Social Enterprises’ Social Orientation: The Impact on the Organizational Commitment of Employees

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This study investigates the relationship between social enterprises’ social orientation and the organizational commitment of their employees. The study also examines differences in organizational commitment between Millennial social enterprise employees and social enterprise employees of earlier generations. The findings from the study indicate that a social enterprise’s pursuit of social purpose, shared decision-making, and social performance are all positively associated with the organizational commitment of its employees. Additionally, the findings suggest that, in general, Millennials have a lower level of organizational commitment to their social enterprise employer than do earlier generations. Indeed, the organizational commitment of Millennials, we find, is primarily (and significantly) influenced only by shared decision-making. These findings contribute to the literature on social enterprise as well as to the literature on organizational commitment by providing insight into unseen aspects of social enterprise management from the perspective of employees. From a practical standpoint, these findings provide social entrepreneurs and managers of social enterprises with practical guidance on how to improve their employees’ organizational commitment.

Keywords: Social Enterprise, Social Orientation, Millennials, Organizational Commitment

A social enterprise is an organization that engages in the simultaneous pursuit of social purpose and economic profits through business activities. These organizations operate at the intersection of market, government, and civil society (Nyssens, 2007). They are, therefore, able to combine and reflect the state’s pursuit of public benefits, the mutual interests of their members, and their own profit-seeking goals (Defourny & Nyssens, 2017). This position ultimately allows them to make better use of each sector’s untapped assets, resources, ideas, knowledge, logic, discourses, creativity, and legitimacy to achieve better outcomes and improved efficiency through multisectoral collaborations.

Because of this unique position, policymakers and researchers have increasingly focused on the practices of social enterprises around the world (Gonçalves, Carrara, & Schmittel, 2016; Granados, Hlupic, Coakes, & Mohamed, 2011). Researchers, in particular, have often explored the dynamics of how macro institutional forces influence the emergence and evolution of social

enterprises (Defourny & Nyssens, 2017; Kerlin, 2009, 2017). For example, through comparative analyses of social enterprises across countries, Kerlin’s Macro-Institutional Social Enterprise framework (2009, 2017) demonstrated that the social enterprise model is shaped by type of government, stage of economic development, model of civil society, culture, and international official development assistance.

Despite increasing focus on social enterprises, a gap remains between what we know and what we should know about these organizations. In particular, little is known about the micro aspects of social enterprises. Indeed, relatively few studies have empirically examined the individual attitudes and behaviors of social enterprise employees. Yet, social enterprise employees play a critical role in the social and economic performance of these organizations, not only because they directly participate in organizational functioning but also because they often have first-hand knowledge about the inner workings of these organizations. Thus, this study attempts to investigate social enterprises from the perspective of these internal stakeholders.

More specifically, the study aims to examine the impact of social enterprises’ social orientation on the organizational commitment of employees of different generations. Applying generational theories of human behavior (Howe & Strauss, 2000; Strauss & Howe, 2009), in the study we focus on uncovering whether Millennials—i.e., individuals born after 1982 (Howe & Strauss, 2000)—are more likely than earlier generations to be attracted to work in social enterprises that are more socially oriented.

In general, there are contradictory perspectives on whether American Millennials are more prosocial than earlier generations (Hurst, 2016). Some studies have shown that Millennials are more prosocial than Baby Boomers (born between 1943 and 1960) and Generation X (born between 1961 and 1981) (Ertas, 2016; Greenberg & Weber, 2008; Howe & Strauss, 2000). Other studies, however, have shown that Millennials are more narcissistic and selfish than earlier generations (Twenge, 2006; Twenge, Campbell, & Freeman, 2012). Still other studies have shown no significant differences concerning pro-sociality between generations (Kovic & Hänsli, 2018; Wong, Gardiner, Lang, & Coulon, 2008).

This study employs survey data of employees working for social enterprises in South Korea. Korean scholars in diverse disciplines have applied the generational concept of Millennial to the study of various effects (Ahn, Lee, & Lee, 2020; Bernardi, 2018; Kim, Kim, Han, & Holland, 2016; Ko & Cho, 2019); interestingly, there have also been conflicting findings in terms of Millennials’ social orientation in this cultural context as well. For example, while Jo (2017) found that Millennials in South Korea were more likely than earlier generations to support social welfare policies that addressed income inequity, Hwang, Oh, and Jung (2013) found that South Korean Millennials were less inclined than earlier generations to donate to charity.

