sustainability

MDPI

Article

Sustainable Leadership Practices Driving Financial Performance: Empirical Evidence from Thai SMEs

Suparak Suriyankietkaew [1] and Gayle Avery [2,*]

[1] College of Management, Mahidol University, 69 Vipawadee Rangsit Road, Phayathai, Bangkok 10400, Thailand; suparak.sur@mahidol.ac.th

[2] Macquarie Graduate School of Management, Macquarie University, 99 Talavera Road, Macquarie Park NSW 2109, Australia

* Correspondence: gayle.avery@mgsm.edu.au; Tel.: +66-2-9850-9930

Academic Editor: Giuseppe Ioppolo

Received: 13 January 2016; Accepted: 29 March 2016; Published: 1 April 2016

Abstract: Many managers and researchers alike are asking: What does an enterprise need to do to generate a proper balance between economic, social, and ecological objectives while gaining superior corporate financial performance, resilience, and sustainability? Several leadership concepts for enhancing organizational sustainability have emerged in recent years, but none provides an integrative approach, with the exception of Sustainable Leadership (SL). However, empirical research examining the effects of various SL practices on financial performance and other business outcomes is lacking. This article addresses this gap by empirically investigating the relationships between 23 SL practices and financial performance. Using a cross-sectional survey, data stem from 439 managers in small and medium-sized enterprises (SMEs) in Thailand. Of the 23 SL practices in SL, 16 were significantly associated with corporate financial performance. Four SL practices, in particular—amicable labor relations, valuing employees, social responsibility, plus strong and shared vision—were significant drivers, and positive predictors, of enhanced long-term firm performance. Lastly, implications, limitations, and future directions are discussed.

Keywords: Leadership; Sustainable Leadership; financial performance; sustainability; SMEs; Thailand

1. Introduction

At present, organizations are operating in ever more complexity, largely due to rapid changes surrounding their business environments (e.g., globalization, increasingly scarce resources, social media, advanced multimedia, and high-technologies). Financial scandals, bankruptcies, disasters, and external pressure from various publics, governments, and NGOs continue to force companies to take account of increasing complexity in their business operations to achieve sustainability in the sense of resilience and longevity [1].

The literature contains more than 300 definitions of sustainability [2], which vary with specific disciplines, such as biology, economics, sociology, and ecology [2]. In the leadership field, sustainability has been debated among organizational leadership and management scholars. One view is that leadership is critical for creating organizational resilience, longevity, and sustainability in firms [3]. With respect to sustainability from a leadership perspective, the key notion centers on ethical, social, and responsible business conduct, together with a stakeholder orientation, moving beyond the popular green and social notions of sustainability in firms that are embedded in concepts such as the triple bottom line (TBL), corporate social responsibility (CSR), and corporate responsibility (CR). In this paper, organizational sustainability, thus, refers to a leadership and management process aimed at creating long-term well-being and enduring value for all stakeholders, beyond just social and environmental responsibility, to result in increased profitable growth, resilience, and sustainability in firms as defined by Avery and Bergsteiner's [4,5] Sustainable Leadership (SL).

Avery and Bergsteiner's [4,5] SL model proposes that an enterprise needs to adopt a range of management practices in order to generate a proper balance between economic, social, and ecological objectives while attaining high performance, resilience and sustainability. However, which leadership and management practices help ensure the sustainability of an enterprise? Obviously, to be sustainable, companies need to take care of their financial performance [4,5], and several indices (DJSI, FTSE4Good, and TBL reporting) and standards (AA1000 Assurance Standard, SA8000, ISO 14001) are built largely around multiple financially-relevant measures in assessing sustainable organizational performance [6]. Some extend the measures to environmental and social performance. However, research examining the relationship between multiple corporate practices and organizational performance is relatively scarce.

This paper asks: which leadership and management practices drive superior financial performance in particular? As advocated in the literature, an enterprise needs to extend beyond self-interest by playing a beneficial role in the world, so as to generate a proper balance between economic, social, and ecological objectives and, in return, gain profitable growth, resilience, and sustainability. Today management decisions neglecting social and environmental issues can constrain the whole organization [7]. Business-as-usual no longer ensures sustainability in companies, and modern businesses need to look beyond profit maximization [8–10]. Enterprises need to look critically beyond the conventional view of organizational sustainability as altruism, charity work, or just being "green" or meeting minimum regulatory standards or requirements [11,12]. Extending beyond the original ideas of the World Commission on Economic Development (WCED) regarding sustainability, the literature suggests that firms should embrace societal and environmental responsibility while meeting the needs of stakeholders, such as shareholders, employees, clients, pressure groups, communities, and future generations [13–15].

Worldwide, scholars [4,5,16–19] are calling for fundamental changes in leadership and management thinking to enable enterprises to withstand many kinds of external shocks and achieve sustainability. Winston [20] emphasizes that organizational sustainability now is "on the management agenda" and creates the most value when it is embedded throughout a firm. Hence, transforming organizations towards becoming more sustainable requires appropriate leadership actions [1,15,21,22].

Orlitzky, Siegel, and Waldman [23] stress the importance of incorporating multi-faceted aspects of leadership and multiple measures of organizational sustainability into research in order to advance this emergent multidisciplinary field of enquiry. Therefore, this paper responds to the growing demand in the literature by investigating what kind of leadership practices contribute to the sustainability of an enterprise and in particular, affect financial performance.

Expanding beyond a micro-view of leadership with its emphasis on individual characteristics of "heroic" leaders to focus on the overall leadership system within an organization, diverse strategic macro-level leadership approaches to creating organizational sustainability have emerged. For example, Stakeholder-based Leadership is built around managing stakeholder relationships and taking a triple-bottom-line approach [24–27]. Another example is Ethical Leadership [28,29] that stresses the importance of adhering to ethical business standards. In Southeast Asia, the "Sufficiency Economy" philosophy (SEP), derived from the Buddhist middle path, emerged in Thailand after the 1997 Asian financial crisis. The SEP also embraces leadership practices that provide an underpinning framework for sustainable development and underlying business philosophies for creating sustainable enterprises [30–32]. Finally, derived from research from around the world, Avery and Bergsteiner [4,5] proposed the SL model with the objective of balancing people, profits and the planet to promote corporate longevity through evidence-based management practices.

Degrees of similarity and difference in espousing organizational sustainability arise among the above leadership approaches. However, SL incorporates key aspects of all the approaches, embracing a holistic and integrated approach to organizational sustainability. SL proposes 23 leadership and management practices that cover multi-faceted management systems, principles, processes, and values.

This is valuable because much of the existing literature tends to be fragmented and simplified, rather than examining the complex, systemic nature of leadership behaviors in practice [33]. Various authors and management gurus [15,34–36] have long argued that individual business practices, which SL integrates, contribute to organizational performance and resilience/endurance. Table 1 briefly describes the 23 SL practices and links them to other leadership approaches for organizational sustainability.

