The Relationship between Exporters and the long-term orientation of Intermediaries in Korea: Using the SOR Model

신 준 호* Joon-Ho Shin

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본 연구는 지역 유통업자의 역할 성과를 자극-유기체-반응(SOR) 모델을 활용하여 비판적으로 검토하며, 시장 경쟁이 유기체(O) 및 반응(R) 요소에 미치는 조절적 영향을 고려한다. 종합적인 접근을 채택한 SOR 모델은 분배, 절차 및 상호 작용 불공정성을 포함한 외부 자극이 지각된 불공정성과 같은 내부 심리적 과정과 상호작용하여 수입업체의 장기 지향성을 형성하는 방식을 분석하는 포괄적인 프레임워크를 제시한다. 연구 수행을 위해 선행연구 검토를 바탕으로 설문지를 구성하였으며, 한 국 수출입기업을 대상으로 설문을 배포해 총 121부의 유효 표본을 획득하였다. 획득된 표본은 smart pls 3.0을 사용하여 가설을 검정하였다. 분석 결과, 경쟁적인 시장 역동성이 불공정성 인식과 유통업자의 장기 지향성 사이의 관계를 조절하는 것이 나타남으로써 시장 경쟁의 중추적인 역할을 확인하였다. 본 연구는 SOR 모형을 적용함으로써 수출입과 연계된 유통물류 분야의 이론적 지침을 넴했으며, 외부 자극, 내부 심리적 과정 및 시장 경쟁 간의 상호작용에 대한 종합적인 이해를 제공했다는 점에서 의의를 지닌다.

주제어 분배 불공정성, 절차 불공정성, 상호작용 불공정, 불공정 인식, 장기 지향성

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I. Introduction

In the context of the contemporary global economy, local distributors assume a vital role in facilitating international trade by acting as intermediaries between suppliers and buyers (Virtanen et al., 2022; Efrat and Øyna, 2021). The efficient and effective performance of importing agents holds paramount importance for organizations that aim to optimize their import operations and uphold a competitive advantage in the marketplace (Efrat and Øyna, 2021). This research endeavor employs the Stimulus-Organism-Response (SOR) model as a theoretical framework to comprehend the factors that exert influence on the role performance of local distributors. Specifically, the study focuses on the stimulus of perceived unfairness, the organism of a lack of long-term orientation, and the distributor's role performance as the response. Furthermore, this investigation explores the moderating function of market competition between the organism (O) and response (R) elements. The SOR model, derived from extensive research in the realms of organizational and consumer behavior, provides a comprehensive approach to comprehending the intricate relationship between external stimuli, internal psychological processes, and subsequent behavioral responses (Mehrabian and Russell, 1974; Choi, Kim, and Kim, 2011; Mummalaneni, 2005; Floh and Madlberger, 2013; Jacoby, 2002).

Previous scholarly investigations on the development of long-term orientation with export partners have contributed valuable insights into the intricate dynamics and implications of these factors in the realm of international trade (Wang, Shi, and Barnes, 2015). These studies have shed light on the development of relationships, with a specific focus on aspects such as culture (Cannon et al., 2010; Peng and Beamish, 2014; López-Navarro, Callarisa-Fiol, and Moliner-Tena, 2013), power asymmetry (Ryu, Park, and Min, 2007), environmental uncertainty (Ryu, Park, and Min, 2007; Lui and Ngo, 2012), trust (Hofstede, Jonker, and Verwaart, 2008; Wang, Shi, and Barnes, 2015; Barnes et al., 2010; Leonidou et al., 2021), and asset specificity (Lui and Ngo, 2012), and ownership (Peng and Beamish, 2014; Dong, David, and Cavusgil, 2008). There exists a substantial body of research pertaining to factors that exert a positive influence on long-term orientation within the context of international buyer-seller relationships. Conversely, there is a relative scarcity of studies examining the factors that
detrimentally affect long-term orientation in such relationships. Nonetheless, drawing upon extant research and theories in psychology, it is possible to identify perceived unfairness as a salient stimulus within our model, which potentially undermines long-term orientation. Furthermore, it is plausible to explore the subsequent repercussions of this detrimental effect on the role performance of local distributors.