The present study contributes to our expanding knowledge of employee commitment to organizations that are hybrid, i.e., organizations that blend the “different components and rationales of market, government, and civil society” (Evers, 2005). In addition, the study contributes to our understanding of Millennials in South Korea by investigating the extent to which a social enterprise’s social orientation influences their organizational commitment. Overall, the findings from this study should provide social entrepreneurs and social enterprise managers—particularly those in charge of human resources (HR) management—with practical insights about how to keep Millennials engaged in their organizations.

Who Are Millennials?

Generations are defined as a group of individuals who live in the same period as coevalities and share similar lived experiences (Mannheim, 1952). Groups of individuals (i.e., cohorts) that have accumulated shared lived experiences are likely to have common values, attitudes,
and behaviors (Bright, 2010; Howe & Strauss, 2000; Lancaster & Stillman, 2002; Strauss & Howe, 2009). Based on life cycle, period, and cohort effects (Taylor & Keeter, 2010), generational theories have demonstrated age differences in individual worldviews, particularly in the workplace (Joshi, Dencker, Franz, & Martocchio, 2010; Parry & Urwin, 2011).

Millennials have grown up in a rapidly changing, diverse, rich, and digital world. A number of alternative names for Millennials, such as “Slackers,” “Generation Y,” “Trophy Kids,” “Echo Boomers,” “Nexters,” “Digital Natives,” and “Net Generation,” have been applied (Twenge, Campbell, & Freeman, 2012). Millennials were raised and socialized in unprecedented educational, economic, social, and political environments that were rich in individual attention, kind guidance, positive feedback, frequent praise, and reinforcement (Ng, Schweitzer, & Lyons, 2010). Thus, they often have strong self-esteem, self-confidence, self-assuredness, and self-satisfaction, which some have suggested has led them to be egoistical and narcissistic (Alsop, 2008; Hill, 2002; Strauss & Howe, 2009; Twenge, 2006; Twenge & Campbell, 2008; Twenge, Konrath, Foster, Campbell, & Bushman, 2008; Zemke, Raines, & Filipczak, 1999). This overconfidence, egoism, and narcissism may have led Millennials to have unrealistic workplace expectations, such as a higher demand for praise. This may have also led to more frequent job hopping among Millennials than among either Baby Boomers or Generation Xers (Foster, Campbell, & Twenge, 2003; Lyons, Ng, & Schweitzer., 2012; Ng, Schweitzer, & Lyons, 2010; Twenge & Campbell, 2008).

Millennials are “history’s first ‘always connected’ generation” (Taylor & Keeter, 2010, p. 1). They have experienced the rapid development and diffusion of immediate, impulsive, and interactive communication and social-networking platforms. As a result, Millennials enjoy connecting, involving, and giving with a more global orientation; they also demand interconnectivity in the world (Alch, 2008; Taylor, Parker, Morin, Patten, & Brown, 2014). Millennials have also increasingly demonstrated their influence on the market, government, and civil society sectors (Fry, 2018; U.S. Census Bureau, 2015). Ever since Millennials entered into the workforce, HR managers have struggled to find ways to motivate and lead them in their organizations.

**Millennials at Work: Generation We Versus Generation Me**

There are contradictory perspectives on Millennials in the workplace—particularly in terms of their social orientation, which is closely related to workplace values, motivation, and commitment. Some scholars have found that Millennials crave community and are more civically involved, socially conscious, and interested in addressing social problems, helping others, and making a difference in the world than are previous generations (e.g., Ertas, 2016; Greenberg & Weber, 2008; Howe & Strauss, 2000). Indeed, these scholars have found that Millennials have strong beliefs about political engagement (Greenberg & Weber 2008), a corporation’s social responsibility (Burstein, 2011; Hurst, 2016; Winograd & Hais, 2011), and their own aspirations for involvement in voluntary activities (Taylor & Keeter, 2010; Twenge, Campbell, & Freeman, 2012). These scholars have also suggested that since Millennials are relatively prosocial, they value meaningful, fulfilling, and purposeful work.

Despite these pro-social orientations, other scholars have suggested that Millennials are more likely than other generations to display narcissism and materialism as well as lower empathy and less concern for others (Twenge, 2006; Twenge, Campbell, & Freeman, 2012; Twenge, Campbell, Hoffman, & Lance, 2010; Twenge & Kasser, 2013). This research has shown that Millennials have less desire to work in social services agencies or become social workers (Twenge, Campbell, & Freeman, 2012). Moreover, this research has shown that Millennials working for nonprofit organizations are more sensitive to financial rewards (Cornelius, Corvington, & Ruesga, 2008).
Interestingly, the concept of Millennial has been applied to various cultural contexts. Ng, Lyons, and Schweitzer (2012), for example, examined cross-cultural similarities and differences in generational HR practices; and, Deloitte’s (2018) Millennial Survey demonstrated that Millennials across countries share common beliefs on safety, social equality, and environmental sustainability. Although Millennials across the globe tend to share many of the same values and attitudes, we have limited knowledge of the extent to which Millennials in contexts outside of North America are more or less committed to working in social enterprise organizations.