Table 1. Summary of links between SL practices and other leadership approaches for organizational sustainability.

Sustainable Leadership (SL) Practices	Descriptions of the SL Practices (Avery and Bergsteiner [4])	Other Leadership Approaches
1. Developing people	Develops everyone continuously	STL, SELP
2. Labor relations	Seeks cooperation	STL, SELP
3. Retaining staff	Values long tenure at all levels	STL, SELP
4. Succession planning	Promotes from within wherever possible	SELP
5. Valuing staff	Is concerned about employees' welfare	STL, EL, SELP
6. CEO and top team	CEO works as top team member or speaker	STL, SELP
7. Ethical behavior	"Doing the right thing" as an explicit core value	RL, EL, SELP
8. Long-term perspective	Prefers the long-term over short-term profits and growth	STL, SELP
9. Organizational change	Change is an evolving and considered process	RL, SELP
10. Financial independence	Seek maximum independence from others	RL, SELP
11. Environmental responsibility	Protects the environment	STL, SELP
12. Social responsibility	Values people and the community	STL, SELP
13. Stakeholder consideration	Everyone matters	EL, SELP
14. Strong, shared vision	Shared view of future is essential strategic tool	SELP
15. Decision-making	Is consensual and devolved	STL, EL, SELP
16. Self-management	Staff are mostly self-managing	-
17. Team orientation	Teams are extensive and empowered	STL, SELP
18. Culture	Fosters an enabling, widely shared culture	SELP
19. Knowledge sharing and retention	Spreads throughout the organization	STL, SELP
20. Trust	High trust through relationships and goodwill	STL, EL, SELP
21. Innovation	Strong, systematic, strategic innovation at all levels	SELP
22. Staff engagement	Values emotionally committed staff and the resulting commitment	STL, SELP
23. Quality	Is embedded in the culture	SELP

Legend: STL = Stakeholder Leadership, EL = Ethical Leadership, SELP = "Sufficiency Economy" Leadership Practices. Source: Suparak Suriyankietkaew (Author)—adapted from Avery and Bergsteiner [4] (p. 36–37).

This paper adopts the multidimensional SL model as its theoretical framework, given than SL is systemic, holistic, and incorporates much of what the other approaches also cover.

Furthermore, the present study is set in the developing country of Thailand. Since SL was initially developed in the Western world with global organizations, this paper aims to expand currently-limited knowledge of the SL application in the Eastern world. It also responds to a call for better understanding of cultural differences between the Western and Eastern behavior, which Ott [37] (p. 53) referred to as "the black box of cultural clashes". Hence, this paper looks at applying SL derived from observations largely from the Western perspective in Thailand. Thailand has recently played a significant role in Southeast Asia in terms of economic growth with the second largest GDP growth in the region with an approximate value based on purchasing-power-parity (PPP) of US$1,069 billion (estimated figure), and ranks as the 21st largest economy contributing to global nominal GDP growth in 2014, based on the data from International Monetary Fund [38]. It is also a leading nation in the fast-growing regionalization of the Association of Southeast Asian Nations (ASEAN) Economic Cooperation or AEC. According to the Bangkok Bank [39], this regional economy has grown significantly and ranks the third largest population after China and India, the 10th in terms of GDP value, and had one of the fastest GDP growth (4.4%) in the world in 2011. For these reasons, Thailand has been a strategic economy in the region and an important promising player in the world market.

The literature also signifies the importance of SMEs as the economic backbone of most economies and calls for further leadership studies in the SME context [40–42]. The characteristics and determinants of growth in SMEs have been the focus of much debate among researchers and practitioners [43]. The SME sector has also greatly contributed to the economic and social growth of many countries around the world [44], including Thailand. Therefore, further investigation into which leadership and management practices drive superior financial performance and organizational sustainability, particularly in Thai SMEs, is worth-questioning. Given the significance of Thailand and its SMEs, it is crucial for the world economy that Thai businesses, especially SMEs, adopt leadership practices that drive superior corporate financial performance toward organizational sustainability. Thus, more research is needed to expand current knowledge of the essential leadership and management practices that can drive superior performance and organizational sustainability, particularly in the SME context of the emerging economy of Thailand.

This paper addresses several gaps in the literature. Although writers highlight the need for strategic macro-views of leadership in addition to the growing literature on individual leader characteristics and behaviors, the emerging SL field is still at an early conceptualization stage. Apart from some case studies [4,5,19,45] and a few quantitative studies [46,47], systematic empirical research into the effects of SL practices on financial performance in firms is limited. Therefore, this study seeks to extend existing knowledge by examining the relationships between all 23 SL practices and corporate financial performance.

2. Sustainable Leadership: A Theoretical Framework

SL proposes a holistic approach to leading an organization with the aims of balancing people, profits, and the planet, and promoting longevity of the firm through evidence-based management practices. Twenty-three SL practices that have been shown to drive organizational longevity and performance have been identified and contrasted with prevailing "business-as-usual" beliefs about leading enterprises [4,5]. Originally based on Rhineland capitalism [14], SL was built on Avery's [48] original 19 practices derived from a study of 28 global organizations. The primary 19 criterion practices are: CEO and top-team leadership, consensual and devolved decision-making, ethics, financial independence, strong systemic innovation, knowledge-sharing, long-term perspective, promotion-from-within, strong organizational culture, strong people priority, high quality, high staff retention, highly-skilled workforce, strong social responsibility, strong environmental responsibility, broad stakeholder focus, self-governing teams, considered uncertainty and change as process, plus cooperative union-management relations. Building on that research, Avery and Bergsteiner [4,5] identified four additional practices to generate a set of 23 so-called "Honeybee" or sustainable practices in the SL framework. The four additional practices (trust, innovation, staff engagement, and self-management) were added to the latest SL model. Descriptions of each practice are given in Table 1 above. Many scholars [16,34–36] advocate individual Honeybee practices as the strategic foundation for sustainable enterprises. More recent literature [49–51] also concluded that SL practices drive business performance, particularly in the context of SMEs. In a nutshell, Honeybee practices demonstrably drive organizations towards a range of superior business outcomes including financial performance, thereby contributing to the sustainability of an enterprise.

3. Relationship between Sustainable Leadership and Corporate Financial Performance

SL practices are predicted to enhance long-term corporate performance to varying degrees. According to Avery and Bergsteiner [4,5], all SL practices, except self-management, have been shown to link directly to sustainable financial performance, albeit using diverse measures. Numerous research studies link specific SL practices to enhanced financial performance. Examples include: valuing staff [52]; social responsibility [53,54]; knowledge sharing and retention [55,56]; strong and shared vision [51,57]; innovation [58,59]; high quality [19,60]; and teamwork together with a strong culture [22,61]. However, these studies were done in diverse contexts and using different samples and measures. A study adopting consistent methodology is needed to test the relationships between the 23 SL leadership and management practices and, in this paper, corporate financial performance. Therefore, the following research hypotheses (*H*) were derived from the above literature for testing:

H1: Is there a significant association between SL practices and corporate financial performance?

