

J.B.M.

ISSN: 1535-668X Vol. 29, No. 2, June 2024

Journal of Business and Management

Editor-in-Chief

Eldon Y. Li, Ph.D.

National Chung Cheng University, Chiayi, Taiwan

Executive Editor

Bella Y.H. Lien, Ph.D.

National Chung Cheng University, Chiayi, Taiwan



*Celebrating CCU-MIS
30th Anniversary Since 1994*



Authorized by International Consortium for Electronic Business
Published by National Chung Cheng University
College of Management, Chiayi, Taiwan
Copyright© by Journal of Business and Management



ISSN: 1535-668X
Editorial Offices: *Journal of Business and Management*
Department of Information Management
College of Management
National Chung Cheng University
No. 168, Section 1, University Road
Minhsiung, Chiayi 621301
Taiwan (R.O.C.)
E-mail: eli@calpoly.edu

Journal information is available from JBM Home website at <http://jbm.johogo.com/>

The *Journal of Business and Management (JBM)* is the official publication of the *International Consortium for Electronic Business (ICEB)*. The primary editorial objective of the *Journal of Business and Management* is to provide a forum for the dissemination of theory and research in areas of business, management, and organizational decisions which would be of interest to academics, practitioners, and policymakers. Specific areas include, but are not limited to, business analytics, case studies, business ethics, policy, law, corporate governance, social responsibility, electronic business, social commerce, mobile commerce, entrepreneurship, innovation, business venturing, enterprise management, human resource management, information management, project management, international business, marketing, operations and service management, supply chain management, strategic management, risk management, and technology management.

The views expressed in published articles are those of the authors and not the editors, editorial board, JBM, ICEB, or National Chung Cheng University.

Copyright © 2024 *Journal of Business and Management*

Journal of Business and Management

Volume 29 Number 2

June 2024

EDITOR-IN-CHIEF

Eldon Y. Li

National Chung Cheng University, Chiayi, Taiwan

EXECUTIVE EDITOR

Bella Y. Lien

National Chung Cheng University, Chiayi, Taiwan

ISSN: 1535-668X

EDITOR-IN-CHIEF

Eldon Y. Li, *National Chung Cheng University, Chiayi, Taiwan*

EXECUTIVE EDITOR

Bella Y. Lien, *National Chung Cheng University, Chiayi, Taiwan*

MANAGING EDITOR

Fang-Kai (Laurence) Chang, *National Kaohsiung University of Science and Technology, Taiwan*

ASSOCIATE EDITORS

Wei-Hsi (Frank) Hung, *National Chengchi University, Taiwan*
Jesús Garcia-Madariaga, *Universidad Complutense de Madrid, Spain*
Stuart Orr, *Melbourne Institute of Technology, Australia*
Ravishankar Sharma, *University of Canterbury, New Zealand*

ADVISORY BOARD MEMBERS

Nancy Borkowski, *University of Alabama at Birmingham, USA*
John Davies, *Victoria University of Wellington, New Zealand*
Krishna S. Dhir, *University of Hawai'i at Hilo, USA*
Bo Edvardsson, *Karlstad University, Sweden*
Sonia M. Goltz, *Michigan Tech University, USA*
Miles G. Nicholls, *RMIT University, Australia*
Richard L. Jenson, *Utah State University, USA*
Dipak Raj Pant, *Università Carlo Cattaneo (LIUC), Italy*
Savvas Papagiannidis, *Newcastle University, UK*
Fred Phillips, *University of New Mexico, USA*
Aleda Roth, *Clemson University, USA*
Chris Rowley, *City University of London, UK*
Terri A. Scandura, *University of Miami, USA*

Chwen Sheu, *Kansas State University, USA*
Jeffrey A. Sonnenfeld, *Yale University, USA*
John F. Wilson, *Northumbria University, UK*

FORMER EDITORS

Burhan Yavas, *California State University Dominguez Hills, 1993-1999*
Raymond Hogler, *Colorado State University, 2000-2004*
Amy E. Hurley-Hanson & Cristina M. Giannantonio, *Chapman University, 2005-2016*

JOURNAL MANAGER

Vipin Saini, *National Chung Cheng University, Taiwan*

EDITORIAL STAFF

Mr. Usama Zafar, *National Chung Cheng University, Taiwan*
Ms. Anila Jan, *National Chung Cheng University, Taiwan*

Contents

Editorial	i-iv
<i>Eldon Y. Li, & Bella Y. Lien</i>	
Individual Differences in Workplace Spirituality: Implications for Deep-Level Diversity and Team Outcomes	1-26
<i>Bryan S. Schaffer, Joseph S. Leah, & Gerald A. Schoenfeld</i>	
The Role of Emergence in Leveraging the Value of Board Director International Experience	27-60
<i>Andre Havrylyshyn</i>	
Corporate Sustainability, Employee Engagement, Local Community Participation, Investor Commitment, and The Small and Medium Tourism Business Performance: The Case in Southern Provinces of Vietnam	61-100
<i>Vo Thi Tam, & Vo Tan Phong</i>	
Identity and Well-Being: Exploring the Missing Link in Personal Finance Domain	100-137
<i>Sulagna Nandy-Dutta, & Niladri Das</i>	

Editorial

Eldon Y. Li ^{1, 2*}
Bella Y. Lien ¹

¹ National Chung Cheng University, Chiayi, Taiwan

² California Polytechnic State University, San Luis Obispo, CA

* Corresponding author, eli@calpoly.edu

Reference to this paper should be made as follows: Li, E.Y. & Lien, B.Y. (2024). Editorial. *Journal of Business and Management*, 29(2), June, i-iv.

Editorial Objective

JBM is a double-blind refereed journal addressing working or potential business and management theories or practices and emerging issues of interest to academics and practitioners. The primary editorial objective of the *JBM* is to provide a forum for disseminating theory and research in all areas of business, management, and organizational decisions. We invite research articles, comprehensive reviews, and case studies that provide insights into daily business phenomena. Authors of *JBM* are always encouraged to offer recommendations to readers exemplifying the applicability of their research findings.

Farewell and Welcome

As the term of Deanship ended on January 31, 2024, Prof. Dr. She-I Chang stepped down from the role of Executive Editor of the *JBM*. On behalf of the entire Editorial Board, we thank him very much for his service in the past three years during 2021-2023. In his place came in the new Dean, Prof. Dr. Bella Y. Lien who assumed the role of the Executive Editor. We wholeheartedly welcome her to the *JBM* Editorial Board and look forward to working with her in the next three years.

The Thirtieth Anniversary of CCU-MIS Department

This year of 2024 marks the thirtieth anniversary of Department of Information Management at the National Chung Cheng University (CCU-MIS). It is a great honor for the *JBM* to celebrate this journal issue for the department. The CCU-MIS was established by Prof. Eldon Y. Li thirty years ago in August 1994. It started with a graduate school with only Master's degree students. Today it is fully fledged with the addition of both Ph.D. and baccalaureate degrees. We thank very much the department for its support in the editorial service of the *JBM* and wish it continually peaceful and prosperous in the coming years.

Research Articles

In this issue of JBM, we have included four research articles. First, Bryan S. Schaffer, Joseph S. Leah, and Gerald A. Schoenfeld co-author the article “Individual Differences in Workplace Spirituality: Implications for Deep-Level Diversity and Team Outcomes.” They explore the intersection between concepts related to deep-level diversity and the growing interest in management spirituality and religion. They operationalize the construct of workplace spiritual diversity (WSD) along three key dimensions: inner life, meaningful work, and community. Their work should have important practical implications for team composition and diversity in organizations. An enhanced understanding of deep-level diversity and WSD can provide additional insight for leaders in terms of team building and role assignment. Furthermore, the addition of the diversity mindset, as a key moderator variable in the theoretical model, can provide a further understanding of the conditions that would be conducive to an enhanced understanding of the importance of such group composition.

In the second article, “The Role of Emergence in Leveraging the Value of Board Director International Experience,” Andre Havrylyshyn explores the relationship between directors with professional international experience and firm performance and proposes a theoretical model integrating insights from the predominately OB-focused emergence literature, with strategy/finance research on corporate governance and boards of directors (including the critical role of board committees). The model includes emergence-enabling states for human capital resources (HCR), emergence of unit-level knowledge, and the role of social capital on HCR emergence (HCRE). Andre tests the model on a sample of 461 firm-year observations of S&P large-cap U.S. manufacturing firms between 2010-2014, assessing both short-term and long-term performance. He finds that professional international experience directors positively impact firm performance, contingent on the board committee network density, which is a factor that both enables and reflects the affective emergence-enabling state of cohesion.

Next, Vo Thi Tam, & Vo Tan Phong present a study, “Corporate Sustainability, Employee Engagement, Local Community Participation, Investor Commitment, and The Small and Medium Tourism Business Performance: The Case in Southern Provinces of Vietnam.” The study examines the impact of the three pillars of corporate sustainability (COS) and the behaviors of the main stakeholders on the business performance (PER). The three pillars of COS are economic, social, and environmental sustainability. Furthermore, the study highlights the mediating role of employee engagement (ENG), local community participation (COM), and investor commitment (INV) in the relationship of COS and PER. In this case, small and medium-sized businesses can effectively improve PER by allocating resources to important COS factors to strengthen ENG, COM, and INV.

In the fourth study, Sulagna Nandy-Dutta, & Niladri Das present a study on “Identity and Well-Being: Exploring the Missing Link in Personal Finance Domain.” The authors collect 168 usable samples from 6900 users on social media in India and explores whether financial moral identity (FMI) leads to financial well-being (FWB). They use robust regression and simulation to validate the relationships. The results show that FMI has significant relationships with subjective FWB (short-term and long-term of specific; generic) and objective FWB. As well-being leads to various direct health benefits and prevents mental health issues, the FMI may lead us to fulfill the ultimate desire of living in a prosperous family, society, or state.

Acknowledgment

In this issue of Vol. 29, No. 2, we thank the authors for sharing their knowledge through the research projects and the reviewers for taking their precious time to review the articles and offer constructive suggestions to the authors. In addition, special thanks go to the College of Management at National Chung Cheng University (CCU) in Taiwan for the administrative support, to the Global Electronic Business Research Center for the editorial work, and to the International Consortium for Electronic Business (ICEB) for being a partner in accepting *JBM* as its official publication since the issue of Vol. 26, No. 2 in September 2020.

The publication of *JBM* cannot sustain without institutional partners and contributing scholars. Please note that the views expressed in these articles belong to the authors, not the editors, editorial board, *JBM*, ICEB, and CCU. We hope the articles are interesting and beneficial to your future research. On behalf of the Editorial Board, I sincerely thank you for your continuous support. Finally, we would like to take this opportunity to wish you all to be safe and healthy under the sustaining coronavirus epidemic. With the ending of the COVID-19 pandemic, we wish you all enjoy a healthy and normal life.

About the Author

Eldon Y. Li, Ph.D.

Chair Professor, Department of Information Management

College of Management, National Chung Cheng University, Chiayi, Taiwan &

Professor Emeritus of MIS, Orfalea College of Business

California Polytechnic State University, San Luis Obispo, CA 73407, USA

E-mail: eli@calpoly.edu

Bella Y. Lien, Ph.D.

Professor and Dean, Department of Business Administration

College of Management, National Chung Cheng University, Chiayi, Taiwan

E-mail: bmayhl@ccu.edu.tw

Eldon Y. Li is a Chair Professor at the Department of Information Management in National Chung Cheng University (CCU), Chiayi, Taiwan. He is a Professor Emeritus in Orfalea College of Business at California Polytechnic State University, San Luis Obispo, USA, and a visiting Chair Professor in the Business School at Sichuan University, Chengdu, China. In addition, he was Chair Professor of Marketing in the School of Economics and Management at Tongji University, Shanghai, China, Chair Professor of MIS, and Director of Ph.D. Program in Business at Chung Yuan Christian University, and University Chair Professor and department chair of the Department of Management Information Systems at the National Chengchi University (NCCU), Taiwan. He holds a bachelor's degree (1975) in international trade from NCCU, an MSBA degree (1978) in management information systems, and a Ph.D. degree (1982) in business administration from Texas Tech University, USA. He has published over 300 papers on

electronic business, service innovation, decision systems, human factors in information technology (IT), strategic IT planning, software engineering, total quality management, information management, and business management. His papers have appeared in top journals such as *Communications of the ACM*, *Communications of Association for Information Systems*, *Computers & Education*, *Decision Support Systems*, *Information & Management*, *Journal of Association for Information Systems*, *Journal of Management Information Systems*, *Omega*, *Research Policy*, and *Technological Forecasting and Social Change*, among others.

Bella Y. Lien is a Professor and Dean of the College of Management at National Chung Cheng University, Chiayi, Taiwan. After graduating from the University of Minnesota in 1999, she joined National Chung Cheng University, a prestigious and research-oriented institution in Taiwan. Here, she serves as a professor in the Department of Business Administration and as the chairperson of the Institutional Review Board of the Human Research Ethics Committee. In addition to her dedicated teaching, her research plans include connecting with scholars from other disciplines to build a diverse research environment related to employment issues. Dr. Lien's research interests focus on organization development, training & development, career development, and knowledge management. She has published her research outputs in esteemed journals such as *Small Group Research*, *Personnel Review*, *Journal of Retailing and Consumer Services*, *Journal of World Business*, *Journal of Career Development*, *Human Resource Development Quarterly*, and the *Journal of Knowledge Management*, among others. Her accolades include the Outstanding Paper Award (2009) for an article published in the *Journal of Knowledge Management (JKM)*, the Teaching Excellence Award (2009-2010), awarded to 5 out of 400 faculty members in the university, Research Recognition Awards (2010-2011) in the College of Management, Service Excellence Award (2014) at the university level, and Best Paper Awards for articles published in *Management Studies* (2012) and *Sun Yat-Sen Management Review* (2022) (in Chinese). Her current research activities integrate human resource development, adult education, psychology, and cultural perspectives. These include organizational effectiveness, knowledge management, tacit knowledge management transfer, individual differences affecting the workforce, and career counseling and employee assistance in the workplace.

Individual Differences in Workplace Spirituality: Implications for Deep-Level Diversity and Team Outcomes

Bryan S. Schaffer ^{1,*}
Joseph S. Leah ²
Gerald A. Schoenfeld ²

¹ Western Carolina University, Cullowhee, NC

² Florida Gulf Coast University, Fort Myers, FL

* Corresponding author, bschaffer@wcu.edu

Abstract

Purpose - This paper explores a new concept that is relevant to the mix of individual differences inherent in organizational teams: workplace spiritual diversity (WSD). The purpose of the research is to provide leaders with an additional and unique way to conceptualize group-level diversity while understanding its potential impact on important team outcomes.

Method - Conceptualization and theoretical model development are conducted at the intersection of two previously separate fields. Consistent with prior research, the WSD construct is operationalized along three key dimensions: inner life, meaningful work, and community.

Findings - The newly proposed framework suggests numerous possibilities for team composition along with WSD. We develop propositions suggesting that, under the right team conditions, this type of diversity can have positive effects on conflict, team satisfaction, cohesiveness, performance, and creativity.

Limitation - This study's conceptual framework offers a pathway for future research in this area, which is currently somewhat limited. Future work should examine the effect of WSD on organizational outcomes and the moderating effect of the diversity mindset.

Implications - This work should have important practical implications for team

composition and diversity in organizations. An enhanced understanding of deep-level diversity and WSD can provide additional insight for leaders in terms of team building and role assignment. Furthermore, the addition of the diversity mindset, as a key moderator variable in the theoretical model, can provide a further understanding of the conditions that would be conducive to an enhanced understanding of the importance of such group composition.

Originality - This conceptual research is the first to explore the intersection between concepts related to deep-level diversity and the growing interest in management spirituality and religion.

Keywords: workplace spirituality, teams, diversity, relational demography

Reference to this paper should be made as follows: Schaffer, B.S., Leah, J.S. & Schoenfeld, G.A. (2024). Individual differences in workplace spirituality: Implications for deep-level diversity and team outcomes. *Journal of Business and Management*, 29(2), June, 1-26. DOI: 10.6347/JBM.202406_29(2).0001.

Introduction

In today's competitive, global landscape, organizations increasingly recognize the advantages of flexible, team-based structures where individuals contribute to collective performance through diverse attributes. Scholars and practitioners alike have advanced their understanding of team dynamics about group composition, process, conflict, and performance (Ayub & Jehn, 2014; Mohammed & Angell, 2004; Zhu et al., 2021). An area of study that has received much attention in recent years is diversity and its potential impact on various aspects of team functioning. The information and decision-making perspective of diversity suggests that "differences within a group's composition should be positively related to group performance as a result of a greater variability in skills, abilities and perspectives" (Khan et al., 2010, p. 290). These differences linked to functional performance go beyond the more immediate and salient attributes of surface-level aspects of diversity, such as race, age, gender, and ethnicity, to include deep-level aspects of diversity, such as values, personality, cognitive styles, and experience. Overall, research suggests that deep-level versus surface-level aspects of diversity show stronger correlations with employees' behaviors, attitudes, and performance (Casper et al., 2013; Harrison et al., 2002; Kim & Gelfand, 2003).

A growing area of interest in management and organizational behavior is workplace spirituality (WS) and its relationship to potential team performance (Jena, 2021). Leaders have recognized the need to encourage cultures that promote a sense of community, intrinsic satisfaction, personal identity, and inclusivity. Such cultures would

embrace WS, and, in terms of diversity, the organization would benefit from an enhanced understanding of employees' levels of variation across this construct. Researchers have recognized the need to continue investigating the role of, and the benefits of, individual differences in workplace environments that foster adaptability, innovativeness, and change (e.g., Story & Barbuto, 2011; van Knippenberg & Schippers, 2007). Furthermore, it seems useful to identify additional personal attributes that can help expand the range of variables used to conceptualize deeper-level diversity (Bell, 2007; Mohammed & Angell, 2004). Our paper addresses such needs by providing a framework for better understanding WS as an important component of deep-level diversity. Past research has not considered workplace spirituality in this fashion. In this paper, we develop the *workplace spiritual diversity (WSD)* construct using the dimensions of inner life, meaningful work, and community (Ashmos & Duchon, 2000). In proposing our model of WSD, we hope to add more insight into how employees and team members may differ across spirituality and facilitate a better understanding of WSD's importance for team dynamics and performance. This aspect of deep-level diversity should provide useful information to organizational leaders who strive to manage diversity through teamwork effectively and appreciate the important linkages between diversity and potential competitive advantage (Aguinis et al., 2013).

In the following sections, we define and highlight the importance of workplace spirituality (WS) and justify its inclusion in a broader understanding of deep-level diversity. We then explain how this concept is important for an enhanced understanding of team diversity. A model of WSD is then presented with corresponding propositions identifying the conditions under which WSD should have favorable impacts on conflict, team satisfaction, cohesiveness, performance, and creativity. In this framework, we introduce an important concept, the diversity mindset. This moderator variable is considered a vital contextual factor that helps identify those conditions where WSD will have the strongest proposed impacts on the outcome variables. Both practical and theoretical implications are offered, followed by suggestions for future research.

What is Workplace Spirituality, and Why is it Important?

There is ample evidence for the emerging importance of workplace spirituality in organizations. In recent years, this construct has received a great deal of attention in the academic literature and change initiatives focusing on values-based leadership (see Benefiel et al., 2014; Marques et al., 2006; Oh & Wang, 2020). WS differs from faith-based institutional membership, whereby people feel obligatory loyalty to a defined group. The concept seems to be more about the positive personal connections people make to their identity, the workplace environment, and the nature of the job itself (Hicks, 2003).

Mitroff and Denton (1999) define spirituality in the workplace as "the basic feeling of being connected with one's complete self, others, and the entire universe. . ." (p.83). This framing similarly offers a clear distinction between spirituality and religion in a workplace context. For example, results from interview analyses suggest that while

religion tends to be organized, affiliation-based, and communal, WS is focused more on the individual and tends to be highly personal. This individual emphasis around WS is consistent with our premise that this construct should be an important variable to include in the broad conceptualization of deep-level diversity. Furthermore, WS is related to one's vocation, whereby employees feel a sense of calling through work and feel the need for affiliation and social connectedness through their organizations (Benefiel et al., 2014).

Rhodes (2006) has suggested that specific organizational attributes are central to an informed understanding of WS. For example, the organization's culture should contain elements consistent with values associated with sustainability, giving back to society, and work centered both within and outside the organization. Additionally, employees at all levels of the organization are encouraged to develop innovative and creative approaches as normal practice in their daily routines. The culture should foster the sharing of ideas and create safe zones that allow people to be rewarded for trying and failing. WS is also about inclusivity, or recognizing the value of all employees, with foci on ethical principles and the development of people's unique skill sets in their vocations (Rhodes, 2006). Together, such effects create workplace environments where people can express their identities through both personal and organizational values.

Others have expressed WS as a way of recognizing that organizational members have strong identities that are tied to the social context of important and significant work (see Javanmard, 2012; Salem et al., 2022). Therefore, it seems that leaders should take an interest in setting up workplace conditions that capture the advantages associated with humanistic environments that allow people to achieve performance through creative expression and fulfillment. Organizational cultures that embrace WS position interactional justice and respect as central tenets offer opportunities for team building and thinking proactively about work design (Brown, 2003; Daniel, 2010). Key outcomes linked to WS include trust, creativity, and processes tied to team effectiveness (Krishnakumar & Neck, 2002). When such elements are present in team environments, there is a higher likelihood of more effective team processes through more functional conflict, healthier progression through stages of development, and better performance (Rezvani et al., 2019).

Because of the potential importance of WS in organizations, it is useful to define the construct across its key dimensions. Consistent with prior research that categorized and operationalized WS, we developed a framework based on three important aspects: *inner life*, *meaningful work*, and *community*. Ashmos and Duchon (2000) used these dimensions to develop measures for WS with the hope that researchers would begin to develop a better understanding of this important organizational phenomenon. Clarifying the definition of WS using these key components has proved useful for researchers who have continued work in this area (Benefiel et al., 2014; Duchon & Plowman, 2005). Ahmed et al. (2019) found that meaningful work and community each positively influenced helping behaviors within the organization. Lemoine et al. (2019) examined inner life,

meaning, and community in their review of servant leadership, recognizing these attributes as key bases for WS. Similarly, Williams et al. (2017) identified this framework (inner life, meaningful work, and community) as a valid foundation for empirically examining the relationship between servant leadership and creativity. They found support for this link by positioning WS as a mediator. Other research in the healthcare industry has found support for this dimensionalization of WS. For example, Iyer and Deshmukh (2018) found that WS moderates the relationship between role ambiguity and job satisfaction among a sample of nurses from India. While a full review of the WS literature is beyond the scope of this paper, these examples provide evidence for the appropriate framing of the construct around inner life, meaningful work, and community.

Dimensions of Workplace Spirituality

Inner Life

This dimension of WS is related to employees' spiritual needs, which are separate from cognitive, physical, and emotional motivators (Albuquerque et al., 2014; Rupa & Pallavi, 2020). Ashmos and Duchon approach WS regarding an individual's hopefulness, awareness of values, and concern for spirituality. They describe it as the "opportunity at work to express many aspects of one's being" (Ashmos & Duchon, 2000: 2). Related to this perspective is the idea of bringing one's whole self to work within an environment of flourishing interconnectedness (Laszlo et al., 2014). Adler and Delbecq even explored this idea through the lens of creative expression and reflection on beauty as part of inner life in an organizational context (Adler & Delbecq, 2018). Laszlo et al. (2020) suggest that the more individuals bring their "flourishing selves" to work, the more an organization will benefit.

As we explore WS as part of WSD, the component of inner life refers to organizational members' ability to express themselves and value their contributions via the teams they are a part of. For example, in conceptualizing and framing one's job role, emphases may be applied to team member relationships and the team's positioning in the organizational context. Importantly, self-concept operates as a spiritual dimension of identity, allowing people to express this identity within the organizational context (Williams et al., 2017). There is also evidence that such identity processes may be stronger for the affiliations to the unit or team where everyday interaction is experienced, as opposed to the larger organization (Fry, 2003; Javanmard, 2012).

In terms of team-related processes, needs related to inner life are linked to members' affiliations with their social units within the organization. In this space, we transition our focus from WS to WSD and shift from the dimension of inner life to that of community. This is consistent with social identity theory, whereby individuals seek to establish and develop salient cues in their environment to form common attraction and an understanding of their placement and standing in the social context. Those who

identify with their work groups develop a self-concept that aligns with a principle of spiritual leadership through team membership (see Duchon & Plowman, 2005; Fry, 2003).

Meaningful Work

The dimension of *meaningful work* refers to the extent to which organizational members fulfill essential life needs through the work they do on a daily basis. This component of WS is related to motivational theories that focus on job content and employee needs (Duchon & Plowman, 2005). Work structures that emphasize empathy, respect, and caring will naturally lead to feelings of positivity and experienced effectiveness, enhancing spirituality in the workplace (Javanmard, 2012). In designing employee jobs, organizational leaders should recognize the mechanisms through which specific task components inspire top performers. Meaningful work, in this sense, is often characterized by clear feedback, task significance, variety, empowerment, and responsibility (Hackman & Oldham, 1980). In identifying these inspirational job components, leaders provide clearer direction for employees and more enjoyment and commitment (Wrzesniewski, 2003).

Job design components are thus essentially tied to employee's needs. Work characterized by enrichment and satisfaction (as described above) provides key need-fulfillment mechanisms. Such drivers may be related to achievement, autonomy, a sense of social fit, esteem, and even self-actualization (see Maslow, 1954; McClelland, 1985). As needs become realized through meaningful work, employees can merge work with life, establish consistency between the two, and enhance a healthier level of WS. Importantly, this dimension addresses a sense of meaning that extends beyond the basic principles of job design. "Workplace spirituality is about employees who understand themselves as spiritual beings whose souls need nourishment at work. It is about experiencing a sense of purpose and meaning in their work beyond the kind of meaning found, for example, in the job design literature, which emphasizes finding meaning in the performance of tasks" (Ashmos & Duchon, 2000, p. 135). One's work and occupation are seen as a calling that reflects a sense of meaning and overall purpose, propelled by individual and prosocial sources of motivation (Duffy et al., 2018).

In summary, this dimension of spirituality brings a higher-level quest for meaning to the workplace, which ties into an employee's total immersion in the organization. Without meaning comes detachment and disengagement, which can be dysfunctional for team and organizational outcomes.

Community

The dimension of community in WS is based on the fundamental idea that our humanity rests in our interconnectedness with other human beings throughout our lives. Gergen (2011) suggests that we are relational beings in all aspects of our lives. In an

organizational context, this emerges as a form of co-creation that expresses itself through community and connection at various levels. While *inner life brings* our complete selves to work, the *community* is about affiliation through reciprocal interdependence, common purpose, and synergy (Ashmos & Duchon, 2000). It is more likely to address the question, 'How does my organizational community offer interconnection and relationships that help everyone to flourish'?

The focus on this aspect of WS involves an appreciation for the power of teamwork and co-creation in helping to successfully live the values of an organization and engage in meaningful relationships with all stakeholders. Through cohesiveness, respect, and reliable team processes, the workplace culture reflects a social environment where vision and mission are shared, members rely on one another, and mutual accountability is as important as individual performance. In essence, "The unity for a common purpose (in one's team) brings a spirit of solidarity" (Javenmard, 2012, p. 1963). Boyatzis et al. (2020) explore this concept as the relational energy in an organization and describe it as a force that generates vitality, hope, and a positive willingness to act that derives from high-quality relationships.

Williams et al. (2017) discuss *community* as synonymous with a process whereby members' connections to others in the workplace provide spiritual sustainment. This type of spirituality, rooted in everyday work relationships, has become an important aspect of fulfillment (Conger, 1994). With the emergence of teams in present-day organizations, it makes sense for organizations to take stock of this dimension and provide avenues for employees to participate in socially designed, interdependent work. Furthermore, to the extent that the modern organization has become somewhat depersonalized, Vaill (1998) suggests that the community can bring back the *fellowship* aspect of work. Teamwork and shared vision connect members and give members a stronger sense of belongingness through community (Albuquerque et al., 2014; Ashmos & Duchon, 2000).

Workplace Spirituality as a Part of Deep-Level Diversity

The preceding section highlights the importance of WS and its three core dimensions. Prior research has examined the impact of these dimensions on important work outcomes. For example, Chawla and Guda (2010) found that sales professionals' workplace spirituality was positively related to job satisfaction and commitment and negatively related to turnover intentions. In another study of banking employees, there was considerable support for these dimensions of WS and their relationship to different components of organizational citizenship behaviors (Belwalkar et al., 2018). Albuquerque et al. (2014) found support for positioning the three dimensions of WS as antecedent variables to both objective and perceived organizational performance in a healthcare setting.

In light of such evidence linking WS to various aspects of organizational behavior

and performance, examining this construct as an important component of deep-level diversity in teams and other social units seems fruitful. Spickermann et al. (2014) have suggested that various attributes or variables must be considered to appreciate and understand the complexity of organizational and group composition. Research on individual differences has focused on surface- and deep-level aspects of diversity. Surface-level characteristics are primarily operationalized through demographic variables (age, race/ethnicity, gender, etc.), while deep-level characteristics are commonly defined through variables such as values, beliefs, and personality. Past work on deep-level diversity has produced mixed results. Studies using theoretical frameworks consistent with social categorization theory and the similarity-attraction paradigm often find detrimental outcomes linked to deep-level diversity. For example, this research has shown how differences in values and personality can lead to lower levels of team satisfaction and performance and higher levels of turnover and conflict (see Chou et al., 2008; Cunningham & Sagas, 2004; Jansen & Searle, 2021). However, results from this research are not always consistent. Liang et al. (2015) found mixed results when testing the general hypothesis that positioned both surface-level and deep-level diversity as antecedents to lower levels of helping behavior in teams. They note, "It appears that not all types of team diversity influence team outcomes in the same way. The widely accepted similarity-attraction perspective may thus be too broad and too general to explain the effects of team diversity on team processes and outcomes" (p. 48).

Under the right conditions, many have argued that team diversity yields mostly positive (or functional) outcomes, unlike dysfunctional outcomes (see Schaffer, 2019). Such thinking aligns with the value-in-diversity hypothesis, which purports the numerous benefits of heterogeneity in teams and other social units (Bazarova et al., 2012; Schaffer, 2019). This hypothesis focuses on the advantages of diversity gained through improved decision-making and communication, whereby members of diverse teams would be better situated to bring in a more complex and complete range of information and experience (Williams & O'Reilly, 1998; Zenger & Lawrence, 1989).

Especially for deep-level characteristics, this heterogeneity has the strong potential to offer teams a facilitative process that enhances group development, promotes the creation of positive norms, and supports improved performance (Ely & Thomas, 2001; van Knippenberg et al., 2007). For example, Kristof-Brown et al. (2005) found that members felt higher levels of affiliation with their team when they perceived dissimilarity in personality, namely extraversion. This finding is counter to the common notion of similarity-attraction. It suggests diversity itself offers opportunities for 'complementary fit', where an individual's attributes complete the social environment by offsetting observed gaps or shortcomings (Kristof-Brown et al., 2005; Muchinsky & Monahan, 1987). As team members understand the basis of their differences, they begin to appreciate the idea of complementary fit and recognize how key differences can provide important puzzle pieces for the complete solution.

Essential to this understanding is the recognition that deep-level diversity consists of many possible variables. Triana et al. (2021) suggested that not all forms of deep-level diversity are the same and that future research should examine other attributes and characteristics that are potentially related to important team outcomes. In fact, scholars have recognized that some studies operationalizing deep-level diversity appear to select these variables arbitrarily. As Harrison et al. (1998) note, “One of the problems inherent in the selection of which deep-level differences to study is that there are literally dozens of conceivably important work-related values, cultural values, and work-related attributes to pick from” (p. 104). They go on to note, however, that the appropriateness of such variables in each study is linked to particular situations, contexts, or cultures. For example, in an organization focusing on innovation and change, one’s level of tolerance for ambiguity might be an important aspect of diversity. Values consistent with patience and empathy might be most important in a culture focused on personal relationships. Organizations focusing on employee retention may be especially concerned about differences in commitment or procedural justice attitudes. Whatever the case, “the crucial point is that the relevant deep-level variables in any situation are those that bear directly on the fundamental purposes of the organization” (Harrison et al., 1998: p. 105). This recognition of relevancy in selecting deep-level individual differences is consistent with the notion of person-organization fit and how such fit yields positive outcomes for both the organization and the employee (Kilroy et al., 2017; Kristof-Brown et al., 2005).

As others have noted, “spirituality should be considered a resource to be placed alongside other aspects of human diversity” (Miller & Ewest, 2015, p. 322). Including WSD in conceptualizing and operationalizing diversity frameworks seems fruitful and should help further such objectives. It should be noted that our efforts to expand the scope of deep-level diversity by introducing a new construct are consistent with other research efforts. For example, Organ and O’Flaherty (2016) examined individual differences in ‘intuitive decision style’ as a component of deep-level diversity. Similarly, Gebert et al. (2014) discuss religious identity diversity and recognize different forms of this construct in an attempt to distinguish it from other types of deep-level characteristics. The challenge for management lies in understanding the potential benefits of employee diversity and which aspects of deep-level diversity seem most applicable to the current context. As organizational leaders continue to learn more about the benefits of WS, it seems appropriate to examine WSD as a relevant construct to be included in our understating of deep-level diversity.

A Model of Workplace Spiritual Diversity

As team members differ in their levels of WS, the aforementioned dimensions allow us to examine such differences with more sophistication and understanding. To understand the nature of WSD, we can consider situations where someone may contain high to low levels across inner life, meaningful work, and community. In this respect, an individual claiming to have high WS may or may not experience fulfillment across all

three dimensions. Alternatively, people may consider themselves sufficient in all three areas yet may emphasize one area for identity purposes and their own personal guidance in the workplace. A breakdown of the dimensions and a description of the resulting possibilities for team composition provide more bases for these considerations. We suggest that lower and higher levels of each of the dimensions (inner life, meaningful work, and community) would yield a rich panoply of different possible WSD combinations. Some of these potential combinations are described below.

Some team members may find spirituality primarily through the dimension of inner life, focusing on self-concept around team membership and affiliation. They place value on the idea of bringing their whole selves to work, making connections between their work and life domains, and blending the personal identities from both areas. Spirituality at work is often framed concerning the team, and these values are readily shared with members. When team members find WS through meaningful work, occupations, and jobs, it becomes their purpose in life. They feel inspired by what they do and can be exceptional teammates when that enthusiasm bleeds over to the rest of the team. Organizational leaders should be aware of the types of intrinsic rewards that motivate and encourage this type of spirituality to ensure sustained commitment and performance. Alternatively, some team members may attain spirituality through the community dimension and appreciate the connections and relationships that lead to both team and organizational success. They derive spirituality from the relational energy in an organization, which yields a sense of unity and common purpose. Focusing on the 'fellowship' aspect of teamwork, functional processes associated with working together become paramount to the team's success. Communication with other team members often focuses on relationships, mutual accountability, and collective goals.

For members who find spirituality through both inner life and meaningful work, self-concept and identity are linked to this spirituality through their own work experiences. Job involvement, which refers to the level of psychological and emotional participation someone puts into their work, is a major source of this identity and drives feelings of spirituality (see Lodahl & Kejnar, 1965). Regarding team membership, pride in one's affiliation is rooted in the meaningful work one does that adds to the team's success and viability. For team members focusing on inner life and community, spirituality comes from self-concept and identity based on connections to others. Cohesiveness is based on both interpersonal attraction and shared commitment to team goals and objectives (Zacarro, 1991). The value associated with team affiliation is more focused on relationship dynamics within the group versus meaningful work (although both may be important).

In certain cases, team members might find WS through shared work experiences. These individuals place a strong value on the meaningful work they do in their teams and how that work brings people together in a unified (communal) way. While members glean spirituality from their day-to-day tasks, they are equally inspired by the comradery

resulting from the shared work. Members appreciate and value observed and recognized associations between functional team processes and their effect on performance. It is also possible that team members may derive spirituality, in relatively equal amounts, from each of the dimensions of inner life, meaningful work, and community. These members find inspiration from their connection to their teams, the sense of fellowship at work, and through the job itself. Such individuals are likely to have a broad understanding of others' needs and can relate to individuals in various ways. They are flexible in their outlook and can derive value in the workplace from many sources.

Finally, we recognize that some team members may be characterized by minimal spirituality because they are not strongly inspired by any of the dimensions of inner life, meaningful work, or community. Individuals in this category are not necessarily poor performers or bad teammates; they perhaps develop commitment and motivation from other sources. These sources might include monetary incentives, individual recognition, or career advancement opportunities. Spirituality itself is simply not part of the equation. Team leaders should recognize that these individuals may not be as responsive to initiatives specifically focused on outcomes that are typically linked to the benefits of WS. Given the array of differences possible with WSD, this aspect of deep-level diversity has the potential to impact important team outcomes. Our proposed WSD model is presented in Figure 1.

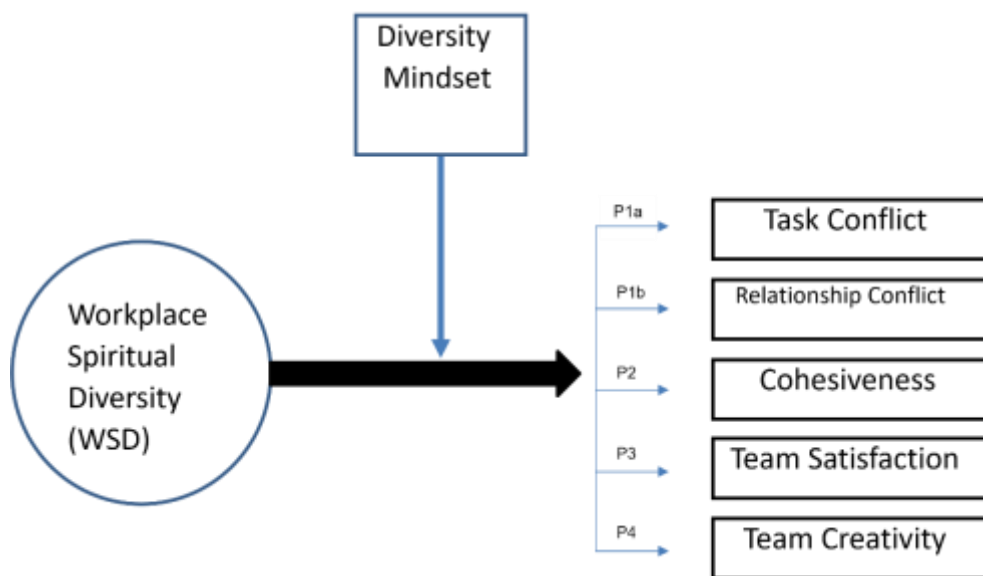


Figure 1: A Conceptual Model of Workplace Spiritual Diversity (WSD) and Team Outcomes

Conceptually, the constructs within this model should be examined at the individual level. For example, employee perceptions of their own levels of inner life, meaning, and community would be interesting. This would also apply to their related perceptions of

similarity or dissimilarity across such dimensions. Similarly, when talking about team climate, which we will explore as the 'diversity mindset', it is employees' *perceptions* of these concepts that are of interest. This is consistent with how other diversity and relational demography studies have operationalized key variables of interest (see Golderg et al., 2010; Sammarra et al., 2021).

Nevertheless, the focal points of analysis are around team and inter-team dynamics. As such, future research employing this model may involve some inherent multi-level complexities and variability.

Our model highlights WS as an important part of deep-level diversity and positions WSD as an important component of team composition. Specifically, we propose that WSD, under the right conditions, can lead to positive team outcomes. These outcomes include functional conflict, cohesiveness, team satisfaction, and creativity. Given some mixed results with prior research focusing on the outcomes of deep-level diversity, it is useful to examine potential moderators or contextual variables that would help clarify those conditions where WSD might yield beneficial outcomes for teams. Our primary contextual variable in the model is the *diversity mindset*. The sections below discuss this concept and explain how its inclusion in the model helps to develop propositions consistent with the idea that WSD has the strong potential to impact the dependent variables favorably.

The Importance of the Diversity Mindset

The diversity mindset suggests that employees in today's dynamic and global business environments begin to realize and appreciate the value of working in heterogeneous teams (van Knippenberg & Schippers, 2007). Especially when organizational leaders support such perspectives, the guiding principle within teams is consistent with the idea that diversity itself is essential for accomplishing team goals (see Adesokan et al., 2011). In essence, "diversity mindsets favoring diversity are expected to prevent intergroup bias and stimulate the integration of diverse information, viewpoints, and perspectives. As the (this) mindset continues to proliferate, initial perceived dissimilarity in teams will increasingly come to be viewed as an opportunity, not a threat" (Schaffer, 2019, p.61; van Knippenberg & Schippers, 2007, p.531; see also Ely & Thomas, 2001). Organizational leaders can promote cultures that embody the diversity mindset by focusing on themes consistent with empathy, open-mindedness, and inclusive communication (Bong-Peer, 2021). The goal of such efforts would be to foster work environments where team members can flourish together in conjunction with greater diversity.

The diversity mindset is a relatively newer term, so there is not a wealth of empirical evidence for its role as a moderator variable in team diversity settings. However, the existing literature is encouraging. For example, van Knippenberg et al. (2013) positioned this variable as a moderator of the diversity-performance relationship.

They found support for the positive role of the diversity mindset. Schaffer (2019) suggests that, in work teams, diversity and perceptions of dissimilarity can lead to attraction and favorable group processes when the diversity mindset is predominant among members. Mayo et al. (2017) examined team information processing. They concluded that when teams fail, the presence of the diversity mindset can help reduce intergroup bias, allowing for more information elaboration and learning from the failure. Van Knippenberg and Van Ginkel (2022) showed a connection between team leadership and both inclusion and synergy when that leadership approach contained elements related to the diversity mindset. In sum, there appears to be sufficient evidence for research on teams and diversity to include frameworks that position the diversity mindset as an important contextual variable.

In our current framework, the main components of the diversity mindset provide explanatory processes for how the dependent variables are impacted. These components include accuracy and sharedness (van Knippenberg et al., 2013). Accuracy refers to the degree to which team activities (including goal pursuit) incorporate a general understanding of diversity as a valuable informational resource. Sharedness simply refers to overall similarity in team members' perspectives as they relate to diversity. When accuracy and sharedness are present, the diversity mindset has a strong potential to impact team performance favorably. Such performance can include a broad array of outcomes, including withdrawal behavior, team satisfaction, conflict management, and cohesiveness (Lee et al., 2011).

Other research has examined similar moderator variables in teams that can foster favorable perceptions of team heterogeneity. For example, a team-inclusive climate can boost the positive aspects of deep-level diversity and create conditions where members appreciate the opportunity to share ideas and promote creativity (see Ali et al., 2018; Guillaume et al., 2017).

