

VILNIUS UNIVERSITY
FACULTY OF ECONOMICS AND BUSINESS ADMINISTRATION

GLOBAL BUSINESS AND ECONOMICS

Eglė Martišiūtė
MASTER THESIS

VIDINĖS IR IŠORINĖS DARBUOTOJŲ MOTYVACIJOS POVEIKIS SOCIALINĖS IR EKONOMINĖS VERTĖS KŪRIMUI SOCIALINIAME VERSLE	THE IMPACT OF INTRINSIC AND EXTRINSIC EMPLOYEE MOTIVATION ON SOCIAL AND ECONOMIC VALUE CREATION IN SOCIAL BUSINESS
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Vilnius, 2026

TABLE OF CONTENTS

INTRODUCTION	5
1. THEORETICAL PERSPECTIVES ON EMPLOYEE MOTIVATION.....	8
1.1 Concept and classification of employee motivation	8
1.2 Classical Theories of Employee Motivation.....	9
1.3 Contemporary Theories of Employee Motivation	12
1.4 Contrasting Theoretical Perspectives on Intrinsic vs. Extrinsic Motivation.....	14
1.5 Integrated Theoretical Framework Linking Motivation, Meaningful Work, and Value Creation 19	
2. SOCIAL AND ECONOMIC VALUE CREATION IN SOCIAL BUSINESSES.....	21
2.1 Social Value Creation in Social Business.....	21
2.2 Economic Value Creation in Social Business.....	23
3. CONCEPTUALIZATION OF SOCIAL BUSINESS AND ITS FEATURES	26
3.1 Definition and characteristics of social business	26
3.2 Social Business in Lithuania.....	28
4. RESEARCH METHODOLOGY	31
4.1 Aim and design of empirical research	31
4.2 Research model and hypotheses	31
4.3 Research instrument and data collection procedure.....	34
4.4 Sample characteristics and sampling procedure	34
4.5 Measurement of research variables.....	35
4.6 Data analysis methods.....	35
4.7 Ethical considerations	36
5. EMPIRICAL ANALYSIS OF THE IMPACT OF EMPLOYEE MOTIVATION ON VALUE CREATION	37
5.1 Demographic and organizational characteristics of the respondents	37
5.2 Construct Measurement: Descriptive Statistics, Reliability, and Bivariate Correlations	39
5.3 Regression Analysis.....	42
5.4 Measurement Model Assessment	43
5.5 Structural Model Assessment	46
5.6 Mediation analysis	48
5.7 Hypotheses Analysis.....	50
5.8 Limitations and Future Research	53
CONCLUSIONS AND RECOMMENDATIONS	54
LIST OF REFERENCES AND SOURCES	57
SUMMARY IN ENGLISH.....	61
SUMMARY IN LITHUANIAN.....	62
ANNEXES.....	63
Annex 1. Questionnaire	63

LIST OF FIGURES

Figure 1. Integrated Model of Classical Employee Motivation Theories.....	11
Figure 2. The Self-Determination Continuum Showing Types of Motivation with Their Regulatory Styles, Locus of Causality, and Corresponding Processes	18
Figure 3. SWOT Analysis: Lithuanian Social Business Regulatory Environment Based on the 2024 Regulation.....	29
Figure 4. Conceptual Research Model.....	33
Figure 5. Research Model with Hypotheses Testing Results.....	52

LIST OF TABLES

Table 1. Operationalization of Research Constructs.....	35
Table 2. Demographic Characteristics of Respondents	37
Table 3. Organizational Characteristics of Respondents	38
Table 4. Descriptive Statistics for Study Constructs.....	39
Table 5. Reliability Analysis: Cronbach's Alpha for Study Constructs	40
Table 6. Pearson Correlation Analysis Results	41
Table 7. Regression analysis	42
Table 8. The explanatory power of the regression models	43
Table 9. Summary of outer loadings	44
Table 10. Construct reliability and convergent validity	44
Table 11. Discriminant validity assessment using HTMT	45
Table 12. Explanatory power of the structural model.....	46
Table 13. Collinearity assessment of the structural model	46
Table 14. Direct effects of the structural model.....	47
Table 15. Results of Mediation Analysis Based on Specific Indirect Effects.....	49

INTRODUCTION

Modern societies are increasingly confronted with a complex and multifaceted array of interrelated economic, social, and environmental challenges. Although communities often initiate solutions, these tend to be short-term and address symptoms rather than root causes. At the same time, the capacity of governments to respond effectively is limited by financial constraints and competing priorities. As a result, gaps emerge in areas such as unemployment, social exclusion, regional disparities, access to education, and environmental sustainability, where neither the market nor the public sector can provide fully adequate solutions.

In this context, individuals and groups driven by creativity and social motivation develop alternative approaches, leading to the emergence of social businesses. These organizations combine market-based activities with a primary focus on solving social and environmental problems. By applying innovative and sustainable solutions, they aim to create long-term impact, where economic performance serves not as a primary goal but as a means to support and scale social value creation.

The **relevance of this study** can be justified from both practical and theoretical perspectives. From a practical standpoint, the Lithuanian social business ecosystem demonstrates gradual development, with increasingly clearer regulatory frameworks and institutional guidelines. The introduction of the formal social business status certification system in recent years has marked a significant step forward. Furthermore, social enterprises are now obliged to disclose information regarding their activities and social impact through regular reporting. This increased transparency allows stakeholders, including the wider public, to better understand both the achievements and the challenges faced by social enterprises in Lithuania.

One of the most prominent practical challenges concerns the balance between social and economic objectives. Social enterprises must simultaneously create social value and maintain financial sustainability while remaining committed to their core mission. This dual requirement creates inherent tensions, as organizations must continuously navigate social impact goals and economic viability. In this context, the role of human resources becomes particularly critical. Ensuring effective organizational performance requires competent and skilled personnel who are willing to operate in environments characterized by uncertainty, limited resources, and mission-driven priorities. Consequently, maintaining adequate levels of employee motivation is essential for the successful functioning of social enterprises.

From a theoretical perspective, **the level of exploration of the topic** on employee motivation is extensive; however, it has predominantly been conducted within the context of traditional, profit-oriented organizations. In contrast, within social enterprises, the interaction

between employee motivation and value creation - both social and economic - remains relatively underexplored. Existing research is fragmented and dispersed across different sectors, lacking a coherent and unified framework.

Regarding methodological approaches, Self-Determination Theory (Deci & Ryan, 2000) and the Multidimensional Work Motivation Scale (MWMS) (Gagné et al., 2015) provide a robust foundation for analyzing intrinsic and extrinsic motivation. Nevertheless, these instruments have not yet been widely applied in the context of social enterprises. Additionally, the measurement of social and economic value creation represents a complex and contested area within the literature. Scholars propose diverse methodologies, yet there is no universally accepted integrated approach.

Recent developments, however, offer new opportunities for advancing research in this field. The Social Impact Scale for Social Enterprises (SIS-SE) developed by Quilloy-Custodio et al. (2024) and the economic value measurement framework proposed by Crucke & Decramer (2016) provide promising tools for empirical investigation. These instruments contribute to a more systematic assessment of value creation and open new avenues for examining the relationship between employee motivation and organizational outcomes in social enterprises.

The **novelty of this master's thesis** can be identified through several key aspects. First, the study applies the validated Multidimensional Work Motivation Scale (MWMS) (Gagné et al., 2015) within the context of the Lithuanian social enterprise sector, which remains relatively underexplored. Second, the research model integrates three validated measurement instruments - MWMS, the Social Impact Scale for Social Enterprises (SIS-SE), and the economic value measurement scale developed by Crucke & Decramer (2016). This combination enables a comprehensive assessment of the relationship between employee motivation and the dual creation of social and economic value. Third, empirical research within the Lithuanian context remains limited; therefore, this study contributes by providing new empirical evidence on the relationship between employee motivation and value creation in hybrid organizations.

The Lithuanian social business environment is rapidly evolving; therefore, social businesses are required to address not only the dual challenge of balancing social value creation with economic sustainability, but also to place considerable emphasis on employee motivation, which is regarded as one of the key determinants of organizational success. Accordingly, the **central research question of this thesis** seeks to answer: How do intrinsic and extrinsic employee motivation influence the creation of social and economic value in Lithuanian social enterprises?

The aim of the thesis - to evaluate the impact of intrinsic and extrinsic employee motivation on the creation of social and economic value in Lithuanian social enterprises.

The objectives of the thesis:

1. To establish the theoretical foundations of employee motivation in the context of social enterprises.
2. To conceptualize and measure social and economic value creation in social business.
3. To identify the key characteristics and development patterns of social enterprises in Lithuania.
4. To evaluate the relationship between employee motivation and value creation and formulate practical recommendations.

The methods deployed by the Master thesis:

1. To apply a systematic literature review method in order to synthesize theoretical concepts, identify research gaps, and develop a conceptual research model.
2. To conduct a quantitative empirical study using a standardized online questionnaire among employees of Lithuanian social enterprises.
3. To measure employee motivation, as well as social and economic value creation, using three validated scales (MWMS, SIS-SE, and Crucke & Decramer, 2016).
4. To analyze the collected data using statistical methods (descriptive statistics, reliability analysis, correlation, and regression analysis) in order to identify relationships between motivation and value creation.

The use of artificial intelligence (hereinafter – AI): In the preparation of this master's thesis, artificial intelligence tools were employed to optimize literature search processes, as well as to support text editing and structuring. However, all analytical decisions, interpretations, conclusions, and the original content of the study are the result of the author's independent work.

The description of the structure of the thesis: The master's thesis consists of an introduction, three main chapters, conclusions and recommendations, a list of references, a summary in English, and appendices. The introduction outlines the relevance of the topic, the research problem, and the aim and objectives. The first chapter reviews the literature on employee motivation, focusing on Self-Determination Theory and the Multidimensional Work Motivation Scale (MWMS), as well as social and economic value creation and the characteristics of social business in Lithuania.

The second chapter describes the research methodology, including the quantitative approach, sample, and questionnaire design. The third chapter presents the empirical results, including descriptive statistics and reliability, correlation, and regression analyses. Finally, the conclusions and recommendations summarize the key findings, highlight limitations, and provide practical implications for social enterprise stakeholders.

1. THEORETICAL PERSPECTIVES ON EMPLOYEE MOTIVATION

1.1 Concept and classification of employee motivation

A range of researchers have examined employee motivation from the early twentieth century onward, seeking to identify the fundamental factors that shape employees' motivation to contribute to organizational growth, remain loyal to their workplace, and enhance the quality and productivity of their performance. Nevertheless, as emphasized by Lee and Raschke (2016), employees possess a range of often competing needs, each of which is shaped and activated by distinct motivational drivers that influence their behavior in different ways. The significance of employee motivation is widely recognized by modern researchers, as it undoubtedly contributes to the success of a company in carrying out various operational transformations, implementing new strategic directions, and enhancing efficiency through process optimization or automation.

The academic literature has developed a range of theoretical frameworks that seek to explain the processes through which motivation is formed and how it subsequently influences performance outcomes. Building on this theoretical diversity, this chapter provides a comparative analysis on both classical and contemporary theories of employee motivation, exploring the constituent elements of motivation and their relevance to organizational functioning, with particular attention to the domain of social business, which operates within a context distinct from that of conventional business. The diversity of these perspectives indicates that employee motivation is a complex phenomenon that cannot be fully captured by any single theoretical lens.

The definition of employee motivation varies across scientific literature, as scholars have examined the construct from different theoretical perspectives. Classical motivation theorists (Maslow, 1943; McClelland, 1971) primarily conceptualized motivation as need-based, viewing the fulfilment of individual needs as the fundamental driver of employee behavior. In contrast, more contemporary approaches (Lam & Gurland, 2008; Lee & Raschke, 2016; Ryan & Deci, 2000) emphasize self-determined (autonomous) motivation, highlighting the role of work environments that support autonomy, competence, and employee empowerment rather than control. On the basis of the examined studies, employee motivation can be defined as a conscious and goal-directed behavioral process that arises from the interaction between individual characteristics, values, and needs, and contextual factors such as organizational culture, values, and leadership style.

Employee motivation has been examined from multiple theoretical perspectives, primarily because it represents a complex and multifaceted construct that is neither homogeneous nor directly measurable through a single indicator (Lee & Raschke, 2016). Literature (Ryan & Deci, 2000) commonly distinguishes between intrinsic and extrinsic components of motivation. When both forms of motivation are effectively supported, they contribute positively to individual

performance, enhancing employee efficiency, productivity, and, consequently, overall organizational outcomes (Richer et al., 2002). Given that social business is equally contingent upon both constructs, this topic assumes considerable importance in the examination of the influence of motivation on social business value creation.

Research in this domain is of paramount importance for organizations that place a strong emphasis on employee well-being, as it enables a deeper understanding of the factors that contribute to sustained employee morale, the development of targeted and evidence-based leadership practices and internal policies, and organizational effectiveness in reducing costly employee turnover while maintaining competitive advantage. However, social business operates within a distinct organizational context, as its objectives are primarily driven by the intention to address or contribute to the resolution of social issues. This mission-oriented focus shapes the work environment and fosters a form of internal employee motivation that is closely aligned with the overall success and social purpose of the organization.

1.2 Classical Theories of Employee Motivation

Low employee motivation can reduce organizational effectiveness and overall performance. For this reason, it is important to review key classical motivation theorists - Maslow (1943), Herzberg et al. (1959), McClelland (1961), Vroom (1964), Adams (1963), and McGregor (1960) - to explain how motivation develops and is sustained in the workplace. This section provides a structured comparison of classical motivation theories by outlining their main similarities and differences and noting their limits. It also considers how well these theories apply to social businesses.

The evolution of motivation theory commenced in the 1940s, with early scholars approaching the construct from two distinct perspectives. One tradition (Herzberg et al., 1959; Maslow, 1943; McGregor, 1960) conceptualized motivation as a largely universal phenomenon rooted in fundamental human needs, whereas the other (McClelland, 1961; Vroom, 1964) emphasized individual variability and argued that motivational processes should be interpreted through the lens of individuality. It is also important to note that Maslow's (1943) and McClelland's (1961) theories were originally developed to explain human motivation in general. However, later research adapted these ideas to organizational settings, and many studies have examined motivation from the perspective of individuals in organizational settings.

Maslow's (1943) hierarchy of needs is one of the most widely cited approaches to motivation. It proposes five levels of needs: physiological, safety, social, esteem, and self-actualization. The model suggests that when lower-level needs are satisfied, individuals are more likely to direct their effort toward higher-level needs, which may be reflected in changes in

behavior. Herzberg et al. (1959) proposed that the absence of dissatisfaction should not be interpreted as the presence of satisfaction. In their two-factor theory, they distinguish between hygiene factors (such as salary, organizational policies, and working conditions) and motivators (including achievement, recognition, and opportunities for personal growth). According to this perspective, hygiene factors primarily serve to prevent dissatisfaction, whereas true job satisfaction is generated by motivator factors.

In contrast to Maslow (1943), McClelland (1961) advances an individualized conceptualization of motivation, emphasizing that human needs are not universal but vary across individuals as a result of learned experiences. His framework identifies three dominant categories of needs - achievement (nAch), power (nPow), and affiliation (nAff) - and posits that the relative strength of these needs within an individual constitutes a dominant need profile that significantly shapes behavioral patterns in the workplace. By comparison, Vroom (1964) adopts a process-oriented perspective, conceptualizing motivation as the outcome of rational cognitive evaluations. Specifically, individuals are motivated when they perceive a probable linkage between effort and performance, and subsequently between performance and valued outcomes or rewards.

Finally, Adams (1963) and McGregor (1960) introduce a social dimension to motivation theory. Adams (1963) argues that individuals assess fairness by comparing their input–output ratios with those of others. Perceived inequity generates psychological tension, which individuals attempt to reduce through various corrective behaviors, such as decreasing effort, seeking additional rewards, or, in some cases, withdrawing from the organization. In addition, McGregor (1960) incorporates a managerial perspective by proposing two contrasting assumptions about employee motivation, known as Theory X and Theory Y. Theory X assumes that employees are inherently unmotivated and therefore require strict supervision and the use of external controls, such as rewards and sanctions. In contrast, Theory Y suggests that employees can be intrinsically motivated, self-directed, and capable of assuming responsibility, particularly when provided with autonomy and supportive working conditions.

