

Exploring the role of the theory of planned behaviour, risk orientation, and participative leadership in SME managers' engagement in CSR

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Abstract

Purpose – The purpose of this study was to examine the antecedents that influence SME managers' intentions to engage in corporate social responsibility (CSR) and whether these intentions translate into actual CSR engagement behaviour.

Theoretical framework – This study used the Theory of Planned Behaviour to examine the influence of SME managers' attitudes, subjective norms and perceived behavioural control on their intention to engage in CSR activities. Trait Theory and Expected Utility Theory were also used to explain the influence of risk orientation and participative leadership style on their attitudes towards CSR.

Design/methodology/approach – Primary data were collected using questionnaires. The data, which consisted of 301 respondents, were analysed using PLS-SEM.

Findings – Risk orientation and participative leadership style had a significant influence on the managers' attitudes. Attitudes, subjective norms and perceived behavioural control were also found to have a significant effect on their intention to engage in CSR, which subsequently influenced their actual CSR behaviour.

Practical & social implications of research – For policy makers, this study provides a reference for encouraging CSR engagement among SMEs. For managers and owners of SMEs, it identifies the antecedents that are important for a positive attitude towards CSR engagement.

Originality/value – The findings enrich the literature on risk orientation and participative leadership, which are important antecedents of managers' CSR attitudes. The findings also support the applicability of the Theory of Planned Behaviour in the area of CSR engagement in the context of SMEs.

Keywords: Corporate social responsibility, SMEs, participative leadership, risk orientation.

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I Introduction

Small and medium-sized enterprises (SMEs) play a crucial role in the development of developing nations due to their significant contributions to job creation and economic growth (Zou et al., 2021). Additionally, with more than 90 per cent of companies worldwide being SMEs, which provide between 50 and 60 per cent of global employment, they serve as a vital component in the implementation of corporate social responsibility (CSR). While most studies on CSR have focused on larger enterprises (Youssef et al., 2018), it is essential to recognize the importance of CSR engagement in SMEs. In fact, CSR should be a top priority for SMEs, given that their major customers are increasingly demanding ethical standards of behaviour from their suppliers, thereby exerting pressure on smaller businesses to act responsibly. Moreover, research conducted on large companies suggests that CSR can be a strategic tool to enhance a firm's competitiveness (Sadou et al., 2017). Although literature findings indicate a lack of CSR engagement among SMEs (Aras-Beger & Taşkın, 2021), applying CSR in small firms can lead to positive outcomes such as improved organizational culture, employee attraction and retention, enhanced firm image and reputation, customer loyalty, and stakeholder satisfaction (Pastrana & Sriramesh, 2014). Therefore, there is a need to pay more attention to understanding the specificities and contributions of SMEs in relation to CSR (Saveanu et al., 2021).

Most studies in the field of CSR have focused on large companies rather than SMEs (Saveanu et al., 2021), mainly due to the availability of greater resources, visibility and cases of irresponsible behaviour often associated with large multinational companies. Previous studies have not examined SME managers' intentions to engage in CSR activities and whether such intentions translate into actual engagement in CSR activities. This is particularly the case for SMEs in developing countries due to the limited availability of published data on this group of businesses (Jamali et al., 2017). However, the main decision-makers in the organizations are often responsible for corporate social responsibility (Saveanu et al., 2021), and when it comes to SMEs, the owners' or managers' goals drive their participation in CSR-related activities. Therefore, it is relevant to seek answers to the question of what drives these owners' or managers' intentions to engage in CSR activities and whether such intentions translate into actual behaviour. With this in mind, the main objective of this

study was to examine the antecedents that influence SME managers' behavioural intentions to engage in CSR activities and whether such intentions lead to actual behaviour. By utilising Ajzen's (1991) Theory of Planned Behaviour, which offers a well-established framework for understanding peoples' behavioural intentions, our study is able to accomplish its research goals.

There has been limited research on the impact of subjective norms and perceived behavioural control on CSR behavioural intentions (Feder & Weißenberger, 2019), despite the fact that attitude towards behaviour has often been reported as the strongest predictor of intentions to carry out a certain activity (Feder & Weißenberger, 2019). This study addresses this gap by examining the influence of both perceived behavioural control and subjective norms in explaining CSR intentions among SMEs.

Additionally, our study seeks to explain how risk orientation and participative leadership affect managers' attitudes towards corporate social responsibility. While many previous studies have focused on transformational and transactional leadership styles (Raub & Blunschi, 2014), there have been few published papers on other types of leadership styles. Participative leadership is a highly suitable leadership style for small and medium-sized enterprises (SMEs) due to its effectiveness in fostering organizational commitment, job satisfaction, job performance, organizational citizenship behaviour, and team innovation (e.g. Chen et al., 2011; Huang et al., 2010; Miao et al., 2014). Participative leadership can be particularly effective in small and medium-sized enterprises as it promotes interpersonal interaction among group and organizational members (Yan, 2011). This leadership style also encourages subordinates to participate in decision making through formal or informal meetings, which improves communication, fosters collaboration, and facilitates conflict resolution (Yan, 2011). Furthermore, participative leadership can help build a sense of trust and collaboration within the organization, which is particularly crucial for small and medium-sized enterprises that depend on close-knit teams and interpersonal relationships (Carson et al., 2007).

Despite the growing interest in CSR activities among SMEs, previous research has largely neglected the role of risk orientation in shaping the attitudes of owners or managers towards CSR activities (Rashidi Baqhi, 2020). While studies on the relationship between risk and CSR have primarily been conducted in the context of large multinational corporations (Huang & Liu, 2021), it is

unclear whether the findings can be generalized to SMEs. This is particularly relevant since most business cases on CSR and risks have been mainly developed for larger companies. However, previous research has indicated that risk tolerance can significantly impact an individual's attitudes towards specific behaviours (Waddock & Graves, 1997). SMEs are known for their limited resources and higher levels of risk compared to larger organizations (Jamali et al., 2017), so it is crucial to investigate how risk orientation affects the attitudes of SME managers or owners towards CSR activities. Moreover, previous research has linked CSR to firm risk (Albuquerque et al., 2019), highlighting the need to examine how SME managers' or owners' risk orientation influences their intention to engage in CSR activities.

