

VALUES AT SOCIAL ENTERPRISES IN SOUTH KOREA: THE EFFECTS OF PERSON-ORGANIZATION VALUE CONGRUENCE ON JOB SATISFACTION, ORGANIZATIONAL COMMITMENT AND INTENTION TO LEAVE

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Abstract

This paper examines how person-organization (P-O) value congruence influences job satisfaction, organizational commitment, and intention to leave to other social enterprises and for profit organizations in social enterprises by analyzing a sample of 181 employees from 39 social enterprises in South Korea. Our empirical works are two-fold. We first identify value dimensions that an employee believes that social enterprises “ought to” seek for in the economic and social sphere, based on ISO 26000 which is designated to provide a guidance for social responsibility by International Organization for Standardization. The seven value dimensions are social activity, compliance with labor regulations, corporate social responsibility, employee participation, social friendly product/service, personnel policy and economic stability. A confirmatory factor analysis confirms our seven-value-dimensions model as the best fit.

Then, we use the indirect score method to measure the P-O value congruence for each value dimension by calculating the difference between the employee’s “ought to” score from the score of the degree to which his/her social enterprise is “actually” seeking for. Our empirical results from hierarchical polynomial regression and response surface analysis show that the seven value dimensions are predictive of each outcome. First, job satisfaction increases more when value congruence is achieved at the higher level than when the congruence is achieved at the lower level. This pattern of results is found in all the value dimensions, except in the dimension of social activity. Second, organizational commitment increases more when value congruence in all the seven dimensions is achieved at the higher level than at the lower level. Furthermore, hierarchical polynomial regression results show that the negative effect of misfits in these value dimensions on organizational commitment is stronger when the employee’s “ought to” score is higher than the organization’s “actual” score. Third, employee’s intention to leave to other social enterprises decreases when the value congruence is achieved at the higher level than at the lower level, showing non-linear relations with the value dimensions of social activity, social friendly products, economic stability and compliance with labor policy. Finally, the results of intention to leave for profit organization are similar to those of intention to leave to other social enterprises, except the dimension of economic stability. Overall, these findings were discussed in the context of social enterprises in Korea to strike a balance between economic and social performance.

Keywords: Person- organization value congruence, Seven value dimensions, Indirect, Score method, South Korea
