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# A Study on Performance Improvement and Perception Difference of SMEs Using TPB: Focusing on Corporate Ethical Responsibility Activities, Personal Characteristics and POS\*

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## Abstract

**Purpose** – The purpose of this study is to elucidate the perception differences between CEOs and employees, and to derive a plan for improving performance by using theory of planned behavior (TPB) to enhance the competitiveness of SMEs exposed to various difficulties until recently.

**Research design, data and methodology** – A total of 238 valid questionnaires were collected for CEOs and members of SMEs. In order to clarify the difference of perception, independent sample t-test and multi-group analysis using AMOS were conducted. Simple regression analysis and structural equation were used to confirm whether the theory of planned behavior was applied at the level of SME.

**Results** – The CEO group is more aware of company's ethical responsibility activities and organizational support than the group of employees, and collectivism contributes more to organizational development than individualism tendency. Also, the theory of planned behavior is applied to the SME level as well.

**Conclusion** – This study suggest that CEOs need to accept the pluralism of their members for the development of SMEs. In addition, it is necessary to form a consensus on ethical responsibility activities that corporations are performing by supporting diverse strategies and members' participation in management decision-making.

**Keywords:** Performance Improvement, Perception Difference, SME, TPB(Theory of Planned Behavior).

**JEL Classifications:** D23, M10, M12, M54.

## 1. Introduction

Concerns about the productivity of Korean companies are getting worse. For example, KAMA(Korea Automobile Manufacturers Association) reported that Korea's automobile industry, ranked fifth in the world by 2015, was ranked 7th by 2018 and lower than Mexico by 2015. As a result, the automobile industry and experts have diagnosed that the

high cost and low efficiency problems are deepening due to Korea's rigid labor market and confrontational labor relations. In addition, the average hour per vehicle(HPV) is much longer than that of competing global companies, but it is known that wages are the highest in the world. Other industries in Korea are also known to be different.

However, Korea's SMEs are facing many difficulties due to more serious problems account for 99.9% (3,672,000) of the total number of enterprises, and 90.3% (15,392,000) of total number of employees by size of domestic companies as of 2016. Specifically, except for some semiconductors and IT products, the production scale and average utilization rate are declining due to various reasons such as the recession of major global countries, and structural problems such as inefficient work processes, low efficiency and vulnerability to financial structure (Yang & Cho, 2015) as well as the 52-hour work per week and the minimum wage increase of law. Therefore, it is expected that various studies such as the technical researches to directly solve

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the problems related to the decrease of productivity (eg, Jin, Lee, & Lee, 2011; Song, Jeong, & Park, 2019) and human resource development research (eg Bae & Park, 2016; Sung, Moon, & Kim, 2019) have been published.

This study focused on differences in perceptions of SMEs regarding the ways to improve SMEs' performance and the reasons for the lowering of SMEs' competitiveness. This is because the influence of CEOs can be direct in the case of SMEs because the physical distance between CEOs and members is considerably closer than that of large corporations. In other words, if the CEO and the members are aware of the same issue of the company, the problem solving is relatively easy, but if there is a difference in recognition, the result may be totally different.

Therefore, the purpose of this study is to propose measures to improve the performance of SMEs' employees, and to find out the differences between SME CEOs and their members in an empirical way, this study want to share our worries. Specific measures for this are as follows. First, this study will contribute to improving the competitiveness of SMEs by establishing a structural research model and suggesting clues for organizational development by using TPB(Theory of Planned Behavior) model to improve the job performance of SME members. Because TPB has been studied in a variety of ways until recently such as entrepreneurial intentions and actions (Kautonen, van Gelderen, & Fink, 2015; Yadav & Pathak, 2016), green product purchasing(Paul, Modi, & Patel, 2016) and consumer's decision making(Ajzen, 2015), it can not find any research on SMEs using TPB.

Second, it examined each variable of the research model based on the planned behavior theory by independent sample t-test to confirm the difference of perception among CEOs and members, and this study try to verify that there is a perception difference through the multi-group analysis of SEM(Structural Equation Modeling) in which individual characteristics divide by individualism and collectivism are classified.

