



Organizational Respect as Mediator Between the Ideological Psychological Contract and Workers' Job Satisfaction: Empirical Findings from the Social Enterprise Sector

Juan Pablo Román, Adalgisa Battistelli & Carlo Odoardi

To cite this article: Juan Pablo Román, Adalgisa Battistelli & Carlo Odoardi (2014) Organizational Respect as Mediator Between the Ideological Psychological Contract and Workers' Job Satisfaction: Empirical Findings from the Social Enterprise Sector, Journal of Social Entrepreneurship, 5:1, 107-122, DOI: [10.1080/19420676.2013.851728](https://doi.org/10.1080/19420676.2013.851728)

To link to this article: <https://doi.org/10.1080/19420676.2013.851728>



Published online: 28 Oct 2013.



Submit your article to this journal [↗](#)



Article views: 447



View related articles [↗](#)



View Crossmark data [↗](#)



Citing articles: 2 View citing articles [↗](#)

Organizational Respect as Mediator Between the Ideological Psychological Contract and Workers' Job Satisfaction: Empirical Findings from the Social Enterprise Sector

JUAN PABLO ROMÁN*, ADALGISA BATTISTELLI** & CARLO ODOARDI†

**Department of Organizations and Management, EAFIT University, Medellín, Colombia; **Laboratoire de Psychologie, Santé et qualité de vie, EA 4139, Université Bordeaux, Bordeaux, France; †Department of Psychology, Università di Firenze, Florence, Italy*

ABSTRACT *Corporate scandals, financial crises, and/or management decisions driven exclusively by shareholders' interests have led to massive layoffs. For-profit organizations and employment relationships based on transactional exchanges have been losing credibility. Hence, non-profit organizations, social enterprises, and ideologically driven work contracts are calling the attention of researchers from different disciplines. This paper presents an empirical research on the psychological ideological contents of the employee–employer relationship. The study was conducted in 19 organizations pertaining to the social enterprise sector. Using an exploratory structural equation modeling, the ideological components of the psychological contract and some of its behavioral and attitudinal consequences were explored. The findings suggest that, within social enterprises, the ideological components of the employee–employer relationship have a positive influence on both perceptions of respect and job satisfaction. Finally, theoretical and practical implications, as well as directions for future research on psychological contracts in the social enterprise sector, are presented.*

KEY WORDS: Ideological psychological contract, social enterprise, organizational respect, job satisfaction

Introduction

Social enterprises (SEs) are defined as socially oriented businesses. Their hybrid nature situates them between traditional non-profit organizations and

Correspondence Address: Juan Pablo Román, Carrera 49 N° 7 Sur 50, Medellín, Colombia.
Email: jromanca@eafit.edu.co

for-profit enterprises (Ridley-Duff and Bull, 2011). Different from regular for-profits, SEs are guided by a foundational social mission. This social mission has been defined as the commitment of the organization to respond to human needs (Doherty et al., 2009). Several SE organizational aspects go along with this social duty since these organizations are strongly guided by a distinctive ethos (Bull et al., 2010). In fact, SE scholars have noted that the SE ethos prescribes a number of behavioral patterns (Austin et al., 2006). Still, little empirical research has been done on the pervasiveness of the socially oriented ethos at the human resources (HR) level.

SE theory suggests that the principles that inspire people working in SEs seem to correspond with the organizational social mission. As stated out by Mosca, Musella, and Pastore (2007), SE employees are 'ideologically-minded individuals' (59). They are individuals interested in the social impact of their work (Mosca, Musella, and Pastore, 2007). Put it differently, they become satisfied with their job when they feel that they are contributing to an organizational mission. Thus, one may expect that the reciprocity between the organizational orientation towards the fulfillment of social needs and the interest of workers on the social applicability of their job will lead to positive organizational outcomes.

Up to date, little research has been conducted on the effects of democratic and egalitarian organizational practices on behavioral and attitudinal outcomes (Tortia, 2009). Virtually no SE research has inquired into the psychological consequences of the reciprocity between the perceptions of the SE commitment with the social mission and the emphasis that SE workers put on the social applicability of their job. Conducting empirical researches on the psychological mechanisms through which the organizational and individual ideological orientations lead to positive attitudes can contribute to theory and practice regarding the intangible aspects characterizing SEs. On the one hand, such studies would provide evidence supporting prior theoretical assumptions about the ethical orientation of SE HR. On the other hand, as SEs have to cope with recruitment and retention problems (Tortia, 2009), the empirical results of researches inquiring on HR would give valid directions to SE practitioners.

The purpose of the research presented in this paper was twofold. First, the aim was to validate a psychological construct enabling to explore the reciprocity between the SE commitment towards the social mission and the workers' implication on social organizational goals. In addition, the authors sought to verify the effects of such reciprocity on SE workers' organizational attitudes and well-being. In particular, the authors hypothesized that a positive association between positive perceptions of the SE orientation towards the social mission and workers' implication on the social mission would lead to beliefs of being respected by the organization. In addition, they posited that the belief of being respected by the SE would have a positive effect on workers' job satisfaction. To gather data to test these hypotheses, 19 Italian SEs were contacted. Since Italian SEs have a relative long experience on managing HR (Thomas, 2004), the results of this research may interest scholars and practitioners abroad.