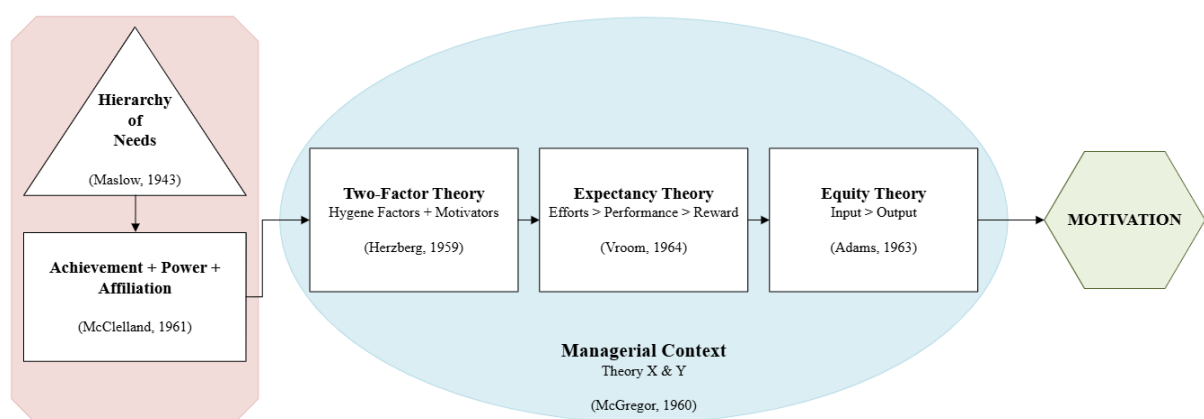
Maslow's (1943) Hierarchy of Needs theory highlights esteem and self-actualization as the highest levels of human motivation, which closely align with the mission-driven nature of social enterprises, as these needs emphasize personal development and meaningful contribution. Similarly, Herzberg et al.'s (1959) Two-Factor Theory underscores intrinsic motivational factors such as achievement, recognition, and meaningful work, which strongly resonate with the core values of social enterprises, where employees are often motivated by purpose and a sense of significance. In contrast, Vroom's (1964) Expectancy Theory may be considered applicable to social enterprises when the concept of reward is interpreted more broadly to encompass social impact or personal fulfilment rather than solely financial outcomes. In conclusion, classical

motivation theories contain elements that can be meaningfully applied within social enterprises, provided they are adapted flexibly to reflect the distinctive characteristics and constraints of these organizations.

A comparative analysis of major motivation theories demonstrates that scholars conceptualize motivation from several distinct perspectives. Specifically, these perspectives can be categorized into:

- **Content theories**, which focus on identifying *what* motivates individuals (Maslow, 1943; Herzberg et al., 1959; McClelland, 1961).
- **Process theories**, which examine *how* motivation operates and the mechanisms underlying motivational behavior (Vroom, 1964; Adams, 1963).
- **Managerial perspectives**, which emphasize managerial assumptions about employee behavior and their implications for leadership practices (McGregor, 1960).

Figure 1. *Integrated Model of Classical Employee Motivation Theories*



Source: compiled by the author based on Maslow, 1943; McClelland, 1961; Herzberg, 1959; Vroom, 1964; Adams, 1963; McGregor, 1960.

Furthermore, these theories differ in their underlying assumptions about the nature of employees. Some adopt a **universalistic perspective**, proposing that motivational drivers are broadly similar across individuals (Maslow, 1943; Herzberg et al., 1959), whereas others emphasize an **individualized perspective**, suggesting that motivation varies depending on personal needs, preferences, and cognitive evaluations (Vroom, 1964; McClelland, 1961).

A common thread across all examined theories is the recognition that motivation is a multifactorial construct, wherein intrinsic dimensions - such as personal growth, recognition, and

achievement - cannot function in isolation from extrinsic dimensions, including remuneration, organizational policies, and working conditions. Furthermore, perception emerges as a critical determinant of motivation, as employees' assessment of whether their efforts are equitably rewarded and whether they receive fair treatment significantly influences their motivational state. Accordingly, it may be argued that higher-order needs serve as more potent drivers of sustained motivation. In summary, motivation is most effectively fostered when fundamental needs are satisfied, rewards are perceived as fair, goals are clearly articulated, and leadership demonstrates trust in its employees.

In summary, classical motivation theories tend to conceptualize motivation at a generalized level, assuming applicability across broad groups while insufficiently accounting for individual differences in needs and preferences. This generalization has prompted criticism regarding the limited relevance of these theories within modern organizational contexts characterized by diversity and complexity. Nevertheless, when interpreted flexibly, classical motivation theories make a valuable contribution to the understanding of fundamental motivational mechanisms, including human needs, goal orientation, personal growth, and perceptions of fairness. Consequently, classical approaches remain useful for identifying core human drivers and foundational principles that can be applied to promote social impact and collective objectives within organizations.

1.3 Contemporary Theories of Employee Motivation

The advancement of contemporary motivation theories prompted scholars to re-examine the concept from alternative perspectives, resulting in more dynamic and psychologically grounded frameworks. These modern approaches shifted the focus toward cognitive processes, introduced the distinction between intrinsic and extrinsic motivation, and emphasized the interplay between the individual and the work environment. The present sub-chapter examines several key contemporary theories - Self-Determination Theory (Deci & Ryan, 1985; Deci & Ryan, 2000), Goal-Setting Theory (Locke & Latham, 1990; Locke & Latham, 2002), the Job Characteristics Model (Hackman & Oldham, 1976), Reinforcement Theory (Skinner, 1953), Social Cognitive Theory (Bandura, 1986), and Organizational Justice Theory (Greenberg, 1987) - with the aim of identifying their core contributions, conceptual similarities, and theoretical limitations.

Self-Determination Theory, developed by Deci and Ryan (2000), posits that self-motivation is strongly influenced by the satisfaction of three fundamental psychological needs: competence, relatedness, and autonomy. The authors emphasize that fulfilment of these needs fosters higher levels of engagement, well-being, and organizational commitment. In a related but distinct approach, Locke and Latham's (1990) Goal-Setting Theory highlights the importance of

setting specific and challenging goals to enhance performance. However, the theory also recognizes that goals must be appropriately calibrated to individual capabilities, as goals that are excessively difficult or conflicting may result in diminished performance.

Hackman and Oldham (1976), through the development of the Job Characteristics Model, approached motivation theory from a different perspective by emphasizing the role of job design. Their model identifies five core job dimensions - skill variety, task identity, task significance, autonomy, and feedback - which are proposed to shape employees' perceptions of meaningfulness, responsibility, and knowledge of results. These psychological states, in turn, foster intrinsic motivation, job satisfaction, and high levels of performance. In contrast to the approaches of Hackman and Oldham (1976) and Deci and Ryan (2000), Skinner (1953) examined motivation primarily through the lens of behavioral regulation. He argued that human behavior can be shaped through four reinforcement mechanisms and maintained that desired outcomes can be achieved only by reinforcing appropriate behavior and correcting undesirable actions.

Building on Adams' (1963) equity theory, which posits that employees assess fairness by comparing their input-output ratios with those of their colleagues, Greenberg (1987) further developed this perspective by distinguishing three forms of organizational justice: distributive, procedural, and interactional justice. This framework emphasizes that employees' concerns extend beyond remuneration to include perceptions of fair treatment at both organizational and procedural levels. Greenberg (1987) argued that the absence of these justice dimensions diminishes employee motivation, negatively affects work quality, and undermines trust in the organization.

Comparing contemporary theories of motivation, it becomes evident that each exhibits certain limitations that hinder exclusive reliance on any single theoretical framework. This limitation is particularly pronounced in the context of social businesses, where the assumptions underlying traditional motivation theories may not fully align with organizational realities. For instance, Self-Determination Theory (Deci & Ryan, 2000) places strong emphasis on autonomy; however, autonomy in social business is often constrained by governance, limited financial resources, or mission objectives. Similarly, Goal-Setting Theory (Locke & Latham, 1990) advocates for clearly defined and achievable goals, which may be difficult to establish consistently within social business organizations operating under complex and uncertain conditions. Reinforcement Theory (Skinner, 1953) highlights the role of external rewards in promoting desirable behavior, yet such mechanisms may be impractical in social businesses due to restricted resources. Moreover, these theories largely overlook the role of organizational mission, vision, values, and purpose, which are central motivational drivers in social businesses. The hybrid nature of these organizations, combining social and economic objectives, further limits the applicability

of traditional motivation theories, as they may not function as intended within such multifaceted environments.

In contrast to classical motivation theories, contemporary approaches demonstrate greater applicability to the social enterprise context, as they examine motivation at a deeper cognitive level and explicitly distinguish between intrinsic and extrinsic motivators, psychological needs, and the role of meaningful work. These theories place substantial emphasis on purpose, values, and contextual factors, which align closely with the mission-oriented nature of social organizations. Self-Determination Theory (Deci & Ryan, 2000) exhibits one of the strongest connections to social enterprises, as it centers on intrinsic motivation, which represents a primary driving force within such organizations. Similarly, Goal-Setting Theory (Locke & Latham, 1990) addresses the strong emphasis on clear direction and purposeful action that characterizes social organizations, where goals are often well defined and closely linked to mission fulfilment. Overall, contemporary motivation theories require minimal adaptation to fit the social enterprise context and respond more naturally to the operational realities of organizations driven predominantly by social purpose.

In conclusion, while newer motivation theories differ in their conceptual foundations and analytical focus, their comparative examination highlights both their theoretical richness and inherent limitations. Modern approaches move beyond the assumption of motivation as a uniform phenomenon, instead acknowledging individual differences and the central role of intrinsic motivation (Deci & Ryan, 2000; Hackman & Oldham, 1976). At the same time, these theories place strong emphasis on cognitive mechanisms, particularly in relation to the setting of realistic and attainable goals (Locke & Latham, 2000). However, despite this more nuanced understanding, motivation cannot be fully explained without considering contextual influences - organizational policies, leadership practices, and the presence of fairness and transparency remain critical determinants of motivational outcomes (Greenberg, 1987). Taken together, contemporary theories suggest that motivation is a complex and context-dependent construct, shaped by the interaction between individual needs, cognitive evaluations, and organizational environments, rather than a universally applicable set of principles.

1.4 Contrasting Theoretical Perspectives on Intrinsic vs. Extrinsic Motivation

The early development of motivation theory sought to generalize the fundamental principles underlying what motivates individuals, how higher levels of motivation can be achieved, and how management tools can be utilized to enhance performance outcomes. However, it was not long before scholars recognized the multifaceted and complex nature of motivation, acknowledging the numerous variables and diverse approaches involved. It became increasingly

apparent that motivation is not a uniform construct and that a single explanatory formula cannot be universally applied, rendering broad generalizations insufficient. As Reiss (2012) observes, the intrinsic-extrinsic motivation framework represents a contemporary form of motivational dualism, wherein scholars frequently associate survival-oriented needs with extrinsic motives and psychologically driven needs with intrinsic motives.

This recognition gave rise to the need to examine not only external motivational systems but also internal, autonomous drivers of behavior – some of which can be cultivated through organizational practices, while others are inherently dependent on the individual's values, character, or environment. It is therefore essential to examine theories that address both intrinsic and extrinsic dimensions of motivation to understand how these constructs are conceptualized and distinguished, as such understanding is critical for explaining employee behavior and informing the development of more effective management practices. This chapter undertakes a comparative analysis of classical and contemporary motivation theories by examining how each defines, distinguishes, and integrates the concepts of intrinsic and extrinsic motivation.

Scholars (Kuvaas et al., 2017; Morris et al., 2022; Legault, 2016; Reiss, 2012) broadly conceptualize intrinsic motivation as engagement in an activity driven by its inherent satisfaction and enjoyment, independent of any external outcome. Extrinsic motivation, conversely, refers to behavior that is contingent upon the attainment of a separable outcome, whether in the form of obtaining rewards or avoiding negative consequences. This fundamental distinction characterizes intrinsic motivation as rooted in the inherent value of the activity, while extrinsic motivation is oriented toward external objectives (Kuvaas et al., 2017; Reiss, 2012).

Reiss (2012) and Legault (2016) highlight a critical relationship between extrinsic and intrinsic motivation, positing that intrinsic motivation is strongest when it arises autonomously, without external influence. These scholars argue that the introduction of extrinsic factors – such as rewards or other incentives – can undermine intrinsic motivation, as the individual's engagement shifts from being driven by internal satisfaction to being contingent upon external stimuli. Although this proposition contradicts the principles of Reinforcement Theory (Skinner, 1965), which advocates for the use of external reinforcement to shape behavior, empirical research has demonstrated that individuals tend to recalibrate their motivation when external incentives are introduced.

An examination of classical motivation theories reveals that these frameworks do not explicitly address the distinction between intrinsic and extrinsic motivation but rather operate within broader motivational constructs. While elements of this distinction can be identified within individual theories, the separation remains implicit and insufficiently developed.

Maslow's (1943) Hierarchy of Needs offers only an indirect suggestion of the intrinsic-extrinsic divide, as higher-order needs such as esteem and self-actualization bear resemblance to intrinsic motivators, while lower-order needs – safety and physiological – align more closely with extrinsic factors. However, the theory's rigid hierarchical structure, which posits that higher needs can only be pursued once lower ones are fully satisfied, leaves little room for interpreting the simultaneous coexistence of multiple needs across both dimensions. Similarly, Herzberg et al. (1959) Two-Factor Theory divides motivation into hygiene factors and motivators, a framework that superficially mirrors the extrinsic-intrinsic distinction. Yet Herzberg et al. (1959) contend that these two categories function independently rather than interactively, which does not fully correspond to the contemporary understanding of how intrinsic and extrinsic motivation operate in conjunction.

McClelland's (1961) Learned Need Theory, centered on achievement, power, and affiliation, presents a more nuanced but still ambiguous treatment of the distinction. Achievement can be interpreted as an intrinsic motivator, while power and control encompass both external validation and internal satisfaction, effectively merging intrinsic and extrinsic dimensions without establishing a clear boundary between them. In contrast, the theories of Vroom (1964) and Adams (1963) adopt a fundamentally different approach, concentrating predominantly on external outcomes through the mechanisms of effort, reward, and perceived fairness. These frameworks respond primarily to the extrinsic dimension of motivation, with limited attention to the nuances of intrinsic drivers.

Only McGregor's (1960) Theory X and Theory Y engage more directly with the intrinsic-extrinsic distinction, framing it through the lens of leadership style – control versus empowerment. However, the model itself oversimplifies the complexity of motivation by reducing it to a binary categorization, suggesting that individuals can be readily influenced through either directive control or autonomy-based management approaches. Consequently, no classical theory independently provides a comprehensive distinction between intrinsic and extrinsic motivation; however, taken together, these frameworks gradually advance the conceptual foundations of this differentiation, even if only in a fragmented capacity.

Contemporary motivation theories offer a substantially more detailed exploration of this distinction than classical approaches, extending the analysis to encompass work environment, leadership structures, and underlying cognitive and psychological mechanisms. One of the most influential and comprehensive contemporary theories of motivation is Self-Determination Theory, developed by Deci and Ryan (2000), which addresses the processes of personality development and behavioral self-regulation. Central to this theory is the proposition that intrinsic motivation is

contingent upon the fulfilment of three fundamental psychological needs: **autonomy**, **competence**, and **relatedness** (Deci & Ryan, 2000; Gagné & Deci, 2005).

The authors place considerable emphasis on the distinction between autonomous and controlled forms of motivation, arguing that individuals who are intrinsically motivated demonstrate greater interest, confidence, and engagement, which in turn fosters enhanced creativity, productivity, and perseverance (Deci & Ryan, 2000). Within this framework, autonomy is characterized by the provision of meaningful choices, acknowledgement of individual perspectives, and the availability of options. Competence involves the delivery of timely and constructive feedback alongside the establishment of optimally challenging goals. Relatedness, in turn, is recognized as essential to intrinsic motivation, as it reflects the fundamental human need to experience a sense of belonging and meaningful connection with others.