The Social Orientation of Social Enterprises

The definition of social enterprise varies across countries, largely because social enterprises have emerged and evolved in different historical, ideological, and socioeconomic contexts (Borzaga & Defourny, 2004; Defourny & Nyssens, 2010; Kerlin, 2006, 2009). However, there are often two common elements of social enterprises regardless of context: the primacy of social purpose and market-oriented income generation (Peattie & Morley, 2008). Thus, by focusing on the organizational pursuit of specific purposes and activities, rather than organizational forms and/or legal constructs, in this study we are able to capture the essence of diverse and complex social enterprises (Birch & Whittam, 2009).

There is variation in the extent to which social enterprises focus on social mission and business activities. Still, the simultaneous organizational pursuit of divergent goals, values, norms, and identities causes inherent tensions within these organizations (Smith, Gonin, & Besharov, 2013). To address these tensions, social enterprises often compromise and balance their dual goals (Battilana, Sengul, Pache, & Model, 2015; Borzaga & Tortia, 2010).

The social purpose of social enterprises represents the extent to which these organization have stable preferences for certain social outcomes. Organizational purpose often plays a crucial role in establishing a coherent alignment that makes linkages among an organization’s mission, core values, strategies, competencies, and performance (Bart & Tabone, 1998; Hassan, 2007; Sender, 1997; Williams, 2002). Thus, social purpose is likely to be an important factor leading social enterprises to seek and maintain their social orientation. An organization’s social purpose may also attract individuals to work in social enterprises. Individuals, however, may not only choose to commit to a social enterprise because of its attractive organizational purpose but also because of the organization’s socialization process, which is “the process through which an individual comes to understand the values, abilities, expected behaviors, and social knowledge that are essential for assuming an organizational role and for participating as an organization member” (Chattman, 1989, p. 345).

Organizational commitment indicates a) a strong belief in and acceptance of the organization’s goals and values, b) a willingness to make considerable efforts on behalf of the organization, and c) a desire to accomplish and maintain membership in the organization (Porter, Steers, Mowday, & Boulian, 1974). An individual is likely to commit to an organization if they identify with the organization’s mission, values, and goals (Chatman, 1991; Finegan, 2000; Kacmar, Carlson, & Brymer, 1999). It is reasonable to assume, then, that when organizations seek social purpose as a goal this can improve the organizational commitment of employees. Thus, if Millennials are, in fact, more prosocial than other generations, they are likely to be more sensitive than previous generations to the effect of a social enterprise’s social purpose. The following hypothesis is, therefore, offered:

Hypothesis: A social enterprises social purpose is associated with an increase in the organizational commitment of its employees.
Hypothesis 2: Millennials’ organizational commitment is more likely (than previous generations) to be influenced by the social purpose of social enterprises.

Shared decision-making within social enterprises can reveal the extent to which these organizations operate with socially oriented principles. Indeed, social enterprises, particularly those located in Europe, have often promoted participatory and democratic decision-making practices, such as the inclusion of multiple stakeholders in critical business processes (Defourny & Nyssens, 2012; Pestoff, 2009; Pestoff & Hulgård, 2016; Spear, Cornforth, & Aiken, 2014). This emphasis on internal democracy originates partly from cooperatives and the concept of social economies (Defourny & Nyssens, 2006; Ridley-Duff, 2009; Teasdale, 2012), where decision-making power is shared with multiple stakeholders and involves these stakeholders in problem-solving processes.

Shared decision-making can promote employee communication, participation, collaborative work relationships, and a sense of psychological ownership, empowerment, and satisfaction, which can all ultimately contribute to enhancing organizational commitment (Balfour & Wechsler, 1996; Kim, 2005; May, Korczynski, & Frenkel, 2002; Sheridan, 1992; Smith & Peterson, 1988; Vroom & Jago, 1988). For example, Ohana, Meyer, and Swaton (2013) found a positive relationship between procedural justice resulting from participation in decision-making and employees’ affective commitment in social enterprises; and, organizational commitment research has shown that employees are more likely to be committed to their organizations when they are involved in decision-making that influences their daily work (Bhatti & Qureshi, 2007; Hansen & Kjeldsen, 2018; Lines, 2004; Thompson, Buch, & Kuvaas, 2017).