The Ideological Orientation Within Social Enterprises

The theoretical assumptions and empirical evidences cited so far suggest that SE workers establish a special kind of bond with the organization. SE literature describes them as highly inspired and motivated employees (Thomas, 2004). It seems that the relationship between SE employees and their organizations relies on ideological grounds. In fact, an econometric study conducted in a myriad of SEs concluded that some ideological aspects (i.e. sharing the enterprise aims) contribute to employees' compensation (Mosca, Musella, and Pastore, 2007). The authors of this paper contend that work and organizational psychology has the possibility to further these research findings.

Psychological theory and research in the for-profit sector support these findings by asserting that the employer–employee exchange is partially based on their professional ideology (Bunderson, 2001; Rousseau, 2001). Developing Bunderson's (2001) findings, and based on the seminal work of Barnard (1938), Thompson and Bunderson (2003) suggested that value-driven bonds to a valued social cause could lead to intra-organizational cooperation and organizational survival. In short, psychological contracts (PC) would be partially premised on ideology (Thompson and Bunderson, 2003) and would have positive organizational outcomes. The statement of Bunderson (2001) and Rousseau (2001) about the ideological components shaping the employee–organization relationship is based on prior theory on PCs developed by Rousseau (1989). According to Rousseau (1989), employee–employer relationships give rise to unwritten PCs. The contents of these contracts are supported by the workers' beliefs in an obligated reciprocity. The terms or contents of PCs are composed of the reciprocal obligations that both parties have in regard to the other. Based on the norm of reciprocity, some employees believe that there is more than an economic retribution in exchange for their job. Thus, socioemotional exchanges would also make part of the employment relation (Rousseau, 1989). Thompson and Bunderson (2003) proposed that besides emotional and transactional terms, PCs could also be 'written' or composed of perceived reciprocal ideological obligations. They named this particular aspect of the employee–employer relationship, the ideological psychological contract (IPC) (Thompson and Bunderson, 2003). The IPC is theoretically related to covenantal exchanges (Thompson and Bunderson, 2003). However, according to Van Dyne, Graham, and Dienesch (1994), unlike PCs, covenantal exchanges involve values. Certainly, the assumption of Van Dyne, Graham, and Dienesch (1994) could be accurate to describe work relationships within for-profit enterprises. In this organizational setting, transactional relationships are easily differentiable from value-driven exchanges. However, given the hybrid nature of SEs and their strong organizational cultures, it is likely that ideological drives constitute the PC. Thus, it would be suitable to use the PC theory in order to explore the ideological features of the SE–employee exchange.

It seems, then, that the IPC is a suitable construct to understand their employment relationship and the effects that the ideological exchange has on their attitudes and well-being. Studies on the PC of volunteers and their

orientation towards values and intangible benefits have shed light over the importance of values for the development of a positive employer–employee relationship (Farmer and Fedor, 1999; Vantilborgh et al., 2013). These aspects need to be studied in the SE sector. The PC framework offers a solid theoretical background to scholars interested in the ideological drives of SE workers. Recently, some operationalizations of the IPC have been developed (Bingham, 2005; Bal and Vink, 2011). Bingham (2005) created and validated an instrument measuring the PCs ideological dimension. Inspired by PCs theory, Bingham (2005) demonstrated the independence of the ideological dimension from the relational and transactional PCs. He studied both the content and fulfillment of the IPC and showed how emotional, economic, and ideological PC constructs have specific effects on different organizational outcomes (Bingham, 2005). Following Bingham's (2005) operationalization, Vantilborgh et al. (2013) studied the IPC in a sample of volunteers. However, up to date, the IPC of SE paid workers has not been studied.

The notion developed by Thompson and Bunderson (2003), as operationalized by Bingham (2005), seems to be a suitable operationalization to explore SE workers' perceptions of the obligations regarding the organizational social mission. The IPC can help to study the type of link between ideological employer and employee obligations and its effect on workers' attitudes and well-being. Furthermore, since the psychological contract theory can be used to study work relationships ranging from those of paid staff to those of volunteers (Farmer and Fedor, 1999), it could help to understand the ideological obligations of both SEs and workers.

Given its solid theoretical foundations, the IPC seems to be a proper approach to explore the role of commitment to the social cause (i.e. the ideological terms) in the SE–employee exchange. As mentioned before, commitment to ideology is increasingly calling the attention of SE researchers from different countries (Amin, 2009). Despite the lack of psychological research in the SE sector, the awareness of the fact that SEs 'are grounded in their members' values and passions', and that these enterprises 'are the organizational expression of their members' ethical stance toward the world' (Rothschild and Milofsky, 2006, 137) is growing among SE scholars. By shedding light on the importance of ideology in the SE–employee exchange, studies on the content of the ideological obligations in SEs using a quantitative approach could complement the findings of studies that inquired the effects of fairness on SE workers' well-being (Tortia, 2009; Mosca, Musella, and Pastore, 2007).

The authors of this paper chose to investigate the content (i.e. reciprocal obligations) rather than the fulfillment or breach of the IPC of SEs for two reasons. On the one hand, this decision goes along with the exploratory nature of the study. The authors contend that, given that virtually no research has investigated the reciprocal ideological obligations in the SE sector, a first step should consist of assessing if this type of PC is empirically verifiable in the sector. On the other hand, the content of the IPC was preferred over its fulfillment or breach because the degree of attachment to a social cause may not rely just on prior organizational interactions. Actually, sometimes

workers' commitment to the social mission precedes the organizational membership (Bingham, 2005). Thus, to some extent, workers' ideological obligations may be independent of their experiences in a determined organizational environment. In this vein, and following the analyses conducted in previous research on the IPC, the authors did not hypothesize causal relationships between ideological obligations but the fact that the ideological components of the IPC would act as covariates.

