

An Entrepreneur's Personal Value Perspective in Managing Product Harm Crises

Erandi Jinadari Wattagama¹

College of Economics and Management, Huazhong Agricultural University,
Wuhan, P.R. China

Department of Industrial Management, Faculty of Applied Sciences, Wayamba
University of Sri Lanka, Kuliyaipitiya, Sri Lanka.

Qing Ping

College of Economics and Management, Huazhong Agricultural University,
Wuhan, P.R. China

Abstract

Product harm crises often reflect the outcomes of firms' unethical business decision-making behaviours. Literature showed that the majority of crisis management studies have paid high attention for finding strategies from the consumer's perspective. Hence, the purpose of present study is set to conceptualise the impact of an entrepreneur's personal values on making ethical business decisions to fill the empirical gap that has been arisen from a firm's perspective. A systematic approach was followed to review the crisis management literature and to examine the current status of product harm crisis management strategies in scholarly accepted databases. The analyzed content found that the relationship among the variables of entrepreneur's personal values, firm's attitude towards fulfilling the corporate social responsibilities, and the ethical decision-making behaviour can be explained through the value-attitude-behaviour hierarchy model. Some propositions have been suggested as future research directions for academia and it is believed that the present study finding is a pre-requisite for the content provision from a firm's perspective in product harm crisis management study context.

Keywords: Product harm crises, business ethics, corporate social responsibility, personal values

Cite this article: Wattagama, E. J., & Ping, Q. (2015). An Entrepreneur's Personal Value Perspective in Managing Product Harm Crises. *International Journal of Management, Accounting and Economics*, 2(7), 749-765.

¹Corresponding authors' email: erandhiw@yahoo.com; erandiw@wyb.ac.lk

Introduction

Human induced product harm crises are regarded as a business issue, may occur at the output stage of the transformation, and cause physical harm to human beings. Hence, such crises are likely to be a highly scrutinized situation as the blame is attributed to the affected firm on site (Collins, 1989; Vassilikopoulou, Chatzipanagiotou, Siomkos, & Triantafillidou, 2011). At present, many of firms are under the increasing pressure from their stakeholders that they have to be socially and environmentally responsible due to the everyday news broke about this type of crises through media. Hence, the gradual increase in the frequency of product harm crises has evoked some empirical inquiries in finding the antecedents and consequences of crises and some crisis management techniques for better managerial implications. The reviewed literature showed that such type of studies have been carried out in several aspects, such as, consumer attributions and their reactions, firms' characteristics and their responses, competitor reactions, and evaluations of the measures adopted by firms to debate the negative consequences (Standop & Grunwald, 2009). However, most of those studies have focused from the consumer's perspective and have discussed the crises' effects under the domains of consumer behaviour and psychology, marketing communication and strategy, and brand management. Hence, there is a void in literature to be filled from the entrepreneur's perspective to discuss some proactive business orientations to mitigate the grounds of crisis occurrences. Fritzsche and Oz (2007) have found that the product harm crises are characterised as the dilemma of values that are held by managers and organizations to practice the business ethics. Hagan and Jo Long (2005); Muller (1985) have noted that if any crisis is characterised as a violation of business ethics, then it provokes detrimental experiences for the affected firm at its recovery.

Ghillyer (2008) has defined a firm's obligation to fulfilling the corporate social responsibility (CSR) as "doing well by doing good" (p. 62). Hence, an entrepreneur's personal value structure is an important consideration to determine his role in making ethical business decisions. According to Weng and de Run (2013), the values guide the desirable states that a social actor conducts, and evaluate the events and people. Moreover, the values often offer prevailing justifications of human action as those are unwavering over time (Kamakura & Mazzon, 1991), tend to be restricted in volume (Rokeach, 1979), and serve as a criterion for evaluating a behaviour (Fritzsche & Oz, 2007). A firm's advances for fulfilling CSR make important implications for its performance sustainability (Nehm, Swinney & Miller, 2008), because the effectiveness of business strategies can be achieved when those are crafted in the eyes of the consumers and the society at large (Sheikh & Beise-Zee, 2011).

With the motivation that is derived from the said direction, the main objective of the present study is established to conceptualise the impact of an entrepreneur's personal values on making ethical business decisions in firms as a strategy to manage product harm crises. While following the value -attitude-behaviour hierarchy model, this study has descriptively analyzed the role of entrepreneur's personal values in making ethical decisions through the mediating effect of the CSR. The proposed conceptual framework and the underlined prepositions therein are possible study directions for future scholars to suggest some proactive business mechanisms to build up an appropriate ethical

business climate and to safeguard a firm's reputation from negative publicity that may emanate from product harm crises.

The logical progression of this paper is as follows. First, it has reflected the theoretical background of the underlined concepts and the current literature of this particular area of the study. Second, the methodology of the study has outlined. Third, the valuables and their interrelationships along with the propositions have discussed. Finally, the managerial implications have discussed followed by concluding remarks of the study.

