Engaging active stakeholders in the social enterprise: Evidence of social values as a challenge to organizational identity

Rita Bissola*, Barbara Imperatori**, Domenico Bodega***

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Abstract

The pressure on firms to be socially responsible continuously increases. Social initiatives, however, are not without controversy. Drawing from stakeholder theory, and the main literature on engagement and social enterprise, our research aims to verify the role of the social dimension as a driver of active stakeholder engagement in the social enterprise domain. The research project is based on a survey involving 268 active stakeholders (both internal and external) of 12 Italian SEs. Based on the structural equation modelling technique, our results provide empirical evidence on the antecedents of engagement, distinguishing between *job and organization engagement*. They confirm the relevance of the *social meaningfulness of the work* and of *adherence to the social values of the organization* as pertinent and appropriate engagement drivers.

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1. Introduction

The impact of stakeholder management on the ongoing success and sustainability of all enterprises is well recognized (Freeman, Harrison and Wicks, 2007). Effective managers are able to articulate the shared sense of value they create with their stakeholders (Freeman, Wicks and Parmar, 2004).

Due to the relevance of the stakeholder management relationship, the topic of stakeholder engagement has received greater attention in recent years (e.g., Amaeshi and Crane, 2006; Noland and Phillips, 2010). In the growing volume of work, engagement in the stakeholder domain is often defined and studied in a variety of different ways and from diverse theoretical perspectives ranging from business ethics, social accounting and human resource management (for a review, see Greenwood, 2007, e.g.). Moreover, existing contributions focus mainly on the engagement practices and on the attributes of organisations or stakeholders rather than on the attributes of the relationship between organizations and stakeholders (Frooman, 1999; Greenwood, 2001). It is thus difficult to compare the different studies, grasp the ultimate sense of the various contributions and distinguish engagement from similar constructs such as participation, involvement, commitment and intrinsic motivation, which are often used as synonymous in this research stream (Macey and Schneider, 2008).

To address the vagueness of the stakeholder engagement construct, we propose adopting Kahn's genuine approach that is theoretically well established in organizational literature. Kahn defined the engagement construct as "... *the harnessing of organization members' selves to their roles*" (Kahn, 1990, p. 694). This definition that focuses on the nature of the engagement also enables gaining deeper understanding of the relationship *per-se* between active stakeholders (i.e., those who actively dedicate themselves to the organization's activities) and their organization.

According to this behavioural perspective, when people are engaged, they express and spend themselves physically, cognitively and emotionally during role performance (Kahn, 1990; Saks, 2006). Research has proven that engagement positively affects personal satisfaction in performing organizational activities and is thus a premise of excellent performance and loyalty to the organization (Saks, 2006; Rich, Lepine and Crawford, 2010).

Due to the relevance of people engagement, many antecedents of engagement have been identified considering external (i.e., customers) and internal stakeholders (i.e., employees) (Rich, Lepine and Crawford, 2010), such as perceived organizational support, procedural justice, perceived supervisor support (e.g. Saks, 2006, for a comprehensive review).

However, despite the growing importance and the preliminary evidence of the relevance of social issues in management as motivational drivers, the effectiveness of an organization's social activities on stakeholder engagement

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has remained largely overlooked. Although several studies have shown that organizations that perform socially responsible activities enjoy benefits such as customer satisfaction (Brown and Dacin, 1997; Luo and Bhattacharya, 2006; Sen and Bhattacharya, 2001) and employee commitment (Hillenbrand, Money and Ghobadian, 2013), scholars have yet to address the impact of social issues on engagement.

Based on social enterprise theory and the main literature on engagement, our research aims to verify the role of the social dimension as a drivers of active stakeholder engagement.

This study contributes to literature by addressing the following challenges. First, starting from behaviour and HRM literature, we propose a comprehensive and solid framework for active stakeholder engagement, focusing on the nature of the relationship and stretching the engagement construct from employee-organization to stakeholder-organization perspective. This framework is the necessary premise of theory development to address the lack of consistency of the engagement construct in the stakeholder domain (Greenwood, 2007).

Second, we propose and test a model where social issues (i.e., the perceived social meaningfulness of the work and personal adherence to the social values of the organization) positively affect active stakeholder engagement, distinguishing between job and organization engagement. The results advance engagement literature by providing evidence on these two types of engagement and the relevance of the social dimension as a driver of people engagement (Saks, 2006; Farndale et al. 2014).