Local distributors as intermediaries operate within a dynamic business environment characterized by intense competition and ever-evolving market dynamics. Therefore, it is of paramount importance to comprehend the moderating role of market competition in order to unravel the intricate interplay between organizational factors and the responses exhibited by local distributors (Handoyo et al. 2023). Competitive market dynamics encompass a multitude of interrelated factors that significantly influence the behavior and outcomes of firms operating within a market. These dynamics extend beyond the realm of mere price competition and include multifaceted aspects such as intense competitive rivalry, the presence of barriers to entry, and the pursuit of market share (Porter 1980). These dynamics possess the capacity to either amplify or diminish the relationship between organizational factors and role performance, thus offering valuable insights into the contingent effects within the SOR model. Therefore, this study contributes significantly to the existing literature in multiple ways. Firstly, the paper advances the understanding of the SOR model by incorporating distributive, procedural, and interaction unfairness as stimuli. This expands the range of external factors that influence organizations' responses and outcomes. Secondly, the consideration of the moderating role of market competition enhances the theoretical framework by illuminating the contextual factors that shape the relationship between perceived unfairness and the long-term orientation. The moderating effect provides valuable insights into the contextual dynamics that influence organizations' strategic responses in competitive markets. Thirdly, it integrates the widely recognized SOR model into the context of the relationship between exporters and local distributors, presenting a novel perspective that enhances our comprehension of their role performance.
II. Literature Review

The SOR model is a widely employed theoretical framework in organizational and consumer behavior research (Su, Hsu, and Boostrom Jr 2020; Liao et al., 2016; Lin et al., 2022; Bigne, Chatzipanagiotou, and Ruiz 2020; Floh and Madlberger 2013; Jacoby 2002). It offers a conceptual lens for comprehending the intricate interrelationships among external stimuli, internal psychological processes, and subsequent behavioral responses (Mehrabian and Russell 1974; Floh and Madlberger 2013). When applied to the context of local distributors, the SOR model provides valuable insights into the influences of diverse stimuli and factors on the dynamics and outcomes of local distributors’ role performance.

Within the exporter-distributor relationship, the SOR model posits that external stimuli or factors (S) impact the firms' psychological processes or perceptions (O) (Floh and Madlberger 2013). These stimuli shape the firms' perceptions, which in turn influence their internal psychological processes. These internal processes encompass various factors such as attitudes, trust, commitment, communication, and cultural compatibility. They represent the firms' subjective interpretations and evaluations of the stimuli and their perceptions of the partner firm. The quality and nature of these internal processes assume a pivotal role in shaping the firms' behavior and subsequent responses (R) within the relationship (Floh and Madlberger 2013; Jacoby 2002).

The behavioral responses (R) exhibited in inter-firm relationships encompass diverse actions and outcomes, including cooperation, collaboration, information sharing, resource exchange, joint decision-making, conflict resolution, and joint problem-solving. These responses are influenced by the firms' internal psychological processes and their interpretations of the external stimuli (Jacoby 2002; Vieira 2013). Moreover, they contribute to the ongoing dynamics and outcomes of the inter-firm relationship. By elucidating the mechanisms through which external stimuli, internal psychological processes, and behavioral responses interact, the SOR model offers an understanding of the development, maintenance, and outcomes of these relationships (Floh and Madlberger 2013; Jacoby 2002).

Utilizing the SOR model to comprehend the interplay among stimuli, internal psychological processes, and behavioral responses provides researchers and
practitioners with valuable insights into managing and enhancing inter-firm relationships. It offers a framework for analyzing the factors that influence relationship dynamics, identifying areas for improvement, and developing strategies to foster positive and mutually beneficial outcomes for the firms involved.

1. Distributive/Procedural/Interactional unfairness as Stimulus

In the context of the SOR (Stimulus-Organism-Response) model, distributive unfairness, procedural unfairness, and interactional unfairness can be considered as stimuli that trigger cognitive and emotional responses within individuals or organizations. These different forms of unfairness serve as stimuli that influence subsequent processes and behavioral responses.

To begin, distributive unfairness encompasses the perception of an inequitable distribution of resources, rewards, or benefits (Piccoli and De Witte 2015; Crosno, Manolis, and Dahlstrom 2013; Arslan, Wassmer, and Dussauge 2015). It arises when individuals or organizations observe a misalignment between the outcomes they receive and their expectations or perceived contributions. Notable examples of distributive unfairness include instances of unequal pay, uneven distribution of workload, or disparities in opportunities for growth and advancement. Procedural unfairness, on the other hand, relates to the perception of unfair or biased procedures and processes used to make decisions or allocate resources (Kashyap 2004; Beugré and Acar 2008; Luo 2007; Loosemore and Lim 2015). This form of unfairness encompasses concerns about the transparency, consistency, and inclusiveness of decision-making procedures. Biased selection processes, limited opportunities for input or voice, or arbitrary decision-making are illustrative examples of procedural unfairness. Lastly, interactional unfairness refers to the perception of unfair treatment or disrespectful interpersonal interactions (Beugré and Acar 2008; Hubbell and Chory-Assad 2005; Khansa et al. 2018; Trada and Goyal 2017). It pertains to the quality of communication, respect, and dignity experienced during interpersonal exchanges. Instances of rude or disrespectful behavior, disregard for others' perspectives, or discriminatory treatment exemplify interactional unfairness.