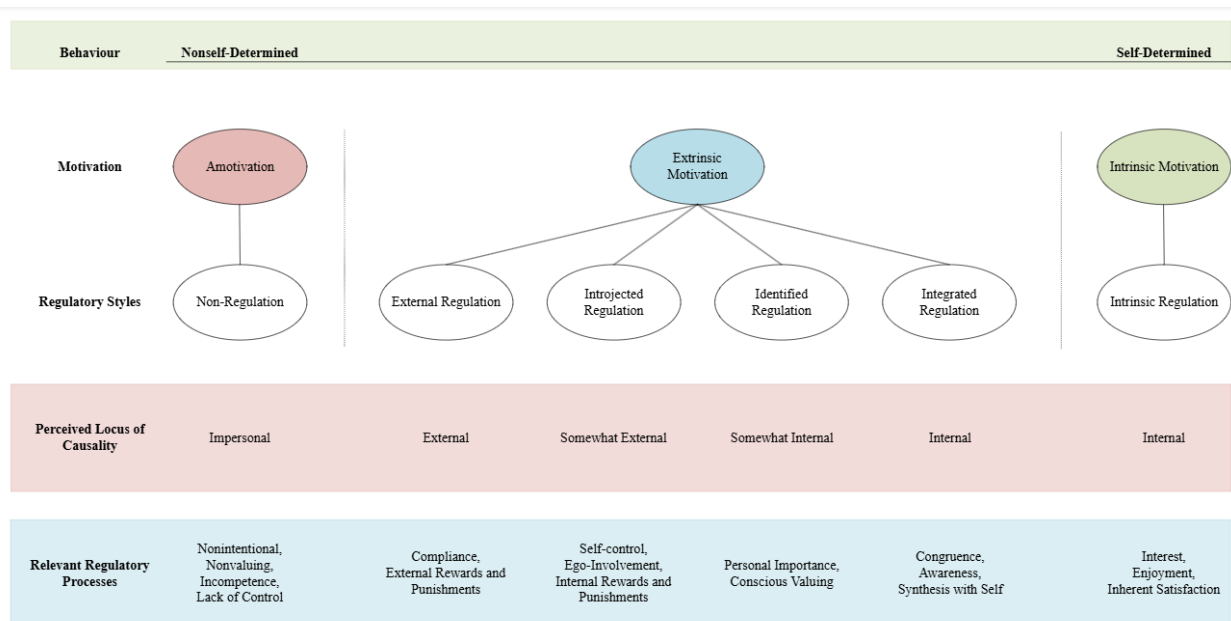
Another fundamentally important dimension of motivation discussed within Self-Determination Theory (Deci & Ryan, 2000; Gagné & Deci, 2005) is extrinsic motivation, defined as the performance of an activity for the purpose of obtaining a separable outcome. Notably, extrinsic motivation is not a unitary construct; rather, it encompasses a continuum of regulatory styles ranging from highly controlled to fully autonomous forms. Deci and Ryan (2000) identify the following stages along this motivational continuum:

- **Amotivation** represents a complete absence of self-determination, characterized by a lack of intention to act or feelings of incompetence.
- **External regulation** constitutes the most controlled form of extrinsic motivation, wherein behavior is performed solely to satisfy external demands or obtain contingent rewards.
- **Introjected regulation** reflects a partially internalized but not fully accepted form of motivation, driven by internal pressures such as guilt, anxiety, or ego enhancement.
- **Identified regulation** represents a moderately autonomous form of extrinsic motivation, in which the individual consciously values the behavior and accepts it as personally important, shifting the perceived locus of causality inward.
- **Integrated regulation** constitutes the most autonomous form of extrinsic motivation, wherein regulation is fully assimilated into the self and is congruent with the individual's broader values and identity.
- **Intrinsic motivation**, positioned at the far end of the continuum, is invariantly self-determined, characterized by engagement in an activity for its inherent satisfaction and enjoyment, reflecting complete autonomy.

Gagné & Deci (2005) and Deci & Ryan (2000) emphasize that autonomous and controlled forms of motivation yield fundamentally different outcomes. Autonomous motivation is associated with superior performance, heightened interest, greater persistence in goal pursuit,

increased job satisfaction, and lower employee turnover. Conversely, controlled motivation is linked to a diminished sense of responsibility, poorer resilience in the face of failure, and a negative impact on overall productivity.

Figure 2. The Self-Determination Continuum Showing Types of Motivation with Their Regulatory Styles, Locus of Causality, and Corresponding Processes



Source: Deci & Ryan, 2000

Deci and Ryan (2000) introduced Organismic Integration Theory (see Figure 2) as a sub-theory within Self-Determination Theory to articulate the various forms of extrinsic motivation and the contextual factors that facilitate or impede the internalization of behavioral regulation. The theory presents a taxonomy of motivational types arranged along a self-determination continuum – from amotivation, defined as the complete absence of intention to act, through to increasingly self-determined forms of extrinsic and intrinsic motivation, each representing theoretically, experientially, and functionally distinct types of motivation (Gagné & Deci, 2005).

Locke & Latham's (1990) Goal-Setting Theory, Skinner's (1953) Reinforcement Theory, and Greenberg's (1987) Organizational Justice Theory illustrate a shift from externally driven to more integrative understandings of motivation. Goal-Setting Theory links intrinsic and extrinsic motivation by showing that meaningful, challenging goals and feedback can strengthen internal commitment, while Reinforcement Theory remains focused on behavioral control through external rewards, largely neglecting internal processes. In contrast, Organizational Justice Theory highlights perceived fairness as a key mechanism connecting external conditions with intrinsic psychological responses.

Collectively, these perspectives demonstrate that intrinsic and extrinsic motivation are distinct yet interdependent, shaped by context—an advancement over classical approaches that overemphasize extrinsic rewards. Despite these differences, all theories acknowledge that intrinsic motivation is more sustainable and associated with better outcomes, whereas extrinsic motivation, when properly applied, can effectively guide behavior and support intrinsic motivation.

1.5 Integrated Theoretical Framework Linking Motivation, Meaningful Work, and Value Creation

The distinctive nature of social business in addressing social problems through market mechanisms demands unconventional measures and approaches to achieve positive results. Thus, every leader faces the challenge of assembling a capable team that understands the advantages, limitations, and challenges inherent in social enterprise, yet can still operate successfully under these conditions. In *such an environment*, it is often impossible to provide traditional incentives (such as performance-based bonuses, annual salary raises, or clear career progression opportunities). As a result, intrinsic motivation and meaningful work become the critical drivers that enable the organization to function effectively, creating value for society, employees, and the environment.

In examining motivation theories and their relevance for social business, one finds that classical motivation theories are indeed applicable in explaining the importance of motivation. Ryan & Deci (2000), in their Self-Determination Theory, divide motivation into extrinsic and intrinsic types, further segmenting extrinsic motivation into several subtypes. Their work suggests that motivation is not a monolithic concept; instead, it exists on a continuum of internalization. According to the authors, when individuals internalize external goals by aligning them with their personal values, they experience increased autonomy (Ryan & Deci, 2000). By contrast, Frey & Jegen (2001) emphasize that extrinsic incentives can sometimes undermine intrinsic motivation, particularly if such incentives are perceived as controlling. These authors note that the “crowding-out” effect of external rewards is often observed in contexts like volunteering or helping others, where external inducements may diminish an individual’s sense of autonomy (Frey & Jegen, 2001).

Moreover, Hackman & Oldman (1976) argue that there are five critical job characteristics - skill variety, task identity, task significance, autonomy, and feedback - which together determine levels of intrinsic motivation by fostering key psychological states (such as a sense of meaningfulness, responsibility, and awareness of results). In summary, motivation is a crucial element in the success of a social enterprise, yet it must be carefully tailored to the organization’s nature and operating context. To maximize results with the available resources, it is essential to

encourage autonomous motivation by aligning organizational goals with internal values, applying financial incentives with great caution and clear purpose, and ensure that the variety and significance of tasks are evident to employees.

Meaningful work serves as a powerful stimulus for every social business employee, motivating them to achieve organizational goals. Engaging in such meaningful activities naturally inspires individuals to strive further when they can see how their efforts contribute to solving social problems and benefiting communities. Kahn (1990), in his theory of psychological engagement, argued that experiencing meaningfulness in one's work is the strongest predictor of personal engagement. In his framework, the conditions influencing engagement include psychological meaningfulness, psychological safety, and psychological availability (Kahn, 1990). Meanwhile, Rosso et al. (2010) identified four primary sources of work meaningfulness:

1. **The self** – one's personal values, identity, and motivation;
2. **Others** – interactions with colleagues, leaders, and the community;
3. **Work context** – the objectives of the work, along with the organization's mission and vision;
4. **Spiritual life** – a sense of higher purpose or calling beyond the self.

These authors assert that the roots of meaningfulness lie in authenticity, belonging, and purpose (Rosso et al., 2010). Wrzesniewski & Dutton (2001) further explored the concept of meaningfulness through the practice of job crafting by employees. They observed that employees could reshape their tasks, relationships, or perceptions of their work – an especially pertinent practice in social business, where providing greater autonomy can serve as a valuable incentive in the context of limited resources. The literature on meaningful work is also complemented by Grant (2007), who discusses prosocial motivation, defined as the desire to help others, and shows that employees' efforts and performance are enhanced when they witness the positive impacts of their work (Grant, 2007). Taken together, these perspectives suggest that work meaningfulness arises not only from the nature of the work or its social mission, but also from the employee's own internal attitude and outlook when performing tasks, particularly when those tasks are perceived as contributing to the resolution of social issues.

Leaders of social businesses face not only the challenge of addressing social issues, but also of generating sustainable economic value. They often operate under conditions of limited resources, institutional support, and complex organizational demands. While motivated employees are critical to addressing these challenges, aligning their interests with organizational goals can be difficult. Nevertheless, purpose-driven employees – when properly supported and equipped – are likely to contribute significantly to value creation.

2. SOCIAL AND ECONOMIC VALUE CREATION IN SOCIAL BUSINESSES

2.1 Social Value Creation in Social Business

The creation of social value constitutes the primary objective of social business. While profitability remains a fundamental goal of any business, the mission of social business extends beyond financial outcomes to address pressing social issues that are often overlooked or insufficiently prioritized by governments, particularly where financial returns are not readily apparent (Santos, 2012). It is within this gap that social businesses emerge, leveraging creativity, innovation, and perseverance to address sensitive social challenges and thereby contribute meaningfully to the broader well-being of society.

Social value creation has been conceptualized by various scholars through complementary yet evolving perspectives. Di Domenico et al. (2010), Corner and Ho (2010), and Bloom and Smith (2010) define social value creation as a process aimed at addressing social needs or problems and generating meaningful change. This definition is further expanded by Kroeger and Weber (2014), Ormiston and Seymour (2011), and Santos (2012), who characterize it as the enhancement of societal welfare through the fulfilment of a social mission. Stevens et al. (2015) and Quilloy-Custodio et al. (2024) contribute additional dimensions, emphasizing that social value creation encompasses innovation, mission-driven decision-making, and the generation of positive outcomes for beneficiaries. Collectively, these perspectives converge on the understanding that social value creation represents the outcome of social business or enterprise activities directed toward resolving social problems, thereby producing positive outcomes for stakeholders, beneficiaries, employees, and society at large.

Di Domenico et al. (2010) and Corner & Ho (2010) argue that social enterprises tend to rely on cross-sectoral collaboration, innovative approaches, resourcefulness, and network-driven strategies in order to create social value. However, this reliance renders them dependent on external parties and necessitates the navigation of diverse and sometimes competing interests. Bloom & Smith (2010) and Ormiston & Seymour (2011) further observe that social enterprises with more experienced personnel, well-developed strategies, and established partnerships, particularly those that systematically measure their social impact, tend to achieve significantly greater results in generating large-scale

social outcomes. A further critical dimension of social value creation concerns the inherent tension between the pursuit of social objectives and the maintenance of financial sustainability. Santos (2012), Kroeger & Weber (2014), and Stevens et al. (2015) emphasize the importance of aligning social and economic value, noting that social value creation is highly contingent upon

economic viability and that the reinvestment of profits into the social mission is a common and necessary practice.

An examination of scholarly literature reveals several divergent perspectives regarding the nature of social value creation. A key area of theoretical debate concerns whether social value creation should be understood as a process or an outcome. Scholars who adopt a process-oriented view (Di Domenico et al., 2010; Corner & Ho, 2010) argue that social value is generated through the strategic mobilization of resources, active engagement with stakeholders, and collaborative activities. Conversely, those who conceptualize social value creation as an outcome (Kroeger & Weber, 2014; Lautermann, 2013) contend that social value materializes only upon the achievement of tangible results, such as improvements in quality of life, the resolution of employment challenges, or the enhancement of social conditions for vulnerable groups.

A further point of scholarly debate concerns the question of who the recipients of social value are. Sinkovics et al. (2014) argue that value is primarily directed toward the target groups and communities for which the social enterprise was established. In contrast, Quilloy-Custodio et al. (2024) adopt a broader perspective, positing that social value extends to all stakeholders, including employees and wider society, as well as encompassing environmental dimensions.

Despite these differing perspectives, a common foundation persists across literature: social value is fundamentally created through efforts to address deep-rooted societal problems. The persistence of theoretical disagreements within this field reflects its dynamic and multifaceted nature, indicating that social value creation remains an evolving concept for which a unified theoretical framework has yet to be established.

Beyond the absence of a unified definition or systematic conceptualization of social value creation within scholarly literature, there is also a notable scarcity of robust methods for measuring social value or the social impact generated by social enterprises. Several measurement approaches have been proposed, however these have often proved inadequately suited to the distinctive characteristics of the social enterprise environment. Consequently, measurement efforts have remained fragmented and have frequently relied on instruments designed for conventional business contexts.

The SCALERS model, developed by Bloom and Chatterji (2008), represents one such attempt, though it focuses predominantly on organizational processes and growth factors rather than on impact itself (Bloom & Smith, 2010). Similarly, Stevens et al. (2015) proposed a measurement scale, yet its scope was limited to assessing the intentions and orientation of social and economic missions rather than capturing the breadth of social value created. Social Return on Investment (SROI) analysis, developed in the late 1990s by the Roberts Enterprise Development

Fund (REDF), sought to monetize social outcomes; however, its methodological complexity and inconsistencies across different contexts limited its widespread adoption among researchers.

In response to this measurement gap, Quilloy-Custodio et al. (2024) developed a 31-item social impact scale grounded in the triple bottom line framework, encompassing three core domains: impact on employees (intrinsic social value), impact on communities and beneficiaries (extrinsic social value), and impact on the environment. The scale employs perception-based assessments, thereby avoiding the complex quantification of intangible benefits. Empirically validated across diverse contexts with high reliability and validity, this instrument represents a significant advancement over preceding approaches by shifting the focus from organizational intentions to actual impacts and providing a standardized tool for measuring social value creation (Quilloy-Custodio et al., 2024).

In summary, social value creation constitutes the central objective of social businesses, encompassing both the resolution of societal challenges and the advancement of long-term societal well-being. Nevertheless, the scholarly literature continues to lack a unified conceptual framework for this construct, and the development of measurement instruments remains relatively recent, requiring further empirical validation (Santos, 2012; Kroegeer & Weber, 2014; Quilloy-Custodio et al., 2024). Recent methodological advancements, particularly the scale developed by Quilloy-Custodio et al. (2024), represent a significant step toward more systematic, consistent, and comprehensive approaches to the assessment of social impact.

2.2 Economic Value Creation in Social Business

A distinctive characteristic of social enterprises in the context of economic value creation lies in the role of profit, which, while necessary, does not constitute the primary motivation for their establishment. Rather, economic value serves as a means of ensuring organizational sustainability, enabling social enterprises to cover operational costs and maintain continuity of their activities. Consequently, representatives of social enterprises must adopt sustainable management practices and often employ innovative approaches to secure ongoing operations. The primary objective of such organizations remains the resolution of social problems, with financial returns limited to the level required to support and expand their activities. Any surplus generated is typically reinvested into the organization to further enhance its capacity to address social challenges, improve productivity, extend operational reach, and contribute to the broader development of local communities.