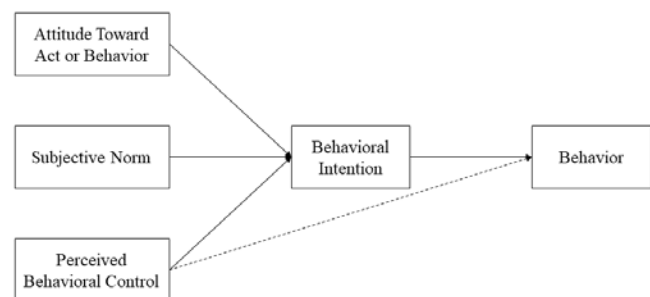
The results of this study will confirm what factors are needed for SME members to improve their performance, and this study expect to be able to provide clues as to how to strengthen the competitiveness of SMEs by focusing more on certain factors among these variables. In particular, this study expect that they will be able to establish the basis for the CEO and its members to elicit and practice ethical responsibility activities individually or at an organizational level by recognizing the importance of ethical responsibility activities for SMEs that have been forced to neglect ethical responsibility activities for various reasons. In addition, it will be possible to reduce the psychological distance and find ways to carry out their duties based on mutual trust by identifying whether there is a difference in perceptions among CEOs and members of SMEs. Finally, it is expected that the result of multi-group analysis with individualism and collectivism carried out in this study will be able to increase

the relevance of more studies by presenting new analytical techniques for twin variables in various future studies.

## 2. Theoretical Background

Based on the social cognitive theory, TPB (Theory of Planned Behavior) was presented by Ajzen (1991) based on the theory of reasoned action (TRA) proposed by Fishbein and Ajzen (1975). TRA has argued that human beings determine behavioral intention by their behavioral attitudes and the subjective norms they have, and the degree of behavior intention was an important determinant of behavior(Fishbein & Ajzen, 1975). However, in the case of behavioral intention, which is considered to be an important factor in the TRA, it has come to the limit that the behavior can be predicted only when the individual can control himself. Thus, Ajzen (1991) has argued for a TPB that reflects the capacity to control behavior as an additional variable and the perceived control of behavior as the situation is able to control behavior as it should. Until recently, TPB has been widely used in behavior change and behavior prediction such as entrepreneurial intentions and actions(Kautonen et al., 2015; Yadav & Pathak, 2016), green product purchasing(Paul et al., 2016), consumer's decision making(Ajzen, 2015) and Travelers' pro-environmental behavior(Han, 2016), etc.

In this study, the following variables were constructed to apply TPB.



Note: Quoted model from Ajzen(1991)

**Figure 1:** Model of TPB (Theory of Planned Behavior)

Specifically, it was set as a judgment on the ethical responsibility activities of the SME which is being discussed recently with a positive attitude toward the company recognized by the members. And it was set as a personal characteristics such as individualism and collectivism with a subjective norms. In addition, perceived behavioral control (PBC) was applied to perceived organizational support. And to examine the effects of these factors on organizational citizenship behavior for organizational development.

The concept of corporate social responsibility was raised

with the establishment of the American concept of welfare state capitalism in the 1930s, and it is called responsible management and corporate sustainability & responsibility, which means sustainable growth in the 1990s (Yoo, 2019). The ethical responsibility of a corporation interested in this study can be defined as FKI (Federation of Korean Industries) suggested that the expectation of a corporation in society that it will do right and just acts including ethical leadership.