H2: Is there a significant, positive relationship between SL practices and corporate financial performance?

H3: The more SL practices an organization adopts, the higher the corporate financial performance will be.

4. Methodology

Most research linking management/leadership practices with corporate financial performance has been conducted in the developed world, and often in large firms. However, the present study was undertaken in Thai SMEs for reasons provided above.

To bridge the literature gaps and answer the research questions, this study undertook quantitative research to empirically examine the relationships between SL practices and corporate financial performance, particularly in the Thai SME context, an area that is lacking to date. To quantify the effects of SL practices on corporate financial performance in Thai SMEs, a cross-sectional survey design was employed to test the research hypotheses. A mixed survey method (*i.e.*, online, telephone and mail survey) was used to maximize response rates within the limited time.

Data were collected from 439 managers working in first-line and middle management positions in SMEs across diverse industries in Thailand, especially those in the non-agricultural sector. The objective was to obtain managers' perceptions about organizational leadership and management behaviors, systems, and outcomes within their firm. In choosing SMEs, the definition used by the Thai Institute of Small and Medium Enterprises Development was adopted; namely, enterprises with fewer than 200 employees and fixed assets under 200 million baht (excluding land). The sample was based on up-to-date and reliable Thai SME listing records from governmental bodies.

The overall response rate was 63%, which was considered acceptable. The sample consisted of 46% male and 54% female managers. Most (about 77%) were aged between 25–34 years old (38.2%) and 35–44 years old (38.9%), while 15% were aged between 45–54 years. About 88% of the sample had obtained a university degree (bachelor's degree 68%; master's 20%). Nearly 80% had up to 10 years of tenure with the firm, 10% between 11–15 years tenure, and the remaining 10% had worked 16 years or longer with their firms.

5. Measures

Honeybee practices were measured via a set of 57 items adapted from Avery and Bergsteiner's Sustainable Leadership Questionnaire (SLQ). The questionnaire was based on established scales and tested to ensure robustness using Cronbach's alphas. The results indicated that most items in the questionnaire exceeded the threshold of .70 level of reliability, as recommended by Hair *et al*. [62]. The original English-language version was adapted and translated into Thai using a back translation approach to ensure validity of the instrument. Hence, the valid and reliable questionnaire was used to investigate this empirical study. The 23 SL practices were operationally defined as the extent to which managers perceive that their organization operates using practices aligned with Honeybee principles (see Table 1).

Corporate financial performance was the dependent variable, being key to determining organizational survival and growth [63]. For example, Kaplan and Norton [64] urged firms to concentrate on their financial perspectives for growth and balance. Sales/revenues, capital expenditure, cash flow, net income and/or profit, are commonly used financial performance indicators [65]. However, the literature indicates a lack of systematic reliable financial data in many businesses, especially in non-listed corporations and small businesses [66,67]. Obtaining direct concrete financial data therefore becomes a challenge [68], even more so for businesses in a developing country such as Thailand. Hence, this study used indirect measures (e.g., self-reports) as surrogates for measures of corporate financial performance. Corporate financial performance was, thus, indirectly assessed based on respondents' perceptions of the firm's long-term historical organizational growth in sales and net profits, and ability to control costs in the past three years, consistent with Ellis's [69] and Murray *et al.*'s [70] relative three-year performance measurement. Respondents were asked to assess their perceived organizational capacity to increase net profits, increase sales revenue and decrease controllable costs in the last three years.

All key variables and measured items of SL leadership practices and perceived corporate financial performance were assessed by the managers using five-point Likert scales ranging from 1 = "Strongly disagree" to 5 = "Strongly agree" with 6 = "Don't know".

6. Results

Quantitative statistical analyses, particularly correlations and multiple regression analysis [61], using SPSS software, were employed to empirically examine the hypothesized relationships between SL practices and corporate financial performance. Correlations was used to test ***H1***. For ***H2*** and ***H3***, multiple regression analysis was employed to analyze the predictive relationship between the SL practices as the independent (predictor) variables, and corporate financial performance as the criterion variable as well as examining the relative contribution of each practice. The results are shown next.

Descriptive statistics, correlations and p-values are presented in Figure 1.

Correlation results show that 16 SL practices, namely labor relations, staff retention, valuing employees, ethics, long-term perspective, financial independence, social responsibility, strong and shared vision, devolved decision-making, team orientation, enabling culture, knowledge retention, trust, systemic innovation, staff engagement and quality, are correlated significantly with corporate financial performance at either the 5% or 1% levels. The other seven practices yielded non-significant results. Thus, the results partially support ***H1***, with the exception of the following seven practices: developing people, succession planning, CEO and top-team leadership, considered organizational change, environmental responsibility, stakeholder satisfaction, and self-management.

A robust multiple regression model of perceived corporate financial performance, via the enter method with all 23 predictors, reports R^2 of 20.7%, adjusted R^2 of 16.3%, F-statistics (23, 415) = 4.718, $p < 0.001$, indicated that the 23 SL practices explain about 16.3% of the variance in perceived corporate financial performance. The model is significant overall at the 1% level, indicating that at least one independent variable has a significant relationship with perceived corporate financial performance.

To ensure robustness of the model, the assumptions of the multiple regression analysis were tested. Results show that the Shapiro–Wilk test rejects the null hypothesis for normality at $p < 0.01$, but the large sample size (n = 439) causes no potential problems with normality. White's test of homoscedasticity accepts the null hypothesis and indicates that the probability distribution of the errors has constant variance at $p < 0.05$. No multicollinearity problems are found since the Variance Inflation Factors (VIF) and tolerance fall within the acceptance range (VIF = 1–5, tolerance = 0.01–1.0), reporting that the regression model used in this study is an adequate fit.

The unstandardized regression coefficients (B) show the positive predictive effects of four SL practices, particularly labor relations (LARE = 0.137), valuing employees (VAEM = 0.200), social responsibility (SORE = 0.119), plus strong and shared vision (SSVI = 0.152), on perceived corporate financial performance. The results show that these practices have significantly positive relationships with perceived corporate financial performance, at $p < 0.05$. Table 2 summarizes the analysis results for the individual practices. The remaining SL practices were found non-significant and, hence, did not contribute to the multiple regression model. Overall, the regression results support ***H2*** that a significant, positive predictive relationship exists between SL practices and perceived corporate financial performance.

