Linking Top Management Team Potency, Corporate Social Responsibility, and Firm Performance in SMEs: The Role of Environmental Dynamism

Ning LI¹, Zheng-yi SHI¹, Lu-xiu ZHANG¹,²*, and Lu-jie JIANG²

¹Business School, University of Jinan, Jinan, Shandong, China
²Jinan Science and Technology Innovation Promotion Center, Jinan, Shandong, China

*Corresponding author

Keywords: SMEs, Corporate Social Responsibility, Top Management Team Potency, Environmental Dynamism.

Abstract. This study empirically validates the characteristics choices performance of upper echelons theory (UET) in small and medium-sized enterprises (SMEs) context. Specifically, the current study examines how SME’s top management team potency (TMTP) affects the strategic corporate social responsibility (CSR) choice to improve corporate growth. Furthermore, the moderator role of environmental dynamism (ED) on TMTP-CSR has also been investigated. Survey data gathered from 686 SMEs in China were analyzed. The results show a robust partial mediation effect of CSR on SME’s growth. Furthermore, ED was also found to positively moderate TMTP - CSR. Implications and future research directions are provided.

1. Introduction

In advancing the UET, Hambrick and Mason (1984) argue that strategic choices are the results of the perceptions of the TMT regarding the situations faced by the firm, and the TMT’s characteristics strongly influence such perceptions [1]. There has been a call to expand TMT characteristics to include career experience, personality, capabilities, etc [2]. In response to such a call, we select TMT potency (TMTP), the perceived generalized collective capabilities of the TMT across tasks and contexts, as the focal characteristic to examine. The existing literature suggests that one of the key corporate strengths is TMTP [3]. TMTP influences the team’s confidence in themselves, which in turn affects the team’s perception of the situations and the desirability of strategic options. Previous research has demonstrated that TMTP is linked directly to business performance [4]. Despite the importance of TMTP in strategic decisions, the literature on the effects of team potency on performance has generally focused on the direct effects but not the possible indirect effects. Understanding the mechanism of how team potency affects corporate performance (CP), both directly and indirectly, will enable the concept to be fully articulated and its insights to be better appreciated. CSR has received significant attention from a variety of disciplines [5]. The extant research on CSR mainly focuses on the direct effect of CSR on CP [6], factors that affect the degree and the direction of this effect [5], and the mediators and moderators that explain the relationship between CSR and outcomes [7].

Given the importance of both TMTP and CSR, exploring their joint contributions will offer researchers a more complete understanding of the underlying mechanism of these contributions. A similar sentiment has been expressed [4]. Furthermore, despite extensive studies of the CSR-
performance relationship, the existence and direction of this relationship remains inconclusive \[8\]. CSR is chosen as the strategic choice in the examination of the role of TMTP in the characteristics-strategic choice-performance paradigm. Most studies on CSR tend to focus on publicly listed large enterprises with abundant resources in developed Western countries \[9\]. Little research has been performed with SMEs in emerging markets. However, Spence and Rutherford (2003) have cautioned against believing that findings found to be relevant for large firms can be applied to SMEs \[10\]. Schmitz and Schrader (2015) have further asserted that small enterprises have a strong incentive to invest in CSR \[11\]. Finally, management characteristics offer good predictions of strategy choice-organizational outcomes if strong executive job demands exist, which is determined by task challenges \[12\]. Further, they indicated that task challenges arise from the environment and from the organization (its resource limitations and complexity). Therefore, environmental factors serve as an important moderator to be incorporated into the model.

This study investigates the following relationships: (1) the effect of TMTP on strategic choice of CSR, (2) the effect of pursuing CSR on CP, (3) the effect of TMTP on CP, and (4) the moderation effect of ED on the TMTP-CSR relationship. In the next section, the hypotheses are developed. Then, the survey research method used to gather the data is described along with the analysis. The results are presented and discussed, followed by limitations and avenues for future research.