In this study, the value orientation of SME organizational members adopted individualism and collectivism. Individualism and collectivism have been classified into value orientation through various domestic and foreign studies (e.g. Abbasi, Tarhini, Elyas, & Shar, 2015; Cho, Cho, & Yang, 2005; Cho & Cho, 2004; Frank, Enkawa, & Schvaneveldt, 2015; Hui & Triandis, 1986; Lee, Cho, & Cho, 2002; Markus & Kitayama, 1991; Tang, Werner, & Karwowski, 2016; Triandis, 1995) with a individual level. According to Cho et al. (2005), individualism emphasizes individuality compared to organization, emphasizing individual goals more than group goals, and maintaining individual self-image and having independent self-image. On the other hand, collectivism emphasizes collective decision-making, as well as the tendency to rely on organizational co-operation and organization rather than individual ability, and the tendency of group goals to take precedence and pursue interdependent and harmonious relationships (Markus & Kitayama, 1991; Triandis, 1995).

Perceived organizational support is based on the theory of social exchange (Blau, 1964), and it defined organizational trust as a collective form of trust in the degree to which members are valued for the contribution they make and are interested in promoting the welfare of their members (Eisenberger, Huntington, Hutchison, & Sowa, 1986; Yang, Cho, & Lee, 2015). In other words, perceived organizational support was the perception that the degree of belief that the organization will fulfill its duty of exchange through rewards and recognition, along with the perception that it cares not only for its members but also concerned for its members (Kurtessis, Eisenberger, Ford, Buffardi, Stewart, & Adis, 2017; Wayne & Shore, 1997).

Organizational citizenship behavior is a concept introduced by Organ (1988), based on 'willingness to cooperate' and 'initiative and voluntary action'. In other words, organizational citizenship behavior is an act that promotes the effective functioning of the organization by the free will of its members (Eom & Yang, 2014; Organ, 1988). This study defined organizational citizenship behavior as a way of action for members to strive for the development of organization according to free discretion.

Management performance is the result of evaluating how efficiently SMEs have achieved their performance, and the degree of performance of the process to achieve the company's goals. Therefore, management performance can be maintained at a high level according to employees'

efforts, their capabilities, characteristics, and perception of roles, and performance are made by effort. However, these two are not always the same, but the difference between the two variables is determined by the individual's perception of the individual's abilities and characteristics and the role to be performed (Porter, 1991). This study used to measure both company's financial performance and non-financial performance perceived by members based on Park and Jung (2019).

### 3. Research Design

#### 3.1. Research Model and Hypotheses

People are engaged in various cognitive activities in their daily lives. The lexical meaning of cognition is defined as a series of mental processes that accept, store, and withdraw the knowing or stimulation of certain facts (NISE, 2018). As mentioned before, this study focused on the perceptions of SME CEOs and their members because if there is a difference in recognition, it is highly likely to have a negative impact on the company's achievement of its goals. The difference in perception means that the direction in which each individual is directed may be different. For example, if the CEO's claim to work together to strengthen a company's competitiveness is taken as a negative conception of labor exploitation for an individual, the company's policy decisions are unlikely to achieve the desired effect. Therefore, the following hypothesis can be established.

**Hypothesis 1:** There will be differences in perceptions of CEO and members about ethical responsibility activities, value orientation of employees, and perceived organizational support. Specifically, CEOs will have a higher appraisal of corporate ethical responsibility activities and organizational support perceptions than their members about their company. Also, CEOs will perceive that collectivism is more effective for organizational development than individualism.

According to Choi, Moon, and Joo (2017), domestic and international CSR researches such as Joung and Shin (2016) and Devinney (2009) have been applied to macro level to analyze organizational level in academic fields such as strategy, marketing, and finance. Meanwhile, studies that identify the characteristics of organizational levels that promote CSR activities (Kiessling, Isaksson, & Yasar, 2016; Kim & Lee, 2013) also take up a large share. In addition, there are several studies that investigate individual CSR researches such as consumer perception, investment decision making, and selection of job-seeker companies. In

recent years, many researches have been conducted to identify the independent variables and outcome variables of employees' are gradually increasing (Bauman & Skitka, 2012; Choi et al., 2017; De Roeck & Maon, 2016; Jones, 2010; Morgeson, Aguinis, Waldman, & Siegel, 2013; Vlachos, Panagopoulos, & Rapp, 2014).

In this study, it is because that the positive attitude toward the company recognized by the SME members is composed of the judgment of the ethical responsibility activities of the company.