Moreover, the absolute values of standardized coefficients (Beta) in Table 2 reveal that these four SL practices have differential impact and predictive strengths for perceived corporate financial performance, holding all other variables constant. Amongst the statistically significant coefficients, valuing employees has the highest impact and predictive strength on perceived corporate financial performance (VAEM = 0.209). The other variables with relatively lower betas and impacts on corporate financial performance are labor relations (LARE = 0.151), strong and shared vision (SSVI = 0.133), and social responsibility (SORE = 0.098), respectively. Therefore, the more an organization adopts the statistically significant SL practices, the higher the corporate financial performance will be, thereby partially supporting ***H3***.

Variable	Mean	S.D	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
1 DEPE	3.208	0.661	1.000																							
2 LARE	3.049	0.785	0.109*																							
3 STRE	3.142	0.904	0.315**	0.209**																						
4 SUPL	3.268	0.805	0.220**	0.027	0.298**																					
5 VAEM	3.773	0.741	0.113*	0.157**	0.178**	0.345**																				
6 CEOL	3.369	0.838	0.313**	-0.042	0.311**	0.346**	0.320**																			
7 ETHI	3.951	0.577	0.197**	0.066	0.099*	0.153**	0.383**	0.205**																		
8 LTPE	3.869	0.656	0.110*	0.092	0.111*	0.256**	0.324**	0.154**	0.430**																	
9 COCH	3.873	0.580	0.114*	0.159**	0.197**	0.268**	0.386**	0.192**	0.356**	0.573**																
10 FMIN	2.902	0.772	0.116*	0.135**	0.186**	0.210**	0.009	0.059	-0.011	0.141**	0.184**															
11 ENRE	3.001	0.477	0.175**	0.145**	0.211**	0.085	0.057	0.085	0.055	0.069	0.110*	0.127**														
12 SORE	3.054	0.584	0.126**	0.130**	0.298**	0.183**	0.188**	0.239**	0.087	0.092	0.158**	0.118*	0.194**													
13 STCO	3.506	0.584	0.199**	0.025	0.288**	0.236**	0.352**	0.295**	0.250**	0.369**	0.424**	0.195**	0.069	0.204**												
14 SSVI	3.532	0.624	0.119*	0.262**	0.307**	0.342**	0.276**	0.169**	0.293**	0.397**	0.370**	0.168**	0.082	0.213**	0.391**											
15 DEDE	3.483	0.785	0.052	0.285**	0.183**	0.149**	0.174**	0.171**	0.232**	0.365**	0.350**	0.211**	0.142**	0.150**	0.280**	0.334**										
16 SEMA	2.811	0.440	-0.106	0.253**	0.028	0.079	-0.072	-0.021	-0.026	0.015	-0.040	-0.009	-0.051	0.013	-0.092	0.099*	0.260**									
17 TEOR	3.809	0.759	0.056	0.273**	0.061	0.232**	0.267**	0.127**	0.316**	0.456**	0.366**	0.085	0.090	0.107*	0.298**	0.464**	0.469**	0.120*								
18 ENCU	3.740	0.738	0.019	0.233**	0.080	0.165**	0.280**	0.090	0.377**	0.427**	0.372**	0.048	0.064	0.075	0.273**	0.454**	0.458**	0.117*	0.694**							
19 KSRE	3.658	0.673	0.060	0.198**	0.120*	0.141**	0.192**	0.158**	0.275**	0.337**	0.390**	0.049	0.053	0.081	0.269**	0.255**	0.423**	0.167**	0.428**	0.496**						
20 TRUS	3.526	0.875	0.007	0.285**	0.011	0.061	0.222**	-0.012	0.289**	0.285**	0.300**	0.076	0.023	0.004	0.158**	0.379**	0.399**	0.188**	0.516**	0.586**	0.386**					
21 SSIN	3.380	0.714	0.146**	0.445**	0.112*	0.117*	0.046	0.069	0.318**	0.257**	0.256**	0.136**	0.190**	0.166**	0.176**	0.304**	0.325**	0.230**	0.410**	0.436**	0.361**	0.468**				
22 STEN	3.883	0.609	0.150**	0.147**	0.112*	0.175**	0.333**	0.265**	0.460**	0.344**	0.384**	0.009	0.002	0.077	0.341**	0.395**	0.319**	0.017	0.488**	0.566**	0.407**	0.496**	0.379**			
23 QUAL	4.044	0.553	0.018	-0.004	0.087	0.118*	0.328**	0.205**	0.359**	0.350**	0.353**	-0.037	0.058	0.010	0.256**	0.265**	0.184**	-0.066	0.377**	0.416**	0.300**	0.282**	0.229**	0.510**		
24 FIPE	3.368	0.711	0.076	0.301**	0.144**	0.070	0.106*	0.016	0.108*	0.167**	0.075	0.114*	0.048	0.130**	0.039	0.261**	0.199**	0.085	0.225**	0.232**	0.155**	0.193**	0.251**	0.216**	0.126**	1.000

* p < .05 ; ** p < .01

Figure 1. Summary of descriptive statistics and correlations.

Table 2. Multiple regression results.

Model	Unstandardized Coefficients		Standardized Coefficients	*t*	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.644	0.455	-	3.617	0.000	0.751	2.537
DEPE	0.023	0.054	0.021	0.423	0.672	−0.083	0.128
LARE	0.137	0.050	0.151	2.759	0.006	0.039	0.234
STRE	0.055	0.042	0.070	1.308	0.191	−0.028	0.137
SUPL	0.018	0.047	0.021	0.390	0.697	−0.074	0.110
VAEM	0.200	0.054	0.209	3.683	0.000	0.307	0.093
CEOL	−0.025	0.045	−0.030	−0.565	0.573	−0.114	0.063
ETHI	0.009	0.068	0.008	0.139	0.889	−0.124	0.143
LTPE	0.122	0.065	0.113	1.882	0.060	−0.005	0.250
COCH	−0.135	0.074	−0.110	−1.835	0.067	−0.280	0.010
FMIN	0.048	0.044	0.052	1.089	0.277	−0.039	0.134
ENRE	−0.044	0.070	−0.029	−0.627	0.531	−0.181	0.094
SORE	0.119	0.059	0.098	2.017	0.044	0.003	0.235
STCO	−0.109	0.067	−0.090	−1.642	0.101	−0.240	0.022
SSVI	0.152	0.066	0.133	2.304	0.022	0.022	0.282
DEDE	0.040	0.052	0.044	0.767	0.443	−0.062	0.141
SEMA	−0.042	0.080	−0.026	−0.531	0.595	−0.199	0.114
TEOR	0.014	0.063	0.015	0.221	0.825	−0.110	0.138
ENCU	0.043	0.069	0.045	0.626	0.532	−0.092	0.179
KSRE	0.015	0.058	0.014	0.256	0.798	−0.099	0.129
TRUS	0.003	0.050	0.004	0.064	0.949	−0.095	0.102
SSIN	0.033	0.058	0.033	0.563	0.573	−0.082	0.148
STEN	0.146	0.075	0.125	1.960	0.051	0.000	0.293
QUAL	0.088	0.071	0.069	1.246	0.213	−0.051	0.227

In addition, Figure 2 illustrates the resulting robust regression model. The model is simplified to express the significant and positive predictive relationships between these four SL practices, namely labor relations, valuing employees, social responsibility, plus strong and shared vision, and perceived corporate financial performance, based on the Thai SME management sample.