The inclusion of distributive, procedural, and interactional unfairness as stimuli
within the SOR model enhances our understanding of how individuals or organizations perceive and respond to unfairness. These stimuli elicit cognitive evaluations and emotional responses that shape subsequent processes and behavioral reactions. By recognizing the distinctions between these different forms of unfairness, researchers gain valuable insights into the multifaceted nature of unfairness perceptions and their implications for individuals' or organizations' responses within the SOR framework. Such insights deepen our understanding of the complexities surrounding fairness and provide a foundation for addressing unfairness issues in various settings.

2. Perceived unfairness as Organism

Perceived unfairness can be seen as notable organism within the exporter-distributor relationship when examining the SOR model. It pertains to the distributor's subjective perception of being subjected to unfair treatment or experiencing an inequitable distribution of resources, benefits, or opportunities within the relationship. Distributors may perceive unfairness when they perceive unequal treatment, observe preferential treatment towards other distributors, or encounter a lack of support from the exporter.

The distributor's response to perceived unfairness assumes a pivotal role in shaping the dynamics of the relationship. When distributors perceive unfairness, it can elicit negative emotional and cognitive reactions. They may experience sentiments of resentment, frustration, and dissatisfaction regarding the relationship. These responses can manifest in a range of behaviors, including reduced commitment to the partnership, diminished cooperation with the exporter, or even exploration of alternative business opportunities (Mikula 1986; Mikula, Scherer, and Athenstaedt 1998).

It is worth noting that the impact of perceived unfairness should be examined within the context of specific circumstances and factors influencing the distributor. These may include the competitive landscape, market conditions, cultural nuances, and the relationship history between the exporter and the distributor. By recognizing the significance of perceived unfairness and its potential ramifications, exporters can address this issue proactively. Cultivating an environment of fairness, transparency, and equitable resource allocation can help
mitigate the negative effects of perceived unfairness, fostering stronger and more sustainable relationships with distributors (Trada and Goyal 2017; Crawshaw, Van Dick, and Brodbeck 2012).

3. The long–term orientation as Response

When considering perceived unfairness as the organism within the SOR (Stimulus-Organism-Response) model, it is essential to align the response component with an appropriate construct that reflects a behavioral or cognitive action. While long-term orientation is not a direct action, it is a strategic mindset or orientation that can influence subsequent behaviors and decision-making processes. Therefore, it can be utilized as a response within the SOR model, given that it reflects a specific cognitive response to the perceived unfairness stimulus. In this context, long-term orientation can be understood as a strategic response or mindset adopted by the organism in the face of perceived unfairness. It represents a forward-looking perspective that considers the long-term implications, consequences, and goals when responding to unfairness.

The significance of inter-firm long-term orientation in enhancing firm competitiveness has gained growing recognition in scholarly discourse (Fliedner and Vokurka 1997). Drawing from the empirical findings of Lumpkin and Brigham (2011), it is evident that a firm's long-term orientation encompasses a triad of dimensions. First, there's continuity, which means that a firm's ability to stick around, stay strong, and remain consistent over time is crucial for creating value in the future. Second, there's futurity, which emphasizes the importance of focusing on and planning for the future. And lastly, there's perseverance, which highlights the understanding that taking action in the present is necessary to achieve the desired future outcomes.

The lack of long-term orientation is a noteworthy component of the distributor's internal state within the SOR model. It denotes the distributor's inclination to prioritize short-term gains and immediate advantages over the establishment of a long-term strategic partnership with the exporter (Sousa, Li, and He 2020). Distributors exhibiting a lack of long-term orientation are inclined to emphasize short-term profits at the expense of nurturing enduring collaborations (Kam and Lai 2018). Distributors may concentrate on immediate
financial gains and overlook the potential benefits associated with fostering a long-term relationship with the exporter.