Third, we empirically test the model in the social enterprise domain and offer some interesting insights for social enterprise (Pache and Santos, 2012) and identity literature (Battilana, Sengul and Pache, 2014; Smith, Gonin, and Besharov, 2013). A social enterprise is an hybrid organization that jointly pursues three objectives: sustainability, a social mission and management of the environment to maintain its own competitive edge (Shair and Lerner, 2006), This context is particularly suited to our specific research aims due to the relevance of social issues and active stakeholder management in this domain. In social enterprises, in fact, different categories of people offer their work, energy, competencies and time, i.e., employees, volunteers, social clients and social entrepreneurs (Cornelius, Todres, Janjuha-Jivraj, Woods and Wallace, 2008; Mair, Battilana and Cardenas, 2012). This would seem particularly relevant to understandings the nature of the relationship between social enterprises and different categories of active stakeholders as it enables considering internal (e.g., employees, social entrepreneurs) and external stakeholders (e.g., clients and volunteers) simultaneously (Macey and Schneider, 2008).

Finally, the results also provide support for the growing body of literature that emphasizes the importance of a positive work environment to enhance employee engagement (Pfeffer, 2010; Soane, Shantz, Alfes, Truss, Rees, and Gatenby, 2013) with managerial and theoretical implications for the social enterprise domain as well as the for-profit domain in relation to the proactive management of social issues. Whether the positive effect of social issues on

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stakeholder engagement is tested, this would also suggest a challenge of the current literature on social enterprise identity. Studies on identity of social enterprises indicate that different categories of internal stakeholders may be variously motivated because they typically identify with either the social (e.g. beneficiaries or volunteers) or with the commercial aim (e.g. managers or some employees) of such organizations, thus assuming that social issues may engage only active stakeholders who mainly identify with the social goals and values (Wry and York, 2017).

2. Social issues and stakeholder engagement

Globalization and the economic crisis have increased the relevance of social issues in management and calls for organizations to help alleviate a wide variety of social problems (Adler, 2013). People are becoming more aware of the social impact of their activities and lives. The idea that of unnecessary tradeoffs for the workforce between "doing well" and "doing good" is a key consideration (Pfeffer, 2010).

The growing relevance of social issues in everyday life suggests their application as premises of people engagement, especially those that are actively involved in the organization activities. Social identity theory suggests that people classify themselves into social categories based on various factors such as their job and the organization they work for. Membership of these social categories influences an individual's self-concept (Ashforth and Mael, 1989; Dutton, Dukerich and Harquail, 1994). In particular, organizational actions on social issues can be particularly influential in enhancing or damaging a firm's image and, by extension, stakeholder self-image.

2.1 Stakeholder engagement: Bridging stakeholder management and employee engagement

Organizations are interested in people engaging internally but also externally. There has been a great deal of interest in recent years in the engagement construct with reference to employees, customers, volunteers (Macey and Schneider, 2008; Saks, 2006; Rich et al., 2010; Truss et al., 2006) and also considering the whole stakeholder (Greenwood, 2001, 2007). Engagement has been defined as a people behaviour and attitude; when people are engaged they are energetic, involved, effective, attentive and absorbed, but also satisfied and committed (Maslach, Schaufelli and Leiter, 2001). Stakeholder engagement has been defined also as practices that the organisation undertakes to involve stakeholders in a positive manner in organisational activities, such enhancing voluntary explicit consent (Van Buren III, 2001), allowing stakeholders access to decision-making (Freeman, 1984), enhancing trust-based cooperation (Peccei and Guest, 2002).

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In general, we argue that engagement is a relevant and appropriate construct to describe and study the relationship between organization and its stakeholders as it positively affects the personal satisfaction of stakeholders in their performance and is thus a premise of excellent performance and loyalty to the social enterprise. Unfortunately, as stated, the variety in the engagement definitions (and measures) in different domains causes many problems in comparing research results and in detaching engagement from its antecedents and outcomes (Macey and Schneider, 2008).

The authentic definition of engagement proposed by Kahn (1990) states that "*...in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances*" (Kahn, 1990, p.694). Engagement involves investing the "*hands, head, and heart*" in active and full work performance and these three components should be considered simultaneously in a connected rather than a fragmented way (Kahn, 1992). In this manuscript we adopt this reliable definition of engagement because the following reasons.