2. Literature Review and Hypothesis Development

2.1. TMTP and CP

Empirically, team efficacy and potency were found to be positively related to performance in a meta-analysis of 67 studies \[4\] and potency was found to be the strongest predictor of performance \[13\]. Since the TMT of a firm makes decisions primarily from the perspective of the entire firm, the TMT’s perceived enduring global capability of the firm to plan and to execute tasks effectively over various situations is the best measure of the TMTP construct. Such a capability spans many domains and is the aggregate manifestation of the potency of the top management; therefore, TMTP can be expected to share many effects with ordinary team potency. Ensley and Hmieleski (2005) found that TMTP was positively related to revenue growth and net cashflow of new ventures \[14\]. Therefore, high perceived TMTP, can be expected to help the TMT develop the confidence and persistent in overcoming adversity to achieve goals. We propose:

**H1:** TMTP is positively related to CP.

2.2. TMTP and CSR

Most management team in SMEs are burdened by limited resources and are expected reluctant to engage in CSR. However, based on social capital theory, there are several stakeholders whom SMEs have a stronger motivation to please. These stakeholders are often embedded within SMEs’ social capital. The long-term performance of SMEs greatly depends on the social capital in the local community in which they operate \[15\], thus, SMEs will have a strong incentive to invest in CSR as an effective and efficient way to build social capital. The TMTs must perceive that their firms have the resources and the ability to implement CSR effectively to commit to such a strategy. Such potency belief is determined by social influence and external and internal social reinforcement in individual’s past experiences \[16\]. If the TMT successfully implement CSR activity that results in strengthening the social network for the SME, such an outcome will strengthen the potency beliefs and the likelihood of engaging in CSR in the future. Finally, positive evaluations of team potency are found to increase the collective motivation to initiate actions, to sustain group efforts, to increase team members’ confidence in one another \[17\]. Such traits will increase the confidence and motivation of
the TMT with high potency to broaden their strategic choices and consider CSR as one key strategic initiative to enhance social connection. We argue:

**H2:** TMTP is positively related to CSR.

### 2.3. CSR and CP

There are overwhelming reports on the positive relationship between CSR and CP on large firms. It is well known that SMEs are generally in very tight positions with regard to resources. Whether a positive CSR-CP link exists for SMEs is of much more strategic significance to SMEs than to their resource-rich counterparts. Given that SMEs are connected more profoundly with regional markets, and that Chinese people possess pro-family and pro-regional/provincial orientation, CSR activities by SMEs will be perceived as a “good deed done by our own people”, thereby well received. CSR will enhance firm reputation, gain social capital and customer loyalty, and attract talented employees—exactly what SMEs need to achieve superior performance. Thus, we propose:

**H3:** CSR is positively related to CP.

### 2.4. ED as a Moderator of the TMTP-CSR Linkage

Hypothesis 2 is built on the premise that higher TMTP leads to a more cohesive team and more confidence in the team’s ability to successfully carry out strategies, which will provide managers the conviction to initiate and pursue stronger CSR efforts. However, the strength of the linkage between TMTP and CSR may highly depend on the environmental context. In advancing prospect theory, Kahneman and Tversky (1979) proposed that when managers feel threatened because of environmental unpredictability, they may seek to minimize losses. Therefore, TMTP with lower perceived potency will more likely feel threatened under unpredictable environmental conditions and mainly engage in risk-averse traditional business functions. This risk aversion is particularly true for SMEs due to their limited resources. In contrast, managers with a high collective potency perception will believe that the firm possesses the enduring capability to cope with all situations. They will perceive “unpredictability” not as a “threat” to be avoided but as an “opportunity” to be exploited. They will be more likely to try innovative strategies, such as CSR, in the hope of maximizing achieving business goals.

Kohli and Jaworski (1990) proposed three aspects of environmental characteristics that influence the linkage between a market orientation and performance: market turbulence, competitive intensity, and technological turbulence. These three factors are adopted as the moderator in the linkage between TMTP and CSR in this study. Companies that operate in more turbulent markets tend to experience rapid preference changes, managers must be nimble and innovative. Such operating environment will make the executive job demands more challenging. Managers with a high perceived collective potency will believe that the company has the enduring ability to meet these challenges and be persistent in pursuing CSR activities. By contrast, a company’s products/services are likely to need little modification under stable market conditions. Consequently, the level of perceived collective potency has little bearing on a firm’s action plan.