Conflict can be an important component of team dynamics. As teams work toward goals, they may face both relationship-based and task-based conflicts. Task-based conflict is related to potential disagreements about the team's goals and how the work should be accomplished. Many studies have supported the idea that such forms of conflict are important for a team's potential to examine and recognize each member's ideas and perspectives (e.g., Downes et al., 2021). The presence of a diversity mindset should help create conditions within a team whereby members feel encouraged to engage in this productive type of conflict. For example, this mindset should encourage team members to see diversity as an informational resource, whereby key differences and perspectives garner value through task-based conflict. This is consistent with regulatory focus theory, where teams emphasize promotion goals (versus prevention goals) as an important part of the diversity mindset (van Knippenberg et al., 2013). Here, the team promotes engaged, collaborative discussion with participation from all members.

Recognized diversity across WS, for example, might indicate key opportunities for team members to express differences in how the team should accomplish its objectives. Some members may identify opportunities to achieve performance in terms of fulfillment experienced through working together (community). In contrast, others may be driven by their work's meaning and sense of purpose. Our model suggests that these differences in WS, collectively, add to productive conflict.

Proposition 1a: The degree of WSD in a team will positively affect task-based conflict when the climate is characterized by a diversity mindset.

Relationship-based conflict is often rooted in differences associated with values and personalities. It may also be directly related to the types of differences associated with WSD. In general, this type of conflict has the potential to hinder a team's level of performance (Lau & Cobb, 2010). This is because deeply rooted differences among people that are not based on the goals or tasks of the team will have the potential to detract from (not contribute to) reciprocal knowledge sharing and productive working relationships. In our model, we suggest that team climates promoting the diversity mindset will mitigate levels of potential relationship conflict as members recognize the value of diversity and the importance of working together.

In fact, regulatory focus theory (mentioned above) can also foster promotion goals that reduce the negative relational types of conflict that could exist with dissimilarity. The team begins to promote and favor the recognition of diversity across both surface-level and deep-level attributes. In this sense, relationship conflict is somewhat normative, representing an expectation that goes along with diversity and thus should not detract from the team's potential.

Proposition 1b: The degree of WSD in a team will not affect perceptions of relationship-based conflict when the climate is characterized by the diversity mindset.

Team cohesiveness can be defined as the social connectedness of members of a team and the degree to which they are committed to maintaining team membership (Harrison et al., 1998; Mullen & Copper, 1994; Trinh, 2016). A potential source of uncertainty within a team is diversity due to perceptions of reduced commonality and identification (Hogg, 2010). Ironically, the diversity mindset offers conditions where team homogeneity, as opposed to diversity, can result in more skepticism about potential team viability and sustainability (Schaffer, 2019; van Knippenberg & Schippers, 2007). This mindset offers strong uncertainty reduction mechanisms when diversity is present, whereby the differences among team members enhance felt affiliations among members, increasing perceived cohesiveness.

This is akin to Gaertner and Dovidio's (2000) Common Ingroup Identity Model, which suggests cohesiveness based on team affiliation and membership, as opposed to

similarities or differences across diversity-based characteristics. Under the diversity mindset, perceptions of WSD might represent cues for commonality in the sense that there is a shared appreciation of people's unique differences, resulting in higher cohesiveness. In addition, having a sharedness of this mindset within a team should be conducive to better coordination, team process, and bonding.

Proposition 2: The degree of WSD in a team will positively affect perceptions of cohesiveness when the climate is characterized by a diversity mindset.

Team satisfaction is a global term that represents the overall extent to which team members are satisfied with the team and the team's outcomes (Standifer et al., 2015). Similar to job satisfaction, there may be multiple facets of team satisfaction, including the relationships with other members, the assigned team roles, task interdependencies, team goals, and team leadership. Effective leadership and diversity management can create team climates that support more favorable perceptions and attitudes. As team members recognize that others on the team expect and appreciate diversity mindset-based actions (awareness of 'sharedness'), they realize that they can safely voice their perspectives while welcoming others' views. This psychological safety has favorably impacted many team outcomes, including satisfaction (Edmondson, 1999; Gerlach & Gochel, 2022). With WSD present in a team, there may be opportunities to create conditions for team members to experience higher perceptions of fit among the team, even though members are dissimilar across a key deep-level characteristic (McKay et al., 2007). Again, this fit may be based on values consistent with cosmopolitan beliefs and the diversity mindset, creating a context where team members better understand the necessity of group heterogeneity (Westjohn et al., 2009). Along with this understanding, team members develop more positive attitudes about various aspects of the team.

Proposition 3: The degree of WSD in a team will positively affect perceptions of team satisfaction when the climate is characterized by a diversity mindset.

Finally, *team creativity* may be enhanced in the presence of workplace spiritual diversity. Even with the absence of a diversity mindset, there is evidence from prior research that deep-level differences can lead to processes associated with creativity and idea generation (Harrison et al., 1998). In a sense, team members recognize that to recognize key challenges in their environment and develop creative solutions, it is necessary to interact with people who can bring in original perspectives based on differences. These ideas align with the information and decision-making perspective of diversity (Pichler, 2012; Williams & O'Reilly, 1998). Members who differ across key dimensions of WS may have the added capacity to appreciate individuals' various sources of inspiration and motivation. This could also be related to how they develop ideas and potential solutions. Other research has shown that deep-level diversity in teams can have positive effects due to its informational benefits, thus promoting higher levels of creativity and innovation (see Wang et al., 2019). The diversity mindset can help team

members integrate diverse information and viewpoints (van Knippenberg & Schippers, 2007), strengthening this potential relationship between WSD and team creativity. Specifically, this mindset should promote exploration goals, focusing on innovation and learning, and over-exploitation goals that typically stress productive capacities (March 1991; van Knippenberg et al., 2013). As members differ in WS, they begin to learn about people's various sources of workplace inspiration, and this learning can encourage the exploration of novel and unique approaches.

Proposition 4: The degree of WSD in a team will positively affect perceptions of creativity (identifying problems and generating solutions), and this relationship will be amplified when the climate is characterized by a diverse mindset.

Discussion

This paper contributes to the body of research on workplace teams by expanding our understanding of individual differences and including a new WSD framework in the discussion. This is in line with other research that has recognized the need for such work. For example, Schaeffer and Mattis (2012) note that "attending in critical ways to matters of diversity would compel us to think about religiosity and spirituality as landscapes of diversity" (p. 320). Others have positioned deep-level diversity as an important antecedent variable to organizational outcomes. Such outcomes include team commitment, workgroup identification, and cohesiveness (Goldberg et al., 2010; Kristof-Brown et al., 2005). In studying group creativity, Harvey (2013) recognized that a limitation in the analyses was using *task perspectives* as a somewhat narrow operationalization of diversity. Other dimensions, such as functional and educational background, can more effectively delineate this construct (Harvey, 2013; Mannix & Neale, 2005). Casper et al. (2013) looked at diversity and its importance in the recruitment function of HR, recognizing the need to continue identifying important individual difference variables (particularly deep-level attributes). In looking at relationship conflicts and team members' affective reactions, Tekleab and Quigley (2014) also called for future research to examine other types of deep-level diversity more fully. Our paper adheres to these recommendations, and we hope that our development of WSD can provide organizational leaders and team members with useful information related to team-level motivation, performance, and process dynamics.

What does this mean in terms of potential implications for team composition? Future research could investigate important issues related to the different types. For example, in some teams, it may be more desirable to have member heterogeneity across each dimension of WS. In doing so, the collective team may appreciate the separately unique contributions of favorably perceived identities, opportunities aligned with meaningful work, and felt affiliations with workplace peers. Alternatively, some teams may have goals that are consistent with very strong norms or values that align with perhaps one of the dimensions of WSD. For example, suppose a team's mission was

strongly aligned with providing its members with excellent person-job fit. Employees who find WS primarily through meaningful work may thrive in such environments. A team may also have values that focus on its common purpose and the unique ways that members rely on each other to achieve common goals. In this case, the community dimension might serve as the salient source of WS.

Such considerations can serve as an anchor for additional research and are directly related to competing notions of diffusion and intensity as they relate to the WSD dimensions. Variability in this type of diversity may be related to certain team member character competencies. Peterson and Seligman (2004) applied a similar approach to identifying distinct character strengths for each Big Five personality dimension. For instance, in our model, team members who strongly focus on the community may excel in relationship-building and gatekeeping functions for the team. Alternatively, those who emphasize identity may excel at managing competing stressors around work and family domains. In each of these instances, the member's orientation toward WSD carries intensity around one primary dimension of WS. Further, some team members may have dual emphases around the aforementioned foci, with a more diffuse (less intense) approach in each area. These statements are speculative but could be further examined by operationalizing separate cases of diffusion and intensity in future studies.

WSD can be viewed as a construct that is in the initial concept/elaboration stage of development. At this stage, it is important that future research examine the proposed WSD model by exploring four components that provide the necessary conditions for development. They must specify (1) the units or variables of interest, (2) establish congruence as defined by the relationships among units of the model that specify how they are associated, (3) look at the boundaries within which the relationships are to operate, and (4) explore contingency effects (Dubin, 1978; Fry & Smith, 1978). Furthermore, future research should continue to identify issues related to the type of diversity that might be present in a team. Following the advice of Triana et al. (2021), for example, it would be important to recognize that what might appear to be similar cases of diversity might, instead, represent very different team-process dynamics. A team might have three members whose WS is derived primarily from the community and two members whose WS is derived from inner life. Another team might have three members whose WS comes from inner life and two members whose inspiration comes from the community. While the 3-2 composition in both teams might suggest similar levels of diversity, important differences between the two teams are lost if the examination does not allow for a more sophisticated coding scheme across all three dimensions. Future research should examine the best ways to operationalize such intricacies in WSD potentially.

Using teams has become a basic organization design for work and organizational work behavior (Erden & Ozen, 2003). However, certain conditions must be present for teams to succeed and achieve their potential. Over the last few years, companies have

considered incorporating WS into their organizations (Aboramaden & Dahleez, 2021; Daniel, 2010). The objective of this paper is to offer an introduction to the WSD construct in order to create better team environments where their potential can be realized. As organizational leaders adopt frameworks that employ this WSD construct, they should be prepared to talk to employees about key issues related to spirituality. A common assumption may be that WSD is akin to religious differences; however, there are important distinctions that can be clarified among team members. King (2011) suggests that “while religion often looks outward depending on rites and rituals, spirituality looks inward - the wealth of knowledge, senses, aspirations, and feelings we harbor within ourselves” (p.62). This distinction between spiritual and religious workplace diversity seems important for both practical and theoretical reasons. Furthermore, it may be useful to recognize that, for some employers, the initial idea of WSD should be separate from work and that it would be inappropriate to frame one’s work ethic or behavior in the context of spirituality. “For years, employers compartmentalized workers, carefully separating business concerns from personal identities.” (Laabs, 1995: 1). Organizations that rely on teams can gain a greater understanding of the implications and effects of WSD as a new component of deep-level diversity. Organizations should be prepared to help team leaders and their team members understand the potential advantages of WSD to team effectiveness. Open conversations about people’s reservations should allow them to express concerns and apprehensions. Such interaction can build trust and develop the foundation for each WSD dimension to carry positive influences. Beyond enhancing the dynamics within current teams, exploring WSD considerations in hiring new team members may play a crucial role in collaborative practices that facilitate a team’s accomplishment of performance goals.

Finally, our introduction of the diversity mindset in this paper offers a promising avenue for future research. However, there may be many unanswered questions that need addressing. First, van Knippenberg et al. (2013) address the key question of how diversity mindsets arise. Such a perspective may come from key team experiences and interactions when diversity is present. However, such group processes need to be facilitated through exceptional leadership. Furthermore, this paper positions the diversity mindset as a contextual variable that influences the relationship between WSD and important team outcomes. One could certainly question whether or not this mindset could work alone and be sufficient to yield such outcomes without WSD. Future research should consider such possibilities. In addition, we provided some evidence as to how the diversity mindset works as a moderator for other variables. Nonetheless, the research in this area is somewhat limited, and future work should examine its effect on other types of diversity. Finally, our framework does not include more complex interactions between the diversity mindset and WSD. For example, are individuals with diverse mindsets drawn to organizations with high levels of WSD? Does this mindset actually create more WSD under certain conditions? All of these considerations are worth further investigation.

Conclusion

In conclusion, the impact of deep-level diversity on team performance and organizational culture has been widely studied and has been found to contribute to positive organizational outcomes. Our proposed model contributes to this work by offering a framework for further exploring the influence of individual differences based on employees' varying degrees of workplace spirituality across organizational units. WSD can complement, in important ways, other aspects of diversity that have been shown to contribute to innovative problem-solving and decision-making. We hope that scholars and management practitioners can use our model to gain a unique and valuable perspective on team diversity that has not yet been fully explored.

References

- Aboramadan, M., & Dahleez, K. A. (2021). Workplace spirituality and job performance in higher education. *Journal of Management, Spirituality & Religion*, 18(2), 128-150.
- Adesokan, A. A., Ullrich, J., van Dick, R., & Tropp, L. R. (2011). Diversity beliefs are a moderator of the contact-prejudice relationship. *Social Psychology*, 42(4), 271-278.
- Adler, N. J., & Delbecq, A. L. (2018). Twenty-first century leadership: A return to beauty. *Journal of Management Inquiry*, 27(2), 119-137.
- Aguinis, H., Gottfredson, R. K., & Joo, H. (2013). Avoiding a "me" versus "we" dilemma: Using performance management to turn teams into a source of competitive advantage. *Business Horizons*, 56(4), 503 - 522.
- Ahmed, A., Arshad, M. A., Mahmood, A., & Akhtar, S. (2019). The influence of spiritual values on employee's helping behavior: The moderating role of Islamic work ethic. *Journal of Management, Spirituality & Religion*, 16(3), 235-263.
- Albuquerque, I. F., Cunha, R. C., Martins, L. D., & Sá, A. B. (2014). Primary health care services: Workplace spirituality and organizational performance. *Journal of Organizational Change Management*, 27(1), 59-82.
- Ali, A. B., Tang, N., Jiang, W., & Tian, L. (2018). Diversity and creativity in cross-national teams: The role of team knowledge sharing and inclusive climate. *Journal of Management and Organization*, 24(5), 711-729.
- Ashmos, D., & Duchon, D. (2000). Spirituality at work: Conceptualization and measure. *Journal of Management Inquiry*, 9(2), 134-45.
- Ayub, N., & Jehn, K. (2014). When diversity helps performance. *International Journal of Conflict Management*, 25(2), 189-212.
- Bazarova, N. N., Walther, J. B., & McLeod, P. L. (2012). Minority influence in virtual groups: A comparison of four theories of minority influence. *Communication Research*, 39(3), 295-316.
- Bell S. T. (2007). Deep-level composition variables as predictors of team performance: A meta-analysis. *Journal of Applied Psychology*, 92(3), 595-615.
- Belwalkar, S., Vohra, V., & Pandey, A. (2018). The relationship between workplace spirituality,

- job satisfaction and organizational citizenship behaviors – An empirical study. *Social Responsibility Journal*, 14(2), 410-430.
- Benefiel, M., Fry, L.W., & Geigle, D. (2014). Spirituality and religion in the workplace: History, theory, and research. *Psychology of Religion and Spirituality*, 6(3), 175-187.
- Bong-Peer, S. (2021). *The Essential Diversity Mindset: How to Cultivate a More Inclusive Culture and Environment*. Newburyport, MA: Career Press.
- Boyatzis, R. E., & Rochford, K. (2020). Relational climate in the workplace: Dimensions, measurement, and validation. *Frontiers in Psychology*, 11(February), 1–15.
- Brown, R. (2003). Organizational spirituality: The sceptic's version. *Organization*, 10(2), 392-400.
- Casper, W. J., Wayne, J. H., & Manegold, J. G. (2013). Who will we recruit? Targeting deep- and surface-level diversity with human resource policy advertising. *Human Resource Management*, 52(3), 311-332.
- Chawla, V., & Guda, S. (2010). Individual spirituality at work and its relationship with job satisfaction, propensity to leave and job commitment: An exploratory study among sales professionals. *Journal of Human Values*, 16(2), 157-167.
- Chou, L. F., Wang, A. C., Wang, T. Y., Huang, M. P., & Cheng, B. S. (2008). Shared work values and team member effectiveness: The mediation of trustfulness and trustworthiness. *Human Relations*, 61(12), 1713-1742.
- Conger, J. A. (1994). *Spirit at Work*. San Francisco, CA: Jossey-Bass.
- Cunningham, G. B., & Sagas, M. (2004). Examining the main and interactive effects of deep- and surface-level diversity on job satisfaction and organizational turnover intentions. *Organizational Analysis*, 12(3), 319-332.
- Daniel, J. L. (2010). The effect of workplace spirituality on team effectiveness. *The Journal of Management Development*, 29(5), 442-456.
- Downes, P., Gonzalez, M. E., Seong, J. Y., & Park, W. (2021). To collaborate or not? The moderating effects of team conflict on performance-prove goal orientation, collaboration, and team performance. *Journal of Occupational & Organizational Psychology*, 94(3), 568- 590.
- Dubin, R. (1978). *Theory Building*. New York: Free Press.
- Duchon, D., & Plowman, D. A. (2005). Nurturing the spirit at work: Impact on work unit performance. *Leadership Quarterly*, 16(5), 807-833.
- Duffy, R. D., Dik, B. J., Douglass, R. P., England, J. W. & Velez, B. L. (2018). Work as a calling: A theoretical model. *Journal of Counseling Psychology*, 65(4), 423-439.
- Edmondson, A. C. (1999). Psychological safety and learning behavior in work teams. *Administrative Science Quarterly*, 44(2), 350-383.
- Ely, R. J., & Thomas, D. A. (2001). Cultural diversity at work: The effects of diversity perspectives on work group processes and outcomes. *Administrative Science Quarterly*, 46(2), 229-273.
- Erden, T. M., and Ozen, J. (2003). Cognitive and affective dimensions of trust in developing team performance. *Team Performance Management*, 9(5/6), 131- 135.
- Fry, L. W., & Smith, D. A. (1987). Congruence, contingency, and theory building. *Academy of Management Review*, 12(1), 117 - 132.
- Fry, L. W. (2003). Toward a theory of spiritual leadership. *The Leadership Quarterly*, 14(6), 693-

727.

- Gaertner, S. L., & Dovidio, J. F. (2000). *Reducing Intergroup Bias: The Common Ingroup Identity Model*. Ann Arbor, MI: Sheridan Books.
- Gebert, D., Boerner, S., Kearney, E., King, J. E., Zhang, K., & Song, L. J. (2014). Expressing religious identities in the workplace: Analyzing a neglected diversity dimension. *Human Relations, 67*(5), 543–563.
- Gergen, K. (2011). *Relational Being: Beyond Self and Community*. Oxford University Press.
- Gerlach R & Gockel C (2022). A question of time: How demographic faultlines and deep-level diversity impact the development of psychological safety in teams. *Frontiers in Psychology, 13*:765-793.
- Goldberg, C. B., Riordan, C. M., & Schaffer, B. S. (2010). Does social identity theory underlie relational demography? A test of the moderating effects of uncertainty reduction and status enhancement on similarity effects. *Human Relations, 63*(7), 903-926.
- Guillaume, Y. R. F., Dawson, J. F., Otaye, E. L., Woods, S. A., & West, M. A. (2017). Harnessing demographic differences in organizations: What moderates the effects of workplace diversity? *Journal of Organizational Behavior, 38*(2), 276–303.
- Hackman, J. R., & Oldham, G. R. (1980). *Work Redesign*. Reading, MA: Addison-Wesley.
- Harrison, D. A., Price, K. H., & Bell, M. P. (1998). Beyond relational demography: Time and the effects of surface- versus deep-level diversity on work groups. *Academy of Management Journal, 41*(1), 96–107.
- Harrison D., Price K., Gavin J., & Florey A. (2002). Time, teams, and task performance: changing effects of surface-and deep-level diversity on group functioning. *Academy of Management Journal, 45*(5), 1029–1045.
- Harvey, S. (2013). A different perspective: The multiple effects of deep level diversity on group creativity. *Journal of Experimental Social Psychology, 49*(5), 822-832.
- Hicks, D. (2003). *Religion and the Workplace: Pluralism, Spirituality, Leadership*. Cambridge, UK: Cambridge University Press.
- Hogg, M. A. (2010). Human groups, social categories, and collective self: Social identity and the management of self-uncertainty. In R. M. Arkin, K. C. Oleson & P. J. Carroll (Eds.), *Handbook of the Uncertain Self* (pp. 401-420). Psychology Press, New York.
- Iyer, R. D., & Deshmukh, M. (2018). Moderating effect of workplace spirituality on role stressor and job satisfaction among Indian nurses. *Journal of Management & Public Policy, 9*(2), 15–30.
- Jansen, A. E., & Searle, B. J. (2021). Diverse effects of team diversity: A review and framework of surface and deep-level diversity. *Personnel Review, 50*(9), 1838–1853.
- Javanmard, H. (2012). The impact of spirituality on work performance. *Indian Journal of Science and Technology, 5*(1), 1961-1966.
- Jena, L.K. (2021), Does workplace spirituality lead to raising employee performance? The role of citizenship behavior and emotional intelligence, *International Journal of Organizational Analysis*, <https://doi.org/10.1108/IJOA-06-2020-2279>
- Khan, T. M., Clear, F., Al-Kaabi, A., & Pezeshki, V. (2010). An exploratory study of the effects of diversity dimensions and intervening variables on attitudes to diversity. *Team Performance Management, 16*(5), 289-308.

- Kilroy, S., Flood, P. C., Bosak, J., & Chenevert, D. (2017). Perceptions of high-involvement work practices, person-organization fit, and burnout.: A time-lagged study of health care employees. *Human Resource Management*, 56(5), 821-835.
- Kim, S. S., & Gelfand, M. J. (2003). The influence of ethnic identity on perceptions of organizational recruitment. *Journal of Vocational Behavior*, 63(3), 396-416.
- King, R. (2011). Bringing More Humanity to the Bottom Line. *Business Renaissance Quarterly*, 6(4), 59-65.
- Krishnakumar, S., & Neck, C. P. (2002). The what, why and how of spirituality in the workplace. *Journal of Managerial Psychology*, 17(3), 153-164.
- Kristof-Brown, A., Barrick, M. R., & Kay Stevens, C. (2005). When opposites attract: A multi-sample demonstration of complementary person-team fit on extraversion. *Journal of Personality*, 73(4), 935-958.
- Kristof-Brown, A. L., Zimmerman, R. D., & Johnson, E. C. (2005). Consequences of individuals' fit at work: A meta-analysis of person-job, person-organization, person-group, and person-supervisor fit. *Personnel Psychology*, 58(2), 281-342.
- Laabs, J. J. (1995). Balancing spirituality and work. *Personnel Journal*, 74(9), 60-76.
- Laszlo, C., & Brown, J. S. (2014). *Flourishing enterprise: The new spirit of business*. Stanford University Press.
- Laszlo, C., Cooperrider, D., & Fry, R. (2020). Global challenges as opportunity to transform business for good. *Sustainability*, 12(19), 1-17.
- Lau, R. S., & Cobb, A. T. (2010). Understanding the connections between relationship conflict and performance: The intervening roles of trust and exchange. *Journal of Organizational Behavior*, 31(6), 898 - 917.
- Lee, P. K. C., Cheng, T. C. E., Yeung, A. C. L., & Lai, K. (2011). An empirical study of transformational leadership, team performance and service quality in retail banks. *Omega*, 39(6), 690-701.
- Lemoine, G. J., Hartnell, C. A., & Leroy, H. (2019). Taking stock of moral approaches to leadership: An integrative review of ethical, authentic, and servant leadership. *Academy of Management Annals*, 13(1), 148-187.
- Liang, H. Y., Shih, H. A., & Chiang, Y. H. (2015). Team diversity and team helping behavior: The mediating roles of team cooperation and team cohesion. *European Management Journal*, 33(1), 48-59.
- Lodahl, T. M., & Kejnar, M. (1965). The definition and measurement of job involvement. *Journal of Applied Psychology*, 49(1), 24-33.
- Mannix, E., & Neale, M. A. (2005). What differences make a difference? The promise and reality of diverse teams in organizations. *Psychological Science in the Public Interest*, 6(2), 31-55.
- March, J. G. (1991). Exploration and exploitation in organizational learning. *Organizational Science*, 2(1), 71-87.
- Marques, J., Dhiman, S., & King, R. (2006). Fundamentals of a spiritual workplace. *Business Renaissance Quarterly*, 1(1), 43-58, 117-118.
- Maslow, A. H. (1954). *Motivation and Personality*. New York: Harper & Row.

- Mayo, M., Kakarika, M., Mainemelis, C., & Deuschel, N. T. (2017). A metatheoretical framework of diversity in teams. *Human Relations, 70*(8), 911–939.
- McClelland, D. C. (1985). *Human Motivation*. Glenview, IL: Scott, Foresman.
- McKay, P. F., Avery, D. R., Tonidandel, S., Morris, M. A., Hernandez, M., & Hebl, M. R. (2007). Racial differences in employee retention: Are diversity climate perceptions the key? *Personnel Psychology, 60*(1), 35–62.
- Miller, D. W., & Ewest, T. (2015). A new framework for analyzing organizational workplace religion and spirituality. *Journal of Management, Spirituality & Religion, 12*(4), 305-328.
- Mitroff, I. I., & Denton, E. A. (1999). A study of spirituality in the workplace. *Sloan Management Review, 40*(4), 83–92.
- Mohammed, S., & Angell, L. C. (2004). Surface- and deep-level diversity in workgroups: Examining the moderating effects of team orientation and team process on relationship conflict. *Journal of Organizational Behavior, 25*(8), 1015-1039.
- Muchinsky, P. M., & Monahan, C. J. (1987). What is person-environment congruence? Supplementary versus complementary models of fit. *Journal of Vocational Behavior, 31*(3), 268–277.
- Mullen, B., & Copper, C. (1994). The relation between group cohesiveness and performance: An integration. *Psychological Bulletin, 115*(2), 210–227.
- Oh, J., & Wang, J. (2020). Spiritual leadership: Current status and agenda for future research and practice. *Journal of Management, Spirituality & Religion, 17*(3), 223-248.
- Organ, D., & O’Flaherty, B. (2016). Intuitive decision-making and deep level diversity in entrepreneurial ICT teams. *Journal of Decision Systems, 25*(sup1), 421-435. <https://doi.org/10.1080/12460125.2016.1187406>
- Peterson, C., & Seligman, M. E. P. (2004). *Character Strengths and Virtues: A Handbook and Classification*. New York: Oxford University Press and Washington, DC: American Psychological Association.
- Pichler, F. (2012). Cosmopolitanism in a global perspective: An international comparison of open-minded orientations and identity in relation to globalization. *International Sociology, 27*(1), 21–50.
- Rezvani, A., Barrett, R., & Khosravi, P. (2019). Investigating the relationships among team emotional intelligence, trust, conflict and team performance. *Team Performance Management, 25*(1), 120-137.
- Rhodes, K. (2006). Six components of a model for workplace spirituality. *Graziadio Business Review, 9*(2), Retrieved from <https://gbr.pepperdine.edu/2010/08/six-components-of-a-model-for-workplace-spirituality/>.
- Rupa, R., & Pallavi, R. (2020). Workplace spirituality: A comparative study of various models. *Jindal Journal of Business Research, 9*(1), 27-40.
- Salem, N. H., Ishaq, M. I., Yaqoob, S., Raza, A., & Zia, H. (2022). Employee engagement, innovative work behaviour, and employee wellbeing: Do workplace spirituality and individual spirituality matter?. *Business Ethics, the Environment & Responsibility, 32*(2), 657-669.
- Sammarrà, A., Profili, S., Peccei, R., & Innocenti, L. (2021). When is age dissimilarity harmful for organisational identification? The moderating role of age stereotypes and perceived

- age-related treatment. *Human Relations*, 74(6), 869-891.
- Schaeffer, C. B. & Mattis, J. S. (2012). Diversity, religiosity, and spirituality in the workplace. *Journal of Management, Spirituality & Religion*, 9(4), 317-333.
- Schaffer, B. S. (2019). Examining reactions to workplace diversity: The role of dissimilarity-attraction in teams. *Canadian Journal of Administrative Sciences*, 36(1), 57-69.
- Spickermann, A., Zimmermann, M., & von der Gracht, H., A. (2014). Surface- and deep-level diversity in panel selection - exploring diversity effects on response behaviour in foresight. *Technological Forecasting and Social Change*, 85, 105-120.
- Standifer, R. L., Raes, A. M. L., Peus, C., Passos, A. M., Catarina Marques, D. S., & Weisweiler, S. (2015). Time in teams: Cognitions, conflict and team satisfaction. *Journal of Managerial Psychology*, 30(6), 692-708.
- Story, J. S. P., & Barbuto, J. E. (2011). Global mindset: A construct clarification and framework. *Journal of Leadership and Organizational Studies*, 18(3), 377-384.
- Tekleab, A. G., & Quigley, N. R. (2014). Team deep-level diversity, relationship conflict, and team members' affective reactions: A cross-level investigation. *Journal of Business Research*, 67(3), 394-402.
- Triana, M. del C., Kim, K., Byun, S., Delgado, D. M., & Arthur, W. (2021). The relationship between team deep-level diversity and team performance: A meta-analysis of the main effect, moderators, and mediating mechanisms. *Journal of Management Studies*, 58(8), 2137-2179.
- Trinh, M. (2016). Which matters more? Effects of surface- and deep-level diversity on team processes and performance, In J. Prescott (Ed.). *Handbook of Research on Race, Gender, and the Fight for Equality* (pp. 213-239). IGA Global.
- Vaill, P. (1998). *Spirited Leading and Learning*. San Francisco, CA: Jossey-Bass.
- van Knippenberg, D., Haslam, S. A., & Platow, M. J. (2007). Unity through diversity: Value-in-diversity beliefs, work group diversity, and group identification. *Group Dynamics*, 11(3), 207-222.
- van Knippenberg, D., & van Ginkel, W. P. (2022). A diversity mindset perspective on inclusive leadership. *Group & Organization Management*, 47(4), 779-797.
- van Knippenberg, D., van Ginkel, W. P., & Homan, A. C. (2013). Diversity mindsets and the performance of diverse teams. *Organizational Behavior and Human Decision Processes*, 121(2), 183-193.
- Wang, J., Cheng, G. H. L., Chen, T., & Leung, K. (2019). Team creativity/innovation in culturally diverse teams: A meta-analysis. *Journal of Organizational Behavior*, 40(6), 693-708.
- Westjohn, S. A., Arnold, M. J., Magnusson, P., Zdravkovic, S., & Zhou, J. X. (2009). Technology readiness and usage: A global-identity perspective. *Academy of Marketing Science Journal*, 37(3), 250-265.
- Williams, K. Y., & O'Reilly, C. A. (1998). Demography and diversity in organizations: A review of 40 years of research. *Research in Organizational Behavior*, 20, 77-140.
- Williams, W. A., Randolph-Seng, B., Hayek, M., Haden, S. P., & Atinc, G. (2017). Servant leadership and followership creativity: The influence of workplace spirituality and political skill. *Leadership & Organization Development Journal*, 38(2), 178-193.

- Wrzesniewski, A. (2003). Finding positive meaning in work. In: K.S. Cameron, J.E. Dutton, & R.E. Quinn (Eds.), *Positive Organizational Scholarship: Foundations of a New Discipline* (pp. 296-308). San Francisco, CA: Berrett-Koehler Publishers.
- Zaccaro, S. J. (1991). Nonequivalent associations between forms of cohesiveness and group-related outcomes: Evidence for multidimensionality. *The Journal of Social Psychology*, 131(3), 387-399.
- Zenger, T., & Lawrence, B. (1989). Organizational demography: The differential effects of age and tenure distributions on technical communication. *Academy of Management Journal*, 32(2), 353-376.
- Zhu, X. S., Wolfson, M. A., Dalal, D. K., & Mathieu, J. E. (2021). Team decision making: The dynamic effects of team decision style composition and performance via decision strategy. *Journal of Management*, 47(5), 1281-1304.

About the Authors

Bryan S. Schaffer, Ph.D.

*Western Carolina University (College of Business)
Department of Economics, Management & Project Management
118 Forsyth Building
1 University Drive, Cullowhee, NC 28723
Phone: 828-227-2689
Email: bschaffer@wcu.edu*

Joseph Leah, Ph.D.

*Florida Gulf Coast University
Lutgert College of Business
10501 FGCU Blvd South
Fort Myers, FL 33965-6565
Phone: (239) 590-1433
Email: jleah@fgcu.edu*

Gerald Schoenfeld, Ph.D.

*Florida Gulf Coast University
Lutgert College of Business
10501 FGCU Blvd South
Fort Myers, FL 33965-6565
Phone: (239) 590-7388
Email: gschoenf@fgcu.edu*

Bryan S. Schaffer is an Assistant Professor of Management at Western Carolina University. He has published research on diversity, team process, organizational culture, and relational demography in the *Canadian Journal of Administrative Sciences*, *Human Relations*, *Organizational Research Methods*, and *Management Research Review*.

Joseph S. Leah is an Assistant Professor of Management at Florida Gulf Coast University. He has published research on positive impact organizations, management spirituality, and organizational climate in *Frontiers in Psychology* and the *Engaged Management Review* and served as guest editor for a recent special issue of the *Journal of Management, Spirituality & Religion*.

Gerald A. Schoenfeld is a Professor of Management at Florida Gulf Coast University. He received his Ph.D. from the University of Pittsburgh. He has published research in the areas of self-efficacy, teaching pedagogy, and entrepreneurship in *Accounting Education*, *International Journal of Entrepreneurial Behavior and Research*, and *Management Teaching Review*.

The Role of Emergence in Leveraging the Value of Board Director International Experience

Andre Havrylyshyn ^{1,*}

¹ Binghamton University, Binghamton, NY

* Corresponding author

Abstract

Purpose – This study explores the relationship between directors with professional international experience and firm performance. To theorize when the insights of these directors are likely most impactful for firm performance, we draw on distinct streams of research on emergence: including emergence-enabling states for human capital resources (HCR), emergence of unit-level knowledge, and the role of social capital on HCR emergence (HCRE).

Method – The study tests the model on a sample of 461 firm-year observations of S&P large-cap U.S. manufacturing firms between 2010-2014, assessing both short-term and long-term performance.

Findings – We find that professional international experience directors positively impact firm performance, contingent on the board committee network density, which is a factor that both enables and reflects the affective emergence-enabling state of cohesion.

Limitation – This study's generalizability may be somewhat limited because the sample consists only of boards of firms headquartered in the United States.

Implications – The findings build the work in international business on the conditions under which having more board directors who have worked internationally can benefit the overall performance of the firm. The findings also meaningfully build the broader (up to this point, largely OB focused) literature on human capital resource emergence, by testing how such theories apply to an upper echelons context. Specifically, this work suggests that the emergence enabling state of cohesion, may be especially critical for groups of high-level executives to thrive as a unit, in line with the HCRE theory.

Originality - The theoretical model in this study integrates insights from the predominately OB-focused emergence literature, with strategy/finance research on corporate governance and boards of directors (including the critical role of board committees). The supplemental tests support that these effects are likely due to the mechanisms put forward by the HCRE theory. In this way, the study validates broadly and illustrates specifically how strategy and international business scholarship can benefit from leveraging OB literature on emergence in work groups.

Keywords: boards of directors, international work experience, firm performance, emergence

Reference to this paper should be made as follows: Havrylyshyn, A. (2024). The role of emergence in leveraging the value of board director international experience. *Journal of Business and Management*, 29(2), June, 27-60. DOI: 10.6347/JBM.202406_29(2).0002.

Introduction

Amid an increasingly globalized labor market (Collings et al., 2019; Harrison et al., 2019), several researchers have examined the intersection of the prior work experience of executives and international business considerations (e.g., Giannetti et al., 2015; Hahn & Lasfer, 2016; Masulis et al., 2012; Miletkov et al., 2017; Tao et al., 2022). This aligns with upper echelons theory, which establishes that executives, such as board directors, act based on personal life experiences, personalities, and values in strategic situations (Hambrick & Mason, 1984). Building on the theory that individuals can learn from professional experience in foreign markets (Ghoshal, 1987), scholars have demonstrated that having a CEO who has worked abroad (i.e., possesses professional international experience) can be beneficial for bottom-line firm performance (Carpenter et al., 2001; Daily et al., 2000; Le & Kroll, 2017). Moreover, having board directors with international work experience can impact firm strategy, such as internationalization choices (see Chen et al., 2016). It is important to note that extant research has found inconsistent results regarding the relationship between foreign directors and firm performance (Hahn & Lasfer, 2016; Masulis et al., 2012; Miletkov et al., 2017). This work herein helps to delve into this issue, particularly by considering how the nature of a board of directors warrants leveraging theory on group/team processes to better understand where/why the professional international experience of directors impacts the firm's bottom line.

Although both CEOs and board directors are executives, there are critical differences between CEOs and board director roles. Boards are inherently tasked with handling *interdependent* tasks and responsibilities (Hillman & Dalziel, 2003; Tasheva & Hillman, 2019) and are, in this way, a unit of working individuals who may or may not be able to effectively collaborate as a group. In this regard, I propose there is value to unique research that explores not only the value of having some number of board members who personally possess international work experience but also when/why certain processes will enable the board, as a unit, to leverage such expertise brought by individual members such that the unit is actually better able to perform its duties to serve the interests of shareholders (e.g., Forbes & Milliken, 1999; Hambrick et al., 2015). Accordingly, the theory emphasizing that reality boards are a multilevel entity (i.e., individual and unit-level considerations are inherent) is highly useful.

Herein, I labor to build such a new theory. I specifically leverage the organizational behavior (OB) literature work on emergence, particularly distinct facets of human capital resource (hereafter 'HCR') emergence research (Grand et al., 2016; Kozlowski & Klein, 2000; Ployhart & Moliterno, 2011; Ray et al., 2023) to empirically test how such underlying theoretical mechanisms can explain the relationship between the international work experience of board directors and firm-level outcomes (performance). In this way, this work demonstrates the potential insights gained from bridging 'micro' and 'macro' camps by seeing how theory on how people work together generally may/may not help us understand how an array of executives can leverage the potential value of having members with international experience, to ultimate work together as a more effective unit.

I draw upon theory on emergence-enabling states (Ployhart & Moliterno, 2011), how sharing impacts unit-level knowledge (Grand et al., 2016), and the role of social capital in HCR emergence (Ray et al., 2023), and integrate these considerations with findings from broader strategy/corporate governance research, to explore three potential moderators of the professional international experience-firm performance relationship. I empirically test the according model on a sample of US-based S&P large-cap manufacturing firms from 2010–2014. I assess the effects of both accounting and market-based performance measures, as well as short- and long-term performance, and examine the robustness of the findings. By doing so, I make an important and simultaneous theory-building contribution to multiple academic literatures.

First, I explore how and why social interactions pertaining to board committee assignments of directors who are colleagues, as well as past board experience of directors, impact the professional international experience directors-firm performance relationship. By doing so, I help extend the theory on HCR emergence to the practically consequential context of firms' upper echelons. Theory on emergence is not specific to particular hierarchical levels of the organization; while this means such propositions can be leveraged in many contexts, it also means distinct work is needed to understand if (and which of) the particular mechanisms of emergence hold in the context of groups of

executives who work together. This work also contributes to the international business literature, more broadly. Despite ample research on the human capital of individual directors and the efficacy of boards, including how the professional international work experience of directors can be beneficial (e.g., Giannetti et al., 2015; Tao et al., 2022), there are still many scholars who don't know about what kinds of processes/ social interactions between colleagues, will actually result in a board made up of members who are internationally-traveled, to be more effective as a unit (cf. Johnson, Schnatterly, & Hill, 2013; Klarner et al., 2021). This work offers insights on how theory on emergence (particularly HCR emergence) may be crucial to unlocking the potential value of having several board members who have worked abroad in their personal career histories.

Theoretical Background and Hypotheses

Professional International Experience of Executives

While there are many advantages to doing business internationally, one particular benefit is that international business experience can create learning opportunities. Actors can learn from societal differences in organizational and managerial processes and systems in ways that improve personal decision-making abilities in general (Ghoshal, 1987). This theoretical argument has empirical support, as the professional international experience of CEOs and TMT members is positively associated with internationalization (Herrmann & Datta, 2006; Reuber & Fischer, 1997; Rivas, 2012), and a similar relationship has been found regarding the professional international experience of directors (Chen et al., 2016). Professional international experience can include full-time past professional positions held by an individual outside of the firm's host country (e.g., Chen et al., 2016; Rivas, 2012) or can also include similar post-secondary education and board positions (Oxelheim et al., 2013).

Because working in a different national context can allow opportunities for individuals to learn different and effective management practices and strategies (Ghoshal, 1987; Tsang, 2002; Zahra et al., 2000), I broadly assert a board director who has previously worked internationally likely has certain valuable insights that other directors who have only worked in the host country's business environment, may not. With these unique and valuable insights, these directors can aid with both monitoring and/or provision of useful counsel to management. Regarding monitoring, exposure to different national contexts may mean a director with international work experience has learned alternative and perhaps uniquely effective approaches for monitoring tasks, such as effectively structuring the pay package of the CEOs to ensure they serve stakeholder interests. These kinds of insights could be shared with the rest of the board, leading to better decisions. Regarding a board's counsel provision role, a director with professional international experience could share insights learned abroad with management, such as the current CEO. This might help CEOs make wiser choices regarding supply chains, mergers and

acquisitions, etc. Additionally, because directors with professional international experience may have developed relationships with a more international array of influential individuals, according to resource dependence theory, these directors can also access a wider pool of resources that the firm can leverage to its benefit (Pfeffer & Salancik, 1978). These mechanisms may work in conjunction; for example, a professional international experience director may explicitly share with their board colleagues a valuable insight they learned from a personal acquaintance who is a prominent business or political figure from another nation.

For these reasons, the presence of directors with professional international experience may positively impact firm performance. This is consistent with evidence that having a CEO with prior professional international experience will likely pay dividends for the firm (Carpenter et al., 2001; Daily et al., 2000; Le & Kroll, 2017). I submit, therefore, that the professional international experience of a director could therefore be considered (at the very least) what Ployhart, Nyberg, Reilly, and Maltarich (2014) would classify as both a) a knowledge, skill, ability, and/or other characteristics (hereafter 'KSAO') and b) a form of *human capital*. It is critical to stress that Ployhart et al. (2014) classify 'human capital' as those characteristics of individuals, which are KSAOs but which are also actually relevant for achieving economic outcomes. For these reasons, I submit that the professional international experience of a member of a focal board could potentially improve the management of the firm in question and is thus a form of 'human capital'.