First, it includes dimensions that identify engagement as a separate construct from its attitudinal antecedents and/or behavioural consequences (Rich, Lepine and Crawford, 2010).

Second, it refers to the nature of the relationship between people and their organizations, facing one of the main limit of the studies about the stakeholder engagement, related to their focus on the attributes of organisations or stakeholders rather than on the attributes of the relationship between organisations and stakeholders (Frooman, 1999; Greenwood, 2001).

Finally, the genuine definition is about an active service that previous research proves positively impacts on the role performance (Saks, 2006; Rich et al., 2010; Farndale et al., 2014), that is what organizations expect from their active stakeholders (Yu, 2008).

According to employee engagement literature, engaged stakeholders implies they are attentive and absorbed in performing their 'stakeholder' role and actively involving their emotions and behaviours in addition to cognition when performing the role (Saks, 2006). Furthermore, stakeholder engagement enables organization to obtain high quality and qualified contributions from their stakeholders, which is often considered a problem by social entrepreneurs.

The theoretical rationale behind employee engagement can be found in social exchange theory. This argues that obligations are generated through a series of interactions between parties in a state of reciprocal interdependence due to certain "rules" of exchange (Cropanzano and Mictchell, 2005). This concept is consistent with Robinson et al.'s (2004) description of engagement as a two-way relationship between employer and employee. Indeed, when employees receive resources from their organization, they feel obliged to repay the organization with greater levels of engagement. In terms of Kahn's (1990) definition of engagement, employees feel obliged to involve themselves more deeply in performing their role as a repayment for the resources they receive from their organization. When the organization fails to provide these resources, individuals are more likely to withdraw and disengage from their roles. Thus, the amount of

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cognitive, emotional and physical resources that an individual is prepared to dedicate to work performance is contingent (Saks, 2006).

Saks (2006) proposes a scale underlining two types of employee engagement - *job and organization engagement* - reflecting the extent to which an individual is psychologically present in a particular job role and, separately, in a particular organization. This distinction derives from the notion that people have multiple roles and, as suggested by Rothbard (2001) and May, Gilson, and Harter (2004), the two most dominant roles for most organizational members are their work role and their role as a member of an organization. Research demonstrates that job and organization engagement are related but distinct constructs. In addition, the relationships between job and organization engagement with the antecedents and consequences differ in a number of ways, suggesting that psychological conditions lead to job and organization engagement (Farndale et al, 2014).

2.2 Engagement, Adeherence to Social Values and Social Meaningfulness

The pressure on firms to be socially responsible continuously increases and is engendered by a range of stakeholder groups including customers, communities, employees, governments and shareholders (Welford and Frost, 2006; Engle, 2006). Corporations have responded to this pressure in a variety of ways. Society and business, social issues management, public policy and business, stakeholder management and corporate accountability are just some of the terms used to describe the phenomena relating to corporate responsibility in society. The crisis of capitalism has fostered renewed interest in corporate social responsibility and new alternative concepts have been proposed (Garriga and Melè, 2004).

Employees are a key source of stakeholder demand for corporate social sustainability. Workers look for signals that indicate that managers respond to the causes they support. Social causes often play an important role in encouraging firms to adopt Corporate Social Responsibility (CSR) policies. There is also some evidence that firms in industries with skilled labour shortages have used CSR as a means of recruiting and retaining workers (McWilliams and Siegel, 2001).

The social image of an organization, by extension, affects the self-image of stakeholders who feel obliged to repay the organization with greater levels of energy in their job engagement. In relation to Kahn's (1990) definition of engagement, stakeholders feel obliged to involve themselves more deeply in the organization to reciprocate the social image they obtain from their organization. Moreover, they also put more energy into their work as they feel that doing well is also a way of doing good (Pfeffer, 2010).

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Drawing on these considerations, we suggest that organizations that give prominence to 'doing good' are more engaging since they offer social value as a relevant resource for their stakeholders. We thus propose that in the social enterprise domain:

> *Hp. 1: Adherence to the organization's social values positively affects organization engagement.*
> *Hp. 2: Adherence to the organization's social values positively affects job engagement.*

Kahn (1990) identified psychological meaningfulness as one of the key antecedents of engagement. There is empirical support for the association between meaningfulness and engagement. May and colleagues (2004) argue that meaningfulness will be enhanced when jobs are appropriately enriched (Renn and Vandenberg, 1995), when there is good person-job fit (Shamir, 1991) and when employees feel they relate to their colleagues (Locke and Taylor, 1990). Each of these factors increases the connection between employees and their work. Truss et al.'s (2006) quantitative study of employees from a wide range of organizations found similar results. Positive perceptions of meaningful work are a powerful motivator since they provide a rationale for the focused effort that work requires (Cohen, 2008) and yield commitment to the organization (Hackman and Oldham, 1980; Thomas and Velthouse, 1990). Meaning is a positive resource to regain energy and an opportunity for learning and refocusing the cognitive effort (Tugade and Fredrickson, 2004).