Review of Literature

Entrepreneur's Personal Values and Ethical Decision Making Behaviour of a Firm

Practice of business ethics and CSR are effectively reflected through the performance of a business along with the entrepreneur's value orientation therein. Theoretically, the term 'value' has been defined as "a specific mode of conduct or end state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence" (Robins, 2005). The recent studies that were based on the value construct have mainly followed the Rokeach Value System (RVS) to describe the value structure of a population or group of individuals (Weng & de Run, 2013). The RVS consists of two sets of values; terminal and instrumental. While terminal values refer "to the goals a person would like to achieve during his or her lifetime", the instrumental values refer "to preferable modes of behavior or means of achieving the terminal values" (Robins & Judge, 2013). The RVS values are varied among groups. However, the people in the same occupations or categories may tend have similar values (Robins, 2005). Fritzsche and Oz (2007) have identified that the values provide the basis for the development of individual attitudes that lead to specific decision making behaviour. Several decision making models have incorporated the values as an influencing mode to make ethical decision-making by individuals. Moreover, Ferrell and Gresham (1985) have identified some values and attitudes as factors that influence individuals on their contingency model of ethical decision-making. According to Fritzsche and Oz (2007), a person's values serve as the criteria or standards of preference. Moreover, such type of values has cognitive, affective, and directional aspects which could be conceptualized and also can become as the criteria for making judgment, preference, and choice. The term 'personal value' is described as the "learned beliefs that serve as the guiding ethics in an individual" (Schwartz, 1999). According to Kropp, Lavack, and Silvera (2005), the personal values are some beliefs or concepts that guide assessment and choice of particular events and behaviour to an enviable end state. Fritzsche and Oz (2007) have cited from William's that "when a person's behaviour is guided over a considerable period of time by one and only one value, then more often particular acts or sequences of acts are steered by multiple and changing clusters of values" (p. 336).

Most of the previous studies have predicted and explained about attitudes and behaviours through values (Kropp et al., 2005; Kahle, 1984). The personal value research construct has mainly used in situations where it provides a theoretical set of behavioural guiding codes (Fritzsche & Oz, 2007) as well as to reflect the basic adaptation of characteristics apart from guidelines to shape and guide attitudes and behaviours (Kropp

et al., 2005). Weng and de Run (2013) have considered three components of personal values and are; internal, external, and interpersonal to study how a consumer makes a choice among different types of products based on the sales promotion preferences' effect. However, their findings have revealed that there was no significant impact of personal values on consumers' purchase satisfaction and behavioural intention for all product types that they have taken into consideration through their study.

In the firm level studies which were based on the Theory of Upper Echelons, have found that the chief executive officer (CEO)'s experiences, values, and personalities are greatly influenced by their interpretations of the situations that they face and in turn, affect their choices (Hambrick, 2007). According to Chin, Hambrick, and Trevino (2013), among the empirical studies that have been carried out to test the aforementioned theory, the most have examined the effects of CEOs' experiences (e.g., Miller & Shamsie, 2001), a few have explored the effects of CEOs' personalities (for example, Peterson, Smith, Martorana, & Owens, 2003), and the rest have considered the role of CEOs' values in making decisions (e.g., Agle, Mitchell, & Sonnenfeld, 1999; Simsek, Veiga, Lubatkin, & Dino, 2005). Hambrick and Mason (1984) have emphasized the role of values in behavioural intentions and the studies on executive leadership have proposed that the values can be used to determine the managerial actions (for example, Barnard, 1938; Selznick, 1957; Andrews, 1971). However, the limited empirical attention to an entrepreneur's personal values could be useful in focusing on how personal preferences impact on making ethical business decisions as the preferences are not observable and in virtually anything can be explained as a matter of tastes (Brickley, Smith & Zimmerman, 1997, p. 27). Chin et al. (2013) have considered the construct of 'political ideology' (liberalism vs. conservatism) as a reflection of CEOs' personal values and its influence on making decisions in the arena of CSR with the moderating variables of the CEO's relative power and the recent financial performance of the firm. The findings of their study showed that the politically liberal CEOs tend to be relatively unresponsive to their firm's recent financial performance levels when they are advancing for CSR in line with their personal values and such CEOs emphasize the importance of CSR even when the firm's financial performance is poor. On the other hand, politically conservative CEOs are more sensitive to current performance levels and they tend to limit the CSR initiatives when the firm's financial performance is poor. Further, Chin et al. (2013) have highlighted that it is noteworthy to a study reflection of the entrepreneur's personal values in making decisions because such values are considered as relatively solid and cannot be compared with the other attributes.

Entrepreneur's Attitude towards CSR

The concept of CSR for discussing the consumption-related issues has been considered as significant in the business ethics context (Schrempf, 2014). "Armstrong has noted that there is a tendency among managers to be irresponsible and use dishonest business practices. Hence, he has suggested some techniques for directing managerial attention to social issues" (as cited by Putrevu, McGuire, Sieger, & Smith, 2012). Ghillyer (2008) has defined the CSR as "the actions of an organization that are targeted toward the achievement of a social benefit over and above maximizing profits for its shareholders and meeting all its legal obligations" (p. 59). Further, the said author has explained that such obligations may include the payment of all taxes related to the profitable operations

of the business, the payment of all employer contributions to the workforce and compliance with all legal industry standards in the operation of a safe working environment for the employees, and the delivery of safe products to the customers. According to Dahlsrud (2006), the dilemma that is faced by many practitioners is the correct understanding of the meaning of CSR. Such an understanding is not uniform to everybody because there are different perspectives of CSR as well as such definitions are varied widely. Bowen (1953) has defined CSR as “entrepreneur’s goals and values are closer to the relevant policies, obligations to make the appropriate decisions and to take concrete actions reasonable”. McGuire (1963) and Davis (1973) have believed that CSR is more than narrow economic, technical, and legal requirements of a firm and it needs to consider and respond to other matters. According to that direction McWilliams and Siegel, (2001) have defined CSR as “actions that appear to further some social good, beyond the interests of the firm and which is required by law”. Friedman (1970) has argued that it would be unethical for a firm to do anything other than delivering profits for its shareholders and has specified that those profits should be earned “without deception or fraud”. In other words, the firm has an obligation to society over and above the expectation of its shareholders.