However, since board responsibilities necessarily involve interdependent tasks and responsibilities (Hillman & Dalziel, 2003; Tasheva & Hillman, 2019), it is important to understand when and how having several individual professional international experience directors can ensure better corporate governance practices by the board overall. To do so, scholars must consider what enables (or hinders) the insights of these directors from affecting the actions and decisions of the board as a unit. Thus, I revisit the theory of emergence, which speaks to how valuable knowledge and skills held by individual members of a unit may lead to the unit being more effective in a way that is more than the sum of the constituent parts. This is consistent with a distinction Ployhart et al. (2014) emphasize. While human capital is a KSAO that helps economic outcomes, HCR (human capital resources) are those forms of human capital accessible for *unit-relevant* purposes. In my context of interest, this would mean that the board is more effective at performing its governance duties, and/or the bottom-line financial performance of the firm is improved. In either case, the key issue is when/why certain other considerations mean having more professional international experience directors does not just mean more human capital but also more HCR. To understand this, I leverage three related, yet importantly distinct, facets of the OB literature on emergence.

Professional international experience directors and emergence-enabling states

Emergence describes how the qualities of individuals in a unit can converge through social interactions to emerge as group constructs that are more than the sum of their parts (Kozlowski & Klein, 2000). Building from this concept of emergence, Ployhart and Moliterno (2011) describe how three enabling states are important for the emergence of an HCR to occur. Cognitive, affective, and behavioral states work together to facilitate knowledge transfer via interactions among unit members. The three enabling states have been referred to as the “glue” that unites employees together (Hackman, 1976). The affective enabling state reflects how individuals *feel* in a group and may include processes such as cohesion, trust, and affect (Ployhart & Moliterno, 2011). I propose that variance in terms of board committee assignments can offer scholars insight on the specific affective emerging-enabling consideration of cohesion and is thus relevant to assessing if the presence of more directors with professional international experience could actually mean more HCR, i.e., a more effective board as a unit.

Where there is more collaboration among all director colleagues (generally) on board committees, this should be captured by a construct I label ‘board committee network density’. Network density refers to the number of actual ties in the network, then normalized by the number of possible ties (Merluzzi, 2017), which reflects the level of collaboration among members and represents the affective state of group cohesion (Wise, 2014). If one conceives of ties on boards as having two individual directors serve on at least one committee together, the construct of board committee network density will refer to the actual committee assignment ties divided by the number of possible ties. The possible ties would be calculated based on the total number of directors on the board since boards have the autonomy to choose their own committee memberships (Finkelstein et al., 2009; Kolev et al., 2019); thus, boards could ensure all director colleagues collaborate with one another on (at least some) committee work. This is also why board committee network density may not only encourage more cohesion between board colleagues but may also reflect the level of cohesion that is already present. Both explain why I propose that board committee network density does speak to Ployhart and Moliterno’s (2011) affective emergence-enabling state of cohesion.

Network density, as an affective emergence-enabling state (cohesion, specifically), can assist with creating an environment where members may be more likely to contribute information to the group and share their insights (Ployhart & Moliterno, 2011). Past research has demonstrated that knowledge is more easily shared in dense networks, characterized by a high degree of interconnectivity among members since dense network structures enhance the willingness of team members to share knowledge with one another (Reagans & McEvily, 2003). Ray et al. (2023) also explain that ‘accessibility’ speaks to how widespread and easily the human capital of individual group members may be reached and used. Ray et al. (2023) specify that accessibility should be increased in dense units because this permits valuable information held by individual group members to be shared more speedily and with less difficulty. This is consistent with evidence information is spread quickly and through multiple paths for dense units (Adler

& Kwon, 2002; Anderson & Jack, 2002; Borgatti et al., 1998; Kang et al., 2008). Together, these points demonstrate board committee network density facilitates and can reflect an environment akin to the affective emergence-enabling state of cohesion. This should mean the presence of more directors with the human capital of professional international experience is enabled to emerge as a (unit-level) HCR, informing the first hypothesis:

H1: Board committee network density moderates the professional international experience directors–firm performance relationship, such that when the board committee network is denser, the relationship between professional international experience directors and firm performance will be more positive.

The Importance of ‘Sharing’ for Unit-Level Knowledge to Emerge

Within the broader literature on emergence, Grand et al. (2016) specifically discuss how a unit can become more knowledgeable in making better decisions (i.e., having more ‘unit knowledge’). Grand et al. (2016) establish that the emergence of unit-level knowledge (e.g., shared mental models) is a function of two processes: *learning* and *sharing*. Learning refers to extracting information while sharing refers to the dissemination of this information among members (Fiore et al., 2010; Grand et al., 2016; Hinsz et al., 1997; Stasser & Titus, 1985). Information members learn is considered internalized knowledge, while sharing information allows externalized knowledge to form, which is the knowledge collectively shared/understood by all members (i.e., shared mental models) (Cannon-Bowers et al., 1993). Shared mental models represent the externalized unit knowledge that can be leveraged for decision-making.

I propose that individual directors who have international experience bring the necessary ‘learning’ discussed by Grand et al. (2016) to the boardroom. Individuals with international experience are exposed to new or contradictory information from other cultures, which can enhance the learning process to solidify new knowledge (Bandura, 1977). This can take the form of domain-specific knowledge or general competencies. Examples of domain-specific knowledge obtained from international experience are intercultural knowledge, such as knowledge of global networks/international markets (Hermann & Datta, 2006; Ricks et al., 1990). General competencies examples include strategic thinking (Dragoni et al., 2014), creativity (Leung et al., 2008), and global leadership effectiveness (Caligiuri & Tarique, 2009; Daily & Schwenk, 1996). Thus, professional international experience directors have increased stocks of internalized knowledge, providing potential foundations for creative strategies.

Yet, for unit-level knowledge to emerge such that the board can make better decisions on how to properly and vigilantly monitor management, Grand et al. (2016) emphasize that sharing activities must also occur according to Grand et al. (2016), sharing mechanisms can transform the internalized knowledge (that stems from directors with

international experience) to the collective, externalized unit-level knowledge (i.e., shared mental model) that is beneficial for all members. To this end, I propose the board committees are again relevant for understanding the sharing processes necessary for the emergence of unit-level knowledge. However, I propose it is particularly important that colleagues who differ from one another in terms of professional international experience have sharing opportunities. A key mechanism facilitating sharing among unit members is “communicating information” (Grand et al., 2016). Sharing in this manner involves an overt act of transmitting information from one person to another. In the case of board members, some members contain internalized knowledge (i.e., the professional international experience directors) that needs to be passed to those who will learn this knowledge (i.e., receive, encode, interpret, and integrate this knowledge), which would be the directors who do *not* have professional international experience (Grand et al., 2016). This process should create externalized knowledge (collective knowledge HCR-shared mental model) that all members can access. For this sharing to occur, directors without international experience would need to have more opportunities to interact with their colleagues who do personally have professional international experience.

At the unit level, I propose communication of information could reasonably be operationalized as the average number of committee assignments that non-professional international experience directors have to committees, which include (as members) directors *with* professional international experience. For example, for Company X, imagine that Directors A and B are the only two board members of Company X with professional international experience. Director C, a member of the same board, has no professional international experience. If Director C works on the audit committee with Director A and on the nominating committee with Director B, Director C has at least two opportunities to gain shared and learned insights from colleagues who have experience learned from their time working abroad. Director C could then even pass the knowledge gained to Director D, who also does not have international experience, facilitating the creation of a shared mental model. However, the reaction process of the chain mentioned above is impossible if Director C does not work on the same committees as Director A or B. Moreover, this process is impeded if Director C works only with Director A on a single committee or only with Director B on a single committee, etc. In this way, the degree to which those directors who lack professional international experience have opportunities to collaborate on committees with directors who have such experience speaks to the type of sharing Grand et al. (2016) propose is critical for unit-level knowledge to emerge.

I also submit this theorizing from Grand et al. (2016) as consistent with Ployhart and Moliterno’s (2011) conceptualization of behavioral enabling processes. Behavioral processes refer to how individuals *act* in order to meet the demands of the environment and may include processes such as coordination and communication (Kozlowski & Ilgen, 2006). Thus, the work of both Grand et al. (2016) and Ployhart and Moliterno (2011) converge to suggest a shared mental model, which could lead to a more effective board (i.e., a human capital *resource*) is more likely to form where there a) are more directors

with professional international experience and b) more communication occurs specifically between those directors who lack professional international experience directors, and their colleagues who have such experience.

H2: Sharing [professional international] experience with non-experienced director colleagues moderates the professional international experience directors–firm performance relationship, such that when those directors who lack professional international experience have more exposure to the perspectives of their director colleagues who are professional internationally experienced directors, firm performance will be more positive.

The Relevance of Professional International Experience Directors' Social Capital

Additional insights into the professional international experience – firm performance relationship for board directors relate to social capital. Directors with professional international experience may have developed relationships with a more international array of influential individuals. Thus, according to RDT, these directors can also access a wider pool of valuable resources the firm can leverage (Pfeffer & Salancik, 1978). This is consistent with evidence that individuals with international experience often have a greater international network to draw (Roth, 1995). These networks may be informal social ties, but they often take the form of partnerships with foreign entities, as the international experience of CEOs has been associated with increased internationalization (Carpenter & Fredrickson, 2001; Reuber & Fischer, 1997; Sambharya, 1996) and foreign direct investment modes (Hermann & Datta, 2006). RDT suggests at least four distinct mechanisms by which a director can serve a resource provision role that benefits the firm (Hillman et al., 2009; Pfeffer & Salancik, 1978). However, I propose it is most relevant to HCR considerations (i.e., is the presence of professional international experience directors leading to a more effective board as a unit) to consider the resource role directors can fulfill as they use personal information channels to the broader business world to identify valuable strategic opportunities, including by anticipating the actions of competitor firms (cf. Burt, 1983; Hillman & Dalziel, 2003).

A director's social capital speaks to the degree they have such valuable information channels that are high quality (Kor & Sundaramurthy, 2009; Nahapiet & Ghoshal, 1998; Sundaramurthy et al., 2014). Social capital is a set of resources rooted in personal relationships, and the central proposition of social capital theory is that networks of relationships for individuals within the firm can constitute a valuable resource for firms (Nahapiet & Ghoshal, 1998). This is so since social capital comprises the network and the assets utilized via that network (Nahapiet & Ghoshal, 1998). Adopting Podolny's (2001) "pipes" metaphor, the connections professional international experiences directors have due to their international experience could function as channels that transmit information. As pipe networks contain more structural

holes or nonredundant ties, this configuration allows for rich/novel information to be passed through the networks; thus, social capital creates additional learning opportunities for professional international experience directors.

In this regard, I propose that the social capital of the professional international experience directors serve speaks to Ployhart and Moliterno's (2011) specific consideration of cognitive emergence-enabling states. This is because the authors mentioned above emphasize how cognitive emergence-enabling states refer to the unit's learning, specifically the ability of those within the unit to acquire and absorb information and knowledge (Ployhart & Moliterno, 2011). If a professional international experience director has the more social capital, they have, in essence, 'friends' who can share with them updates on broader trends in the business world, such that there is up-to-date learning of best practices for the board of the focal firm. This is supported by studies within the broader strategy literature, which indicate that when an individual director of a firm has previously served on multiple outside boards, this helps build that director's external social capital in the form of connectivity to other executives (Beckman & Haunschild, 2002; Hillman & Dalziel, 2003; Kor & Sundaramurthy, 2009; Nahapiet & Ghoshal, 1998) and assists with transmitting additional knowledge and information. Directors who are broadly connected to outside actors in the business world have greater social capital, meaning they have expedient access (i.e., channels) to timely information (Chen et al., 2016; Kor & Sundaramurthy, 2009). Such findings are also consistent with Ray et al.'s (2023) propositions that the relational social capital of an individual, i.e., the range of affective and attitudinal characteristics embedded in one's social relationships, can potentially facilitate HCR emergence.

Accordingly, and as my final hypothesis, I propose the ability of the firm to realize the potential benefits of having many professional international experience directors serving may be contingent on whether there is at least one director who has a high level of social capital and professional international experience. Professional international experience directors who also have high social capital will a) personally know the comparative challenges of doing business in the home vs. a foreign market, and b) their high social capital means they have quality information channels to identify the most promising strategic opportunities in the industry, and are thus uniquely qualified to determine how insights and/or personal relationships professional international experience directors possess, can optimally be leveraged to help the firm.

H3: Social capital of professional international experience directors moderates the professional international experience directors–firm performance relationship, such that when one or more of the professional international experience directors serving have high amounts of social capital, the relationship between professional international experience directors and firm performance will be more positive.

Research Method

Sample and Data Collection

The sample is made up of US-based S&P large-cap manufacturing firms from 2010–2014, with data available in Compustat and GMI Ratings. Testing the hypotheses on a sample of firms likely to have professional international experience directors was important. Thus, I selected manufacturing firms since directors from these firms bring valuable learned insights (Zhao & Anand, 2009). Additionally, leveraging cutting-edge knowledge is particularly important in the manufacturing industry (Mayer et al., 2015; Zhou & Wu, 2010). Accordingly, 97% (446 of 461) of observations in the sample had at least one professional international experience director serving. Thus, manufacturing firms were an appropriate sample for testing the model in that there were professional international directors present who could potentially impact firm performance. While I used a sample of manufacturing firms in the primary analyses and according to robustness tests, I collected additional data to analyze a multi-industry sample in supplemental analyses. I ended the sample before 2015, so it was possible to test if constructs of interest affect long-term (as well as more immediate) firm financial performance (see supplemental analyses available upon request). From the initial sample of 541 firm-year observations, I excluded 80 observations: 18 because of incomplete details regarding committee assignments, while 62 were excluded due to incomplete data regarding the covariates. The final sample of 461 firm-year observations represents 105 firms.

Dependent Measures

Performance was measured based on the information for the year following the firm-year observation (time $t+1$) to enhance potential causal inference. As an example, if an observation was included based on who served on *firm X's board of directors* in the year 2010 (and their individual career histories in terms of professional international experience), then the regression was run with an outcome variable that was *firm X's financial performance* in the year 2011. In the primary analyses, I use the accounting-measure of performance of return on assets (ROA). In the supplemental analyses, I also test the model using the market-measure of performance, *Tobin's Q*. Results using *Tobin's Q* were consistent with the primary analyses herein (see Table S.1¹ And Figure S.1). Both measures were calculated based on data obtained from Compustat.

Predictor Measures

The primary predictor variable was *professional international experience directors*. Following past studies, I considered a director to have such experience if they had

¹ Full supplemental tables file has been omitted, for the sake of brevity of the manuscript file; this full file is available upon request.

worked for a non-US firm, had worked in a non-US market (for any organization), had post-secondary education from a non-US institution, or had been on the board of a non-US firm (Oxelheim et al., 2013). I also considered any director who had served overseas in the military, worked for an agency (government/think-tank/consulting) focused on international relations/transnational issues, and/or had been a delegate to an international agency (such as the UN), to be a professional international experience director. While I take a broad definition of 'professional' experience in creating the predictor variable of primary theoretical interest, below I describe the inclusion of a covariate which helps to address important qualitative differences if a director has international experience due to past work in the public/non-profit sector vs. past business-related experience in other countries. I coded the professional international experience of individual directors based on firm proxy statement biographies. The final measure is a tally of individual directors with [at least some] professional international experience.

Following past practice (e.g., Merluzzi, 2017), I calculated *board committee network density* as the number of actual ties between directors over the number of possible ties. Two directors were considered to have a tie if they served on at least one committee together. Based on firm proxy statements details of committee assignments for all board committees, I obtained a score for 'actual ties. In keeping with past literature, 'possible ties' was calculated using the formula $(n*n-1)/2$ formula, where 'n' was the total number of directors serving.

I operationalized the construct of *sharing experience with non-experienced* by again leveraging firm proxy statement details on committee assignments. Here, I focused on whether those individuals who lacked 'professional international experience' served on committees with colleague directors who were professional international experience directors and to what degree. Each director who lacked professional international experience received an individual score for how many committees upon which they served, where the committee had at least one 'professional international experience director' member. I then averaged the individual scores for all directors who were not professional international experience directors. The raw measure was highly correlated with (the overall tally of) professional international experience directors ($r = .62$). To address potential multicollinearity issues, I used an orthogonalized measure in our analyses. This meant regressing the raw score variable of sharing experience to non-experienced on the predictor variable of professional international experience directors, then using residuals as the moderating variable (sharing experience to non-experienced) in primary analyses.

For the measure of *social capital*, I leveraged the GMI rating database for the years 2005-2013. From this, I could calculate the number of total directorship appointments each individual director in our sample held in the five-year period prior to the observation. I first added each individual's (professional international experience

director or not) scores for the number of directorships in each of the five years prior. From this, I obtained a mean for our sample for the number of prior directorships (13.64) and standard deviation (6.33). Thus, any individual who was a professional international experience director but also had a score of 20 or more for directorship appointments in the prior five years (i.e., one standard deviation above the mean) was considered a director with a *high* amount of social capital. I then tallied how many professionals with international experience directors had high amounts of social capital. The final measure was dichotomous: if the board had at least one professional international director with a high amount of social capital serving, it received a score of 1 (otherwise, it received a score of 0). Due to range restriction, I used a dichotomous measure: a board with only one professional international experience director serving could not have more than one professional international experience director with high social capital. This approach of operationalizing social capital based on directorship appointments to boards of for-profit firms is consistent with extant literature (e.g., Kor & Sundaramurthy, 2009; Sundaramurthy et al., 2014).

Covariate Measures

To control for corporate governance concerns, I included the number of *directors (total)* and *director independence* (proportion of independent directors). Both measures were created using firm proxy statements. I included four firm-level covariates. First, I included *the debt-to-equity ratio* (obtained from Compustat). Second, I included *block ownership*, i.e., the percentage of ownership by those holding more than 5% of the firm stock (obtained from the GMI rating database). Third and fourth: I included *capital expenditures* and *firm internationalization* (both obtained from Compustat). The latter was specifically a measure of taxes firms owed to foreign governments. I acknowledge it is common for studies that have an outcome variable of firm performance to include a covariate for 'firm size'. While I did not include as much in the primary analyses, I ran supplemental analyses with such a covariate, which included leverage from the Compustat database and specifically operationalized as the log of total firm assets. Results were consistent (see Tables S.2 - S.3).

I propose any international work experience, whether in the public or private sector (etc.), can similarly allow individuals to learn from societal differences in organizational and managerial processes, such that this could lead them to bring uniquely valuable insights to improve board decision-making abilities in general (Ghoshal, 1987). Nevertheless, I deemed it appropriate to include a covariate to address how there may be a meaningful qualitative difference between having similar numbers of professional international experience directors who worked in other countries in a conventional 'business' context vs. having such directors who worked abroad in other professional contexts (e.g., working in an embassy; being a journalist in another country; serving overseas in the military, etc.). I created a covariate for *non-business international experience*. Using firm proxy statement biographies, I identified which of those

individuals, originally deemed professional international experience directors, worked in another country but never for a for-profit, private sector organization (and/or never worked for a for-profit, private sector organization that itself is headquartered in another country). This covariate is the number of professional international experience directors who worked abroad, but never in such a 'business' context, over the total number of professional international experience directors.

I also used a dummy-coded variable for CEO *duality* (obtained from the GMI rating database). I dummy-coded for the observation year to account for unobserved heterogeneity related to time and dummy-coded for the *firm* (i.e., fixed effects model approach: described below). Although the included covariates are conceptually relevant, I acknowledge concerns that including excessive numbers of covariates may be problematic (Becker, 2005; Carlson & Wu, 2012). Accordingly, I conducted supplemental analyses using 'streamlined' models. Results were consistent with the primary analyses (see Tables S.4 - S.5), suggesting the results of our primary analyses are not likely driven by the covariates themselves.

Results

Fixed Effects Modeling

I employed OLS regression modeling with the 'fixed effects' approach to address non-independence. Yearly observations represent Level 1 or lower-level variables nested in firms that are Level 2 or higher-level entities. The sample consists of 105 firms, and all of these were observed over multiple years. There is thus a non-independence issue, as scores for lower-level variables are influenced by (or clustered by) the higher-level entity (firm). Not accounting for this may bias results (Bliese et al., 2020). Either the fixed effects model (where a dummy code is included for 'firm', along with one for 'year') or the mixed effects approach (random effect component allows intercepts to vary across firms, and a dummy code for 'year' is included) addresses the non-independence issue (Bliese et al., 2020).

Descriptive Statistics

Descriptive statistics for primary analyses, including means and standard deviations for all variables used and correlations, can be found in Table 1. To examine the possibility of multicollinearity, I calculated the variance inflation factor (VIF) for all predictor variables using the threshold of 5, an indicator of problematic levels of collinearity (James et al., 2013). All variables had a VIF below this threshold. Capital expenditures and firm internationalization (two of our covariates) were quite highly correlated ($r = .88$) and also had respective VIFs greater than 4. I thus ran supplemental analyses testing our model with capital expenditures omitted. Results were consistent (see Tables S.6 - S.7).

Table 1: Means, Standard Deviations, and Correlations Among Study Variables

Variable	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12
1 ROA	8.49	6.77												
2 Tobin's Q	2.29	1.12	.67											
3 Directors (total)	9.82	2.16	-.09	-.13										
4 Director independence ^a	0.88	0.05	-.10	-.08	.39									
5 Debt-to-equity ratio ^a	7.79	3.24	.05	.10	.01	-.04								
6 Block ownership	0.20	0.13	.01	.08	-.21	-.17	.05							
7 Capital expenditures ^b	1,196.01	3,618.23	.00	-.13	.11	-.03	-.02	-.20						
8 Firm internationalization ^b	423.07	1464.05	.07	-.03	.12	-.02	.00	-.20	.88					
9 Non-business international experience	0.21	0.25	.08	.01	.04	.07	.05	-.01	.11	.01				
10 Professional international experience directors	3.75	2.06	.01	.08	-.48	.27	.07	-.07	.13	.20	.00			
11 Board committee network density	0.64	0.21	.03	.09	-.14	.01	.09	.18	-.12	-.09	.14	.12		
12 Sharing experience to non-experienced	1.57	0.81	.08	.12	-.18	-.09	.06	.29	-.20	-.15	.16	.00	.65	
13 Social capital	0.51	0.50	-.02	-.10	.15	.12	-.05	.08	.14	.12	.09	.33	.14	.08

Notes: n = 461 in 105 firms. Correlations at or greater than .10 have *p*-value of less than .05. a = measured as a ratio; b = measured in millions of dollars. Mean and S.D. for sharing experience to non-experienced is for non-orthogonalized measure; correlations reported are for orthogonalized version of that measure. Mean and S.D. for orthogonalized version of sharing experience to non-experienced are 0.00, and 0.64, respectively.

Effects on Firm Performance: Accounting & Market-Measures (ROA/Tobin's Q)

Table 2 contains the results of the analyses when operationalizing firm performance as ROA, with standardized coefficients for variables to ease interpretation. Table 2, Model 1 contains our covariates-only model. Table 2, Model 2 shows the inclusion of our variable for professional international experience directors; however, the results indicate professional international experience directors do not directly affect ROA ($\beta = -0.54$; $p = .478$). Table II, Model 3 explores the direct effects of proposed moderating variables (i.e., board committee network density, sharing experience to non-experienced, social capital) upon ROA. The results indicate no direct effect of any of these proposed moderating variables ($\beta = -0.18$; $p = .765$; $\beta = 0.17$; $p = .753$; $\beta = -0.87$; $p = .287$).

Hypothesis 1 posited that the effect of professional international experience directors on firm performance is contingent on the density of the board committee network. In Table 2, Model 4, I find an interaction between professional international experience directors and board committee network density impacting ROA ($\beta = 0.85$; $p = .055$), consistent with Hypothesis 1. Hypotheses 2 and 3 posited that the effect of professional international experience directors on firm performance is contingent on a)

sharing experience with non-experienced and b) social capital, respectively. However, the results in Table 2, Model 4, do not indicate interaction effects to support either Hypothesis 2 ($\beta = 0.39$; $p = .332$) or Hypothesis 3 ($\beta = -0.22$; $p = .742$).

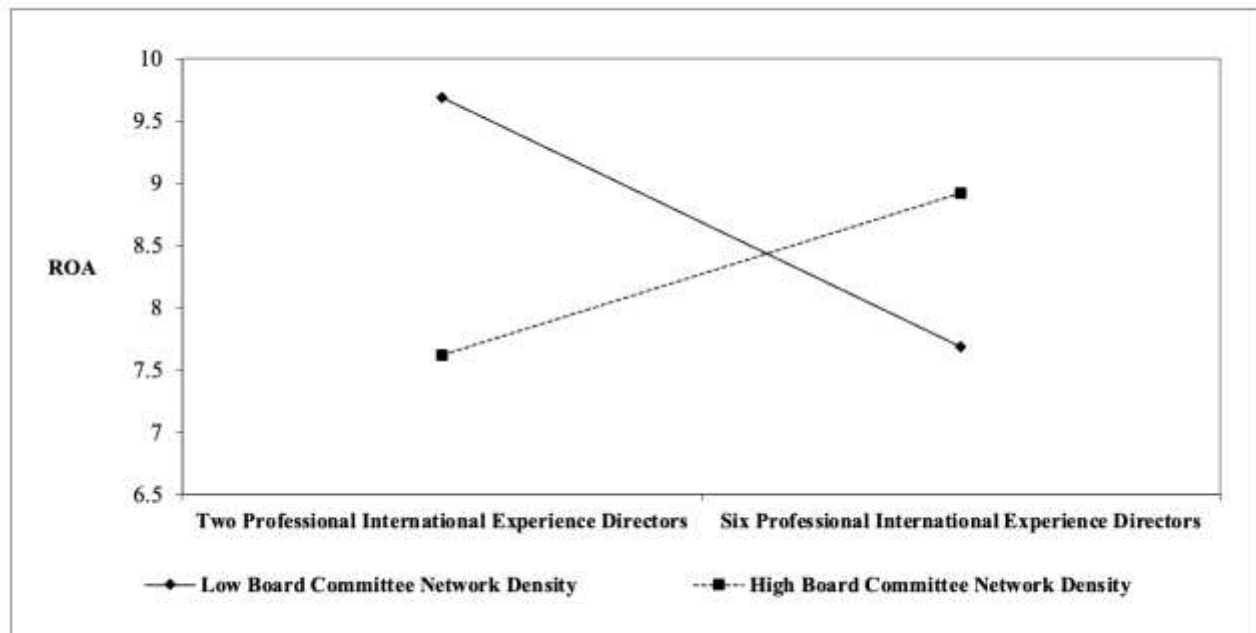
Table 2: Impact of Professional International Experience Directors on ROA (Fixed Effects Model)

Variable	Model 1			Model 2			Model 3			Model 4		
	β	SE	p	β	SE	p	β	SE	p	β	SE	p
Directors (total)	0.24	(.52)	.649	0.45	(.60)	.454	0.43	(.64)	.504	0.52	(.64)	.417
Director independence	-0.22	(.45)	.629	-0.22	(.46)	.636	-0.22	(.46)	.627	-0.23	(.46)	.623
Debt-to-equity ratio	-0.02	(.20)	.956	-0.02	(.20)	.930	-0.02	(.20)	.905	-0.04	(.20)	.857
Block ownership	0.73	(.43)	.090	0.74	(.43)	.086	0.73	(.43)	.091	0.67	(.43)	.123
Capital expenditures	-2.28	(.86)	.008	-2.34	(.87)	.007	-2.29	(.88)	.010	-2.53	(.90)	.005
Firm internationalization	1.39	(.81)	.087	1.46	(.82)	.075	1.50	(.82)	.069	1.61	(.82)	.050
Non-business international experience	0.28	(.48)	.557	0.31	(.48)	.517	0.34	(.49)	.489	0.47	(.50)	.349
Professional international experience directors				-0.54	(.77)	.478	-0.45	(.78)	.564	-0.18	(.86)	.839
Board committee network density							-0.18	(.60)	.765	-0.31	(.63)	.621
Sharing experience to non-experienced							0.17	(.52)	.753	0.07	(.57)	.906
Social capital							-0.87	(.81)	.287	-0.96	(.84)	.256
Professional international experience directors X Board committee network density										0.85	(.44)	.055
Professional international experience X Sharing experience to non-experienced										0.39	(.40)	.332
Professional international experience X Social capital										-0.22	(.65)	.742
Intercept	8.92	(1.89)	.000	8.82	(1.89)	.000	9.28	(1.97)	.000	9.69	(1.98)	.000
Multiple R ²		.76			.76			.76			.76	
Adjusted R ²		.67			.67			.67			.67	

Notes: N = 461 in 105 firms; year, duality, and firm controls included in all models. Two-tailed tests. Orthogonalized measure used for sharing experience to non-experienced.

I graphed the interaction of professional international experience directors and board committee network density in Figure 1. Professional international experience directors can only be on the board at whole values and were thus set at values of two and six: roughly 0.85 SD below and 1.09 SD above the mean, respectively. The committee network density of the board was set at values of 0.43 and 0.85 (-1 and +1 SD from the mean, respectively). The predicted ROA for firms whose boards have high numbers of professional international experience directors is 16% greater $(8.92-7.69)/7.69$ when board committee network density is high (0.85) than when it is low (0.43). Practically speaking, these results indicate when the board is largely made up of professional international experience directors, boards that also have high committee network density (consistent with the affective enabling state of ‘cohesion’ discussed in the HCR emergence literature) (Ployhart & Moliterno, 2011) have better performance than boards with low committee network density. I also calculated the marginal effects, which can be particularly useful when predicting multiple interactions (Busenbark et al., 2022a). Marginal effects indicate firm years with 1 SD more professional international experience directors are associated with lower subsequent ROA ($\beta = -1.03$) when board committee network density is low (0.43) but higher subsequent ROA ($\beta = 0.67$) when board committee network density is high (0.85). These results support Hypothesis 1.

Figure 1: The Influence of Board Committee Network Density on the Relationship Between Professional International Experience Directors and ROA



Notes: Figure 1 is based on standardized variables from Table 2, Model 4.

Supplemental Analyses

To assess the robustness of my results, I employed several tests to address endogeneity concerns (broadly). I conducted tests that spoke to the core conceptual issue when conducting strategy research where it is not feasible to randomly assign subjects; namely, without random assignment, it is particularly important to address *omitted variable bias* and attempt to rule out *alternative explanations* (cf. Bliese et al., 2020; Hill et al., 2021). I leveraged Impact Threshold of a Confounding Variable (ITCV) tests to explore if omitted variable bias may exist. These tests yield a threshold an omitted variable would need to be correlated with the outcome variable (i.e., firm performance) but also with a predictor variable of interest (e.g., professional international experience directors) for its omission to call into question the results. If no originally included covariates have such high average correlations, a strong argument can be made that omitted variable bias is not likely a concern (Busenbark et al., 2022b). The ITCV test addresses endogeneity concerns but also avoids drawbacks of the instrumental variables approach, such as how including instrumental variable residuals may mask effects if the instruments are not especially strong (cf. Busenbark et al., 2022b; Semadeni et al., 2014). ITCV test results are reported in Table S.8. These results suggest that the direct effects found in the primary analyses are not likely meaningfully compromised by concerns of omitted variable bias.

The ITCV test cannot be utilized to assess the interaction effects found (Busenbark et al., 2022b), such as those found in this manuscript supporting Hypothesis 1. To address this, scholars can instead employ the RIR (robustness of inference to replacement) test. This test indicates how much of a given effect size needs to be biased for the otherwise statistically significant effect to be overturned (Busenbark et al., 2022b). Following best practices, I found a new covariate (*board meetings*), replicated the primary analysis by adding this new covariate, and then examined if the coefficient of the originally found effects changed by more than the percentage indicated by the RIR. The RIR test indicated that for the effect found in support of Hypothesis 1 in Table 2, Model 4, 1.70% of the estimate would have to be due to bias to invalidate an inference. Adding the covariate mentioned above did not change the coefficient for professional international experience directors X board committee network density, where both Betas are rounded to two decimal places (see Table S.9). Even if betas are rounded to three decimal places, the inclusion of the board meetings covariate does not change the coefficient for professional international experience directors X board committee network density by more than 1.7% (i.e., relevant β in Table 2, Model 4 was .846; relevant β in Table S.9, Model 4 was .845, indicating a change of only 0.12%).

I found consistent results when adding this new covariate of board meetings but operationalizing firm performance as Tobin's Q (see Table S.10). I also re-ran this entire process, using both ROA and Tobin's Q as dependent variables in regression analyses, but instead including a different, new covariate (in this case, average *director tenure*). Again, the results did not indicate a change in the Beta for professional international experience directors X board committee network density greater than the RIR test indicated would be required to suggest the results were not robust (see Table S.11- S.12). Based on these results, I propose it is not likely a relevant omitted variable would undermine the results of our analyses herein.

To account for endogeneity concerns, it is also important to attempt to rule out possible alternative explanations for the effects found. To do as much concerning the professional international experience directors X board committee network density interactions found, I ran several analyses, all employing a similar logic. I considered constructs that would likely be highly correlated with having more professional international experience directors do committee work and/or with committee network density in general but which spoke to distinct theoretical mechanisms from the HCR emergence considerations (i.e., network density as a reflection of the effective enabling state of 'cohesion') related to Hypothesis 1. I obtained a new variable that spoke to this relevant new construct and re-ran our analyses, replacing board committee network density with this new variable. If I did not find interaction effects when doing as much, this supports the position that effects found in our primary analysis are likely due to affective-enabling emergence considerations (particularly related to cohesion) proposed.

Professional international experience directors may hold disproportionate sway/power on the board. I repeated the primary analyses thrice, replacing the committee network density of the board with a variable that spoke to this consideration. I replaced board committee network density with a) a measure of the number of *major committees chaired by professional international experience directors* (see Tables S.13 – S.14), b) number of *committees chaired by professional international experience directors* (see Tables S.15 – S.16), and c) proportion of *major committee seats held by professional international experience directors* (see Tables S.17 – S.18). In all instances, I find no interaction effects. Ray et al. (2023) argue that cognitive social capital can also increase human capital availability. A high level of cognitive and social capital implies there is a shared history or language in a group, which should increase the likelihood that an individual is understood by colleagues (Maynes & Podsakoff, 2014; Ray et al., 2023). I thus acknowledge an alternative explanation for the findings regarding Hypothesis 1, which may involve the ‘cognitive’ social capital of professional international experience directors in terms of how well these individuals know the focal firm. To address this alternative explanation, I replicated the primary analyses, replacing board committee network density with *professional international experience directors’ [average] tenure* (see Tables S.19 – S.20). I found no significant interaction effects.

The primary analyses did not indicate support for Hypothesis 2 or Hypothesis 3. I considered post-hoc if perhaps the way I operationalized our constructs might explain the lack of effects found. I orthogonalized the measure for sharing experience with non-experienced since it was highly correlated with professional international experience directors. However, I also re-ran the primary analyses using the raw score (i.e., not orthogonalized) for sharing experience with non-experienced (see Tables S.21 – S.22). Results were consistent in that no support for Hypothesis 2 was found. In testing the impact of social capital upon the professional international experience directors-firm performance relationship (i.e., Hypothesis 3), I only assessed the social capital of professional international experience directors. I ran supplemental analyses using a new measure for *social capital for all directors* (see Tables S.23 – S.24). In this case, I tallied all individual directors who had ‘high’ levels of social capital, independent of their international work experience. The measure used here was a tally of such directors and not dichotomous since there were no range restriction issues. However, again, I find no professional international experience directors X social capital [all directors] interaction effects. In totality, this indicates the lack of support for Hypotheses 2-3 in the primary analyses is not likely a function of how the variables were originally measured.

Ending the sample in 2014 allowed me to explore if the interaction between professional international experience directors and the board committee network density also affected long-term measures of firm performance. To test this, I replicated the primary analyses utilizing dependent variables of average ROA in the two, three, four, and five-year periods after the observation year. I did the same using the average Tobin’s Q in the two-, three-, four-, and five-year periods after the observation year. In all cases,

the results were consistent with the primary analyses in that they demonstrated support for Hypothesis 1 (see Tables S.25 – S.32). This further supports the robustness of the primary findings and suggests professional international experience directors serving on boards that have high committee network density, may be of value to the firm for both short and longer-term considerations.

While I maintain the focus on manufacturing firms is appropriate, I gathered additional data to test our model using a sample of observations where firms operated in a wider array of industries. I obtained all needed information (using the same data sources) for a total of 201 new observations, all of which were *non-manufacturing* S&P large-cap firms from the year 2014. I combined this with the details on the 101 manufacturing firm observations from 2014 used in the original sample. Means, standard deviations, and correlations between study variables for this secondary sample are in Table S.33, while results of the analyses using this multi-industry secondary sample are in Tables S.34 – 37, respectively. I highlight that in these analyses, I did not a) control for the year (as all observations were from the same year) or b) control for the firm (as each firm was only featured once). I did, however, control for industry, based on SIC classification, using the same dummy coding process used by Schepker, Nyberg, Ulrich, and Wright (2018). In both instances, I do not find support for Hypothesis 1. Because of this, I also took the time to collect data on long-term measures of performance (i.e., average ROA in the 2- and 3-year periods following the observation; Tobin's Q in the 2- and 3-year periods following the observation). I find no support for Hypothesis 1 when using a long-term measure of ROA. However, I find some support for Hypothesis 1 when using long-term measures of Tobin's Q (see Tables S.36 – S.37). I discuss the implications of these results compared to the results using the primary sample (made up solely of manufacturing firms) below.

Another issue meriting exploration is the fact different kinds of board directors bring different forms of value to the board. For example, while some are current/former CEOs who help with broader business-level strategies, others may help more by assisting with specialized considerations like accounting, law, etc. Boards may have larger numbers of the former vs. latter type of director. I explored the possibility that perhaps such professional background considerations interact with professional international experience to impact the overall financial performance of the firm. To test this, I leveraged information from ISS, which groups directors by occupational background. I dichotomized these designations into those with traditional 'business' backgrounds and those with more 'specialized' backgrounds, consistent with Hillman, Cannella, and Paetzold (2000) work. I ran regressions interacting the number of directors with traditional business expertise X the number of professional international experience directors and regressions interacting the number of directors with 'specialized' expertise X the number of professional international experience directors. I ran such regressions using both ROA and Tobin's Q measures but did not find significant interaction effects. Although such non-findings do not preclude the possibility that having directors with

specific types of professional expertise in terms of the type of career (e.g., HR, accounting, law, etc.) may impact a variety of important firm-level outcomes, these considerations do not appear to interact with having a large number of professional international experience directors to impact the firm's bottom line.

A director may qualify as a 'professional international experience director' due to one international assignment or could qualify as a 'professional international experience director' owing to multiple international assignments. Moreover, for firms with more than a single professional international experience director serving, it may be that all individuals worked in the same foreign country or they worked in vastly different nations. A full assessment of all possible permutations in this respect is beyond the scope of our study. However, I did conduct two exploratory sets of analyses (see Tables S.38 – S.41), which provide important insight into how such issues might impact the professional international experience directors-firm performance relationship.

I created two new variables for these tests. First, I tallied the number of *unique countries* in which all professional international experience directors for a given firm-year observation had collectively worked in the past. I also considered that working in several countries may not mean new knowledge is brought if those countries are very similar in terms of cultural distance. For this reason, we also created a measure of how *world cultural regions worked*. To do this, I evaluated the names of every country in which each of the professional international experience directors had worked and cross-referenced this with a classification scheme for grouping countries into one of nine possible regions (based on cultural similarities) (first developed by Ronen and Shenkar (1985) and updated by Filippaios and Rama (2011)). I included these new considerations as new covariates and replicated our primary analyses. Doing so allowed me to further assess the robustness of the primary results supporting Hypothesis 1. Results were consistent.

Discussion

Although there are demonstrated benefits to having a CEO with professional international experience (Carpenter et al., 2001; Daily et al., 2000; Le & Kroll, 2017), past research has found mixed results regarding the relationship between foreign directors and firm performance (Hahn & Lasfer, 2016; Masulis et al., 2012; Miletkov et al., 2017). This reality, combined with the broader reality of board directors, represents a type of executive role that differs from the role of CEO (cf. Hambrick et al., 2015; Hillman & Dalziel, 2003; Johnson et al., 2013; Klarner et al., 2021), warranted leveraging multilevel theory to further assess when and why firm performance is positively impacted by having more professional international experience directors serve on the board. I specifically assessed how three tested moderators, drawn from related and yet distinct papers within the broader OB literature on the emergence of valuable unit-level resources, might be pertinent to addressing this practically important consideration.

While the results do not demonstrate a direct effect of (the number of) professional international experience directors (serving) upon firm performance, the presence of more of these types of directors does positively impact firm performance, contingent upon the degree there is also high board committee network density. In my theorizing, I discussed how board committee network density speaks to the *affective* emergence-enabling state of *cohesion* proposed by Ployhart and Moliterno (2011). The supplemental analyses support the fact that the professional international experience directors X board committee network density interaction is robust and impacts both short- and long-term measures of firm performance. Thus, the most direct theory-building contribution of this work is to demonstrate which specific components of Ployhart and Moliterno's (2011) work seem to enable firms to benefit financially from having more directors serve who have worked outside the host country. This contributes to the broader literature on HCR emergence, as it demonstrates how the affective emerging-enabling state of cohesion may be disproportionately important to HCR emergence issues when considering boards of directors. Such findings also help firms' understanding of how to ensure the skills/knowledge-yielding experiences held by individual directors of a board (i.e., the human capital) actually lead the board as a unit to be more effective (i.e., there is an actual HCR), and thus contributes to broader theory on corporate governance and the international business literature concerned with questions of what types of boards of directors are most ideal in an increasingly globalized world.

I also propose that the null findings regarding Hypotheses 2-3 make a modest but noteworthy contribution to the literature on HCR emergence. The construct of 'sharing experience to non-[professional international] experienced [directors]' was drawn primarily from Grand et al.'s (2016) work on the importance of sharing processes in order to ensure the emergence of unit-level knowledge, but also spoke to Ployhart and Moliterno's (2011) behavioral emergence-enabling states. The potential relevance of social capital considerations was largely drawn from the integration of Ray et al.'s (2023) work on relational social capital with broader corporate governance research on the social capital of executives (e.g., Kor & Sundaramurthy, 2009; Nahapiet & Ghoshal, 1998; Sundaramurthy et al., 2014), and spoke to Ployhart and Moliterno's (2011) cognitive emergence-enabling states.

The 'human capital resource' necessarily speaks to human capital (rooted in individual KSAOs), which helps achieve desirable *unit*-level economic outcomes (Ployhart et al., 2014). The null findings, utilizing a sample made up exclusively of upper-echelon level executives within firms (board of directors), therefore offer potential boundary conditions on research on unit-level knowledge emergence (Grand et al., 2016) and the role of social capital in HCR emergence. It is important to note neither sharing experience with non-experienced nor social capital directly moderates the professional international experience directors-firm performance relationship. This possibly indicates that such considerations may not prove relevant to bottom-line considerations for firms

that have hired directors with a specific form of human capital, which is the knowledge gleaned from professional experience working abroad.