In this study, the reason for adopting the positive attitudes toward the company perceived by the SME members as the judgments about the ethical responsible activities of the company that various examples of Korea's corporate unethical behavior have been reported in the media and are now spreading to social problems. For example, companies such as S, H, and D group have been reported to the population so far, and the form has also been affected by various problems ranging from the personal level of the owner's family to the management level of the company. Until now, it has been somewhat socially acceptable that there is a difference in opinion based on cultural difference (Mustamil & Quaddus, 2009), and it was relatively generous about the small unethical practices of corporations due to the influence of the special situation of Korea where the collectivism culture is relatively strong (Hofstede, 1980). However, in the modern society, the practice of ethical management plays an important role in the survival of the company, and it is true that the social atmosphere which is strict about the unethical behavior of the enterprise can not be ignored. Therefore, it is very likely that corporate ethical responsibility activities are perceived as a measure of ethical management practice for its members.

As mentioned earlier, studies on individualism and collectivism (Cho & Cho, 2004; Ting, 1993; Triandis, McCusker, & Hui, 1990) were reported actively until the early 2000s. In recent years, however, relatively low research has been done after the assumption that the value orientation of Korean individuals is highly pluralistic. Particularly, there was no research that used individualism and collectivism as measures to measure perception difference between employees and CEOs. The reason for applying subjective norm to individualism and collectivism is that CEOs generally expect that collectivist characteristics will have a more positive impact on organizational development (Abbasi et al., 2015). In the meantime, the interview results with SME CEOs seem to think that the traditional collectivism characteristic that prioritizes the interests of the organization rather than the individual is likely to contribute to the development of the company. However, organizational members in Korea are known to have more pluralism in combination with individualism and collectivism (Cho et al., 2005). Therefore, there is a high possibility that the psychological gap with the members will occur if CEOs prefer the collectivist tendency to the

members.

Perceived organizational support is considered to be an appropriate variable for perceived behavioral control because it is actively committed to the organization when it is believed that members of an organization are recognized by the organization (Kurtessis et al., 2017; Wayne et al., 1997). In recent years, perceived organizational support has been used in research as an important variable in the context of psychological contracts and leader-member exchange (LMX) relationships. In this study, the reason for applying perceived organizational support as variable of perceived behavioral control based on planned behavior is the difference in information about how much support a member receives from an organization determines the control over voluntary work behavior. In other words, if members are perceived to receive various supports from the organization, it is very likely that they will voluntarily behavior for the development of the organization themselves. However, if not, it is very likely that not only voluntary activities are suppressed, but even minimal work activities are passive. Finally, management performance is an evaluation of the performance of the members of the company. Therefore, if the OCB level of the members is high, the management performance will be recognized positively (Cohen & Abedallah, 2015; Indarti, Solimun, Fernandes, & Hakim, 2017). The following hypotheses were established based on the preceding studies.

**Hypothesis 2:** The research model based on the theory of planned behavior will work positively for the SME situation.

**Hypothesis 2-1:** Corporate ethical responsibility activities will have a positive impact on organizational citizenship behavior.

**Hypothesis 2-2:** The value orientation of the members will have a positive effect on organizational citizenship behavior.

**Hypothesis 2-3:** Perceived organizational support will have a positive impact on organizational citizenship behavior.

**Hypothesis 2-4:** Organizational citizenship behavior will have a positive impact on management performance.

**Hypothesis 2-5:** Perceived organizational support will have a positive impact on management performance.

As suggested earlier, the proposed TPB is evaluated as excellent model in predicting people's behavior or actual behavior, which is applied in a variety of ways in the social sciences (Liao, Chen, & Yen, 2007; Mahon, Cowan, & McCarthy, 2006; Nasco, Toledo, & Mykytyn, 2008). For example, Yang (2014) studied the effects of self-enhancement bias and transformational leadership on

innovative work behavior through extended theory of planned behavior in his work. However, no studies have attempted to approach the perceptions of difference through the theory of planned behavior for SMEs. In the case of SMEs, the influence of CEOs on their members is more direct and absolute than those of large corporations. Therefore, the psychological perception gap between the members and the CEO is highly likely to affect the organizational commitment and job performance of the members, and this result may have a negative effect on the performance improvement of SMEs. Considering these situations, This study have established the following hypothesis.