One of the central theoretical perspectives explaining economic value creation in social businesses is Stakeholder Theory, introduced by Freeman (1984), alongside the concept of Shared Value developed by Porter and Kramer (2011). Stakeholder Theory posits that organizations create

sustainable value when they consider the interests of all stakeholders, including investors, employees, and the wider community, rather than focusing solely on shareholder returns. This perspective is reinforced by Porter and Kramer (2011), who argue that economic success should be intrinsically linked to the resolution of social issues, thereby integrating competitive advantage with societal progress.

Building on these foundations, Santos (2012) further emphasizes the inseparability of social and economic value creation, asserting that economic value generated by social enterprises inherently produces social benefits by contributing to the welfare of multiple stakeholder groups. In contrast, Crane et al. (2014) offer a critical perspective, contending that the mechanisms of economic value creation in social businesses do not fundamentally differ from those in traditional companies. They argue that social and economic objectives are often tense, suggesting that pursuing both simultaneously may result in reduced short-term financial performance.

However, more recent research by Green et al. (2024) challenges this critical viewpoint, proposing that social enterprises can effectively reconcile economic and social objectives. According to these authors, sustainable income generation combined with efficient cost management enables social business to simultaneously create economic and social value. Despite these differing perspectives, a broad consensus within the literature suggests that social and economic values are interrelated and mutually reinforcing, ultimately contributing to enhanced societal outcomes.

An additional challenge identified in the literature concerns the measurement of economic value in social businesses. Unlike traditional businesses, where financial performance indicators are typically sufficient, value creation in social enterprises is inherently multidimensional. This complexity arises from the need to capture both financial outcomes and broader social impacts, making the assessment of economic value more demanding and methodologically nuanced.

Stevens et al. (2015) were among the first to introduce the concept of the dual mission, aiming to structurally examine the two primary orientations of social enterprises: social and economic. Based on empirical research involving 270 social enterprises, the authors demonstrated that while these two dimensions are interrelated, they remain distinct constructs. The scale they developed enables a quantitative assessment of organizational priorities and facilitates analysis of the balance between social and economic objectives.

Expanding on the measurement of economic value within social enterprises, Crucke & Decramer (2016) proposed a multidimensional evaluation framework encompassing five domains: economic performance, human resources, environmental practices, community engagement, and governance. A key distinction between the models proposed by Stevens et al. (2015) and Crucke & Decramer (2016) lies in the conceptualization of economic value. Whereas Stevens et al. (2015)

focus on mission orientation, Crucke & Decramer (2016) assess economic sustainability not through traditional financial indicators such as profit or return on investment, but through underlying conditions that support long-term viability, including innovativeness, practicality, and risk-taking capacity. Their model comprises 21 indicators and, having been developed using mixed research methods, reflects a comprehensive and holistic approach to evaluating social enterprise performance.

However, the economic value measurement approaches proposed by the aforementioned researchers present challenges when applied to social businesses. The literature indicates that measures developed for for-profit organizations often fail to capture the multidimensional nature of social business, while limited financial disclosure and diverse legal forms further complicate comparability across organizations.

In contrast, Delaney & Huselid (1996), based on research in both profit and nonprofit settings, propose a scale of perceived organizational performance that reflects broader organizational health indicators. This approach is particularly suitable for social enterprises, where intangible aspects of performance are important and traditional financial data may be unavailable. Furthermore, Wall et al. (2004) provide supporting evidence that subjective performance measures are strongly correlated with objective indicators, reinforcing their validity. Thus, the use of perceptual measures can be considered a justified and context-appropriate alternative for assessing performance in social business contexts.

Overall, these contributions demonstrate an ongoing effort within the literature to establish a clearer theoretical and methodological foundation for analyzing social enterprise performance. While Stevens et al. (2015) emphasize the dual nature of organizational missions, Crucke & Decramer (2016) adopt a multidimensional performance perspective. Collectively, these approaches reflect a growing emphasis on standardization and comparability, as well as the pursuit of more robust and coherent methodologies for studying the complex environment of social enterprises.

3. CONCEPTUALIZATION OF SOCIAL BUSINESS AND ITS FEATURES

3.1 Definition and characteristics of social business

Within the scholarly discourse, the concept of social business is frequently used alongside - and at times interchangeably with - the notion of social enterprise, which can generate conceptual ambiguity regarding the boundaries between these organizational forms. Social enterprises are commonly theorized as hybrid organizations because they pursue a dual mandate: the creation of social value while simultaneously generating revenue to sustain operations. By contrast, social business, as formulated by Yunus et al. (2010), denotes a more narrowly specified category distinguished by more restrictive rules governing profit distribution and by an explicit hierarchy of objectives in which the social mission is prioritized over financial return. Consistent with this interpretation, Kickul and Teasdale (2012) argue that social business is best understood through its normative organizational logic - that is, as a form defined by prescriptive principles rather than merely by descriptive features.

According to Yunus et al. (2010), social business is anchored in seven core principles that constitute its philosophical foundation:

1. **Social mission** – the primary purpose is to address salient social problems, including unemployment and poverty, as well as challenges related to education and healthcare.
2. **Financial self-sufficiency** – the organization is expected to be economically viable through its own activities and should not depend on external incentives for survival.
3. **Non-dividend distribution** – investors may recover their initial capital; however, profit distribution beyond repayment is prohibited.
4. **Reinvestment of profits** – all surpluses must be reinvested into operations, growth, and the expansion of social value creation, including improved accessibility of products or services.
5. **Environmental responsibility** – the organization should minimize negative environmental impact and operate in a sustainable manner.
6. **Fair remuneration and market conditions** – employees should receive market-based compensation and work under adequate and equitable conditions.
7. **Motivated engagement** – organizational activities should foster motivation and meaningful participation among all individuals involved.

A fundamental distinction between social business and conventional for-profit enterprise concerns the primacy of social value creation, whereby social and environmental problems are treated as the central targets of organizational activity and profit is construed primarily as a mechanism for continuity rather than as an end goal (Neessen et al., 2021; Park & Bae, 2020).

Building on this, Doherty et al. (2014) contend that the defining feature of social business lies in its mission duality, namely the ongoing effort to reconcile social objectives with financial requirements. This duality positions social businesses as hybrid organizational forms that integrate elements associated with private-sector market practices, public-sector concerns, and nonprofit-sector values. In a similar vein, Stevens et al. (2015) emphasizes that the deliberate prioritization of social value over economic value illustrates the practical and conceptual possibility of pursuing both aims concurrently.

In comparison with nonprofit organizations, social businesses are further characterized by their commitment to commercial revenue generation through sustainable market activity, while directing any surplus toward the advancement of social goals. This differentiates social businesses not only from conventional firms, which typically seek to maximize shareholder returns, but also from nonprofit organizations that often rely predominantly on grants and donations (Kroegeer & Weber, 2014; Ormiston & Seymour, 2011; Santos, 2012). The reinvestment logic is therefore not merely an operational choice but a constitutive feature of the social business model, explicitly foregrounded in the principles articulated by Yunus et al. (2010).

At the same time, a major theme in literature concerns the tensions inherent in hybridity, particularly the internal conflict that may emerge between social and financial objectives. Social businesses frequently operate at the intersection of competing institutional logic: market logic, which privileges efficiency, profitability, and competitiveness, and social logic, which emphasizes beneficiary needs, community well-being, and commitment to mission (Battilana & Lee, 2014). While this perspective highlights the structural difficulty of balancing divergent demands, the framework proposed by Yunus et al. (2010) explicitly asserts the dominance of the social mission, thereby offering a normative basis for prioritization when trade-offs arise.

Relatedly, Park & Bae (2020) draw attention to legitimate challenges faced by hybrid organizations, noting a persistent evaluative tension in which such organizations may be criticized as either insufficiently social (i.e., excessively commercial) or insufficiently commercial (i.e., overly social). Yunus et al. (2010) contest the inevitability of this drift by arguing that clearly specified design features - particularly the non-dividend constraint - function as safeguards against commercialization, while transparent governance supports accountability to mission and sustains the economic viability required for continued operations.

Overall, research on social business as a hybrid organizational form addresses several interrelated questions: how such organizations balance social mission, economic sustainability, and environmental responsibility; how they manage operational and legitimacy pressures in institutional environments characterized by conflicting expectations; and how they innovate business models to ensure continuity and resilience over time. Continued scholarly engagement

with these issues contributes to the maturation of the field by refining conceptual distinctions, identifying recurring challenges, and proposing theoretically grounded explanations and practice-oriented recommendations for organizations operating within this hybrid domain.

3.2 Social Business in Lithuania

Over the past decade, the legal and regulatory framework for social business in Lithuania has undergone substantial change. One of the most significant developments concerns the regulatory environment, which has shifted from a largely recommendatory approach toward a more clearly formalized system that includes defined oversight and control mechanisms (Urmanavičienė et al., 2021; Urmanavičienė, 2025). In particular, the adoption of the 2024 Description of the Procedure for Granting and Revoking Social Business Entity Status introduced three notable institutional changes:

1. **Administrative pathway for obtaining status:** Organizations seeking social business status must complete a specified administrative procedure by registering with the Innovation Agency.
2. **Eligibility constraints based on organizational size:** Status is restricted to small and medium-sized enterprises (SMEs).
3. **Accountability requirements:** A responsibility framework was established, including the obligation to submit impact reports and to publicly disclose relevant information.

Although this framework provides a comparatively clear, system-level description of the steps required to obtain status and clarifies associated responsibilities, it still leaves several issues insufficiently addressed - particularly with respect to the financial support system, stakeholder participation in governance, and the overall completeness of legal regulation.

A comparison between the **2015 approval of the Social Business Concept** and the **2024 procedure description** reveals several substantive differences in how social business is defined and operationalized. 2015 criteria emphasized that social business should: (a) conduct continuous economic activity aimed at producing measurable and positive social impact; (b) reinvest profits in accordance with pre-defined profit distribution procedures; (c) be managed transparently and responsibly, including the involvement of stakeholders; and (d) maintain independence from public- or private-sector institutions, organizations, or agencies (Urmanavičienė et al., 2021).

By contrast, the 2024 framework specifies that: (a) more than 50% of profits must be allocated to creating social and/or environmental impact; (b) each organization must commit to measuring social and/or environmental impact and reporting results in an annual report; (c) annual reports must also disclose financial results; and (d) independence from public entities must be ensured (Urmanavičienė, 2025). Overall, while the regulatory environment has become more

explicit and enforceable, several gaps remain. Notably, the system does not yet provide standardized impact measurement guidelines or a clear methodological framework; requirements for stakeholder involvement remain vague; and the emphasis on democratic governance appears less pronounced than in earlier conceptualizations. At the same time, the 2024 framework introduces a clearer pathway for status acquisition and formalizes monitoring and control mechanisms.

Figure 3. SWOT Analysis: Lithuanian Social Business Regulatory Environment Based on the 2024 Regulation

STRENGTHS

- Procedural clarity and legal certainty;
- Clearly defined and measurable criteria for social impact investment;
- Mandatory transparency and public accountability requirements;
- Digitally enabled administrative infrastructure;
- Formal recognition of environmental impact considerations;

WEAKNESSES

- Restriction of eligibility to small and medium-sized enterprises (SMEs);
- Lack of dedicated financial incentive mechanisms;
- Absence of formal requirements for stakeholder participation in governance processes;
- Insufficiently specified methodologies for impact measurement;
- Limited strength and clarity of enforcement mechanisms;

OPPORTUNITIES

- Professionalization of the social business sector;
- Establishment of a national data collection and monitoring system;
- Enhanced legitimacy and increased public visibility of social businesses;
- Integration into European-level initiatives and policy frameworks;
- Provision of a structural foundation for future policy development;

THREATS

- Low levels of participation and engagement within the sector;
- Excessive bureaucratic formalism in administrative processes;
- Fragmentation of the social business landscape;
- Insufficiently verification and monitoring mechanisms;
- Underdeveloped supporting ecosystem for social business development;

Source: compiled by the author based on Order No. 4-532 on the approval of the Description of the procedure for the acquisition and loss of social business entity status signed by Ministry of the Economy and Innovation of the Republic of Lithuania

Despite visible progress - namely, a shift from general recommendations to more formal regulation - the system still offers considerable room for interpretation, particularly regarding how

social and environmental value should be measured (as illustrated in Figure 3). While the existence of a registration system through the Innovation Agency and the requirement to submit publicly available annual reports strengthens transparency, the framework does not clearly specify incentive instruments (e.g., support measures that would encourage organizations to pursue and sustain social business status). In addition, control and enforcement methods are not described in sufficient detail, and it remains unclear whether, where, and how stakeholders are expected to participate in governance. If these issues are not addressed through legal amendments or further refinement of the procedure description, the system risks becoming primarily an administrative structure that increases reporting burdens without effectively supporting the development of a sustainable social business ecosystem.

Based on their analysis of the Lithuanian context, Urmanavičienė et al. (2021) identify three dominant models of social business, each displaying distinct features when assessed against the EMES social enterprise criteria:

1. **Work Integration Social Enterprises (WISE).** This model focuses on integrating socially vulnerable groups—such as people with disabilities, the long-term unemployed, and formerly incarcerated individuals—into the labor market. Typical activities include manufacturing, cleaning, consulting, packaging, construction, and health services (Urmanavičienė et al., 2021).
2. **Social business organizations** (mission-driven enterprises/organizations). These organizations primarily aim to create social value while generating income through economic activities and external funding sources. They are commonly structured as nonprofits, reinvesting any surplus into achieving their mission rather than distributing profits (Urmanavičienė et al., 2021).
3. **Entrepreneurial non-governmental organizations** (entrepreneurial NGOs). These are nonprofit organizations operating mainly at the community level, with limited and often irregular economic activity. They frequently rely on external funding and may engage in small-scale trade or production, although financial data availability is limited (Urmanavičienė et al., 2021).

Taken together, these models illustrate the fragmented nature of Lithuania's social business landscape. In the absence of a consistently applied legal status, coherent regulation, and a comprehensive state support system, the field faces persistent challenges and reflects broader issues of systemic inconsistency.

4. RESEARCH METHODOLOGY

4.1 Aim and design of empirical research

The aim of this study is to examine the impact of intrinsic and extrinsic employee motivation on the creation of social and economic value within social businesses, while accounting for the mediating role of meaningful work. In this context, meaningful work is understood to the extent to which individuals perceive their activities as valuable, contributing positively to the broader environment, and serving a greater purpose. Accordingly, the study seeks to address the underlying mechanisms of “how” and “why” employee motivation influences organizational outcomes, thereby contributing to a more comprehensive understanding of how both social and economic value creation can be enhanced through motivational processes. To achieve the research aim, the following research objectives are formulated:

- To determine the impact of intrinsic motivation on the creation of social value in social business.
- To determine the impact of extrinsic motivation on the creation of social value in social business.
- To determine the relationship between intrinsic motivation and the creation of economic value.
- To determine the relationship between extrinsic motivation and the creation of economic value.
- To determine whether meaningful work functions as a mediating variable in the relationship between employee motivation and the creation of social and economic value.

4.2 Research model and hypotheses

This research adopts a quantitative, cross-sectional survey design, which enables the efficient collection of standardized data from a relatively large sample of employees and facilitates statistical analysis. The study is grounded in Self-Determination Theory (Ryan & Deci, 2000), which provides a robust theoretical framework for distinguishing between intrinsic and extrinsic dimensions of motivation.

The proposed research model and associated hypotheses are designed to test specific causal relationships between motivation, mediating variable, and value creation outcomes. A quantitative survey approach was selected for several reasons. First, key constructs such as motivation and meaningful work can be operationalized using validated measurement scales, ensuring consistency and comparability across respondents. Second, quantitative methods allow for rigorous hypothesis testing and the examination of relationships between employee motivation and organizational outcomes, specifically social and economic value creation.