It is beyond the scope of this paper to determine if such findings are unique to the human capital of 'professional international experience' of directors or point to a broader reality that leveraging the value of directors' human capital (any/all) does not generally involve unit-level knowledge emergence processes and/or social capital. What I see as most important about my paper is that all three of our proposed moderators are informed by distinct facets of the emergence-related literature, which has at least some demonstrated support when studying work units. I find some, but not all, of the proposed moderators actually impact the professional international experience directors-firm performance relationship, validates the importance of research that specifically seeks to understand why it might be that processes/considerations that are crucial for creating an effective work unit of front-line employees, might be less critical for creating an effective unit of executives (e.g., a board of directors), and vice-versa.

Limitations and Future Research

While I submit that the chosen sample was appropriate, I acknowledge that the specifics of this sample imply I must be cautious in claiming the results will generalize to all other contexts. That said, I propose the choice of sample and the totality of findings illustrate valuable future research agendas that merit explicit recognition. First, the primary analyses utilized a sample of manufacturing firms; in the supplemental analyses, I gathered additional data to test the same model on a sample, including hundreds of non-manufacturing firms' observations. I did not, however, find entirely consistent results. In this way, I acknowledge it is possible that the (robust) results I find in support of the professional international experience directors X board committee network density interaction, impacting firm performance, may only generalize to firms that operate in specific industries. I would highlight that manufacturing, specifically, accounted for roughly 30% of the US economy in 2019 (Nia, 2020); thus, the empirical findings are still practically important, even if they only apply to the manufacturing industry. When using the multi-industry sample, I find some support for Hypothesis 1 when considering longer-term measures of market performance. However, I propose explorations of where/why the findings do/do not hold for firms in specific industries, representing a fruitful potential integration of theory on HCR emergence with the resource-based view's (RBV) VRIO model.

In post hoc analysis, I noticed the reality that while the mean of [number of] professional international experience directors serving on the board was 3.75 for the sample of manufacturing firms, the mean of the same consideration was only 3.07 for the 201 non-manufacturing firms included in the secondary sample I tested. The VRIO framework suggests that one of the four key considerations for achieving a sustained competitive advantage is having a comparatively rare resource (Barney & Wright, 1998).

Yet, in this case, it was in the sample of manufacturing firms, where professional international experience directors appear to be *less* rare, that I find more robust support for Hypothesis 1. This could indicate affective emergence-enabling states can substitute for parts of the VRIO framework or point to an intriguing boundary condition of the VRIO framework. In either case, assessing for which industries the results I find herein do and do not replicate could help to bring together HCR emergence and the VRIO model to build new and needed theory on the relationship between the KSAOs of executives and the degree the firm will see sustained competitive advantage.

I submit that board committee network density does indeed speak to the (affective emergence-enabling state of) cohesion on a board of directors and thus stands by the validity of our measure. However, I acknowledge that using this specific measure, and not a direct survey-derived measure of 'cohesion', was partially due to a practical trade-off. Both the samples were made up of S&P large-cap firms. The benefit of this is that the findings represent tests of a sample of firms that are practically important for entire national economies. However, the drawback is the reality that directors at such large/influential firms are less likely to have the time/willingness to fill out surveys for research projects. I chose to capture cohesion through board committee network density because the latter could be computed based on public records of board committees (i.e., no surveying required). Directly surveying directors on the cohesion of their board has merits. I encourage future scholars to build on this work, perhaps by reaching out to directors of smaller firms who may be more willing to complete surveys for an academic research project. Such a paper would also offer insight by exploring if/how tests of our proposed model may/may not yield similar effects for startups and/or family firms. The 'cohesion' items used by Mathieu, Kukenberger, D'innocenzo, and Reilly (2015) could help towards this end.

While I defend my choice of the sample of board directors of S&P large-cap firms, I do submit an important research agenda for other scholars to consider how replicating my theoretical model may/ may not yield comparable results if exploring the performance of a team made up of front-line employees (and/or non-executives/executives of smaller firms). I would particularly highlight the discussion of the affective emergence-enabling state of cohesion (as captured by board committee network density), and the behavioral enabling processes I propose are captured by sharing the experience with non-experienced. In the results, only the former of these considerations impacts performance. While such findings are relevant as large firms consider how to structure their boards to leverage the value of directors having worked abroad, it is important to consider why things may play out differently when considering (for example) a group of non-executives.

Directors of large firms are often very busy with other responsibilities (cf. Field, Lowry, & Mkrtchyan, 2013; Khanna et al., 2014), and boards only meet a handful to a dozen times in a year, so cohesion may be especially critical to ensure time-efficiency.

Second, there is a non-random sample reality tied to the nature of the job. In order to be nominated to serve as a board director of a prestigious firm, a person realistically must be highly accomplished in their field. This may at least partially explain why, in our results, cohesion seems to be more important than knowledge-sharing processes to lead to a more effective unit. It is possible that for a team of front-line employees to leverage the value of its members who have learned from time spent working in different countries, different processes are more/less important. Exploring this consideration would build on this work and contribute to a holistic theoretical understanding of HCR emergence in work groups by explaining how precisely the hierarchical level of the work group within the firm matters.

I focused on firms located in the U.S. and thus cannot be sure the results would generalize to firms in all other countries. However, I submit this point to an important potential future line of research in international business literature. The average time American directors have worked abroad may not be the same as that of directors in other countries (Hamori & Koyuncu, 2011). The value of professional international experience directors is perhaps different for firms headquartered in countries that are member states of trade unions (e.g., The EU) precisely because directors there have more typically worked in multiple countries. Perhaps for firms in the EU, world cultural regions worked is a more critical consideration. Exploring these considerations in such a context would generate deeper insights into the theoretical reasons it may, in certain cases, not only matter if a director has worked abroad but also *where* they worked.

Conclusion

The results of my study indicate that having a high number of individuals who have professional international work experience serving on a board, in and of itself, did not impact firm performance. However, I leveraged literature on HCR emergence and proposed that having professional international experience directors on the board, when accompanied by specific emergence-related processes/ considerations, could positively impact firm performance. The results supported this latter position in that high board committee network density (which both reflects and supports the effective emergence-enabling state of cohesion) ensures firms with more directors with professional experience working abroad actually see firm performance benefits accordingly. These findings particularly help international business scholars and practitioners working in multinational firms better understand how to ensure the international work experience hired executives have accrued, indeed translating to desirable bottom-line results benefitting stakeholders of the firm. The results also more broadly support the value of potential theoretical integrations between the broader OB literature on HCR emergence and the study of units/teams of executives.

Acknowledgment

The author wishes to acknowledge and thank the anonymous referees for providing feedback throughout the review and revision process of the manuscript.

References

- Adler, P.S. & Kwon, S.W. (2002). Social capital: Prospects for a new concept. *Academy of Management Review*, 27(1), 17–40.
- Anderson, A. R. & Jack, S. L. (2002). The articulation of social capital in entrepreneurial networks: A glue or a lubricant?. *Entrepreneurship & Regional Development*, 14(3), 193–210.
- Bandura, A. (1977). *Social Learning Theory*. Prentice Hall, Englewood Cliffs, NJ.
- Barney, J. B. & Wright, P. M. (1998). On becoming a strategic partner: The role of human resources in gaining competitive advantage. *Human Resource Management*, 37(1), 31–46.
- Becker, T. E. (2005). Potential problems in the statistical control of variables in organizational research: A qualitative analysis with recommendations. *Organizational Research Methods*, 8(3), 274–289.
- Beckman, C. M. & Haunschild, P. R. (2002). Network learning: The effects of partners' heterogeneity of experience on corporate acquisitions. *Administrative Science Quarterly*, 47(1), 92–124.
- Bliese, P. D., Schepker, D. J., Essman, S. M. & Ployhart, R. E. (2020). Bridging methodological divides between macro-and microresearch: Endogeneity and methods for panel data. *Journal of Management*, 46(1), 70–99.
- Borgatti, S. P., Jones, C. & Everett, M. G. (1998). Network measures of social capital. *Connections*, 21(2), 27–36.
- Burt, R. (1983). *Corporate Profits and Cooptation Networks of Market Constraints and Directorate Ties in the American Economy*. Academic Press, New York, NY.
- Busenbark, J. R., Graffin, S. D., Campbell, R. J. & Lee, E. Y. (2022a). A marginal effects approach to interpreting main effects and moderation. *Organizational Research Methods*, 25(1), 147–169.
- Busenbark, J. R., Yoon, H., Gamache, D. L. & Withers, M. C. (2022b). Omitted variable bias: Examining management research with the Impact Threshold of a Confounding Variable (ITCV). *Journal of Management*, 48(1), 17–48.

- Caligiuri, P. & Tarique, I. (2009). Predicting effectiveness in global leadership activities. *Journal of World Business*, 44(3), 336-346.
- Cannon-Bowers, J. A., Salas, E. & Converse, S. A. (1993). Shared mental models in expert team decision making. In Castellan, N. J. (Ed.), *Individual and Group Decision Making: Current Issues*, Erlbaum, Hillsdale, NJ, pp. 221-246.
- Carlson, K. D. & Wu, J. (2012). The illusion of statistical control: Control variable practice in management research. *Organizational Research Methods*, 15(3), 413-435.
- Carpenter, M. A. & Fredrickson, J. W. (2001). Top management teams global strategic posture and the moderating role of uncertainty. *Academy of Management Journal*, 44(3), 533-545.
- Carpenter, M. A., Sanders, W. G. & Gregersen, H. B. (2001). Bundling human capital with organizational context: The impact of international assignment experience on multinational firm performance and CEO pay. *Academy of Management Journal*, 44(3), 493-511.
- Chen, H. L., Hsu, W. T. & Chang, C. Y. (2016). Independent directors human and social capital firm internationalization and performance implications: An integrated agency resource dependence view. *International Business Review*, 25(4), 859-871.
- Collings, D. G., Mellahi, K. & Cascio, W. F. (2019). Global talent management and performance in multinational enterprises: A multilevel perspective. *Journal of Management*, 45(2), 540-566.
- Daily, C. M., Certo, S. T. & Dalton, D. R. (2000). International experience in the executive suite: The path to prosperity?. *Strategic Management Journal*, 21(4), 515-523.
- Daily, C. M. & Schwenk, C. (1996). Chief executive officers top management teams and boards of directors: Congruent or countervailing forces?. *Journal of Management*, 22(2), 185-208.
- Dragoni, L., Oh, I. S., Tesluk, P. E., Moore, O. A., VanKatwyk, P. & Hazucha, J. (2014). Developing leaders strategic thinking through global work experience: The moderating role of cultural distance. *Journal of Applied Psychology*, 99(5), 867-882.
- Field, L., Lowry, M. & Mkrtchyan, A. (2013). Are busy boards detrimental?. *Journal of Financial Economics*, 109(1), 63-82.
- Filippaios, F. & Rama, R. (2011). Cultural distance and internationalization: The world's largest food and drink multinationals. *Agribusiness*, 27(4), 399-419.

- Finkelstein, S., Cannella, S. F. B. & Hambrick, D. C. (2009) *Strategic Leadership: Theory and Research on Executives Top Management Teams and Boards*. Oxford University Press, Oxford, UK.
- Fiore, S. M., Rosen, M. A., Smith-Jentsch, K. A., Salas, E., Letsky, M. & Warner, N. (2010). Toward an understanding of macrocognition in teams: Predicting processes in complex collaborative contexts. *Human Factors*, 52(2), 203–224.
- Forbes, D. P. & Milliken, F. J. (1999). Cognition and corporate governance: Understanding boards of directors as strategic decision-making groups. *Academy of Management Review*, 24(3), 489–505.
- Giannetti, M., Liao, G. & Yu, X. (2015). The brain gain of corporate boards: Evidence from China. *The Journal of Finance*, 70(4), 1629–1682.
- Ghoshal, S. (1987). Global strategy: An organizing framework. *Strategic Management Journal*, 8(5), 425–440.
- Grand, J. A., Braun, M. T., Kuljanin, G., Kozlowski, S. W. & Chao, G. T. (2016). The dynamics of team cognition: A process-oriented theory of knowledge emergence in teams. *Journal of Applied Psychology*, 101(10), 1353–1385.
- Hackman, J. R. (1976). Group influences on individuals. In Dunnette, M. D. (Ed.), *Handbook of Industrial and Organizational Psychology*. Rand McNally, Chicago, IL), 1455-1525.
- Hahn, P. D. & Lasfer, M. (2016). Impact of foreign directors on board meeting frequency. *International Review of Financial Analysis*, 46(C), 295–308.
- Hambrick, D. C. & Mason, P. A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9(2), 193–206.
- Hambrick, D. C., Misangyi, V. F. & Park, C. A. (2015). The quad model for identifying a corporate directors potential for effective monitoring: Toward a new theory of board sufficiency. *Academy of Management Review*, 40(3), 323–344.
- Hamori, M. & Koyuncu, B. (2011). Career advancement in large organizations in Europe and the United States: Do international assignments add value?. *The International Journal of Human Resource Management*, 22(4), 843–862.
- Harrison, D. A., Harrison, T. & Shaffer, M. A. (2019). Strangers in strained lands: Learning from workplace experiences of immigrant employees. *Journal of Management*, 45(2), 600–619.

- Herrmann, P. & Datta, D. K. (2005). Relationships between top management team characteristics and international diversification: An empirical investigation. *British Journal of Management*, 16(1), 69-78.
- Herrmann, P. & Datta, D. K. (2006). CEO experiences: Effects on the choice of FDI entry mode. *Journal of Management Studies*, 43(4), 755-778.
- Hill, A. D., Johnson, S. G., Greco, L. M., O'Boyle, E. H. & Walter, S. L. (2021). Endogeneity: A review and agenda for the methodology-practice divide affecting micro and macro research. *Journal of Management*, 47(1), 105-143.
- Hillman, A. J., Cannella, A. A. & Paetzold, R. L. (2000). The resource dependence role of corporate directors: Strategic adaptation of board composition in response to environmental change. *Journal of Management Studies*, 37(2), 235-256.
- Hillman, A. J. & Dalziel, T. (2003). Board of directors and firm performance: Integrating agency and resource dependence perspectives. *Academy of Management Review*, 28(3), 383-396.
- Hillman, A. J., Withers, M. C. & Collins, B. J. (2009). Resource dependence theory: A review. *Journal of Management*, 35(6), 1404-1427.
- Hinsz, V. B., Tindale, R. S. & Vollrath, D. A. (1997). The emerging conceptualization of groups as information processors. *Psychological Bulletin*, 121(1), 43-64.
- James, G., Witten, D., Hastie, T. & Tibshirani, R. (2013). *An Introduction to Statistical Learning with Applications in R*. Springer, New York, NY.
- Johnson, S. G., Schnatterly, K. & Hill, A. D. (2013). Board composition beyond independence: Social capital human capital and demographics. *Journal of Management*, 39(1), 232-262.
- Kang, Y. J., Kim, S. E. & Chang, G. W. (2008). The impact of knowledge sharing on work performance: An empirical analysis of the public employees perceptions in South Korea. *International Journal of Public Administration*, 31(14), 1548-1568.
- Khanna, P., Jones, C. D. & Boivie, S. (2014). Director human capital, information processing demands, and board effectiveness. *Journal of Management*, 40(2), 557-585.
- Klarner, P., Yoshikawa, T. & Hitt, M. A. (2021). A capability-based view of boards: A new conceptual framework for board governance. *Academy of Management Perspectives*, 35(1), 123-141.

- Kolev, K. D., Wangrow, D. B., Barker, III V. L. & Schepker, D. J. (2019). Board committees in corporate governance: A cross-disciplinary review and agenda for the future. *Journal of Management Studies*, 56(6), 1138-1193.
- Kor, Y. Y. & Sundaramurthy, C. (2009). Experience-based human capital and social capital of outside directors. *Journal of Management*, 35(4), 981-1006.
- Kozlowski, S. W. & Ilgen, D. R. (2006). Enhancing the effectiveness of work groups and teams. *Psychological Science in the Public Interest*, 7(3), 77-124.
- Kozlowski, S. W. J. & Klein, K. J. (2000). A multilevel approach to theory and research in organizations: Contextual temporal and emergent processes. In Klein, K. J. & Kozlowski, S. W. J. (Eds.), *Multilevel Theory Research and Methods in Organizations: Foundations Extensions and New Directions*, Jossey-Bass, San Francisco, CA), 3-90.
- Le, S. & Kroll, M. (2017). CEO international experience: Effects on strategic change and firm performance. *Journal of International Business Studies*, 48(5), 573-595.
- Leung, A. K. Y., Maddux, W. W., Galinsky, A. D. & Chiu, C. Y. (2008). Multicultural experience enhances creativity: The when and how. *American Psychologist*, 63(3), 169-181.
- Masulis, R. W., Wang, C. & Xie, F. (2012). Globalizing the boardroom—The effects of foreign directors on corporate governance and firm performance. *Journal of Accounting and Economics*, 53(3), 527-554.
- Mathieu, J. E., Kukenberger, M. R., D'innocenzo, L. & Reilly, G. (2015). Modeling reciprocal team cohesion-performance relationships as impacted by shared leadership and members competence. *Journal of Applied Psychology*, 100(3), 713-734.
- Mayer, M. C., Stadler, C. & Hautz, J. (2015). The relationship between product and international diversification: The role of experience. *Strategic Management Journal*, 36(10), 1458-1468.
- Maynes, T. D. & Podsakoff, P. M. (2014). Speaking more broadly: An examination of the nature antecedents and consequences of an expanded set of employee voice behaviors. *Journal of Applied Psychology*, 99(1), 87-112.
- Merluzzi, J. (2017). Gender and negative network ties: Exploring difficult work relationships within and across gender. *Organization Science*, 28(4), 636-652.
- Miletkov, M., Poulsen, A. & Wintoki, M. B. (2017). Foreign independent directors and the quality of legal institutions. *Journal of International Business Studies*, 48(2), 267-292.

- Nahapiet, J. & Ghoshal, S. (1998). Social capital intellectual capital and the organizational advantage. *Academy of Management Review*, 23(2), 242–266.
- Nia, M. (2020). The Nuts & Bolts of S&P 500 Earnings is Manufacturing. *Manulife Investment Management*. Available at <https://www.manulifeim.com/retail/ca/en/viewpoints/capital-markets-strategy/the-nuts-and-bolts-of-sp-500-earnings-is-manufacturing> (accessed 10 November 2023).
- Oxelheim, L., Gregorič, A, Randøy, T. & Thomsen, S. (2013). On the internationalization of corporate boards: The case of Nordic firms. *Journal of International Business Studies*, 44(3), 173–194.
- Pfeffer, J. & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. Harper and Row, New York, NY.
- Ployhart, R. E. & Moliterno, T. P. (2011). Emergence of the human capital resource: A multilevel model. *Academy of Management Review*, 36(1), 127–150.
- Ployhart, R. E., Nyberg, A. J., Reilly, G. & Maltarich, M. A. (2014). Human capital is dead; Long live human capital resources!. *Journal of Management*, 40(2), 371–398.
- Podolny, J. M. (2001). Networks as the pipes and prisms of the market. *American Journal of Sociology*, 107(1), 33–60.
- Ray, C., Nyberg, A. J. & Maltarich M. A. (2023). Human capital resources emergence theory: The role of social capital. *Academy of Management Review*, 48(2), 313–335.
- Reagans, R. & McEvily, B. (2003). Network structure and knowledge transfer: The effects of cohesion and range. *Administrative Science Quarterly*, 48(2), 240–267.
- Reuber, A. R. & Fischer, E. (1997). The influence of the management teams international experience on the internationalization behaviors of SMEs. *Journal of International Business Studies*, 28(4), 807–825.
- Ricks, D. A., Toyne, B., & Martinez, Z. (1990). Recent developments in international management research. *Journal of Management*, 16(2), 219–253.
- Rivas, J. L. (2012). Board versus TMT international experience: A study of their joint effects. *Cross Cultural Management: An International Journal*, 19(4), 546–562.
- Ronen, S. & Shenkar, O. (1985). Clustering countries on attitudinal dimensions: A review and synthesis. *Academy of Management Review*, 10(3), 435–454.

- Roth, K. (1995). Managing international interdependence: CEO characteristics in a resource based framework. *Academy of Management Journal*, 38(1), 200–231.
- Sambharya, R. B. (1996). Foreign experience of top management teams and international diversification strategies of US multinational corporation. *Strategic Management Journal*, 17(9), 739–746.
- Schepker, D. J., Nyberg, A. J., Ulrich, M. D. & Wright, P. M. (2018). Planning for future leadership: Procedural rationality formalized succession processes and CEO influence in CEO succession planning. *Academy of Management Journal*, 61(2), 523–552.
- Semadeni, M., Withers, M. C. & Certo, S. T. (2014). The perils of endogeneity and instrumental variables in strategy research: Understanding through simulations. *Strategic Management Journal*, 35(7), 1070–1079.
- Stasser, G. & Titus, W. (1985). Pooling of unshared information in group decision making: Biased information sampling during discussion. *Journal of Personality and Social Psychology*, 48(6), 1467–1478.
- Sundaramurthy, C., Pukthuanthong, K. & Kor, Y. (2014). Positive and negative synergies between the CEOs and the corporate boards human and social capital: A study of biotechnology firms. *Strategic Management Journal*, 35(6), 845–868.
- Tallman, S. & Pedersen, T. (2015). What is international strategy research and what is not. *Global Strategy Journal*, 5(4), 273–277.
- Tao, Q., Wei, K. J., Xiang, X. & Yi, B. (2022). Board directors' foreign experience and firm dividend payouts. *Journal of Corporate Finance*, 75, 1-26.
- Tasheva, S. & Hillman, A. J. (2019). Integrating diversity at different levels: Multilevel human capital social capital and demographic diversity and their implications for team effectiveness. *Academy of Management Review*, 44(4), 746–765.
- Tsang, E. W. (2002). Acquiring knowledge by foreign partners from international joint ventures in a transition economy: Learning-by-doing and learning myopia. *Strategic Management Journal*, 23(9), 835–854.
- Wise, S. (2014). Can a team have too much cohesion? The dark side to network density. *European Management Journal*, 32(5), 703–711.
- Zahra, S. A., Ireland, R. D. & Hitt, M. A. (2000). International expansion by new venture firms: International diversity mode of market entry technological learning and performance. *Academy of Management Journal*, 43(5), 925–950.

- Zhao, Z. J. & Anand, J. (2009). A multilevel perspective on knowledge transfer: Evidence from the Chinese automotive industry. *Strategic Management Journal*, 30(9), 959–983.
- Zhou, K. Z. & Wu, F. (2010). Technological capability strategic flexibility and product innovation. *Strategic Management Journal*, 31(5), 547–561.

About the Author

Andre Havrylyshyn
Binghamton University
School of Management
4400 Vestal Pkwy E,
Binghamton, NY 13902
E-mail: ahavrylyshyn@binghamton.edu

Andre Havrylyshyn is an assistant professor of Strategic Management at Binghamton University. He holds a Ph.D. in Management from the University of South Carolina. He has published research related to diversity in management, corporate governance, and research ethics in the *European Management Journal* and the *Journal of Business Ethics*.

Corporate Sustainability, Employee Engagement, Local Community Participation, Investor Commitment, and The Small and Medium Tourism Business Performance: The Case in Southern Provinces of Vietnam

Vo Thi Tam¹
Vo Tan Phong^{2*}

* Correspondent author

¹Phu Yen University, Vietnam.

²Lac Hong University, Vietnam

Abstract

Purpose - The concept of corporate sustainability (COS) has recently been used to refer to a business approach to creating long-term value for its stakeholders. COS is a strategic model that harmoniously integrates economic, social, and environmental issues into business operations. The objective of the research is to determine and measure the influence of COS on the performance of small and medium-sized (SMS) tourism businesses and the mediating role of employee engagement (ENG), local community participation (COM), and investor commitment (INV) in this relationship.

Method - This study uses a survey to collect data. The sample with 405 observations is collected by the non-probability method. The respondents are tourism business managers. Partial least squares path modeling (PLS-SEM) assesses the model and research hypotheses.

Findings - Research results show a direct and indirect effect of ENG, COM, and INV on the performance of SMS tourism businesses in Southern provinces of Vietnam.

Limitations - Local government policy is a crucial factor influencing SMS tourism businesses' performance but has yet to be considered. The scope of this study needs to be broadened to generalize the findings and turn them into theory.

Contributions to Literature - *This research makes a valuable contribution to the existing literature by empirically investigating the impact of COS, ENG, COM, and INV on business performance (PER).*

Practical Implications - *SMS tourism businesses can effectively allocate resources to important COS factors to strengthen ENG, COM, and INV to improve PER.*

Social implications - *Research results can positively impact the stakeholders' awareness, attitudes, and behaviors toward sustainable tourism (SUT) development in areas, countries, and regions.*

Originality - *This study examines the impact of the three pillars of COS and the behaviors of the main stakeholders on the PER. Furthermore, the study highlights the mediating role of ENG, COM, and INV in the relationship of COS and PER.*

Keywords: Tourism Business Performance, Corporate Sustainability, Community Participation, Employee Engagement, Investor Commitment.

Reference to this paper should be made as follows: Tam, V.T. & Phong, V.T. (2024). Corporate sustainability, employee engagement, local community participation, investor commitment, and the small and medium tourism business performance: The case in southern provinces of Vietnam. *Journal of Business and Management*, 29(2), June, 61-100. DOI: 10.6347/JBM.202406_29(2).0003.

Introduction

Sustainable development (SUD) is a development model of the integrated world, and COS is considered a component of SUD. The concept of COS is broadly used to refer to a business approach to create long-term value for its stakeholders via the implementation of development strategies focusing on economic, social, and environmental issues (Triple bottom line - TBL) (Dyllick & Hockerts, 2002; Hahn *et al.*, 2017; Ashrafi *et al.*, 2019). COS is an inevitable trend, an alternative to the traditional growth and profit maximization model. However, this issue has not been paid satisfactory attention to in Vietnam.

The stakeholder theory (STT) is a fundamental approach to explain why COS is implemented and why ENG will increase. According to this theory, a business can only exist if it can meet the needs of the stakeholders (Freeman, 2015). STT implies the influence of the stakeholder in the relationship between COS and PER. ENG, INV, and COM mediate in the COS's relationship with the PER.

There have been many studies on COS (Sy, 2016; El *et al.*, 2018; Boiral *et al.*, 2019). The relationships between the quality environment, equity society, and prosperity economics have always been a central research topic on COS (Menguc *et al.*, 2010). Many studies have shown COS's positive impact on PER (Eccles *et al.*, 2014; Tomšič *et al.*, 2015; Sy, 2016; El-Khalil & El-Kassar, 2018). However, most of these studies are conducted in developed countries and the cases of large industrial

corporations. Studies on the direct effect of COS on the performance of SMS businesses in the tourism industry (TIN) and indirectly through the mediating role of ENG, COM, and INV are still very scarce.

Tourism is an industry that offers many opportunities for socio-economic development but can also recognize potentially negative impacts such as global warming and climate change (Kallio, 2018). COS is an approach towards sustainable tourism (SUT) development. Therefore, the topic of COS in tourism needs to be researched to explore it more deeply, especially in the conditions of developing countries.

In Vietnam, most businesses are not interested in something other than COS but focus only on short-term economic benefits. After explosive growth, Vietnam's tourism faces a sustainability problem (Vietnam Tourism Department, 2020). Environmental and social issues arising from tourism development (TOD), including the Southern provinces of Vietnam (SPV), are being raised. Therefore, studying SMS tourism PER in the SPV is an important research direction for SUD.

Literature Review

Related Theories

The literature identifies various individual positive theories in sustainability studies, including the legitimacy theory, the stakeholder theory, the institutional theory, and the signaling theory.

Theory of Legitimacy

According to the legitimacy theory, businesses will participate in activities for the SUD goals and transparently report these activities. The theory is widely used in research on COS to explain why businesses are involved in the implementation of SUD goals.

Institutional Theory

In line with institutional theory, external social, political, and economic pressures impact business strategies and decisions. The theory explains how changes in social values and regulations influence business decisions on COS activities. Businesses are increasingly interested in carrying out activities to implement the SUD goals and receive widespread consensus.

Stakeholder Theory

According to stakeholder theory, businesses always try to balance the interests of different stakeholders and manage the cohesive influences in the relationship

between the stakeholders and the business. Accordingly, corporate strategies for SUD will positively affect the commitment and participation of stakeholders.

Signaling theory

Signaling theory related to information asymmetry. Signaling theory helps explain two parties' behavior when they access different information. The relationship between signal theory and the business's performance is that broader disclosure will give a positive signal to the stakeholders. Thus, information disclosure and transparency about CSR will build trust for relevant stakeholders, namely employees, investors, and the community.

Research concepts

Business Performance

The concept of PER differs from the broader concept of organizational effectiveness (ORE). According to Venkatraman & Ramanujam (1968), a more general structure consisting of three overlapping concentric circles is financial performance, organizational performance, and the largest circle representing ORE. PER includes all aspects of the business function (Cameron, 1986). PER is a subset of ORE, including both operating and financial results. Generally, PER refers to the fact that a business can meet its goals. The identification and measurement of the PER is a multi-dimensional approach. Besides the multi-dimensional concept, PER is also a multi-disciplinary issue because performance in distinct areas is divergent depending on different evaluation criteria businesses define. With a certain degree of generalization, PER can be understood as the result of achieving business strategic objectives. For this study, PER is evaluated from the stakeholders' point of view and is a multi-dimensional concept, considered according to the approach based on resources, internal processes, and objectives.

Corporate sustainability

The concept of sustainability, which stems from SUD, is considered broad or has a macro view (Baumgartner & Ebner, 2010). Thus, its understanding and applicability from a business perspective must be clarified (Bansal, 2005). According to Baumgartner and Ebner (2010), when a firm incorporates SUD, it is called COS. Therefore, it can be said that COS is a strategic initiative to develop abilities to create long-term value by meeting stakeholders' current and future economic, social, and environmental needs. COS aims to create long-term stakeholder value by implementing a business strategy focusing on the business's ethical, social, environmental, cultural, and economic dimensions.

There are three pillars of COS, namely the environmental, the socially responsible, and the economic aspects. The economic pillar is about ensuring businesses can survive and thrive to make a long-term positive impact. The social pillar relates to practices that promote the health, safety, and well-being of

employees, customers, and communities. The environmental pillar includes strategies to eliminate and offset greenhouse gas emissions, use green energy, eliminate toxic hazards, use green and circular production, reuse or recycle materials, and manage waste, reducing the carbon footprint throughout the value chain.

A review of the literature suggests that the concept of COS borrows elements from four more established concepts: (i) SUD, (ii) corporate social responsibility (CSR), (iii) STT, and (iv) corporate accountability (CAC) theory. SUD is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs (United Nations General Assembly, 1987). COS is the corporate dimension of SUD. COS is the transfer of society's concept of SUD to the business context in a fundamental way that enables a firm to achieve the twin goals of SUD and organizational objectives (Baumgartner and Ebner, 2010). On the other hand, COS is closely related to CSR, though it is a distinct business practice. CSR is a broader term generally used to describe practices or actions a business has taken to advance social and environmental causes. COS, however, is a business strategy that positively impacts the environment and our communities. Where CSR is about what a business has achieved, COS is all about how a business will achieve environmental, societal, and economic goals and remain viable for years. The COS concept is more inclusive than the CSR concept because it suggests a balance between leading and managing for short- and long-term results and responsibility inside and outside the business.

Employee Engagement

ENG is a concept in human resources that refers to the degree to which employees are invested in, motivated by, and passionate about the work and the company for which they work. ENG has been evaluated as a predictor of employee retention in several studies (Meyer and Allen, 1991, 1997; Mowday *et al.*, 1979; Mowday *et al.*, 1982; Balfour & Wechsler, 1996; Tuna *et al.*, 2016). ENG has also been studied as a predictor of employee effectiveness in carrying out the mission and vision of organizational leadership (Singh & Gupta, 2015).

Investor Commitment

A commitment is a giving of self even when one's reputation, integrity, heart, and life are on the line. Commitment entails sacrifice. Therefore, committing involves seriousness of disposition, sincerity of decision, and steadfastness towards completion. Commitment is one of the values that underpin strong and mutually beneficial relationships. Investors play a key role in funding and supporting businesses in the business world. They may also provide valuable connections, expertise, and mentorship. A commitment is an investor's legally binding obligation to make contributions of capital to a fund. INV means an offer by an investor concerning an investment to fund such investment in such amount as the investor may indicate in its proposal.

Community Participation

Cenea (1991) defines COM as giving people more opportunities to participate effectively in development activities and empowering people to mobilize their capacities, be social actors rather than passive subjects, manage their resources, make decisions, and control the actions that affect their lives. COM is meaningful, consistent involvement in activities that support and improve social well-being. COM is central to many tourism development strategies, both in developed and developing countries, and contributes one of the key objectives for a sustainable management approach to resources (Plamer & Lester, 2005). For SUT, COM comes in many different forms, such as volunteering, participating in an event, hosting an event, providing a homestay, etc.

The Related Research

The Studies concerning Corporate Sustainability

Shamil *et al.* (2012) assessed the direct relationship between COS and financial performance. The limitation of this study is that it is only qualitative research. Meanwhile, Eccles *et al.* (2014) studied COS for organizational processes and performance. The research results show that firms with high COS practices have better results than those with low COS practices regarding both stock market and accounting performance. Tomšič *et al.* (2015) analyzed the relationship between COS and operational performance. The research results show that the EU's small and medium enterprises (SMEs) must constantly balance economic effectiveness with CSR and environmental protection to maintain successful sustainable operations in a fiercely competitive market. At the same time, Font *et al.* (2016) analyzed the COS of SMS businesses. The research has discovered that SMS tourism organizations are engaged in more sustainable practices than expected. The study also shows a need for more specific studies on COS in SMS businesses.

The Studies concerning Employee Engagement

Collier & Esteban (2007) reviewed research on ENG and organization implementation CSR. In the studies, CSR is the central plan in cooperation to seek expected benefits and a sustainable future. In addition, the research by Messner (2013) shows that corporate culture (COC) is the key to influencing employee retention (ERE). COS can also be considered as the foundation for the formation of COC. The research by Choi & Yu (2014) also shows that employee awareness of sustainable practices improves employee loyalty and organizational performance, and organizational citizenship behavior plays a mediator role between sustainable activities and organizational performance. In addition, the research by Liu *et al.* (2022) confirms that ENG improves the performance of tourism businesses. Ali *et al.* (2010) also found a positive relationship between ERE and PER.

The Studies concerning Local Community Participation

Byrd (2007) argues that for SUT development to be successful, government agencies must participate in this process. The research by Tosun (1999) also shows that COM in TOD is inconsistent in different tourist destinations in developing countries. Choi & Sirakaya (2005) assessed residents' attitudes, feelings, and perceptions towards SUT. The research indicates that communities have a dominant role in achieving the overall goals of TUD. Tosun (2006) examined the nature of the COM that different interest groups expect. According to Tosun (1999), other stakeholders participate in TUD in various ways that are related to their power in a given community. Research by Wei et al. (2012) shows that COM is a vital solution for promoting SUT in tourist destinations. Thammajinda (2013) has also explored how SUT in Thailand. The research results show that social capital, power relations, and cultural factors strongly affect local COM.

Generally, most of the studies mainly focus on assessing the role of PER in developing SUT. The impact of COS on COM as an essential element of stakeholders who influence the attitudes and behaviors of other stakeholders, such as employees, investors, and other stakeholders, has yet to be thoroughly considered.

The Studies concerning Investor Commitment

Research by Lo & Sheu (2007) shows that investors positively evaluate the efforts of sustainable businesses to implement COS strategies. Rodgers *et al.* (2013) argue that once enterprises conduct activities for SUD, they will help improve market value and enhance the financial viability of businesses. This helps to enhance the INV to businesses because investors positively perceive the company's efforts for social and environmental goals. Research by Carter and Huby (2005) also shows that ethical investors engage in activities embodying all ecological citizenship characteristics. Lo & Sheu (2007) examined the effect of COS on the market value of businesses and showed a significantly positive relationship between COS and the market value of businesses. The research results by Pasewark & Riley (2010) show that investors consider personal value besides financial factors when choosing investment. Silver *et al.* (2010) indicate that the willingness to invest in SMEs increases, which in turn leads to a closer working relationship between businesses and financiers and a greater level of commitment of investors, which leads to greater market access for SMEs.

In conclusion, most studies on investor commitment only consider the influence of investor attitude and behavior on PER, especially in financial terms. The effect of COS on attitude and investor behavior is still a research gap.

The Research Model

Corporate Sustainability and Business Performance

Literature on the relationship between COS and PER needs to be more conclusive. There are many views on the relationship between COS and PER, mainly

social and environmental. Scholars also support the idea that COS shall directly and indirectly impact PER. Therefore, to remain competitive, firms must incorporate sustainability into their corporate strategy, which requires them to reform, redesign, and restructure (Shrivastava, 1995).

To achieve COS, businesses must integrate the three principles of SUD into their daily routines. It means that businesses conduct activities related to economic, social, and environmental aspects associated with the strategies of business in the short as well as long term (Steurer *et al.*, 2005; Baumgartner & Ebner, 2010; Lozano, 2015; Hahn *et al.*, 2017). To be seen as sustainable, a business needs COS strategies regarding stakeholders and contribute to the continuous improvement of social sustainability (SOS), economic sustainability (ECS), and environmental sustainability (ENS) status quo (Dyllick&Muff, 2016; Székely & Brocke, 2017). The concerning studies show that COS positively affects PER (Eccles *et al.*, 2014; Tomšič *et al.*, 2015; El-Khalil & El-Kassar, 2018). From there, the research hypothesis is formulated as follows:

H1: COS has a positive effect on SMS tourism PER.

H1a: ECS has a positive effect on SMS tourism PER.

H1b: SOS has a positive impact on SMS tourism PER.

H1c: ENS has a positive impact on SMS tourism PER.

Corporate Sustainability and Employee Engagement

To date, there are few studies demonstrating that there is an assured relationship between CSR and ENG. Glavas & Piderit (2009) found that the impact on the safety of employees comes from employees' positive perception of CSR, which is reinforced by the importance of CSR for employees. The research by Caligiuri *et al.* (2013) also shows a confident relationship between CSR and ENG.

COS is similar to CSR, and certain aspects of these concepts overlap theoretically. However, COS is conceptually different from CSR. The objective of this study is to determine the effect of COS on ENG. Therefore, the research hypotheses put forward are:

H2: COS has a positive effect on ENG.

H2a: ECS has a positive effect on ENG.

H2b: SOS has a positive effect on ENG.

H2c: ENS has a positive effect on ENG.

Corporate Sustainability and Local Community Participation

When there is COM in tourism, potential conflicts between stakeholders and obstacles to TUD can be eliminated (Inskeep, 1991; Tosun, 2006). By participating in TUD and reaping some benefits, local communities will actively protect tourism resources and support TUD to accelerate the socio-cultural transformation of locals. From there, the COS will promote the local COM into TUD. Therefore, the research hypothesis is posed as follows:

H3: COS has a positive effect on COM.

H3a: ECS has a positive effect on COM.

H3b: SOS has a positive effect on COM.

H3c: ENS has a positive effect on COM.

Corporate Sustainability and Investor Commitment

Silver *et al.* (2010) argue that investing in businesses provides more support for businesses in the investment process. Investors spend more time with businesses in their portfolios and advise businesses (Silver *et al.*, 2010). In recent years, investors, creditors, and financial evaluators have begun to emphasize the importance of COS for other stakeholders rather than focusing solely on shareholders (Rodgers *et al.*, 2013). In addition, investors are becoming more aware of the COS in today's capitalist society (Lo & Sheu, 2008). If businesses operate to balance economic, social, and environmental aspects harmoniously, they will receive the support and commitment of investors. At the same time, many studies show that CSR and investor benefits have a positive relationship (Bowman, 1973; Nilson, 2009). In contrast, research by Milne & Chan (1999) shows that most investors do not consider CSR when making investment decisions. Therefore, this study examines the impact of a concept similar to CSR, namely COS, on investors' commitment. The research hypothesis put forward is:

H4: COS has a positive effect on INV.

H4a: ECS has a positive effect on INV.

H4b: SOS has a positive effect on INV.

H4c: ENS has a positive effect on INV.

Employee Engagement and Business Performance

According to Kahn (1990), ENG is the self-exploitation of business members into their roles and work. In participation, people use and express themselves emotionally, cognitively, and physically during role performance. O'Reilly (1989) argues that ENG is the psychological state of employees with a business, such as

employee involvement in their work, their loyalty to the vision and mission of the business, and their willingness to act on behalf of the business.

When the employees believe that their values are fully reflected in the organization, they are more likely to be loyal to the organization in the long run (O'Reilly & Chatman, 1986; Muathe & Maina (2017); Muller *et al.*, 2018). From there, the research hypothesis is developed as follows:

H5: ENG has a positive effect on SMS tourism PER.

Local Community Participation and Business Performance

The concept of COM in tourism originates from the concept of COM in TUD studies (Tosun, 1999). Murphy (1983) proposed the concept of COM in TUD. To date, scholars and scientists have the common judgment that the participation of the local community will facilitate the implementation of SUT development principles (Simmons, 1994; Tosun, 1999, 2000, 2006). Put differently, COM is designed in a way that motivates stakeholders to be involved in development by mobilizing their resources, determining their needs, and making decisions (Stone, 1989). This implies that COM is a development strategy based on community resources, conditions, and decisions. Therefore, the community is a critical player in this development process.

H6: COM has a positive effect on SMS tourism PER.

Investors' Commitment and Business Performance

Some studies show that the stability of investment institutions positively impacts the PER (Wei & Varela, 2003; Jiang & Liu, 2021). However, research by Lixin and Tian (2004) shows that institutional investors negatively affect PER. Therefore, this paper aims to assess the effect of INV on SMS tourism PER. The research hypothesis built is:

H7: INV has a positive impact on SMS tourism PER.

Employee Engagement and Local Community Participation

In addition, according to the concept of stakeholders, the local community is a dominant stakeholder in SUT development that will have a considerable influence on the attitudes and behaviors of other stakeholders, including employees. Therefore, the hypothesis is stated as follows:

H8: COM has a positive effect on ENG.

Local Community Participation and Investor Commitment

In line with the stakeholder theory, the local community, as an important stakeholder in SUT development, will significantly impact the attitudes and

behavior of other stakeholders, including investors. From there, the research hypothesis is stated as follows:

H9: COM has a positive effect on INV.

The Mediation Effects

The research also attempts to evaluate the mediation effects of the variables. The hypotheses are stated as follows:

H10: ENG is a mediator of COS and PER.

H11: COM is a mediator of COS and PER.

H12: INV is a mediator of COS and PER.

H13: INV is a mediator of COM and PER.

H14: COM is a mediator of ENG and PER.

H15: COM is a mediator of COS and INV.

H16: COM is a mediator of ENG and INV.