Based on the aforementioned arguments on defining the concept CSR, there are two theoretical perspectives on CSR in theorists’ study. One perspective is in favor of the formation of CSR and the other is against for it. Those entrepreneurs who adhere to against the tradition of social responsibility, the CSR theory claim that the historical mission and foundation of corporate existence are obtaining only profit. If any firm takes much consideration in fulfilling social responsibility, then its operational cost gets increased. However, such behaviour is contrary to the profit maximization business objective and it violates the principles of market economy (Friedman, 1970; Levitt, 1958). On the other hand, those who support CSR admit that the firm is the basic organic unit to constitute in the market economy as a ‘social man’. Hence, a firm must take into consideration of the interests of society, long-term development, and pay attention to the corresponding social responsibilities (Herridge, 2003; Carroll, 1991). According to Ghillyer, (2008), there are triple perspectives on CSR: (1) ethical, (2) altruistic, and (3) strategic. These perspectives can be applied by firms in an opportunistic way for achieving their own purposes. The ethical CSR represents that the firms pursue a clearly defined sense of social conscience in managing their financial responsibilities to shareholders, their legal responsibilities to the local community, and the society at large. Therefore, the firms’ ethical responsibilities are to ‘do the right thing’ for all their stakeholders. The altruistic CSR takes a philanthropic approach by underwriting specific initiatives to ‘give back’ to the firm’s local community or to the designated national or international programs. That means the firms are merely doing the ‘greatest good for the greatest number’. As a result, it is argued that this approach violates the shareholders’ rights and does not concern for the firm’s overall profitability. In contrast to that, the strategic CSR is targeted toward programs that generate the most positive publicity or goodwill of the firm (Ghillyer, 2008, p. 67-68). Therefore, this approach is ethically commendable as it gives benefits to stakeholders while meeting the shareholders’ expectations.

In order to understand the theoretical approaches for CSR, one such approach from entrepreneurs’ perspective is the Enlightened Self-interest Model (Aram, 1989; Arlow &

Gannon, 1982). This model posits that the attitude towards CSR will help to share of the economic benefits of CSR with the stakeholders as CSR will cultivate loyalty among the firm's stakeholders. According to Ghillyer (2008), though the firm is leveraging its maximum possible publicity out of their efforts through CSR, they will attract the customers. But if the products of the firm do not live up to the customers' expectations, they will not be retained. Therefore, the products of the firm must meet and exceed the expectations of the customers. If it happens in the long term, then the needs of all stakeholders should be well taken care of.

Some scholars have confirmed through their studies that the entrepreneurs play an important role in the managerial decision making (Waldman, Siegel & Javidan, 2006) and proved that transformational leadership qualities have some impacts on a firm's trend to engage in CSR. Muller and Kolk (2010) have explored that the management team who rated themselves with having a strong commitment to ethics is likely to engage in CSR activities. Carroll (1979) has presented the CSR as a hierarchical model which later widely been adopted by academics. According to him, the CSR includes economic responsibility, legal responsibility, ethical responsibility, and have the freedom to decide the responsibility. Gallo (2004) has obtained dimensional model of CSR as internal and external. The internal social responsibility includes the community to provide satisfactory products or services, to create economic wealth, comprehensive development of internal staff, and to ensure sustainable development of enterprises. The external social responsibility is embodied in the efforts of correcting or hindering good social affairs sabotage. Reinhardt (1998) has suggested that the firms which use CSR can prevent its competitors to imitate, which can often obtain abnormal returns over the opponent. Baumol (2014) has argued that the most effective approach for CSR is not preaching about obligations, rather, establishing financial incentives for doing well by doing good.

Business Ethics and Its Practice by Firms

There is a widespread feeling in the society that many people in businesses are not very 'ethical'. In general, the term ethics refers to "how people try to live their lives according to a standard of right or wrong behaviour in both how we think and behave toward others and how we would like them to think and behave towards us" (Ghillyer, 2008, p. 5). Ethics can be further defined following the Theory of utilitarianism. Accordingly, when a person is maximizing his utility, the central moral requirement in this regard is stated as "always act so as to bring about greatest net good for all of those affected by your actions" (Adams & Maine, 1998, p. 14). In other words, this means to recognize that we may on some occasions that are forced to choose between alternatives which have both good and bad consequences. The term, business refers to all aspects of the world of work in contemporary society (Adams & Maine, 1998, p. 1). Accordingly, the business ethics involves the application of standards of moral behaviour to business situations (Ghillyer, 2008, p. 21). Schwartz and Weber (2006) have highlighted that there are seven dimensions; (a) academia, (b) business, (c) social or ethical investment, (d) business ethics organizations, (e) government activity, (f) social activist groups, and (g) media coverage, to measure the level of national business ethics activity for any country in the world.