Finally, in a highly turbulent technological environment, rapid changes in technology will render the existing competitive position unsustainable. The traits of persistency and flexibility that characterize teams with high TMTP are key to success in a technologically turbulent environment. Therefore, in a highly technologically turbulent environment, companies with high TMTP will be more successful and have financial resources to support CSR activities than those with low TMTP. Thus, we propose:

**H4:** ED will moderate the positive relationship between TMTP and CSR such that TMTP will be related more strongly to CSR when the level of ED is high.
3. Methods

3.1 Sample

We used data from the “China Small and Medium-sized Enterprises Survey” (CSMES), a major project of the National Social Science Fund of China. The CSMES survey firm demographic information and growth predictors. To ensure the credibility, four universities administered 10,000 questionnaires in 2016 through onsite distribution and collection. The sampling frame consists of the registered nonfinancial firms in the China Statistics Bureau and the State Administration for Industry and Commerce Registry. A single senior manager or owner-manager from each company was used as a key informant. The chosen informants received the questionnaires with a cover letter, which clarified that the study was being conducted for academic purposes. University sponsorship and national funding increase the response rate. The response rate was 55%, and the percentage of the valid responses was approximately 30%.

3.2. Measurement Instrument

Dependent and independent variables:

To survive in the marketplace, a majority of SMEs engage in a top-line (sales) growth strategy in the introduction stage. The sales growth rate is the performance measure and measured by a five-point (1-5) rating scale; the higher the rating is, the higher the growth rate. All major independent measurement scales in this study were adopted from extant measurement scales. Some researchers have used a consensus approach to measure shared potency constructs, while others have focused on individual perceptions regarding collective beliefs. The latter approach is used in this study. TMTP is measured by the four 7-point Likert-scale items adopted from Lester et al. (2002). CSR is measured by the six 7-point Likert-scale items adopted from Homburg (2013). The domains of ED include market turbulence, competitive intensity, and technological turbulence. Each aspect of ED is measured by three 7-point Likert scales adopted from Jaworski and Kohli (1993).

Control variables:

Control variables are deployed to help “crystallize” the explanatory power of the main variables of interest. In addressing the impact of TMTP on CP, Andersen and Dejoy (2011) indicated that size, industry, risk, R&D and advertising expenses are commonly used control variables. In this study, firm size, the technology level and firm age are used. Compared to large firms, the resources of SMEs are very scarce, and this lack of resources may limit firms’ access to CSR and further impact performance. The inclusion of size as a control variable will neutralize the impact of financial resources’ role as a constraint and facilitator. Firm size is operationalized by the natural logarithm of the firm’s total assets. McWilliams and Siegel (2000) indicated that the level of R&D is a determinant of corporate social performance, a synonym for CSR. Given that the technology level is an outcome of R&D investment, the technology level is used as a proxy of the level of R&D and can be expected to positively relate to CSR. The technology level is measured by the proportion of R&D in sales, which is divided into five levels from high to low. There are firm-specific factors, such as firm age, that may affect TMTP and CSR. To account for such effects, we take firm age as a control variable. Firm age is operationalized by the natural logarithm of the number of years the firm has been in operation.

3.3. Validity and Reliability for Measurement

All major constructs met the targeted Cronbach’s α value of ≥0.7. Confirmatory factor analysis (CFA) was also conducted to identify any abnormality in the factor loading pattern. Furthermore, the average variance extract (AVE) was calculated to confirm convergent validity. The results were
satisfactory, ranging from 0.553 to 0.712 (Table 1) (all >0.5). Furthermore, a square root of the AVE larger than the correlations between the factor and other variables was calculated to establish discriminant validity (Table 1 and Table 2).