Furthermore, this study will assess the moderation of businesses' size, type, and operation field on the relationship of constructs in the structural model.

H17a: Business size moderates the relationship between COS, COM, ENG, INV, and SMS tourism PER.

H17b: The business field moderates the relationship between COS, COM, ENG, INV, and SMS tourism PER.

H17c: Business type moderates the relationship between COS, COM, ENG, INV, and SMS tourism PER.

Proposed Research Model

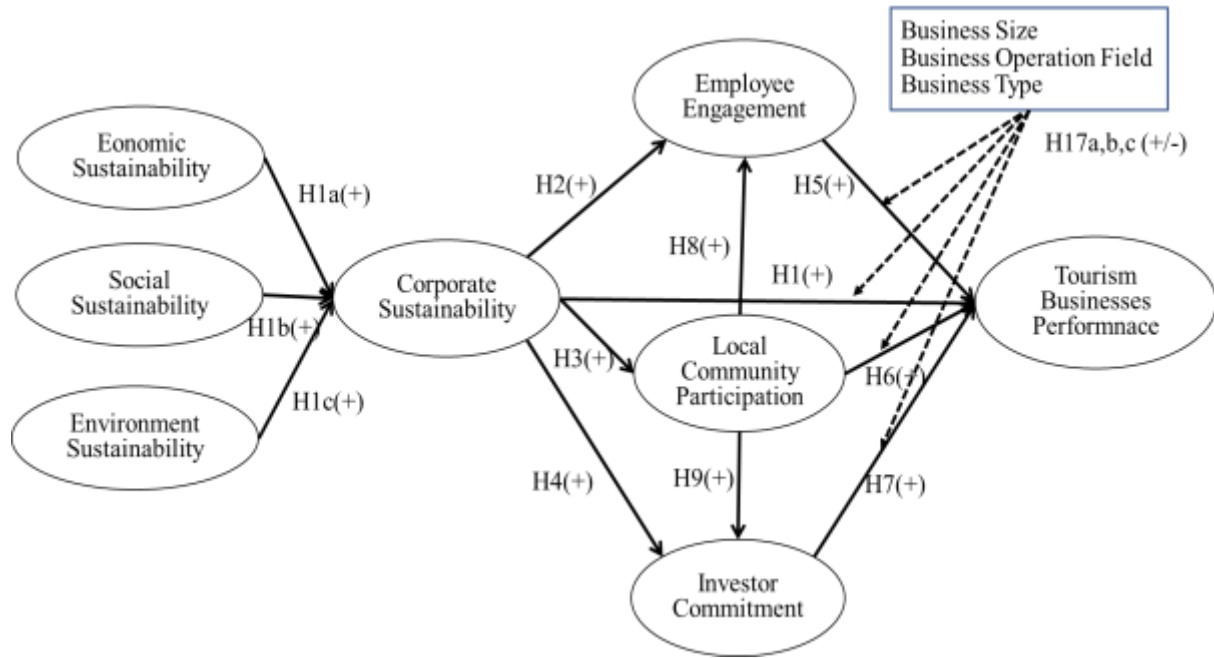


Figure 1: Proposed Conceptual Research Model

Source: This study

Research Method

Research Methodology

PLS-SEM is a critical multivariate analysis method for researchers and scholars. In tourism research, PLS-SEM analysis is becoming more popular (Ali *et al.*, 2018). PLS-SEM offers advantages over Covariance-Based Structural Equation Modelling (CB-SEM) because it does not require distributional assumptions (Ringle *et al.*, 2012). SmartPLS gives easy access to the method. SmartPLS is designed explicitly for structural equation modeling (SEM) analysis that allows researchers to analyze complex relationships between variables and test hypotheses in their data. SmartPLS is widely used in different research fields, including business management (Hair *et al.*, 2016). Since SmartPLS is programmed in Java, it can be executed and run on different computer operating systems, such as Windows and Mac. Therefore, the PLS-SEM method and SmartPLS are utilized for this study.

Measurement Scales

The wide range of frameworks for measuring COS performance is mainly due to the delivery of COS definitions (e.g., environmental sustainability, corporate citizenship, eco-efficiency, and triple-bottom-line) as they transferred from the general concept of sustainability, for this study uses the Triple Bottom Line to measure COS performance with economic, social, and environmental frameworks.

Measuring ENG can be done by determining the results of an engagement or determining the drivers of ENG, such as teamwork, trust in leadership and coworkers, career development, communication, change management, confidence in the future, and individual needs like pay, value, and recognition. In this study, ENG is measured by engagement outcomes. In this study, INV is measured by the extent to which investors participate in financing start-up and entrepreneurship activities or SUT development projects of businesses. The level of influence of the local community on local sustainable tourism development measures COM. Specifically, local communities are taking leadership roles as innovative entrepreneurs and workers, sharing ideas, having a voice in the decision-making process for local tourism development, being consulted on tourism policies, being reviewed accordingly, and participating in tourism events.

From the above point of view, the measurement scales of variables are developed. The draft scale inherits the original scale of 30 observed variables (see **Table 1**). The draft scale was supplemented and completed by a focus group discussion of 7 experts who are leaders of tourism businesses, local government officials, and university lecturers.

Table 1: Measurement Scales.

Constructs	Encoded scales	Quantity of observables	References
Social sustainability	SOS	5	Chow & Chen (2012)
Environmental sustainability	ENS	4	Chow & Chen (2012)
Economical sustainability	ECS	4	Chow & Chen (2012)
Employee engagement	ENG	5	Shuck <i>et al.</i> (2017)
Investor commitment	INV	3	Wagemans <i>et al.</i> (2013)
Community participation	COM	3	Tosun (2006)
Business performance	PER	6	Hernaus <i>et al.</i> (2012)

Source: Result of qualitative research

Qualitative Research

To re-evaluate the research model and the validity of the measurement scale in the context of this study, interview experts applying a structured questionnaire are exploited. The following requirements when designing the focus group:

- (i) the homogeneity among group members: The members could share their knowledge as well as experience about COS and tourism;
- (ii) the definite heterogeneity: the conflict among group members is a critical issue for an effective group discussion;
- (iii) Group size affects the quantity and quality of the needed information.

To obtain the most adequate information, the authors designed the composition of an expert group of 7 people who have gained knowledge and experience in tourism, including people who have several years working in tourism businesses, researchers and lecturers from universities, and officials of local government agencies.

Based on the results of the focus group discussion, the authors performed a pilot test on the reliability of the questionnaires. The respondents are 30 representatives of tourism businesses in SPV. The sampling method is purposive. The results of the pilot test show that the questionnaire meets the reliability.

Preliminary Study in Quantitative Research

A quantitative preliminary study was conducted to assess the reliability of the scale-built-in qualitative research. The sample size is 100. A group of subjects is selected using the purposive method. The respondents were the representatives of businesses in SPV. Statistical software SmartPLS is utilized to process collected data. The assessment of the value of the indicators, the reliability and validity, and the convergent and discriminant values are conducted. The outer loadings are estimated and evaluated. Outer loadings are the estimated relationships in reflective measurement models. They determine an item's absolute contribution to its assigned construct. The results show that all Outer loadings of the indicators are greater than 0,7, all CR of the constructs are greater than 0.7, and all Extracted variances (AVE) of the scales are greater than 0.5 (see **Table 2**). This proves that all scales are convergent.

Table 2: Outer Loadings of Indicators.

Indicators	COM	ECS	ENG	ENS	INV	PRE	SOS
COM1	0.924						
COM2	0.912						
COM3	0.911						
ECS1		0.841					
ECS2		0.761					
ECS3		0.905					
ECS4		0.855					
ENG1			0.706				
ENG2			0.914				
ENG3			0.871				
ENG4			0.886				
ENG5			0.902				
ENS1				0.889			
ENS2				0.765			
ENS3				0.851			
ENS4				0.727			
INV1					0.868		
INV2					0.879		

Indicators	COM	ECS	ENG	ENS	INV	PRE	SOS
INV3					0.857		
PER1						0.826	
PER2						0.854	
PER3						0.861	
PER4						0.798	
PER5						0.857	
PER6						0.836	
SOS1							0.832
SOS2							0.831
SOS3							0.790
SOS4							0.785
SOS5							0.914

Source: The result of collected data processing with SmartPLS 4

Table 3: Composite Reliability and Average Variance Extracted.

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
COM	0.904	0.907	0.940	0.838
ECS	0.862	0.872	0.907	0.709
ENG	0.909	0.927	0.933	0.738
ENS	0.825	0.848	0.884	0.657
INV	0.837	0.838	0.902	0.754
PRE	0.916	0.918	0.935	0.704
SOS	0.887	0.891	0.918	0.691

Source: The result of collected data processing with SmartPLS 4

Discriminant validity is demonstrated by evidence that measures of constructs that theoretically should not be highly related to each other. Discriminant validity was examined using the Heterotrait-Monotrait ratio of correlation (HTMT). The HTMT index of the indicators is less than 0.85 (see **Table 4**).

Table 4: HTMT Criteria

Construct	COM	ECS	ENG	ENS	INV	PRE	SOS
COM							
COS	0.592						
ECS	0.429						
ENG	0.484	0.515					
ENS	0.434	0.473	0.648				
INV	0.777	0.336	0.625	0.363			
PRE	0.606	0.498	0.851	0.709	0.694		
SOS	0.572	0.503	0.715	0.647	0.633	0.736	

Source: The result of collected data processing with SmartPLS 4

Quantitative Research

The authors conducted the direct interview using a questionnaire with a 5-level Likert scale sent to representatives of tourism businesses, including SMS businesses operating in travel, hotels, restaurants, and transportation fields in the SPV. Statistic software SmartPLS 4 is used to process the collected data.

Research Sample

The sample size of an unknown population is determined by a formula proposed by Cochran (1977):

$$n = Z^2 * p * (1-p) / e^2 \quad (1)$$

Where:

“Z” - With the selected 95% confidence interval reliability, Z is 1.96.

“p” - The success rate in sample size estimation (choose p = 0.5).

“e” - The permissible error (choose e = ±0.05).

Thus:

$$n = 1.96^2 * 0.5 * (1-0.5) / 0.05^2 = 384 \text{ observations.}$$

Therefore, the authors project that the sample size of this study is 400 observations.

Data Collection Method

Purposive and snowball sampling methods distributed 450 questionnaires. The results obtained were 420 questionnaires, of which 15 were invalid and 405 were used. Data is processed by SmartPLS 4 software. Types, sizes, and business fields of tourism businesses classify the research sample. The classification of Vietnam government selected the size of SMS businesses.

To avoid the possibility of dishonesty in the survey, the authors attempt not to make use of trigger questions related to the beliefs and behaviors of respondents, to include superfluous questions, to restrict emphasis on the significance of this study, to make immediate responses, and to avoid offering any material incentives.

Results and Discussion

Sample Statistics

The research sample with 405 observations was processed. Sole proprietorships account for 122 observations, equivalent to 30.1%; limited liability companies account for 183 observations, equivalent to 45.2%; joint stock companies account for 46 observations, equivalent to 11.4%; and others account for 46 observations, equivalent to 13.3%. Business sizes under 20 people account for 82 observations, equivalent to 20.2%; from 20 to 49 accounts for 135, equivalent to 0.33%; from 50 to 99 accounts for 108, equivalent to 26.7%; and from 100 accounts for 80 accounts, equivalent to 19.8%. In terms of business fields, the hotels account for 102 observations, equivalent to 23.5%; the restaurants account for 194 observations, equivalent to 30.9%; the travel companies account for 42 observations, equivalent to 10.4%; and the transportation companies account for 67 observations, equivalent to 16.5%.

Assessment of the Measurement Model for the Lower Order Constructs (LOC)

Outer Loadings

The assessment of the reflective model at the lower order of the economic, social, and environmental sustainability scales shows that the Outer Loadings of all variables are greater than 0.7 (see **Figure 2**). The result also shows that all Outer loadings of contracts for the complete data set are greater than 0.7 (see **Table 5**).

Table 5: The Outer Loadings of Constructs

Constructs	Complete Sample			
	COM	ENG	INV	PER
COM1	0.897			
COM2	0.876			
COM3	0.857			
ENG1		0.730		
ENG2		0.856		
ENG3		0.855		
ENG4		0.818		
ENG5		0.846		
INV1			0.840	
INV2			0.858	
INV3			0.818	
PER1				0.768
PER2				0.803
PER3				0.805
PER4				0.782
PER5				0.801
PER6				0.811

Source: The result of collected data processing with SmartPLS 4

Construct Reliability and Validity

Validity and reliability are two critical concepts in quantitative analysis that ensure the accuracy and consistency of the research results. Validity and reliability are evaluated by composite reliability (CR) and average variance extracted (AVE). The measurement criteria are that CR is not less than 0.7 and AVE is not less than 0.5 (Hair *et al.*, 2016). The results of collected data processing show that composite reliability is more significant than 0.7, and the AVE of all scales is greater than 0.5. Thus, the scales have an internally consistent level of confidence, all convergent (see Table 6).

Table 6: Construct Reliability and Validity

Constructs	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
COM	0.849	0.855	0.909	0.768
ECS	0.844	0.845	0.895	0.681
ENG	0.880	0.889	0.912	0.676
ENS	0.752	0.765	0.842	0.572
INV	0.789	0.791	0.877	0.704
PER	0.884	0.887	0.912	0.632
SOS	0.860	0.862	0.899	0.640

Source: The result of collected data processing with SmartPLS 4

Path Coefficients and p Value

Path coefficients measure the effect of a causing factor (independent variable) on a dependent variable indicated by the path coefficient. The quality assessment of the lower-order constructs in the reflective model shows that all observed variables possess Outer Loadings greater than 0.7. Thus, the observed variables in the model are all significant (Hair *et al.*, 2016). The bootstrapping results show that the Outer Weights of the relationship between the lower-order constructs have $p < 0.05$ (see Table 7). Thus, the lower-order variables in the model are significant. The path diagram is shown in Figure 2.

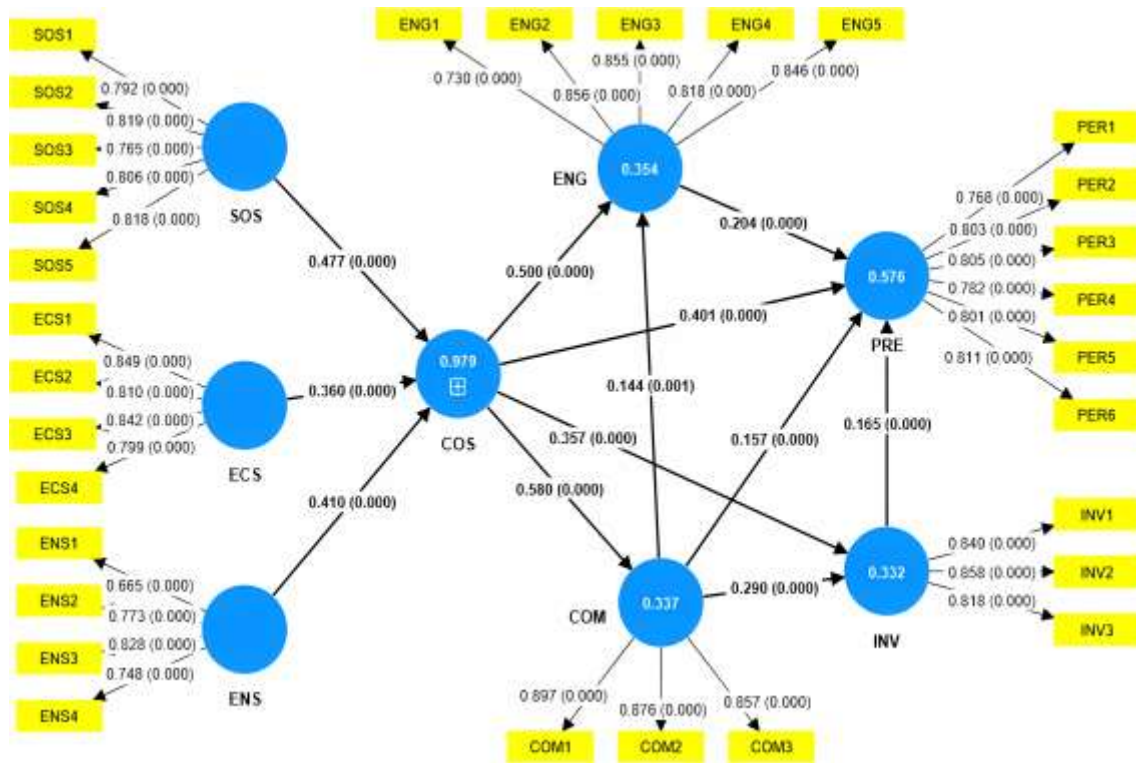


Figure 2: Path Coefficients and p Value

Source: The result of collected data processing with SmartPLS 4

Table 7: Path Coefficients and p Value

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
COM -> ENG	0.144	0.141	0.044	3.278	0.001
COM -> INV	0.290	0.288	0.048	6.018	0.000
COM -> PRE	0.157	0.155	0.039	3.976	0.000
COS -> COM	0.580	0.584	0.032	17.877	0.000
COS -> ENG	0.500	0.504	0.044	11.263	0.000
COS -> INV	0.357	0.360	0.046	7.770	0.000
COS -> PRE	0.401	0.404	0.050	8.004	0.000
ECS -> COS	0.360	0.359	0.024	14.917	0.000
ENG -> PRE	0.204	0.203	0.046	4.412	0.000
ENS -> COS	0.410	0.410	0.026	15.823	0.000
INV -> PRE	0.165	0.164	0.040	4.092	0.000
SOS -> COS	0.477	0.476	0.027	17.843	0.000

Source: The result of collected data processing with SmartPLS 4

Discrimination Validity

The discrimination validity is demonstrated by evidence that measures of constructs that theoretically should not be highly related to each other. The HTMT

ratio of correlations is used to assess the discriminant validity. HTMT must be less than 0.85 (Henseler *et al.*, 2015). The results of evaluating the accuracy of the scale's discrimination show that the HTMT of all variables is less than 0.85 (see **Table 8**). In addition, the cross-loadings of all observed variables in the parent factor are also greater than the entire cross-loading of that observed variable. This shows that all the scales have discriminant values. The Bootstrap test to evaluate the HTMT shows that all coefficients are less than 0.85. Thus, the scale has discriminant validity. That means that indicators that measure one variable do not measure another variable.

Table 8: HTMT Criteria

Construct	COM	ECS	ENG	ENS	INV	PER	SOS
COM							
COS	0.509						
ECS	0.497	0.464					
ENG	0.610	0.507	0.519				
ENS	0.607	0.410	0.545	0.453			
INV	0.639	0.530	0.650	0.711	0.649		
PER	0.516	0.407	0.567	0.652	0.585	0.668	
SOS	0.516	0.407	0.567	0.633	0.585	0.668	

Source: The result of collected data processing with SmartPLS 4

Assessment of the Measurement Models for Higher-Order Constructs (HOC)

Convergence Validity

Convergent validity refers to how closely the new scale relates to other variables and measures of the same construct. The formative model of construct COS was assessed using a repeated indicator method. A technique Chin (1998) introduced is called redundancy analysis to measure casual scale convergence. The measurement criterion for Convergent validity is that the standardized beta of the complete coefficient is 0.708 (Hair *et al.*, 2016). The results of the convergence assessment by the technique of principal components analysis of instrumental variables (redundant analysis) show that the Standardized Beta of the complete coefficient is 0.741, the R² is 0.549, and the adjusted R² is 0.548 (see **Figure 3**). Thus, the COS scale achieves convergence.

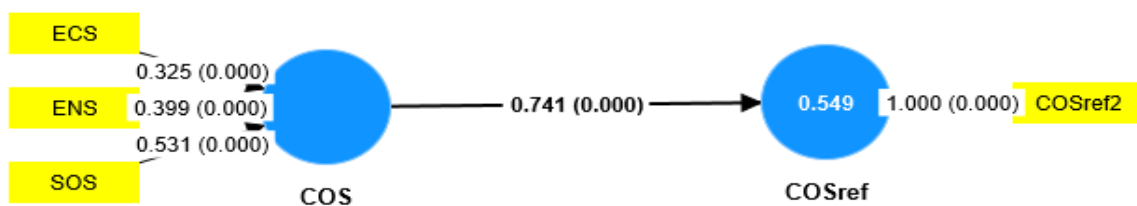


Figure 3: Formative Measurement of COS

Source: The result of collected data processing with SmartPLS 4

Variance Inflation Factor (VIF)

The results of the multicollinearity evaluation of the reflective and formative models show that all VIF values are less than 3 (see **Table 9**). The result of bootstrapping with a sample size of 5000 shows that the structural model's path coefficients were all significant $p < 0.05$.

Table 9: Results of Evaluation of the Higher Order Constructs

HOC	LOC	Outer Weights	p Value	t Statistics	Outer Loadings	p Value	t Statistics	VIF
COS	ECS	0.355	0.000	19.538	0.694	0.000	7.871	1.237
	SOS	0.523	0.000	30.717	0.852	0.000	7.259	1.446
	ENS	0.381	0.000	25.512	0.808	0.000	10.062	1.529
COM	COM1	0.413	0.000	29.492	0.897	0.000	66.660	2.198
	COM2	0.371	0.000	28.122	0.876	0.000	60.096	2.096
	COM3	0.356	0.000	26.517	0.857	0.000	42.624	1.943
INV	INV1	0.407	0.000	21.926	0.840	0.000	35.859	1.652
	INV2	0.400	0.000	26.015	0.858	0.000	41.556	1.798
	INV3	0.385	0.000	21.107	0.818	0.000	34.304	1.579
ENG	ENG1	0.197	0.000	12.996	0.730	0.000	18.887	1.635
	ENG2	0.275	0.000	23.140	0.856	0.000	42.681	2.274
	ENG3	0.251	0.000	22.678	0.855	0.000	41.487	2.367
	ENG4	0.233	0.000	22.722	0.818	0.000	30.977	2.094
	ENG5	0.255	0.000	21.000	0.846	0.000	34.675	2.251
PER	PER1	0.173	0.000	15.659	0.768	0.000	20.180	1.913
	PER2	0.208	0.000	20.435	0.803	0.000	31.496	2.078
	PER3	0.227	0.000	22.672	0.805	0.000	3.294	1.993
	PER4	0.201	0.000	18.708	0.782	0.000	25.488	1.926
	PER5	0.228	0.000	24.849	0.801	0.000	31.488	1.964
	PER6	0.219	0.000	20.919	0.811	0.000	30.455	2.110

Source: The result of collected data processing with SmartPLS 4

The Model Robustness Check

The model robustness check of this study is performed according to the PLS-SEM framework in terms of nonlinear effect, endogeneity, and unobservable heterogeneity.

Standard Model Assessment

The evaluation of the measurement models in terms of reliability and validity, as well as discriminant validity, was conducted. The result shows that all constructs satisfy the reliability and validity discriminant validity.

Assessment of Nonlinear Effects

The evaluation of the Quadratic Effects between (i) COS → INV, COS → PER, and COS → ENG; (ii) COS → SOS, COS → ECS, COS → ENS is conducted. The outputs of bootstrapping with the samples of 5000 and using no sign changes indicate no evidence of nonlinear effects. We, therefore, conclude that the linear effects model is robust.

Assessment of Endogeneity

The evaluation of endogeneity was performed using Gaussian Copula. The effects between SOS → COS, COS → INV, and COM → INV are implemented. The outputs of bootstrap with 5,000 samples and using no sign changes designate that only the path between GC(SOS) → COS has the effect of endogeneity with p-value = 0,033, GC(COS) → INV has the effect of endogeneity with p-value = 0,032, and GC(COM) → INV has the effect of endogeneity with p-value = 0,030. Those PCI does not contain value one. However, the effect size of GC(COS) → INV and GC(COM) → INV is less than 0.02, and the effect size of GC(SOS) → COS is low with $f^2 < 0.35$. We, therefore, could assume that the endogeneity of the model is not so significant.

Assessment of Unobservable Heterogeneity

The unobservable heterogeneity of the model is determined with a Finite Mixture of Partial Least Squares (FIMIX-PLS). The steps in this method are:

- (i) Executing the FIMIX-PLS procedure.
- (ii) Finding out the number of segments.
- (iii) Interpretation of latent segment structure.
- (iv) Evaluating the segment-specific models.

Theoretically, the minimum number of segments is designated by the largest integer, which divides the sample size “n” by the minimum sample size (Hair *et al.*, 2006). In line with the G*Power formula, the minimum sample size equals 89. So, the minimum number of segments is $405/74 = 4.6$. Thus, the authors decide that the minimum number of segments to judge unobserved heterogeneity is five.

The analyses point to a specific segmentation solution because the AIC, AIC3, and AIC have equal segments (number 5). Thus, unobservable heterogeneity has a crucial level that does not support the overall data set analysis results.

When segmenting in FIMIX of SmartPLS, the minimum sample size for any group must be equal to or greater than 5%. Although, according to FIMIX, the optimal number of segments is 5, the sample size of group 5 reaches only 2.6%. As it

does not meet the requirements, analysis for segment 5 is not appropriate. In the following sections, the authors use a partition number of 4.

From evaluating nonlinear effects, endogeneity, unobserved heterogeneity, and partition analysis, there is no remarkable inconsistency between the complete samples, partitions, and demographically classified groups. Thus, the structural model is considered robust, and we could utilize the complete sample for further assessments.

Assessment of Structural Model

Assessment of Quality of Variance of Higher-Order Model

Research results show that the p-value outer weights of COS and outer loadings of ENG, PER, COM, and IVN are less than 0.05. Thus, these higher-order latent constructs of the formative and reflective measurement model are reliable. Moreover, the results of the multicollinearity evaluation of the formative models show that all VIF values are less than 3 (see Table 9 and Table 10).

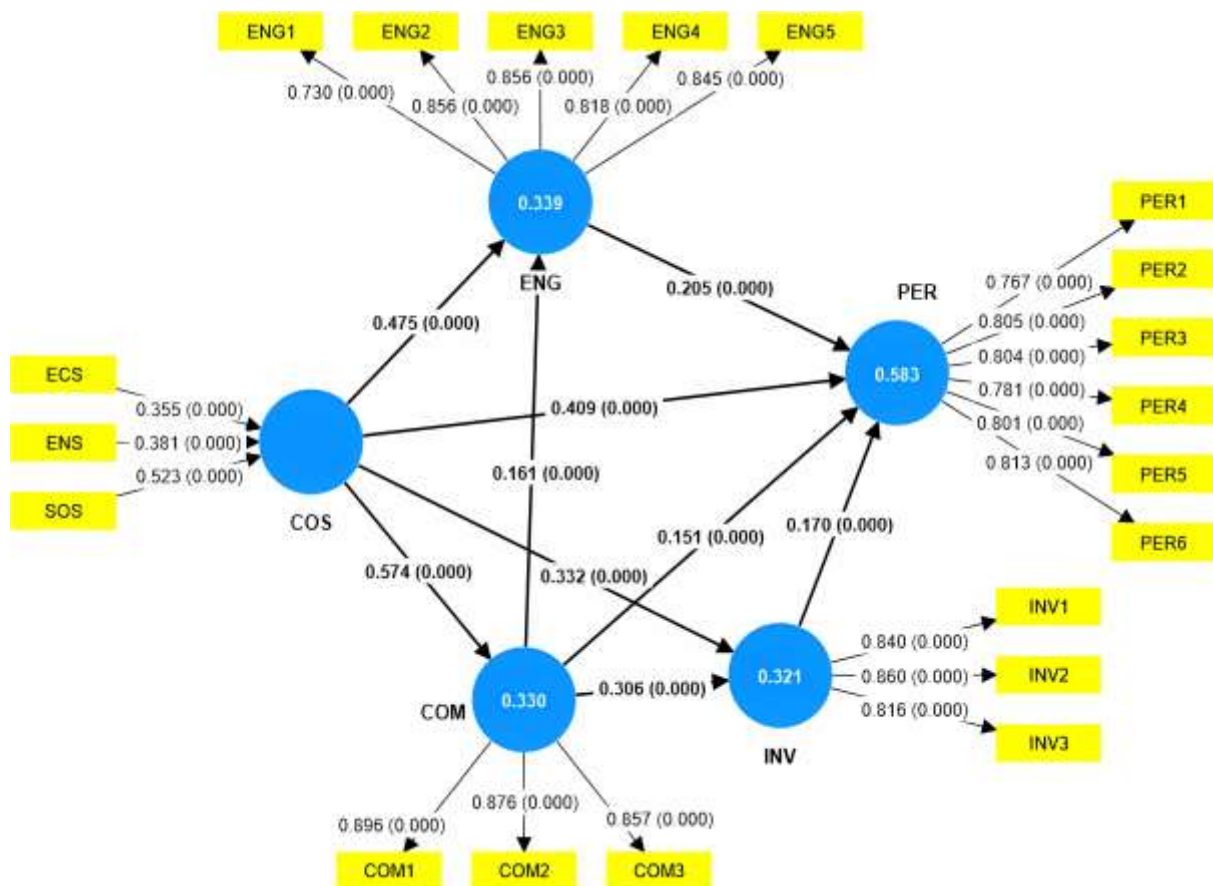


Figure 4: Graphical Output of Structural Model

Source: The result of collected data processing with SmartPLS 4

Table 10: Path Coefficients of the Higher-Order Model

Paths	Outer Loadings	t Statistics	t Values	Outer Weights	t Statistics	p Values
COM1 -> COM	0.896	74.515	0.000	0.413	29.492	0.000
COM2 -> COM	0.876	59896	0.000	0.373	28.122	0.000
COM3 -> COM	0.857	43.962	0.000	0.356	26.517	0.000
ENG1 -> ENG	0.730	20.354	0.000	0.197	12.996	0.000
ENG2 -> ENG	0.857	418.476	0.000	0.275	23.140	0.000
ENG3 -> ENG	0.855	43.686	0.000	0.252	22.678	0.000
ENG4 -> ENG	0.818	34.310	0.000	0.233	22.722	0.000
ENG5 <- ENG	0.845	38.828	0.000	0.255	21.000	0.000
INV1 -> INV	0.841	44.376	0.000	0.407	21.926	0.000
INV2 -> INV	0.858	53.704	0.000	0.400	26.015	0.000
INV3 -> INV	0.816	39.019	0.000	0.385	21.017	0.000
PER1 -> PER	0.768	23.127	0.000	0.173	15.659	0.000
PER2 -> PER	0.804	35.095	0.000	0.208	20.435	0.000
PER3 -> PER	0.805	36.304	0.000	0.227	22.672	0.000
PER4 -> PER	0.781	29.077	0.000	0.201	18.708	0.000
PER5 -> PER	0.801	35.263	0.000	0.228	24.849	0.000
PER6 -> PER	0.811	33.615	0.000	0.219	20.919	0.000
ECS -> COS	0.694	19.544	0.000	0.355	7.875	0.000
ENS -> COS	0.808	25.525	0.000	0.381	7.265	0.000
SOS -> COS	0.852	30.729	0.000	0.523	10.068	0.000

Source: The result of collected data processing with SmartPLS 4

The test path coefficient results show that all constructs' Outer Loadings are greater than 0.7 and Outer Weights are greater than zero with p-value <0.05. Thus, the structural model is acceptable.

Construct Reliability and Validity

Table 11: Reliability and AVE of Constructs for Complete Sample.

Construct	Complete Sample		
	Cronbach's alpha	Composite Reliability (rho_a)	Average Variance Extracted (AVE)
COM	0.849	0.855	0.768
ENG	0.880	0.889	0.676
INV	0.789	0.791	0.704
PER	0.884	0.887	0.632

Source: The result of collected data processing with SmartPLS 4

The results of testing construct reliability and validity show that the CR of all constructs is greater than 0.7, and AVE is greater than 0.5 with a p-value <0.05. Thus,

all constructs are satisfied with the requirement of reliability and validity (see **Table 11**).

Assessment of Multicollinearity Statistics (VIF)

Table 12: Variance Inflation Factor (VIF).

Construct	VIF	Construct	VIF	Construct	VIF
ECS	1.237	ENS	1.529	SOS	1.446

Source: The result of collected data processing with SmartPLS 4

The result of an assessment of VIF between the variables of lower order and among the variables in the structural model indicates that all values of VIF are less than 3 (see **Table 12**).

Path Coefficients of Structural Model

The bootstrap technique was employed with a sample size of 5000. The result shows that COS has direct impacts on PER, COM, INV, ENG with path coefficients of 0.409, 0.524, 0.332, and 0.475, respectively; ENG has a direct impact on PER with path coefficient of 0.205; INV has a direct impact on PER with path coefficient of 0.170; COM has direct impacts on PER, INV, and ENG with path coefficients of 0.151, 0.306, and 0.161, respectively. The assessment of the effects shows that all path coefficients are statistically significant, with $p < 0.05$ (see **Figure 4** and **Table 13**).

Table 13: Path Coefficients of the Structural Model

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
COM -> ENG	0.144	0.141	0.044	3.278	0.001
COM -> INV	0.290	0.288	0.048	6.018	0.000
COM -> PRE	0.157	0.155	0.039	3.976	0.000
COS -> COM	0.580	0.584	0.032	17.877	0.000
COS -> ENG	0.500	0.504	0.044	11.263	0.000
COS -> INV	0.357	0.360	0.046	7.770	0.000
COS -> PRE	0.401	0.404	0.050	8.004	0.000
ECS -> COS	0.360	0.359	0.024	14.917	0.000
ENG -> PRE	0.204	0.203	0.046	4.412	0.000
ENS -> COS	0.410	0.410	0.026	15.823	0.000
INV -> PRE	0.165	0.164	0.040	4.092	0.000
SOS -> COS	0.477	0.476	0.027	17.843	0.000

Source: The result of collected data processing with SmartPLS 4

Assessment of Coefficient of Determination (R²)

The coefficient of determination (R²) is a statistical measure that shows the proportion of variation in a dependent variable explained by an independent variable. R² is commonly used to assess whether a model is a good fit for the given data set. Adjusted R² is a modified version of R² that considers the number of predictor variables in the model. According to Hair *et al.* (2016), the values of R² are 0.25, 0.50, and 0.75 for the variables considered weak, moderate, and substantial, respectively. Checking the level of explanation of the independent variables on the dependent variable shows that the R² and adjusted R² values are as follows (see **Table 14**):

Table 14: R² and Adjusted R² Coefficients.

Model	R ²	Adjusted R ²	Evaluation by Hair <i>et al.</i> (2016)
COM	0.330	0.328	Weak
ENG	0.340	0.336	Weak
INV	0.322	0.318	Weak
PER	0.582	0.578	Moderate

Source: The result of collected data processing with SmartPLS 4

Assessment of the Effect Size (f²)

The effect size f² points out how meaningful the relationship between variables or the difference between groups is. A large effect size means a research finding has practical significance and vice versa. According to Cohen (1988), if f² < 0.02, the impact level is considered extremely small or has no impact; if 0.02 ≤ f² < 0.15, the impact level is small; if 0.15 ≤ f² < 0.35, the impact level is medium, and if f² ≥ 0.35, impact level is large.

Assessing the importance of the independent variables, f² shows that the impact of COM on INV, COS on INV, ENG on COM, ENG on PER, and INV on PER is considered low (f² < 0.15). The impact of COS on COM and PER is moderate (f² < 0.35), and the impact of COS on ENG is high (f² > 0.35) (see **Table 15**).

Table 15: The Values of the Effect Size f²

Paths	f-square	Effect size by Cohen (1988)
COM-> ENG	0.026	Low
COM -> INV	0.093	Low
COM -> PER	0.033	Low

Paths	f-square	Effect size by Cohen (1988)
COS -> COM	0.492	High
COS-> ENG	0.229	Moderate
ENG -> PER	0.064	Low
INV -> PER	0.045	Low

Source: The result of collected data processing with SmartPLS 4

Assessment of the Predictive Relevance Q²

Q² coefficient provides an internal measure of consistency between the original and cross-validation predicted data. Q² is an estimate of the predictive ability of the model. According to Chin (2010), Q² > 0 implies the model has predictive relevance, whereas Q² < 0 represents a lack of predictive.

The index evaluating the predictive relevance Q² of each component model in a structural model shows no predictive relevance for COS, with Q² = 0. Q² values for COM, ENG, and INV are greater than zero. That indicates that the model has predictive relevance but is moderate (see **Table 16**).

Table 16: Value of the predictive relevance Q².

	SSO	SSE	Q ² (=1-SSE/SSO)
COM	170,233	130.187	0.235
COS	177.194	177.194	0.000
ENG	325.909	256.948	0.212
INV	155.284	116.229	0.252
PER	359.183	212.079	0.410

Source: The result of collected data processing with SmartPLS 4

Discriminant Validity of the Constructs

Table 17: Heterotrait-Monotrait Ratio of Correlations (HTMT)

Constructs	COM	ENG	INV
COM			
ENG	0.769		
INV	0.646	0.744	
PER	0.611	0.836	0.671

Source: The result of collected data processing with SmartPLS 4

Table 18: Heterotrait-Monotrait Ratio of Correlations (HTMT).

Constructs	COM	ENG	INV
COM			
ENG	0.497		
INV	0.607	0.545	
PER	0.639	0.650	0.649

Source: The result of collected data processing with SmartPLS 4

Measuring constructs that, in theory, should not be tightly connected is how discriminant validity is established. Both the Fornell-Larcker criterion and the Heterotrait-Monotrait ratio of correlations (HTMT) are used to assess the discriminant validity of the scales. **Tables 17** and **18** show that the Average Variance Extracted (AVE) square roots are more than the correlations in the same column. The HTMT index of latent variables is verified to be less than 0.85 (Henseler, 2017). High discriminant validity is confirmed by bootstrapping tests and cross-loading tests, which show that the scales effectively represent the target constructs without appreciable interference from other latent variables.

Examining the Mediating Role of Variables in the Model

Examining the mediating role of variables in the structural model shows that the total indirect effects for all indirect relationships are statistically significant, with a p-value <0.05. This shows an indirect relationship of the variables in the model.

The total effect test shows that each effect of the independent variables on the dependent variable in the structural model is statistically significant, with a p-value < 0.05. The results of the concepts' direct, indirect, and total effects are presented in **Table 19**.

Table 19: Direct, Indirect, and Total Effect

Dependent variable Independent variable	Effect	Employees Engagement	Investors Commitment	Community Participation	Business Performance
Corporate Sustainability (COS)	Direct	0.475	0.332	0.574	0.409
	Indirect	0.093	0.177		0.290
	Total	0.568	0.509	0.574	0.699
Employees Engagement (ENG)	Direct				0.205
	Indirect				
	Total				0.205
Investors Commitment (INV)	Direct				0.170
	Indirect				
	Total				0.170
Community Participation (COM)	Direct		0.306		0.151
	Indirect				0.085
	Total		0.306		0.236

Source: The result of collected data processing with SmartPLS 4

Examining the Effect of Qualitative Variables

Many researchers have begun to consider the notion of heterogeneity of pool data. Chin and Dibbern (2010) stressed that ignoring heterogeneity often leads to questionable conclusions. Therefore, multigroup analysis (MGA) is the

recommended approach to address this concern. MGA on business demographic variation aims to clarify differences between business groups by the important demographic variables. From the results of MGA, businesses could develop appropriate policies to influence the performance of certain groups of businesses in different business environments.

The result of MGA accomplished with measurement invariance of composite models (MICOM) assessment shows that business sizes, types, and business fields moderate the relationships of the constructs in the structural model. There needs to be more consistency in the path coefficients in the structural model. The result of assessing the effect of business types on the relationship of the variables in the model shows that the path coefficient of COM -> INV of the Joint Stock companies is greater than that of the Limited Liability Companies with a difference of -0.399; the path coefficient of COM -> PER of limited liability companies is smaller than that of sole proprietorships with a difference of -0.265; the path coefficient of COS -> COM of the Joint Stock companies is greater than that of the Limited Liability Companies with a difference of 0.209; and the path coefficient of COS-> COM of the Limited Liability Companies is smaller than that of the others with a difference of -0.205 (see **Table 20**).

Table 20: Path Coefficients of the Model under Effect of Business Types

Paths	Path Coefficients of the Model under Effect of Business Types					p-value
	Joint Stock Companies	Limited Liability Companies	Sole Proprietorships	Others	Difference	
COM -> INV	0.345	0.744			-0.399	0.040
COM -> PER		0.071	0.336		-0.265	0.032
COS-> COM	0.752	0.543			0.209	0.025
COS-> COM		0.543		0.748	-0.205	0.027

Source: The result of collected data processing with SmartPLS 4

The results of MGA analysis for the business fields show that the path coefficient of COM->INV of the hotels is greater than that of the restaurants with a difference of 0.274 and p-value of 0.020; COM->INV of the hotels is greater than that of the travel companies with a difference of 0.626 and p-value of 0.003; the path coefficient of COM->INV of the hotels is greater than that of the transportation companies with a difference of 0.478 and p-value of 0.019; the path coefficient of COS->ENG of the hotels is smaller than that of the travel companies with a difference of -0.507 and p-value of 0.012; the path coefficient of COS->ENG of the restaurants is smaller than that of the travel companies with a difference of -0.381 and p-value of 0.026; the path coefficient of COS->ENG of the hotels is smaller than that of the travel companies with a difference of -0.507 and p-value of 0.012; and the path coefficient of COS->INV of the hotels is smaller than that of the travel companies with a difference of -0.452 and p-value of 0.027 (see **Table 21**).

Table 20: Path Coefficients of the Model under Effect of Business Fields

Paths	Path Coefficients of the Model under Effect of Business Fields					p-value
	Hotels	Restaurants	Travel Companies	Transportation Companies	Difference	
COM -> INV	0.527	0.250			0.274	0.020
COM -> INV	0.689		0.063		0.626	0.003
COM -> INV	0.689			0.211	0.478	0.019
COS -> ENG	0.334			0.536	-0.202	0.026
COS -> ENG		0.460	0.841		-0.381	0.026
COS -> ENG	0.334		0.841		-0.507	0.012
COS -> INV	0.126		0.578		-0.452	0.027

Source: The result of collected data processing with SmartPLS 4

Table 22: Path Coefficients of the Model under Effect of Business Size

Paths	Path Coefficients of the Model under Effect of Business Size					p-value
	Under 20	20 - 49	50-99	From 100	Difference	
COS -> COM	0.754	0.483			0.270	0.006
COS -> COM		0.483		0.686	-0.202	0.046
COM->INV	0.635		0.104		0.531	0.034
COM->INV		0.416	0.104		0.312	0.043
COM->INV			0.104	0.671	-0.567	0.002
COS->INV	0.041		0.574		-0.533	0.016
COS->INV			0.574	0.116	0.458	0.011

Source: The result of collected data processing with SmartPLS 4

The results of MGA analysis for the business size show that the path coefficient of COS->COM of business with under 20 people is greater than that of the business with 20-49 people with a difference of 0.270 and p-value of 0.006; COS->COM of the business with 20-49 people is smaller than that of the business with from 100 people with a difference of -0.202 and p-value of 0.046; the path coefficient of COM->INV of business with under 20 people is greater than that of the business with 50-99 people with a difference of 0.531 and p-value of 0.034; the path coefficient of COM->INV of business with 20-49 people is greater than that of the business with 50-99 people with a difference of 0.312 and p-value of 0.043; the path coefficient of COM->INV of the business with 50-99 people is smaller than that of the business with from 100 people and over with a difference of -0.567 and p-value of 0.002; the path coefficient of COS->INV of the business with under 20 people is smaller than that of the business with 50-99 people with a difference of -0.533 and p-value of 0.016; and the path coefficient of COS->INV of the business with 50-99 people is greater

than that of the business with from 100 people with a difference of 0.458 and p-value of 0.011 (see Table 22).