In a firm level, the functional areas such as sales and customer service, finance, information technology, and management have operational policies that reflect the overall ethical culture in that firm's particular business processes are concerned. The crisis events of a firm are characterized as the most important and unexpected ethical situations (Hagan & Jo Long, 2005) that are under the firm's existence (Muller, 1985). But all types of crises are not involved the ethical responsibility of a particular agent (Pauchant, Coulombe, & Martineau, 2007) and the scrutiny of the public (Seeger & Ulmer, 2001). According to Vassilikopoulou et al. (2011); Collins (1989), amongst different type of crises, product harm crises can be recognized as business issues that can cause physical harm to human beings, occur in the output stage of the transformation process, are likely to be highly scrutinized by stakeholders and entail a great likelihood that the firms will be regarded as highly responsible. Siomkos and Kurzbard (1994); Dawar and Pillutla, (2000) have defined product harm crises as "discrete, well publicized occurrences wherein products are found to be defective or dangerous". Hence, product harm crises can be regarded as unethical situations because not only those can impose harm to individuals (Härtel, McColl-Kennedy & McDonald, 1998), but also can happen due to the involvement of a technological failure, malevolence, distorted values, and dishonesty (Vassilikopoulou et al., 2011; Lerbinger, 1997). Dawar (1998) has pointed out that some situations where the product harm crises have become more frequent occurrence in the business world, such as at high complexity of functioning of products, rigid product safety legislations, and increased willingness among firms to do voluntary product recalls. The post-crisis period of such type of harm crises is also critical for an affected firm because the selection of promotional strategies, the effective maintenance of them, the achievement of low promotional costs, etc. for repositioning the brand in the market and win back their customers are the obvious and real business issues that have to be confronted with (Heerde, Helsen & Dekimpe, 2007). Furthermore, the crisis product bring harm to the enterprise's financial resources as well as the seriousness of the crisis may lead to greater losses which may also cause many enterprises to experience a collapse during the post-crisis period (Siomkos, Triantafillidou, Vassilikopoulou & Tsiamis, 2010).

As a result, an occurrence of product harm crisis may raise several moral questions about the responsibility and fairness that are connected with such an unethical situation. For example, who should bear the burden of the costs those accidents or inquiries incur?, who is or ought to be responsible for paying the costs of defective merchandise or products?, is it fair to leave these costs with whoever is unlucky enough to incur them?, is there a morally defensible basis for shifting the costs over to the producer?, etc. The consumer protection laws and the strict product liability provide criteria and conditions for those questions of public policy and ethics. Also, the formal code of ethics that has been established by the firm is one of the key indicators for evaluating the extent of the firm's responsibility in relation to such situations.

Methodology

In order to achieve the study objective of reviewing the marketing literature to identify an appropriate strategy to manage product harm crises from an entrepreneur's perspective, a comprehensive review was carried out and it was mainly based on academic journals under the marketing and human behaviour study domains. Hence, the scholarly published journal articles were chosen from online databases and publishers

such as Taylor and Francis, Willey Online Library, Science Direct, Emerald, and Sage. Literature has recommended the systematic review approach and content analysis as the methodology to be followed for concept or review papers (For example, Chan & Ngai, 2011; Vaaland, Heide, & Grønhaug, 2008). Accordingly, a systematic approach was followed in searching the previous studies using the keywords of “Corporate Social Responsibility”, “Business Ethics”, “Product harm Crisis”, “Ethical Decision-making”, and “Personal value”. Finally, the content analysis was performed among the selected journal articles which have tested the research models empirically to identify the theoretical concepts and supportive findings in achieving the present study objective.

Results and Discussion

The content analysis of the study found that several studies have tested the value-attitude-behaviour hierarchy model to discuss the impacts of personal values on forming particular human behaviours through the mediating effect of different types of attitudes (e.g. Weng & de Run, 2013; Jayawardhena, 2004; Lotz, Shim, & Gehrt, 2003; Shim & Eastlick, 1998; Maio & Olson, 1994; Homer & Kahle, 1988). According to the findings of those studies, it has reflected that the hierarchy of cognitions from value to attitude, and then to behaviour is flowing from more abstract cognitions (values) to mid-range cognitions (attitudes) and to the specific behaviours. Amongst the selected studies for performing the analysis, the pioneered and widely popular study was carried by Homer and Kahle (1988). Those authors have found the relationship that is existed among value, attitude, and behaviour in the natural food shopping context. According to their study results, it has revealed that the “values have internal and external dimensions that may influence attitudes. In turn, attitudes were found to influence behaviours as the final phase in the value - attitude - behaviour hierarchy” (p. 638). Maio and Olson (1994) have tested this hierarchy model with attitude functions of utilitarian, ego defensive, value-expressive, and knowledge as the moderating effect and have found that the subjects with value-expressive attitudes have exhibited significant relations between value importance and their attitudes or behaviours. Hence, the direct measure of attitude functions can be used to predict the strength of relations among variables. Lotz et al. (2003) have studied how Japanese consumers’ are behaving in a gift-giving context, in formal and informal situations utilizing the variables of personal values (i.e. social harmony, sense of self, and social integrity), choice criteria importance (i.e. intrinsic qualities), attitude (i.e. giving fresh fruits as a gift), and behavioral intentions (i.e. purchase fruit as a gift in next 12 months) in a cognitive hierarchical framework. The results of the study revealed that the cognitive hierarchy of Japanese consumers’ flow from most to least abstract cognitions and the relationship among the variables is intact irrespective of the situation. Further, Jayawardhena (2004) has investigated the role of personal values in e-shopping consumer behaviour and has found that the personal values, such as enjoyment, self-direction, and self-achievement were significantly influenced the favourable attitude towards the e-shopping attributes. Then, the resulting attitude had direct influence on e-shopping behaviour. Then, Weng and de Run (2013) have investigated how consumers’ personal values (internal, external, and interpersonal values) and preferences of sales promotion techniques impact on their purchase satisfaction (attitude) and the behavioural intentions for the four types of products; convenience, shopping, specialty/luxury, and unsought. Their findings have revealed that even though the preference for sales promotion technique has impact on the behavioural intentions and purchase satisfaction for all the