The absence of long-term orientation holds significant ramifications for the dynamics and outcomes of the export-distributor relationship. Without a focus on long-term collaboration and mutual growth, the distributor may fail to capitalize on opportunities for joint strategic planning, market development, and knowledge sharing (Stafford 1994). Consequently, the depth and breadth of the partnership may be limited, impeding its potential for sustainable success. It is important to note that the lack of long-term orientation should be considered in the context of the specific circumstances and factors influencing the distributor, as it can vary depending on the competitive landscape, market conditions, and available resources (Kumar, Subramanian, and Yauger 1998). By recognizing the significance of long-term orientation and addressing its potential limitations, exporters and distributors can work towards cultivating more enduring and mutually beneficial relationships.

4. Market Competition

In today's globalized and interconnected business landscape, the prevalence of intense market competition has reached remarkable proportions across diverse industries. As firms operate within these fiercely competitive environments, they encounter substantial challenges in their quest to surpass rivals, seize market share, and fortify their market position (Ketchen Jr, Snow, and Hoover 2004; Ming Jer Chen and Miller 2012). Given the escalating complexity of the business ecosystem, a comprehensive comprehension of the dynamics associated with intense market competition has become indispensable for firms aiming not only to survive but also to thrive. Effectively navigating this landscape requires a profound understanding of the intricate interplay of competitive forces, market trends, and customer demands, enabling firms to proactively adapt their strategies, enhance their competitive advantage, and seize opportunities in the marketplace (Ming Jer Chen, Smith, and Grimm 1992; Ming-Jer Chen and Miller 1994; Ketchen Jr, Snow, and Hoover 2004).

Market competition encompasses the dynamic rivalry and contestation among businesses operating within a specific market or industry (Ming Jer Chen and
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Miller 2012). This phenomenon is characterized by heightened levels of rivalry, intensified strategic actions, and an unwavering pursuit of obtaining a competitive advantage over rival firms, which, in turn, presents both challenges and risks (Smith, Ferrier, and Ndofor 2001). Consequently, firms must strive to strike a delicate balance between deploying competitive strategies while simultaneously ensuring the maintenance of sustainable profitability. Market competition entails the concerted efforts of companies to attract customers, augment their market share, and surpass the performance of their competitors through the implementation of diverse strategies and actions (Ming Jer Chen, Su, and Tsai 2007; Ming Jer Chen and Miller 2012; Ketchen Jr, Snow, and Street 2004).

Market competition has emerged as a pervasive and transformative force within the contemporary business landscape, exerting substantial influence on the behavior and outcomes of firms (Ming Jer Chen, Smith, and Grimm 1992). Consequently, distributors operating in such competitive markets face a myriad of pressures, compelling them to adopt a diverse range of strategies. The effectiveness of these strategies hinges upon the establishment of a close and collaborative partnership between exporters and distributors (Zuckerman and D'aunno 1990). As intermediaries operating within competitive markets, local distributors play a vital role in navigating challenges and capitalizing on opportunities. Effective management of this partnership necessitates the cultivation of open channels of communication, collaborative decision-making processes, and continuous evaluation of prevailing market conditions. By jointly directing their efforts, exporters and distributors foster a mutually beneficial relationship that not only facilitates growth but also enhances profitability.

III. Research Model and Developing Hypothesis

1. Research Model

This paper critically examines the role performance of local distributors within the Stimulus-Organism-Response (SOR) model, while also considering the moderating influence of market competition on the organism (O) and response (R) elements. Adopting a holistic approach, the SOR model provides a comprehensive
framework for analyzing how external stimuli, including distributive, procedural, and interaction unfairness, interact with internal psychological processes, such as perceived unfairness, to shape the long-term orientation of importing agents. Moreover, this study considers the pivotal role of market competition in the operational context of local distributors. The proposed conceptual research model is displayed in Figure 1.

2. Hypothesis Development

1) Stimulus to Organism

Unfairness and perceived unfairness are closely related concepts that are integral to the study of justice and social psychology. Unfairness serve as stimulus within the SOR model, representing objective conditions or events that deviate from principles of fairness. Perceived unfairness, on the other hand, represents the subjective perception or evaluation of unfairness by the organism in the SOR model. It encompasses the cognitive and emotional responses triggered by the unfairness stimuli. The relationship between unfairness as stimuli and perceived unfairness as the organism is dynamic and reciprocal (Jacoby 2002). Therefore, the cognitive evaluations and emotional responses to distributive unfairness,
procedural unfairness, and interactional unfairness contribute to the overall perception of unfairness.