The Result of Testing the Research Hypotheses

The objective of the study is to test 31 research hypotheses. Based on the structural model estimation, results show that 31 hypotheses have no evidence to reject, and one hypothesis is rejected (see Table 23).

Table 21: The Result of Hypotheses Testing

No	Hypothesis	Paths	P-Values	Conclusion
1	H1	COS -> PER	0.000	No evidence to reject
2	H1a	ECS -> PER	0.000	No evidence to reject
3	H1b	SOS -> PER	0.000	No evidence to reject
4	H1c	ENS -> PER	0.000	No evidence to reject
5	H2	COS -> ENG	0.000	No evidence to reject
6	H2a	ECS -> ENG	0.000	No evidence to reject
7	H2b	SOS -> ENG	0.000	No evidence to reject
8	H2c	ENS -> ENG	0.000	No evidence to reject
9	H3	COS -> COM	0.000	No evidence to reject
10	H3a	ECS -> COM	0.000	No evidence to reject
11	H3b	SOS -> COM	0.000	No evidence to reject
12	H3c	ENS -> COM	0.000	No evidence to reject
13	H4	COS -> INV	0.000	No evidence to reject
14	H4a	ECS -> INV	0.000	No evidence to reject
15	H4b	SOS -> INV	0.000	No evidence to reject
16	H4c	ENS -> INV	0.000	No evidence to reject
17	H5	ENG -> PER	0.000	No evidence to reject
18	H6	COM -> PER	0.000	No evidence to reject
19	H7	INV -> PER	0.000	No evidence to reject
20	H8	COM -> ENG	0.000	No evidence to reject
21	H9	COM -> INV	0.000	No evidence to reject
22	H10	ENG is a mediation of COS -> PER	0.000	No evidence to reject
23	H11	COM is a mediation of COS -> PER	0.001	No evidence to reject
24	H12	INV is a mediation of COS -> PER	0.000	No evidence to reject
25	H13	INV is a mediation of COM -> PER	0.000	No evidence to reject
26	H14	ENG is a mediation of COS -> PER	0.000	No evidence to reject
27	H15	COM is a mediation of COS -> INV	0.000	No evidence to reject
28	H16	COM is a mediation of	0.001	No evidence to reject

No	Hypothesis	Paths	P-Values	Conclusion
		COS -> INV		
29	H17a	Business sizes moderate the relationship between COS, local COM, ENG, INV and SMS tourism PER	<0.05	No evidence to reject
30	H17b	Business fields moderate the relationship between COS, COM, ENG, INV, and SMS tourism PER	<0.05	No evidence to reject
31	H17c	Business types moderate the relationship between COS, COM, ENG, INV, and SMS tourism PER	<0.05	No evidence to reject

Source: The result of collected data processing with SmartPLS 4

Discussions

The results show that COS comprises economic, social, and environmental aspects. This is consistent with the study by Tomšič *et al.* (2015) and El-Khalil & El-Kassar (2018). The study's results also show that COS directly and indirectly affects the performance of SMS tourism businesses in SPV through local COM, INV, and ENG. Specifically:

Firstly, COS has a direct and positive impact on PER. This shows that the business management approach to reducing inequality and social class stratification, strengthening relationships with stakeholders, improving quality of life, and protecting the living environment will positively impact the PER.

Secondly, COS has a direct and positive impact on COM. This result is consistent with stakeholder theory (Freeman, 2015). This indicates that business management aims to reduce the burden of environmental costs, actively cooperate with stakeholders, improve operational processes so businesses can achieve sustainable competition, and contribute to the SUT development, which will attract COM.

Thirdly, COS has a direct and positive impact on ENG. The results of this study are consistent with those of Glavas & Piderit (2009) and Caligiuri *et al.* (2013). This shows that the efforts of businesses to train and develop careers for employees, build a healthy working environment, build social relationships for mutual benefits, constantly improve the quality of employee's work life, protect the ecological environment, etc., will positively affect the employees' job engagement and their organizational commitment.

Fourthly, COS has a direct and positive impact on INV. This result is consistent with the study of Nilson (2009), Glavas & Piderit (2009), and Caligiuri *et al.* (2013). This means that if businesses operate to balance economic, social, and environmental aspects, they will receive INV to develop SMS tourism businesses for SUD.

Fifthly, the research results show that the three groups of business stakeholders, namely the local community, employees, and investors, directly and positively affect the PER of SMS tourism businesses in the SPV. In addition, COM, ENG, and INV mediate the relationship between COS and PER.

Moreover, the active participation of the local community will positively impact attracting investors to tourism businesses and other supporting fields, as well as a positive impact on ENG and PER.

In addition, the results of examining the moderating effect of demographic variables show that sizes, fields, and types of business play a moderating role in the relationships between the constructs in the structural model. The results of MGA show that the path coefficients between the variables in the structural model change according to the business sizes, the business fields, and the business types. Model testing results confirm that COS helps enhance PER and the competitive advantages of SMS tourism businesses. In addition, the results add to the conclusion that COS not only helps businesses achieve higher performance but also contributes to environmental protection and helps to enhance ENG, INV, and COM, which helps improve the PER of SMS tourism businesses in SPV.

Conclusion and Implications

Conclusion

The research results explored the direct impact of COS through 3 components in the form of the formative model, namely economic, social, and environmental sustainability, and the mediating role of COM, ENG, and INV in the relationship between COS and PER of SMS tourism businesses in SPV. Thus, the results do not change compared to the theory, previous related studies, experts' opinions, and the authors' recommendations. Thus, we could assume that all research hypotheses cannot be rejected and that the objectives of this study are reached.

Until now, the approaches of studies on COS impact on PER with the mediating role of stakeholders have not been integrated (Tomšič *et al.*, 2015; Font *et al.*, 2016; Sy, 2016; El-Khalil & El-Kassar, 2018). Therefore, this study fills the research gap by examining the mediating role of ENG, INV, and COM in the impact of COS on the PER of SMS tourism businesses in SPV. Building a formative model to examine the relationship between the concept of COS and its components is a new point of this study.

The MGA examines the difference in the path coefficients of the constructs in the structural model, which provides information for any business management to develop appropriate human resource management practices for different groups of employees depending on their demographic characteristics.

Implications

Tourism businesses are supposed to pay more attention to the implementation of the strategic objectives of COS in order to develop capabilities to create long-term value for the businesses as well as for current and future stakeholders. To improve performance, tourism businesses in the SPV need to increase ENG, INV, and local COM through the COS strategy towards SUT development. In addition, to increase ENG and INV, tourism businesses need solutions to attract the local COM to support the activities of tourism businesses.

The study shows that the local community plays a key role in TUD, and the impact of COS is important for local COM. Therefore, tourism planners, as well as tourism businesses, should concentrate on enhancing the local COM in TUD.

The sizes, types, and business fields of SMS tourism businesses moderate the relationships between COS, ENG, INV, and local COM. State agencies should focus on facilitating the development of joint-stock companies of medium-sized businesses (with employees from 50 to less than 100 people). The travel and transportation business has a higher impact on path coefficients than other types of businesses.

Research Limitations

This study only assesses and measures the impact of the elements of COS on the PER of tourism SMS businesses with the orientation of SUD. The factors affecting the PER, such as destination management organizations, infrastructure, cooperation networks, etc., have not been considered. Furthermore, the demographic variables used still do not highlight the specific attributes of SMS tourism businesses, such as capital structure, revenue, location, or scale of businesses.

Therefore, further studies should expand other concepts in the research model, such as expanding to other stakeholders, namely customers and suppliers (partners in the tourism service supply chain) to have a more comprehensive perspective on COS; expanding concepts to increase the diversity of research models; and selecting other demographic variables such as capital structure, ownership, corporate governance mechanism.

Acknowledgment

The authors would like to thank the anonymous referees for their useful comments, which allowed them to increase the value of this article.

References

- Ali, F., Rasoolimanesh, S. M., Sarstedt, M., Ringle, C. M., & Ryu, K. (2018). An assessment of the use of partial least squares structural equation modeling (PLS-SEM) in hospitality research. *International Journal of Contemporary Hospitality Management*, 30(1), 514-538. <https://doi.org/10.1108/IJCHM-10-2016-0568>.
- Ali, I., Rehman, K. U., Ali, S. I., Yousaf, J., & Zia, M. (2010). Corporate social responsibility influences employee commitment and organizational performance. *African Journal of Business Management*, 4(13), 2796-2801.
- Ashrafi, M., Acciaro, M., Walker, T. R., Magnan, G. M., & Adams, M. (2019). Corporate sustainability in Canadian and US maritime ports. *Journal of Cleaner Production*, 220, 386-397.
- Balfour, D. L., & Wechsler, B. (1996). Organizational commitment: Antecedents and outcomes in public organizations. *Public Productivity & Management Review*, 256-277.
- Bansal, P. (2005). Evolving sustainably: A longitudinal study of corporate sustainable development. *Strategic Management Journal*, 26(3), 197-218.
- Baumgartner, R. J., & Ebner, D. (2010). Corporate sustainability strategies: sustainability profiles and maturity levels. *Sustainable Development*, 18(2), 76-89.
- Boiral, O., Heras-Saizarbitoria, I., & Brotherton, M. C. (2019). Corporate sustainability and indigenous community engagement in the extractive industry. *Journal of Cleaner Production*, 235, 701-711.
- Byrd, E. T. (2007). Stakeholders in sustainable tourism development and their roles: applying stakeholder theory to sustainable tourism development. *Tourism Review*, 62(2), 6-13.
- Caligiuri, P. & Jiang, K. (2013). Win-win-win: The influence of company-sponsored volunteerism programs on employees, NGOs, and business units. *Personnel Psychology*, 66, 825-860.
- Cameron, K.S. (1986). Effectiveness as paradox: Consensus and conflict in conceptions of organizational effectiveness. *Management Science*, 32(5), 539-553.
- Carter, N., & Huby, M. (2005). Ecological citizenship and ethical investment. *Environmental Politics*, 14(2), 255-272.
- Cernea, M. (1991). *Putting People First: Sociological Variables in Rural Development*. Second Ed., Oxford University Press, New York.
- Chin WW. (1998). *The partial least squares approach to structural equation modeling*. In: G.A. Marcoulides (Ed.) *Modern Methods for Business Research*. Mahwah: Erlbaum, 295-358.
- Chin, W. W., & Dibbern, J. (2010). An introduction to a permutation-based procedure for multi-group PLS analysis: Results of tests of differences on simulated data

- and cross-cultural analysis of the sourcing of information system services between Germany and the USA", In *Handbook of Partial Least Squares*, (pp. 171-193). Springer, Berlin, Heidelberg.
- Choi, H. S. C., & Sirakaya, E. (2005). Measuring residents' attitude toward sustainable tourism: Development of sustainable tourism attitude scale. *Journal of Travel Research*, 43(4), 380-394.
- Choi, Y., & Yu, Y. (2014). The influence of perceived corporate sustainability practices on employees and organizational performance. *Sustainability*, 6(1), 348-364.
- Chow, W. S., & Chen, Y. (2012). Corporate sustainable development: Testing a new scale based on the mainland Chinese context. *Journal of Business Ethics*, 105(4), 519-533.
- Cochran W. G. (1977). *Sampling Techniques*, 3rd Ed., John Wiley & Sons.
- Collier, J., & Esteban, R. (2007). Corporate social responsibility and employee commitment. *Business Ethics: A European Review*, 16(1), 19-33.
- Dyllick, T., & Hockerts, K. (2002). Beyond the business case for corporate sustainability. *Business Strategy and the Environment*, 11(2), 130-141.
- Dyllick, T., & Muff, K. (2016). Clarifying the meaning of sustainable business: Introducing a typology from business-as-usual to true business sustainability. *Organization & Environment*, 29(2), 156-174.
- Eccles, R. G., Ioannou, I., & Serafeim, G. (2014). The impact of corporate sustainability on organizational processes and performance. *Management Science*, 60(11), 2835-2857.
- El-Khalil, R., & El-Kassar, A. N. (2018). Effects of corporate sustainability practices on performance: the case of the MENA region. *Benchmarking: An International Journal*, 25(5), 1333-1349.
- Font, X., Garay, L., & Jones, S. (2016). Sustainability motivations and practices in small tourism enterprises in European protected areas. *Journal of Cleaner Production*, 137, 1439-1448.
- Freeman, R. E. (2015). Stakeholder theory. *Wiley Encyclopedia of Management*, 1-6.
- Glavas, A., and Piderit, S. K. (2009). How does doing good matter? Effects of corporate citizenship on employees. *Journal of Corporate Citizenship*, 36, 51-70.
- Hahn, T., Figge, F., Aragón-Correa, J. A., & Sharma, S. (2017). Advancing research on corporate sustainability: Off to pastures new or back to the roots? *Business & Society*, 56(2), 155-185.
- Hair Jr, J. F., Hult, G. T. M., Ringle, C., & Sarstedt, M. (2016). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Sage publications.
- Henseler, J. & Christian M. Ringle & Marko Sarstedt (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, 43, 115-135. <https://doi.org/10.1007/s11747-014-0403-8>
- Henseler, J. (2017). Bridging Design and Behavioral Research with Variance-Based Structural Equation Modeling. *Journal of Advertising*, 46(1), 178-192. <https://doi.org/10.1080/00913367.2017.128178>.

- Hernaus, T., Bach, M. P., & Vukšić, V. B. (2012). Influence of strategic approach to BPM on financial and non-financial performance. *Baltic Journal of Management*, 7(4), 376-396.
- Inskip, E. (1991). *Tourism Planning: An Integrated and Sustainable Development Approach*. John Wiley & Sons.
- Kahn, W.A. (1990). Psychological conditions of personal engagement and disengagement at work. *Academy of Management Journal*, 33(4), 692-724.
- Kallio, E. M. (2018). Responsibility for sustainability within tourism—An emerging discourse. *Uppsala University*.
- Liu, D., Bakari, H., Niaz, M., Zhang, Q, & Shah, I.A. (2022). Impact of managerial trustworthy behavior on employee engagement: Mediating role of perceived insider status. *Frontiers in Psychology*. 13:942697, 1-9.
- Lo, S. F., & Sheu, H. J. (2007). Is corporate sustainability a value-increasing strategy for business? *Corporate Governance: An International Review*, 15(2), 345-358.
- Lozano, R. (2015). A holistic perspective on corporate sustainability drivers. *Corporate Social Responsibility and Environmental Management*, 22(1), 32-44.
- Menguc, B., Auh, S., & Ozanne, L. (2010). The interactive effect of internal and external factors on a proactive environmental strategy and its influence on a firm's performance. *Journal of Business Ethics*, 94(2), 279-298.
- Messner, W. (2013). Effect of Organizational Culture on employee commitment in the Indian IT services sourcing industry. *Journal of Indian Business Research*, 5(2), 76-100.
- Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human Resource Management Review*, 1(1), 61-89.
- Meyer, J. P., & Allen, N. J. (1997). *Commitment in the Workplace: Theory, Research, and Application*. Sage publications.
- Mowday, R. T., Porter, L. W., & Steers, R. (1982). *Organizational Linkages: The Psychology of Commitment, Absenteeism, And Turnover*. New York, NY: Academic Press.
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14(2), 224-247.
- Muathe, S.M.A., & Maina, S.M. (2017). Employee engagement, organisational commitment and performance of selected state corporations in Kenya. *European Scientific Journal*, 13(1), 317-327.
- Müller M, Jürgens J, Redaelli M, Klingberg, K., Hautz, W.E., & Stock, S. (2018). Impact of the communication and patient hand-off tool SBAR on patient safety: A systematic review. *BMJ Open*; 8:e022202, 1-10. DOI:10.1136/bmjopen-2018-022202
- Murphy, P. E. (1983). Perceptions and Attitudes of Decision-making Groups in Tourism Centers. *Journal of Travel Research*, 21 (3) 8-12.
- Nilson, J. (2009). Segmenting socially responsible mutual fund investors: The influence of financial return and social responsibility. *International Journal of Bank Marketing*, 27(1), 5-31.
- O'Reilly, C. (1989). Corporations, culture, and commitment: Motivation and social control in organizations. *California Management Review*, 31(4), 9-25.

- O'Reilly, C. A., & Chatman, J. (1986). Organizational commitment and psychological attachment: The effects of compliance, identification, and internalization on prosocial behavior. *Journal of Applied Psychology*, 71(3), 492.
- Palmer, C. and Lester, J.A., (2005). *Photographic Tourism: Shooting the Innocuous Making Meaning of Tourism Photographic Behavior Niche Tourism Contemporary Issues, Trends and Cases*. Oxford, Elsevier Butterworth-Heinemann.
- Pasewark, W. R., & Riley, M. E. (2010). It's matter of principle: The role of personal values in investment decisions. *Journal of Business Ethics*, 93(2), 237-253.
- Rodgers, W., Choy, H. L., & Guiral, A. (2013). Do investors value a firm's commitment to social activities? *Journal of Business Ethics*, 114 (4), 607-623.
- Shamil, M. M. M., Shaikh, J. M., Ho, P. L., & Krishnan, A. (2012). The relationship between corporate sustainability and corporate financial performance: A conceptual review. In *Proceedings of USM-AUT International Conference 2012 Sustainable Economic Development: Policies and Strategies*, (Vol. 167, p. 401). School of Social Sciences, University Sains Malaysia.
- Shrivastava, P (1995). The role of corporations in achieving ecological sustainability. *Academy of Management Review*, 20(4), 936-960.
- Silver, L., Berggren, B., & Veghohn, F. (2010). The impact of investment readiness on investor commitment and market accessibility in SMEs. *Journal of Small Business & Entrepreneurship*, 23(1), 81-95.
- Simmons, D. G. (1994). Community participation in tourism planning. *Tourism Management*, 15(2), 98-108.
- Singh, A., & Gupta, B. (2015). Job involvement, organizational commitment, professional commitment, and team commitment. *Benchmarking: An International Journal*, 15(2), 107-113.
- Steurer, R., Langer, M. E., Konrad, A., & Martinuzzi, A. (2005). Corporations, stakeholders, and sustainable development I: a theoretical exploration of business-society relations. *Journal of Business Ethics*, 61(3), 263-281.
- Stone, D. A. (1989). Causal stories and the formation of policy agendas. *Political Science Quarterly*, 104(2), 281-300.
- Sy, M. V. (2016). Impact of sustainability practices on the firms' performance. *Asia Pacific Business & Economics Perspectives*, 4, 4-21.
- Székely, N., & Vom Brocke, J. (2017). What can we learn from corporate sustainability reporting? Deriving propositions for research and practice from over 9,500 corporate sustainability reports published between 1999 and 2015 using topic modelling technique. *PloS One*, 12(4), e0174807.
- Thammajinda, R. (2013). *Community participation and social capital in tourism planning and management in a Thai Context* (Doctoral dissertation, Lincoln University).
- Tomšič, N., Bojnec, Š., & Simčič, B. (2015). Corporate sustainability and economic performance in small and medium-sized enterprises. *Journal of Cleaner Production*, 108, 603-612.
- Tosun, C. (1999). Towards a typology of community participation in the tourism development process. *Anatolia*, 10(2), 113-134.
- Tosun, C. (2000). Limits to community participation in the tourism development process in developing countries. *Tourism Management*, 21(6), 613-633
- Tosun, C. (2006). Expected nature of community participation in tourism

- development. *Tourism Management*, 27(3), 493-504.
- Tuna, M., Ghazzawi, I., Yesiltas, M., Tuna, A. A., & Arslan, S. (2016). The effects of the perceived external prestige of the organization on employee deviant workplace behavior: The mediating role of job satisfaction. *International Journal of Contemporary Hospitality Management*, 28(2), 366-396.
- Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: A comparison of approaches. *Academy of Management Review*, 11(4), 801-814.
- Vietnam National Administration of Tourism (2020). *Vietnam Tourism Annual Report 2019*. Lao Dong Publishing House.
- Wagemans, F. A., Koppen, C. K. V., & Mol, A. P. (2013). The effectiveness of socially responsible investment: a review. *Journal of Integrative Environmental Sciences*, 10(3-4), 235-252.
- Wei, S., Xueyi, X., Yali, W., & Xinggui, W. (2012). Influencing factors of community participation in tourism development: A case study of Xin Gwen world Geopark. *Journal of Geography and Regional Planning*, 5(7), 207-211.

About the Author

Vo Thi Tam

*Phu Yen University
1 Nguyen Van Huyen, Ward 9
Tuy Hoa City, Phu Yen Province
Vietnam
Tel.: +84905050850
E-mail: votam@pyu.edu.vn.
ORCID 0009-0006-1043-3258*

Vo Tan Phong*

*Lac Hong University
10 Huynh Van Nghe, Buu Long,
Bien Hoa City, Dong Nai Province
Vietnam
Tel.: +84903953948
E-mail: phongvt8294@gmail.com
ORCID 0009-0001-9841-9939*

**Corresponding author*

Vo Thi Tam was born in 1985 in Phu Yen Province, Vietnam. Ms. Tam graduated with a bachelor's degree in business administration from Lac Hong University in Bien Hoa City, Dong Nai (LHU) in 2007. She was recruited to work at Phu Yen University, Phu Yen Province (PYU), in 2008. 2012 she received an MBA from the

Open University of Ho Chi Minh City (HCMCOU). In 2021, she received a Ph.D. in economics from Lac Hong University in Bien Hoa City, Dong Nai (LHU). Ms. Tam has more than 15 years of working in education and was appointed by the Ministry of Education and Training of Vietnam as a main lecturer in July 2023. She is the main lecturer at the Faculty of Economics, Phu Yen University in Tuy Hoa City, Phu Yen Province, Vietnam. She is also a guest lecturer at universities in Phu Yen Province and neighboring provinces. One of her favorite research areas is sustainable development. Ms. Tam has conducted many research projects related to corporate sustainability, especially in Vietnam's tourism industry. The fields of teaching and research are strategic management, marketing management, enterprise risk management, corporate sustainability, and corporate governance.

Vo Tan Phong was born in 1955 in Saigon (HCMC) and 1982 graduated as a mechanical engineer at the National University of Petrochemical Industry named Gubkin, Moscow, SSSR. In 1983, he joined Petechim Petroleum Import-Export Company in Vietnam. In 1993, he received a bachelor's degree in business administration from the Open University of Ho Chi Minh City, and in 1995, received an MBA degree from the Brussels Liberty University, Belgium, and the Open University of Ho Chi Minh City. In 2001, he received a Ph.D from the University of Economics in Ho Chi Minh City (UEH). Mr. Phong has more than 30 years of working in the oil and gas industry, 10 years working in commercial banking as a standing member of BODs of Eximbank Vietnam, and more than 10 years working in the insurance industry with Nha Rong Insurance Corporation as Chief of the Internal Control Committee and as a standing member of Board of Directors. Since 2015, Dr. Phong has been a lecturer at the Postgraduate Faculty of Lac Hong University in Bien Hoa City, Dong Nai. He also guest lectures at the postgraduate level at universities in Ho Chi Minh City and other provinces of Vietnam. His fields of teaching and research are enterprise risk management, strategic management, operations management, corporate sustainability, and corporate governance.

Identity and Well-Being: Exploring the Missing Link in Personal Finance Domain

Sulagna Nandy-Dutta ^{1,*}

Niladri Das ¹

* Corresponding author

¹ Indian Institute of Technology
(Indian School of Mines), Dhanbad

Abstract

Purposes - The study explores whether morally driven identity in the personal finance domain (i.e., financial moral identity, FMI) leads to financial well-being (FWB). This paper navigates toward the linear relationship between FMI and various FWB categories to measure this phenomenon.

Methods - The study has Indian samples. This quantitative exploration has used multiple linear regression to test hypothesized relationships among key variables. Henceforth, robust regression and simulation are used to validate the relationships.

Findings - FMI has reemerged as a valid and reliable construct to measure morally driven identity in the personal finance domain. It has significant relationships with subjective FWB (short-term and long-term of specific; generic) and objective FWB.

Limitations - The study is limited to a single country. The sample size is restricted to online volunteers for participation. A few well-being scales are taken into consideration. Inputs from various doctrines like philosophical and behavioral are left unexplored in the measurement tools.

Contributions to literature - The comprehensive outlook is the foundation for this study. It has revalidated FMI by extending the nomological net with FWB. Both perspectives are adopted from the moral identity (trait and social-cognitive), and self-interest is revisited with a broader outlook while formulating FMI in a previous working paper. It echoes here while adopting an integrated approach for measuring the FWB (Generic & Specific; Subjective & Objective).

Practical implications - The FMI intended to quantify self-perception with the morality framework of an individual while managing one's monetary resources in the near and distant future. It is linked to FWB. This nomological extension signifies the direct implications related to FWB. The FMI may be instrumental in designing better policies.

Social implications - *Well-being leads to various direct health benefits and prevents mental health issues. Humans love to live in a prosperous family/society/state. The FMI may lead us to fulfill the ultimate desire in a small way.*

Originality - *This is the most probably (as per present researchers' knowledge) initial attempt to measure the morally driven identity in the personal finance domain with an integrative framework of domain-specific well-being.*

Keywords: financial well-being, moral identity, financial moral identity, self-interest

Reference to this paper should be made as follows: Nandy-Dutta, S. & Das, N. (2024). Identity and well-being: Exploring the missing link in personal finance domain. *Journal of Business and Management*, 29(2), June, 101-137. DOI: 10.6347/JBM.202406_29(2).0004.

Introduction

Personal finance is about monetary resource management at the individual/family/household level while meeting present and future needs (Hira, 2009). It is an engaging activity for everyone in day-to-day life and an emerging topic in research. This field is enriched with inputs from various doctrines (Schuchardt et al., 2007). In the Behavioral Life-Cycle Hypothesis, self-control is the prime ingredient (Thaler & Shefrin, 1981; Shefrin & Thaler, 1988), which recommends personality traits while explaining money utilization with a purpose. Not merely savings behavior, even generic financial behavior is explained by self-control beyond the Life-Cycle Hypothesis and concludes one's secure feeling regarding the financial situation (Strömbäck et al., 2017). The love of material possession or materialism is associated with mental health affairs like anxiety and depression (Kasser & Ryan, 1993), addiction (Kasser & Ryan, 2001; Williams et al., 2000), and low level of life satisfaction (Sheldon & Kasser, 2001). These mental health issues are rising nowadays, and no nation has adequate infrastructure to address this goliath crisis at the global level (Patel et al., 2018). Furthermore, materialistic values negatively contribute to well-being (Kasser, 2003; Diener & Seligman, 2004), and morality (moral identity) is positively linked to well-being (Giacalone et al., 2016). People in the working setting (employees) try to keep their ethical caliber even at the cost of other goals and contribute to well-being (Promislo et al., 2012). Moreover, the self-image influences the investing decision (Redhead, 2008).

Though conceptually, one may have multiple identities, one holds a single identity in prominence (Ashforth et al., 2001; Turner et al., 1979; Stryker, 1968). Alternative identity cues get activated. (Rothbart & John, 1985; Macrae et al., 1995), or salience hierarchy is arranged internally (Stryker, 2008; Roccas & Brewer, 2002).

However, identity is a dynamic concept (Drake et al., 2001; Brown et al., 2005) and has overlapping perspectives and information (Gee, 2000). Centrality and identity consistency have directed toward static nature of self-concept. The identity development (process) could be stressful and confusing due to complexities in today's world and possessing multiple identities (Azmitia et al., 2013).

The identity in the moral domain indicates that direction (the static nature of self). This perspective is initiated with the self-model (Blasi, 1983; Blasi, 1984; Blasi, 2005) and explains identity centrality for long-term morality. Another distinct yet dominant perspective is context-sensitive identity saliency, which explains short-term morality based on Social-Cognitive theory (Bandura, 2001). Both the perspectives of identity in the moral domain, i.e., moral identity (MI), explain moral behavior by overcoming the previous predominance of moral reasoning for explaining human behavior. MI theories emerge in response to elucidating the "moral judgment-action gap" that academically existed for explaining people's actual behavior that is distant from their knowledge of what is the right thing to do (Lapsley, 2004). The earlier Self Model (Blasi, 1983; Blasi, 1984) theorized that three components (moral self, personal responsibility, and self-consistency) combine into the self's identity to cross over the "moral judgment-action gap." The component, "moral self" ('moral centrality'), signifies the moral values related to one's self-identity.

After determining a moral judgment, personal responsibility is instrumental in engaging one's act upon the judgment. Self-consistency directs one to engage in persistent action through synchronization with judgment and action. This model demarcates the identity structure into objective (moral ideals) and subjective (experience) dimensions. In the maturity process, the identity goes through a conversion from externalization to internalization of self-perception. These conceptions help one organized to balance oneself more organized and feel a sophisticated-discerned agency (Blasi, 1993). The extension of the self-model has advanced the moral character based on virtues and vices, which have trinity components of "willpower" (highest virtue), "moral desires," and "integrity" (lowest virtue) (Blasi, 2005). This theory presupposes moral values (Blasi, 1983; Blasi, 1984; Blasi, 2005; Colby & Damon, 1993; Colby et al., 1992), which define one's moral personality and personal goals. This character-based self-model claims that a person's persistent acts reflect her synchronized core belief, moral values, goals, and actions. In brief, the central tenet of this model, MI, is the moral motivation for moral action.

In the alternate perspective, the self-view is the prime component of MI, as proposed by Aquino and Reed (2002), based on self-schema. Schema is the mental presentation of the self-view or working self-concept (Markus & Wurf, 1987) one may have while processing the information. This model is based on Social-Cognitive theory (Bandura, 2001), which considers the influence of an interactionist environment on people's behavior. According to this school of thought, virtuous traits are the backbone of one's self-view. There are two dimensions of this trait-based schema model. They are internalization (private view) and symbolization (public view), based on Erikson's identity dimension (1994). This approach of MI posits the dynamism of moral action and short-term morality (Shao et al., 2008). This social-cognitive

perspective of identity has flourished towards a new dimension and has reached new heights among contemporary identity scholars (Hardy & Carlo, 2011)-(Lapsley & Lasky, 2001; Lapsley & Narvaez, 2004). The impact of moral identity on behavior (Black & Reynolds, 2016; Kihlstrom et al., 2003; Hannah et al., 2009; Aquino et al., 2009) is well researched. The balance between virtuous and vicious behavior can be observed by developing moral capacity, and MI is instrumental in the process (Hannah et al., 2011).

The direct empirical linkages between moral domain identity and personal finance are lacking. However, personal finance management facets like savings behavior (Dulebohn & Murray, 2007), money (Belk, 1988; Prince, 1993), over-indebtedness (Gathergood, 2012), and the balance between spending and savings (Baumeister, 2002; Romal & Kaplan, 1995), materialism (Richins & Dawson, 1992), poor management (Dew & Xiao, 2011) are well linked to self-concept and identity. Though, the integration of self and material is ancient (19th century) and proposed by James (1891), who had classified the self into "material, social, spiritual, and pure ego." The financial (process) identity in personal finance (Shim et al., 2013) has been explored recently and focuses on identity development among emerging adults. Nevertheless, no moral preference is explored in explaining the identity concept or its significance concerning financial well-being (FWB). Morality in terms of MI is not yet explored in the personal finance domain concerning happiness. These openings in literature encourage the present researchers to explore identity (content-oriented) in the personal finance domain and its relation with key determinants (domain-specific well-being) of the personal-finance ecosystem.

Is there any connecting thread between Wellbeing, Finance, and Identity?

According to well-being theorists (from ancient to contemporary), well-being is the ultimate desire of any human being. Its root is in philosophy. The three prominent schools of thought (hedonic, desire, objective list) existed in well-being research in this doctrine. Psychology sees it as happiness (hedonic and eudaimonic or both-PREMA), and Economics defines it as a capability approach (influenced by the objective list). Discussion on various well-being is beyond the scope of this paper. The previous research has validated the identity (development) and well-being linkages (Marcia, 1989; LaVoie, 1976; Pomerantz, 1979; Kahn et al., 2014; Meeus et al., 1999).

On the other hand, the existing literature on money and happiness is mixed. It is observed that more financial resources catalyzed well-being in a positive direction in the category of samples, e.g., in low-income countries and basic needs of life satisfaction (Galinha et al., 2016). On the contrary, income and happiness do not share a linear relationship. It is evident in a study related to life satisfaction and income is contrary to "the Easterlin paradox" (*it describes that there is an increase in happiness/life satisfaction concerning income increases*) (Dluhosch et al., 2014).

Financial Well Being (henceforth FWB) is all about being happy at present with available material resources and feeling secure in the future about financial hardship.

It has been explained by various researchers (Joshanloo, 2022; Netemeyer et al., 2018; Prawitz et al., 2006; Brüggen et al., 2017; Xiao & Porto, 2017; Bureau, 2015; Shim et al., 2009; Joo & Grable, 2004; Porter, 1990), yet to develop a standardized general definition for its components and antecedents.

FWB is predominantly considered the sub-sphere of comprehensive well-being, incredibly “subjective well-being” (SWB) (Dolan et al., 2008; Diener & Oishi, 2000; Diener et al., 1999). SWB indicates the person's conception of their own life about how happy they feel by assessing dimensions of life- cognitive and affective (Diener et al., 2002). Moreover, this universal phenomenon is influenced positively by FWB (Iannello et al., 2021). The wealth and financial health of a household is a foremost determinant of inclusive wellness (Brown & Gray, 2016).

The very recent trend in FWB research is exploring psychological factors (Mahendru, 2021) apart from objective indicators, for instance, the factors like motivation (Duflo & Saez, 2003; Michie et al., 2011; Bauer et al., 2014; Vlaev et al., 2015), goal orientation, optimism, and locus of control (Prihartono & Asandimitra, 2018; Vlaev & Elliott, 2014; Meza & Southey, 1996). Personal factors (for example, mental health, values, characteristics, motivations, etc.) are recommended to be explored (Brüggen et al., 2017) in the FWB framework. But the prominent association between identity (moral) and FWB is lacking though ethnicity is being studied in relation to FWB (Blau & Graham, 1990; Gittleman & Wolff, 2004). The financial management aspects, for instance, income and financial behaviors (Dew & Xiao, 2011; Joo & Grable, 2004; Prawitz et al., 2006), proper management (Dew & Xiao, 2011; Donnelly et al., 2012), money management by people (married) while taking major life decisions (Burgoyne et al., 2007), savings intentions (Kim et al., 2003) impact money management directly and well-being indirectly (Donnelly et al., 2012). Even the health of savings, as well as generic financial behavior, is influenced positively by self-control (Strömbäck et al., 2017). This relationship can go both ways. Saving literature postulates that saving intentions or behaviors influence well-being most of the time. Though objective parameters predominantly measure financial construct like financial health, financial wellness, financial behavior, and financial capabilities, the subjective aspect of its measurement is also advocated by various international organizations while measuring the construct (Human Development Index, Wellness index) at a global level.

Direction of the Present Study:

The above discussion has enriched the researchers' comprehension of identity, and well-being in general and their significance in the personal finance domain in particular. They assume that self-view as central to morality has a significant influence on decision making while dealing with the element of self-interest, the personal money, for one's own needs fulfillment. As the above debate is significant in explaining self-concept concerning moral preference towards each action, they advance their comprehension that utility function from any outcome could benefit totality. It could be both self-benefiting as motivating to help others. It creates a

synergy between the inner ethical framework and the real action, while morality is central to the self-view.

From the MI perspective, they understand that morality is central to self, and inner synchronization directs to a unified self-view and unified action, so there are fewer lapses of judgment-action gap (Frimer & Walker, 2008). The character-oriented self-model helps explain future morality through consistent content, whereas the trait-based and schema-induced self-view helps predict daily moral action dynamics. MI has a well-established link with morality, and ethical and unethical behavior (Reynolds & Ceranic, 2007).

The present researchers presuppose that there is financial MI (FMI) in the personal finance domain. This FMI is not purely selfish-driven and not selflessly-driven but exists between creating the balance in real-life trade-offs. The FMI connects with self-view based on one's own moral framework (personal norm, being moral and good, prosocial intention, altruistic motivation) while dealing with personal resources (saving, spending, budgeting, planning) in the proximal (MI-trait based) and distal (MI-character based) perspectives in the context of the existing environment.

Predominantly, self-interest is viewed in two different thoughts- one in a narrower frame as selfishness which is a limited view misinterpreted (maybe) from the scholarly contribution of Adam Smith (1776), and the opposite thoughts are beyond narrower self-interest. The narrower self-interest represents the traditional Economist's observation of an innocent act of a rational agent and explaining the agent's behavior through salient or hidden self-oriented intention (vicious or non-moral) only and no space for other-oriented (virtuous) concern (Maitland, 2002).

There is an alternate view to self-interest, which has various directions. Rocha and Ghoshal (2006) have proposed the integrated model of self-interest with unselfishness. The model advocates an integrated approach toward self-interest by taking Aristotelian views on self-love, which imparts towards excellence. The argument about self-interest is not a bipolar construct-selfish and altruism. The model demarcates two aspects-"motivational object" (meant for own perception of good for self, e.g., pleasure, duty, etc.) and "motivational subject" (signifies whose interest and combination of whose interest becomes eight in numbers). The model incorporates interconnected eight motives (matrix based on self-interest/other's interest/both), simplifying the trinity identities (preferences, behavior, and outcomes) and their relationships. In the same explanation on self and beyond selfishness, but a different explanation is given by Folger and Salvador (2008), morality is explained beyond Economists' perspective of self-interest motives by self-impression management. The argument is based on psychological egoism through self-impression management that morality is not limited to benefiting others and is not restricted to the alternate means of self-interest as sympathy and empathy. Therefore, they have adopted the alternative view while formulating the FMI in the previous working paper (Nandy-Dutta & Das, 2023).

The Identity in Personal Finance Domain (Financial Moral Identity/FMI)

Personal finance management can be considered a self-interested act and the area everyone engages in for the survival needs of this materialistic world. At the global level, we are going through a lot in recent times physically, psychologically, and materially as the consequences of the financial crisis, pandemic, and ongoing war. A general notion is that self-interested act reflects self-regarding and morality depicts other-regarding. This is not always true as the rational being engages in prosocial action, which traditional economic theory fails to explain. The traditional economic model does not explain well-being in totality through the objective determinants alone; instead, it is achieved by something in between or the means of life perspective in aligning with goals of life and objective parameters (Easterlin, 2006). People's perception and self-belief in financial decision-making are more pretentious by the perception of fraud victimization than a complete loss of wealth (Brenner et al., 2020). On the other hand, the people in working settings hold the steadfast (not pliable) belief about morality and whose identity (moral) is a predictor of their sense of moral control (Feng et al., 2022). Ethical decision making has impacted human lives since ages.

Based on moral identity theories, self-interest perspectives, and financial morality areas (*generosity, ethical earning, financial commitment, money management, and morally driven earning utilization*), a construct, financial moral identity (henceforth FMI), is formulated and validated (*all psychometric properties of the scale are within the standardized values*) in a previous study (Nandy-Dutta & Das, 2023) to measure one's moral self-view while managing own resources (personal finance aspects) in "short-term and long-term" basis.

The researchers comprehend that the FMI is all about how one relates to one's ethical framework based on personal norms, preferences for moral aspects in decision making, connectedness with the act or agent. There is a fundamental assumption before formulating the FMI; two bottom-level needs from Maslow's need of hierarchy would be fulfilled. The scale has two dimensions, one is meant for inner evaluation (Internalization of Financial MI/IFMI), and another is meant for inner perception about how others perceive the action (Symbolization of Financial MI/SFMI). This study is to establish the significance of FMI in the broader framework of the personal-finance ecosystem.

Relevant literature

Hypotheses Formulation:

Firstly, the existing literature has adopted three methods-objective, subjective and mixed, for assessing FWB. The metric-centric parameters signify financial health, for the instance-personal fund, earning amounts, debt-income ratios, etc., i.e., objective (Aggarwal, 2014), (Tenney & Kalenkoski, 2019). The objective measures have indicated that even the income-centric measurement, e.g., "relative income" and not "absolute income," is influential in defining contentment (McBride, 2001), (Clark et al., 2008). Nevertheless, it is also interesting that objective parameters such as "financial

literacy and financial knowledge" are not explaining FWB significantly (Mindra et al., 2017). Existing literature (Riitsalu & Murakas, 2019) found that subjective knowledge is a good prognosticator of FWB. Then what does it matter? Maybe people's perception. The perception-oriented, either self-assessed or other-observed parameters, which signify the satisfaction related to the overall financial matter is present or forthcoming times, is subjective (Netemeyer et al., 2018). The secure feeling about own finance is the ultimate indicator of FWB (Vlaev & Elliott, 2014). In contrast, people reported subjective well-being though objectively poor (Biswas-Diener & Diener, 2001). Though measurement indicators are based on both aspects (Brüggen et al., 2017; Xiao & Porto, 2017), the subjective dimension is well-adopted in the literature in defining FWB. FWB (subjective) is crucial because perception becomes instrumental in all decision-making spheres, including the financial one (Netemeyer et al., 2018). Even in the metric-oriented domain, subjectivity is crucial to assessing people's well-being. FWB has bi-dimensionality in terms of time perspective- "present" and "future" (Netemeyer et al., 2018; Brüggen et al., 2017). The present dimension is about being in control of one's resources, for instance, meeting needs, maintaining the standard of living, leading the desired life, and managing the money well with all the complexities faced in the present situation. The future-related dimension is about facing uncertainties with confidence and accomplishing the desired goals in the long run (Netemeyer et al., 2018). The motivation to manage personal resources well may be the goal of FWB. Personal resources are associated positively with controlled motivation and negatively with autonomous motivation (Kolachev, 2021). The connection between behavioral economics constructs and motivation is established (Fasczewski et al., 2021). Therefore, FWB is not merely influenced by objectivity, but it is defined by subjectivity too.