If, indeed, Millennials are more prosocial than other generations, it is reasonable to assume that their level of organizational commitment will more likely be influenced by organizational operations based on shared decision-making practices. In support of this assumption, there have been some studies showing that Millennials prefer participatory and democratic decision-making (Lancaster & Stillman, 2002). Thus, the following hypotheses are offered:

Hypothesis 3: Shared decision-making is associated with an increase in organizational commitment of social enterprise employees.

Hypothesis 4: Millennials’ organizational commitment is more likely (than previous generations) to be influenced by shared decision-making.

The social performance of a social enterprise can be one indicator of the extent to which the organization creates social outcomes. Social enterprises have played an important role in enhancing the financial sustainability of civil society organizations by producing and selling goods and services based on market-oriented revenue generation strategies (Alter, 2006, 2007; Cooney, 2015; Kerlin & Pollak, 2011). These organizations have also helped to create social and public value in instances where the government and market have failed to function sufficiently in offering goods and services (Hansmann, 1979; Weisbord, 1988). These failures have, in many instances, resulted in the emergence of social enterprises (Dees, 2007; Defourny & Nyssens, 2006; Teasdale, 2012; Weisbord, 1988; Williams, 2007).

Thus, by reinvesting their economic surplus for social purposes, social enterprises have played an important role in addressing systemic social problems and creating social and public value, e.g., employment opportunities (Cooney, 2011), social inclusion (Teasdale, 2010), social service provision (Bidet, 2012), local community development (Munoz, Steiner, & Farmer, 2014), and democratic governance (Pestoff & Hulgård, 2016; Rothschild, 2009). In South Korea, in particular, many social enterprises emerged after the Asian financial crisis of 1997 (Park, 2013). These organizations have contributed to enhancing job creation, providing social
services to the disadvantaged, and reinvigorating local communities (Korean Social Enterprise Promotion Agency, 2017).

Some individuals may apply for, and subsequently work in, social enterprises because of the social orientation that these organizations have toward making a difference, contributing to social and public value creation, and bringing about meaningful change in the world. Previous studies have shown that employees tend to be proud to identify with and commit to their organizations when the organization has a positive external reputation and contributes to the local community (Brammer, Millington, & Rayton, 2007; Maignan, & Ferrell, 2001; Peterson, 2004; Turker, 2009). Hence, it is reasonable to assume that the social performance of social enterprises may enhance the organizational commitment of their employees. Millennials, in particular, may be more influenced by this social performance. Thus, we hypothesize that:

Hypothesis 5: A social enterprises social performance is associated with an increase in the organizational commitment of its employees.

Hypothesis 6: Millennials’ organizational commitment is more likely (than previous generations) to be influenced by social performance.

Hypothesis 7: Millennials are more likely (than previous generations) to have higher organizational commitment to social enterprises.

Empirical Strategy

Data and Method

We conducted a mail survey in South Korea in 2011 to collect data on employees working for social enterprises. The survey was distributed to 775 social enterprises, which included the entire population of 501 government-certified social enterprises and 274 of the 309 uncertified social enterprises in the country. A member of the staff from each social enterprise was asked to answer the questionnaire regardless of their position or role within the social enterprise.

Participation in the study was completely voluntary. A total of 200 employees from certified social enterprises (representing a nearly 40% response rate) and 74 employees from uncertified social enterprises (representing a 27% response rate) participated in the survey. The total response rate was 35%. All respondents were guaranteed confidentiality. After excluding surveys with missing information, we retained 249 surveys in the study. Nearly 19% of the surveys were from Millennials and just over 80% were from individuals representing earlier generations. To analyze the data, we estimated a series of ordinary-least squares (OLS) regression models.

Dependent Variable

The dependent variable for this study is organizational commitment. It is measured by the average of three questionnaire items (Cronbach’s alpha=0.91). These items were developed based on Meyer, Allen, and Smith’s (1993) six-item Likert-type scale of affective commitment as well as Ackfeldt and Coote’s (2005) four-item Likert-type scale of affective commitment. Both scales have been widely used and validated to measure affective commitment (Meyer, Allen, & Smith, 2002; Ohana, Meyer, & Swaton, 2013).

The three questionnaire items in our study were: “I feel a strong sense of belonging to this company,” “I feel like part of the family at my organization,” and “My organization has a great deal of personal meaning to me.” Higher Cronbach’s alpha scores indicate more reliable scales. A Cronbach’s alpha of 0.70 and above is generally regarded as having acceptable internal consistency (Reynaldo & Santos, 1999). Thus, our dependent variable has good reliability.
Independent Variables

**Social Purpose, Shared Decision-making, and Social Performance.** To capture a social enterprise’s social orientation, we asked respondents about their social enterprise’s social purpose, shared decision-making processes, and social performance. Responses were measured on a five-point Likert-type scale.