**Hypothesis 3:** In the model of theory of planned behavior, CEOs will perceive that individualism tendency is less or less than organizational citizenship behavior which is voluntary action for organization compared to collectivism tendency of members.

The structured research model applying theory of planned behavior is presented in <Figure 2>.

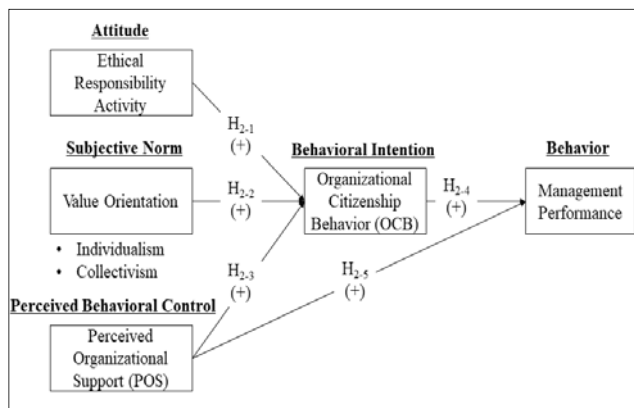


Figure 2: Research Model & Hypotheses

### 3.2. Data collection and utilizing measures

For this study, the questionnaires were conducted by random sampling of CEOs and members of Siheung Shihwa Industrial Complex and Ansan banwol Industrial Complex. A total of 238 valid questionnaires were used for the analysis. And SPSS 24.0 and AMOS 24.0 were used for this study.

The measures used are as follows: First, the company's ethical responsibility activities was measured into 6 items such as "Our company is trying to create an ethical business climate" based on the research of Dahlsrud(2009), Park, Kim, and Lee (2010) and Park and Lee(2012). Second, Individualism/collectivism as an individual's value orientation was measured into 3 items about individualism tendency such as "I am unique and special compared to others", 5 items about collectivism such as "I work hard for

the goals of my company" based on the research of McCarty and Shrum (2001). Third, perceived organizational support was measured into 8 items such as "My company is interested in my welfare problems" based on the research of Eisenberger et al. (1986). Forth, organizational citizenship behavior was measured into 8 items such as "I often help colleagues who have a lot of work" based on the research of Podsakoff, Mackenzie, Moorman, and Fetter (1990). Finally, the management performance was modified according to this study measured into 11 items such as "The sales per capita of our company is increasing", "Customer satisfaction for our company is increasing" based on the research of Park and Joung(2019). All scales were measured on a Likert 5 point scale.

## 4. Empirical Analysis

### 4.1. Demographic Characteristics

The demographic characteristics of respondents are as follows. First, 112 respondents (47.1%) were CEOs and 126 respondents (52.9%) were employees, and 199 respondents (84.0%) were male and 38 respondents (16.0%) were female(1 respondent is missing). The age distribution was found to be 61 respondents (26.1%) under 35 years old, 49 respondents (20.9%) under 35~50 years old, and 124 respondents (53.0%) over 50 years old (4 respondents were missing), and 178 respondents (77.4%) were married, and 52 respondents (22.6%) were unmarried(8 respondents were missing). The level of education was 181 (76.4%) who graduated from college or higher, which is much higher than the number of high school graduates (43, 18.1%). The level of Income was 96 respondents (40.6%) less than 3~5 million won, and 78 respondents (32.9%) were found to earn more than 5 million won because of CEOs are included. The average number of years of service was 64 respondents (27.7%) for less than 5 years, 42 respondents (18.2%) for 5 to 10 years, and 125 respondents (54.1%) for more than 10 years (7 respondents were missing).