Secondly, the debate on moral psychology is about the "moral judgment action gap" that existed during the ages, times of Socrates, Plato, and Aristotle by the term "akrasia" ("the phenomenon in which a person knows what is right but fails to act on that knowledge") (DeTienne et al., 2021). This supposition claims individuals are not always in sync with their rational comprehension (Kraut, 2018). Furthermore, MI has the best explaining power to fill this gap (Lapsley, 2004). In contrast, this gap has not existed and can be comprehended by exploring reasoning areas (for instance, "self-interest," "social interest," etc.) in evaluating a situation through moral implications (Nucci, 1987; Turiel, 2003). So, the future research area is suggested by DeTienne et al. (2021) to explore this domain. For exploring this domain, happiness may be the connecting thread of FMI and FWB. According to the self-interest framework, people help others out of sympathy or empathy, whatever may be the reason but experience the happiness of giving. Furthermore, FWB is a significant and integral component of one's overall well-being, which is the ultimate desire of human beings. Research has shown that FWB led to happiness significantly (Oquaye et al., 2020), (Zemtsov & Osipova, 2016). The literature argues (Wood et al., 2011) for not only having strength (personal and psychological) but using that to elevate sustainable well-being (Peterson & Seligman, 2004). In addition to this, it is advocated that researchers consider economic indicators in defining personal level happiness due to their prominent significance (Diener & Seligman, 2004).

Thirdly, the review paper (Brüggen et al., 2017) has formulated the future research agenda of FWB by focusing on personal factors (for example, mental health, values, characteristics, motivations, etc.) and others recommended psychological factors as determinants of FWB. In terms of value, materialism is considered negative. The extensive literature has found the relationship between a person's materialistic perception of FWB and SWB (Kasser & Ryan, 1993; Sirgy, 1998; Garðarsdóttir & Dittmar, 2012; Dittmar et al., 2014).

H_{1a}: There is a linear, significant, and positive relationship between FMI and Subjective FWB (Generic).

H_{1b}: There is a linear, significant, and positive relationship between FMI and Subjective FWB (Short-term & Long-term).

H_{1c}: There are inter-relationships among dimensions of FMI (IFMI and SFMI) and Subjective FWB (Short-term and Long-term).

H_{1d}: There is a significant relationship between FMI and Objective FWB.

Comprehending these openings in existing literature, the researchers focus on people's perception of self-view while dealing with their resources. FMI, due to its moral root, may have predictive power towards FWB assessment for sharing the expected outcome of happiness. They assume that FMI, which is trait-based and value-oriented, would have predictive power to assess FWB in a positive direction. After exploring the nomological net, they believe that FMI has the predictive ability to measure FWB (Generic and Specific; "short-term and long-term").

Methods

Procedure and Data Collection:

This study is executed through online sampling. The essential eligibility criteria are being an adult (aged 18 years or above) and an Indian national. Social media are used to publicize the study and email respondents with a voluntary participation request. Almost 6900 people were approached for their opinion, and 178 individuals responded, and the data is valid for 168 respondents. The demographic profiles are reflected in Table 1.

Table 1. Demographic Profile of the Respondents				
		Gender		
		Female	Male	Prefer not to say
Education	Graduation	16	28	2
	Post Graduation	59	44	1
	Other	5	13	0
Occupation	Student	71	64	0
	Self-Employed	2	5	1
	Service	7	16	2
Marital Status	Unmarried	74	77	3
	Married	4	8	0
	Other	2	0	0
Age (in years)	18-24	65	56	2
	25-34	12	22	3
	35-44	0	2	0
	above 45	1	5	0

Measures:

Financial Moral Identity (FMI)

Empirically, generosity, ethical earning, financial commitment, money management, and morally driven earning utilization- these areas are explored while generating the items for FMI according to the literature on financial morality in the personal finance context and various sub-areas related to self-interest and morality. Then items are edited and regenerated on various sub-concepts through inductive and deductive processes. Afterward, generated items were segregated (based on interpretability) into two dimensions-internalization and symbolization. The brainstorming sessions and pre-testing have created the initial pool of fifty-five (55) items along with the open-ended response, and then it was reduced to twenty-five (25) items (according to experts' initial opinion and factor analysis); later, it became fifteen (15) items (through experts' final opinion and exploratory factor analysis).

The FMI is designed through the above process and is validated in an earlier study (Nandy-Dutta & Das, 2023). In the questionnaire, the initial guideline gives a cue to the respondents to visualize the ideal key financial decision-makers before recording their responses. Possible scores are 1 to 5 on a "Likert-type scale." A sum score provided an overall score of FMI – the score of the scale positively signifies the level of FMI. It has two dimensions-internalization (IFMI) and symbolization (SFMI). IFMI consists of ten (10) items, whereas SFMI has five (5) items. Items such as "I want to see myself as a moral human being (practicing what is right) no matter what is my financial situation in future" (IFMI item) and "My family and friends find me responsible the way I manage my money." (SFMI item) -are being measured.

Financial Well-Being (FWB)

Subjective FWB (Specific-Short-term & Long-term; Generic)

The existing literature has directed to even a single construct measurement for financial satisfaction (Joo & Grable, 2004). The researchers have adopted a well-validated ($\alpha=0.74$) FWB scale (Norvilitis et al., 2003) for its simplistic and bi-dimensional ("current financial concern" and "future expectations") framework for the subjective measurement of FWB (SFWB [short-term & long-term]). Apart from this FWB measurement tool, they have also adopted the tool meant for the generic aspect of a prosperous nation and popularly used by western countries to mitigate the cultural issue as the study is being conducted in developing countries like India. The other FWB tool (SFWB [Generic]) is suggested by OECD (2014a) (OECD, 2014) in its toolkit.

Objective FWB

The objective indicators of FWB (OFWB) are well researched in previous studies (Iannello et al., 2021; Sorgente et al., 2022; Sorgente & Lanz, 2017; Zaimah et al., 2013). These are measured in this study through the amount of the monthly fund/income, amount of monthly expenses, and ratio between fund and expense.

Pre-Analysis:

After cleaning and checking the data for missing values (Lynch, 2003), identifying for outlier for the individual variable and that for the model, and assessing normality, linearity, homoscedasticity, multicollinearity, independent error, and sufficiency, the refined data is ready for further analysis. All are within the benchmark. The inter-reliability of FMI is assessed through Cronbach alpha (α) [FMI=0.810; IFMI=0.775; SFMI=0.785]. The composite scale has a better score than its components.

Model Prediction for Predictive Validity

The mathematical representation of the predictive models is as follows.

Predictive Model I [Subjective Model]

$$FMI \sim \text{Intercept} + b_{GSFWB}x_{GSFWB_{OECD}} + b_{SSFWB}x_{SSFWB_C} + b_{SSFWB}x_{SSFWB_F} \quad (1)$$

where,

Regressand=Financial Moral Identity (FMI)

Regressor1=Generic Subjective Financial Well Being (GSFWB-OECD)

Regressor2=Specific Subjective Financial Well Being- Current (SSFWB-C)

Regressor3=Specific Subjective Financial Well Being- Future (SSFWB-F)

Intercept=Initial value of Financial Moral Identity

Slope coefficient=The change in the dependent variable for every unit change in the *i*th independent variable

The above model is conceptualized for multiple regression analysis to examine if the predictors collectively and significantly explain the variance in Financial Moral Identity.

Predictive Model II [Objective Model]

$$FMI \sim \text{Intercept} + b_{OFWB_{PF}} x_{OFWB_{PF}} + b_{OFWB_{PE}} x_{OFWB_{PE}} + b_{OFWB_{RATIO_{F\&E}}} x_{OFWB_{Ratio_{F\&E}}} \quad (2)$$

where,

Regressorand=Financial Moral Identity (FMI)

Regressor1=Objective Financial Well Being_Personal Fund (OFWB-PF)

Regressor2=Objective Financial Well Being_Personal Expenses (OFWB-PE)

Regressor3=Objective Financial Well Being_Ratio between Personal Fund & Personal Expenses (OFWB-Ratio F & E)

Intercept=Initial value of Financial Moral Identity

Slope coefficient=The change in the dependent variable for every unit change in the *i*th independent variable

Predictive Model III [Mixed Model]

$$FMI \sim \text{Intercept} + b_{OFWB_{PF}} x_{OFWB_{PF}} + b_{OFWB_{PE}} x_{OFWB_{PE}} + b_{OFWB_{RATIO_{F\&E}}} x_{OFWB_{Ratio_{F\&E}}} + b_{GSFWB} x_{GSFWB_{OECD}} + b_{SSFWB_C} x_{SSFWB_C} + b_{SSFWB_F} x_{SSFWB_F} \quad (3)$$

Analysis:

All the constructs are verified before entering the regression for intercorrelation among its components (Table 2) for convergent and discriminant validity. This is the most popular, traditional, and validated method. The linear relationship among key variables is assessed through regression. The linear regression analysis represents the strength and significance of independent variables with dependent variables to observe the power game among critical variables. The predicted models are tested through multiple linear regression (MLR) and validated through simulation and robust regression. Furthermore, bootstrapping is used to analyze the data as it is gaining popularity for its violation of the normality assumption and effectiveness for smaller sample sizes (N < 25) (Hayes, 2009).

Result and Discussion

Correlation:

The correlation matrix (Table 2) shows the significant correlation among FMI with SSFWB (Specific- short-term and long-term), but the correlation's strength is moderate. The components of FMI (internalized FMI & symbolized FMI) have a significant, positive, high correlation with SSFWB (short-term and long-term), respectively. The OFWB indicators (amount of monthly fund, amount of monthly expense, pro social spending-charity & gifting others) share the significant correlation

with dimensions of FMI, except personal spending indicators. This result has supported the hypotheses [H_{1a}, H_{1b}, H_{1c}, & H_{1d}].

Table 2. Correlations Matrix

Variables	IFMI	SFMI	FMI	GSFWB	SSFWB_ Short Term	SSFWB_ Long Term	SSFWB	OFWB_ Fund	Mean	Std. Deviation	N
IFMI									4.31	0.4655	168
SFMI	.360**								3.89	0.6539	168
FMI	.754**	.884**							4.10	0.4646	168
GSFWB (Generic)	.128	.132	.157*						2.88	0.6818	168
SSFWB_ Short Term	.291**	.250**	.322**	.177*					3.45	0.4854	168
SSFWB_ Long Term	.539**	.308**	.486**	.160*	.251**				3.80	0.7970	168
SSFWB	.553**	.355**	.527**	.207**	.664**	.890**			3.62	0.5160	168
OFWB_ Fund	.361**	.673**	.655**	.051	.217**	.260**	.303**		115.45	46.8228	168
OFWB_ Expense	.290**	.617**	.579**	.062	.164*	.154*	.196*	.860**	92.05	44.8443	168

IFMI=Internalized Financial Moral Identity (FMI); SFMI=Symbolized FMI; GSFWB=Generic Subjective Financial Well Being (FWB); SSFWB=Specific Subjective FWB (Short Term & Long Term); OFWB=Objective FWB
 ** p<0.01 (2-tailed); * p< 0.05 (2-tailed).

Predictive Models (PM/s) testing through Multiple Linear Regression (MLR)

The MLR is run to test the explanatory power of predictors (FWB) to predict the variance on FMI. The researchers have three different predictive models to test the hypothesized relationships. The first model is based on subjective aspects of FWB (Subjective Model/SM), the second one is based on objective parameters (Objective Model/OM), and the third one is based on both subjective as well as objective indicators (Mixed Model/MM). MLR has opted for analysis as it is the most traditional yet convenient method to validate the hypothesized relations with more than one predictor. The result of MLR for SM is presented in the tables 3 & 4. The predicted model I (subjective model /SM1) is corrected for generic FWB as it has an insignificant contribution to regression. The corrected SM2 has predictors-short-term and long-term dimensions of specific subjective FWB. The long-term dimension has better predictability of FMI over the short-term dimension of SSFWB. The predicted model II (objective model/OM1) has objective indicators (fund, expenses, and the ratio between fund and expense) of FWB. The OM1 is also corrected (OM2) and left with a fund predictor. The predicted model III (mixed model/MM1) is also tested by combining predictors from SM and OM and corrected (MM2) by having three significant predictors (fund form objective; SSFWB-short term & long-term from subjective indicators).

The statistics of the MLR established the linear relationship of FMI with predictors with low to moderate intensity. All predicted models become statistically significant once eliminating the insignificant predictor. In all these regressions, the MM2 emerged as the best model (Table 4) while fitting the data due to its lowest standard error and the highest R².

Validation of Predictive Models (PM/s) through Robust Regression (RR) and Simulation

The robust regression (RR) is conducted on three corrected models to check the robustness of the result from test statistics. On the other hand, the existing dataset is simulated to 100000 cases to validate the same. The result of RR echoes the same with test statistics (Table 3) and indicates that the predicted models are statistically robust.

All the corrected models are validated in the simulated dataset [SD; N=100000] (Tables 3 & 4). All predictors from predicted models became significant due to the large dataset. These findings signify that the corrected models are conservative and got insignificant results due to the smaller sample size. Both the validating tests (RR & SD) confirm the hypothesized linear relations among key predictors from subjective, objective, and mixed models with FMI and support the hypotheses [H_{1a}, H_{1b}, H_{1c}, & H_{1d}].

Table 3. Regression Result on Models

Model Name	Regressors	Multiple Linear Regression										Robust Regression			
		B	SE	β	t	Sig.	Correlations			Collinearity Statistics		Coefficients			
							Zero order	Partial	Part	Tolerance	VIF	Value	SE	t value	
Predicted Model I (SM)	(Constant)	2.375	.254		9.365	.000							2.355	.253	9.321
	GSFWB	.036	.046	.053	.777	.439	.157	.061	.051	.954	1.048		.034	.046	.745
	SSFWB_S	.196	.066	.205	2.967	.003	.322	.226	.196	.918	1.090		.198	.066	3.000
	SSFWB_L	.249	.040	.426	6.188	.000	.486	.435	.410	.923	1.083		.259	.040	6.465
Corrected Model (SM 2)	(Constant)	2.438	.240		10.168	.000							2.416	.239	10.122
	SSFWB_C	.204	.065	.213	3.115	.002	.322	.236	.206	.937	1.067		.206	.065	3.161
	SSFWB_F	.252	.040	.433	6.337	.000	.486	.442	.419	.937	1.067		.261	.040	6.587
Predicted Model II (OM)	(Constant)	3.865	.441		8.773	.000							3.942	.464	8.486
	Fund	.002	.004	.195	.536	.592	.655	.042	.031	.026	38.171		.002	.004	.412
	Expenses	.005	.004	.526	1.286	.200	.579	.100	.076	.021	48.607		.006	.004	1.400
	Ratio between Fund & Expense	-.614	.519	-.247	-1.182	.239	-.008	-.092	-.069	.079	12.641		-.762	.547	-1.393
Corrected Model (OM 2)	(Constant)	3.349	.072		46.197	.000							3.313	.076	43.331
	Fund	.006	.001	.655	11.157	.000	.655	.655	.655	1.000	1.000		.007	.001	10.968
Predicted Model III (MM)	(Constant)	2.731	.441		6.194	.000							2.751	.456	6.031
	Fund	.001	.003	.065	.202	.841	.655	.016	.011	.026	38.343		.000	.003	.132
	Expenses	.006	.004	.550	1.513	.132	.579	.118	.079	.021	48.718		.006	.004	1.519
	Ratio between Fund & Expense	-.527	.462	-.212	-1.142	.255	-.008	-.090	-.059	.079	12.687		-.580	.478	-1.215
	GSFWB_OECD	.039	.036	.057	1.073	.285	.157	.084	.056	.949	1.053		.048	.038	1.269
	SSFWB_S	.109	.053	.114	2.069	.040	.322	.161	.108	.891	1.123		.098	.055	1.791
	SSFWB_L	.184	.033	.316	5.634	.000	.486	.406	.294	.862	1.160		.195	.034	5.770
	(Constant)	2.369	.190		12.460	.000							2.354	.196	11.986

Corrected Model (MM 2)	Fund	.005	.001	.546	9.937	.000	.655	.613	.521	.908	1.101	.005	.001	9.574
	SSFWB_S	.119	.053	.124	2.268	.025	.322	.174	.119	.912	1.096	.110	.054	2.036
	SSFWB_L	.183	.032	.313	5.646	.000	.486	.403	.296	.893	1.120	.195	.033	5.842
Validated Model through Simulated Dataset (SM 3)	(Constant)	2.611	.010		258.042	.000								
	GSFWB_OECD	.036	.002	.052	18.638	.000	.155	.059	.051	.956	1.046			
	SSFWB_S	.187	.003	.195	68.714	.000	.315	.212	.187	.913	1.095			
	SSFWB_L	.202	.001	.409	143.320	.000	.471	.413	.389	.907	1.103			
Validated Model through Simulated Dataset (OM 3)	(Constant)	3.827	.009		434.540	.000								
	Fund	.003	.000	.275	42.283	.000	.634	.133	.102	.136	7.333			
	Expenses	.005	.000	.439	59.425	.000	.557	.185	.143	.106	9.464			
	Ratio between Fund & Expense	-.580	.011	-.229	-54.798	.000	-.016	-.171	-.132	.331	3.023			
Validated Model through Simulated Dataset (MM 3)	(Constant)	2.925	.010		281.081	.000								
	GSFWB_OECD	.037	.002	.054	24.727	.000	.155	.078	.053	.947	1.056			
	SSFWB_S	.128	.002	.134	58.396	.000	.315	.182	.125	.869	1.151			
	SSFWB_L	.148	.001	.301	127.548	.000	.471	.374	.272	.819	1.221			
	Fund	.000	.000	.016	2.651	.008	.634	.008	.006	.125	8.004			
	Expenses	.006	.000	.605	90.566	.000	.557	.275	.193	.102	9.784			
	Ratio between Fund & Expense	-.648	.009	-.256	-68.393	.000	-.016	-.211	-.146	.326	3.067			
	<i>Regressors-Intercept (Constant) ; GSFWB=Generic Subjective Financial Well Being (FWB); SSFWB=Specific Subjective FWB (Short Term & Long Term); OFWB=Objective FWB (Fund, Expense, Ratio of Fund & Expense); Regressand-Financial Moral Identity (FMI); [SM=Subjective Model ; OM=Objective Model ; MM=Mixed Model]</i>													

Table 4. Model Summary based on Regression

Model Comparison		R	R ²	Adj R ²	SE	Change Statistics					Durbin-Watson
Model Name	Predictors:					R ² Change	F Change	df1	df2	Sig. F Change	
Predicted Model (SM 1)	(Constant), SSFWB_S, SSFWB_L, GSFWB,	.531	.282	.268	.3974	.282	21.421	3	164	.000	2.060
Corrected Model (SM 2)	(Constant), SSFWB_S, SSFWB_L	.528	.279	.270	.3969	.279	31.906	2	165	.000	2.056
Predicted Model (OM 1)	(Constant), Fund, Expenses, Ratio between Fund & Expense	.659	.434	.424	.3526	.434	41.978	3	164	.000	2.265

Corrected Model (OM 2)	(Constant), Fund, Expenses,	.655	.430	.423	.3530	.430	62.118	2	165	.000	2.265
Predicted Model (MM 1)	(Constant), SSFWB_S, SSFWB_L, GSFWB, Fund, Expenses, Ratio between Fund & Expense	.750	.563	.546	.3129	.563	34.537	6	161	.000	2.407
Corrected Model (MM 2)	(Constant), SSFWB_S, SSFWB_L, Fund	.742	.550	.542	.3145	.550	66.784	3	164	.000	2.353
Validated Model (SM 3) [N=100000]	(Constant), SSFWB_S, SSFWB_L, GSFWB,	.512	.262	.262	.4014	.262	11850.210	3	99996	0.000	2.008
Validated Model (OM 3) [N=100000]	(Constant), Fund, Expenses, Ratio between Fund & Expense	.650	.423	.423	.3550	.423	24426.487	3	99996	0.000	1.999
Validated Model (MM 3) [N=100000]	(Constant), SSFWB_S, SSFWB_L, GSFWB, Fund, Expenses, Ratio between Fund & Expense	.738	.544	.544	.3156	.544	19881.240	6	99993	0.000	2.003
<p>Regressors-Intercept (Constant) ; GSFWB=Generic Subjective Financial Well Being (FWB); SSFWB=Specific Subjective FWB (Short Term & Long Term); OFWB=Objective FWB (Fund, Expense, Ratio of Fund & Expense);Regressand-Financial Moral Identity (FMI); [SM=Subjective Model ; OM=Objective Model ; MM=Mixed Model] [N=168 for real dataset]</p>											

Concluding Remarks:

In summary, all these statistical results supported the hypotheses and are in accordance with previous literature. SFWB (generic; short-term, and long-term) predict the variance of FMI significantly and positively. This is according to the theoretical base (Suh, 2002; Westerhof & Barrett, 2005; Morrison et al., 2011). The OFWB explains the variance of FMI significantly. But interestingly, the objective predictor has explained the relationship negatively, which is supported by literature (Kasser & Ryan, 1996) though previous studies establish the modest relationship (Luttmer, 2005; Ferrer-i-Carbonell, 2005; Clark & Oswald, 1996). This may be due to richness in wealth accumulation, selfishness, or a materialistic outlook on the nature of a wealthy person's perspective in this context. SFWB (long-term) becomes the influential predictor of explaining the variance of FMI, which is in line with the literature (Diener et al., 1999). The long-term effects of well-being are in sync with

one's goals (Emmons, 2003) and predicted by the subjective nature of well-being (Kahneman & Krueger, 2006).

Surprisingly, one finding leads to a contradiction. The present researchers were interested to know the linear relationship between components of FMI and SFWB (short-term & long-term). They assumed that IFMI would have a more significant prediction over SFMI for SFWB (long-term), and SFMI would have better explanatory power over IFMI on SFWB (short-term). The result is the opposite. The generalization of these findings may be used with caution.

Moreover, exciting findings of OFWB are inversely related to FMI (H_{1d}). The IFMI is inversely related to OFWB; one of the reasons may be the absence of a materialist outlook, and another could be not enjoying the experience of real income (as the occupation of the respondents is skewed towards studentship), etc. This supports the existing literature that increases in income after a certain point would not add to happiness (Easterlin, 1974, 1995). An example of a global representative database evidenced that objectively poor people were subjectively well-off (Diener, 2009). Another study (Woike et al., 2020), from a philosophical perspective on identity (continuity, memory, and persistence), has shown that people keep possession at the bottom as they signaled that money is a minor required requirement in their lives. Money is required for survival, and a means for leading a good life by moral people but desired by materialists (Kasser & Ryan, 1993) who want to accumulate the resources for their happiness (Roberts & Clement, 2007).

The study has explored morality as identity in personal finance management while deciding on proximal and distal goals conceptually and empirically. The FMI has reemerged as a determinant in explaining the variance of well-being in the financial domain. Interestingly, a penniless person can be as happy as a zillionaire if her net worth can be converted to happiness at her level. Therefore, the debate is on what makes her happy-morality, money, or something in-between. FMI leads one in that direction.

Contributions and Implications:

Theoretical Contributions:

Identity and financial well-being are correlated due to several psychological, social, cultural, and economic aspects. Individual and contextual influences are highlighted in both theory and practical studies. It takes a multidisciplinary approach to comprehend these processes and create focused solutions.

Various perspectives influence an individual's financial well-being, for instance, "psychological perspectives," "cultural identity theory" (Sedikides & Brewer, 2015), and "social identity theory [SIT]" (Tajfel et al., 1979). According to SIT, people's beliefs and actions toward money and financial resources are shaped by their social groupings, which affects their goals and aspirations regarding money. Cultural identity theory highlights how acculturation processes affect financial decisions and how important cultural norms and values shape financial attitudes and actions. The

psychological perspectives of self-concept (Rosenberg, 1979) and identity-based motivation theory (Oyserman et al., 2007) highlight the dynamic nature of human identity and its impact on goal-setting, self-regulation, and achievement.

Empirical research in various situations and demographic groupings supports the relationship between personal identity and financial well-being. Demographic factors are connected with financial outcomes like income, asset building, debt management, and satisfaction (Botti et al., 2022; Serido et al., 2010; Sherraden et al., 2018). Strong financial self-efficacy and identity can lead to proactive financial behaviors (Lusardi & Mitchell, 2011); nevertheless, identity-related stressors can cause financial hardship (Branscombe et al., 1999). Cultural differences in financial beliefs and practices also impact decision-making processes (Kashima & Hardie, 2000). Financial circumstances can be significantly impacted by changes in identity and stage of life (Gudmunson & Danes, 2011). Essential variables in financial decision-making include personality traits (Roberts et al., 2007; Larsen & Ketelaar, 1991), ethical considerations (DePaulo et al., 1996; Treviño et al., 1998) and technical advancements (Burrell, 2016). Decision-making trade-offs and results can be influenced by temporal views and temporal preferences (Zimbardo & Boyd, 2014). Financial management methods have changed due to technical advancements like robo-advisors and digital platforms, which also touch on ethical issues, including people's moral principles and values. Though it is evident from the above discussion that identity is one of the significant antecedents in financial decision-making, there is a dearth of studies on the mechanisms and boundary conditions behind the influence of personality traits on financial behaviors and outcomes.

To better understand financial behavior in the dynamic financial landscape, researchers examine various factors related to financial decision-making, such as personality traits, temporal views, ethical considerations, and technological improvements. However, of various factors, ethical considerations represent a critical yet overlooked dimension of financial decision-making (DePaulo et al., 1996). Positive financial outcomes, such as success (Tangney et al., 2007) and financial well-being, are correlated with strong moral identities and ethical financial activities, such as ethical investing and fair company practices. In order to make ethical decisions, comprehend human behavior, and create interventions that support moral behavior and financial security, ethical considerations in economic discourse are essential. Making financial decisions is heavily influenced by one's moral identity (Aquino & Reed II, 2002) or belief that one is moral. Therefore, this study aims to explore the same outlook in the personal finance domain. The researchers argue for a balanced true identity that is morally and ethically (though morality and ethicality are technically different but used here synonymously) driven and salient while managing personal resources. However, one's morality is never considered while evaluating money-related well-being, though morality is part of one's true self (Lefebvre & Krettenauer, 2020). This study has explored money and morality in identifying with self-view while dealing with money hypothetically in the personal finance domain. It validated that morality is in people's minds while thinking about money management. It also established that FMI explains the variance of FWB (subjective & objective) and can be considered a

novel determinant for SFWB (generic; short-term & long-term) and OFWB. This study extends the nomological net by exploring financial identity in the personal finance domain through a moral perspective (FMI) with critical determinants of personal finance ecosystems and financial well-being.

The FMI may uproot all immorality from the core and eradicate the agency problem at the macro and meso levels. It is on people how much onus they want to take and become moral while dealing with their resources as it leads to the nation's wealth and prosperity, as Smith had propounded through the *invisible hand*. As personal belief is not malleable for morality (Feng et al., 2022) and is the predictor for identity and instrumental in sensing moral control, it may align with moral conduct even in self-interested fields like personal finance. Integrity is linked to factors of well-being, and well-being is influenced by moral identity (Giacalone et al., 2016). Therefore, the researchers believe the determinants of well-being (financial) will explain the variance in individual differences (FMI) in financial decision-making.

Though the general assumption existed on compartmentalization among doctrines, economics/finance is considered value-neutral, and ethics are value-oriented. There is a need to explore virtue ethics in finance (DeSwaan, 2020). However, there is an exception to this view; economics is a humanistic science (Rocchi et al., 2021; Pirson, 2017), value neutrality among scientists in social and organizational domains is an illusion, and the economic assumption is salient in published journals in these areas (Orlitzky, 2011). The congregating ethics and economics are obvious as the root of economics lies in ethics, and one's pure rationality is an illusion, according to a few ethicists/economists. The preferences can be amalgamated into interests in self, others, and social perspective. It is the synergy between efficiency and equity, not the trade-off, that guides the scientific crossroad of values and values-neutral rationality (Hosmer & Chen, 2001). On the other line of thought, merging with the same perspective, as risk and uncertainty are inevitable in finance, knowledge, and skill are essential for flourishing human life in the financial domain, but wisdom is the preliminary guideline for knowledge and the final closing of things. Rational doctrines (Economics and Finance) use the mathematical model, which is very scientific but subverts the social and humanistic nature that existed at the core (Desai, 2017). The prominence of humanistic value, which is missing in the so-called economic model, is needed in defining today's economic man/woman's wants (Pirson, 2017). The choice one makes in a combination of self and other interests leads to the crossroads between ethics and economics (Hosmer & Chen, 2001). This study envisages that perspective while merging morality into daily and distant future financial goal-setting.

Well-being may be based on need, want, and mental state (Parfit, 1984). No doubt, human desire is limitless and on the hedonic treadmill (Brickman, 1971). Furthermore, the resources are scarce in their own right. Need is required, want is desired, and mental states are experienced through direct thought. Moreover, feeling drives the human being to excellence or an optimum state of well-being. Ethical decision-making in general, has contributed to human well-being since ancient times,

and this is extended even in self-interest fields like personal finance to maintain the synchronicity between inner and outer psychological space by this empirical study.

Practical Contribution:

Financial decision-making is heavily influenced by moral identity (Reynolds & Ceranic, 2007), and companies can build consumer loyalty and trust by implementing a values-centric approach to money. Those with solid moral convictions place a high value on moral issues, such as investing in socially conscious businesses (Aquino & Reed II, 2002; Peloza & Shang, 2011). Financial goods that align with consumer values and ethical inclinations can foster loyalty, boost trust, and set businesses apart from competitors. The benefits of incorporating moral identity into corporate operations are enhancing reputation and improving society.

Ethical financial management is significant at the meso level (organizations) to foster trust, transparency, and accountability. It involves fair treatment of stakeholders, integrity, social responsibility (Carson, 2003), responsible risk management, and law compliance (Harrison & Wicks, 2013). By incorporating ethical standards, organizations can build trust, enhance reputation, and contribute to a sustainable financial system (Hartman et al., 2011). This approach also identifies opportunities for long-term value creation.

Policymakers shape regulatory frameworks for financial markets and institutions, utilizing research on financial management ethics to prioritize ethical conduct and improve consumer protection (Klapper et al., 2013). Research indicates that financial crises and market volatility increase ethical lapses and misconduct, negatively impacting consumers (Fahlenbrach & Stulz, 2011) and investors (La Porta et al., 2000). Policymakers can address these risks by developing regulations and enhancing regulatory transparency. This transparency can lead to a more ethical financial system, safeguard consumer interests, promote market integrity, stability, and trust, and foster sustainable economic growth.

Although this study offers insightful information about the ethical implications of financial behavior, its practical application necessitates careful consideration of institutional frameworks, regulatory systems, and cultural norms (Hofstede, 2001). Cultural differences can dramatically alter people's moral beliefs and actions, so adapting ethical frameworks and interventions to particular cultural contexts is critical. Institutional and regulatory elements are also essential in determining how people behave ethically and financially (Vogel, 2005). To improve our understanding and find novel solutions, stakeholders—researchers, legislators, business professionals, and civil society organizations—must work together.

Norms and corruption are frequent in today's world (Bicchieri & Fukui, 1999). Morality is rooted in the social dimension. The social aspect of moral action is well studied in schema-driven moral identity exploration, though it lacks wide empirical legs (Shao et al., 2008). The findings of this study will help policymakers, academicians, and critical stakeholders in the design of the financial sector and implement better

people-centric policies or products for their clients and beneficiaries while contributing to everyone's growth toward human excellence. This may lead one to synchronicity in the inner and outer space of her self-view while making decisions without dissonance. In different contexts, for instance, it is found that those who believe in pure good intend to engage in prosocial-driven behavior and reverse in the case of the believer in pure evil. The core belief comes into play while judging right vs. wrong behavior during ethical consumption. This behavior leads to a sense of positivity in self-contentment or pride (Webster et al., 2021).

This study broadly presupposed the favorable assumption for ethicality at the meso level with previous yet distinct studies done in the business ethics arena. Being a virtuous organization does not necessarily mean it is always ethical in every sense (Néron & Norman, 2008). Ethicalization of intangible asset management leads to a progressive stakeholder-centric approach and a business firm's identity (Melewar et al., 2014). Responsibility in the moral domain for business houses and their employed individuals is interlinked (Seabright & Kurke, 1997). The self in progressive perspectives is explored in Economics. The image (visual) is instrumental in comprehending the identity (personal and collective) (Fisher & Fowler, 1995). Compassion and altruism need to be reinterpreted in a cultural frame while explaining behavior, unlike self-interest-focused. Even business houses relate strongly to identity, and they help cultivate solidarity and fellow feeling in the global context. Business ethicists are reform-oriented (Hayward, 2019). Business houses are personified as citizens by virtue (Moon et al., 2005). Good citizenship is desirable for business organizations (Néron & Norman, 2008). Ethicality and intangible management are prime factors in a firm's progressive performance (Gambetti et al., 2017). Morality and virtues are prerequisites for Hartman's perceived corporations (Solomon, 1994). The organization is not only a legal entity but also a social entity (possession and interest of people). The construal level and identity cues influence one's ethical decision-making preferences in the contextual framework (Pinto et al., 2020). All these aforesaid studies recommend incorporating a value-centric approach in dealing with finance broadly for optimum growth.

Specifically, this study tried to be a solution at the micro level to the issues raised by previous literature. The ethical practices in financial markets are problematic, and the solution lies in the financial professionals' corporate governance engagement (Tan, 2021). There are multi-directional yet fragmented studies related to ethics in previous literature; for instance, moral hazards are evident in financial markets for any regulation (Cooper et al., 2016), ethical consumption is impacted by in-group biases (Pinto et al., 2020), schemas for committed conduct and the organizational identity influence corporate social responsibility (Skilton & Purdy, 2017). Lastly, ethical consumption is now a priority for a conscious consumer, though the ethical purchase gap exists in reality. These openings led the present study to advocate for ethicality at a fundamental level to deal with outside issues efficiently and effectively.

Limitations and Future Research:

The study's findings on the moral aspects of financial behavior are valuable, but their generalizability is limited by sample size and representativeness (Creswell

& Creswell, 2017). Moreover, there were limited options to collect the data offline. Most of the respondents are not into earning. Therefore, the perception of managing resources at greater intensity is missing from this data, as Blasi has argued that one gets a refined agency outlook with identity maturity (Blasi, 2005). To improve the validity and generalizability of future research, researchers should use more extensive, more diverse samples (Bryman, 2016; Fitzpatrick et al., 2012), including participants from diverse demographics and cultural contexts. Additionally, a mixed-methods approach can reflect a more holistic comprehension (Creswell, & Creswell, 2017) of the moral dimensions of financial behavior. Though the study offers valuable insights into financial behavior, caution should be exercised when interpreting results.

The study offers a foundation for further research into moral identity and economic behavior (Gneezy & Rustichini, 2000). Future studies should explore philosophical and behavioral perspectives to understand the mechanisms driving moral decision-making in financial contexts. Philosophical approaches could examine ethical theories and their implications for economic behavior (Rawls, 1971), while behavioral perspectives could explore cognitive biases and heuristics (Tversky & Kahneman, 1974). Interdisciplinary approaches integrating psychology, sociology, and economics could illuminate the complex interplay between moral identity and economic behavior. This interaction could inform the development of more ethical and sustainable financial practices.

The unified perspective of morality and money can be explored broadly. The first suggestion is to extend this study by using a global sample. Another possibility is to explore this construct with a categorized sample like high-net-worth individuals, below-poverty-line people, highly-corrupt people, or persons conflicting with laws. In a nutshell, any determinant could be explored with this construct, which leads to inner peace, happiness, and well-being while growing with personal resources (micro-level), engaging in organizational resource management (meso-level), or contributing to national wealth (macro-level).

The dynamic character of moral identity and its consequences for long-term financial well-being are important topics should be covered by longitudinal studies (Moffitt et al., 2010). Through longitudinal research, scholars can see how individuals' identities and moral beliefs change in response to social influences, life events, and shifting economic environments (Lachman & Weaver, 1998). They can also investigate how moral identity and economic behavior are correlated, finding possible areas of intervention to advance moral behavior in the financial industry. Longitudinal research can also on how cultural norms and societal values influence moral principles and financial conduct (DiMaggio & Powell, 1983).

This study contributes to understanding the moral dimensions of finance, but further research and collaboration are needed to address societal challenges. A multidisciplinary approach is needed to understand the complexities of financial decision-making and ethical dilemmas. Collaboration with policymakers and practitioners is crucial for translating research findings into actionable policies. As

finance technologies, markets, and regulations evolve, so must our understanding of moral dimensions and strategies for promoting ethical behavior.

The present researchers have argued that FMI is one of the predictors of FWB (subjective and objective), but numerous factors lead to happiness, and it is a broad concept. It is just a small step to define the variance of FWB (objective and subjective) through a moral lens.

References:

- Aggarwal, S. (2014). Developing an index for measuring financial well-being in a geography. *IFMR Finance Foundation*. Retrieved December, 10, 2018.
- Aquino, K., Freeman, D., Reed II, A., Lim, V. K., & Felps, W. (2009). Testing a social-cognitive model of moral behavior: The interactive influence of situations and moral identity centrality. *Journal of Personality and Social Psychology*, 97(1), 123.
- Aquino, K., & Reed II, A. (2002). The self-importance of moral identity. *Journal of Personality and Social Psychology*, 83(6), 1423.
- Ashforth, B. E., Johnson, S. A., Hogg, M., & Terry, D. (2001). Which hat to wear. *Social Identity Processes in Organizational Contexts*, 32-48.
- Azmitia, M., Syed, M., & Radmacher, K. (2013). Finding your niche: Identity and emotional support in emerging adults' adjustment to the transition to college. *Journal of Research on Adolescence*, 23(4), 744-761.
- Bandura, A. (2001). Social cognitive theory: An agentic perspective. *Annual Review of Psychology*, 52(1), 1-26.
- Bauer, M., Cassar, A., Chytilová, J., & Henrich, J. (2014). War's enduring effects on the development of egalitarian motivations and in-group biases. *Psychological Science*, 25(1), 47-57.
- Baumeister, R. F. (2002). Yielding to temptation: Self-control failure, impulsive purchasing, and consumer behavior. *Journal of Consumer Research*, 28(4), 670-676.
- Belk, R. W. (1988). Possessions and the extended self. *Journal of Consumer Research*, 15(2), 139-168.
- Bicchieri, C., & Fukui, Y. (1999). The great illusion: Ignorance, informational cascades, and the persistence of unpopular norms. In *Experience, Reality, and Scientific Explanation* (pp. 89-121). Springer.
- Biswas-Diener, R., & Diener, E. (2001). Making the best of a bad situation: Satisfaction in the slums of Calcutta. *Social Indicators Research* 55, 329-352 (2001). <https://doi.org/10.1023/A:1010905029386>
- Black, J. E., & Reynolds, W. M. (2016). Development, reliability, and validity of the Moral Identity Questionnaire. *Personality and Individual Differences*, 97, 120-129.
- Blasi, A. (1983). Moral cognition and moral action: A theoretical perspective. *Developmental Review*, 3(2), 178-210.

- Blasi, A. (1984). Moral identity: Its role in moral functioning, in Kurtines, WM and Gewirtz, J.J. (Eds.), *Morality, Moral Behavior and Moral Development* (pp. 128–139). John Wiley & Sons, New York.
- Blasi, A. (1993). Some implications for moral functioning. In Gil G. Noam & Thomas E. Wren (Eds.) *The Moral Self*. The MIT Press, pp. 99-122.
- Blasi, A. (2005). Moral character: A psychological approach. In D. K. Lapsley & F. C. Power (Eds.), *Character psychology and character education* (pp. 67–100). University of Notre Dame Press.
- Blau, F. D., & Graham, J. W. (1990). Black-white differences in wealth and asset composition. *The Quarterly Journal of Economics*, 105(2), 321-339.
- Botti, S., Iyengar, S. S., & McGill, A. L. (2023). Choice freedom. *Journal of Consumer Psychology*, 33(1), 143-166.
- Branscombe, N. R., Schmitt, M. T., & Harvey, R. D. (1999). Perceiving pervasive discrimination among African Americans: Implications for group identification and well-being. *Journal of Personality and Social Psychology*, 77(1), 135.
- Brenner, L., Meyll, T., Stolper, O., & Walter, A. (2020). Consumer fraud victimization and financial well-being. *Journal of Economic Psychology*, 76, 102243, 1-15.
- Brickman, P. (1971). Hedonic relativism and planning the good society. *Adaptation Level Theory*, 287-301.
- Brown, B. A., Reveles, J. M., & Kelly, G. J. (2005). Scientific literacy and discursive identity: A theoretical framework for understanding science learning. *Science Education*, 89(5), 779-802.
- Brown, S., & Gray, D. (2016). Household finances and well-being in Australia: An empirical analysis of comparison effects. *Journal of Economic Psychology*, 53, 17-36.
- Brüggen, E. C., Hogreve, J., Holmlund, M., Kabadayi, S., & Löfgren, M. (2017). Financial well-being: A conceptualization and research agenda. *Journal of Business Research*, 79, 228-237.
- Bryman, A. (2016). *Social Research Methods*. Oxford University Press.
- Bureau, C. F. P. (2015). Measuring financial well-being: A guide to using the CFPB financial well-being scale. Washington, DC: Consumer Financial Protection Bureau.
- Burgoyne, C. B., Reibstein, J., Edmunds, A., & Dolman, V. (2007). Money management systems in early marriage: Factors influencing change and stability. *Journal of Economic Psychology*, 28(2), 214-228.
- Burrell, J. (2016). How the machine 'thinks': Understanding opacity in machine learning algorithms. *Big Data & Society*, 3(1), 2053951715622512.
- Carson, T. L. (2003). Self-interest and business ethics: Some lessons of the recent corporate scandals. *Journal of Business Ethics*, 43, 389-394.
- Clark, A. E., Frijters, P., & Shields, M. A. (2008). Relative income, happiness, and utility: An explanation for the Easterlin paradox and other puzzles. *Journal of Economic Literature*, 46(1), 95-144.
- Clark, A. E., & Oswald, A. J. (1996). Satisfaction and comparison income. *Journal of Public Economics*, 61(3), 359-381.