Specifically, social purpose was measured by the average of three questionnaire items (Cronbach’s alpha=0.84). These items were: “Social entrepreneurs working in my organization seek to achieve socially desirable organizational purposes by changing the existing organizational culture in our organization,” “Social entrepreneurs working in my organization seek social purpose as well as economic profits,” and “Social entrepreneurs working in my organization simultaneously seek both the interests of the organization itself and the interests of members involved in the organization and local community where the organization is located.”

Shared decision-making processes were also measured by the average of three questionnaire items (Cronbach’s alpha=0.82). These items were: “In my organization, employees decide on the critical tasks,” “Managers in my organization encourage employees to participate in the decision-making processes,” and “My organization provides employees with an opportunity to suggest new ideas for improvement.”

Social performance was measured by the average of three questionnaire items (Cronbach’s alpha=0.77). The Korean Social Enterprise Promotion Law of 2007 maintains that social enterprises are required to pursue job creation (particularly for the disadvantaged), provide social services, and/or contribute to local community development. Thus, the three items used for this scale were designed to measure a social enterprises social performance based on these legal requirements. These items were: “My organization as a social enterprise provides jobs to the community in which our organization is located,” “My organization as a social enterprise provides social services to local residents,” and “My organization as a social enterprise invests our profit in the realization of social and public purposes.”
### Table 1. Descriptive Statistics for Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Summary Statistics</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational commitment (α=0.91)</td>
<td>M=3.6; SD=0.8</td>
<td>1–5</td>
</tr>
<tr>
<td>Social purpose (α=0.84)</td>
<td>M=4.2; SD=0.6</td>
<td>3–5</td>
</tr>
<tr>
<td>Shared decision-making (α=0.82)</td>
<td>M=3.6; SD=0.7</td>
<td>1–5</td>
</tr>
<tr>
<td>Social performance (α=0.77)</td>
<td>M=4.2; SD=0.6</td>
<td>2–5</td>
</tr>
<tr>
<td>Millennial</td>
<td>Yes=18.9%; No=81.1%</td>
<td>0–1</td>
</tr>
<tr>
<td>Innovation (α=0.74)</td>
<td>M=3.8; SD=0.6</td>
<td>1–5</td>
</tr>
<tr>
<td>Proactiveness (α=0.78)</td>
<td>M=3.7; SD=0.6</td>
<td>1–5</td>
</tr>
<tr>
<td>Risk-taking (α=0.70)</td>
<td>M=2.8; SD=0.7</td>
<td>1–5</td>
</tr>
<tr>
<td>Gender</td>
<td>Male=41.0%; Female=59.0%</td>
<td>0–1</td>
</tr>
<tr>
<td>Education</td>
<td>Below upper secondary=15.3%</td>
<td>1–4</td>
</tr>
<tr>
<td></td>
<td>2-year college=13.7%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>University=57.8%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Graduate school=13.2%</td>
<td></td>
</tr>
<tr>
<td>Tenure</td>
<td>Less than 5 years=72.7%</td>
<td>1–5</td>
</tr>
<tr>
<td></td>
<td>6-10 years=18.9%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>11-15 years=6.0%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>16-20 years=1.2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>21 years and more=1.2%</td>
<td></td>
</tr>
<tr>
<td>Legal type</td>
<td>Profit=33.0%; Nonprofit=67.0%</td>
<td>0–1</td>
</tr>
<tr>
<td>Government-certified social enterprises</td>
<td>Certified=73.0%; Uncertified=23.0%</td>
<td>0–1</td>
</tr>
<tr>
<td>Social enterprise type</td>
<td>Social service provision=8.0%</td>
<td>1–4</td>
</tr>
<tr>
<td></td>
<td>Job creation=50.2%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mixed=36.6%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other=5.2%</td>
<td></td>
</tr>
</tbody>
</table>

Note: M=Mean and SD=Standard Deviation.

**Millennials.** This survey was conducted in 2011. Thus, respondents who identified as being in their twenties at that time were considered, for the purposes of this research, to be Millennials (Howe & Strauss, 2000). We measured “Millennials” as a dummy variable that equaled “1” if respondents were a Millennial and “0” if otherwise.

**Control Variables.** We included several control variables. Building on Helm and Andersson’s (2010) study, we included three types of social entrepreneurship: innovation, proactiveness, and risk-taking. For each type, three items were created, which resulted in a nine-item scale. Responses were measured on a five-point Likert-type scale, 1, 2, 3.