**H1-1:** Distributive unfairness is negatively related to perceived unfairness.

**H1-2:** Procedural unfairness is negatively related to perceived unfairness.

**H1-3:** Interactional unfairness is negatively related to perceived unfairness.

2) Organism to Response

The response to perceived unfairness holds implications for the dynamics of the exporter-distributor relationship. Drawing on the SOR model, we posit that perceived unfairness, acting as organism, will exert a significant influence on the distributor's response, particularly in terms of their level of long-term orientation. When distributors perceive unfair treatment from the exporter, it engenders a sense of injustice that undermines their motivation to invest in cultivating long-term relationships or pursuing sustainable business strategies. The experience of negative emotions triggered by perceived unfairness can divert the distributor's focus away from future-oriented endeavors, as they may become disinclined to commit to a long-term partnership with the exporter. Consequently, distributors may adopt a more short-term and opportunistic approach, as they feel less compelled to engage in a sustained and enduring relationship. Accordingly, we hypothesize that a higher degree of perceived unfairness as stimuli will correspond to a lower level of long-term orientation as an organism exhibited by the distributor. Therefore,

**H2:** unfairness is negatively related to the lack of long-term orientation.

3) Market competition as a moderator between organism and response

Within the export-distributor relationship framework delineated by the SOR (Stimulus-Organism-Response) model, the phenomenon of market competition assumes a moderating function in the relationship between the distributor as the organism and their ensuing response. The specific attributes and dynamics of the competitive market exert a discernible influence on how the perceived unfairness impacts the long-term orientation of distributors. This contextual backdrop
establishes the milieu within which distributors operate, significantly shaping their cognitive processes, behavioral tendencies, and ultimate performance outcomes.

The rationale underlying this moderating role lies in the notion that market competition measured by intensity of competition, have the potential to amplify the adverse consequences stemming from perceived unfairness on a short-term mindset of local distributors. In highly competitive markets, distributors may encounter heightened pressures to differentiate themselves, satisfy customer demands, and outperform competitors in order to retain their competitive edge. Consequently, the perceived unfairness may impede their ability to adapt, invest in enduring relationships, and consistently meet performance expectations. This, in turn, can elevate the likelihood of opportunistic behavior among local distributors, as they seek to maximizes short-term gains. Therefore,

\[ H3: \text{When local distributors perceive unfairness in highly competitive market, the long-term orientation will be more negatively affected compared to less competitive markets} \]

IV. Research Methodology

1. Measurement

A survey questionnaire was comprised of items (questions) that were related to key influencing factor (distributive unfairness, procedural unfairness, interactive unfairness) that can motivate perceived unfairness, which were regarded as mediating factors. It also contains response variable such as the long-term orientation of distributor. This questionnaire was designed to examine the role performance of local distributors within the Stimulus-Organism-Response model.

All measurement items were scored on five-point-Likert-type scales measuring the degree of agreement with item description, ranging from 1 (not at all) to 5 (strongly). The items of questionnaire are summarized in Table 1.

This study uses structural equation modeling (SEM) to test the model. The advantage of SEM is that it considers both the evaluation of the measurement model and estimates the structural coefficient, if the chosen indicators for a
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construct do not measure that construct, the testing of the structural model will be meaningful (Jöreskog and Sörbom, 1998). Thus, a modeling approach partial least squares (PLS)-SEM was carried out to provide the path coefficient in this study. We evaluate the research model and the hypotheses using PLS, which identifies the relationships among the conceptual factors of interest and the measures underlying each construct (Hair et al., 2011).

2. Data Collection

This study utilizes the SOR theory to examine the impact of perceived unfairness on long-term orientation and developed hypotheses and derived variables and measurement factors based on expert in-depth interviews and prior research. To enhance the validity of the questionnaire, a pilot test was conducted with 15 practitioners who are in distribution field. The sample frame consisted of Korean intermediaries operating as distributors of foreign manufacturers, and data were collected using simple random sampling from membership lists of organizations such as the Korea Trade Association, Korea Exporters Association, Korea Iron and Steel Association, and Korea Textile Association. The survey was conducted from February 20, 2023, to May 12, 2022, for approximately four months, using a combination of offline and online methods, including on-site visits, email, and Google Docs. A total of 500 questionnaires were distributed, and 132 were collected, resulting in a response rate of 26.4%. After excluding 6 unreliable responses and 5 outliers identified through data normality testing, 121 valid responses were obtained.