Based on the previous statements regarding the importance of ideology within SEs and the usefulness of the IPC in order to explore the ideological contents of the SE–employee exchange, the authors propose a first research hypothesis.

H1: The IPC of people working in SEs comprises employer–employee obligations to follow the social organizational mission, with a high degree of reciprocity existing between these two groups' ideological obligations (i.e. the employer's and the employee's obligations).

Job Satisfaction of SE Workers

SE researchers have demonstrated that most SEs are unable to offer competitive wages (Mosca, Musella, and Pastore, 2007; Tortia, 2009). This may be the cause of the recruitment and retention problems that SEs have to face with (Imperatori and Ruta, 2006). In this vein, some SE practitioners suggest the adoption of specific managerial approaches that reinforce the commitment of workers to the social cause (Austin et al., 2006). HR practices that fulfill workers' non-monetary motivations could help to cope with SE recruitment and retention issues. According to Tortia (2009), this kind of organizational inputs (i.e. non-monetary compensations) positively affects SE workers well-being intended as job satisfaction. Job satisfaction refers to a positive emotional state resulting from the assessment of working conditions (Locke, 1969). It can also be defined as 'an internal state that is expressed by affectively and/or cognitively evaluating an experienced job with some degree of favor or disfavor' (Brief, 1998). In particular, SE researchers have shown how perceived procedural fairness, a proxy variable of non-monetary remunerations that points at the founding principles of SEs, is positively correlated with job satisfaction (Tortia, 2009; Mosca, Musella, and Pastore, 2007). The later results might disclose further research questions, namely, if commitment and inaction of ideological organizational frameworks, such as the social organizational mission, influence workers' job satisfaction. Different from procedural fairness as studied in the SE sector, where individual perceptions of justice about organizational procedures are deemed to be intrinsic workers' needs (Tortia, 2009), constructs like the IPC help to focus on how the SE–employee exchange is shaped by commitment to ideological referents represented and prompted by the organization.

To respond to the research question just enunciated, the study presented in this paper inquired first on the psychological mechanisms through which workers' perception of SEs' commitment to the social mission promotes their

own attachment to the same cause needs to be previously examined. Further, following the proposition developed in the next section of the paper, the study examined one of the psychological mechanisms through which the ideological terms of the SE–employee exchange enhanced workers' job satisfaction.

Ideology and Respect

SE literature emphasizes that, in general, SEs' employees are highly driven by ideological motivations. Having ideological profile, people working in SEs experience positive emotional states, attitudes, and behaviors, especially when they perceive real commitment from the organization to resolve social needs. Hence, a positive interplay between workers and organizational ideological obligations may enhance beliefs of being respected by the organization. In turn, beliefs of being respected by the organization may enhance workers' positive evaluations of their work experience (i.e. job satisfaction). Organizational respect is an evaluation of the status that one has within the organization and helps to assess the favorability of one's relationship with it (Tyler and Blader, 2002). According to Tyler and Blader (2002), when an employee perceives that they are supported by the organization, they feel appreciated and valued as members of the organization. Moreover, the idea of being respected by the organization seems to play a key role on workers' motivation (Tyler and Blader, 2002) and attitudes with regard to the organization. Boezeman and Ellemers (2007) recently showed that, along with pride, the belief of being respected by the organization positively predicted volunteer's organizational commitment and intention to remain in the organization. However, little empirical research examines both the ideological antecedents and the organizational outcomes of respect. This research lack is greater in the SE sector. This is surprising given the fact that SE workers' ideology-based loyalty sometimes exceeds organizational fidelity. In this sense, Imperatori and Ruta (2006) argue that personal identification with the social mission of the organization is an important asset for SEs to recruit, motivate, and retain personnel. Further, this kind of compensation helps to customize the job offer according to the specific needs of people (Imperatori and Ruta, 2006). To date, mediating psychological mechanisms between obligations with regard to the social mission and organizational outcomes have not been tested (Bingham, 2005). Therefore, introducing respect as a mediator of the effect of IPC on organizational outcomes helps to develop IPC theory.

These assumptions lead to the following hypotheses.

H2a-b: Because of their interdependence (H1), the ideological obligations of the SE and those of the employees have a positive and significant effect on their belief of being respected by the organization.

H3: Organizational respect has a positive significant effect on workers' job satisfaction.

Globally, the propositions made so far compose the hypothesized full mediation model (Figure 1). The hypothesized model is summarized in the last hypothesis of the study.