This study aims to make four contributions. First, most existing studies on CSR in SMEs have merely analysed the intention to engage in CSR (Stuart et al., 2021), while overlooking actual CSR behaviour, which is important as the effectiveness of CSR activities hinges on the actual activities implemented by the firms. Second, this study investigates how the intention to engage in CSR activities is affected by the manager's attitude towards CSR activities, subjective norms and perceived behavioural control. According to Ajzen's (1991) Theory of Planned Behaviour, a person's intention to perform a certain behaviour is influenced by their personal beliefs, social pressures, and the perceived ease or difficulty of performing the behaviour. Furthermore, the strength of a person's intention to act is a key factor in determining whether they will actually perform the behaviour. Hence, the findings of this study will provide a better understanding of the factors that influence SME owners' or managers' intention to engage in CSR activities. Third, this study investigates the influence of risk orientation and participative leadership on attitudes towards CSR activities. Participative leadership is a relatively new area of study in the field of leadership research, and it remains an important construct that needs more investigation (Martin, 2015). Furthermore, by testing the relationship between risk orientation and CSR activities, this study contributes to the CSR literature because it seeks to identify a possible new antecedent of CSR engagement among SME managers. Finally, insights gained from the findings on the type of CSR activities can provide valuable suggestions for SMEs to prioritize the activities that warrant more attention in order to increase their CSR engagement.

The paper is structured as follows. The existing literature is reviewed in the next section, which also contains a discussion of the research hypotheses. Section three then presents the findings following a description of the research methodology. Section four concludes with a list of this study's limitations and some suggestions for additional research.

2 Literature review and hypothesis development

2.1 CSR and SMEs

Research on corporate social responsibility (CSR) has increased over the past decade as many companies have started to identify the importance of CSR to their business (Bhattacharyya & Verma, 2020). The area of research has since expanded to include various CSR issues relating to the environment (Kang et al., 2016), the economy (Chakraborty & Jha, 2019), socially responsible production processes, corporate social marketing (Kim & Austin, 2019), and philanthropic programmes (Mishra & Schmidt, 2018). While it has been suggested that CSR can lead to improved financial performance in SMEs (Jain et al., 2016; Bahta et al., 2021), previous research has discovered several potential reasons for SMEs' reluctance with regard to CSR, such as the widespread belief that environmental and social problems are global issues and beyond the responsibility of smaller firms (Brammer et al., 2012), the resources, knowledge and technical constraints of SMEs (Nunes et al., 2019), or cost concerns (Dincer & Dincer, 2013).

2.2 Research framework

This study aims to extend the current understanding on owners' or managers' CSR intentions and behaviour by using the Theory of Planned Behaviour (TPB). According to TPB, attitudes towards behaviour, subjective norms and perceived behavioural control affect the reason and motivation for engaging in a behaviour. According to TPB, an individual's attitude towards a certain behaviour is a major component by which behavioural intention is determined. Attitude refers to the extent to which an individual holds a favourable or unfavourable evaluation of a particular behaviour, considering the expected outcomes of performing that behaviour. If an individual believes that a certain behaviour will lead to positive outcomes, they are likely to evaluate it positively, whereas if they

expect negative outcomes, they are likely to have a negative attitude towards it. In the case of SME managers/owners, their attitudes towards engaging in CSR activities will be influenced by their personal values related to CSR (Feder & Weißenberger, 2019).

Subjective norms are the beliefs that an important person or group of people will approve and support a particular behaviour. These norms are influenced by the perceived social pressure from others for an individual to behave in a certain way and the individual's motivation to comply with those views (Feder & Weißenberger, 2019). In this study, the term "subjective norm" refers to the beliefs and attitudes of both internal and external stakeholders towards CSR activities, while "perceived behavioural control" refers to the individual's beliefs about the factors that may either facilitate or impede their ability to perform a particular behaviour in a given situation, as defined by Ajzen (1991). Finally, intention refers to "an indication of one's readiness to perform a given behaviour" (Ajzen, 2011, p. 1122), and in this case, CSR intention would refer to the manager's or owner's readiness to engage in CSR activities.

The conceptual model used in this study defined actual CSR engagement as the owners' or managers' actual engagement in CSR activities. These activities are typically categorized into four types: community, environmental, workplace, and marketplace. Figure 1 illustrates our conceptual model for this study.

Our conceptual model identifies participative leadership and risk orientation as the main antecedents

influencing SME managers' or owners' attitudes towards CSR activities. We draw on two theoretical frameworks to explain this relationship: Trait Theory and Expected Utility Theory. Trait Theory proposes that leaders possess distinctive traits such as drive, motivation, honesty, confidence, cognitive capacity, and task understanding, which can shape their leadership style and indirectly affect their attitude towards engaging in specific behaviours (Zaccaro et al., 2004). Participative leaders are leaders who encourage employee involvement in decision-making and problem-solving, rather than making all decisions on their own (Miao et al., 2013). According to Bryman (2013), a participative leadership style can generate positive emotions among employees as they feel heard within the organization. Additionally, Dodge (1991) argues that emotions play a role in how individuals process information. Therefore, if employees experience positive emotions through participative leadership, they are likely to process information in a positive way and develop favourable perceptions of internal organizational practices, which include CSR activities (Lythreathis et al., 2019). The next antecedent, risk orientation, refers to an owner's or a manager's general level of comfort with uncertain rewards or losses. Expected Utility Theory links risk orientation and SME managers' attitude to CSR activities. According to this theory, individuals compare the expected utility values of risky and uncertain prospects to decide which to pursue. The theory suggests that the uncertain risk orientation faced by individuals will influence their attitudes when making decisions (Shyti, 2013; Waddock & Graves, 1997).