(Table 1) Operational definitions and questionnaire structure

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<tr>
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<th>Contents</th>
<th>Sources</th>
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<tr>
<td>Distributive unfairness</td>
<td>a misalignment between the outcomes they receive and their expectations or perceived contributions.</td>
<td>Piccoli and De Witte (2015)</td>
</tr>
<tr>
<td>DUF1</td>
<td>uneven distribution of workload</td>
<td></td>
</tr>
<tr>
<td>DUF2</td>
<td>disparities in opportunities for growth and advancement</td>
<td></td>
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<tr>
<td>DUF3</td>
<td>inequitable distribution of resources, reward</td>
<td></td>
</tr>
<tr>
<td>DUF4</td>
<td>inequitable distribution of benefit</td>
<td></td>
</tr>
<tr>
<td>Division</td>
<td>Contents</td>
<td>Sources</td>
</tr>
<tr>
<td>--------------------------</td>
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<td>----------------------------------------------</td>
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<tr>
<td>Procedural unfairness</td>
<td>unfair or biased procedures and processes used to make decisions or allocate resources</td>
<td>Loosemore and Lim (2015) Luo (2007)</td>
</tr>
<tr>
<td>PDU1</td>
<td>concern about transparency</td>
<td></td>
</tr>
<tr>
<td>PDU2</td>
<td>limited opportunities for input or decision-making</td>
<td></td>
</tr>
<tr>
<td>PDU3</td>
<td>concern about consistency of decision-making</td>
<td></td>
</tr>
<tr>
<td>PDU4</td>
<td>unfair procedure of allocating resources</td>
<td></td>
</tr>
<tr>
<td>IUF1</td>
<td>quality of communication</td>
<td></td>
</tr>
<tr>
<td>IUF2</td>
<td>discriminatory treatment</td>
<td></td>
</tr>
<tr>
<td>IUF3</td>
<td>disregard for other’s perspectives</td>
<td></td>
</tr>
<tr>
<td>IUF4</td>
<td>disrespectful behavior</td>
<td></td>
</tr>
<tr>
<td>Perceived unfairness</td>
<td>subjective perception of unfair treatment or experience</td>
<td>Trade and Goyal (2017)</td>
</tr>
<tr>
<td>PUF1</td>
<td>experiencing an inequitable distribution of resources</td>
<td>Crawshaw et al. (2012)</td>
</tr>
<tr>
<td>PUF2</td>
<td>perceiving unequal treatment</td>
<td></td>
</tr>
<tr>
<td>PUF3</td>
<td>encounter a lack of support from partners</td>
<td></td>
</tr>
<tr>
<td>PUF4</td>
<td>observing preferential treatment towards other distributors</td>
<td></td>
</tr>
<tr>
<td>Market Competition</td>
<td>dynamic rivalry and contestation within a specific market or industry</td>
<td>Ming Jer Chen et al. (2007)</td>
</tr>
<tr>
<td>MC1</td>
<td>complexity of market environment</td>
<td></td>
</tr>
<tr>
<td>MC2</td>
<td>intensity of market competition</td>
<td></td>
</tr>
<tr>
<td>MC3</td>
<td>challenges in increasing market share</td>
<td></td>
</tr>
<tr>
<td>LOD1</td>
<td>the Importance of continuity in the relationship with the partners</td>
<td></td>
</tr>
<tr>
<td>LOD2</td>
<td>perceiving future orientation with partner firms</td>
<td></td>
</tr>
<tr>
<td>LOD3</td>
<td>long-term cooperation intention</td>
<td></td>
</tr>
<tr>
<td>LOD4</td>
<td>willingness to engage in continued transaction</td>
<td></td>
</tr>
<tr>
<td>LOD5</td>
<td>pursuing a long-term profit</td>
<td></td>
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V. Empirical Results

1. Measurement model and its Validity and Reliability

Before validating the hypothesis set in this study, the validity of the measurement factors was examined. In this study, the validity of the research model was assessed through factor analysis, and the concentration validity was analyzed based on factor loading values. Generally, if the factor loading values are less than 0.5, the validity is considered compromised (Choi & Yoo, 2017). In this data, all factor loading values were above 0.6, indicating that concentration validity was achieved. Having established the validity of the research scales, the next step was to conduct reliability analysis.