product types, there is no significant impact of personal values on any of product type. Shim and Eastlick (1998) have investigated the role of self-actualizing and social affiliation personal values in the attitude towards the attributes of regional shopping mall and mall shopping behaviour. Their results revealed that the both types of personal values were significant in making a favorable attitude towards the shopping attributes of a regional mall and in turn, was influencing on mall shopping behaviour.

Based on the aforementioned literature evidences, the value-attitude-behaviour hierarchy model has been selected to identify a strategy to manage product harm crises from an entrepreneur's perspective. Accordingly, the following conceptual framework is suggested (Figure 1) for future empirical testing and validation in a production decision making process of a firm.

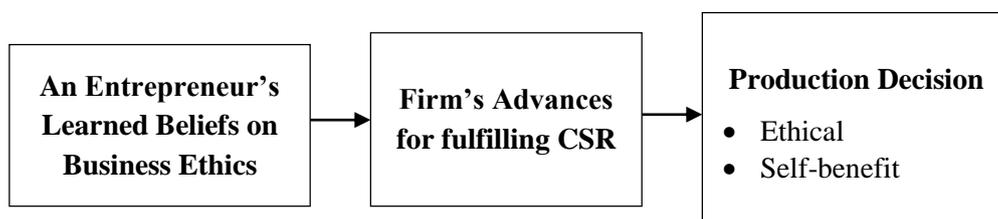


Figure 1 Conceptual Framework

Entrepreneur's Personal Values and CSR

There is a substantial body of empirical literature which has been examined values and business ethics. Such studies have included the values that are held by managers (e.g. Lincoln, Pressley & Litde, 1982; Posner & Schmidt, 1984), comparisons of values (e.g. Frederick & Weber, 1987; Nystrom, 1990), a comparison of individual and organizational value systems (e.g. Liedtka, 1989), and corporate ethical values and organizational commitment (e.g. Hunt, Wood, & Chonko, 1989). Further, many scholars have suggested that the behaviour is a result of values and attitudes. Both studies of Connor and Becker (1979), and Homer and Kahle (1988) have proposed that the values provide the basis for the development of individual attitudes that lead to specific decision making behaviour. However, Orlitzky, Schmidt, and Rynes (2003) have found that there is a positive relationship between a firm's recent financial performance and the subsequent CSR initiatives. Hence, the firms may tend to emphasize CSR to the extent that they can financially afford to do so. According to Fritzsche and Oz (2007), personal values may serve as criteria or standards for identifying an individual's preferences. Based on Schwartz's (1999), the present study has defined the personal value as the 'learned beliefs' that serve as the guiding ethics in an individual who is occupied under the category of 'entrepreneur' with regard to the attitude towards CSR in product harm crises management context. Accordingly, the present study posits that;

Proposition 01: There is a positive effect of an entrepreneur's personal values in terms of learned beliefs on a firm's advance for fulfilling CSR as a strategy to avoid product harm crises that may emerge from its production process.

CSR and Business Decision-making

From marketing literature perspective, a firm's economic benefits of CSR have been linked to consumers' positive product and brand evaluations, brand choice, and brand recommendations (Brown & Dacin, 1997; Handelman & Arnold, 1999; Sen & Bhattacharya, 2001; Klen & Dawar, 2004). While some studies (e.g. Cotte, Coulter, & Moore, 2005) have suggested that consumers are reporting an increasing interest in ethical and socially conscious products, the others have suggested that the market share of products that have been positioned using ethical attributes is relatively small over the products that have been positioned on self benefit-oriented attributes such as performance and price (e.g. Luchs, Naylor, Irwin, & Raghunathan, 2010; Pelozo, White, & Shang, 2013). Moreover, the scholars who applied the enlightened self-interest model, have found that the socially responsible actions by a firm will be mutually benefited over time with the support of loyal customers, employees, suppliers, and other stakeholders (Galaskiewicz, 1985; Keim, 1978). But this economic exchange is influenced by the existing social norms, values, and expectations held by the consumers and their related social and community groups (Uzzi, 1996; Nehm et al., 2008). Accordingly, in the crisis management context, the present study posits that;

Proposition 02: When a firm's advance for fulfilling CSR is high, the respective entrepreneur makes the production decision to offer a product with ethical attributes than self-benefit attributes to the market.

Conclusion

Although a growing number of scholars are enthusiastically inquiring about the consequences of product related harm crises in different research domains, still there is a void in acknowledging the entrepreneurial perspective in finding a strategy to manage such crises. As a result, the present study was focused to conceptualize the impact of an entrepreneur's personal values on making ethical business decisions in firms as a strategy to manage product harm crises reviewing the literature in the marketing and human psychology study domains. The content analysis was used to find the approaches that have been followed by the previous scholars to discuss how individuals are forming their behavioral intentions under different situations that they face. The analyzed content that were extracted from scholarly published journal articles found that value - attitude - behaviour hierarchy model has been followed by scholars to discuss the aforementioned purposes. Accordingly, the present study has proposed similar hierarchical model together with propositions to discuss the relationship of how an entrepreneur's personal value of learned belief on business ethics impact on the firm's advances for fulfilling CSR, and thereby on the ethical production decision making behaviour as a strategy to manage product harm crises from an entrepreneurs' perspective.