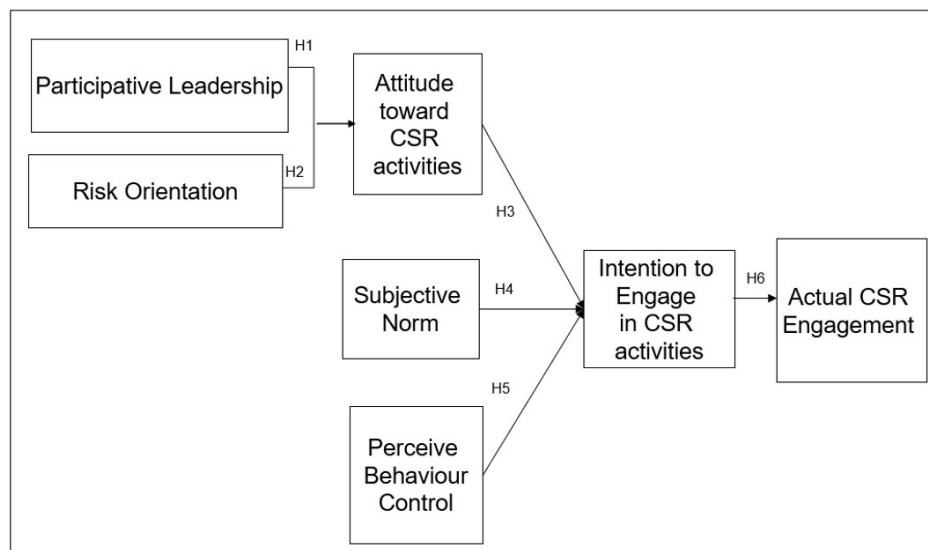


Figure 1. Conceptual model

Thoradeniya et al. (2015) explained three reasons why behavioural intentions are intensified towards a specific behaviour. First, a person's attitude towards the behaviour is personally positive. Second, the person undertakes a particular behaviour as he or she considers the preference of others. Third, the individual believes that he or she is capable of carrying out a specific behaviour. The authors also stated that a person is more likely to carry out a behaviour when he or she has developed the intention to perform the behaviour (Thoradeniya et al., 2015).

2.3 Hypothesis development

A participative leader encourages the involvement of employees in both decision-making and problem-solving. Although participative leadership is often seen as a leadership style that takes a longer time for decision-making, harmony is often created within a company when a decision is made collectively and it improves both the employees' morale and support within the company (Lythreath et al., 2019). Participative leaders have a crucial role in motivating and engaging employees to participate in CSR activities, since such leaders confer about the company's issues prior to making some decisions and encourage the involvement of employees in both decision-making and problem-solving (Miao et al., 2013). Since CSR is a process that involves the participation of both employees and other stakeholders, particularly employers, it is important to engage employees in discussions about social responsibility, as their beliefs and values are expressed in corporate actions and can facilitate the process (Strand, 2011). According to social learning theory (Bandura, 1986), people learn skills from verbal, symbolic, and living role models through their behaviours. Employees often observe and replicate the behaviour of their leaders. When leaders exhibit encouraging signals and welcoming behaviour, employees tend to work more innovatively and discuss new ways and ideas (Dolatabadi & Safa, 2010). Therefore, it is hypothesised that:

Hypothesis 1: There is a positive relationship between SME managers' participative leadership styles and their attitudes towards CSR activities.

Risk orientation refers to an individual's tendency to accept or avoid risks and can be influenced by their attitude towards change. Expected utility theory suggests that individuals compare the expected utility values of uncertain prospects and risky choices when making decisions. Studies have found that an individual's risk

orientation or preference has a positive association with their attitudes towards specific behaviours, including engagement in CSR activities (Rashidi Baqhi, 2020). Specifically, individuals with a high risk orientation may be more willing to engage in CSR activities, seeing the benefits of taking risks. In terms of CSR, risk orientation affects managers' and owners' attitudes by shaping their risk propensity and cautiousness. SME managers or owners with a higher risk orientation may be more likely to recognize the exposure of their business to societal issues and perceive CSR as a necessary part of their operations. This is particularly important for SMEs that operate in uncertain production processes (Sienicka & Tyrowicz, 2008). Hence, it is hypothesised that:

Hypothesis 2: There is a positive relationship between the SME managers' risk orientations (risk propensity and cautiousness) and their attitudes towards CSR activities.

Previous research by Salleh et al. (2016) and Feder and Weißenberger (2019) has demonstrated that attitude towards CSR activities was a strong predictor of intentions to engage in social responsibility, since a responsible leader is often open to ideas that incorporate multiple types of CSR activities with different intentions and motivations. Therefore, it is plausible that leaders' attitudes towards CSR activities will play a key role in their intention to engage in CSR activities.

Meanwhile, the subjective norms factor includes norms based on the internal and external stakeholders that signify the intensity of their importance and respect for others to promote or admonish a particular behaviour (Feder & Weißenberger, 2019). In other words, subjective norms are the societal pressure exerted on individuals and such pressure can come from existing and potential stakeholders. According to Armitage and Conner (2001), if individuals perceive that a certain behaviour is highly approved of or even demanded by important groups in their social environment, they are more likely to have a higher intention and perform the behaviour. In a CSR-related context, existing and potential stakeholders are the source of social pressure on businesses (Gadenne et al., 2009). Studies by Kumar et al. (2017) and Feder and Weißenberger (2019) established the relationship between subjective norms and social responsibility, where the social pressure to meet stakeholder norms influenced the managers' intentions to perform CSR-related activities (Maignan & Ferrell, 2004). Similarly, Salleh et al. (2016) also found that subjective norms had a positive impact on the owners' or managers' intentions to engage in CSR because businesses needed to

be mindful of reference groups and people's perceptions. Hence, subjective norms are expected to influence firms' intentions to engage in CSR because the social pressure created through stakeholder norms exerts significant pressure on the managers'/owners' behaviour to conform.