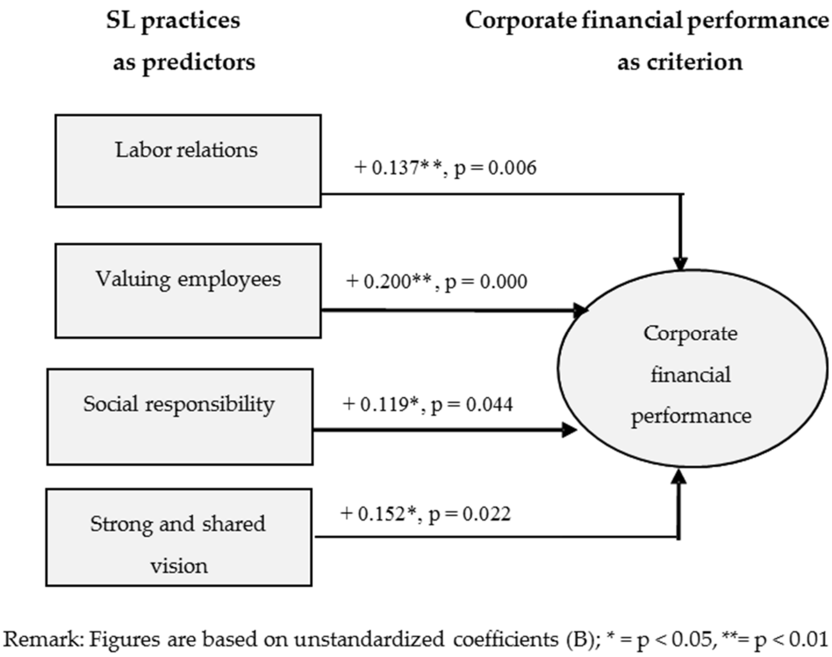

Figure 2. Resulting regression model depicting effects of significant SL practices on financial performance.

7. Discussion

Overall, the findings answer, at least partially, the key research questions underlying this investigation. This paper sought to uncover key leadership and management practices in the SL framework that can drive superior long-term financial performance within Thai SMEs. All hypotheses can be either accepted or partially accepted, as discussed in turn.

The study confirms the prediction of ***H1*** that adopting SL practices is significantly linked to enhanced corporate financial performance. The finding is aligned with Avery and Bergsteiner's model [4,5] and other researchers' findings [49,50] that these specific SL practices have positive associations with long-term financial performance in firms. However, there are some exceptions: developing people, succession planning, CEO and top-team leadership, considered organizational change, environmental responsibility, stakeholder orientation, and self-management. These SL practices showed no effects on corporate financial performance in this study, which may be explained by the unique characteristics of the SME sample and specific cultural context of Thailand, as identified in previous literature [46,47].

For instance, SME owners or leaders are likely to focus their efforts on building their markets rather than on internal business improvement [71,72]; thus, they tend to focus less on having team leadership at the top, introducing organizational change in a considered and planned way, or worrying about issues, such as stakeholder orientation and self-managing employees. Moreover, owner-managers of SMEs may well be too preoccupied with running the business to worry about people development and succession planning, as Sian and Roberts [67] concluded. The non-significant effect of environmental responsibility may be attributable to respondents coming from SMEs, consistent with a UK study that concluded that most SMEs tend to have a low commitment to making environmental improvements [73]. Consequently, SMEs may be likely to comply with, but not be willing to go beyond, environmental regulations [74]. Hence, these practices may not be corporate priorities in SMEs [75].

Moreover, the findings of this study are consistent with the literature [37], showing clear differences in cultural behaviors. The disparity between the Western and Eastern behaviors may also explain why certain SL practices, based on the Western concept, are found to be non-significant in the Eastern world. An explanation for the non-significance found on CEO and top-team management, comes from Hofstede, Hofstede, and Minkov [76] who reported that Thailand is a relatively high-power-distance society that accepts inequalities and a strict chain of command under paternalistic management with key control resting mainly with corporate leaders or SME owner-managers. Additionally, the reason that self-management has no effect on corporate financial performance may be plausible since Thailand is strongly collectivist with a relatively high uncertainly avoidance [76]; therefore, self-management may not be favored among Thai managers. These possibilities require further research.

The findings also reveal four significant drivers and positive predictors of favorable long-term financial performance in SMEs. Certain individual SL practices had positive effects on corporate financial performance, as predicted under ***H2***. The results are aligned with previous studies linking individual SL practices to aspects of corporate financial performance. Some supporting literature linking these practices to favorable financial performance include amicable labor relations [77], valuing employees [19,78], social responsibility [53,79], plus a strong and shared vision [45,51].

The prediction in ***H3*** that the more of the above positive practices a firm adopts enhances financial performance is partially supported, particularly practices such as valuing employees, amicable labor relations, social responsibility, and strong, shared vision. In short, the more an organization adopts these specific SL practices, the higher the corporate financial performance is likely to be. In terms of the rankings, valuing employees had the highest impact and predictive strength on corporate financial performance, consistent with the literature on its importance as a key success factor for improving the bottom line [80]. The second key predictor in the ranking is amicable labor relations, followed by social responsibility, and strong, shared vision, respectively.

Overall, this quantitative research paper provides strong empirical evidence that these SL practices are strong predictors of and drivers for improved long-term financial performance in firms, particularly in SMEs.

8. Implications

First, this study extends the current leadership, corporate financial performance, and organizational sustainability literature by empirically quantifying the relationship between financial performance and various leadership and management factors, particularly in the Eastern context. It builds on previous research and in particular, Avery and Bergsteiner's [4,5] SL framework of the Eastern concept, and shows that leadership behaviors have differing effects on perceived financial performance. The findings can, thus, help to advance theoretical development and empirical research into leadership-performance and sustainability, thereby contributing to existing knowledge and the literature.

In particular, leadership practices are found to have a cultural implication in this paper. This study asserts that cultural similarities and differences between the Western and Eastern contexts exist, as supported by the literature [37] and evidenced in the findings. Some leadership practices may be significant drivers for corporate financial performance in the more developed, Western countries as SL formerly predicted, while the others may not fit well in other cultural contexts, particularly developing nations of the Eastern world, such as Thailand. Therefore, this paper suggests that cultural differences play an important role when researching in diverse contexts.

A major managerial implication for business executives, entrepreneurs, and managers, lies in helping them identify significant SL practices for enhancing corporate financial performance. This can assist them in gaining a better understanding about the leadership and management practices that can improve their management effectiveness, business competitiveness, and result in superior long-term economic gains. Ultimately, these SL practices provide the keys to the leadership practices that drive long-term financial success in SMEs and, hence, their sustainability.