Table 1. Reliability and validity of the key measures.

| Variables                         | Items                                                                 | Factor loadings | AVE   | CR    | Cronbach's a | KMO   |
|-----------------------------------|------------------------------------------------------------------------|-----------------|-------|-------|---------------|-------|
| Corporate Social Responsibility (CSR) | Pursue environmentally friendly growth strategies (CSR1)               | 0.803           | 0.553 | 0.881 | 0.835         | 0.875 |
|                                   | Value participating in charity donation events (CSR2)                  | 0.706           |       |       |               |       |
|                                   | Take responsibility for its relationship with business partners (CSR3) | 0.786           |       |       |               |       |
|                                   | Continue to monitor customer satisfaction (CSR4)                      | 0.670           |       |       |               |       |
|                                   | Satisfy employee needs (CSR5)                                         | 0.765           |       |       |               |       |
|                                   | Tolerate employees’ failures in their innovation initiatives (CSR6)    | 0.722           |       |       |               |       |
| Top Management Team Potency (TMTP) | TMT possesses excellent decision-making ability (TMTP1)               | 0.850           | 0.712 | 0.908 | 0.864         | 0.823 |
|                                   | TMT is willing and able to take responsibility for the decisions made (TMTP2) | 0.826           |       |       |               |       |
|                                   | TMT takes the initiative in company affairs (TMTP3)                   | 0.847           |       |       |               |       |
|                                   | TMT can be trusted (TMTP4)                                            | 0.851           |       |       |               |       |
| Environmental Dynamism (ED)       | In our kind of business, customers’ product preferences change considerably time (ED1) | 0.849           |       |       |               |       |
|                                   | Our customers tend to look for new products all the time (ED2)        | 0.699           |       |       |               |       |
|                                   | The demand for our products and services is growing rapidly (ED3)     | 0.813           |       |       |               |       |
|                                   | There are many competitors in our industry (ED4)                     | 0.739           |       |       |               |       |
|                                   | There are many “promotion wars” in our industry (ED5)                | 0.864           |       |       |               |       |
|                                   | Anything that one competitor can offer, others can match rapidly (ED6) | 0.791           |       |       |               |       |
|                                   | The technology in our industry is changing rapidly (ED7)             | 0.857           |       |       |               |       |
|                                   | It is very difficult to forecast where the technology in our industry will be in the next 2 to 3 years (ED8) | 0.724           |       |       |               |       |
|                                   | Technological changes provide big opportunities in our industry (ED9)  | 0.808           |       |       |               |       |

4. Analysis and Results

For all variables with multiple items, the average of the items for each variable was used in the analyses. Before the hypotheses were tested, the correlations between all relevant variables were calculated. The significant correlations between these variables constitute preliminary support for the hypotheses. As shown in Table 2, all key variables show significant and positive correlations as implied by the hypotheses, ranging from 0.754 to 0.364. Noteworthy is the positive but nonsignificant correlation between size, a proxy of financial resource, and CSR, further confirming that financial position is at best a constraint/facilitator, not a cause, for engaging in CSR.

Table 2. Summary statistics and correlation coefficients

| Variables  | Mean  | SD    | CP   | CSR  | TMTP | ED    | FirmSize | Tech Level | Firm Age |
|------------|-------|-------|------|------|------|-------|----------|------------|----------|
| CP         | 4.459 | 1.464 | 1    |      |      |       |          |            |          |
| CSR        | 4.996 | 0.915 | 0.524" | 1    |      |       |          |            |          |
| TMTP       | 5.094 | 1.070 | 0.460" | 0.754" | 1    |       |          |            |          |
| ED         | 4.704 | 0.837 | 0.364 | 0.523 | 0.424 | 1     |          |            |          |
| Firm Size  | 5.306 | 2.117 | 0.0757 | 0.0738 | 0.0719 | 0.0357 | 1        |            |          |
| Tech Level | 3.792 | 0.798 | -0.0924 | -0.107" | 0.0164 | -0.0709 | -0.306" | 1          |          |
| Firm Age   | 1.884 | 0.856 | 0.0962 | 0.0850 | 0.0380 | 0.0389 | 0.185" | -0.113"   |          |