Perceived behavioural control is a construct within TPB that directly influences behavioural intentions (Ajzen, 1991). In the context of this study, perceived behavioural control refers to the extent to which SME managers perceive that their firm is capable of engaging in CSR activities. Within the managerial context of CSR, there are various individual-level barriers that can affect the development of intentions and managerial behaviour, including low employee motivation, limited access to advice, lack of resources, time constraints, and inadequate knowledge (Feder & Weißenberger, 2019). These barriers may limit owners' or managers' intentions to engage in specific CSR activities. Therefore, it is hypothesised that: Hypothesis 3: There is a positive relationship between SME managers' attitudes towards CSR activities and their intention to engage in CSR activities.

Hypothesis 4: There is a positive relationship between SME managers' perceived stakeholder expectations about CSR activities and their intention to engage in CSR activities. Hypothesis 5: There is a positive relationship between SME managers' perceived behavioural control regarding CSR activities and their intention to engage in CSR activities.

According to Ajzen (1985), there is a general consensus among social psychologists that most human behaviour is goal oriented. Thus, when people behave according to their intentions, goals or plans, they are usually expected to be rational and act based on available information. Salleh et al. (2016) concurred that the intention of SME owners or managers to engage in CSR had a favourable impact on actual CSR behaviour. This is supported by the basic assumption of TPB (Ajzen, 1991) that the greater the intention, the greater the likelihood that the behaviour will be performed. This is because intentions are assumed to capture the motivational factors that influence behaviour. It demonstrates how hard people are willing to try and how much work they intend to put into engaging in the behaviour (Guan & Wang, 2019). Hence, it is expected that SMEs will be more likely to participate in CSR activities if their owners have the intention to engage in CSR activities. Therefore, it is hypothesised that:

Hypothesis 6: There is a positive relationship between the SME manager's intentions to engage in CSR activities and their actual engagement in CSR activities.

3 Research methodology

A questionnaire survey was used in this study to gather empirical data from SME owners or managers in Malaysia. All companies were randomly selected from the Federation of Malaysian Manufactures (FMM) directory. The data were collected from companies that had undertaken CSR activities. For this purpose, all companies were asked a screening question before proceeding to the main questions. The screening question required the companies to outline the types of CSR activities (i.e. community, environmental, workplace and marketplace) that they had carried out. In addition, the companies were grouped into micro, small and medium-sized enterprises. SME Corporation Malaysia defined a micro enterprise as having a sales turnover of less than RM 300,000 (approximately USD 70,000) (XE.com, 2023) or fewer than five full-time employees, a small enterprise as having a sales turnover between RM 300,000 (USD 70,000) and RM 15 million (USD 3.5 million) or between five and seventy-five full-time employees, and a medium enterprise as having a sales turnover between RM 15 million (USD 3.5 million) and RM 50 million (USD 11.7 million) or between seventy-five and two hundred full-time employees (SME Corp, 2018). A total of 1,545 questionnaires were distributed, of which 362 firms responded. However, 61 questionnaires were unusable due to missing values and inconsistent responses given by the respondents. Hence, the final sample size for this research was 301 firms.

The survey was divided into three sections (Appendix A). The first section identified the CSR activities currently practised by the companies. Meanwhile, the second section comprised the items for all variables that were measured using a 7-point Likert scale ranging from 1 (Strongly Disagree) to 7 (Strongly Agree). The measurement items for participative leadership (12 items) were obtained from Chhophel (2015), while risk orientation (12 items) was adapted from Rohrmann (2008). Meanwhile, the TPB variables of attitude towards CSR activities (4 items), subjective norms (4 items), perceived behavioural control (4 items) and intention to engage in CSR activities (4 items) were adapted from Thoradeniya et al. (2015), whereas the CSR activities (8 items) construct was adapted from Ailawadi et al. (2014). The final section of the questionnaire consisted of several questions to determine the companies' year of establishment, type, size, annual profit and the total years of engaging in CSR activities. These questions were

included to provide a better overview of the firms that participated in the survey.

4 Analyses and results

The data were analysed using PLS-SEM and the data analysis procedures were carried out in two stages. The first stage involved the descriptive analysis to provide general descriptions of the respondents and SMEs that participated in the study. Meanwhile, the second stage analysed the relationships between the antecedents and behavioural intention to engage in CSR.

4.1 Descriptive analysis

Table 1 displays the various types of CSR activities that were examined, which included community, environmental, workplace and marketplace activities. The findings of this study revealed that SMEs were most

Table 1
Types of CSR activities

CSR Activities	Frequency by variables
Community	
Creating jobs	181
Community regeneration	38
Strategic community engagement	59
Employee volunteering	53
Company donations	139
Responses	470
Environment	
Energy efficiency	83
Waste management	85
Supply chain efficiency	60
Carbon footprint reduction	28
Biodiversity and Environmental	70
Management System	
Responses	326
Workplace	
Equality, diversity and inclusion	86
Fair pay and benefits employee	90
Learning and development employee	94
Reward and recognition employee	62
Employee health/ safety and wellbeing	72
Employee engagement in management decisions	46
Responses	450
Marketplace	
Responsible marketing	112
Responsible advertising	98
Ethical and environmental standards of supplier	115
Treat suppliers as partners	73
Respect customers and protect vulnerable customers	138
Responses	536

involved in CSR activities related to the marketplace, with 536 responses, followed by community activities with 470 responses, workplace activities with 450 responses, and environmental activities with 326 responses. Since each company may have participated in more than one CSR activity, the total number of responses recorded for each activity exceeded the sample size of 301. In other words, the companies were given the option to choose more than one type of CSR activity from the list provided in the questionnaire, since their actual CSR engagement could encompass more than one type of activity.