We measured “tenure” as a categorical variable to represent the working duration of individuals (less than five years, between six and 10 years, between 11 and 15 years, between 16 and 20 years, and 21 years and more). “Legal form” was measured as a dummy variable that equals “1” if the social enterprise is a profit organization and “0” if it is a nonprofit organization. We also included a measure to assess whether the organization was a “government-certified social enterprise.” This is measured as a dummy variable that equals “1” if the social enterprise is certified by the national government and “0” if it has not obtained certification. We also included a measure of “social enterprise type,” which indicates a specific organizational social orientation chosen by the social enterprise. This is measured as a categorical variable with values representing social service provision type, job creation type, mixed type, or other type. These types are based on the Korean Social Enterprise Promotion Law’s classification system of social enterprise.

Finally, we included two demographic controls: a dummy variable for “male” (coded as “1”) and a categorical measure of “education” (below upper-secondary, two-year college degree,
university degree, graduate school and more). Figure 1 illustrates our conceptual framework. Descriptive statistics for all variables are reported in Table 1.

Findings

The results are shown in Table 2. Model 1 of Table 2 shows that all three social orientation variables are significant and positively associated with organizational commitment: social purpose ($\beta=0.33, p<0.01$), shared decision-making processes ($\beta=0.23, p<0.01$), and social performance ($\beta=0.15, p<0.1$). The results also show that Millennials working for social enterprises have significantly less organizational commitment than earlier generations ($\beta=-0.22, p<0.1$).

Model 1 of Table 2 also shows that organizational commitment is positively associated with risk-taking, which may lead social enterprises to actively and boldly engage in maximizing profitability rather than attaining stability. Also shown in this model, male employees appear to have higher organizational commitment than female employees; and, as shown, education level has a negative effect on organizational commitment.

In model 2 of Table 2, we divided generations into three groups: Millennials, Generation Xers, and Baby Boomers. The results indicate that all three social orientation variables are still significant and positively associated with organizational commitment: social purpose ($\beta=0.33, p<0.01$), shared decision-making processes ($\beta=0.23, p<0.01$), and social performance ($\beta=0.16, p<0.1$). When considering the effect of generation, the results indicate that Baby Boomers have more organizational commitment than Millennials ($\beta=0.38, p<0.05$). There is, however, no significant difference between Millennials and Generation Xers in terms of their organizational commitment.

To investigate the extent to which Millennials' organizational commitment is influenced by a social enterprise's social orientation, in model 3 of Table 2 we created interaction terms between Millennials and all three social orientation variables. The results show that only the interaction between Millennials and shared decision-making is significant ($\beta=0.31, p<0.1$). No other interactions were significant.

Overall, our results show that social purpose, shared decision-making processes, and social performance are influential factors for determining the level of organizational commitment of social enterprise employees. Moreover, our results suggest that Millennials working for social enterprises have less organizational commitment than earlier generations.

Discussion

This study explored social enterprises' social orientation by focusing on what these organizations pursue—namely, their social purpose, shared decision-making, and social performance. In the study, we sought to understand what causes employees of South Korean social enterprises to commit to their organizations. Our results indicate that a social enterprise’s social orientation has a positive effect on employees’ organizational commitment. This could likely mean that by paying attention to social purpose, emphasizing shared decision-making processes, and demonstrating social performance, employees may commit more to their organizations. These findings align with previous studies that have emphasized the importance of these factors in promoting employees’ organizational commitment.

This study also investigated differences in organizational commitment between Millennials and earlier generations. Our findings demonstrated that Millennials are less likely than Baby
### Table 2. Effects of Social Enterprises’ Social Orientation on Organizational Commitment