The findings can also be used as a guideline for strategic decision-making about which SL practices to invest in or put effort into. By embracing good labor relations with close collaboration between management and employees, valuing employees, embracing social responsibility, and developing a strong, shared vision, businesses can achieve superior financial performance, thereby promoting organizational sustainability as the SL model predicts. Importantly, the rankings and these insights may be useful when prioritizing which SL practices should be focused on in order to enhance corporate financial performance.

In addition to the academic and managerial implications, the knowledge gained in this study offers broader social and economic implications. The findings may help policy-makers or regulators identify the key determinants of social and economic growth in Thailand, particularly in the SME sector—the major socio-economic backbone and key business segment in many economies. These SL practices are also consistent with Thailand's Sufficiency Economy philosophy business practices [30], especially regarding people management and social responsibility. Overall, this paper provides insights to help advance current leadership knowledge in Thailand, and possibly in other Asian contexts.

9. Limitations

This empirical study was the first investigation into SL practices and superior financial performance; hence, some limitations need to be acknowledged and more research is needed. The applicability of the results to large or listed organizations may be limited since the data of this study stem from SMEs, thus the applications to business of different sizes need to be investigated further. Similarly, the research was conducted in one developing country and should be verified in other contexts. Since this study focuses on the perceptions of managers, future research should consider other organizational members' perceptions, such as leaders or staff. Due to a lack of systematic reliable financial data in unlisted SME businesses, indirect measures of corporate finances may introduce common method variance from measurement errors due to the subjectivity of self-reports, and this needs to be acknowledged and considered when interpreting the relationships among the SL practices. Generalization of the results should be approached with caution since this is a cross-sectional survey.

10. Future Research

Future research could examine relationships between SL practices and other performance outcomes related to organizational sustainability, particularly examining specific bundles of SL practices and outcomes. Other extraneous or control variables could be taken into account in future research since they may influence the relationships when conducting a similar statistical analysis. More empirical studies are also suggested for further construct development to fit a particular context. This may be valuable for expanding knowledge in the multidisciplinary fields of leadership, strategy, and business management, entrepreneurship and SME businesses, as well as advancing the theoretical development of SL and entrepreneurial leadership in SMEs. In particular, further development in these areas is needed to enable Thai SME organizations and the other related parties, such as policy-makers or regulators, to understand these issues and their impacts on society while growing sustainability in competitive markets.

Acknowledgments: The authors would like to thank all reviewers for their invaluable comments and suggestions for improvement of this paper.

Author Contributions: Suparak Suriyankietkaew carried out the data collection, result analyses and drafted the manuscript, which was revised by Gayle Avery. All authors gave their approval of the version submitted for publication.

Conflicts of Interest: The authors declare no conflict of interest.

References

1. Smith, P.A.C.; Sharicz, C. The shift needed for sustainability. *Learn. Organ.* **2011**, *18*, 73–86. [CrossRef]
2. Faber, N.; Jorna, R.J.; van Engelen, J. The sustainability of 'sustainability'. *J. Environ. Assess. Pol. Manag.* **2005**, *7*, 1–33. [CrossRef]
3. Dobson, A. Environmental sustainabilities: An analysis and a typology. *Environ. Pol.* **1996**, *5*, 401–428. [CrossRef]
4. Avery, G.C.; Bergsteiner, H. *Honeybees and Locusts: The Business Case for Sustainable Leadership*; Allen and Unwin: Sydney, Australia, 2010.
5. Avery, G.C.; Bergsteiner, H. *Sustainable Leadership: Honeybee and Locust Approaches*; Routledge: New York, NY, USA, 2011.
6. Székely, F.; Knirsch, M. Responsible leadership and corporate social responsibility: Metrics for sustainable performance. *Eur. Manag. J.* **2009**, *23*, 628–647. [CrossRef]
7. Schaltegger, S.; Lüdeke-Freund, F.; Hansen, E. Business cases for sustainability—The role of business model innovation for corporate sustainability. *Int. J. Innov. Sus. Dev.* **2012**, *6*, 95–119. [CrossRef]
8. Handy, C. What's a business for? *Harv. Bus. Rev.* **2002**, *80*, 48–55.
9. Harris, D.; Twomey, D. The enterprise perspective: A new mind-set for competitiveness and sustainability. *Compet. Rev.: An Int. Bus. J.* **2008**, *6*, 258–266. [CrossRef]
10. Kramar, R. Beyond strategic human resource management: Is sustainable human resource management the next approach? *Int. J. Hum. Res. Manag.* **2014**, *25*, 1069–1089. [CrossRef]
11. Dunphy, D.; Griffiths, A.; Benn, S. *Organizational Change for Corporate Sustainability*; Routledge: London, UK, 2003.
12. Robèrt, K. *Strategic Leadership for Sustainability*; Blekinge Institute of Technology: Karlshamn, Sweden, 2007.
13. Dyllick, T.; Hockerts, K. Beyond the business case for corporate sustainability. *Bus. Strategy Environ.* **2002**, *11*, 130–141. [CrossRef]
14. Gibson, K. Stakeholder and sustainability: An evolving theory. *J. Bus. Ethics* **2012**, *109*, 15–25. [CrossRef]
15. Mariappanadar, S. A conceptual framework for cost measures of harm of HRM Practices. *Asia Pac. J. Bus. Admin.* **2013**, *5*, 21–45. [CrossRef]
16. Albert, M. The Rhine model of capitalism: An investigation. *Eur. Bus. J.* **1992**, *4*, 8–22.
17. D'Amto, A.; Roome, N. Leadership of organizational change toward an integrated model of leadership for corporate responsibility and sustainable development: A process model of corporate responsibility beyond management innovation. *Corp. Gov.* **2009**, *9*, 421–434.
18. Hind, P.; Wilson, A.; Lessen, G. Developing leaders for sustainable business. *Corp. Gov.* **2009**, *9*, 7–20.