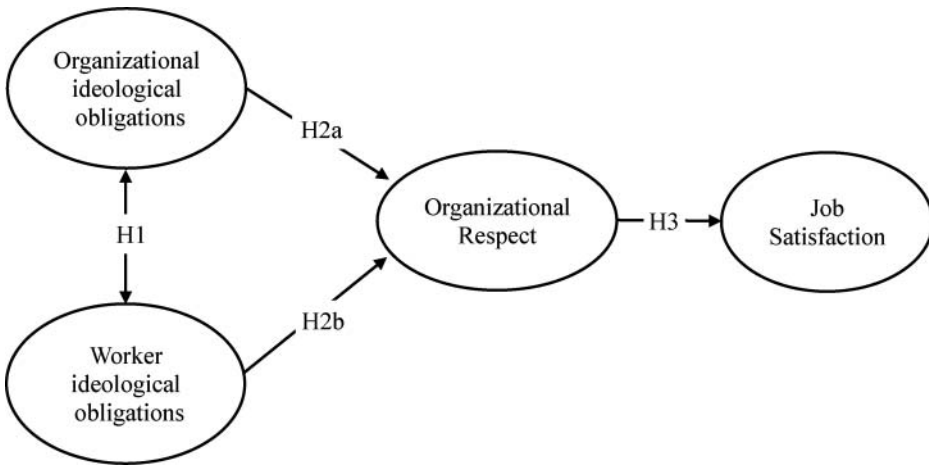


Figure 1. ESEM theoretical full mediation model

H4: The interdependence between workers and ideological obligations of SEs has a significant indirect effect – through organizational respect – over the workers’ job satisfaction.

Method

Sample and Procedure

The questionnaire was back-translated by independent translators. To assess the suitability of the questionnaire to the organizational context, two focus groups were conducted with the directors of the participating organizations. A total of 19 Italian SEs responded positively to the survey. The participants voluntarily answered the survey. They completed 382 questionnaires, representing a response rate of 74%. Approximately 72% of the participants were women. Their ages ranged from 19 to 76 years. Average tenure of participants was 6 years. Nearly 68% of the organizations that participated in the study offer social services while 32% are work integration social enterprises (WISEs). The sample was composed of 3 microenterprises and 16 small enterprises. The classification of the SE by organizational size follows the European Union criteria.

Measures

Bingham’s (2005) instrument was used to measure the IPC. This measure has been used in work and organizational psychological research (Vantilborgh et al., 2013). Although Bal and Vink’s (2011) IPC scales have been recently validated in Europe, their items were designed to measure specific features of the IPC within educational institutions. Conversely, Bingham’s instrument was considered more suitable to measure the ideological obligations of workers and organizations running a wider range of activities. This instrument comprised two self-report scales using a five-point Likert scale ($\alpha = 0.94$).

Each IPC scale has seven items (Bingham, 2005). The first scale (ideological obligations of the SE, IPCOO) examines workers regarding the organization's obligations with regard to the organizational social mission. The second scale (ideological obligations of workers, IPCWO) measures the perception of workers with regard to their ideological obligations. The IPC measure began with the following statement: 'Many organizations today adopt a mission or set of enduring principles believed to benefit society, beyond striving for successful financial performance'. Having into account this mission or set of principles, to what extent do you agree with the following statements? In addition, while the IPCOO scale was preceded by the header 'Our SE is obligated to,' the IPCWO was introduced by the statement 'As worker of our SE I feel I'm obligated to.' Examples of items are 'contribute to the stated cause'; 'maintain company culture that promotes our corporate principles'; 'act as a public advocate of the espoused cause.'

Workers' feelings of being respected by the organization were measured using an adapted version of the autonomous respect scale developed by Tyler and Blader (2002). Previous research has showed good reliability indices for this three-item measure. The scale obtained $\alpha = 0.84$ in Boezeman and Ellemers' (2007) study and $\alpha = 0.95$ in Tyler and Blader's (2002) research. Sample items are 'I feel respected as an employee by our SE' and 'The SE cares about my opinion as an employee.'

Finally, a reduced version of the professional status subscale of Stamp's (1997) index of work satisfaction (IWS) was used to measure SE workers' satisfaction. The instrument has good reliability coefficients ($\alpha = 0.82\text{--}0.91$; Stamps, 1997). Professional status relates to the overall importance or significance felt about the job, both in own view and in the view of others. The IWS has been widely used at the international level in order to measure job satisfaction within health services institutions. This measure was selected because of the high number of organizations pertaining to the social services sector.

Analysis

The covariance-based structural equation modeling (SEM) technique was used for data analyses. SEM is a traditional approach in social sciences and psychological research. Unlike previous linear regression analyses, SEM allows simultaneous testing of complex relationships between latent variables. Mplus (version 6.1) was used for data analyses. The former allows testing exploratory structural equation models (ESEMs), whereas regular SEM models are mostly confirmatory, with ESEM it is possible to test models that contain exploratory portions (Asparouhov and Muthén, 2009). Within the ESEM approach, the observable variables of the exploratory constructs are relaxed and freed to load on all factors. In addition, the exploratory factors are allowed to correlate in order to assess the strength of the relationship between them. Because ESEM tests simultaneously all the paths composing the theoretical model, and given the fact that the subsequent paths emerge from two exogenous variables that covariate, model fit indexes assess the

effect of the relationship between the exogenous variables on the endogenous variables. According to the goodness of model fit indexes and the significance of factor loadings, the researcher must evaluate the number constructs and items to be retained in the model. The ESEM analytical approach was chosen in accordance to the exploratory and confirmatory nature of the research presented here. More specifically, ESEM provided the statistical framework to explore the psychometric properties of the IPC measure and, at the same time, to verify some of the outcomes resulting from the interdependence between ideological obligations. Furthermore, as within the ESEM approach the exploratory factors may be specified as covariates, this type of SEM allows the analysis of the reciprocity between IPCOO and IPCWO.