The data in this study were collected from Malaysian SMEs in a variety of manufacturing industries, including those that produced food and drink, tobacco, textiles, apparel, leather goods, wood and furniture, paper and printing, petroleum, chemicals, rubber and plastics, non-metallic and mineral products, basic metals and fabricated metals, electrical and electronic equipment, as well as the transportation industry. The sample comprised 301 companies, ranging in age from less than 5 years to more than 20 years. The majority of these companies had been established for less than 5 years (56.81%) and were small firms with an annual profit between RM 300,000 and RM 15 million (51.83%). In addition, most of the firms have been engaging in CSR activities for 1 to 5 years (38.70%). Table 2 shows the distribution of the firms surveyed across various categories.

4.2 Reliability analysis

Cronbach's alpha was also employed in this study to assess the accuracy of the findings. It was found that the eight items under CSR activities had a Cronbach's alpha value of 0.81, while the four items under intention obtained a Cronbach's alpha value of 0.95. Furthermore, the variables attitude towards CSR activities, subjective norms and perceived behavioural control had four items with Cronbach's alpha values of 0.90, 0.88 and 0.90, while the Cronbach's alpha values for participatory leadership style and risk orientation were 0.89 and 0.86 respectively. Since each of these metrics met the minimum Cronbach's alpha criteria of 0.70, it was determined that they were all very reliable.

4.3. Common method bias

When the discrepancies in responses are sparked by a single source of respondents, common method bias (CMB) is known to be a major source of measurement

Table 2
Firm profile

Types of Demographic Variables	n	%
Business Age (years)		
Less 5 years	81	26.91
6-10 years	68	22.59
11-15 years	44	14.62
16-20 years	31	10.30
More than 20 years	77	25.58
Sector		
Food, beverages and tobacco products	192	63.79
Textiles, wearing apparel and leather products	15	5.99
Wood products, furniture, paper products and printing	27	8.97
Petroleum, chemical, rubber and plastic products	11	3.66
Non-metallic, mineral products, basic metal and fabricated, metal products	7	2.68
Electrical and electronic products	13	4.57
Transport equipment and other manufactures	22	7.50
Others	8	2.84
Firm Size		
Less than 5 employees (micro)	17	5.65
Between 5-74 employees (small)	171	56.81
Between 75-199 employees (medium)	113	37.54
Annual Profits		
Less than RM 300,000	19	6.31
RM 300,000-less than RM 15 million	156	51.83
RM 15 million-RM50 million	126	41.86
Numbers of years company has been engaged in CSR activities		
Less than 1 year	104	33.55
1-5 years	115	38.70
6-10 years	39	12.96
11-15 years	16	5.82
More than 15 years	27	8.97

error. Since the responses for all constructs came from a single source (i.e., owners or managers of SMEs), there was concern about common method variance. One of the simplest ways to test if CMB has affected the study is to use Harman's single factor score, where all items are required to be subjected to factor analysis. Based on Harman's single factor technique, CMB is not present if the total variance for a single factor is shown to be less than 50% (Aguirre-Urreta & Hu, 2019). The results showed that the single factor explained 31.9% of the overall variance, indicating that the data in this study were free from common method bias.

4.4 Partial Least Squares Structural Equation Modelling (PLS-SEM)

PLS-SEM was used in this study for two main reasons. First, it was employed as this study was not meant

for theory testing, theory confirmation, or a comparison and testing of alternative theories. Second, the PLS-SEM method enables the inclusion of numerous latent variables and indicators for a more intricate conceptual framework. The SmartPLS analysis was conducted based on two steps: the measurement and structural models. The reflective manifest variables were analysed in the measurement model. Participative leadership, risk orientation, attitude towards CSR activities, subjective norms, perceived behavioural control, intention and behaviour were all considered as reflective constructs in this study because they were uni-dimensional, and their meanings were unaffected by the exclusion of any particular item (access at supplementary material).

4.4.1 Reflective measurement model assessment

When assessing the reflective measurement model, indicator loadings, internal consistency reliability, convergent validity and discriminant validity were all assessed. First, the results indicated that all of the constructs had fulfilled the minimum requirement except for one item in the participative leadership construct (i.e., item C112), which was removed from the construct (see Table 3). Second, as depicted in Table 3, the composite reliability (CR) values for all constructs were above 0.70, hence indicating satisfactory internal consistency. Third, the average variance extracted (AVE) values were above the threshold of 0.50 (Hair et al., 2017), thus indicating that convergent validity was established. Next, the heterotrait-monotrait ratio (HTMT) of the correlations approach was used to evaluate discriminant validity. Table 4 show that the HTMT ratios were below the cautious cut-off of 0.85. As recommended by Franke and Sarstedt (2019), we used the bootstrapping technique to further check the findings. The results revealed that the upper bound of the HTMT confidence interval was below 0.85, which strengthened the claim that discriminant validity had been established.

4.4.2 Analysing the structural model

Analysing the structural model involved the estimation and statistical testing of the hypothesised relationships between all constructs. According to Hair et al. (2017), the process of assessing the structural model required six steps. Since the sixth step was optional (Hair et al., 2017) and involved estimating the effect size (q^2), only the first five steps were used for analysis purposes in this study.

Table 3
Factor loadings, CR, and AVE in the reflective measurement model

Construct	Items	Factor Loading	AVE	CR	Construct	Items	Factor	AVE	CR
Actual CSR engagement	B25	0.81	0.67	0.93	Participative leadership	C11	0.86	0.65	0.96
	B26	0.78				C12	0.84		
	B27	0.79				C13	0.86		
	B28	0.83				C14	0.85		
	B29	0.90				C15	0.65		
	B210	0.83				C16	0.83		
	B211	0.79				C17	0.84		
	B212	0.8				C18	0.83		
CSR intention	B21	0.93	0.88	0.95		C19	0.72		
	B22	0.94				C110	0.85		
	B23	0.94				C111	0.69		
	B24	0.94				C112	0.31		
Attitude toward CSR activities	B11	0.79	0.75	0.90	Risk orientation	C21	0.89	0.59	0.95
	B12	0.90				C22	0.74		
	B13	0.93				C23	0.88		
	B14	0.89				C24	0.89		
Subjective norms	B15	0.89	0.77	0.92		C25	0.51		
	B16	0.92				C26	0.91		
	B17	0.90				C27	0.88		
	B18	0.83				C28	0.78		
Perceived behaviour control	B19	0.84				C29	0.51		
	B110	0.89				C210	0.86		
	B111	0.90				C211	0.78		
	B112	0.88				C212	0.43		

Note: criteria: factor loading >0.40 (Hulland, 1999); AVE >0.50 (Hair et al., 2017), composite reliability >0.70 (Hair et al., 2017). Deleted item C112: 0.31.