19. Kantabutra, S.; Suriyankietkaew, S. Sustainable leadership: Rhineland practices at a Thai small enterprise. *Int. J. Entrep. Small Bus.* **2013**, *19*, 77–94. [CrossRef]
20. Winston, A. Corporate Sustainability Efforts: Feast or Famine. Available online: https://hbr.org/2012/03/corporate-sustainability-effor.html (accessed on 15 November 2015).
21. Morsing, M.; Perrini, F. CSR in SMEs: Do SMEs matter for the CSR agenda? *Bus. Ethics Eur. Rev.* **2009**, *18*, 1–6. [CrossRef]
22. Wong, L.; Avery, G.C. Transforming organizations for sustainable practices. *Int. J. Interdiscip. Soc. Sci.* **2009**, *4*, 397–408.
23. Orlitzky, M.; Siegel, D.S.; Waldman, D.A. Strategic corporate social responsibility and environmental sustainability. *Bus. Soc.* **2011**, *50*, 6–27. [CrossRef]
24. Freeman, R.E. *Strategic Management: A Stakeholder Approach*; Pitman: Boston, MA, USA, 1984.
25. Freeman, R.E.; Wicks, A.C.; Parmar, B.L. Stakeholder theory and "the corporate objective revisited". *Organ. Sci.* **2004**, *15*, 364–369. [CrossRef]
26. Maak, T.; Pless, N.M. Responsible leadership in a stakeholder society—A relational perspective. *J. Bus. Ethics* **2006**, *66*, 99–115. [CrossRef]
27. Porter, M.E.; Kramer, M.R. Creating shared values. *Harv. Bus. Rev.* **2011**, *89*, 62–77.
28. Brown, M.E.; Trevino, L.K. Ethical leadership: A review and future directions. *Lead. Quart.* **2006**, *17*, 595–616. [CrossRef]
29. Resick, C.J.; Hanges, P.J.; Dickson, M.W.; Mitchelson, J.K. A cross cultural of the endorsement of ethical leadership. *J. Bus. Ethics* **2006**, *63*, 345–359. [CrossRef]
30. Avery, G.C.; Bergsteiner, H. *Sufficiency Thinking: Thailand's Gift to an Unsustainable World*; Allen & Unwin: Sydney, Australia, 2016.
31. Puntasen, A.; Premchuen, S.; Keitdejpunya, P. *Application of the Royal Thought about the Sufficiency Economy in SMEs*; Thailand Research Fund: Bangkok, Thailand, 2003.
32. Kantabutra, S.; Ractham, V.; Gerdsri, N.; Nuttavuthisit, K.; Kantamara, P.; Chiarakul, T. *Sufficiency Economy Leadership Practices*; Thailand Research Fund: Bangkok, Thailand, 2010.
33. Boal, K.B.; Hooijberg, R. Strategic leadership research: Moving on. *Lead. Quart.* **2001**, *11*, 515–549. [CrossRef]
34. Bennis, W.; Nanus, B. *Leaders: The Strategies for Taking Charge*; HarperCollins: New York, NY, USA, 2003.
35. Covey, S. The habits of effective organizations. In *Leader to Leader*; Hesselbein, F., Cohen, P., Eds.; Jossey-Bass: San Francisco, MA, USA, 1999; pp. 215–226.
36. Drucker, P.F. *Management Challenges for the 21st Century*; Harper Business: New York, NY, USA, 1999.
37. Ott, U.F. The art and economics of international negotiations: Haggling meets hurrying and hanging on in buyer-seller negotiations. *J. Innov. Knowl.* **2016**, *1*, 51–61.
38. International Monetary Fund. World Economic Outlook Database. Available online: http://www.imf.org/external/pubs/ft/weo/2015/02/weodata/weorept.aspx?sy=2014&ey=2014&scsm=1&ssd=1&sort=subject&ds=.&br=1&pr1.x=65&pr1.y=8&c=512%2C668%2C914%2C672%2C612%2C946%2C614%2C137%2C311%2C962%2C213%2C674%2C911%2C676%2C193%2C548%2C122%2C556%2C912%2C678%2C313%2C181%2C419%2C867%2C513%2C682%2C316%2C684%2C913%2C273%2C124%2C868%2C339%2C921%2C638%2C948%2C514%2C943%2C218%2C686%2C963%2C688%2C616%2C518%2C223%2C728%2C516%2C558%2C918%2C138%2C748%2C196%2C618%2C278%2C624%2C692%2C522%2C694%2C622%2C142%2C156%2C449%2C626%2C564%2C628%2C565%2C228%2C283%2C924%2C853%2C233%2C288%2C632%2C293%2C636%2C566%2C634%2C964%2C238%2C182%2C662%2C453%2C960%2C968%2C423%2C922%2C935%2C714%2C128%2C862%2C611%2C135%2C321%2C716%2C243%2C456%2C248%2C722%2C469%2C942%2C253%2C718%2C642%2C724%2C643%2C576%2C939%2C936%2C644%2C961%2C819%2C813%2C172%2C199%2C132%2C733%2C646%2C184%2C648%2C524%2C915%2C361%2C134%2C362%2C652%2C364%2C174%2C732%2C328%2C366%2C258%2C734%2C656%2C144%2C654%2C146%2C336%2C463%2C263%2C528%2C268%2C923%2C532%2C738%2C944%2C578%2C176%2C537%2C534%2C742%2C536%2C866%2C429%2C369%2C433%2C744%2C178%2C186%2C436%2C925%2C136%2C869%2C343%2C746%2C158%2C926%2C439%2C466%2C916%2C112%2C664%2C111%2C826%2C298%2C542%2C927%2C967%2C846%2C443%2C299%2C917%2C582%2C544%2C474%2C941%2C754%2C446%2C698%2C666&s=PPPGDP&grp=0&a=#download (accessed on 30 March 2016).
39. Bangkok Bank. Moving Ahead with AEC: Opportunities and Challenges. Available online: http://www.set.or.th/th/news/thailand_focus/2012/Day2/ 20120830_0930_Charnsak_BBL.pdf (accessed on 20 January 2013).