The maximum likelihood (ML) estimation method was used. In addition to the hypothesized model (M2), two different ESEMs with 1 (M1) and 3 (M3) IPC factors and a full mediation ESEM were tested. ESEMs with 1 and 3 IPC factors were tested in order to validate the exploratory factor analysis portion of the theoretical model. Comparison with competing models is recommended when testing SEM models. In particular, these analyses provide further evidence of the fact that the observable variables saturate in not more/not less than in two different IPCs as posited in H1. Goodness-of-fit indexes and parameter estimates, including mediation effects, were analyzed for each model. In particular, the chi-square statistic (χ^2), the comparative fit index (CFI), the Tucker–Lewis index (TLI), the root mean square error of approximation index (RMSEA), and the standardized root mean square residual index (SRMR) were used to assess the goodness of fit of the three specified models. According to Hu and Bentler (1999), the cut-off value for both the CFI and the TLI is 0.95. For the SRMR, values <0.08 suggest good model fit (Hu and Bentler, 1999). On the other hand, Browne and Cudeck (1993) consider RMSEA <0.08 as an acceptable value for model fit. With regard to χ^2 , several authors indicate that this index has high sensibility to multivariate normality and sample sizes. This χ^2 feature may cause uncertainty when deciding about the adequateness of a determined model (Hu and Bentler, 1999). Rather, in this study, the χ^2/df ratio test was used to analyze the goodness of fit of each competing model. A χ^2/df ratio of less than 3.0 has been suggested as a measure of good fit to the data (Kline, 2011). The Sobel test was conducted to evaluate the specific indirect effects present in the model with better fit to the data. Bootstrap confidence intervals were not considered to this end since the bootstrapped resampling method is not available for SEM models with exploratory factors.

In addition, a predictive fit index was used to compare the model with different number of exploratory factors. Under these conditions (i.e. different number of latent variables, same amount of manifest variables), the use of the Satorra–Bentler difference test is restricted. Instead, the Akaike information criterion (AIC) was observed in order to choose between ESEMs with one, two, and three exploratory factors. Remarkably, the model with smaller AIC is more likely to replicate (Kline, 2011). Next, a partial mediation model (M4) was compared with the full mediation hypothesized model (M2). The Satorra–Bentler difference chi-square test (χ^2_{diff}) was applied with this aim.

Finally, the retained model was controlled for several demographic and organizational variables. Further analyses were carried out to control common method variance since all used measures were self-reported. Common method variance is the ‘variance that is attributable to the measurement method rather than to the constructs the measures represent’ (Podsakoff et al., 2003, 879). To examine the influence of control variables on the model, several dummy variables were created. Next, by adding one path at a time to the model with better fit, the outcome variable and the mediator were regressed on gender, tenure, type of organizational affiliation (meaning if the worker was associated to the SE or not), type of SE (i.e. whether a social service or work integration SE), and organizational size. At last, a common method factor was added to the confirmatory portion of the model. Hence, as a statistical *ex post* remedy to control for common method variance, a factor was added to the model without any correlation with the theorized constructs. Then, all questionnaire items were constrained to additionally load in the common method variance factor. At the end, the mean of the variance explained by the common method factor in all items was calculated and weighted.

Results

With respect to the confirmatory section of the theoretical model, two items corresponding to organizational respect resulted homogeneous (correlation over 0.8). As no problems of discriminant validity were found in the confirmatory section of the ESEM, meaning that no unidimensionality issues were detected for respect, these two items were parceled (Kline, 2011). The next step of the analysis consisted of comparing three ESEMs having 1–3 from one to three exploratory factors. This procedure was adopted in order to provide initial evidence of the better fit of the hypothesized ESEM with two exploratory factors (see Figure 1). Noteworthy, the specification of the ESEM with three exploratory factors resulted in a non-convergent model. Conversely, the one-exploratory-factor ESEM was identified. However, the goodness-of-fit indexes, especially the χ^2/df ratio, showed a scarce fit for this model. In fact, when compared with the two-exploratory-factor model, the former obtained a higher AIC (see Table 1). In consequence, from the three

Table 1. ESEMs goodness-of-fit indexes and Satorra–Bentler difference test

Model	χ^2	<i>df</i>	RMSEA	CFI	TFI	SRMR	AIC
Model 1	480.80	102	1.0	0.91	0.90	0.06	11,484.51
Model 2	260.85	92	0.07	0.96	0.95	0.06	11,284.56
Model 4	246.47	90	0.07	0.96	0.95	0.04	11,274.19
Comparison	$\chi^{2\text{diff}}$	<i>df</i>	<i>p</i> value				
2 versus 4	39.34	2	<0.01				

Note: *n* = 382; ML maximum likelihood estimation; CF-varimax (oblique).

initial competing models, the two exploratory factors were retained as the model with better fit. Both factors, named IPCOO and IPCWO, obtained good reliability indexes: $\alpha > 0.90$. These results are congruent with the factor structure found by Bingham (2005) in his validation of the IPC form scale. Moreover, these results provide initial support for the H1 of the present study. That is to say, the IPC of the SE workers seems to be confirmed by both the ideological organizational obligations and the workers ideological obligations.

Next, the two-exploratory-factor total mediation ESEM retained so far was compared with a partial mediation ESEM. At first glance, the latter obtained better goodness-of-fit indexes than the former. To confirm this result, the χ^2_{diff} test was conducted. The Satorra–Bentler test confirmed a better fit to the data for the partial mediation ESEM. However, the direct paths from IPCOO to job satisfaction, and from IPCWO to the same outcome variable resulted non-significant ($\beta = 0.07$, $p > 0.05$ and $\beta = 0.12$, $p > 0.05$, respectively). Further support for the full-mediated relation between the predictors and the criterion variable was found examining the specific indirect effects. Summarizing, both indirect effects were significant. In particular, the indirect effect of IPCOO on job satisfaction ($z = 0.08$, $p < 0.05$) was smaller than the indirect influence of IPCWO on the same outcome variable ($z = 0.17$, $p < 0.01$).