Table 4
Discriminant validity (HTMT)

	1. Actual CSR engagement	2	3	4	5	6
2. Attitude toward CSR activities	0.538					
3. CSR intention	0.659	0.604				
4. Participative Leadership	0.483	0.339	0.263			
5. Perceived behaviour control	0.589	0.543	0.725	0.361		
6. Risk Orientation	0.106	0.164	0.084	0.077	0.056	
7. Subjective norms	0.635	0.670	0.750	0.289	0.775	0.0774

Note: HTMT less than 0.85 is acceptable.

Collinearity issues were examined before assessing other steps. The results showed that the VIF ranged from 1.00 to 2.41 and was less than 5.00 (Hair et al., 2017). The significance of a proposed relationship between constructs was then determined by analysing the significance and relevance of the path coefficient using bias-corrected and accelerated bootstrapping with 5,000 subsamples (Hair et al., 2017). As shown by the path coefficient

results, all hypothesized relationships were found to be significant with p-values of less than 0.05, proving the validation of all the developed hypotheses (H1 to H6). Furthermore, the antecedents of participative leadership and risk orientation significantly influenced attitude towards CSR activities ($p < 0.05$). In terms of the factors, attitude towards CSR activities, subjective norms and perceived behavioural control significantly influenced the

SME owner's or manager's intention to engage in CSR ($p < 0.05$). Finally, the relationship between intention to engage in CSR and actual engagement in CSR activities was also found to be significant ($p < 0.05$).

Next, it was important to consider the coefficient of determination R^2 . It is frequently used to indicate how much of an endogenous construct's variance can be accounted for by all of its connected exogenous constructs (Hair et al., 2017). According to Cohen (1988), an R^2 with a value of 0.26 is considered substantial, 0.13 is considered moderate, while 0.02 indicates weak predictive accuracy. In this study, all of the constructs showed substantial predictive accuracy, except for attitude towards CSR activities, which showed moderate predictive accuracy (0.14) (see Table 5). From an effect size (f^2) perspective (see Table 6), we used the f^2 values of 0.35, 0.15 and 0.02 as the guidelines for substantial, medium and small effect sizes of the predictor variables (Cohen, 1988).

Accordingly, we obtained a small effect for attitude towards CSR activities ($f^2 = 0.05$), a medium effect for subjective norms ($f^2 = 0.126$) and a medium effect for perceived behavioural control ($f^2 = 0.13$). On the other hand, participative leadership ($f^2 = 0.13$) had a medium effect and risk orientation ($f^2 = 0.03$) obtained a small effect. The final analysis was to check the predictive

relevance (Q^2) in the path model, which was calculated using the blindfolding procedure. Hair et al. (2017) suggested that the main criterion for interpreting the Q^2 score was that the value had to be greater than 0 for the exogenous constructs to have predictive relevance on the endogenous constructs. Based on the outcome, it was found that the Q^2 values for all constructs were greater than 0, thus meeting the requirement.

5 Discussion and implications

Hypotheses H1 and H2 predicted that the antecedents, i.e. participative leadership and risk orientation, would have direct effects on the SME managers' or owners' attitude towards CSR engagement. The results in Figure 2 support H1 and H2 as a positive and statistically significant relationship was found between participative leadership ($p < 0.05$) and owner/manager risk orientation ($p < 0.05$) with SME managers' or owners' attitude towards CSR. Although the results revealed that both participative leadership and risk orientation were positively related to SMEs' attitude towards CSR activities, the former was found to be a more influential predictor variable with a greater effect ($f^2 = 0.13$). This finding is similar to previous studies (Camilleri, 2016; Lythreathis et al., 2019) where participative leadership was found to have a consistent relationship with owners' or managers' attitude. Lythreathis et al. (2019) believed that participative leadership is one of the forerunners in leadership research in terms of its effect on the attitude of owners or managers, since this type of leadership provides benefits for workplace CSR in terms of employees' job satisfaction, job performance, organizational behaviour, as well as team innovation. Despite the small effect size (f^2) on attitude towards CSR activities, risk orientation ($f^2 = 0.05$) is still regarded as a valuable approach in many

Table 5
Coefficient of determination (R^2)

Construct	Co-efficient of Determination R^2	Magnitude
Actual CSR engagement	0.39	Substantial
Attitude toward CSR activities	0.14	Moderate
CSR intention	0.58	Substantial

Table 6
Path coefficient and effect size results

	Hypothesis	P-value (p)	Results	Effect size (f^2)
Participative Leadership -> Attitude toward CSR activities	H1	0.00	Significant	0.13
Risk Orientation -> Attitude toward CSR activities	H2	0.00	Significant	0.03
Attitude toward CSR activities -> CSR Intention	H3	0.02	Significant	0.05
Subjective Norm -> CSR Intention	H4	0.00	Significant	0.13
Perceived Behaviour Control -> CSR Intention	H5	0.00	Significant	0.13
CSR Intention -> Actual CSR Engagement	H6	0.00	Significant	0.64

Criteria: Cohen (1988) suggested the following criteria in the interpretation of the f^2 effect size: of 0.35- substantial, 0.15- medium, and 0.02- small.