People engagement infers the notion of person-environment fit. When the goals of the organization and the goals of the individual are entirely consistent, the level of employee state engagement will be higher (Kahn, 1990).

In view of the aforementioned growing relevance of social issues and their impact on the professional side of the job itself, we propose that in the social enterprise domain:

> *Hp. 3: The social meaningfulness of the work activities positively affects job engagement*

Moreover, we also suggest that social meaningfulness of the work could enhance the engagement value of the perceived social adherence to the organization. This is the case, for example, of stakeholders who perceive the social value of their job as aligned with the social aims of the company they work for. The person-organization social fit is a valuable resource (Dutton, Dukerich and Harquail, 1994) that reinforces engagement in the organization. For these reasons, we suggest that:

> *Hip. 4: The social meaningfulness of the work activities positively moderates the relationship between adherence to the organization's social values and organization engagement*

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Figure 1 synthesizes the hypothesized relationships between the social meaningfulness of the work, adherence to social value, job engagement and organization engagement.

Figure n. 1 - Research model
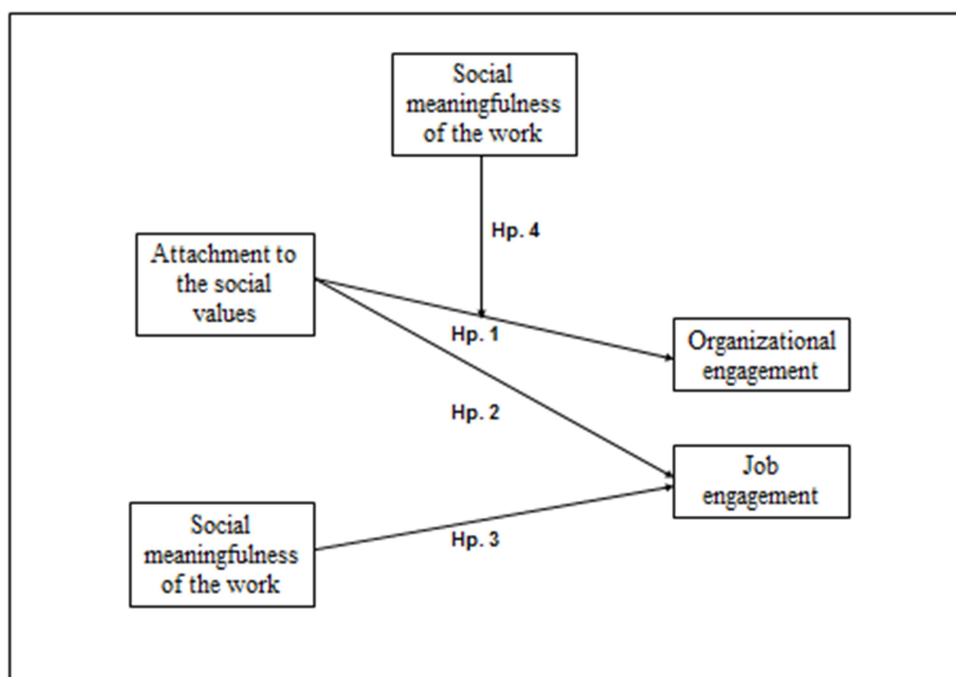
3. Methods

3.1 Research Context, Respondents and Procedures

To test our hypotheses, we designed a quantitative research framework in the social enterprise domain. The social enterprise concept is the point of contact between entrepreneurship and social change from which a new and intersectional field of study and research has taken life (Borzaga and Defourny, 2001; Pache and Santos, 2012). A social enterprise (SE) is an hybrid organization characterized by firmness and flexibility, able to simultaneously compete in low-cost markets based on efficiency while also generating new products and services based on innovation (Battilana et al., 2014). A SE combines a precise market orientation with a social mission (Laville and Nyssens, 2001).