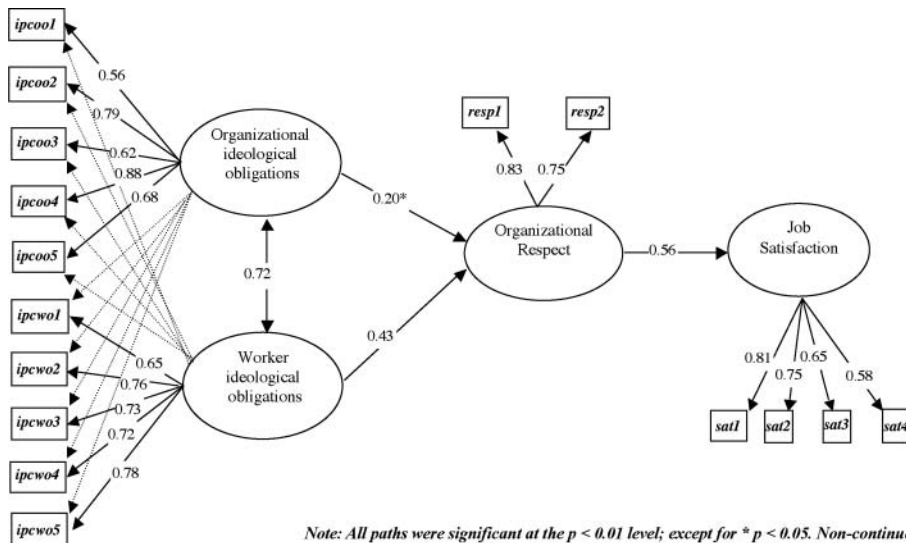
Having into account the prior results and the good values obtained by the partial mediation ESEM in all goodness-of-fit indexes, the theoretical model was retained as the ESEM that better fitted the data. Then, the model was controlled for demographic and organizational variables. Only tenure had a significant influence on organizational respect ($\beta = -0.01$, $p = 0.05$). Although the introduction of this path furnished an improved model fit ($\chi^2 = 223.01_{df\ 107}$; $p < 0.01$; RMSEA = 0.06; CFI = 0.96; TLI = 0.95; SRMR = 0.05), it also implied a number of weird estimates or Heywood cases (Kline, 2011). Hence, the model was rejected and the significant effect of tenure on organizational respect was disregarded. As for the influence of control variables on job satisfaction, only gender had a significant effect ($\beta = -0.11$, $p > 0.01$). However, the new parameter led to an impoverished model fit ($\chi^2 = 358.98_{df\ 107}$; $p < 0.01$; RMSEA = 0.08; CFI = 0.92; TLI = 0.90; SRMR = 0.05) and generated weird parameters estimates. This result supports prior research findings based on traditional regression analyses. Particularly, those of Tortia (2009), according to which, regarding job satisfaction in Italian SEs, there is no difference between genders.

Once verified the eventual influences of control variables on the dependent variables of the model, the influence of the use of common method measurement techniques was tested. With this aim and considering that the retained model had two exploratory factors as predictor variables, a confirmatory factor analysis implicating exclusively the mediator, the outcome variables, and additional method factor was conducted. After further analyses, previously explained in the analysis section of this paper, it was possible to establish that on average, the method factor explained a small portion (17%) of the variance of all the observable variables. Hence, it was possible to conclude that the use

of common method measurement techniques accounted for only a small portion of the explained variance.

Globally, the parameter estimates support all the hypothesis of the study (see Figure 2). Although the error term of sat4 would suggest discarding this item, two considerations led to maintain this observable variable. On the one hand, the corresponding factor loading was moderated and resulted significant ($\beta = 0.58, p < 0.01$). In addition, the elimination of sat4 did not significantly change the model's fit ($\chi^2 = 232.04_{df\ 78}$; RMSEA = 0.07; CFI = 0.96; TLI = 0.95; SRMR = 0.05), nor affected the other parameter estimates. The parameter estimates that corresponded to the relation between IPCOO and IPCWO indicated that, as asserted in H1, the ideological organizational obligations and the workers' ideological obligations were positively and highly interdependent constructs. Although this standardized coefficient is high, according to Hair et al. (2008), latent variable correlations under 0.8 do not necessarily indicate discriminant validity issues. In consequence, this finding sums empirical generalizable evidence to prior studies asserting that SE workers tend to identify with the social cause represented by the organization (Austin et al., 2006) and 'that social and community benefit is the key motivator for those working for social enterprises' (Bull et al., 2010).