Overall, this methodological approach enables the derivation of data-driven conclusions based on responses collected from employees working in Lithuanian social enterprises across various sectors.

The research model comprises five primary constructs:

1. Intrinsic Motivation (Independent Variable). In this study, intrinsic motivation is conceptualized as employees' engagement in work driven by inherent enjoyment, interest, and enthusiasm associated with the work itself.

2. Extrinsic Motivation (Independent Variable). This study operationalizes extrinsic motivation through four forms of regulation: identified regulation (seeking approval, respect, or avoidance of criticism from others); external regulation (pursuit of financial rewards, job security, or avoidance of job loss); introjected regulation (motivation driven by avoidance of guilt or anxiety); and integrated regulation (alignment of work behavior with one's sense of self and personal values).

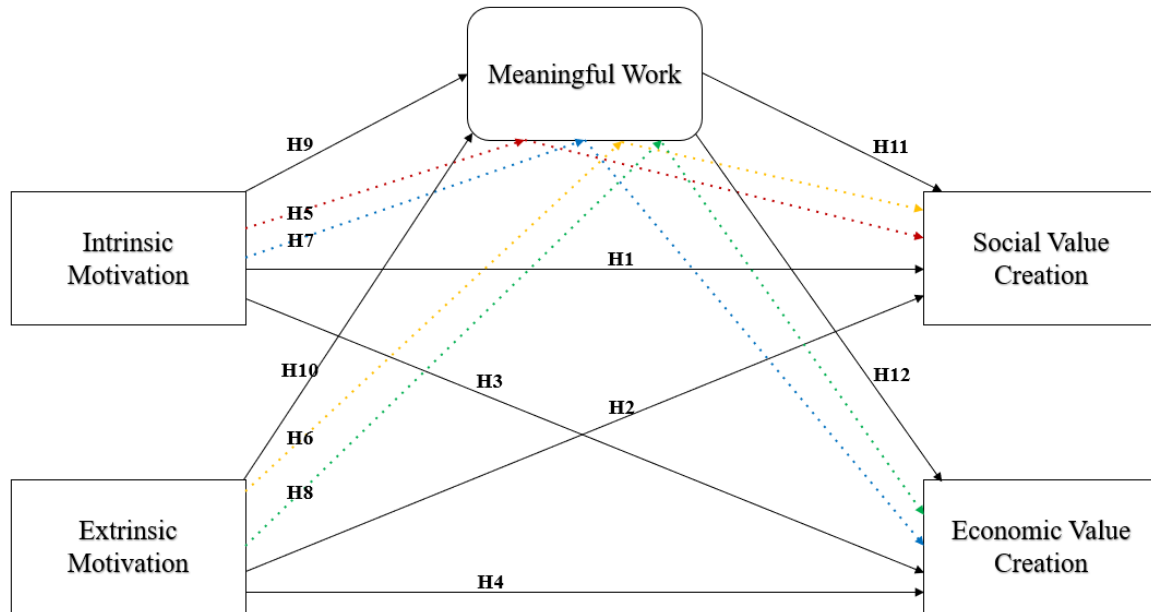
3. Meaningful Work (Mediating Variable). Meaningful work is conceptualized as a psychological mechanism through which motivational orientations are translated into value-creating outcomes.

4. Social Value Creation (Dependent Variable). This construct is conceptualized as a multidimensional phenomenon encompassing: (a) social impact on employees; (b) social impact on individuals and communities; (c) impact on the natural environment; and (d) overall mission fulfillment.

5. Economic Value Creation (Dependent Variable). Drawing on the entrepreneurial orientation literature applied to social enterprises, this construct comprises three dimensions: innovativeness (the implementation of new processes, products, or services), proactiveness (forward-looking behavior and market leadership), and risk-taking (the willingness to pursue bold initiatives).

The research model (see Figure 4) posits that both intrinsic and extrinsic motivation exert direct effects on social and economic value creation. In addition, these motivational orientations are proposed to influence the perception of meaningful work, which subsequently affects both forms of value creation. Accordingly, the model examines whether meaningful work functions as a mediating variable - either partially or fully - in the relationships between different types of motivation and organizational value creation outcomes.

Figure 4. Conceptual Research Model



Source: compiled by the author based on literature analysis

*The hypotheses of the research model formulated to examine the **direct effects on value creation**:*

- H1.** Intrinsic employee motivation has a positive effect on social value creation.
- H2.** Extrinsic employee motivation has a positive effect on social value creation.
- H3.** Intrinsic employee motivation has a positive effect on economic value creation.
- H4.** Extrinsic employee motivation has a positive effect on economic value creation.

*The hypotheses of the research model formulated to examine the **mediation effects**:*

- H5.** Meaningful work mediates the relationship between intrinsic motivation and social value creation.
- H6.** Meaningful work mediates the relationship between extrinsic motivation and social value creation.
- H7.** Meaningful work mediates the relationship between intrinsic motivation and economic value creation.
- H8.** Meaningful work mediates the relationship between extrinsic motivation and economic value creation.

*The hypotheses of the research model formulated to examine the **effects on meaningful work**:*

- H9.** Intrinsic motivation has a positive effect on meaningful work.
- H10.** Extrinsic motivation has a positive effect on meaningful work.

*The hypotheses of the research model formulated to examine the **effects of meaningful work**:*

- H11.** Meaningful work has a positive effect on social value creation.
- H12.** Meaningful work has a positive effect on economic value creation.

4.3 Research instrument and data collection procedure

The study adopts a quantitative survey methodology, selected for its capacity to reach a broad population of respondents and to enable the statistical examination of complex relationships among latent constructs. Data is collected via an online questionnaire. The data collection period extends from May 7 to May 18, 2026. The survey link is distributed based on the publicly available list of social businesses provided by the Lithuanian Innovation Agency.

4.4 Sample characteristics and sampling procedure

The target population of the study consists of all employees working in organizations holding social business status in Lithuania. According to data from the Lithuanian Innovation Agency, there were 168 such organizations at the time of the study. The data were compiled by analyzing these organizations and collecting their contact information from publicly available sources, including company information platforms such as scoris.lt and rekvizitai.vz.lt. These sources also provided data on the number of employees, which totals 419 individuals.

The sample size was calculated using the formula proposed by Cochran (1977):

$$n_0 = (Z^2 \times p \times q) / e^2$$

where:

- $Z = 1.96$ (corresponding to a 95% confidence level),
- $p = 0.5$,
- $q = 0.5$,
- $e = 0.05$.

Substituting these values yields an initial sample size of approximately $n_0 \approx 385$. Given that the population is finite and known ($N = 419$), a finite population correction was applied:

$$n = n_0 / (1 + (n_0 - 1) / N) \approx 385 / (1 + 384 / 419) \approx 201.$$

Based on these calculations, the minimum required sample size is 201 respondents. This sample size is considered sufficient to ensure the reliability and representativeness of the study results and meets the requirements for structural equation modeling (SEM) analysis (Hair et al., 2019).

4.5 Measurement of research variables

All constructs in this study are measured using validated multi-item scales derived from established academic literature. Table 1 presents a comprehensive overview of the operationalization of each construct.

Table 1. Operationalization of Research Constructs

Construct	Conceptual Definition	Measurement Scale	Number of Items	Response Scale	Source
Intrinsic Motivation	Work engagement driven by inherent interest, enjoyment, and satisfaction	MWMS scale – Intrinsic Motivation subscale	3 items	7-point Likert (1 = Not at all; 7 = Completely)	Gagné et al. (2015)
Extrinsic Motivation	Work engagement driven by external rewards, social approval, or avoidance of negative consequences	MWMS scale – External Regulation, Identified Regulation, Introjected Regulation, Integrated Regulation	13 items	7-point Likert (1 = Not at all; 7 = Completely)	Gagné et al. (2015)
Meaningful Work	Perception that work has significance and purpose	Work and Meaning Inventory (WAMI)	7 items	7-point Likert (1 = Strongly Disagree; 7 = Strongly Agree)	Steger et al. (2012)
Social Value Creation	Beneficial social outcomes for employees, communities, and environment	Social Impact Scale for Social Enterprises (SIS-SE)	31 items across 4 dimensions	7-point Likert (1 = Strongly Disagree; 7 = Strongly Agree)	Quilloy-Custodio et al. (2024)
Economic Value Creation	Organizational performance in innovation, proactiveness, and entrepreneurial orientation	Perceived Organizational Performance Scale	4 items	7-point Likert (1 = Strongly Disagree; 7 = Strongly Agree)	Delaney & Huselid (1996)

Source: compiled by the author based on literature analysis

4.6 Data analysis methods

For the analysis of empirical data, a combination of statistical techniques was applied using both **SPSS** and **SmartPLS** software. Initially, all preliminary data analysis procedures were conducted using SPSS. These included data coding and cleaning, descriptive statistics, frequency and percentage analysis, construction of composite indexes, and scale reliability analysis (Cronbach's alpha). In addition, SPSS was used to perform **correlation analysis**, **multiple regression analysis**, and **multicollinearity diagnostics**, allowing for the examination of direct relationships between variables and preliminary hypothesis testing.

Subsequently, to further examine complex relationships within the research model, particularly mediation effects, **Partial Least Squares Structural Equation Modeling (PLS-SEM)** was applied using SmartPLS software. This method was selected due to the presence of

multiple latent constructs measured with Likert-type scales and the study's aim to assess both direct and indirect relationships between intrinsic and extrinsic motivation, meaningful work, and socio-economic value creation.

Within the SmartPLS framework, the analysis included assessment of the **measurement model** (reliability and validity), evaluation of the **structural model**, and testing of **mediation effects using the bootstrapping procedure**. Additional analyses included examination of model explanatory power (R^2), effect sizes, and overall model quality.

4.7 Ethical considerations

Participation in the study is voluntary, and respondents' anonymity and data confidentiality are ensured. The study poses no ethical risk and complies with established academic research ethics principles.

5. EMPIRICAL ANALYSIS OF THE IMPACT OF EMPLOYEE MOTIVATION ON VALUE CREATION

5.1 Demographic and organizational characteristics of the respondents

This section provides a comprehensive overview of the demographic and organizational characteristics of the research sample, based on the general information collected in Section A (A1–A8) of the questionnaire. The analysis is based on a total of **210 respondents**, ensuring a sufficiently large sample for statistical analysis and reliable interpretation of the results. Descriptive statistical analysis is used to examine the distribution of respondents across key variables, including gender, age, level of education, work experience, job position, nature of organizational activity, organizational size, and organizational age.

Table 2. Demographic Characteristics of Respondents

Characteristics	Category	N	%
Gender	Female	151	71.9
	Male	59	28.1
Age group	18 – 24	8	3.8
	25 – 34	30	14.2
	35 - 44	94	44.8
	45 – 54	43	20.5
	55 and more	35	16.7
Education	Secondary education	12	5.7
	College diploma	14	6.7
	Bachelor's degree	126	60
	Master's degree	58	27.6
Tenure	Less than 1 year	43	20.5
	1 – 3 years	45	21.4
	3 – 5 years	30	14.3
	More than 5 years	92	43.8

Source: compiled by the author based on descriptive analysis results performed by SPSS

The sample exhibits a pronounced gender imbalance, with females constituting 71.9% (n = 151), while the largest age cohort is 35 – 44 years (n = 94). Higher education is predominant, as most respondents hold bachelor's (n = 126) or master's (n = 58) degrees. In terms of tenure, a statistically dominant group (n = 108) reports five or more years of work experience, whereas the

remaining respondents are relatively evenly distributed across shorter tenure categories, indicating that over half of the sample represents a stable and experienced segment of the social business workforce.

The analysis of the organizational characteristics of respondents indicates a diverse distribution of roles; however, a statistically dominant proportion of participants were founders (n = 122). In terms of organizational activity, the sectors of education and training, as well as health and social care, prevail, jointly accounting for 109 respondents. Regarding organizational size, most respondents represent small enterprises employing 1–10 individuals, aligning with national regulatory criteria for social business classification. Furthermore, the majority of organizations fall within the 6 – 10 year age category, suggesting a predominantly moderately mature sector characterized by established operational practices.

Table 3. Organizational Characteristics of Respondents

Characteristics	Category	N	%
<i>Role</i>	Employee	49	23.3
	Team Leader	10	4.8
	Senior Manager	29	13.8
	Founder	122	58.1
<i>Type of social business</i>	Work integration	18	8.6
	Health and social care	48	22.9
	Education and training	59	28.1
	Environmental protection	8	3.8
	Community development	9	4.3
	Arts and culture	14	6.7
	Other	54	25.7
<i>Organization size</i>	1–10 employees	173	82.4
	11–50 employees	37	17.6
<i>Organization age</i>	Less than 2 years	25	11.9
	2 – 5 years	66	31.4
	6 – 10 years	81	38.6
	11 – 20 years	38	18.1

Source: compiled by the author based on descriptive analysis results performed by SPSS

However, these findings provide only a partial view of the respondent profile; therefore, a more detailed analysis of female and male respondents separately allows for a clearer characterization of the average participant in the survey. Among female respondents, the largest

proportion (45%) falls within the 35–44 age group, with the majority holding a bachelor’s degree (58%) and reporting more than five years of tenure within their organization (52%). Additionally, most female respondents are founders (56%) operating primarily in the education and training sector, with organizations typically established for 6–10 years. In contrast, the profile of male respondents indicates that 44% belong to the 35–44 age group, 64% possess a bachelor’s degree, and 51% have more than five years of work experience within their current organization. A substantial proportion (63%) identify as founders, while their organizations are more frequently characterized by a shorter operational duration of 2–5 years.

5.2 Construct Measurement: Descriptive Statistics, Reliability, and Bivariate Correlations

All constructs were measured using a seven-point Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). Descriptive statistics include the mean (M), standard deviation (SD), minimum and maximum values, and the number of observations (N) for each construct. The mean reflects the overall level of respondents’ agreement with the construct items, where values closer to 7 indicate a high level of agreement, values around 4 represent neutrality, and values closer to 1 indicate disagreement. The standard deviation provides insight into the variability of responses, with lower SD values indicating a higher level of consensus among respondents and higher SD values suggesting greater heterogeneity within the sample.

The descriptive statistics results (see Table 4) indicate that all analyzed constructs exhibit moderate to moderately high values (on a scale up to 7), suggesting generally favorable evaluations of both motivation and value creation. The highest mean was observed for intrinsic motivation (M = 4.39; SD = 1.32), highlighting the importance of internal factors such as personal satisfaction and self-realization.

Table 4. Descriptive Statistics for Study Constructs

Construct	N	Mean	SD	Median	Min	Max
Intrinsic motivation	210	4.39	1.32	4.33	1.0	7.0
Extrinsic motivation	210	4.11	0.89	4.08	1.8	6.2
Meaningful Work	210	4.18	1.22	4.17	1.0	7.0
Social value	210	4.13	1.20	4.11	1.2	7.0
Economic value	210	4.24	1.25	4.25	1.0	7.0
Social-economic value	210	4.18	0.78	4.17	2.3	6.5

Source: compiled by the author based on descriptive analysis results performed by SPSS

Extrinsic motivation shows a slightly lower mean ($M = 4.11$; $SD = 0.89$) and lower variability, suggesting more consistent evaluations among respondents. The perception of meaningful work is also relatively high ($M = 4.18$; $SD = 1.22$), with a median close to the mean, indicating a fairly symmetrical distribution.

Regarding dependent variables, social ($M = 4.13$; $SD = 1.20$) and economic value creation ($M = 4.24$; $SD = 1.25$) are evaluated similarly, though economic value is slightly higher. The combined socio-economic value indicator demonstrates the lowest variability ($SD = 0.78$), reflecting greater homogeneity in responses. Overall, the similarity between means and medians suggests an approximately even distribution without pronounced skewness.

The reliability analysis results (see Table 5) indicate that all key constructs used in the study demonstrate good to excellent internal consistency. The intrinsic motivation scale ($\alpha = 0.861$) and the extrinsic motivation scale ($\alpha = 0.843$) meet the criteria for good internal consistency, suggesting that the measurement items of these constructs are well aligned.