### 4.2. Reliability and Validity Analysis

In order to confirm the convergent validity of the items of each variable, confirmatory factor analysis (CFA) was performed except for one item of organizational citizenship behavior in which the standard regression weights was less than 0.5. The results showed that the construct reliability was 0.824~0.852 and the average variance extracted (AVE) was 0.607~0.726. On the other hand, in order to confirm the internal consistency, Cronbach's alpha coefficient was 0.792~0.946. The results of the analysis are presented in Table 1.

**Table 1:** Results of Reliability & Validity

Variable	item	Construct Reliability	AVE	Cronbach's $\alpha$
Ethical Responsibility Activity (ERA)	6	0.907	0.621	0.870
Value Orientation	Individualism	0.824	0.610	0.792
	Collectivism	0.926	0.715	0.873
Perceived Organizational Support (POS)	8	0.952	0.715	0.946
Organizational Citizenship Behavior (OCB)	7	0.915	0.607	0.879
Management Performance (MP)	11	0.915	0.726	0.915

4.3. Results of Correlation Analysis

The correlation coefficient was 0.458~0.736 in order to confirm the directionality and relationship of variables, discriminant validity and causal relationship analysis. On the other hand, it was concluded that the discriminant validity was secured by the fact that both the coefficient of determination which is the square of the correlation coefficient, and the average variance extracted (AVE). However, the correlation coefficient between ethical responsibility activity and perceived organizational support was 0.709, and the multicollinearity diagnosis was performed. As a result of the analysis, it was confirmed that there was no multicollinearity because tolerance was 0.497 and variance inflation factor (VIF) was 2.011. The Durbin-Watson coefficient was 1.935 (n=238). Therefore, it concluded that there is no autocorrelation.

**Table 2:** Results of Correlation Analysis(Pearson Correlation, n=238)

	1	2	3	4	5	6
1. ERA	(0.621)					
2. Individualism	.458**	(0.610)				
3. Collectivism	.597**	.469**	(0.715)			
4. POS	.709**	.501**	.503**	(0.715)		
5. OCB	.692**	.544**	.736**	.682**	(0.607)	
6. MP	.500**	.399**	.488**	.576**	.528**	(0.726)
Mean	3.49	3.14	3.66	3.22	3.49	3.63
S.D	0.65	0.76	0.60	0.80	0.64	0.64

Note: \*\* p<.01, AVE marked in ( ).

4.4. Results of Hypothesis Verification

To test <Hypothesis 1>, this study conducted an independent sample t-test for the CEO group and the employee group. As a result of the analysis, it was found that the CEO group was statistically significantly higher than the employee group for each variable. Especially, the CEO group showed higher evaluations about ethical responsibility activities and perceived organization support than the employees. Also, it was confirmed that the CEO group perceives the collectivist tendency more than the individualist tendency to the employees. Therefore, <Hypothesis 1> was adopted.

**Table 3:** Results of Independent-Samples t-Test

Variable	Group	N	Mean	S.D	M.D*	t-Value	p-Value
ERA	CEO	112	3.83	0.55	0.64	8.734	0.000
	Emp**	126	3.19	0.57			
Individualism	CEO	112	3.35	0.55	0.40	4.238	0.000
	Emp**	126	2.94	0.86			
Collectivism	CEO	112	3.88	0.52	0.41	5.621	0.000
	Emp**	126	3.46	0.61			
POS	CEO	112	3.62	0.58	0.75	8.201	0.000
	Emp**	126	2.86	0.81			
OCB	CEO	112	3.78	0.52	0.54	7.236	0.000
	Emp**	126	3.24	0.63			

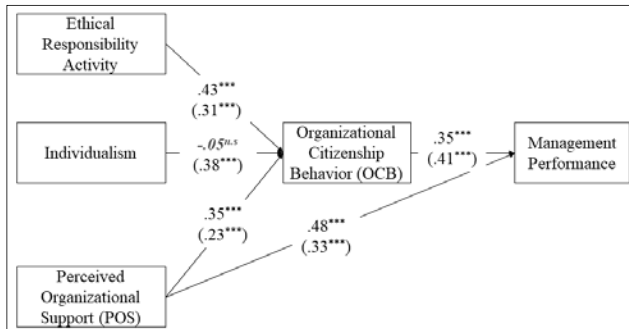
Note: \*M.D: Mean Difference, \*\*Emp: Employee