In this study, reliability was validated using the commonly used coefficient of Cronbach's alpha. Following the empirical guideline suggested by Nunnally and Bernstein (1994), a Cronbach's alpha value of 0.7 or higher indicates acceptable reliability for a scale. As shown in Table 2, the Cronbach's alpha values for Distributive unfairness were 0.852, Procedural unfairness were 0.754, Interactive unfairness was 0.665, Market competition was 0.695, and the long-term orientation of distributor was 0.793. The Values exceeded or approximated the threshold. However, considering the limitations of Cronbach's alpha, which measures internal consistency reliability, additional evaluations were conducted using the composite reliability (CR) and average variance extracted (AVE) as more appropriate measures. The composite reliability of all constructs in this study was close to or approximated 0.9, which is deemed acceptable using a conservative criterion (Nunnally & Berstein, 1994). The AVE values also exceeded 0.5 for all variables, indicating that the constructs in this study had very high reliability.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Indicator</th>
<th>Loading</th>
<th>AVE</th>
<th>Composite Reliability</th>
<th>Rho–A</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributive unfairness</td>
<td>DUF1</td>
<td>0.771</td>
<td>0.648</td>
<td>0.880</td>
<td>0.822</td>
<td>0.852</td>
</tr>
<tr>
<td></td>
<td>DUF2</td>
<td>0.849</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUF3</td>
<td>0.861</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DUF4</td>
<td>0.732</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Table 2) Construct validity and reliability test of measurement factors
We conducted a correlation analysis among the supported latent variables after assessing construct validity and reliability. The results indicated that, overall, the correlation coefficients were slightly higher than 0.6 but below 0.8. However, as values below 0.8 are generally considered acceptable (Kline, 2015), it can be concluded that there is no significant issue of multicollinearity among the research variables. To test discriminant validity, we compared the square root of the Average Variance Extracted (AVE) for each latent variable with the correlation coefficients, following the criteria proposed by Fornell and Larcker (1981). If the square root of the AVE is higher than all correlation coefficients, it indicates discriminant validity (Gefen et al., 2011). Therefore, we confirmed that our research model has achieved discriminant validity.
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Table 3: Discriminant validity test of latent variables (Fornell–Larcker standard)

<table>
<thead>
<tr>
<th>construct</th>
<th>DUF</th>
<th>PDU</th>
<th>IUF</th>
<th>PUF</th>
<th>MC</th>
<th>LOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUF</td>
<td>[0.805]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDU</td>
<td>0.365</td>
<td>[0.748]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IUF</td>
<td>0.374</td>
<td>0.075</td>
<td>[0.695]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PUF</td>
<td>0.406</td>
<td>0.411</td>
<td>0.307</td>
<td>[0.722]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MC</td>
<td>-0.492</td>
<td>-0.392</td>
<td>-0.183</td>
<td>-0.332</td>
<td>[0.746]</td>
<td></td>
</tr>
<tr>
<td>LOD</td>
<td>0.466</td>
<td>0.222</td>
<td>0.302</td>
<td>0.408</td>
<td>-0.488</td>
<td>[0.778]</td>
</tr>
</tbody>
</table>

Notes: Square roots of average variance extracted (AVEs) shown diagonally must be higher than the others correlations.

DUF=Distributive unfairness, PDU=Procedural unfairness, IUF=Interactive unfairness, PUF=Perceived unfairness, MC=Market Competition, LOD=The long-term Orientation of Distributo

2. Testing Structural Model

First, the structural model was evaluated using the coefficient of determination ($R^2$), effect size ($f^2$), and predictive fit ($Q^2$). The coefficient of determination indicates the proportion of variance explained in the research variables, and all values in this study are above 0.5, indicating significant explanatory power of 51.7%, 53.2%, and 66.6%, respectively (Hair et al., 2017). Effect size ($f^2$), which measures the relative influence of exogenous latent variables on endogenous latent variables, interprets values of 0.02 as a small effect size, 0.15 as a medium effect size, and 0.35 as a large effect size. Each variable in this study demonstrates an appropriate effect size. Predictive fit($Q^2$) assesses the overall predictive ability of exogenous latent variables for endogenous latent variables. A value greater than 0 indicates that exogenous latent variables have overall predictive fit with endogenous latent variables, and all variables in this study have values greater than 0, indicating good predictive fit.
3. Hypothesis Test Result

Hypothesis testing was conducted using the SmartPLS 4.0 statistical package to perform confirmatory factor analysis, and bootstrapping was performed 5000 times. H1, which posited the influence coefficient of DUF on PUF to be $\beta = 0.214$ ($p < 0.05$), was supported. H2, which posited the influence coefficient of PDU on PUF to be $\beta = 0.317$ ($p < 0.05$), was supported. H3, which posited the influence coefficient of IUF on PUF to be $\beta = 0.203$ ($p < 0.05$), was supported. H4, which posited the influence coefficient of PUF on LOD to be $\beta = -0.193$ ($p < 0.05$), was supported. H5, which posited that MC has a direct effect on LOD with a coefficient of $\beta = -0.401$ ($p < 0.05$), and the interaction term between PUF and MC affecting LOD is $\beta = -0.157$ ($p < 0.05$), was supported.
VI. Discussion and Conclusion