In addition, the other parameter estimates of the ESEM (Figure 2) support the last two research hypotheses. Given the positive interdependence between IPCOO and IPCWO, the IPC of SE workers exerts a positive influence on workers' perceptions on organizational respect. In other words, when the employee perceives that the SE is truthful to the social mission and the worker



*Note: All paths were significant at the $p < 0.01$ level; except for * $p < 0.05$. Non-continuous arrows in the exploratory portion of the model show that, contrary to the confirmatory section of the ESEM, factor loadings were not constrained to load in one factor. Non continuous paths resulted in weak or non significant factor loadings. For the sake of parsimony, error terms were not represented in figure 2.*

Figure 2. Retained exploratory structural equation model

feels obligated with regard to the organizational social goal, the employee feels respected by the SE (H2). Moreover, perceived organizational respect showed a positive effect on job satisfaction (H3). Thus, as indicated by the significance of the model's indirect effects, and the absence of direct paths between the predictors and the outcome variable, organizational respect mediates the positive influence of the interdependence between organizational and worker's ideological obligations on job satisfaction (H4). This results contrast prior ethnographic work stating that 'people chose to work in the social economy because of an ethical commitment to its values or because it offers better job satisfaction' (Amin, 2009). The empirical findings presented here are contrasting since, from a quantitative approach, they propose not an excluding but a causal relationship between these two work *leitmotifs*. Briefly, the results presented up to here suggest instead that employees work in SEs because they perceive that the latter are truthful to their social orientation, an ideological commitment to the social cause that in consequence makes more satisfied workers.

Finally, the findings presented in this paper complement prior quantitative research results. Although apparently, the interdependence between IPCOO and IPCWO did not explain a high amount of variance of the mediator ($R^2 = 0.39$, $p < 0.01$) and the outcome variable ($R^2 = 0.33$, $p < 0.01$), these predictors overcame other PC variables in explaining job satisfaction ($R^2 = 0.04$, $p < 0.01$; Cavanaugh and Noe, 1999). Moreover, the findings extracted from the analyses described above (ESEM) support prior quantitative research results outlining the influence of principle-based organizational activities on SE workers' job satisfaction. In view of these contrasting evidences on the effects of perceived justice on job satisfaction, the results presented here can offer additional insights.

Discussion

Research on SE HR management is still scarce. As a result, little is known about the motivation and expectations of people working in SEs (Amin, 2009). The relative lack of knowledge on the psychosocial dynamics having place in these organizations may respond, at least in part, to methodological difficulties in operationalizing the values, passions, and ethics of their employees (Rothschild and Milofsky, 2006).

In particular, the exploratory findings presented in this paper support prior theoretical statements about the ideological orientation of SE workers. By validating a scale that allows assessing the reciprocity between organizational and employees' ideological obligations, this study suggests new avenues to understand and to measure the ideological orientation of SE workers. Similarly, by validating a model in which organizational respect acted as a mediator, the research presented here provides further empirical evidence to the understanding of the psychological processes leading to SE workers' job satisfaction and well-being. Furthermore, as these empirical findings put forward some evidence of the psychological traits of people working in this type of

organization, this paper helps to the development of a clear theoretical definition of the SE.

Practical Implications

The results presented in this paper have two main practical applications. On the one hand, private and public donators demand evidence of the social application resources provided to SEs. In this vein, perceptions on ideological organizational obligations could be used as proxies of the SE's commitment to the social mission. In fact, many SE practitioners are concerned by the difficulty of measuring and communicating social value creation. On the other hand, this paper may interest SE practitioners given the HR managerial know-how of Italian SEs (Thomas, 2004). The empirical findings suggesting the importance of ideology and respect in enhancing Italian SE workers' job satisfaction support this theoretical assertion. This practical implication could be especially useful within SEs where the social mission is often dulled by professional managerial approaches (Austin et al., 2006). Certainly, in the SE sector some retention issues can arise from an extreme business orientation (Trivedi and Stokols, 2011).

Limitations and Future Research

Finally, so as to offer more understanding on the ideological orientation of SE workers and its related organizational outcomes, future research should investigate other types of relationships between organizational and workers' ideological obligations. For instance, future studies could inquire on the causal relationship between ideological inducements and obligations. Further knowledge of how ideological obligations relate between them could offer more detailed understanding on how this link affects workers' attitudes and behaviors. Still, different from the present study, these investigations should adopt longitudinal designs.

At last, future SE research may inquire more widely on the influence of the IPC on other organizational outcomes. Thus, these studies could shed light over the relationships between non-monetary compensations and extra-role/collaborative behaviors within SEs. In face of lower wage rates and the importance of extra-role/collaborative behaviors for SEs, such studies would have non-negligible practical implications. Now, in order to understand the actual influence of ideology in these matters, transactional and relational exchanges should be considered as well.

References

- Amin, A. 2009. "Extraordinarily Ordinary: Working in the Social Economy." *Social Enterprise Journal* 5 (1): 30–49.
- Asparouhov, T., and B. Muthén. 2009. "Exploratory Structural Equation Modeling." *Structural Equation Modeling* 16 (3): 397–438.