In order to verify <Hypothesis 2>, simple regression analysis was conducted after controlling the demographic characteristics that were found to be related to variables such as group, gender, age, marital status, education level, monthly income and years of service. As a result of the analysis, the ethical responsibility activity ( $\beta = .603, p < .001$ ), the individualism ( $\beta = .412, p < .001$ ), the collectivism ( $\beta = .667, p < .001$ ), and perceived organization support ( $\beta = .597, p < .001$ ) had a statistically significant positive effect on organizational citizenship behavior, respectively. And it was confirmed that organizational citizenship behavior ( $\beta = .577, p < .001$ ) and perceived organization support ( $\beta = .702, p < .001$ ) had a statistically significant positive effect on management performance, respectively. Therefore, <Hypothesis 2-1> and <Hypothesis 2-5> of sub-hypotheses <Hypothesis 2> of were all adopted.

Although this study did not set it as a hypothesis, this study used multiple regression analysis in order to confirm which variable influences on organizational citizenship behavior taken in this study such as the behavioral intention. As a result of analysis, it is confirmed that the influence is exerted in the order to the collectivism ( $\beta = .445, p < .001$ ), perceived organization support ( $\beta = .238, p < .001$ ), ethical responsibility activities ( $\beta = .167, p < .01$ ) and the individualism ( $\beta = 100, p < .05$ ) ( $R^2 = .719, F = 44.197, p < .001$ ).

In order to verify <Hypothesis 3>, this study tried to examine whether there is a difference in the effects of individualism and collectivism on organizational citizenship behavior for organizational development because of I expect to see the difference in perception between CEO and

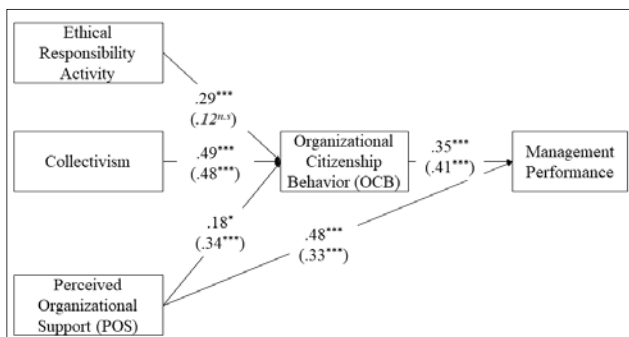
members using multi-group analysis of structural equation modeling. As shown in <Figure 3>, the results of analyzing individualism tendency showed that individualism ( $\gamma = -.05$ ,  $p = .511$ ) did not have statistically significant effect on organizational citizenship behavior in CEO group. However, in the group of employees, individualism ( $\gamma = -.38$ ,  $p < .001$ ) was found to be statistically significant. Therefore, <Hypothesis 3> was adopted.



Note: ( ) is the result for a group of employees.

Figure 3: Results of putting individualism into the value orientation

On the other hand, when collectivism is introduced that the ethical responsibility activity ( $\gamma = .29$ ,  $p < .001$ ) has a statistically significant positive (+) effect on organizational citizenship behavior in the CEO group. However, ethical responsibility activity ( $\gamma = .12$ ,  $p = .128$ ) was found to have no statistically significant effect on organizational citizenship behavior as shown in <Figure 4>. This result supports the results of <Hypothesis 1> presented above.



Note: ( ) is the result for a group of employees.

Figure 4: Results of putting collectivism into the value orientation

The model fit for each model is presented in Table 4.

Table 4: Results of Model Fit

Variable	$\chi^2$	d.f	p-value	GFI	NFI	CFI	RMR	RMSEA
Individualism	11.807	4	.019	.981	.978	.985	.011	.091
Collectivism	14.259	4	.007	.977	.977	.983	.011	.104

Note: Model fit shows unconstrained results.