Some implications could be derived from the suggested conceptual framework when it would empirically test and validate for the Human Resource (HR) managers and Crisis managers of a firm. Yet the specific values or value structures associated with an ethical behaviour or an unethical behaviour have not been specified (Fritzsche & Oz, 2007) under the human psychology. Therefore, the HR Managers can prepare HR development (HRD) programs to improve the employees' value structures for enhancing their CSR strengths or decreasing their CSR weaknesses and thereby, can enhance the decision making skill that will help convincing and maintaining an ethical business climate in the firm.

Moreover, Mescon and Tilson (1987) have suggested that the firms can use their CSR programs to maintain the corporate image and to achieve the products' recognition and other public relation objectives. Hence, the entrepreneur's positive attitudes toward CSR would be a strategic philanthropy in achieving the bottom-line. Moreover, the Crisis managers may also get implications from the findings of empirically tested of this model as the responsible crisis planning and maintenance of business ethics is a learning process by which the firms can learn from thoughtful evaluation of all aspects of their environment, including customers, suppliers, competitors, and the society at large while setting both short and long-term goals. Therefore, finding an appropriate form of strategic flexibility is reactive as the extent, nature, and timing of a crisis are difficult to predict and proactive offensive action to manage the crisis is also unlikely to be occurred.

Finally, it is believed that the proposed framework by the present study would stimulate future empirical testing and making validation while hypothesizing the established propositions to investigate the impact of entrepreneur's personal values on the ethical business decision making with a mediation role of advance for fulfilling CSR.

References

- Adams, D.M., & Maine, E.W. (1998). *Business Ethics for the 21st Century*. California: Mayfield Publishing Company.
- Agle, B.R., Mitchell, R.K., & Sonnenfeld, J.A. (1999). Who matters to CEOs? An investigation of stakeholder attributes and salience, corporate performance, and CEO values. *Academy of Management Journal*, 42, 507-525.
- Andrews, K.R. (1971). *The Concept of Corporate Strategy*. Illinois, U.S.A: Irwin.
- Aram, J.D. (1989). The paradox of interdependent relations in the field of social issues in management. *The Academy of Management Review*, 14(2): 266-283.
- Arlow, P., & Gannon, M. (1982). Social responsiveness, corporate structure and economic performance. *Academy of Management Review*, 7, 235-241.
- Barnard, C.I. (1938). *The Functions of the Executive*. Cambridge, U.S.A: Harvard University Press.
- Baumol, W.J. (2014). On the appropriate social responsibilities of successful entrepreneurs. *Business & Society*. Retrieved from doi: 10.1177/0007650314523087
- Bowen. H.R. (1953). *Social Responsibility of the Businessman*. New York, U.S.A.: Harper.
- Brickley, J.A., Smith, C.W., & Zimmerman, J.L. (1997). *Managerial Economics and Organizational Architecture*. Chicago, U.S.A: Irwin.
- Brown, T., & Dacin, P. (1997). The company and the product: Corporate associations and consumer product responses. *Journal of Marketing*, 61(1): 68-84.

Carroll, A.B. (1979). A three-dimensional conceptual model of corporate performance. *The Academy of Management Review*, 497-505.

Carroll, A.B. (1991). The pyramid of corporate social responsibility: toward the moral management of organizational stakeholders. *Journal of Business Horizons*, 34(4): 39-48.

Chan, Y.Y.Y., & Ngai, E.W.T. (2011). Conceptualising electronic word of mouth activity: An input-process-output perspective. *Marketing Intelligence & Planning*, 29, 488-516.

Chin, M.K., Hambrick, D.C., & Trevino, L.K. (2013). Political ideologies of CEOs: The influence of executives' values on corporate social responsibility. *Administrative Science Quarterly*, 58(2):197-232.

Collins, D. (1989). Organizational harm, legal condemnation and stakeholder retaliation: a typology, research agenda and application. *Journal of Business Ethics*, 8, 1-13.

Connor, P.E., & Becker, B.W. (1979). Values and the organization: Suggestions for research. In: M. Rokeach (Eds.). *Understanding Human Values: Individual and Societal*, New York, U.S.A.: The Free Press.

Cotte, J., Coulter, R.A., & Moore, M. (2005). Enhancing or disrupting guilt: The role of ad credibility and perceived manipulative intent. *Journal of Business Research*, 58(3): 361-368.

Dahlsrud, A. (2006). How corporate social responsibility is defined: An analysis of 37 definitions. *Corporate Social Responsibility and Environmental Management*, 15, 1-13.

Davis, K. (1973). The case for and against business assumption of social responsibilities. *Academy of Management Journal*, 16(2): 312-322.

Dawar, N. (1998). Product-harm crises and the signaling ability of brands. *International Studies of Management & Organization*, 28(3): 109-119.

Dawar, N., & Pillutla, M.M. (2000). Impact of product-harm crises on brand equity: The moderating role of consumer expectations. *Journal of Marketing Research*, 37, 215-226.