- Austin, J., R. Gutierrez, E. Ogliastri, and R. Reficco. 2006. *Effective Management of Social Enterprises*. Cambridge, MA: David Rockefeller Center Series on Latin American Studies, Harvard University.
- Bal, P. M., and R. Vink. 2011. "Ideological Currency in Psychological Contracts: The Role of Team Relationships in a Reciprocity Perspective." *International Journal of Human Resource Management* 22 (13): 2794–2817.
- Barnard, C. I. 1938. *The Functions of the Executive*. Cambridge, MA: Harvard University Press.
- Bingham, J. B. 2005. "Multiple Obligations: Distinguishing the Dimensionality and Confirming the Role of Ideology Within the Psychological Contract Framework." Unpublished doctoral diss., Texas A&M University, Galveston, TX.
- Boezeman, E. J., and N. Ellemers. 2007. "Volunteering for Charity: Pride, Respect, and the Commitment of Volunteers." *Journal of Applied Psychology* 92 (3): 771–785.
- Bull, M., R. Ridley-Duff, D. Foster, and P. Seanor. 2010. "Conceptualising Ethical Capital in Social Enterprise." *Social Enterprise Journal* 6 (3): 250–264.
- Bunderson, J. S. 2001. "How Work Ideologies Shape the Psychological Contracts of Professional Employees: Doctors' Responses to Perceived Breach." *Journal of Organizational Behavior* 22 (7): 717–741.
- Brief, A. P. 1998. *Attitudes in and Around Organizations*. Thousand Oaks, CA: Sage.
- Browne, M. W., and Cudeck, R. 1993. "Alternative ways of assessing model fit." In *Testing Structural Equation Models*, edited by K. Bollen and J. Long, 136–162. Newbury Park, CA: Sage.
- Cavanaugh, M. A., and R. A. Noe. 1999. "Antecedents and Consequences of Relational Components of the New Psychological Contract." *Journal of Organizational Behavior* 20 (3), 323–340.
- Doherty, B., G. Foster, C. Mason, K. Meehan, N. Rotheroe, and M. Royce. 2009. *Management for Social Enterprise*, 246. London: Sage.
- Farmer, S. M., and D. B. Fedor. 1999. "Volunteer Participation and Withdrawal: A Psychological Contract Perspective on the Role of Expectations and Organizational Support." *Nonprofit Management and Leadership* 9 (4): 349–367.
- Hair, J., R. Anderson, R. Tatham, and W. Black. 2008. *Análisis Multivariante*. Madrid: Prentice Hall.
- Hu, L. T., and P. M. Bentler. 1999. "Cutoff Criteria for Fit Indices in Covariance Structure Analysis: Conventional Criteria Versus New Alternatives." *Structural Equation Modeling* 6 (1): 1–55.
- Imperator, B., and D. Ruta. 2006. "Organizing a Social Enterprise." In *The New Social Entrepreneurship: What Awaits Social Entrepreneurial Ventures?*, edited by F. Perrini, 105–121. Cheltenham: Edward Elgar.
- Kline, R. B. 2011. *Principles and Practices of Structural Equation Modeling*. New York: The Guilford Press.
- Locke, E. A. 1969. "What is Job Satisfaction?" *Organizational Behaviour and Human Performance* 4 (4): 309–336.
- Mosca, M., M. Musella, and F. Pastore. 2007. "Relational Goods, Monitoring and Non-Pecuniary Compensations in the Nonprofit Sector: The Case of the Italian Social Services." *Annals of Public and Cooperative Economics* 78 (1): 57–86.
- Podsakoff, P. M., S. B. MacKenzie, J. Y. Lee, and N. P. Podsakoff. 2003. "Common Method Biases in Behavioral Research: A Critical Review of the Literature and Recommended Remedies." *Journal of Applied Psychology* 88 (5): 879–903.
- Ridley-Duff, R., and M. Bull. 2011. *Understanding Social Enterprise: Theory and Practice*. London: Sage.
- Rothschild, J., and C. Miloksky. 2006. "The Centrality of Values, Passions, and Ethics in the Nonprofit Sector." *Nonprofit Management and Leadership* 17 (2): 137–143.
- Rousseau, D. M. 1989. "Psychological and Implied Contracts in Organizations." *Employee Responsibilities and Rights Journal* 2 (2): 121–139.
- Rousseau, D. M. 2001. "Schema, Promise and Mutuality: The Building Blocks of the Psychological Contract." *Journal of Occupational and Organizational Psychology* 74: 511–541.
- Stamps, P. 1997. *Nurses and Work Satisfaction: An Index for Measurement*. Chicago, IL: Health Administration Press.
- Thomas, A. 2004. "The Rise of Social Cooperatives in Italy." *Voluntas* 15 (3): 243–263.
- Thompson, J. A., and J. S. Bunderson. 2003. "Violations of Principle: Ideological Currency in the Psychological Contract." *Academy of Management Review* 28 (4): 571–586.
- Tortia, E. 2009. "Perceived Fairness and Worker Well-Being in Public, For-Profit and Nonprofit Firms: Evidence From the Italian Social Service Sector." In *Paid and Unpaid Labour in the Social Economy*, edited by S. Destefanis, and M. Mussella, 97–114. Heidelberg: Physica-Verlag.

- Trivedi, C., and D. Stokols. 2011. "Social Enterprises and Corporate Enterprises: Fundamental Differences and Defining Features." *Journal of Entrepreneurship* 20 (1): 1–32.
- Tyler, T. R., and S. L. Blader 2002. "Autonomous vs. Comparative Status: Must We be Better Than Others to Feel Good About Ourselves?" *Organizational Behavior and Human Decision Processes* 89 (1): 813–838.
- Van Dyne, L., J. W. Graham, and R. M. Dienesch. 1994. "Organizational Citizenship Behavior: Construct Redefinition, Measurement, and Validation." *Academy of Management Journal* 37 (4): 765–802.
- Vantilborgh, T., J. Bidee, R. Pepermans, J. Willems, G. Huybrechts, and M. Jegers. 2013. "Effects of Ideological and Relational Psychological Contract Breach and Fulfillment on Volunteers' Work Effort." *European Journal of Work & Organizational Psychology*, doi:10.1080/1359432X.2012.740170.