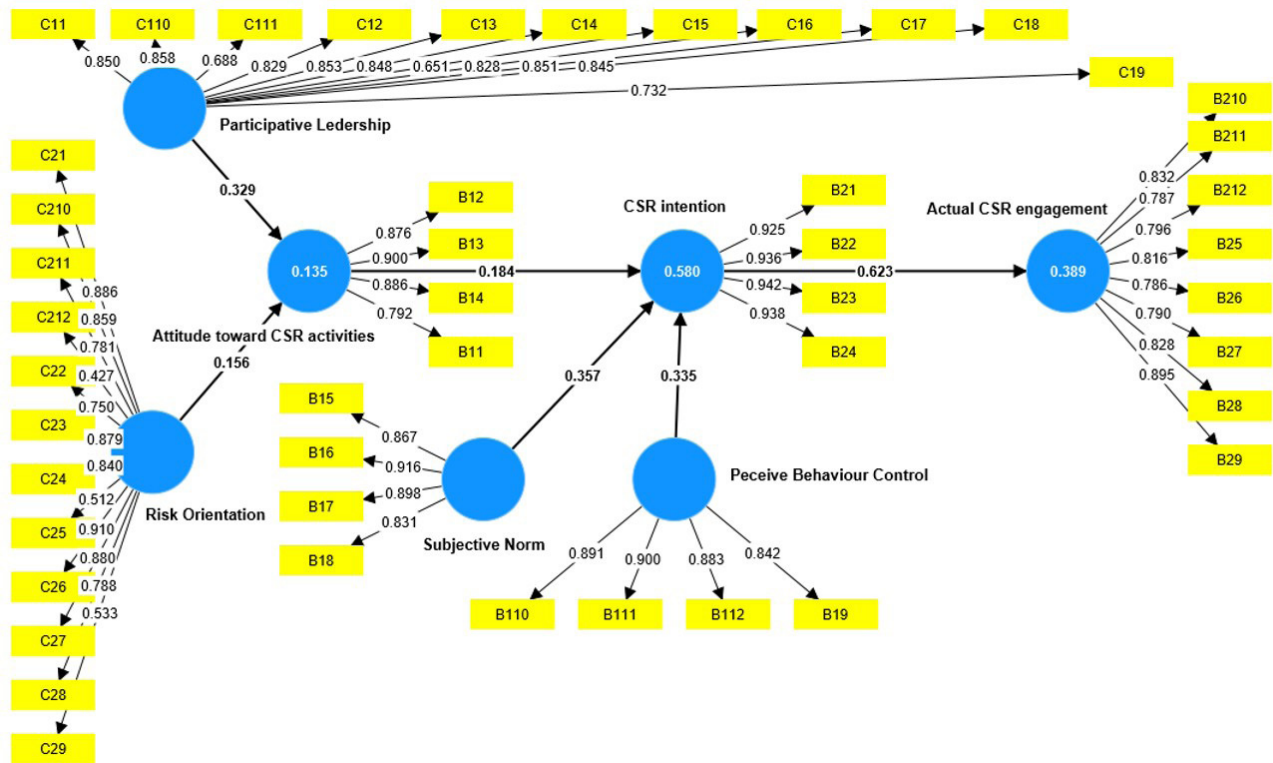


Figure 2. Structural model

CSR studies, since minimising risks to business survival and partnership opportunities can still be achieved through sharing information in social networks.

Intention to participate in CSR was hypothesised to be directly influenced by attitude towards CSR activities, subjective norms and perceived behavioural control in hypotheses H3, H4, and H5. The analysis results supported these hypotheses (H3, H4, and H5: $p < 0.05$). Of the three antecedents used in this study, subjective norms were found to be the most influential variable on intention ($F^2 = 0.36$). This is consistent with the study conducted by Zhang et al. (2013), who also found that the presence of several high-profile pressure groups increased a firm’s intention to adopt CSR activities. Lastly, hypothesis H6 predicted the relationship between SME owners’ or managers’ intention to engage in CSR and their actual involvement in CSR activities. The results showed a positive and statistically significant relationship between these two constructs, thus supporting H6 ($p < 0.05$, $F^2 = 0.63$). These results are similar to those reported by Salleh et al. (2016), who found that intention is a necessary precursor to actual behaviour. The overall picture provided by these results implies a positive correlation between owners’ or managers’ CSR intention and their actual behaviour.

5.1 Theoretical and empirical implications

The findings from this study make several contributions to the current literature. First, this research extends the Theory of Planned Behaviour (TPB) in the context of CSR in SMEs by including all components of TPB and establishing a link between the variables. Our study found that all TPB variables suggested by Ajzen (1991) were generally useful in investigating firms’ engagement in CSR in the SME context, with subjective norms, perceived behavioural control, intention to engage, and firm behaviour having a positive and substantial effect on CSR engagement and actual CSR behaviour. However, the construct of attitude towards CSR activities showed only a moderate effect on SME managers’ or owners’ intention to engage in CSR activities. Our findings support the importance of subjective norms and perceived behavioural control to CSR intention, in line with Feder and Weißenberger (2019), who suggested that attitude generally has a significant relationship with behavioural intention, but the evidence regarding subjective norms and perceived behavioural control varies.

Second, it is one of the few studies to investigate the influence of participative leadership on managers’ or owners’ attitudes towards CSR initiatives. Participative

leadership is a relatively new area of study in the field of leadership research and remains a paramount construct that requires more investigation (Martin, 2015). Our study extends the leadership literature by demonstrating the positive effect of a participative leadership style on the attitude of SME owners or managers towards performing CSR activities (Allen et al., 2017; Goswami et al., 2018). Third, our results show that the risk orientation of SME owners or managers significantly influences their attitude towards CSR activities, which further supports that managers in SMEs are more likely to take risks if CSR activities are perceived as low risk, and these managers will have a positive attitude towards CSR activities. Finally, our findings show that SMEs do engage in CSR-related activities, and the owners or managers are aware of the different types of CSR activities. The most common CSR activity was marketplace CSR, followed by community CSR, workplace CSR, and environmental CSR. Our study answers the call by Jamali et al. (2017) for more attention to be paid to understanding SMEs' potential specificities and contributions in relation to CSR.