Indicates: *** p<0.01, ** p<0.05, * p<0.1
To test the mediation hypotheses, the Sobel test was performed. If a low-power test detects a significant result, then this result is strong evidence supporting the hypotheses. To establish the moderation effect, the product of the independent variable (I) and the moderator (M) (M x I) is added to the regression equations. A significant M x I indicates the existence of a moderation effect. Similar to the Sobel test, the normal theory approach was taken to test the moderated mediation effect [34]. Finally, to avoid the presence of heteroscedasticity caused by extreme outliers, all predictor variables were winsorized at 95% [35]. Furthermore, since firms in different industries and at provinces will differ significantly, if left unaccounted for, there is a great chance that model misspecification errors will be committed and lead to heteroscedasticity. To control the inefficient estimation effect of heteroscedasticity, ordinary least squares (OLS) with robust standard errors for fixed effect regression was used to analyze the data. The test results show that the majority of the coefficients of the dummy variables created for this purpose are statistically significant, confirming the validity of using the fixed effect model to analyze the data. The province and industry type are the two dummy variables used for the fixed effect model analysis. As shown in Model 1 of Table 3, TMTP is significantly and positively related to firm sales growth (b=0.640; t=13.33; p<0.01). Thus, Hypothesis 1 is supported.

Table 3. Summary of the main effect and the mediation effect of TMTP on sales growth.

|            | CP     | CSR    | CP     |
|------------|--------|--------|--------|
| Firm Size  | 0.040  | -0.010 | 0.043* |
|            | (0.024)| (0.013)| (0.021)|
| Tech Level | -0.176**| -0.145***| -0.137 |
|            | (0.070)| (0.024)| (0.082)|
| Firm Age   | 0.063  | 0.038  | 0.036  |
|            | (0.119)| (0.028)| (0.112)|
| TMTP       | 0.640***| 0.669***| 0.312***|
|            | (0.048)| (0.022)| (0.082)|
| CSR        | 0.492***| 0.492***|
|            |        | (0.084)|        |

Constant -0.516 1.001*** -0.830

Adjusted R-squared

Province FE YES
Industry FE YES

Note: Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Further, in Model 2 of Table 3, TMTP is significantly and positively related to CSR (b=0.669; t=30.41; p<0.00). Also, when sales growth is regressed on both TMTP and CSR (model 3), the coefficient associated with TMTP changes from very strong and significant (b=0.640; t=13.33; p<0.01) to significant but considerably weakened (b=0.312; t=3.81; p<0.01); at the same time, the coefficient with CSR is highly significant (b=0.492; t=5.86; p<0.00). Finally, the Sobel test yields a highly statistically significant (p<0.00) Z value of 5.75 (0.669x0.492/0.572), thus, supporting a case of partial mediation and H3.

As shown in Model 3 of Table 4, the positive and significant coefficient associated with ED x TMTP (b=0.069; t=3.63; p<0.01) supports H4, which proposes that the effect of TMTP on CSR positively depends on the value of ED. To further examine the moderation effect of ED, the pick-a-point approach is used [36]. This procedure involves selecting several values of the moderator ED and calculating the conditional effect of TMTP on CSR at these values to show the changes in the slopes of TMTP regressing on CSR. Values chosen are at a standard deviation below (low) and above (high) the mean. The more dynamic the environment is, the stronger the positive impact that TMTP has on CSR.
Table 4. The impact of TMTP on CSR moderated by the level of ED.

|                         | model 1       | model 2       | model 3       |
|-------------------------|---------------|---------------|---------------|
| Firm Size               | -0.006        | -0.008        | -0.007        |
|                         | (0.010)       | (0.012)       | (0.014)       |
| Tech Level              | -0.144***     | -0.124***     | -0.117***     |
|                         | (0.022)       | (0.024)       | (0.025)       |
| Firm Age                | 0.049         | 0.041         | 0.037         |
|                         | (0.032)       | (0.029)       | (0.028)       |
| TMTP                    | 0.661***      | 0.577***      | 0.596***      |
|                         | (0.027)       | (0.034)       | (0.037)       |
| ED                      | 0.251***      | 0.243***      |
|                         | (0.020)       | (0.022)       |
| c.z_TMTP*c.z_ED         |               |               |
|                         |               |               |
| Constant                | 2.082***      | 1.275***      | 1.188***      |
|                         | (0.166)       | (0.187)       | (0.194)       |
| Adjusted R-squared      | 0.592         | 0.629         | 0.635         |
| Province FE             | YES           | YES           | YES           |
| Industry FE             | YES           | YES           | YES           |

