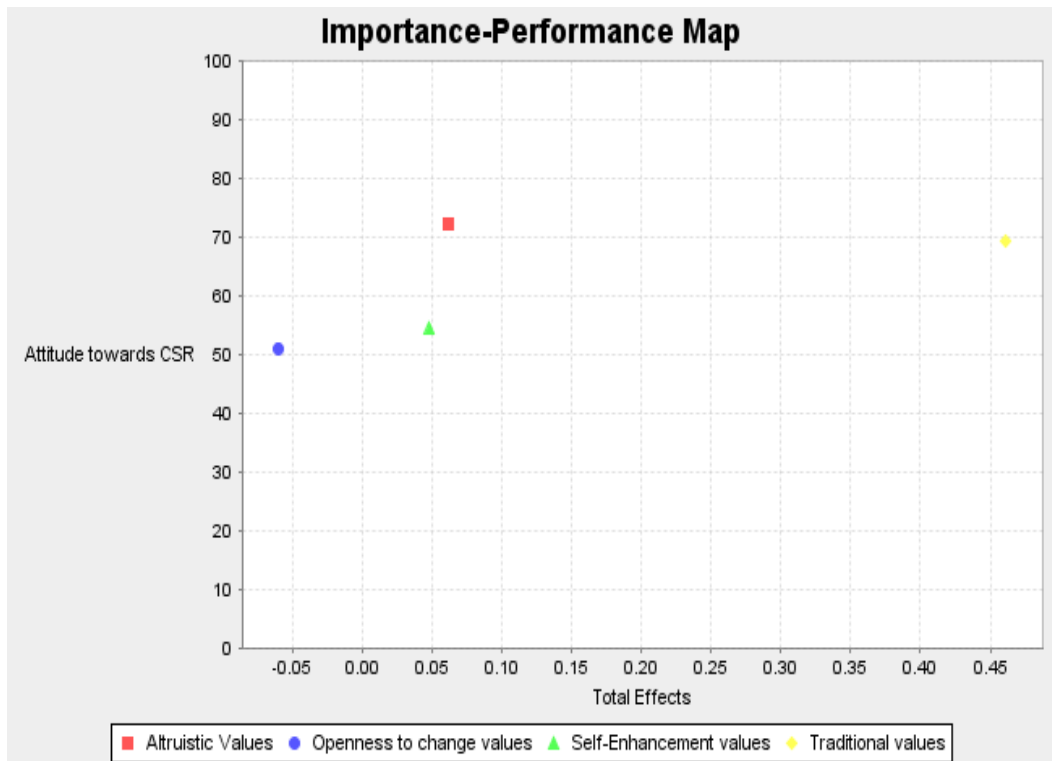


Figure 8. Importance-Performance Map for CSR.

Coefficient of Determination and Predictive Relevance

The coefficient of determination and predictive relevance of the model were also analyzed. This is summed up in Table 19.

Table 19: Total Variance Explained (R²) and Predictive Relevance

Constructs	R Square	Q ²
Attitude towards CSR	0.239	0.214
Attitude towards EDM	0.445	0.243

Source: Field data, 2018

From Table 19, Cohen (1988) suggested an R² value of 0.35 and above to indicate a substantial model (Yeap, Ramayah & Soto-Acosta, 2015) whereas as a relative measure of predictive relevance, Q² values of 0.02, 0.15, and 0.35 indicate that an exogenous construct has a small, medium, or large predictive relevance for a certain endogenous construct (Hair et al., 2014 cited in Yeap et al., 2015). From Table 19, the coefficients of determination values were 0.239 and 0.445 for attitude towards corporate social responsibilities and

attitude towards ethical decision making respectively, indicating a good model. The Q^2 values of 0.214 and 0.243 signified a good model predictive relevance.

Model Fit

For PLS-SEM, model fit indices are preferably Standard Root Mean Residual, Normed-fit index (NFI) and rms_Theta for purely reflective models (Henseler et al., 2016; Hair et al., 2017). The authors recommend thresholds of a value less than 0.08 as an acceptable measure for SRMR, and values less than 0.12 for Rms_theta and greater or equal to 0.95 respectively. Table 20 displays the model fit values.

Table 20: Fit Indices

Indices	Saturated Model
SRMR	0.072
NFI	0.953
rms_Theta	0.114

Source: Field data, 2018

As shown in Table 20, the value of SRMR was below 0.08 and Rms_theta was 0.114. Additionally, the NFI value obtained for the model was 0.953. Based on the obtained values for model fit indices, it can be concluded that the model achieved an acceptable fitness with the data.