## 5. Summary and Discussions

The purpose of this study is to clarify the perception difference of CEOs and employees in order to improve the performance of SME employees, and to examine the roles of corporate ethical responsibility activities, individual value orientation, and perceived organization support on organizational citizenship behavior that can contribute to organizational development using TPB.

The theoretical implication of this study is that TPB works well in Korean SMEs, and demonstrates the difference of recognition between CEO and its members.

In addition, practical implications are as follows. First, the CEO group showed a statistically significant higher evaluation of corporate activities and support items than the group of employees. This result means that CEOs and employees have different perceptions. Therefore, in order for SMEs to improve their management performance, it is necessary to establish a plan to resolve differences in perception. For example, it is possible to make positive judgments about corporate ethical responsibility activities by allowing employees to participate in corporate management and strategic decision-making processes. In addition, CEOs will be more likely to improve their management performance if they make an effort to diagnose the various support and trust provided to their members from an objective point of view and try to reduce their perceptions. Second, it was found that ethical responsibility activity, value orientation divide by individualism and collectivism and perceived organization support was positively influenced on organizational citizenship behavior for organizational development. On the other hand, it is found that organizational citizenship behavior is also an important factor for enhancing management performance as the behavioral intention which is considered important affects behavior in TRA. Therefore, it is necessary for SMEs to make active efforts in ethical responsibility activities that are reported to be operated negatively for various reasons, and there is a need for a strategic approach that allows members to recognize that they receive various support from their company. On the other hand, the result of the value orientation of the members indirectly suggests that the members tend to be pluralistic as Cho (2005) reported. Therefore, CEOs should not distinguish between internal and external groups in the dual perspective of individualism/collectivism in setting up relations with members. In other words, it is suggested that it is highly possible that members contribute to organizational development if the recognition of individual value orientation is preceded. Third, the results of the multi-group analysis of the structural equation modeling showed that there was a significant difference in perception between the CEO group and the employee group, and that the employees were not significantly affected by SME's ethical responsibility activities.

In particular, the CEO group judged that individualism is not a factor affecting voluntary behavior for organizational development, while the employees also judged individualism tendency as a factor contributing to organizational development. As mentioned above, the gap between CEOs and employees' perceptions is likely to be an impediment to improving performance. Therefore, CEOs should embrace different of individual values and construct diverse strategies for their members to promote collective consciousness. In addition, the evaluation results of SMEs' ethical responsibility activities can be interpreted as the fact that SMEs are neglecting current ethical responsibility activities or not informing their members about ethical responsibility activities. In the case of SMEs, the physical distance between CEOs and members may be advantageous or disadvantageous compared to large corporations. Therefore, SME CEOs will be able to reduce psychological distance by using physical distance to share information about positive activities of company and information about ethical responsibility activities performed by CEO himself. In addition, such an effort can be a desirable clue that members can derive positive results of the company and CEO's trust, and can enhance management performance.

Despite the various implications of this study, there are some limitations that need to be overcome in future studies. First, SMEs who responded to the questionnaire included a single company or a small number of SMEs hired by foreign workers, so that they could not directly measure the perception difference from the perspective of the company. Therefore, in future research, it is necessary to define the sample as SMEs with more than a certain number of employees and conduct a direct study on the perception difference in the organization, and a comparative study between countries will lead to more implications. Second, this study investigated individual's value orientation divide by individualism/collectivism and carried out multi-group analysis using SEM, but It is clear that there is a limit to the fact that it is not possible to verify the statistical differences of the different paths to the analysis results of the two variables. Therefore, in future research, it would be desirable to conduct a study with a single variable that can express the bipolarity. Third, There are also limitations of various bias for self-report questionnaires and cross-sectional studies. Therefore, in future research, it is necessary to diversify research methodology such as qualitative research, and to consider various factors that reflect the management performance of SMEs as well as a time series study on the sample group.

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