- Colby, A., & Damon, W. (1993). The uniting of self and morality in the development of extraordinary moral commitment. In Gil G. Noam & Thomas E. Wren (Eds.) *The Moral Self*. The MIT Press, pp. 149-174.
- Colby, A., Damon, W., & Do Care, S. (1992). *Contemporary Lives of Moral Commitment*. The Free Press, New York.
- Cooper, R., Davis, M., & Van Vliet, B. (2016). The mysterious ethics of high-frequency trading. *Business Ethics Quarterly*, 26(1), 1-22.
- Creswell, J. W., & Creswell, J. D. (2017). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Sage publications.
- DePaulo, B. M., Kashy, D. A., Kirkendol, S. E., Wyer, M. M., & Epstein, J. A. (1996). Lying in everyday life. *Journal of Personality and Social Psychology*, 70(5), 979-995. <https://doi.org/10.1037/0022-3514.70.5.979>.
- Desai, M.A. (2017). *The Wisdom of Finance: Discovering Humanity in the World of Risk and Return*. New York: Houghton Mifflin Harcourt, 2017.
- DeSwaan, J. C. (2020). *Seeking Virtue in Finance: Contributing to Society in A Conflicted Industry*. Cambridge University Press.
- DeTienne, K. B., Ellertson, C. F., Ingerson, M.-C., & Dudley, W. R. (2021). Moral development in business ethics: An examination and critique. *Journal of Business Ethics*, 170(3), 429-448.
- Dew, J., & Xiao, J. J. (2011). The financial management behavior scale: Development and validation. *Journal of Financial Counseling and Planning*, 22(1), 43-59.
- Diener, E. (2009). *The Science of Well-Being: The Collected Works of Ed Diener* (Vol. 37). Springer.
- Diener, E., Lucas, R. E., & Oishi, S. (2002). Subjective well-being: The science of happiness and life satisfaction. *Handbook of Positive Psychology*, 2, 63-73.
- Diener, E., & Oishi, S. (2000). Money and happiness: Income and subjective well-being across nations. In Ed Diener and Eunkook M. Suh (Eds.), *Culture and Subjective Well-being*, pp. 185-218. The MIT Press.
- Diener, E., & Seligman, M. E. (2004). Beyond money: Toward an economy of well-being. *Psychological Science in the Public Interest*, 5(1), 1-31.
- Diener, E., Suh, E. M., Lucas, R. E., & Smith, H. L. (1999). Subjective well-being: Three decades of progress. *Psychological Bulletin*, 125(2), 276-302. <https://doi.org/10.1037/0033-2909.125.2.276>
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48, 147-160.
- Dittmar, H., Bond, R., Hurst, M., & Kasser, T. (2014). The relationship between materialism and personal well-being: A meta-analysis. *Journal of Personality and Social Psychology*, 107(5), 879-924. <https://doi.org/10.1037/a0037409>.
- Dluhosch, B., Horgos, D., & Zimmermann, K. W. (2014). Social choice and social unemployment-income cleavages: New insights from happiness research. *Journal of Happiness Studies*, 15(6), 1513-1537.
- Dolan, P., Peasgood, T., & White, M. (2008). Do we really know what makes us happy? A review of the economic literature on the factors associated with subjective well-being. *Journal of Economic Psychology*, 29(1), 94-122.

- Donnelly, G., Iyer, R., & Howell, R. T. (2012). The Big Five personality traits, material values, and financial well-being of self-described money managers. *Journal of Economic Psychology*, 33(6), 1129-1142.
- Drake, C., Spillane, J. P., & Hufferd-Ackles, K. (2001). Storied identities: Teacher learning and subject-matter context. *Journal of Curriculum Studies*, 33(1), 1-23.
- Duflo, E., & Saez, E. (2003). The role of information and social interactions in retirement plan decisions: Evidence from a randomized experiment. *The Quarterly Journal of Economics*, 118(3), 815-842.
- Dulebohn, J. H., & Murray, B. (2007). Retirement savings behavior of higher education employees. *Research in Higher Education*, 48(5), 545-582.
- Easterlin, R. A. (1974). Does economic growth improve the human lot? Some empirical evidence. In Paul A. David And Melvin W. Reder (Eds.), *Nations and Households in Economic Growth* (pp. 89-125). Elsevier.
- Easterlin, R. A. (1995). Will raising the incomes of all increase the happiness of all? *Journal of Economic Behavior & Organization*, 27(1), 35-47.
- Easterlin, R. A. (2006). Life cycle happiness and its sources: Intersections of psychology, economics, and demography. *Journal of Economic Psychology*, 27(4), 463-482.
- Emmons, R. A. (2003). Personal goals, life meaning, and virtue: Wellsprings of a positive life. In C. L. M. Keyes & J. Haidt (Eds.), *Flourishing: Positive psychology and the life well-lived* (pp. 105-128). American Psychological Association. <https://doi.org/10.1037/10594-005>
- Erikson, E. H. (1994). *Identity and the Life Cycle*. WW Norton & Company.
- Fahlenbrach, R., & Stulz, R. M. (2011). Bank CEO incentives and the credit crisis. *Journal of Financial Economics*, 99(1), 11-26.
- Fasczewski, K. S., Bramblett, P. N., Powell, S. M., Thornton-Brooks, J. D., & Stevens, N. R. (2021). Understanding motivation for physical activity charity event participation. *American Journal of Health Behavior*, 45(4), 723-734. <https://doi.org/10.5993/ajhb.45.4.11>
- Feng, Z., Keng-Highberger, F., Li, H., & Savani, K. (2022). Implicit Morality Theories: Employees' Beliefs About the Malleability of Moral Character Shape Their Workplace Behaviors. *Journal of Business Ethics*, 1-24.
- Ferrer-i-Carbonell, A. (2005). Income and well-being: An empirical analysis of the comparison income effect. *Journal of Public Economics*, 89(5-6), 997-1019.
- Fisher, D. H., & Fowler, S. B. (1995). Reimagining moral leadership in business: Image, identity and difference. *Business Ethics Quarterly*, 29-42.
- Fitzpatrick, J. L., Sanders, J. R., Worthen, B. R., & Wingate, L. A. (2012). *Program Evaluation: Alternative Approaches and Practical Guidelines*. Pearson, Boston.
- Folger, R., & Salvador, R. (2008). Is management theory too "self-ish"? *Journal of Management*, 34(6), 1127-1151.
- Frimer, J. A., & Walker, L. J. (2008). Towards a new paradigm of moral personhood. *Journal of Moral Education*, 37(3), 333-356.
- Galinha, I. C., Garcia-Martín, M. Á., Gomes, C., & Oishi, S. (2016). Criteria for happiness among people living in extreme poverty in Maputo, Mozambique. *International Perspectives in Psychology: Research, Practice, Consultation*, 5(2), 67.

- Gambetti, R. C., Melewar, T., & Martin, K. D. (2017). Guest editors' introduction: Ethical management of intangible assets in contemporary organizations. *Business Ethics Quarterly*, 27(3), 381-392.
- Garðarsdóttir, R. B., & Dittmar, H. (2012). The relationship of materialism to debt and financial well-being: The case of Iceland's perceived prosperity. *Journal of Economic Psychology*, 33(3), 471-481.
- Gathergood, J. (2012). Self-control, financial literacy and consumer over-indebtedness. *Journal of Economic Psychology*, 33(3), 590-602.
- Gee, J. P. (2000). Identity as an analytic lens for research in education. *Review of Research in Education*, 25(1), 99-125.
- Giacalone, R. A., Jurkiewicz, C. L., & Promislo, M. (2016). Ethics and well-being: The paradoxical implications of individual differences in ethical orientation. *Journal of Business Ethics*, 137(3), 491-506.
- Gittleman, M., & Wolff, E. N. (2004). Racial differences in patterns of wealth accumulation. *Journal of Human Resources*, 39(1), 193-227.
- Gneezy, U., & Rustichini, A. (2000). A fine is a price. *The Journal of Legal Studies*, 29(1), 1-17.
- Gudmunson, C. G., & Danes, S. M. (2011). Family financial socialization: Theory and critical review. *Journal of Family and Economic Issues*, 32, 644-667.
- Hannah, S. T., Avolio, B. J., & May, D. R. (2011). Moral maturation and moral conation: A capacity approach to explaining moral thought and action. *Academy of Management Review*, 36(4), 663-685.
- Hannah, S. T., Woolfolk, R. L., & Lord, R. G. (2009). Leader self-structure: A framework for positive leadership. *Journal of Organizational Behavior*, 30(2), 269-290.
- Hardy, S. A., & Carlo, G. (2011). Moral identity: What is it, how does it develop, and is it linked to moral action? *Child Development Perspectives*, 5(3), 212-218.
- Harrison, J. S., & Wicks, A. C. (2013). Stakeholder theory, value, and firm performance. *Business Ethics Quarterly*, 23(1), 97-124.
- Hartman, L. P., DesJardins, J., & MacDonald, C. (2011). Decision making for personal integrity & social responsibility. *Business Ethics*, McGraw Hill International, New York, NY10020.
- Hayes, A. F. (2009). Beyond Baron and Kenny: Statistical mediation analysis in the new millennium. *Communication monographs*, 76(4), 408-420.
- Hayward, T. (2019). *Global Justice and Finance*. Oxford: Oxford University Press, 240pp.
- Hira, T. K. (2009). *Personal Finance: Past, Present and Future* (December 1, 2009). Networks Financial Institute Policy Brief 2009-PB-10, <http://dx.doi.org/10.2139/ssrn.1522299>
- Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions and Organizations across Nations*. Sage Publications.
- Hosmer, L. T., & Chen, F. (2001). Ethics and economics: Growing opportunities for joint research. *Business Ethics Quarterly*, 11(4), 599-622.
- Iannello, P., Sorgente, A., Lanz, M., & Antonietti, A. (2021). Financial well-being and its relationship with subjective and psychological well-being among emerging adults: Testing the moderating effect of individual differences. *Journal of Happiness Studies*, 22(3), 1385-1411.

- James, W. (1891). The moral philosopher and the moral life. *The International Journal of Ethics*, 1(3), 330-354.
- Joo, S.-h., & Grable, J. E. (2004). An exploratory framework of the determinants of financial satisfaction. *Journal of Family and Economic Issues*, 25(1), 25-50.
- Joshanloo, M. (2022). Personality trait level and change predict future financial well-being: A longitudinal study in Australia. *Personality and Individual Differences*, 191, 111575.
- Kahn, S., Zimmerman, G., Csikszentmihalyi, M., & Getzels, J. W. (2014). Relations between identity in young adulthood and intimacy at midlife. In *Applications of Flow in Human Development and Education* (pp. 327-338). Springer.
- Kahneman, D., & Krueger, A. B. (2006). Developments in the measurement of subjective well-being. *Journal of Economic Perspectives*, 20(1), 3-24.
- Kashima, E. S., & Hardie, E. A. (2000). The development and validation of the Relational, Individual, and Collective self-aspects (RIC) Scale. *Asian Journal of Social Psychology*, 3(1), 19-48.
- Kasser, T. (2003). *The High Price of Materialism*. MIT press.
- Kasser, T., & Ryan, R. M. (1993). A dark side of the American dream: Correlates of financial success as a central life aspiration. *Journal of Personality and Social Psychology*, 65(2), 410.
- Kasser, T., & Ryan, R. M. (1996). Further examining the American dream: Differential correlates of intrinsic and extrinsic goals. *Personality and Social Psychology Bulletin*, 22(3), 280-287.
- Kasser, T., & Ryan, R. M. (2001). Be careful what you wish for: Optimal functioning and the relative attainment of intrinsic and extrinsic goals. In P. Schmuck & K. M. Sheldon (Eds.), *Life Goals and Well-Being: Towards A Positive Psychology of Human Striving* (pp. 116-131). Hogrefe & Huber Publishers.
- Kihlstrom, J. F., Beer, J. S., & Klein, S. B. (2003). Self and identity as memory. In M.R. Leary & J. Tangney (Eds.), *Handbook of Self and Identity* (pp. 68-90). New York: Guilford Press, 2002.
- Kim, J., Garman, E. T., & Sorhaindo, B. (2003). Relationships among credit counseling clients' financial wellbeing, financial behaviors, financial stressor events, and health. *Journal of Financial Counseling and Planning*, 14(2).
- Klapper, L., Lusardi, A., & Panos, G. A. (2013). Financial literacy and its consequences: Evidence from Russia during the financial crisis. *Journal of Banking & Finance*, 37(10), 3904-3923.
- Kolachev, N. (2021). The role of personal resources in the dynamics of occupational burnout and work motivation: The case of russian urban public librarians [Article]. *Organizational Psychology Review*, 11(4), 165-189.
- Kraut, R. (2018). *The Quality of Life: Aristotle Revised*. Oxford University Press.
- La Porta, R., Lopez-de-Silanes, F., Shleifer, A., & Vishny, R. (2000). Investor protection and corporate governance. *Journal of Financial Economics*, 58(1-2), 3-27.
- Lachman, M. E., & Weaver, S. L. (1998). The sense of control as a moderator of social class differences in health and well-being. *Journal of Personality and Social Psychology*, 74(3), 763.

- Lapsley, D. K. (2004). Gus in the gap: Bridging the judgment-action gap in moral functioning. In *Moral Development, Self, and Identity* (pp. 13-32). Psychology Press.
- Lapsley, D. K., & Lasky, B. (2001). Prototypic moral character. *Identity: An International Journal of Theory and Research*, 1(4), 345-363.
- Lapsley, D. K., & Narvaez, D. (2004). A social-cognitive approach to the moral personality. In *Moral Development, Self, and Identity* (pp. 201-224). Psychology Press.
- Larsen, R. J., & Ketelaar, T. (1991). Personality and susceptibility to positive and negative emotional states. *Journal of Personality and Social Psychology*, 61(1), 132.
- LaVoie, J. C. (1976). Ego identity formation in middle adolescence. *Journal of Youth and Adolescence*, 5(4), 371-385.
- Lefebvre, J. P., & Krettenauer, T. (2020). Is the true self truly moral? Identity intuitions across domains of sociomoral reasoning and age. *Journal of Experimental Child Psychology*, 192, 104769.
- Lusardi, A., & Mitchell, O. S. (2011). Financial literacy and planning: Implications for retirement wellbeing. In A. Lusardi and O. Mitchell (Eds), *Financial Literacy. Implications for Retirement Security and the Financial Marketplace*, Oxford University Press, 2011, pp. 17-39 .
- Luttmer, E. F. (2005). Neighbors as negatives: Relative earnings and well-being. *The Quarterly Journal of Economics*, 120(3), 963-1002.
- Lynch, C.A. (2003). Institutional repositories: Essential infrastructure for scholarship in the digital age. *portal: Libraries and the Academy*, 3(2), 327-336. <https://doi.org/10.1353/pla.2003.0039>.
- Macrae, C. N., Bodenhausen, G. V., & Milne, A. B. (1995). The dissection of selection in person perception: Inhibitory processes in social stereotyping. *Journal of Personality and Social Psychology*, 69(3), 397.
- Mahendru, M. (2021). Financial well-being for a sustainable society: A road less travelled. *Qualitative Research in Organizations and Management: An International Journal*, 16(3/4), 572-593.
- Maitland, I. (2002). The human face of self-interest. *Journal of Business Ethics*, 38(1), 3-17.
- Marcia, J. E. (1989). Identity and intervention. *Journal of Adolescence*, 12(4), 401-410.
- Markus, H., & Wurf, E. (1987). The dynamic self-concept: A social psychological perspective. *Annual Review of Psychology*, 38(1), 299-337.
- McBride, M. (2001). Relative-income effects on subjective well-being in the cross-section. *Journal of Economic Behavior & Organization*, 45(3), 251-278.
- Meeus, W., Iedema, J., Helsen, M., & Vollebergh, W. (1999). Patterns of adolescent identity development: Review of literature and longitudinal analysis. *Developmental Review*, 19(4), 419-461.
- Melewar, T., Gambetti, R. C., & Martin, K. D. (2014). Special issue on: Managing intangible ethical assets: Enhancing corporate identity, corporate brand, and corporate reputation to fulfill the social contract. *Business Ethics Quarterly*, 24(1), 162-164.
- Meza, D. D., & Southey, C. (1996). The borrower's curse: Optimism, finance and entrepreneurship. *The Economic Journal*, 106(435), 375-386.

- Michie, S., Van Stralen, M. M., & West, R. (2011). The behaviour change wheel: A new method for characterising and designing behaviour change interventions. *Implementation Science*, 6(1), 1-12.
- Mindra, R., Moya, M., Zuze, L. T., & Kodongo, O. (2017). Financial self-efficacy: A determinant of financial inclusion. *International Journal of Bank Marketing*, 35(3), 338-353. <https://doi.org/10.1108/IJBM-05-2016-0065>
- Moffitt, T. E., Caspi, A., Taylor, A., Kokaua, J., Milne, B. J., Polanczyk, G., & Poulton, R. (2010). How common are common mental disorders? Evidence that lifetime prevalence rates are doubled by prospective versus retrospective ascertainment. *Psychological Medicine*, 40(6), 899-909.
- Moon, J., Crane, A., & Matten, D. (2005). Can corporations be citizens? Corporate citizenship as a metaphor for business participation in society. *Business Ethics Quarterly*, 15(3), 429-453.
- Morrison, M., Tay, L., & Diener, E. (2011). Subjective well-being and national satisfaction: Findings from a worldwide survey. *Psychological Science*, 22(2), 166-171.
- Nandy-Dutta, S. & Das, N. (2023). An application of morality & self-interest perspectives in the frame of personal finance management: Development & validation of financial moral identity. Working paper, Indian Institute of Technology (Indian School of Mines), Dhanbad.
- Netemeyer, R. G., Warmath, D., Fernandes, D., & Lynch Jr, J. G. (2018). How am I doing? Perceived financial well-being, its potential antecedents, and its relation to overall well-being. *Journal of Consumer Research*, 45(1), 68-89.
- Norvilitis, J. M., Szablicki, P. B., & Wilson, S. D. (2003). Factors influencing levels of credit-card debt in College Students. *Journal of Applied Social Psychology*, 33(5), 935-947.
- Nucci, L. (1987). Synthesis of research on moral development. *Educational Leadership*, 44(5), 86-92.
- Néron, P.-Y., & Norman, W. (2008). Citizenship, Inc. Do we really want businesses to be good corporate citizens? *Business Ethics Quarterly*, 18(1), 1-26.
- OECD. (2014). Final revised OECD/INFE toolkit for measuring financial literacy and financial inclusion. Report, OECD, Paris.
- Oquaye, M., Owusu, G. M. Y., & Bokpin, G. A. (2020). The antecedents and consequence of financial well-being: A survey of parliamentarians in Ghana. *Review of Behavioral Finance*, 14(1), 68-90.
- Orlitzky, M. (2011). Institutional logics in the study of organizations: The social construction of the relationship between corporate social and financial performance. *Business Ethics Quarterly*, 21(3), 409-444.
- Oyserman, D., Fryberg, S. A., & Yoder, N. (2007). Identity-based motivation and health. *Journal of Personality and Social Psychology*, 93(6), 1011-1027. <https://doi.org/10.1037/0022-3514.93.6.1011>.
- Parfit, D. (1984). *Reasons and Persons*. Oxford University Press.
- Patel, V., Saxena, S., Lund, C., Thornicroft, G., Baingana, F., Bolton, P., . . ., Sunkel, C., & Unützer, J. (2018). The Lancet Commission on global mental health and sustainable development. *The Lancet*, 392(10157), 1553-1598.

- Peloza, J., & Shang, J. (2011). How can corporate social responsibility activities create value for stakeholders? A systematic review. *Journal of the Academy of Marketing Science*, 39, 117-135.
- Peterson, C., & Seligman, M. E. (2004). *Character Strengths and Virtues: A Handbook and Classification* (Vol. 1). Oxford University Press.
- Pinto, D. C., Borges, A., Herter, M. M., & Ferreira, M. B. (2020). Reducing ingroup bias in ethical consumption: The role of construal levels and social goodwill. *Business Ethics Quarterly*, 30(1), 31-63.
- Pirson, M. (2017). *Humanistic Management: Protecting Dignity and Promoting Well-Being*. Cambridge University Press, 310 pp.
- Pomerantz, S. C. (1979). Sex differences in the relative importance of self-esteem, physical self-satisfaction, and identity in predicting adolescent satisfaction. *Journal of Youth and Adolescence*, 8(1), 51-61.
- Porter, N. M. (1990). *Testing a model of financial well-being*. Working paper, Virginia Polytechnic Institute and State University.
- Prawitz, A., Garman, E. T., Sorhaindo, B., O'Neill, B., Kim, J., & Drentea, P. (2006). InCharge financial distress/financial well-being scale: Development, administration, and score interpretation. *Journal of Financial Counseling and Planning*, 17(1), 34-50.
- Prihartono, M. R. D., & Asandimitra, N. (2018). Analysis factors influencing financial management behaviour. *International Journal of Academic Research in Business and Social Sciences*, 8(8), 308-326.
- Prince, M. (1993). Self-concept, money beliefs and values. *Journal of Economic Psychology*, 14(1), 161-173.
- Promislo, M. D., Giacalone, R. A., & Welch, J. (2012). Consequences of concern: Ethics, social responsibility, and well-being. *Business Ethics: A European Review*, 21(2), 209-219.
- Rawls, J. (1971). A theory of justice. In George Sher (Ed.), *Ethics: Essential Readings in Moral Theory*, pp. 387-402. Routledge.
- Redhead, K. (2008). *Personal Finance and Investments: A Behavioural Finance Perspective*. Routledge.
- Reynolds, S. J., & Ceranic, T. L. (2007). The effects of moral judgment and moral identity on moral behavior: An empirical examination of the moral individual. *Journal of Applied Psychology*, 92(6), 1610-1624. <https://doi.org/10.1037/0021-9010.92.6.1610>.
- Richins, M. L., & Dawson, S. (1992). A consumer values orientation for materialism and its measurement: Scale development and validation. *Journal of Consumer Research*, 19(3), 303-316.
- Riitsalu, L., & Murakas, R. (2019). Subjective financial knowledge, prudent behaviour and income: The predictors of financial well-being in Estonia. *International Journal of Bank Marketing*, 37(4), 934-950. <https://doi.org/10.1108/IJBM-03-2018-0071>
- Roberts, B. W., Kuncel, N. R., Shiner, R., Caspi, A., & Goldberg, L. R. (2007). The power of personality: The comparative validity of personality traits, socioeconomic status, and cognitive ability for predicting important life outcomes. *Perspectives on Psychological Science*, 2(4), 313-345.

- Roberts, J. A., & Clement, A. (2007). Materialism and satisfaction with over-all quality of life and eight life domains. *Social Indicators Research*, 82(1), 79-92.
- Roccas, S., & Brewer, M. B. (2002). Social identity complexity. *Personality and Social Psychology Review*, 6(2), 88-106.
- Rocchi, M., Ferrero, I., & Beadle, R. (2021). Can finance be a virtuous practice? A MacIntyrean account. *Business Ethics Quarterly*, 31(1), 75-105.
- Rocha, H. O., & Ghoshal, S. (2006). Beyond self-interest revisited. *Journal of Management Studies*, 43(3), 585-619.
- Romal, J. B., & Kaplan, B. J. (1995). Difference in self-control among spenders and savers. *Psychology: A Journal of Human Behavior*, 32(2), 8-17.
- Rosenberg, M. (1979). *Conceiving the Self*. New York: Basic Books, 319 pp.
- Rothbart, M., & John, O. P. (1985). Social categorization and behavioral episodes: A cognitive analysis of the effects of intergroup contact. *Journal of Social Issues*, 41(3), 81-104.
- Schuchardt, J., Durband, D., Bailey, W.C., Devaney, S.A., Grable, J.E., Leech, I.E., Lown, J.M., Sharpe, D.L., & Xiao, J.J. (2007). Personal finance: An interdisciplinary profession. *Journal of Financial Counseling and Planning*, 18(1), 61-69.
- Seabright, M. A., & Kurke, L. B. (1997). Organizational ontology and the moral status of the corporation. *Business Ethics Quarterly*, 7(4), 91-108.
- Sedikides, C., & Brewer, M. B. (2015). *Individual Self, Relational Self, Collective Self*. Psychology Press.
- Serido, J., Shim, S., Mishra, A., & Tang, C. (2010). Financial parenting, financial coping behaviors, and well-being of emerging adults. *Family Relations*, 59(4), 453-464.
- Shao, R., Aquino, K., & Freeman, D. (2008). Beyond moral reasoning: A review of moral identity research and its implications for business ethics. *Business Ethics Quarterly*, 18(4), 513-540.
- Shefrin, H. M., & Thaler, R. H. (1988). The behavioral life-cycle hypothesis. *Economic Inquiry*, 26(4), 609-643.
- Sheldon, K. M., & Kasser, T. (2001). Getting older, getting better? Personal strivings and psychological maturity across the life span. *Developmental Psychology*, 37(4), 491-501. <https://doi.org/10.1037/0012-1649.37.4.491>
- Sherraden, M., Birkenmaier, J., & Collins, J. M. (2018). *Financial Capability and Asset Building in Vulnerable Households: Theory and Practice*. Oxford University Press.
- Shim, S., Serido, J., Bosch, L., & Tang, C. (2013). Financial identity-processing styles among young adults: A longitudinal study of socialization factors and consequences for financial capabilities. *Journal of Consumer Affairs*, 47(1), 128-152.
- Shim, S., Xiao, J. J., Barber, B. L., & Lyons, A. C. (2009). Pathways to life success: A conceptual model of financial well-being for young adults. *Journal of Applied Developmental Psychology*, 30(6), 708-723.
- Sirgy, M. J. (1998). Materialism and quality of life. *Social Indicators Research*, 43(3), 227-260.
- Skilton, P. F., & Purdy, J. M. (2017). Authenticity, power, and pluralism: A framework for understanding stakeholder evaluations of corporate social responsibility activities. *Business Ethics Quarterly*, 27(1), 99-123.

- Smith, A. (1776). An inquiry into the nature and causes of the wealth of nations: Volume one. London: printed for W. Strahan; and T. Cadell, 1776.
- Solomon, R. C. (1994). The corporation as community: A reply to Ed Hartman. *Business Ethics Quarterly*, 4(3), 271-285.
- Sorgente, A., & Lanz, M. (2017). Emerging adults' financial well-being: A scoping review. *Adolescent Research Review*, 2(4), 255-292.
- Sorgente, A., Totenhagen, C. J., & Lanz, M. (2022). The use of the intensive longitudinal methods to study financial well-being: A scoping review and future research agenda. *Journal of Happiness Studies*, 23(1), 333-358. <https://doi.org/10.1007/s10902-021-00381-6>
- Stryker, S. (1968). Identity salience and role performance: The relevance of symbolic interaction theory for family research. *Journal of Marriage and the Family*, 30(4), 558-564.
- Stryker, S. (2008). From mead to a structural symbolic interactionism and beyond. *Annual Review of Sociology*, 34(1), 15-31. <https://doi.org/10.1146/annurev.soc.34.040507.134649>
- Strömbäck, C., Lind, T., Skagerlund, K., Västfjäll, D., & Tinghög, G. (2017). Does self-control predict financial behavior and financial well-being? *Journal of Behavioral and Experimental Finance*, 14, 30-38.
- Suh, E. M. (2002). Culture, identity consistency, and subjective well-being. *Journal of Personality and Social Psychology*, 83(6), 1378-1391. <https://doi.org/10.1037/0022-3514.83.6.1378>.
- Tajfel, H., Turner, J. C., Austin, W. G., & Worchel, S. (1979). An integrative theory of intergroup conflict. In Mary Jo Hatch & Majken Schultz (Eds.), *Organizational Identity: A Reader*, 56-65. Oxford University Press.
- Tan, Z. S. (2021). Ethics events and conditions of possibility: How sell-side financial analysts became involved in corporate governance. *Business Ethics Quarterly*, 31(1), 106-137.
- Tangney, J. P., Stuewig, J., & Mashek, D. J. (2007). Moral emotions and moral behavior. *Annual Review of Psychology*, 58, 345-372.
- Tenney, J. A., & Kalenkoski, C. M. (2019). Financial ratios and financial satisfaction: Exploring associations between objective and subjective measures of financial well-being among older Americans. *Journal of Financial Counseling and Planning*, 30(2), 231-243.
- Thaler, R. H., & Shefrin, H. M. (1981). An economic theory of self-control. *Journal of Political Economy*, 89(2), 392-406.
- Treviño, L. K., Butterfield, K. D., & McCabe, D. L. (1998). The ethical context in organizations: Influences on employee attitudes and behaviors. *Business Ethics Quarterly*, 8(3), 447-476.
- Turiel, E. (2003). Resistance and subversion in everyday life. *Journal of Moral Education*, 32(2), 115-130.
- Turner, J. C., Brown, R. J., & Tajfel, H. (1979). Social comparison and group interest in ingroup favouritism. *European Journal of Social Psychology*, 9(2), 187-204.
- Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and Biases. *Science*, 185(4157), 1124-1131.

- Vlaev, I., & Elliott, A. (2014). Financial well-being components. *Social Indicators Research*, 118(3), 1103-1123.
- Vlaev, I., Nieboer, J., Martin, S., & Dolan, P. (2015). How behavioural science can improve financial advice services. *Journal of Financial Services Marketing*, 20(1), 74-88.
- Vogel, D. J. (2005). Is there a market for virtue?: The business case for corporate social responsibility. *California Management Review*, 47(4), 19-45.
- Webster, R. J., Morrone, N., & Saucier, D. A. (2021). The effects of belief in pure good and belief in pure evil on consumer ethics. *Personality and Individual Differences*, 177, 1-12, 110768.
- Westerhof, G. J., & Barrett, A. E. (2005). Age identity and subjective well-being: A comparison of the United States and Germany. *The Journals of Gerontology Series B: Psychological Sciences and Social Sciences*, 60(3), S129-S136.
- Williams, G. C., Hedberg, V. A., Cox, E. M., & Deci, E. L. (2000). Extrinsic life goals and health-risk behaviors in adolescents. *Journal of Applied Social Psychology*, 30(8), 1756-1771.
- Woike, J. K., Collard, P., & Hood, B. (2020). Putting your money where your self is: Connecting dimensions of closeness and theories of personal identity. *PloS One*, 15(2), e0228271, 1-44.
- Wood, A. M., Linley, P. A., Maltby, J., Kashdan, T. B., & Hurling, R. (2011). Using personal and psychological strengths leads to increases in well-being over time: A longitudinal study and the development of the strengths use questionnaire. *Personality and Individual Differences*, 50(1), 15-19.
- Xiao, J. J., & Porto, N. (2017). Financial education and financial satisfaction: Financial literacy, behavior, and capability as mediators. *International Journal of Bank Marketing*, 35(5), 805-817. <https://doi.org/10.1108/IJBM-01-2016-0009>
- Zaimah, R., Masud, J., Haron, S. A., Othman, M., & Sarmila, M. (2013). Financial well-being: Financial ratio analysis of married public sector workers in Malaysia. *Asian Social Science*, 9(14), 1-6.
- Zemtsov, A. A., & Osipova, T. Y. (2016). Financial wellbeing as a type of human wellbeing: Theoretical review. *The European Proceedings of Social & Behavioural Sciences EpSBS*, 7, 385-392.
- Zimbardo, P. G., & Boyd, J. N. (2014). Putting time in perspective: A valid, reliable individual-differences metric. In Maciej Stolarski, Nicolas Fieulaine, Wessel van Beek (Eds.) *Time Perspective Theory; Review, Research and Application: Essays in Honor of Philip G. Zimbardo* (pp. 17-55). Springer.

APPENDIX

Initial pool of items		
Sl.	Initial heads	Details
1	Managing Money (MM): Source of fund	My present monetary fund (<i>Pocket money/scholarship/earned money/borrowed money/saved money</i>) is a symbol of my hardworking nature.
2		My present monetary fund (<i>Pocket money/scholarship/ earned money/borrowed money/saved money</i>) is a symbol of my organised nature.
3		I manage to save 20% from my present monetary fund (<i>Pocket money/scholarship/earned money/borrowed money/saved money</i>) for emergency needs.
4		I have no morality (desire to do the right thing) if I do not have adequate fund for my basic expenses.
5	Earning/Making	I do not believe in hardworking while making/earning money. (R)
6	Money	I do not think of harming others while earning money.
7	Saving Money (Impulsivity control)	I have left with enough money in month end.
8	Borrowing	I find difficulty (feeling uncomfortable) in borrowing money from others (from personal source/institutional source).
9		No one rejects my request if I ever ask for borrowing.
10	Cooperation: Kinship	I avoid borrowing from someone outside my family even in my financial hardship days (I run out of cash).
11	Planning	I enjoy the planning of my money
12		I delay the planning of my money
13	Managing Money	Managing money is my favourite
14	(MM): General	I never shy away from my financial responsibility how tiny it may be.
15		I am said that I manage my money well
16		My family and friends find me responsible the way I manage my money.
17		I know what to spend and when to spend it
18		I understand the importance of saving
19		I want to become self-sufficient
20		the motivation to save even when it was difficult to do so
21	MM: Spending: Wise Spending	I do wise spending (<i>Is it something you really need before you spend</i>) because of my evil experience of fund shortage.
22		I do wise spending (<i>Is it something you really need before you spend</i>) because of my habit. [Modified version- I spend wisely because of my habit]
23	MM: Spending: Pro social spending	I do pro social spending (<i>charitable spending on others; either known or unknown</i>) because I feel for other's needs.
24		I do pro social spending (<i>charitable spending on others; either known or unknown</i>) because I cannot avoid the situation.
25		I prefer to spend time for volunteering for a good cause rather than pro social spending for the same good cause.
26		I spend for others (<i>charitable spending on others; either known or unknown</i>) because I cannot avoid the situation.
27		Helping others (volunteering or charity) makes me happy.
28		I spend for others (<i>charitable spending on others; either known or unknown</i>) because I feel for other's needs.
	Impulsivity	I feel little pain of paying my money
30	Spending Money	I hate to stick to my budget
31		I love wise spending (spending money carefully with full awareness of consequences).

32		I am willingly drowned to pro social spending (charitable donation/helping needy persons financially) at least once in six months
33		I am into wise spending (spending money carefully with full awareness of consequences)
34		I am called a budget person by my friends
35		I am seen to participate in pro social spending (charitable donation/helping needy persons financially) at least once in six months
36	MM: savings: Value for money	I value for money because of its magical power (<i>influential nature in negative perspective</i>) in this world.
37		I value for money because of its essentiality (<i>extremely important</i>) in this world.
38	Saving Money: Integrity aspect: Socialisation aspect	I value for earned money as my family puts lots of effort in it.
39	Practical Wisdom in finance	I definitely know what is right but I do what is the best in conflicting situation without any regret in future especially taking day-to-days financial decision. (For example: I know certain food is bad for my stomach but when I am hungry, I buy and eat whatever is best available to me as per my pocket by thinking avoiding stomach ache in near future.).
40	Self-control	I feel confident in my ability to know what to spend.
42		I can save even when it was difficult to do so.
43		I understand the importance of saving.
44	Future Expectation towards financial goal based on anticipated	I want a moral peaceful life with adequate income (<i>presume that this earned money helps you to save 25% of it after meeting basic expenses</i>) in future.
45	Income and savings	I would love to enjoy luxury life in future even at cost of my morality (<i>desire to do the right thing</i>). (R)
46		I want to see myself as a moral human being (practicing which is righteous) irrespective of my financial situation in future.
47		I want to become financially independent near future (in next 5 years)
48	Threat to identity	I hate myself when I acted immorally in the past.
49		It's acceptable to steal food if someone is starving. (R)*
50		It's ok to keep valuable items that someone finds, rather than try to locate the rightful owner. (R)*
51	Cooperation: Deference (Judgemental)	Society would be better if people were more honest*.
52	Cooperation: Fairness (Judgemental)	Everyone's financial rights are equally important. [Modified Everyone's rights are equally important] *.
53	Cooperation: Group (Judgemental)	I should try to be a useful member of society*.
54	Cooperation: Reciprocity (Judgemental)	I always return a favour if I promise to do so*.
55	Original Question (Open ended)	Being financially moral means to you.

The items are guided by demarcation mentioned by a qualitative study using western and eastern samples conducted by Bates and Lucey's (2008) in interpretation of teacher and pre-service teacher conceptions of financial morality. The five areas are (1) Helping others; (2) Using/earning money without harming others; (3) Being financially responsible; (4) How one earns and/or spends money; and (5) Using/earning money according to one's personal code of ethics or morals. These areas are interpreted in present study as follows "helping others" as Generosity (GNR1), "using/earning money without harming others" as Ethical Earning (EER2), "being financially responsible" as Financial Commitment (FCM3), "how one earns and/or spends money" as Money Management (MMM4), and "using/earning money according to one's code of ethics or morals" as Morally Driven Earning Utilization (MDEU5)";

(R) is reverse-coded items;

* represents the adapted items from O.S. Curry et al. (2019) & partially modified.

About the Author

Sulagna Nandy-Dutta*

Research Scholar

Dept. of Management Studies & Industrial Engineering

Indian Institute of Technology (Indian School of Mines) Dhanbad

Jharkhand, India-826004

Email: sulagna.nandydutta@gmail.com

Phone: 7319100604

Niladri Das, Ph.D

Associate Professor

Dept. of Management Studies & Industrial Engineering

Indian Institute of Technology (Indian School of Mines) Dhanbad

Jharkhand, India-826004

Email: niladri@iitism.ac.in

* Corresponding author

Sulagna Nandy-Dutta is a research scholar pursuing higher studies at the Indian Institute of Technology (ISM) Dhanbad. She worked in the social and financial sectors for almost 6.5 years as an officer and was posted in different parts of India. Her interests include sustainability, entrepreneurship, women's studies, morality, behavioral finance, and identity.

Niladri Das has been an Associate Professor at the IIT (ISM) Dhanbad since July 2007. His expertise includes capital market, entrepreneurship management, sustainability reporting, and corporate governance. He has published his works in numerous journals, including *Business Strategy and the Environment*, *Corporate Social Responsibility and Environmental Management*, *Managerial and Decision Economics*, *The Extractive Industries and Society*.

Journal of Business and Management

Submission Guidelines

1. **A submitted manuscript must be written in English with double-spaced, 12-point Times New Roman font and the single-column format.** It must contain original, unpublished work and is not being submitted for publication or review elsewhere.
2. If you are a first-time user of the JMS portal, please register as a new author to submit your paper files.
3. By submitting a paper to *JBM*, the author agrees to abide by the publication ethics stipulated in COPE (Committee on Publication Ethics) <http://www.publicationethics.org/>.



Instructions for Authors

1. **Submitted papers should not have been previously published nor be currently under consideration for publication elsewhere.** (N.B. Conference papers may only be submitted if the paper was not originally copyrighted and if it has been completely re-written with less than 30% similarity.)
2. **Papers must be prepared in English.**
3. **The author must check and correct all grammatical or spelling errors before submission. There are various online software tools available free to authors, e.g., Grammarly Basic could be downloaded and installed free of charge and is highly recommended for JBM authors.**
4. There is no submission deadline for JBM. All papers are double-blind reviewed by at least two reviewers whose expertise matches the paper content. The processing time for the first-round formal reviews is about six weeks. Subsequent rounds of reviews tend to be faster.
5. To simplify file conversion effort, PDF or Microsoft Word (for Windows) DOC format is advised. Then, please submit your paper via the JBM Journal Management System (URL: <http://gebrcc.nccu.edu.tw/jms/>).
6. JBM is a diamond open-access academic journal. According to international practice, JBM gives or takes no payment for submitting, reviewing, and publishing the paper. Once the paper is published, the author can download the paper from the JBM website freely for any usage, even for commercial purposes.
7. The submitted and accepted paper should follow the author guidelines for paper submission provided on the JBM website to format the pages for publication.

Submission Checklist

The submitted paper should include [1] paper title (15-30 words), [2] structured abstract (200-500 words), [3] 5-10 keywords, [4] the paper body (5000-10000 words), [5] references (30+), and/or appendices. The author(s) information **should not** appear anywhere in the paper body

file, including the page header and footer. The corresponding author of an accepted paper should follow the author guidelines for paper submission provided on the JBM website to format the pages for publication. During the initial submission, the format of the *paper body* could be freestyle. However, the citations must be complete using the APA styles, and the content must be organized using the sections suggested on the JBM website.

Each author must submit three separate files:

1. **Cover Letter:** Please suggest in the cover letter three or more reviewers for your papers who are willing to review and have published SCI/SSCI articles pertinent to your paper title with hyperlinks accessing their papers online. Behind the letter, please provide a copy of the *similarity check report* created by software such as *Turnitin*, *iThenticate*, etc. A paper without this report cannot be processed for any review.
2. **Title Page:** Please note in the file the title of the paper, names of authors, affiliations, addresses, phone numbers, fax numbers, e-mail addresses, acknowledgment of funding sources, and the four required author declaration statements.
3. **Paper Body:** Please prepare the file content following the instructions in the above paragraph. Please ensure that the authors' information is not in the paper body and the file properties. The structured abstract should not exceed 500 words, and the number of keywords must be 5-10 words. All tables and figures must be placed near the contexts used, not at the end of the paper body. Specifically, please make sure that your MANUSCRIPT file contains:
 - (1) the paper title,
 - (2) the structured abstract,
 - (3) the keywords, and
 - (4) the paper body.

Paper Review Process for JBM

Conclusion		Second Reviewer's Decision			
		Accept	Minor Revisions	Major Revisions	Reject
First Reviewer's Decision	Accept	Accepted for Publication	Send back for Revision, then Accept	Send back for Revision, then Reexamine	*
	Minor Revisions	Send back for Revision, then Accept	Send back for Revision, then Accept	Send back for Revision, then Reexamine	*
	Major Revisions	Send back for Revision, then Reexamine	Send back for Revision, then Reexamine	Send back for Revision, then Reexamine	Reject
	Reject	*	*	Reject	Reject

* In this case, the editor-in-chief or executive editor will decide (i.e., reject, seek the third reviewer's opinion, or ask for major revisions) by evaluating the scores and commands from the two reviewers.

Library Form for Journal Request

To: Librarian

From:

Name: _____

Position: _____

Department: _____

Email Address: _____

Re: *Journal Subscription Recommendation*

I recommend that the Library subscribes to the *Journal of Business and Management* - JBM (ISSN: 1535-668X). This journal can be ordered through EBSCO and ProQuest.

I recommend this journal because (check one or more of the following):

1. I have evaluated the content of this journal and can confirm that the high quality of these articles will be of significant benefit to faculty and students in teaching and research.
2. I will be using this journal for my courses and reading lists.
3. I will be using this journal for my own research and scholarship.
4. This journal is included in Cabell's white-list and is, therefore, a critical acquisition for our collection in business and management.
5. I am a member of the Editorial Board and will be using it regularly for research, article submission, and as a teaching aid.
6. Other (specify): _____

Signature: _____ Date: _____



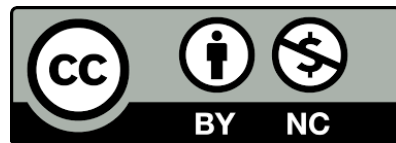
National Chung Cheng University

College of Management
National Chung Cheng University
No. 168, Section 1, University Road
Minhsiung, Chiayi 621301
Taiwan (R.O.C.)

This page is the spine page. Please remove it before printing this book.

Note from JBM Home Office:

The *JBM* is a diamond open access journal. Users and publishers are welcome to produce a printed copy of the *JBM* using this document under the license of *Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0)*.



Guides for Book Printing:

The content of this book uses Book Antiqua and Calibri fonts. For book printing, the front cover uses the first two pages, while the back cover uses the last two pages. This spine page and the two book covers can be printed on a white-color heavy-duty A3-size paper to produce the cover pages for this book. This page is available in DOCX at: <https://jbm.iohogo.com/pdf/volume/2902/JBM-v29n2-spine-V.docx>