This paper aims to analyze the intricate dynamics of perceived unfairness on the long-term orientation of distributors with the SOR model, with market competition as a specific contextual factor. Drawing upon the SOR model, the study conceptualizes perceived unfairness as the organism, exerting a profound influence on subsequent cognitive and emotional processes. The response component centers on organizations' adoption of a long-term orientation as a strategic response to perceived unfairness. Furthermore, the research sheds light on the moderating role of market competition in shaping the relationship between perceived unfairness and the strategic response of adopting a long-term orientation. Market competition serves as a salient contextual factor that shapes the dynamics between perceived unfairness and the strategic response. Notably, in highly competitive environments, the pressure to compete intensifies and accentuates the impact of perceived unfairness, compelling organizations to strategically align themselves with long-term objectives.

By integrating the SOR model with the moderating influence of market competition, this study makes a significant contribution to the existing literature by offering a comprehensive understanding of the intricate interplay between stimuli (distributive, procedural, and interactional unfairness), perceived unfairness as the organism, the long-term orientation as the response, and the contextual influence of market competition. This comprehensive framework provides valuable insights into the complex dynamics among these factors and their implications for individuals and organizations operating within competitive market environments.

The practical implications of the research findings are twofold. Firstly, organizations should be acutely aware of the potential for perceived unfairness to arise from various factors such as distributive, procedural, or interactional dimensions, and its profound impact on individuals' cognitive and emotional responses. Attending to these fairness concerns is crucial as it fosters a positive work environment, enhances overall well-being, and promotes satisfaction among employees and stakeholders. Secondly, understanding the moderating role of market competition enables organizations to effectively manage perceived unfairness. By recognizing the heightened pressures inherent in competitive
markets, organizations can proactively adopt a long-term orientation as a strategic response to perceived unfairness, with a particular emphasis on employing sustainable strategies, cultivating robust relationships, and maintaining a competitive edge. Future research can build upon these findings by exploring additional factors and variables that influence the exporter-distributor relationship. Longitudinal studies can provide insights into the dynamic nature of this relationship over time, capturing the impact of changes in stimuli, organism, response, and competitive market dynamics.

In conclusion, this research adds to the existing literature by providing valuable insights into the interplay between perceived unfairness, the long-term orientation, and the moderating influence of market competition within the SOR model. By emphasizing the significance of considering fairness perceptions and strategic responses to perceived unfairness in competitive market environments, this study advances our understanding of these dynamics. Future research endeavors should further explore additional contextual factors that may influence the relationship between perceived unfairness and the long-term orientation. Furthermore, investigating the specific mechanisms through which market competition moderates this relationship would yield a more nuanced comprehension of the underlying dynamics. By continuing to explore and analyze these dynamics, researchers and practitioners can develop effective strategies and interventions that promote fairness, facilitate long-term orientation, and enhance both organizational performance and overall well-being within competitive market settings.

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The Relationship between Exporters and the long–term orientation of Intermediaries in Korea

The Relationship between Exporters and the long-term orientation of Intermediaries in Korea: Using the SOR Model

Joon-Ho Shin

Abstract

This paper critically examines the role performance of local distributors within the Stimulus-Organism-Response (SOR) model, while also considering the moderating influence of market competition on the organism (O) and response (R) elements. Adopting a holistic approach, the SOR model provides a comprehensive framework for analyzing how external stimuli, including distributive, procedural, and interaction unfairness, interact with internal psychological processes, such as perceived unfairness, to shape the long-term orientation of importing agents. Moreover, this study acknowledges the pivotal role of market competition in the operational context of local distributors. It posits that competitive market dynamics play a crucial role in intensifying the relationship between behavioral factors and the long-term orientation of distributors, thereby revealing contingent effects within the SOR model. Through the exploration of these dynamics, this study contributes to a comprehensive understanding of the interplay among external stimuli, internal psychological processes, and market competition within the SOR framework, advancing our knowledge in this field.

(Key Words) Distributive unfairness, Procedural unfairness, Interactive unfairness, Perceived unfairness, long-term orientation