Note: Robust standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

5. Discussion

The study presents a refined UET model of TMTP-CSR-Sale growth with the moderating effects of environmental dynamism included. The results are discussed below:

This study finds that TMTP positively affect the choice of CSR as a strategic tool for SMEs in China. The results also confirm the findings from other researches [5]. CSR offers SMEs opportunities for greater market access as well as social benefits such as social capital accumulation and community development. The wisdom of pursuing CSR applies to both large enterprises and SMEs. Additionally, a strong financial position is not a cause for engaging in CSR but a facilitator, as revealed in the nonsignificant correlation between size, the proxy for financial position, and CSR (Table 2).

This study finds a significant positive total effect of TMTP on corporate performance. Moreover, the study also finds a significant indirect effect of TMTP on sales growth through CSR. In the current study, TMTP’s effect on sales growth passes indirectly through a task- and context-specific factor, CSR, and through the summed effects of all other unknown general activities/policies. As indicated by Hambrick et al. (2005), management characteristics offer stronger predictions of strategy choice-organizational outcomes if there are strong executive job demands [12]. One of the factors affecting executive job demands is ED, such that the more dynamic the environment is, the more challenging the executive job demands are. As predicted, the study finds ED to be a moderator of the TMTP-CSR linkage, the more dynamic the environment is, the stronger the positive impact that TMTP has on CSR. The result is consistent with the findings of Carmeli et al. (2011) [37]. The study has made the following contributions: first, the study successfully supports the refined UET by providing research evidence confirming ED as one of the factors that moderates the relationship between managerial characteristics and strategic choice. Second, the study provides additional evidence of the positive effects of TMTP and CSR on firm performance in SMEs and in the world’s second-largest economy, thus enhancing the generalizability of extant TMTP and CSR research findings. The findings also provide important managerial implications for SMEs. First, SMEs must recruit a top team based on talent, not on family or social connection criteria as is commonly practiced by SMEs. Second, once talented TMT are appointed, it is equally important to develop the TMTP perception. SMEs wishing to enhance group potency should cultivate empowering leadership and to provide TMT members vehicles to develop communication-cooperation during the early stages of their groups’ existence [37,26].
Acknowledgement
This work was supported by Shandong Social Science Planning Fund Program: Platform-based CSR, public opinion environment and its governance mechanism research (20BGLJ02).