Table 5. Reliability Analysis: Cronbach's Alpha for Study Constructs

Construct	Number of items (k)	Cronbach α	Evaluation
Intrinsic motivation	3	0.861	Good internal consistency
Extrinsic motivation	13	0.843	Good internal consistency
Meaningful Work	6	0.903	Excellent internal consistency
Social value	31	0.977	Excellent internal consistency
Economic value	4	0.867	Good internal consistency

Source: compiled by the author based on reliability analysis results performed by SPSS

The meaningful work scale exhibits very high reliability ($\alpha = 0.903$), while the social value scale demonstrates exceptionally high internal consistency ($\alpha = 0.977$), indicating a very strong coherence among items, although such a high value may also suggest potential redundancy of the statements. The economic value scale also shows good internal consistency ($\alpha = 0.867$). In summary, all key variables in the study are measured using reliable scales, indicating that the data are suitable for further statistical analysis.

The results of the correlation analysis (see Table 6) reveal several statistically significant relationships among the examined variables. Intrinsic motivation demonstrates a strong positive correlation with meaningful work ($r = 0.694$, $p < 0.001$), as well as moderate relationships with social value ($r = 0.537$, $p < 0.001$) and socio-economic value ($r = 0.410$, $p < 0.001$). However, the relationship between intrinsic motivation and economic value is not statistically significant ($r =$

0.000, $p = 0.995$), indicating that intrinsic motivation is not directly associated with economic value creation in this study.

Extrinsic motivation shows a weak positive correlation with intrinsic motivation ($r = 0.171$, $p < 0.05$) and economic value ($r = 0.223$, $p < 0.01$), but a negative relationship with social value ($r = -0.243$, $p < 0.001$). Its associations with meaningful work ($r = 0.111$, $p = 0.110$) and socio-economic value ($r = -0.008$, $p = 0.912$) are not statistically significant.

Table 6. Pearson Correlation Analysis Results

Construct	Mean	SD	Intrinsic Motivation	Extrinsic Motivation	Meaningful Work	Social value	Economic value	Socio-economic value
Intrinsic motivation	4.39	1.32	1					
Extrinsic motivation	4.11	0.89	0.171*	1				
Meaningful Work	4.18	1.22	0.694***	0.111	1			
Social value	4.13	1.20	0.537***	-0.243***	0.580***	1		
Economic value	4.24	1.25	0.000	0.223**	-0.049	-0.179**	1	
Socio-economic value	4.18	0.78	0.410***	-0.008	0.404***	0.621***	0.660***	1

* Correlation is statistically significant at the 0.05 level

** Correlation is statistically significant at the 0.01 level

*** Correlation is statistically significant at the 0.001 level

Source: compiled by the author based on correlation analysis results performed by SPSS

Meaningful work is strongly correlated with social value ($r = 0.580$, $p < 0.001$) and moderately with socio-economic value ($r = 0.404$, $p < 0.001$) but shows no significant relationship with economic value ($r = -0.049$, $p = 0.480$). Social value is strongly associated with socio-economic value ($r = 0.621$, $p < 0.001$) and weakly negatively correlated with economic value ($r = -0.179$, $p < 0.01$). Finally, economic value demonstrates a strong positive correlation with socio-economic value ($r = 0.660$, $p < 0.001$).

In summary, the findings suggest that intrinsic motivation and meaningful work are important drivers of social value creation, whereas economic value is more closely associated with extrinsic motivation.

5.3 Regression Analysis

The results of the regression analysis (see Table 7 & 8) reveal differential effects of the independent variables on the dependent variables, as well as the mediating role of meaningful work. First, the model with meaningful work as the dependent variable is statistically significant ($R^2 = 0.482$; Adj. $R^2 = 0.477$; $F = 96.246$; $p < 0.001$), explaining 48.2% of the variance. Intrinsic motivation exerts a strong positive and statistically significant effect on meaningful work ($\beta = 0.696$; $p < 0.001$), whereas extrinsic motivation does not demonstrate a significant effect ($\beta = -0.009$; $p = 0.867$).

Table 7. Regression analysis

Dependent variable	Independent variable	β (standardized)	t	p	Tolerance	VIF
Meaningful	Intrinsic	.696	13.697	<.001	.971	1.030
	Extrinsic	-.009	-0.168	.867	.971	1.030
Social Value	Intrinsic	.321	4.587	<.001	.509	1.964
	Extrinsic	-.342	-6.743	<.001	.971	1.030
	Meaningful	.395	5.692	<.001	.518	1.930
Economic value	Intrinsic	.025	0.260	.795	.509	1.964
	Extrinsic	.229	3.338	.001	.971	1.030
	Meaningful	-.091	-0.972	.332	.518	1.930
Socio-economic	Intrinsic	.265	3.036	.003	.509	1.964
	Extrinsic	-.078	-1.239	.217	.971	1.030
	Meaningful	.229	2.646	.009	.518	1.930

Source: compiled by the author based on Regression analysis results performed by SPSS

The analysis of the social value model indicates that it is also statistically significant ($R^2 = 0.485$; Adj. $R^2 = 0.478$; $F = 64.743$; $p < 0.001$), accounting for 48.5% of the variance. Both intrinsic motivation ($\beta = 0.321$; $p < 0.001$) and meaningful work ($\beta = 0.395$; $p < 0.001$) have positive and significant effects on social value, while extrinsic motivation has a significant negative effect ($\beta = -0.342$; $p < 0.001$).

The economic value model demonstrates relatively low explanatory power ($R^2 = 0.056$; Adj. $R^2 = 0.042$; $F = 4.054$; $p = 0.008$). In this model, only extrinsic motivation has a statistically significant positive effect on economic value ($\beta = 0.229$; $p = 0.001$), whereas intrinsic motivation ($\beta = 0.025$; $p = 0.795$) and meaningful work ($\beta = -0.091$; $p = 0.332$) are not significant predictors.

Finally, the social-economic value model is statistically significant ($R^2 = 0.202$; Adj. $R^2 = 0.190$; $F = 17.349$; $p < 0.001$), explaining 20.2% of the variance. Intrinsic motivation ($\beta = 0.265$; $p = 0.003$) and meaningful work ($\beta = 0.229$; $p = 0.009$) have significant positive effects on this variable, while the effect of extrinsic motivation is not statistically significant ($\beta = -0.078$; $p = 0.217$).

Table 8. The explanatory power of the regression models

Dependent variable	R²	Adjusted R²	F	p
<i>Meaningful Work</i>	.482	.477	96.246	<.001
<i>Social Value</i>	.485	.478	64.743	<.001
<i>Economic value</i>	.056	.042	4.054	.008
<i>Socio-economic value</i>	.202	.190	17.349	<.001

Source: compiled by the author based on Regression analysis results performed by SPSS

Additionally, no multicollinearity issues were detected in the models, as all tolerance values exceed 0.5 and variance inflation factor (VIF) values are below 2, indicating an adequate level of independence among the independent variables. In summary, intrinsic motivation and meaningful work emerge as the key determinants of social and social-economic value creation, whereas economic value creation is more strongly explained by extrinsic motivation.

5.4 Measurement Model Assessment

Prior to conducting the structural model and mediation analysis, the quality of the measurement model was assessed using the SmartPLS algorithm. The initial analysis revealed that the social value indicator SVC7 exhibited an extremely low factor loading (loading = 0.067), indicating that it did not adequately measure the social value construct; therefore, it was removed from further analysis.

Furthermore, the construct of Extrinsic Motivation, initially modeled as a single reflective construct, failed to meet the criteria for reliability and convergent validity (Composite Reliability = 0.597; AVE = 0.254). In line with the theoretical framework and recommendations in the literature, this construct was subsequently decomposed into four subdimensions. Following these adjustments and re-estimation of the model using the SmartPLS algorithm, the measurement model demonstrated substantial improvement: all remaining indicators exceeded the

recommended loading thresholds, and the reliability and validity metrics of the constructs met the established methodological criteria.

Table 9. Summary of outer loadings

Construct	No. of Indicators	Outer loading range	Assessment
Extrinsic Motivation. External Regulation – economic	3	0.844–0.874	Acceptable
Extrinsic Motivation. External Regulation – social	3	0.834–0.872	Acceptable
Extrinsic Motivation. Identified Regulation	3	0.811–0.853	Acceptable
Extrinsic Motivation. Introjected Regulation	4	0.671–0.871	Acceptable
Economic Value	4	0.793–0.881	Acceptable
Intrinsic Motivation	3	0.872–0.895	Acceptable
Meaningful Work	6	0.810–0.842	Acceptable
Social Value	30	0.673–0.844	Acceptable

Source: compiled by the author based on conducted research performed by SmartPLS

Outer loadings (see Table 9) were assessed to determine the extent to which each indicator reflects its corresponding latent construct. Loadings exceeding 0.70 were considered acceptable. The majority of indicators met this criterion. Although EM4 and SVC16 exhibited slightly lower loadings, they were retained, as the constructs maintained adequate levels of reliability and convergent validity.

Table 10. Construct reliability and convergent validity

Construct	Cronbach's α	rho_A	CR	AVE	Assessment
Extrinsic Motivation. External Regulation – economic	0.824	0.848	0.893	0.736	Acceptable
Extrinsic Motivation. External Regulation – social	0.811	0.819	0.888	0.725	Acceptable
Extrinsic Motivation. Identified Regulation	0.774	0.782	0.869	0.688	Acceptable
Extrinsic Motivation. Introjected Regulation	0.815	0.867	0.869	0.625	Acceptable
Economic Value	0.867	0.895	0.909	0.713	Acceptable
Intrinsic Motivation	0.861	0.862	0.915	0.782	Acceptable
Meaningful Work	0.903	0.904	0.925	0.674	Acceptable
Social Value	0.979	0.981	0.981	0.627	Acceptable

Source: compiled by the author based on conducted research performed by SmartPLS

Internal consistency reliability was evaluated using Cronbach's alpha, rho_A, and Composite Reliability, while convergent validity was assessed through the Average Variance Extracted (AVE). As shown in Table 10, all constructs demonstrated satisfactory reliability, with Cronbach's alpha and Composite Reliability values exceeding the 0.70 threshold. Convergent validity was also confirmed, as AVE values ranged from 0.625 to 0.782, surpassing the recommended 0.50 level.

Discriminant validity was assessed using the Heterotrait–Monotrait Ratio (HTMT), with values below 0.85 indicating adequate distinction between constructs. As shown in Table 11, all HTMT values were below this threshold, confirming satisfactory discriminant validity. The highest values were observed between Intrinsic Motivation and Identified Regulation (HTMT = 0.805) and between Intrinsic Motivation and Meaningful Work (HTMT = 0.787). Although these relationships are conceptually related, all values remain within acceptable limits, indicating that the constructs are sufficiently distinct.

Table 11. Discriminant validity assessment using HTMT

Construct	1	2	3	4	5	6	7	8
1. External Regulation – economic	—							
2. External Regulation – social	0.713	—						
3. Identified Regulation	0.074	0.118	—					
4. Introjected Regulation	0.489	0.542	0.446	—				
5. Economic Value	0.269	0.241	0.077	0.182	—			
6. Intrinsic Motivation	0.173	0.158	0.805	0.185	0.100	—		
7. Meaningful Work	0.151	0.168	0.656	0.203	0.092	0.787	—	
8. Social Value	0.429	0.455	0.373	0.215	0.200	0.583	0.614	—

Source: compiled by the author based on the conducted research.

The measurement model assessment confirmed the adequacy of the revised model. Following the removal of SVC7, all constructs demonstrated acceptable internal consistency

reliability and convergent validity, with values exceeding recommended thresholds. Discriminant validity was also established, indicating that the constructs were empirically distinct. Accordingly, the model was deemed reliable and valid for subsequent structural analysis.

5.5 Structural Model Assessment

After establishing the reliability and validity of the measurement model, the structural model was evaluated (see Table 12). This assessment included R^2 , adjusted R^2 , inner VIF values, and path coefficients derived from the SmartPLS bootstrapping procedure. The model's explanatory power was assessed using the coefficient of determination (R^2), which indicates the proportion of variance in endogenous constructs explained by their predictors.

Table 12. Explanatory power of the structural model

Endogenous construct	R^2	Adjusted R^2	Interpretation
Meaningful Work	0.510	0.498	Moderate
Social Value	0.514	0.499	Moderate
Economic Value	0.070	0.043	Weak

Source: compiled by the author based on the conducted research.

The results indicate that the model explains 51.0% of the variance in meaningful work and 51.4% in social value creation, demonstrating substantial explanatory power for these constructs. In contrast, only 7.0% of the variance in economic value creation is explained, suggesting limited explanatory capacity for this outcome. Overall, the findings imply that employee motivation and meaningful work are more strongly associated with the social dimension of value creation than with its economic dimension in social enterprises.

Table 13. Collinearity assessment of the structural model

Assessment criterion	Result
Highest inner VIF value	2.526
Recommended threshold	< 3.000
Conclusion	No multicollinearity problem

Source: compiled by the author based on the conducted research.

Before assessing structural relationships, multicollinearity (see Table 13) was evaluated using the Variance Inflation Factor (VIF). All VIF values were below the threshold of 3, with the

highest value at 2.526, indicating that multicollinearity was not a concern and that the predictor constructs were sufficiently independent for inclusion in the model.

The bootstrapping results revealed (see Table 14) several statistically significant relationships within the model, providing deeper insight into the mechanisms of value creation in social enterprises.

Table 14. Direct effects of the structural model

Path	β (standardized)	t	p	Result
Intrinsic Motivation → Meaningful Work	0.554	8.577	<0.001	Significant
Identified Regulation → Meaningful Work	0.215	2.984	0.003	Significant
Introjected Regulation → Meaningful Work	-0.069	0.644	0.519	Not significant
External Social Regulation → Meaningful Work	-0.059	0.869	0.385	Not significant
External Economic Regulation → Meaningful Work	0.003	0.043	0.966	Not significant
Meaningful Work → Social Value	0.358	5.133	<0.001	Significant
Meaningful Work → Economic Value	-0.075	0.824	0.410	Not significant
Intrinsic Motivation → Social Value	0.228	2.857	0.004	Significant
Intrinsic Motivation → Economic Value	0.067	0.648	0.517	Not significant
Identified Regulation → Social Value	0.043	0.553	0.581	Not significant
Identified Regulation → Economic Value	0.027	0.301	0.763	Not significant
Introjected Regulation → Social Value	-0.108	1.480	0.139	Not significant
Introjected Regulation → Economic Value	0.041	0.437	0.662	Not significant
External Social Regulation → Social Value	-0.184	2.712	0.007	Significant
External Social Regulation → Economic Value	0.095	1.009	0.313	Not significant
External Economic Regulation → Social Value	-0.168	3.062	0.002	Significant
External Economic Regulation → Economic Value	0.162	1.784	0.074	Not significant
Intrinsic Motivation → Meaningful Work	0.554	8.577	<0.001	Significant
Identified Regulation → Meaningful Work	0.215	2.984	0.003	Significant

Source: compiled by the author based on mediation analysis performed by SmartPLS

First, intrinsic motivation was found to exert a strong and statistically significant effect on meaningful work ($\beta = 0.554$; $t = 8.58$; $p < 0.001$). This result indicates that employees whose motivation is driven by internal factors – such as self-realization, personal meaning, or enjoyment

of the activity – are more likely to perceive their work as meaningful. The magnitude of the β coefficient suggests that this is one of the strongest relationships within the model.

Further analysis of value creation outcomes shows that intrinsic motivation has a significant positive effect on social value creation ($\beta = 0.228$; $t \approx 2.86$; $p = 0.004$). This implies that employees' internal motivational drivers directly contribute to the realization of the organization's social mission and the generation of social impact. However, the moderate strength of this relationship suggests that additional factors also play a role in explaining social value creation. In contrast, the effect of intrinsic motivation on economic value creation was not statistically significant ($\beta = 0.067$; $t = 0.65$; $p = 0.517$). This finding suggests that intrinsic motivation alone is insufficient to drive economic outcomes, which may instead be more strongly associated with instrumental or externally driven motivational factors.