Ferrell, O.C., & Gresham, L.G. (1985). A contingency framework for understanding ethical decisions in marketing. *Journal of Marketing*, 49(3): 87-96.

Frederick, W.C., & Weber, J. (1987). The values of corporate managers and their critics: an empirical description and normative implications. In: L.F. Preston (Eds.). *Research in Corporate Social Performance and Policy*, 9, 131-152.

Friedman, M. (1970). The social responsibility of business is to increase its Profits. *New York Time Magazine*, 122-126.

Fritzsche, D.J., & Oz, Effy (2007). Personal values' influence on the ethical dimension of decision making. *Journal of Business Ethics*, 75, 335-343.

Galaskiewicz, J. (1985). *From Self interest to enlightened self-interest*. Orlando, FL, U.S.A.: Academic Press.

Gallo, M.A. (2004). The family business and its social responsibilities. *Family Business Review*, 6, 135-149.

Ghillyer, A. (2008). *Business Ethics, A real world approach*. New York: McGraw-Hill.

Hagan, T.Y., & Jo Long, S. (2005). The ethics of crisis management: a juxtaposition of examples in cognitive-decision making and framing in corporate crisis management. *Journal of Business and Economics Research*, 3(2): 49-60.

Hambrick, D.C. (2007). Upper echelons theory: An update. *Academy of Management Review*, 32(2): 334-343.

Hambrick, D.C., & Mason, P.A. (1984). Upper echelons: The organization as a reflection of its top managers. *Academy of Management Review*, 9, 193-206.

Handelman, J., & Arnold, S. (1999). The role of marketing actions with a social dimension: Appeals to the institutional environment. *Journal of Marketing*, 63(3): 33-48.

Härtel, C., McColl-Kennedy, J.R., & McDonald, L. (1998). Incorporating attributional theory and the theory of reasoned action within an affective events theory framework to produce a contingency predictive model of consumer reactions to organizational mishaps. *Advances in Consumer Research*, 25, 428-432.

Heerde, H.V., Helsen, K., & Dekimpe, M.G. (2007). The impact of a Product-harm Crisis on Marketing Effectiveness. *Marketing Science*, 26(2): 230-245.

Herridge, J. (2003). The potential benefits of corporate social responsibility in the construction industry. *Construction Information Quarterly*, 3, 12-16.

Homer, P.M., & Kahle, L.R. (1988). A structural equation test of the value - attitude - behavior hierarchy. *Journal of Personality and Social Psychology*, 54, 638-646.

Hunt, S.D., Wood, V.R., & Chonko, L.B. (1989). Corporate ethical values and organizational commitment in marketing. *Journal of Marketing*, 53, 79-90.

Jayawardhena, C. (2004). Personal values' influence on e-shopping attitude and behavior. *Internet Research*, 14(2): 127-138.

Kahle, L.R. (1984). Attitudes and Social Adaptation. In: Elmsford (Eds.), New York: Pergamon Press.

Kamakura, W.A., & Mazzon, J.A. (1991). Values segmentation: a model for the measurement of values and values systems. *Journal of Consumer Research*, 18(2): 208-218.

Keim, G.D. (1978). Corporate social responsibility: An assessment of the enlightened self-interest model. *The Academy of Management Review*, 3(1): 32-39.

Klen, J., & Dawar, N. (2004). Corporate social responsibility and consumers' attributions and brand evaluations in a product-harm crisis. *International Journal of Research in Marketing*, 21, 203-217.

Kropp, F., Lavack, A.M., & Silvera, D.H. (2005). Values and collective self-esteem as predictors of consumer susceptibility to interpersonal influence among university students. *International Marketing Review*, 22(1): 7-33.

Lerbinger, O. (1997). *The Crisis Manager: Facing Risk and Responsibility*. New Jersey, U.S.A.: mLawrence Erlbaum Associates.

Levitt, T. (1958). The dangers of social responsibility. *Harvard Business Review*, 36(5). Retrieved from <http://www.citeulike.org/user/mking007/article/9385690>

Liedtka, J.M. (1989). Value Congruence: The Interplay of Individual and Organizational Values Systems. *Journal of Business Ethics*, 8, 805-815.

Lincoln, D.J., Pressley, M.M., & Litde, D. (1982). Ethical beliefs and personal values of top level executives. *Journal of Business Research*, 10, 475-487.

Lotz, S.L., Shim, S. & Gehrt, K.C. (2003). A study of Japanese consumers' cognitive hierarchies in formal and informal gift-giving situations. *Psychology & Marketing*, 20(1): 59-85.

Luchs, M.G., Naylor, R.W., Irwin, J.R., & Raghunathan, R. (2010). The sustainability liability: Potential negative effects of ethicality on product preferences. *Journal of Marketing*, 74, 18-31.

Maio, G.R., & Olson, J.M. (1994). Value - attitude - behaviour relations: The moderating role of attitude functions. *British Journal of Social Psychology*, 33(3): 301-312.

McGuire, J.W. (1963). *Business and Society*. New York, U.S.A.: McGraw-Hill.

McWilliams, A., & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26: 117-127.

Mescon, T.S., & Tilson, D.J. (1987). Corporate philanthropy: A strategic approach to the bottom-line. *California Management Review*, 24(2): 49-61.

Miller, D., & Shamsie, J. (2001). Learning across the life cycle: Experimentation and performance among the Hollywood studio heads. *Strategic Management Journal*, 22, 725-745.