References
[1] Hambrick D C, Mason P A. Upper echelons: The organization as a reflection of its top managers[J]. Academy of management review, 1984, 9(2): 193-206.
[2] Carpenter, Mason A., Geletkanycz, Marta A., Sanders, Wm. Gerard (2004). Upper Echelons Research Revisited: Antecedents, Elements, and Consequences of Top Management Team Composition. Journal of Management, 30(6), 749-778. DOI: https://doi.org/10.1016/j.jm.2004.06.001
[3] Lin, C. P., & Shih, W. C. (2012). Corporate social responsibility and team performance: The mediating role of team efficacy and team self-esteem. Journal of Business Ethics, 108(2), 167-180. DOI: https://doi.org/10.1007/s10551-011-1068-6
[4] Gully, S. M., Incalcaterra, K. A., Joshi, A., & Beaubien, J. M. (2002). A meta-analysis of team efficacy, potency, and performance: Interdependence and level of analysis as moderators of observed relationships. Journal of Applied Psychology, 87 (5), 819-832. DOI: https://doi.org/10.1037/0021-87.5.819
[5] Aguinis, H., & Glavas, A. (2012). What We Know and Don’t Know About Corporate Social Responsibility: A Review and Research Agenda. Journal of Management, 38(4), 932-968. DOI: https://doi.org/10.1177/0149206311436079
[6] Torelli, C. J., Monga, A. B., & Kaikati, A. M. (2012). Doing poorly by doing good: Corporate social responsibility and brand concepts. Journal of Consumer Research, 38 (5), 948-963. DOI: https://doi.org/10.1086/660851
[7] Chiu, S., & Sharfman, M. (2011). Legitimacy, visibility, and the antecedents of corporate social performance: An investigation of the instrumental perspective. Journal of Management, 37 (6), 1558-1585. DOI: https://doi.org/10.1177/0149206309347958
[8] Bhardwaj, P., Chatterjee, P., Demir, K. D., & Turut, O. (2018). When and how is corporate social responsibility profitable? Journal of Business Research, 84, 206-219. DOI: https://doi.org/10.1016/j.jbusres.2017.11.026
[9] Fernandez-Feijoo, B., Romero, S., & Ruiz, S. (2014). Commitment to corporate social responsibility measured through global reporting initiative reporting: factors affecting the behavior of companies. Journal of Cleaner Production, 81(7), 244-254. DOI: https://doi.org/10.1016/j.jclepro.2014.06.034
[10] Spence, L. J. & Rutherford, R. (2003). Small Business and Empirical Perspectives in Business Ethics: Editorial. Journal of Business Ethics, 47(1), 1–5. DOI: https://doi.org/10.1023/A:1026205109290
[11] Schmitz, J., & Schrader, J. (2015). Corporate social responsibility: A microeconomic review of the literature. Journal of Economic Surveys, 29(1), 27-45. DOI: https://doi.org/10.1111/joes.12043
[12] Hambrick, D. C., Finkelstein, S., & Mooney, A. (2005). Executive job demands: New insights for explaining strategic decisions and leader behaviors. Academy of Management Review, 30: 472–491. DOI: https://doi.org/10.5465/amr.2005.17293355

[13] Campion, M. A., Medsker, E. M., & Medsker, G. J. (1996). Relations between work group characteristics and effectiveness: A replication and extension. Personnel Psychology, 49 (2), 429-452. DOI: https://doi.org/10.1111/j.1744-6570.1996.tb01806.x

[14] Ensley, M. D., & Hmieleski, K. M. (2005). A comparative study of new venture top management team composition, dynamics and performance between university based and independent startups. Research Policy, 34, 1091–1105. DOI: https://doi.org/10.1016/j.respol.2005.05.008

[15] Perrini, Fransesso (2006). SMEs and CSR Theory: Evidence and Implications from a Italian Perspective. Journal of Business Ethics, 67, 305-316. DOI: https://doi.org/10.1007/s10551-006-9186-2

[16] Bandura, A. (1982). Self-efficacy mechanism in human agency. American Psychologist, 37(2), 122-147. DOI: https://doi.org/10.1037/0003-066X.37.2.122

[17] Inkpen, A. C., & Tsang, E. W. K. (2005). Social capital, networks, and knowledge transfer. Academy of Management Review, 30(1), 146-165. DOI: https://doi.org/10.5465/amr.2005.15281445

[18] Beurden, P. V., & Gössling, T. (2008). The worth of values – a literature review on the relation between corporate social and financial performance. Journal of Business Ethics, 82(2), 407-424. DOI: https://doi.org/10.1007/s10551-008-9894-x

[19] Farrington, T., Curran, R., Gori, K., O’Gorman, K. D., & Queenan, C. J. (2017). Corporate social responsibility: reviewed, rated, revised. International Journal of Contemporary Hospitality Management, 29(1), 30-47. DOI: https://doi.org/10.1108/IJCHM-05-2015-023

[20] Kahneman, D., & Tversky, A. (1979). Prospect theory: an analysis of decision under risk. Econometrica, 47(2), 263-291. DOI: https://doi.org/10.1142/9789814417358_0006

[21] Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. Journal of Marketing, 54 (2), 1-18. DOI: https://doi.org/10.1177/002224939005400201