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social purpose</td>
<td>0.33***  (0.09)</td>
<td>0.33***  (0.09)</td>
<td>0.33***  (0.10)</td>
</tr>
<tr>
<td>Shared decision-making</td>
<td>0.23***  (0.07)</td>
<td>0.23***  (0.07)</td>
<td>0.17**   (0.08)</td>
</tr>
<tr>
<td>Social performance</td>
<td>0.15*    (0.09)</td>
<td>0.16*    (0.09)</td>
<td>0.17*    (0.10)</td>
</tr>
<tr>
<td>Millennial</td>
<td>-0.22*   (0.12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Millennial * Social purpose</td>
<td></td>
<td></td>
<td>0.01     (0.25)</td>
</tr>
<tr>
<td>Millennial * Shared decision-making</td>
<td></td>
<td></td>
<td>0.31*    (0.18)</td>
</tr>
<tr>
<td>Millennial * Social performance</td>
<td></td>
<td></td>
<td>-0.12    (0.23)</td>
</tr>
<tr>
<td>Generation (ref=Millennials)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Generation Xers</td>
<td></td>
<td></td>
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<tr>
<td>Baby Boomers</td>
<td></td>
<td>0.17     (0.13)</td>
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<tr>
<td></td>
<td></td>
<td>0.38**   (0.16)</td>
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<tr>
<td>Social entrepreneurship</td>
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<td></td>
</tr>
<tr>
<td>Innovation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactiveness</td>
<td>0.09     (0.08)</td>
<td>0.09     (0.08)</td>
<td>0.07     (0.08)</td>
</tr>
<tr>
<td>Risk-taking</td>
<td>0.05     (0.08)</td>
<td>0.06     (0.08)</td>
<td>0.06     (0.08)</td>
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<tr>
<td></td>
<td>0.17**   (0.07)</td>
<td>0.18**   (0.07)</td>
<td>0.17**   (0.07)</td>
</tr>
<tr>
<td>Gender (Male)</td>
<td>0.21**   (0.10)</td>
<td>0.20**   (0.10)</td>
<td>0.21**   (0.10)</td>
</tr>
<tr>
<td>Education (ref= Below upper secondary)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-year college</td>
<td>-0.34**  (0.17)</td>
<td>-0.34*   (0.17)</td>
<td>-0.33*   (0.17)</td>
</tr>
<tr>
<td>University</td>
<td>-0.40*** (0.15)</td>
<td>-0.36**  (0.15)</td>
<td>-0.40*** (0.15)</td>
</tr>
<tr>
<td>Graduate school</td>
<td>-0.32*   (0.18)</td>
<td>-0.27    (0.18)</td>
<td>-0.32*   (0.18)</td>
</tr>
<tr>
<td>Tenure (ref: less than 5 years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6-10 years</td>
<td>0.10     (0.12)</td>
<td>0.09     (0.12)</td>
<td>0.12     (0.12)</td>
</tr>
<tr>
<td>11-15 years</td>
<td>-0.24    (0.20)</td>
<td>-0.23    (0.20)</td>
<td>-0.22    (0.20)</td>
</tr>
<tr>
<td>16-20 years</td>
<td>-0.07    (0.44)</td>
<td>-0.09    (0.43)</td>
<td>-0.04    (0.44)</td>
</tr>
<tr>
<td>21 years and more</td>
<td>0.63     (0.43)</td>
<td>0.47     (0.44)</td>
<td>0.67     (0.43)</td>
</tr>
<tr>
<td>Legal form (For-profit)</td>
<td>0.07     (0.10)</td>
<td>0.09     (0.10)</td>
<td>0.07     (0.10)</td>
</tr>
<tr>
<td>Certification</td>
<td>0.15     (0.11)</td>
<td>0.11     (0.11)</td>
<td>0.14     (0.11)</td>
</tr>
<tr>
<td>Social enterprise type (ref=Social service)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job creation</td>
<td>0.01     (0.18)</td>
<td>-0.00    (0.18)</td>
<td>0.04     (0.19)</td>
</tr>
<tr>
<td>Mixed</td>
<td>0.01     (0.18)</td>
<td>0.00     (0.18)</td>
<td>0.05     (0.19)</td>
</tr>
<tr>
<td>Other</td>
<td>-0.12    (0.27)</td>
<td>-0.10    (0.26)</td>
<td>-0.12    (0.27)</td>
</tr>
<tr>
<td>Constant</td>
<td>-0.03    (0.55)</td>
<td>-0.35    (0.56)</td>
<td>0.11     (0.60)</td>
</tr>
<tr>
<td>Adj-R²</td>
<td>0.26</td>
<td>0.26</td>
<td>0.26</td>
</tr>
<tr>
<td>Observations</td>
<td>249</td>
<td>249</td>
<td>249</td>
</tr>
</tbody>
</table>

Notes: Standard errors in parentheses. Ref=reference category. ***p<0.01, **p<0.05, *p<0.1
Boomers to commit to social enterprises. These findings, in part, lend credibility to previous literature showing that Millennials are more likely than earlier generations to be motivated by empathic considerations, concern for others, and altruism (Twenge, 2006; Twenge, Campbell, & Freeman, 2012; Twenge et al., 2010; Twenge & Kasser, 2013).