Regarding the mediating variable, meaningful work was found to have a significant positive effect on social value ($\beta \approx 0.36$; $p < 0.001$). This indicates that employees' perception of work meaningfulness is a critical determinant of social value creation. In other words, the more employees perceive their work as meaningful, the more they contribute to achieving social objectives. Conversely, the effect of meaningful work on economic value was not statistically significant ($\beta \approx -0.08$; $p > 0.05$), suggesting that perceived meaningfulness is not directly linked to economic performance. This finding further highlights the distinction between the mechanisms underlying social and economic value creation.

The analysis of extrinsic motivation subdimensions revealed differentiated effects. For example, Identified Regulation (i.e., internalized extrinsic motivation) demonstrated a positive and significant effect on meaningful work ($\beta = 0.215$; $p = 0.003$), indicating that externally driven goals can enhance perceptions of meaningfulness when they are personally endorsed. In contrast, External Regulation (social) exhibited a significant negative relationship with social value ($\beta = -0.184$; $p = 0.007$), suggesting that external social pressures or expectations may undermine authentic social value creation.

In summary, the structural model results indicate that intrinsic motivation and meaningful work are the primary drivers of social value creation, whereas economic value creation is not significantly explained by either intrinsic motivation or the perception of meaningful work. These findings support the theoretical assumption that social and economic value creation in social enterprises may be driven by distinct motivational mechanisms.

5.6 Mediation analysis

Mediation analysis was conducted using the bootstrapping procedure in the SmartPLS environment to assess whether Meaningful Work functions as an intervening mechanism between

employee motivation and value creation outcomes (see Table 15). The results indicate that meaningful work plays a statistically significant mediating role in the relationship between intrinsic motivation and social value creation. The indirect effect was positive and significant ($\beta = 0.198$; $t = 4.15$; $p < 0.001$), suggesting that part of the influence of intrinsic motivation on social value operates through employees' perceptions of work meaningfulness. In other words, intrinsic motivation not only contributes directly to social value creation, but also strengthens employees' experience of meaningful work, which in turn further enhances their contribution to the organization's social objectives.

Table 15. Results of Mediation Analysis Based on Specific Indirect Effects

Indirect Path	Standardized indirect effect β	t	p	95% CI LL	95% CI UL	Result
Intrinsic Motivation → Meaningful Work → Social Value	0.198	4.155	<0.001	0.115	0.304	Significant
Intrinsic Motivation → Meaningful Work → Economic Value	-0.042	0.814	0.416	-0.142	0.058	Not significant
Identified Regulation → Meaningful Work → Social Value	0.077	2.652	0.008	0.019	0.134	Significant
Identified Regulation → Meaningful Work → Economic Value	-0.016	0.797	0.426	-0.061	0.023	Not significant
Introjected Regulation → Meaningful Work → Social Value	-0.025	0.599	0.549	-0.095	0.073	Not significant
Introjected Regulation → Meaningful Work → Economic Value	0.005	0.390	0.696	-0.021	0.036	Not significant
External Social Regulation → Meaningful Work → Social Value	-0.021	0.832	0.406	-0.071	0.029	Not significant
External Social Regulation → Meaningful Work → Economic Value	0.004	0.476	0.634	-0.012	0.027	Not significant
External Economic Regulation → Meaningful Work → Social Value	0.001	0.042	0.967	-0.048	0.050	Not significant
External Economic Regulation → Meaningful Work → Economic Value	-0.000	0.028	0.978	-0.017	0.017	Not significant

Source: compiled by the author based on mediation analysis performed by SmartPLS

Importantly, the findings support partial mediation, as both the direct effect (Intrinsic Motivation → Social Value) and the indirect effect via the mediator are statistically significant.

This implies that meaningful work is an important – but not the sole – mechanism through which intrinsic motivation affects social value creation.

By contrast, mediation was not supported for economic value creation. The indirect effect between intrinsic motivation and economic value through meaningful work was not significant ($\beta = -0.042$; $t = 0.81$; $p = 0.416$). Moreover, the mediator's link with economic value was also non-significant, indicating that perceptions of meaningful work do not transmit the effect of intrinsic motivation to economic outcomes. This finding suggests that economic value creation in social enterprises may be driven by different mechanisms that are not directly related to employees' experienced meaningfulness at work.

In summary, the mediation analysis indicates that:

- Meaningful work represents a significant psychological mechanism through which intrinsic motivation translates into social value creation.
- For economic value creation, mediation was not confirmed, highlighting a distinct logic underpinning social versus economic value creation in social enterprises.

Overall, these findings provide empirical support for the theoretical proposition that social value creation is closely associated with employees' intrinsic motivation and their experience of meaningfulness, whereas economic value may depend more strongly on instrumental, structural, or external factors.

5.7 Hypotheses Analysis

In the final SmartPLS model, extrinsic motivation was operationalized through four dimensions: identified regulation, introjected regulation, external social regulation, and external economic regulation. Accordingly, hypotheses related to extrinsic motivation were interpreted for each dimension separately (see Figure 5).

Hypotheses on direct relationships with value creation:

H1: *Intrinsic employee motivation has a positive effect on social value creation.*
The hypothesis was supported. Intrinsic motivation had a significant positive effect on social value creation, $\beta = 0.228$, $t = 2.857$, $p = 0.004$.

H2: *Extrinsic employee motivation has a positive effect on social value creation.*
The hypothesis was not supported. Identified regulation was not significant, $\beta = 0.043$, $p = 0.581$; introjected regulation was not significant, $\beta = -0.108$, $p = 0.139$. External social regulation had a significant negative effect, $\beta = -0.184$, $p = 0.007$, and external economic regulation also had a significant negative effect, $\beta = -0.168$, $p = 0.002$.

H3: *Intrinsic employee motivation has a positive effect on economic value creation.*
The hypothesis was not supported. Intrinsic motivation did not have a statistically significant effect on economic value creation, $\beta = 0.067$, $t = 0.648$, $p = 0.517$.

H4: *Extrinsic employee motivation has a positive effect on economic value creation.*
The hypothesis was not supported. None of the extrinsic motivation dimensions had a statistically significant positive effect on economic value creation: identified regulation, $\beta = 0.027$, $p = 0.763$; introjected regulation, $\beta = 0.041$, $p = 0.662$; external social regulation, $\beta = 0.095$, $p = 0.313$; external economic regulation, $\beta = 0.162$, $p = 0.074$.

Mediation hypotheses:

H5: *Meaningful work mediates the relationship between intrinsic motivation and social value creation.*

The hypothesis was supported. The indirect effect was positive and significant, $\beta = 0.198$, $t = 4.155$, $p < 0.001$, 95% CI [0.115; 0.304]. Since the confidence interval did not include zero, mediation was confirmed.

H6: *Meaningful work mediates the relationship between extrinsic motivation and social value creation.*

The hypothesis was not supported. Mediation was confirmed only for identified regulation, $\beta = 0.077$, $t = 2.652$, $p = 0.008$, 95% CI [0.019; 0.134]. Other extrinsic motivation dimensions were not significant: introjected regulation, $\beta = -0.025$, $p = 0.549$; external social regulation, $\beta = -0.021$, $p = 0.406$; external economic regulation, $\beta = 0.001$, $p = 0.967$.

H7: *Meaningful work mediates the relationship between intrinsic motivation and economic value creation.*

The hypothesis was not supported. The indirect effect was not statistically significant, $\beta = -0.042$, $t = 0.814$, $p = 0.416$, 95% CI [-0.142; 0.058]. The confidence interval included zero.

H8: *Meaningful work mediates the relationship between extrinsic motivation and economic value creation.*

The hypothesis was not supported. None of the indirect effects from extrinsic motivation dimensions to economic value creation through meaningful work were significant: identified regulation, $\beta = -0.016$, $p = 0.426$; introjected regulation, $\beta = 0.005$, $p = 0.696$; external social regulation, $\beta = 0.004$, $p = 0.634$; external economic regulation, $\beta = -0.000$, $p = 0.978$.

Hypotheses on the effects on meaningful work:

H9: *Intrinsic motivation has a positive effect on meaningful work.*
The hypothesis was supported. Intrinsic motivation had a strong positive effect on meaningful work, $\beta = 0.554$, $t = 8.577$, $p < 0.001$.

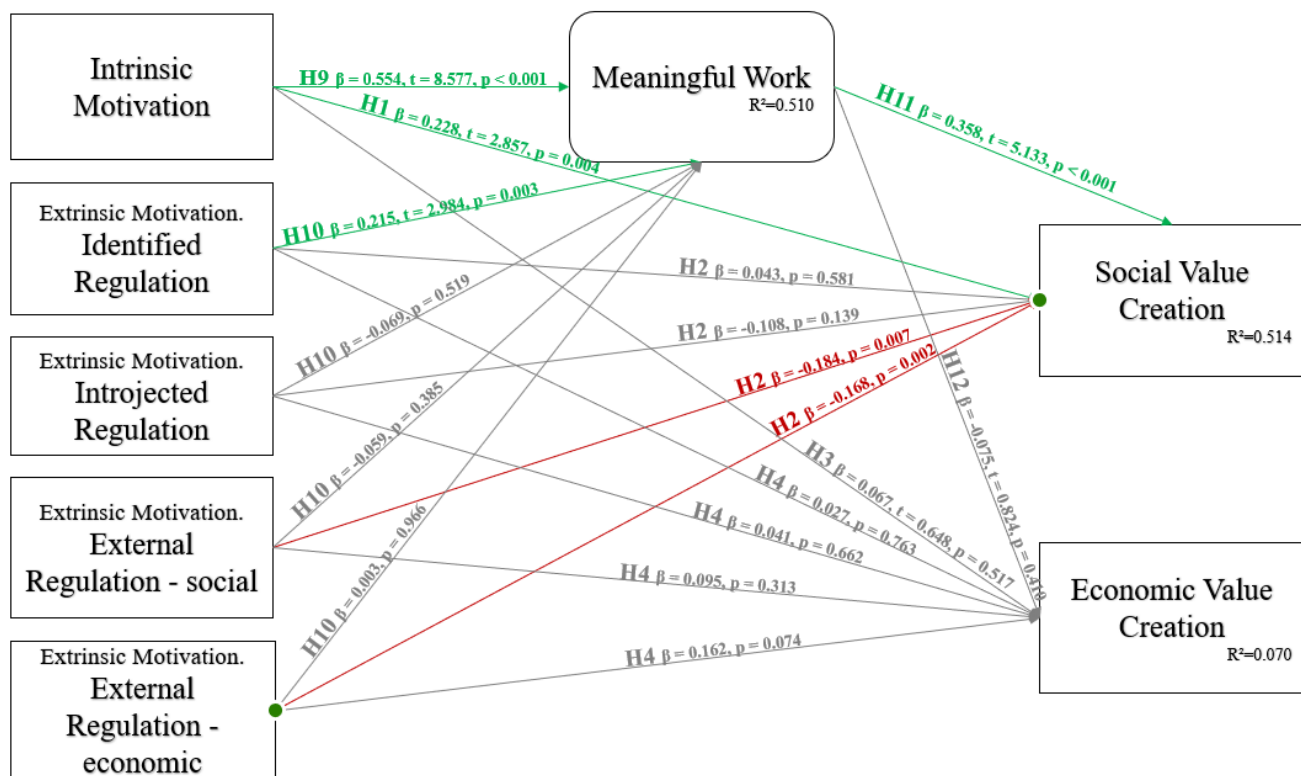
H10: *Extrinsic motivation has a positive effect on meaningful work.*
The hypothesis was partially supported. Only identified regulation had a significant positive effect on meaningful work, $\beta = 0.215$, $t = 2.984$, $p = 0.003$. Introjected regulation, $\beta = -0.069$, $p = 0.519$; external social regulation, $\beta = -0.059$, $p = 0.385$; and external economic regulation, $\beta = 0.003$, $p = 0.966$, were not significant.

Hypotheses on the effects of meaningful work:

H11: *Meaningful work has a positive effect on social value creation.*
The hypothesis was supported. Meaningful work had a significant positive effect on social value creation, $\beta = 0.358$, $t = 5.133$, $p < 0.001$.

H12: *Meaningful work has a positive effect on economic value creation.*
The hypothesis was not supported. Meaningful work did not have a statistically significant effect on economic value creation, $\beta = -0.075$, $t = 0.824$, $p = 0.410$.

Figure 5. Research Model with Hypotheses Testing Results



Source: compiled by the author based on the conducted research

The findings indicate that intrinsic motivation constitutes the most influential motivational factor within the model. It exerts a direct positive effect on both meaningful work and social value creation, while also contributing indirectly to social value creation through meaningful work as a mediating variable. Identified regulation similarly demonstrates an indirect effect on social value creation via meaningful work.

In contrast, controlled forms of extrinsic motivation – namely external social and external economic regulation – are negatively associated with social value creation. The model shows limited explanatory power with respect to economic value creation, as neither direct nor indirect paths toward economic value were found to be statistically significant.

5.8 Limitations and Future Research

This study provides useful insights into the relationship between employee motivation, meaningful work, and value creation in social business; however, several limitations should be considered. The research is based on a cross-sectional design, with all data collected at a single point in time. As a result, the findings reveal associations between variables but do not allow strong causal conclusions. Future studies could address this by applying longitudinal approaches to examine how motivation and meaningful work evolve and influence value creation over time.

The data rely on self-reported responses, meaning that all variables were evaluated based on participants' subjective perceptions. This may increase the risk of common method bias, as the same respondents assessed motivation, meaningful work, and value creation. Future research could strengthen validity by combining survey data with other sources, such as managerial evaluations, beneficiary feedback, or objective performance indicators.

Economic value creation in this study was measured through perceived organizational performance rather than objective financial data. Consequently, the findings reflect subjective assessments of outcomes such as productivity, revenue generation, and competitiveness. Future research would benefit from incorporating objective measures, including revenue growth, profit margins, cost efficiency, or financial sustainability indicators.

Overall, future research should integrate both subjective and objective data, apply longitudinal or mixed-method designs, and consider a broader range of organizational and contextual factors. Such an approach would allow for a more comprehensive understanding of how social businesses generate both social and economic value.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

- *Intrinsic motivation emerges as the primary determinant of meaningful work and social value creation in social enterprises.*

The findings indicate that intrinsically motivated employees – those who perceive their work as engaging, enjoyable, and inherently satisfying – are more likely to experience higher levels of work meaningfulness and to contribute more actively to social value creation.

- *Meaningful work functions as a partial mediator in the relationship between intrinsic motivation and social value creation.*

The results demonstrate that intrinsic motivation influences social value both directly and indirectly through employees' perceptions of meaningful work, confirming the relevance of meaningfulness as an intermediary psychological mechanism.

- *Identified regulation supports social value creation through its effect on meaningful work.*
Among extrinsic motivation components, only identified regulation shows a significant indirect contribution, suggesting that when externally driven goals are internalized and aligned with personal values.

- *Controlled forms of extrinsic motivation do not facilitate social value creation via meaningful work.*

Introjected and externally regulated forms of motivation do not produce significant positive indirect effects, while certain forms – particularly social and economic external regulation – exert negative direct effects, indicating that pressure-based or reward-driven motivation may weaken authentic social value creation.

Recommendations

- *Intrinsic motivation should be strengthened through the design of engaging and meaningful jobs.*

Since intrinsic motivation had the strongest effect on meaningful work and a significant effect on social value creation, managers should design jobs in ways that make work more engaging, personally meaningful and connected to employees' interests. Organizations are encouraged to create work conditions that foster autonomy, creativity, and personal involvement, including employee participation in decision-making and opportunities for skill development.

- *Clear communication of the social mission and individual impact is essential.*

The results show that meaningful work is a key mechanism linking motivation to social value creation. Therefore, employees should regularly see how their work contributes to beneficiaries, communities, employees, environmental outcomes or broader social goals. Organizations can introduce monthly or quarterly internal impact sessions where employees are shown concrete results: number of beneficiaries supported, community projects implemented, employment opportunities created, quality-of-life improvements achieved or environmental initiatives completed.