[22] Ladik, D.M., Carrillat, F.A., & Solomon, P. J. (2007). The effectiveness of university sponsorship in increasing survey response rate. Journal of Marketing Theory & Practice, 15(3), 263-271. DOI: https://doi.org/10.2753/MTP1069-6679150306

[23] Jovanovic, B. (1982). Selection and the evolution of industry. Econometrica, 50(3), 649-670. DOI: https://www.jstor.org/stable/1912606

[24] Lindsley, D. H., Brass, D. J., & Thomas, J. B. (1995). Efficacy-performance spirals: A multilevel perspective. Academy of Management Review, 20 (3), 645-678. DOI: https://doi.org/10.5465/amr.1995.9508080333

[25] Mischel, L. J., & Northcraft, G. B. (1997). “I think we can, I think we can…”: The role of efficacy beliefs in group and team effectiveness. Advances in group processes, 14, 177-197. Greenwich, CT: JAI Press. DOI: https://psycnet.apa.org/record/1998-07314-006
[26] Lester, S. W., Meglino, B. M., & Korsgaard, A. M. (2002). The Antecedents and Consequences of Group Potency: A Longitudinal Investigation of Newly Formed Work Groups. Academy of Management Journal, 45 (2), 352-368. DOI: https://doi.org/10.5465/3069351

[27] Homburg, C., Stierl, M., & Bornemann, T. (2013). Corporate social responsibility in business-to-business markets: How organizational customers account for supplier corporate social responsibility. Journal of Marketing, 77(6), 54-72. DOI: https://doi.org/10.1509/jm.12.0089

[28] Jaworski, B. J., & Kohli, A. K. (1993). Market Orientation: Antecedents and Consequences. Journal of Marketing, 57 (3), 53-70. DOI: https://doi.org/10.1177/002224299305700304

[29] Andersen, M. L., & DeJoy, J. (2011). Corporate social and financial performance: The role of size, industry, risk, R&D and advertising expenses as control variables. Business Society Review, 116(2), 237-256. DOI: https://doi.org/10.1111/j.1467-8594.2011.00384.x

[30] McWilliams, A., & Siegel, D. S. (2000). Corporate social responsibility and financial performance: Correlation or misspecification?. Strategic Management Journal, 21(5), 603-609. DOI: https://doi.org/10.1002/(SICI)1097-0266(200005)21:5<603::AID-SMJ101>3.0.CO;2-3

[31] Zhou, W.X., Sornette, D., Hill, R.A. & Dunbar, R.I.M. (2005), Discrete hierarchical organization of social group sizes, Proceedings of the Royal Society, Vol. 272 No. 1561, pp. 439-444. DOI: https://doi.org/10.1098/rspb.2004.2970

[32] Nunnally, J. C., & Bernstein, I. H. 1994. Psychometric Theory. New York: McGraw-Hill.

[33] Podsakoff, P. M., & Organ, D. W. (1986). Self-reports in organizational research: Problems and prospects. Journal of Management, 12 (4), 531-544. DOI: https://doi.org/10.1177/014920638601200408

[34] Hayes, A. F. (2013). Introduction to Mediation, Moderation, and Conditional Process Analysis: A Regression-Based Approach. New York, NY: The Guilford Press. DOI: https://www.jstor.org/stable/24018134

[35] Flannery, M. J., & Rangan, K. P. (2006). Partial adjustment toward target capital structures. Social Science Electronic Publishing, 79(3), 469-506. DOI: https://doi.org/10.1016/j.jfineco.2005.03.004

[36] Bauer, D. J., & Curran, P. J. (2005). Probing interactions in fixed and multilevel regression: Inferential and graphical techniques. Multivariate Behavioral Research, 40 (3), 373-400. DOI: https://doi.org/10.1207/s15327906mbr4003_5

[37] Carmeli, A., Schaubroeck, J., & Tishler, A. (2011). How CEO empowering leadership shapes top management team processes: Implications for firm performance. The Leadership Quarterly, 22, 399-411. DOI: https://doi.org/10.1016/j.leaqua.2011.02.013