Muller, A., & Kolk, A. (2010). Extrinsic and intrinsic drivers of corporate social performance: Evidence from foreign and domestic firms in Mexico. *Journal of Management Studies*, 47, 1-26.

Muller, R. (1985). Corporate Crisis Management. *Long Range Planning*, 18, 38-48.

Nehm, L.S., Swinney, J., & Miller, N.J. (2008). Community social responsibility and its consequences for family business performance. *Journal of Small Business Management*, 46(3): 331-350.

Nystrom, P.C. (1990). Differences in moral values between corporations. *Journal of Business Ethics*, 9, 971-979.

Orlitzky, M., Schmidt, F.L., & Rynes, S.L. (2003). Corporate social and financial performance: A meta-analysis. *Organization Studies*, 24, 403-441.

Pauchant, T.C., Coulombe, C., & Martineau, J.T. (2007). Crisis management and ethics. In: R.W. Kolb (Eds.). *Encyclopedia of Business Ethics and Society*, Sage Publications.

Peloza, J., White, K., & Shang, J. (2013). Good and guilt-free; The role of self accountability in influencing preferences for products with ethical attributes. *Journal of Marketing*, 77, 104-119.

Peterson, R.S., Smith, D.B., Martorana, P.V., & Owens P.D. (2003). The impact of chief executive officer personality on top management team dynamics: One mechanism by which leadership affects organizational performance. *Journal of Applied Psychology*, 88, 795-808.

Posner, B.Z., & Schmidt, W.H. (1987). Ethics in American Companies: A Managerial Perspective. *Journal of Business Ethics*, 5, 383-391.

Putrevu, S., McGuire, J., Sieger, D.S., & Smith, D.M. (2012). Corporate social responsibility, irresponsibility, and corruption: Introduction to the special section. *Journal of Business Research*, 65, 1618-1621.

Reinhardt, F.L. (1998). Environmental Product Differentiation. *California Management Review*, 40, 43-73.

Robins, S.P. (2005). *Organizational Behaviour*. New Delhi, India: Prentice-Hall of India (Pvt.) Ltd.

Robins, S.P., & Judge, T.A. (2013). *Organizational Behaviour* (15th Ed.). New Jersey, United States: Pearson Education Inc.

- Rokeach, M. (1979). *Understanding Human Values*. New York: The Free Press.
- Schrempf, J. (2014). A social connection approach to corporate responsibility: The case of the fast-food industry and obesity. *Business & Society*, 53(2): 300-332.
- Schwartz, M.S., & Weber, J. (2006). A business ethics national index (BENI) Measuring business ethics activity around the world. *Business & Society*, 45(3): 382-405.
- Schwartz, S.H. (1999). Cultural value differences: some implications for work. *Applied Psychology: An International Review*, 48, 23-48.
- Seeger, M.W., & Ulmer, R.R. (2001). Virtuous responses to organizational crisis: Aaron Feuerstein and Milt Cole. *Journal of Business Ethics*, 31, 369-376.
- Selznick, P. (1957). *Leadership in Administration*. New York, U.S.A.: Harper and Row.
- Sen, S., & Bhattacharya, C.B. (2001). Does doing good always lead to doing better? Consumer reactions to corporate social responsibility. *Journal of Marketing Research*, 38(20): 225-243.
- Sheikh, S.R., & Beise-Zee, R. (2011). Corporate social responsibility or cause-related marketing? The role of cause specificity of CSR. *Journal of Consumer Marketing*, 28(1): 27-39.
- Shim, S., & Eastlick, M. A. (1998). The hierarchical influence of personal values on mall shopping attitude and behavior. *Journal of Retailing*, 74(1): 139-160.
- Simsek, Z., Veiga, J.F., Lubatkin, M.H., & Dino, R.N. (2005). Modeling the multilevel determinants of top management team behavioral integration. *Academy of Management Journal*, 68, 69-84.
- Siomkos, G., Triantafillidou, A., Vassilikopoulou, A., & Tsiamis, I. (2010). Opportunities and threats for competitors in product-harm crises. *Marketing Intelligence and Planning*, 28(6): 770-791.
- Siomkos, G.J., & Kurzbard, G. (1994). The hidden crisis in product-harm crisis management. *European Journal of Marketing*, 28(2): 30-41.
- Standop, D., & Grunwald, G. (2009). How to solve product-harm crises in retailing? Empirical insights from service recovery and negative publicity research. *International Journal of Retail & Distribution Management*, 37(11): 915-932.
- Uzzi, B. (1996). The sources and consequences of embeddedness for the economic performance of organizations: The network effect. *American Sociological Review*, 61(4): 674-698.

Vaaland, T.I., Heide, M., & Grønhaug, K. (2008). Corporate social responsibility: investigating theory and research in the marketing context. *European Journal of Marketing*, 42, 927-953.

Vassilikopoulou, A., Chatzipanagiotou, K., Siomkos, G. & Triantafillidou, A. (2011). The role of consumer ethical beliefs in product-harm crises. *Journal of Consumer Behaviour*, 10, 279-289.

Waldman, D.A., Siegel, D., & Javidan, M. (2006). Components of CEO transformational leadership and corporate social responsibility. *Journal of Management Studies*, 43, 1703-1725.

Weng, J.T., & de Run, E.S. (2013). Consumer's personal values and sales promotion preferences effect on behavioural intention and purchase satisfaction for consumer product. *Asia Pacific Journal of Marketing and Logistics*, 25(1): 70-101.