- *Alignment between organizational objectives and personal values should be fostered to support identified regulation.*

Identified regulation was the only extrinsic motivation dimension that positively contributed to meaningful work and indirectly to social value creation. This means that social businesses should not only tell employees what needs to be done but also explain why it matters. During onboarding, performance reviews or team meetings, managers should discuss how employees' tasks contribute to the social mission and how these tasks align with values such as inclusion, sustainability, empowerment or community development. This is especially important because value-aligned motivation appears to support meaningful work, unlike more controlled forms of extrinsic motivation.

- *Excessive reliance on externally controlled motivation should be avoided.*

The findings showed that external social regulation and external economic regulation had significant negative effects on social value creation. Therefore, management practices based mainly on pressure, criticism, fear of losing approval, financial threats or job insecurity may be harmful in social business settings. Instead of asking employees to perform because they will be judged, criticized or rewarded only conditionally, managers should use supportive communication.

- *Financial rewards should be used carefully.* The negative relationship between external economic regulation and social value creation does not mean that salaries, bonuses or job security are unimportant. However, the results suggest that when employees perceive their effort mainly as a response to financial pressure or job security concerns, social value creation may be weaker. Therefore, financial incentives should be combined with autonomy, recognition of social contribution and opportunities for personal development.
- *Economic value creation requires complementary managerial and strategic approaches.* In this research, economic value was measured through perceived organizational performance. Since the model did not explain this construct well, organizations should complement employee perceptions with objective financial and operational data. Given the

limited explanatory power of motivational factors, organizations should focus on additional elements such as business models, financial management, and market strategies.

- *Future research should incorporate broader determinants of economic value creation.* Relevant factors may include leadership, innovation, organizational resources, and external environment conditions.

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SUMMARY IN ENGLISH

THE IMPACT OF INTRINSIC AND EXTRINSIC EMPLOYEE MOTIVATION ON SOCIAL AND ECONOMIC VALUE CREATION IN SOCIAL BUSINESS

Master Thesis

Global Business and Economics

Vilnius University, Faculty of Economics and Business Administration

Supervisor – Assoc. Prof. Dr. Aurelija Ulbinaitė

Vilnius, 2026

SUMMARY

The thesis consists of 67 pages, 5 figures, 15 tables, and 52 references.

The aim of this master thesis is to evaluate the impact of intrinsic and extrinsic employee motivation on social and economic value creation in Lithuanian social enterprises, as well as to determine the mediating role of meaningful work in these relationships.

To achieve this aim, the following objectives were formulated: to analyze the theoretical foundations of employee motivation in the context of social business, to conceptualize social and economic value creation, to examine the characteristics of social enterprises in Lithuania, and to empirically assess the relationships between employee motivation and value creation.

The study applies a quantitative research approach based on a standardized questionnaire using validated measurement scales (MWMS, WAMI, and SIS-SE). The research sample consists of 210 employees of Lithuanian social enterprises. Data analysis was conducted using SPSS and SmartPLS software, applying descriptive statistics, reliability analysis, correlation analysis, multiple regression, and Partial Least Squares Structural Equation Modeling (PLS-SEM).

The results indicate that intrinsic motivation has a strong positive effect on meaningful work and social value creation. Meaningful work was identified as a significant mediating mechanism through which intrinsic motivation further enhances social value creation. In addition, identified regulation (a form of internalized extrinsic motivation) positively influences meaningful work and indirectly contributes to social value creation. In contrast, controlled forms of extrinsic motivation, such as external social and economic regulation, demonstrate a negative effect on social value creation.

The analysis of economic value creation revealed limited explanatory power of motivational factors. Neither intrinsic motivation nor meaningful work showed a statistically significant effect on economic value creation, suggesting that economic outcomes in social enterprises are likely influenced by other factors, such as organizational or strategic conditions.

In conclusion, social value creation in social enterprises is strongly associated with employees' intrinsic motivation and their experience of meaningful work, whereas economic value creation is driven by different and less motivation-dependent mechanisms. The findings contribute to the existing literature on motivation in social business and provide practical insights for developing employee motivation strategies in social enterprises.

SUMMARY IN LITHUANIAN

VIDINĖS IR IŠORINĖS DARBUOTOJŲ MOTYVACIJOS POVEIKIS SOCIALINĖS IR EKONOMINĖS VERTĖS KŪRIMUI SOCIALINIAME VERSLE

Magistro baigiamasis darbas

Globalus Verslas ir Ekonomika

Vilniaus universitetas, Ekonomikos ir verslo administravimo fakultetas

Darbo vadovė – doc. dr. Aurelija Ulbinaitė

Vilnius, 2026

SANTRAUKA

Darbą sudaro 67 puslapiai, 5 paveikslai, 15 lentelių, 52 literatūros šaltiniai.

Šio magistro darbo tikslas – įvertinti vidinės ir išorinės darbuotojų motyvacijos poveikį socialinės ir ekonominės vertės kūrimui Lietuvos socialiniuose versluose bei nustatyti prasmingo darbo mediacinį vaidmenį šiuose ryšiuose.

Siekiant tikslo buvo suformuluoti šie uždaviniai: išanalizuoti darbuotojų motyvacijos teorinius pagrindus socialinio verslo kontekste, apibrėžti socialinės ir ekonominės vertės kūrimo sampratą, išnagrinėti socialinio verslo ypatumus Lietuvoje bei empiriškai įvertinti darbuotojų motyvacijos ir vertės kūrimo tarpusavio ryšius.

Tyrime taikytas kiekybinis tyrimo metodas – anketinė apklausa. Duomenys buvo renkami naudojant standartizuotą klausimyną, paremtą validuotomis skalėmis (MWMS, WAMI ir SIS-SE). Tyrime dalyvavo 210 Lietuvos socialinių verslų darbuotojų. Duomenų analizė atlikta taikant aprašomąją statistiką, patikimumo analizę, koreliaciją ir regresinę analizę SPSS programoje bei struktūrinių lygčių modeliavimą (PLS-SEM) SmartPLS aplinkoje.

Tyrimo rezultatai parodė, kad vidinė motyvacija daro stiprų teigiamą poveikį prasmingam darbui ir socialinės vertės kūrimui. Nustatyta, kad prasmingas darbas veikia kaip reikšmingas tarpinis mechanizmas, per kurį vidinė motyvacija papildomai stiprina socialinės vertės kūrimą. Taip pat nustatyta, kad identifikuota reguliacija (vidinai suvokta išorinė motyvacija) teigiamai veikia prasmingą darbą ir netiesiogiai prisideda prie socialinės vertės kūrimo. Tuo tarpu kontroliuojamos išorinės motyvacijos formos – išorinė socialinė ir ekonominė reguliacija – pasižymi neigiamu poveikiu socialinės vertės kūrimui.

Ekonominės vertės kūrimo analizė parodė ribotą motyvacinių veiksnių paaiškinamumą. Nei vidinė motyvacija, nei prasmingas darbas neturėjo statistiškai reikšmingo poveikio ekonominei vertei, o modelio paaiškinamoji galia šiuo aspektu buvo silpna. Tai rodo, kad ekonominės vertės kūrimą socialiniuose versluose labiau lemia kiti veiksniai, tokie kaip organizacinės ar strateginės prielaidos.

Apibendrinant galima teigti, kad socialinės vertės kūrimas socialiniuose versluose yra glaudžiai susijęs su darbuotojų vidine motyvacija ir jų patiriamu prasmingu darbu, tuo tarpu ekonominės vertės kūrimo mechanizmai yra skirtingi ir mažiau priklausomi nuo analizuotų motyvacinių veiksnių. Tyrimo rezultatai plečia esamas teorines įžvalgas apie motyvacijos vaidmenį socialiniame versle ir gali būti taikomi formuojant darbuotojų motyvavimo praktikas.

ANNEXES

Annex 1. Questionnaire

Dear Participant,

You are invited to take part in a study on employee motivation and value creation in social enterprises, conducted as part of a Master's thesis at Vilnius University. Participation is voluntary and anonymous. The questionnaire takes approximately 15 minutes, and there are no right or wrong answers - only your honest views are important. By proceeding, you confirm that you are at least 18 years old, work in a social business, and agree to participate voluntarily.

PART 1. Demographic and organizational information

Please select the most appropriate response.

1. Gender:

- a) Female b) Male c) Prefer not to say

2. Age Group:

- a) 18 – 24 b) 25 – 34 c) 35 – 44 d) 45 – 54 e) 55 and above

3. Education:

- a) Secondary b) College diploma c) Bachelor's degree d) Master's degree
e) Doctoral degree or higher

4. Length of employment:

- a) Less than 1 year b) 1 – 3 years c) 3 – 5 years d) More than 5 years

5. Role in Organization:

- a) Employee (non-managerial) b) Team Leader / Supervisor c) Middle Manager
d) Senior Manager / Executive e) Founder / Owner f) Board Member

6. Type of social business (primary mission focus):

- a) Work integration / Employment services b) Health and social care c) Education and training
d) Environmental protection / Sustainability e) Community development
f) Arts and culture g) Other

7. Organization size:

- a) 1 – 10 employees b) 11 – 50 employees c) 51 – 250 employees

8. Organization age:

- a) Less than 2 years b) 2 – 5 years c) 6 – 10 years d) 11 – 20 years
e) More than 20 years

PART 2. Work Motivation

The following items describe the reasons why you do or would put effort into your current job. Please indicate your level of agreement or disagreement with each statement by circling the appropriate response on the scale provided.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neither agree not disagree	Somewhat Disagree	Agree	Strongly Agree
1. I put effort into my job because I have fun doing my job.	1	2	3	4	5	6 7
2. I put effort into my job because what I do in my work is exciting.	1	2	3	4	5	6 7
3. I put effort into my job because the work I do is interesting.	1	2	3	4	5	6 7
4. I put effort into my job because I personally consider it important to put efforts in this job.	1	2	3	4	5	6 7
5. I put effort into my job because putting efforts in this job aligns with my personal values.	1	2	3	4	5	6 7
6. I put effort into my job because putting efforts in this job has personal significance to me.	1	2	3	4	5	6 7
7. I put effort into my job because I have to prove to myself that I can.	1	2	3	4	5	6 7
8. I put effort into my job because it makes me feel proud of myself.	1	2	3	4	5	6 7
9. I put effort into my job because otherwise I will feel ashamed of myself.	1	2	3	4	5	6 7
10. I put effort into my job because otherwise I will feel bad about myself.	1	2	3	4	5	6 7
11. I put effort into my job to get others' approval (e.g., supervisor, colleagues, family, clients...).	1	2	3	4	5	6 7
12. I put effort into my job because others will respect me more (e.g., supervisor, colleagues, family, clients...).	1	2	3	4	5	6 7
13. I put effort into my job to avoid being criticized by others (e.g., supervisor, colleagues, family, clients...).	1	2	3	4	5	6 7
14. I put effort into my job because others will reward me financially only if I put enough effort in my job.	1	2	3	4	5	6 7
15. I put effort into my job because others offer me greater job security if I put enough effort in my job.	1	2	3	4	5	6 7
16. I put effort into my job because I risk losing my job if I don't put enough effort in it.	1	2	3	4	5	6 7

PART 3. Meaningful Work

The following items describe your experience of meaningful work in your current job. Please indicate your level of agreement or disagreement with each statement by circling the appropriate response on the scale provided.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neither agree not disagree	Somewhat Disagree	Agree	Strongly Agree

1. I have found a meaningful career.	1	2	3	4	5	6	7
2. I understand how my work contributes to my life's meaning.	1	2	3	4	5	6	7
3. I have a good sense of what makes my job meaningful.	1	2	3	4	5	6	7
4. I have discovered work that has a satisfying purpose.	1	2	3	4	5	6	7
5. I view my work as contributing to my personal growth	1	2	3	4	5	6	7
6. My work helps me better understand myself.	1	2	3	4	5	6	7

PART 4. Social Value

The following statements refer to the social impact created by your organization. Please indicate the extent to which you agree or disagree with each statement.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neither agree not disagree	Somewhat Disagree	Agree	Strongly Agree

1. Our organization has a code of conduct that fosters the behavior of employees helping or benefiting others.	1	2	3	4	5	6	7
2. Our organization involves its employees in its decision-making processes, when appropriate.	1	2	3	4	5	6	7
3. Our organization conducts regular dialogue with its employees.	1	2	3	4	5	6	7
4. Our organization does not tolerate discrimination, bullying, or harassment in the workplace.	1	2	3	4	5	6	7
5. Our organization embraces and promotes diversity and equal opportunity within the workplace.	1	2	3	4	5	6	7
6. Our organization empowers its employees by providing access to resources, professional development opportunities, support, and information.	1	2	3	4	5	6	7
7. Employees in our organization take pride in their work.	1	2	3	4	5	6	7
8. Our organization protects the health and safety of its employees through implementation of health and safety procedures or management systems.	1	2	3	4	5	6	7
9. Our organization significantly improves the quality of life of its employees.	1	2	3	4	5	6	7
10. Our organization ensures a safe and secure work environment for its employees.	1	2	3	4	5	6	7
11. Our organization is actively involved in community activities that address social problems.	1	2	3	4	5	6	7

12. Our organization enhances the availability and/or accessibility of basic necessities (e.g., food, water, utilities, shelter, health care) for its beneficiaries or secondary stakeholders.	1 2 3 4 5 6 7
13. Our organization creates employment and other opportunities, including volunteering, for its beneficiaries or secondary stakeholders.	1 2 3 4 5 6 7
14. Our organization helps build social capital or networks of relationships of a community to promote shared values, trust, and cooperation among its people.	1 2 3 4 5 6 7
15. Our organization contributes to protecting or expanding human rights (e.g., respect for dignity and worth and freedom from fear and want).	1 2 3 4 5 6 7
16. Our organization contributes to protecting and/or preserving cultural heritage and values in a community.	1 2 3 4 5 6 7
17. Our organization enables individuals to participate in local community and feel socially connected and included.	1 2 3 4 5 6 7
18. Our organization contributes to making a community a safe and secure place to live in.	1 2 3 4 5 6 7
19. Our organization significantly improves the quality of life of its beneficiaries or secondary stakeholders.	1 2 3 4 5 6 7
20. Our organization actively undertakes activities that address environmental issues.	1 2 3 4 5 6 7
21. Our organization supports policies and initiatives on biodiversity conservation.	1 2 3 4 5 6 7
22. Our organization supports policies and initiatives on climate change.	1 2 3 4 5 6 7
23. Our organization supports policies and initiatives on sustainable land use.	1 2 3 4 5 6 7
24. Our organization promotes environmental awareness among its beneficiaries and in communities.	1 2 3 4 5 6 7
25. Our organization implements effective strategy for its pollution prevention and waste management.	1 2 3 4 5 6 7
26. Our organization implements effective strategy for improving its energy and fuel efficiency.	1 2 3 4 5 6 7
27. Our organization uses environmentally friendly and/or ethically sourced raw materials or products.	1 2 3 4 5 6 7
28. Our organization invests in environmental opportunities such as opportunities in clean technology, green building, and renewable energy.	1 2 3 4 5 6 7
29. Our organization significantly contributes to environmental protection and sustainability.	1 2 3 4 5 6 7
30. Our organization has made significant progress from last year in addressing a specific social problem.	1 2 3 4 5 6 7
31. Our organization fulfilled its previous year's social objectives and targets.	1 2 3 4 5 6 7

PART 5. Economic value

The following statements refer to the economic value created by your organization. Please indicate the extent to which you agree or disagree with each statement.

1	2	3	4	5	6	7
Strongly Disagree	Disagree	Somewhat Disagree	Neither agree not disagree	Somewhat Disagree	Agree	Strongly Agree

1. Our organization is highly productive in using resources to create economic value.	1	2	3	4	5	6	7
2. Compared to similar organizations, our organization demonstrates strong revenue generation capacity.	1	2	3	4	5	6	7
3. Compared to similar organizations, our organization achieves healthy financial returns.	1	2	3	4	5	6	7
4. Compared to similar organizations, our organization holds a strong competitive position in the market.	1	2	3	4	5	6	7