40. Eccles, R.G.; Ioannou, I.; Serafeim, G. The Impact of a Corporate Culture of Sustainability on Corporate Behavior and Performance. Available online: http://trippel.sdg.no/wp-content/uploads/2014/09/Eccles-HBR_The-Impact-of-a-Corporate-Culture-of-Sustainability1.pdf (accessed on 30 March 2016).
41. White, R.J.; D'Souza, R.R.; McIlwraith, J.C. Leadership in venture backed companies: Going the distance. *J. Lead. Organ. Stud.* **2007**, *13*, 121–132. [CrossRef]
42. Rujirawanich, P.; Addison, R.; Smallman, C. The effects of cultural factors on innovation in a Thai SME. *Manag. Res. Rev.* **2011**, *34*, 1264–1279. [CrossRef]
43. Chittithaworn, C.; Islam, A.; Kaewchana, T.; Yusuf, D.H.M. Factors affecting business success of small and medium enterprises (SMEs) in Thailand. *Asian Soc. Sci.* **2011**, *7*, 180–190. [CrossRef]
44. Jenkins, H. Small business champions for corporate social responsibility. *J. Bus. Ethics* **2006**, *67*, 241–256. [CrossRef]
45. Kantabutra, S. Putting Rhineland principles into practice in Thailand: Sustainable leadership at Bathroom Design company. *Glob. Bus. Organ. Excel.* **2012**, *31*, 6–19. [CrossRef]
46. Suriyankietkaew, S.; Avery, G.C. Employee satisfaction and sustainable leadership practices in Thai SMEs. *J. Glob. Responsib.* **2014**, *5*, 160–173. [CrossRef]
47. Suriyankietkaew, S.; Avery, G.C. Leadership practices influencing stakeholder satisfaction in Thai SMEs. *Asia Pac. J. Bus. Admin.* **2014**, *6*, 247–261. [CrossRef]
48. Avery, G.C. *Leadership for Sustainable Futures: Achieving Success in a Competitive World*; Edward Elgar: Cheltenham, UK, 2005.
49. Bassi, L.; Frauenheim, E.; McMurrer, E.; Costello, L. *Good Company: Business Success in the Worthiness Era*; Berrett-Koehler: San Francisco, CA, USA, 2011.
50. El-chaarani, H. The success keys for family firms: A comparison between Lebanese and French systems. *J. Bus. Retail Manag. Res.* **2013**, *8*, 1–14.
51. Jing, F.F.; Avery, G.C.; Bergsteiner, H. Enhancing performance in small professional firms through vision communication and sharing. *Asia Pac. J. Manag.* **2014**, *31*, 599–620. [CrossRef]
52. Harrison, J.S.; Wicks, A.C. Stakeholder theory, value, and firm performance. *Bus. Ethics Quart.* **2013**, *23*, 97–124. [CrossRef]
53. Lu, W.M.; Wang, W.K.; Lee, H. The relationship between corporate social responsibility and corporate performance: Evidence from the US semiconductor industry. *Int. J. Prod. Res.* **2013**, *51*, 5683–5695. [CrossRef]
54. Moser, D.V.; Martin, P.R. A broader perspective on corporate social responsibility research in accounting. *Account. Rev.* **2012**, *87*, 797–806. [CrossRef]
55. Sung, S.Y.; Choi, J.N. Effects of team knowledge management on the creativity and financial performance of organizational teams. *Organ. Behav. Hum. Decis. Process.* **2012**, *118*, 4–13. [CrossRef]
56. Zack, M.; McKeen, J.; Singh, S. Knowledge management and organizational performance: An exploratory analysis. *J. Knowl. Manag.* **2009**, *13*, 392–409. [CrossRef]
57. Kantabutra, S.; Rungruang, P. Perceived vision-based leadership effects on staff satisfaction and commitment at a Thai energy provider. *Asia Pac. J. Bus. Admin.* **2013**, *5*, 157–178. [CrossRef]
58. Dotzel, T.; Shankar, V.; Berry, L.L. Service innovativeness and firm value. *J. Mark. Res.* **2013**, *50*, 259–276. [CrossRef]
59. Slater, S.F.; Mohr, J.J.; Sengupta, S. Radical product innovation capability: Literature review, synthesis, and illustrative research propositions. *J. Prod. Innov. Manag.* **2014**, *31*, 552–566. [CrossRef]
60. Joyce, W.; Slocum, J.W. Top management talent, strategic capabilities, and firm performance. *Organ. Dyn.* **2012**, *41*, 183–193. [CrossRef]
61. Collins, J.; Porras, J. *Built to Last*; HarperCollins: New York, NY, USA, 1994.
62. Hair, J.F., Jr.; Black, W.C.; Babin, B.J.; Anderson, R.E.; Tatham, R.L. *Multivariate Data Analysis*, 7th ed.; Prentice Hall: Upper Saddle River, NJ, USA, 2010.
63. Brown, D.M.; Laverick, S. Measuring corporate performance. *Long Range Plan.* **1994**, *27*, 89–98. [CrossRef]
64. Kaplan, R.S.; Norton, D.P. The balanced scorecard. *Harv. Bus. Rev.* **2005**, *70*, 71–79.
65. Ensley, M.D.; Hmieleski, K.M.; Pearce, C.L. The importance of vertical and shared leadership within new venture top management teams: Implications for the performance of startups. *Lead. Quart.* **2006**, *17*, 217–231. [CrossRef]
66. Perera, S.; Baker, P. Performance measurement practices in small and medium size manufacturing enterprises in Australia. *Small Enterp. Res.* **2007**, *15*, 10–30. [CrossRef]

67. Sian, S.; Roberts, C. UK small owner-managed businesses: Accounting and financial reporting needs. *J. Small Bus. Enterp. Dev.* **2009**, *16*, 289–305. [CrossRef]
68. Jing, F.F. *An Investigation of the Relationship between Leadership Paradigms and Organizational Performance in Pharmaceutical Sales Organizations*; Fudan University Press: Shanghai, China, 2012.
69. Ellis, P.D. Distance, dependence and diversity of markets: Effects on market orientation. *J. Int. Bus. Stud.* **2007**, *38*, 374–386. [CrossRef]
70. Murray, J.Y.; Kotabe, M.; Zhou, J.N. Strategic alliance-based sourcing and market performance: Evidence from foreign firms operating in China. *J. Int. Bus. Stud.* **2005**, *36*, 187–208. [CrossRef]
71. McAdam, R.; Reid, R. SME and large organization perceptions of knowledge management: Comparisons and contrasts. *J. Knowl. Manag.* **2001**, *5*, 231–241. [CrossRef]
72. Supyuenyong, V.; Islam, N. Influence of SME characteristics on knowledge management processes: The case study of enterprise resource planning service providers. *J. Enterp. Inform. Manag.* **2009**, *22*, 63–80.
73. Williamson, D.; Lynch-Wood, G. A new paradigm for SME environmental practice. *TQM Magaz.* **2001**, *13*, 424–433. [CrossRef]
74. Edwards, D.; Ram, G.; Black, J. Drivers of environmental behavior in manufacturing SMEs and the implications for CSR. *J. Bus. Ethics* **2006**, *67*, 317–330.
75. Tocher, N.; Rutherford, M.W. Perceived acute human resource management problems in small and medium firms: An empirical examination. *Entrep. Theory Pract.* **2009**, *33*, 455–479. [CrossRef]
76. Hofstede, G.; Hofstede, G.J.; Minkov, M. *Cultures and Organizations: Software of the Mind*, 3rd ed.; McGraw-Hill: New York, NY, USA, 2010.
77. Gittell, J.H.; von Nordenflycht, A.; Kochan, T.A. Mutual gains or zero sum? Labor relations and firm performance in the airline industry. *Ind. Lab. Relat. Rev.* **2004**, *57*, 163–180. [CrossRef]
78. DeVaro, J. Teams, autonomy, and the financial performance of firms. *Ind. Relat.* **2006**, *45*, 217–269. [CrossRef]
79. Ameer, R.; Othman, R. Sustainability practices and corporate financial Performance: A study based on the top global corporations. *J. Bus. Ethics* **2012**, *108*, 61–79. [CrossRef]
80. Sorensen, S. The strength of corporate culture and the reliability of firm performance. *Admin. Sci. Quart.* **2002**, *47*, 70–91. [CrossRef]