5.2 Practical implications

Participative leadership and risk orientation had the smallest effect on attitudes in predicting intentions to engage in CSR activities. However, it is recommended that SMEs consider hiring participative leaders in their companies as a way of encouraging the adoption of such leadership approaches and forming better bonds with employees. This contributes significantly to companies, as satisfied employees display positive attitudes and behaviours at work, thereby helping the respective companies achieve their goals.

Regarding risk orientation, most SMEs were found to have adopted a risk-averse attitude towards engaging in CSR causes. SMEs are encouraged to increase their understanding of risks and to hire risk-taking leaders. Having a risk-taking mindset not only aids SMEs in designing information and communication programs for strategy formation, but also provides profitable outcomes for the SMEs. Furthermore, the study showed a higher participation rate for marketplace CSR activities compared to other activities. Thus, SMEs are urged to concentrate more on market-related concerns, such as supplier ethics and environmental standards, treating suppliers as partners and upholding and defending consumer rights.

5.3 Limitations and future studies

Despite its theoretical and managerial implications, this study has a number of limitations. First, it focuses on only one industry, the manufacturing industry. In order to compare the findings across various industries, it is recommended that future studies widen the scope of the analysis by looking at a number of firms, such as in the service industry. Second, the majority of respondents in this study were recruited from the food, beverage and tobacco industries, thus limiting the data to specific businesses rather than the entire population of SME industries. For this reason, researchers should consider incorporating other types of manufacturing industries in future CSR studies. This will improve further research that focuses on specific manufacturing industries, or create a balance between different industries that will offer more in-depth insights and specific implications.

This report makes several recommendations for further research. Firstly, since the current study used a cross-sectional methodology, future studies should adopt a longitudinal research approach, which would involve observing multiple SMEs and comparing their activities over time. Secondly, while the risk orientation scale developed by Rohrmann (2008) and used in this study met the minimum threshold of 0.50 for the AVE score as suggested by Hair et al. (2017), it had a relatively low score of 0.59. Therefore, future studies should consider employing other risk orientation scales to enhance the convergent validity of the construct. Finally, future studies could explore the antecedents of CSR engagement (e.g., participative leadership style and risk orientation) from different perspectives, such as whether they could serve as dependent variables, moderators, or mediators of CSR engagement.

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APPENDIX A. Summary of scale items

Attitude towards CSR activities

1. It is good for my company to engage in CSR.
 2. It is rewarding for my company to engage in CSR.
 3. It is valuable for my company to engage in CSR.
 4. It is meaningful for my company to engage in CSR.
-

Subjective norms

1. Most stakeholders (employees, community, supplier etc.) think that my company should engage in CSR.
 2. Most internal stakeholders (employees/management) would approve of my company's engagement in CSR.
 3. Most organizations whose opinions are valued by my company engage in CSR.
 4. Many companies like mine engage in CSR.
-

Perceived behavioural control

1. It is easy for my company to engage in CSR.
 2. It is possible for my company to engage in CSR
 3. The decision to engage in CSR is under my company's authority.
 4. The decision to engage in CSR is under my company's control.
-

Intention to engage

1. My company is committed to engaging in/continuing its CSR activities.
 2. My company plans to engage in /continue its CSR activities.
 3. My company has the intention to engage in/continue its CSR activities.
 4. My company is willing to engage in/continue its CSR activities.
-

CSR activities

1. My company ensures adequate steps are taken against discrimination in the workplace.
 2. My company encourages employees to develop skills and long-term careers.
 3. My company saves money by reducing its environmental impact.
 4. My company reduces its environmental impact by saving energy.
 5. My company has a policy to ensure honesty and quality in all its contracts, dealings and advertising.
 6. My company ensures timely payment of suppliers' invoices.
 7. My company offers training opportunities to people from the local community.
 8. My company tries to purchase locally.
-

Leadership style

1. As a leader, I ask my employees for their views/opinions.
 2. As a leader, I encourage my employees to speak up about matters that are important to them.
 3. As a leader, I take careful note of my employees' contributions.
 4. As a leader, I give my employees opportunities to ask questions.
 5. As a leader, I constructively criticize my employees.
 6. As a leader, I willingly explain when my employees ask questions.
 7. As a leader, I encourage work group members to express ideas and suggestion.
 8. As a leader, I listen to the work group's ideas and suggestions.
 9. As a leader, I use the work group's suggestions to make decisions that affect employees.
 10. As a leader, I give all work group members a chance to voice their opinions.
 11. As a leader, I consider the work group's ideas when I disagree with my employees.
 12. As a leader, I make decisions that are based only on my own ideas.
-

Risk orientation

1. I'm quite cautious when I make plans and when I act on them.
 2. I follow the motto "nothing ventured, nothing gained".
 3. I am not inclined to make adventurous decisions.
 4. If a task seems interesting, I'll choose to do it even if I'm not sure whether I'll manage it.
 5. I don't like to risk anything; I would rather be on the safe side.
 6. Even when I know that my chances are limited, I try my luck.
 7. In my work, I only set small goals so that I can achieve them without difficulty.
 8. I express my opinion even if most people have opposite views.
 9. My decisions are always made carefully and accurately.
 10. I like to take on tasks that can demonstrate my competence, despite the risk of making mistakes.
 11. I tend to imagine the unfavourable outcomes of my actions.
 12. Success makes me take bigger risks.
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Supplementary Material

Supplementary material accompanies this paper.

Supplementary Data 1. Database.

Supplementary Data 2. Questionnaire.

Supplementary Data 3. Smart Pls output 1

Supplementary Data 4 Smart Pls output 2

Supplementary Data 5 Smart Pls output 3.

Supplementary data to this article can be found online at Tan, Athirah binti Mohd; Ann, Ho Jo, 2023, "Supplementary data - Exploring the Role of the Theory of Planned Behaviour, Risk Orientation, and Participative Leadership in SME Managers' Engagement in CSR", <https://doi.org/10.7910/DVN/HQAMJX>, Harvard Dataverse, V1, UNF:6:Vy7eSbXoZrLSgrKFPnaRpw== [fileUNF].

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The authors have no conflict of interest to declare.

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