We also analyzed the effect of the interaction between a social enterprise’s social orientation and Millennial employees on organizational commitment. The results of this analysis indicated that the interaction term between shared decision-making and Millennial employees was significant and positive. That is, there was a different relationship between shared decision-making and organizational commitment for Millennials when compared with earlier generations. No other interaction terms were significant.

These results may suggest that Millennials are more likely than earlier generations to be influenced by a social enterprise’s shared decision-making processes. However, the findings do not necessarily mean that Millennials are more likely than earlier generations to prefer participatory and collaborative work environments. Indeed, in an online survey of 5,940 U.S. respondents, Millennials were more likely than either Generation Xers or Baby Boomers to prefer their manager’s directives, believing that hierarchical directives were important to the leader’s effectiveness (Deal, Stawiski, Gentry, & Cullen, 2014). Rather, these findings may indicate that Millennials are more likely to thrive in organizations that enable them to participate in value allocation, value creation, and value distribution with substantive power. Future research should examine the extent to which Millennials’ organizational commitment is influenced by their participation and power within organizational decision-making structures.

Interestingly, our results show no significant sector difference in organizational commitment between for-profit and nonprofit social enterprise employees. Previous studies of organizational commitment have presented mixed results in terms of sector differences (e.g., Cho & Lee, 2001; Hansen & Kjeldsen, 2018; Steinhaus & Perry, 1996).

**Limitations and Directions for Future Research**

We advise caution when interpreting the results of the difference between Millennials and earlier generations because of external validity constraints. For example, the definition of Millennials was originally based on the American context; as such, it may not be completely applicable to South Korea—even though previous research has examined Millennial behavior cross-nationally. Still, there are important differences between American and Korean Millennials; and, although these Millennials have lived for the same period of time, they likely have substantially different lived experiences. Future research should examine generations based on these contextual considerations.

There are, of course, other limitations of this study. First, although our measurement of a social enterprise’s social orientation is meaningful, future research with larger samples across countries is needed to confirm the validity of this measure. Additionally, longitudinal data are needed to examine the relationship between a social enterprise’s social orientation and the organizational commitment of employees. Since this study relied on cross-sectional data, we are unable to explain the causal relationship.

Finally, given that all of our measures are from the same survey, there may be a risk of common source bias. To test if this was a concern in our study, we employed Harman’s (1967) approach. The total variance for a single factor is 0.42, which is less than 0.50. That is to say, Harman’s single factor test indicates that common source bias does not affect our data (Fuller, Simmering, Atinc, Atinc, & Babin, 2016; Podsakoff, 2003).
Conclusion

To better understand social enterprises, research has focused on uncovering the macro and external forces that shape these organizations. Little is known, though, about the micro and internal aspects of social enterprises. This study examined social enterprises in South Korea from the perspective of employees. The results demonstrated that a social enterprise’s social orientation (i.e., social purpose, shared decision-making processes, and social performance) is positively associated with the organizational commitment of its employees. Our findings also show that a social enterprise’s legal form has no significant impact on employees’ organizational commitment. These findings contribute to both the social enterprise and organizational commitment literature by uncovering factors that promote the organizational commitment of employees.

By surveying the viewpoints of social enterprise employees, this study uncovers internal aspects of social enterprises, thereby broadening our understanding of these organizations. From a practical perspective, this study provides guidance for HR managers of social enterprises that can be used to promote the organizational commitment of Millennial employees.

Notes

1. Innovation (Cronbach’s alpha=0.74) is measured by: 1) Social entrepreneurs within my organization develop new products or services rather than work efficiently in the conventional way, 2) Social entrepreneurs within my organization increase efficiency and productivity by leading creative and big changes rather than making minor changes to existing policies, services or products, and 3) Social entrepreneurs within my organization induce organizational change by developing new technologies, products, and services within the organization rather than adopting existing best practices.

2. Proactiveness (Cronbach’s alpha=0.78) is measured by 1) Social entrepreneurs within my organization act more proactively than their counterparts rather than acting in response to the initiatives of their peers, 2) Social entrepreneurs within my organization introduce new ways of working or services more proactively than other existing companies, and 3) Social entrepreneurs within my organization are willing to work on new programs that are different from other companies in order to generate profits in the future.

3. Risk-taking (Cronbach’s alpha=0.77) is measured by 1) Social entrepreneurs within my organization generally prefer projects that can create high profitability rather than stability, 2) Regardless of the general practice of peer companies, social entrepreneurs within my organization choose a new business approach to achieve organizational goals even though it requires risk-taking, and 3) Social entrepreneurs within my organization actively and boldly engage in business activities to maximize profits.

Disclosure Statement

The authors declare that there are no conflicts of interest that relate to the research, authorship, or publication of this article.
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