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The context in question is unique and particularly appropriate for our research aim. First, SEs are characterised by a variety of often conflicting stakeholders' expectations and motives, even within the same enterprise (Di Domenico, Tracey and Haugh 2009), that sustain the criticism of a proper stakeholder management approach. Second, the SE domain is a field where the social issues and implications of the work are particularly relevant to the internal and external stakeholders involved: employees, social entrepreneurs, volunteers and beneficiaries who work in the social enterprise to whom we refer to as active stakeholders (Pache and Santos, 2012).

Although this choice limits the generalizability of the results to this domain, we believe that our evidence could highlight the potential of the social side of organizations, thus also inspiring for-profit organizations research about the relevance of investing in the social side of their activities and initiatives to engage their active stakeholders, both internal and external.

We drew our sample from section L of the Italian registry of businesses that the law explicitly reserves for SEs. These organizations agree on the more restricted meaning of SE established by Italian law and are aligned to all requirements of national law (l.n. 118/05). Indeed, they apply all five elements the law indicates as identifying an organization as an SE, thus ensuring diligent implementation of the social enterprise specificities and leading to the identification of a sample that does not include non-profit organizations, which is often the case in this domain. Specifically, our sample is composed of 365[1] SEs enrolled in section L at the end of 2011. Twenty-two SEs responded positively.

The empirical analysis is based on data pertaining to 268 active stakeholders (122 women and 146 men) who were informed that a study would be conducted of the relationship between them, their "work" activity and their SE. Further characteristics of the sample composition are detailed in Table 1. As these characteristics show, employees with tenure between six months and ten years are included in this study and therefore set the boundary conditions. The researchers personally went to the SEs and collected data during several sessions organized to meet small groups of stakeholders. This was considered essential due to the possible presence of social clients and some volunteers who may not be familiar with online questionnaires. Moreover, active stakeholders had been informed of the meeting with the researchers in advance. Respondent participation was strictly voluntary.

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[1] Even though section L is the official database of SEs, they are just a small group of all Italian ventures identifiable as SEs as Italian law does not recognize a specific legal form to SEs and extends the tax regime of SEs to a plethora of cases that were estimated at 12.557 at the end of 2011 (Istituti di Ricerca sull'Impresa Sociale - IRIS - Network, 2012 on Unioncamere, Infocamere and Business Register data).

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Table n. 1 - The Respondents Characteristics

Respondents		
Gender		
	Male	54% (110)
	Female	46% (77)
Age		
	16-30	30% (80)
	31-45	41% (110)
	46-60	24% (65)
	> 60	5% (13)
Role		
	Soc. Entrepreneur	9% (24)
	Employee	56% (150)
	Beneficiary	15% (40)
	Volunteer	20% (54)
Tenure		
	< 1 year	14% (38)
	2-5	43% (115)
	6-10	24% (65)
	11-20	17% (45)
	> 20	2% (5)

3.2 Measures

All constructs considered in this study refer to the individual as the unit of
analysis. The questionnaires were administered in Italian. The Italian language
measurement scales were based on measures of related constructs retrieved
from international literature (English literature). These were initially translated
into Italian by the two authors separately and then both versions were back-
translated by a native English scholar. Finally, the authors together with their
colleague discussed the differences and established the best Italian translation
of the English concept.

Since we follow the stream of studies instigated by Saks and investigate,
amongst other things, the distinction between job and organization engagement,
we use Saks' 2006 job engagement scale as a basis. In particular, we adopted his

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six-item scale of *organization engagement* while slightly modifying his measure of *job engagement*.

In accordance with Rich et al.'s (2010) definition of employee engagement, we reviewed the job engagement scale proposed by Saks (2006) with the aim of mapping the three components of engagement - physical, cognitive and emotive energy - originally proposed by Kahn (1990). Therefore, we first classified the items of Saks' job engagement scale (5 items) based on the three elements (plus a fourth comprehensive category) and then added a few items so that the scale would be more balanced considering the three elements. As a result, *job engagement* was measured with an eight-item scale (Cronbach's alpha = .77) adapted from Saks' scale (2006) and the dimensions proposed by Rich et al. (2010) (Cronbach's alpha = .78).

The measure of the *social meaningfulness* was developed for the present study starting from the construct of psychological meaningfulness proposed by May, Gilson and Harter (2004) and adapted to the social issue of stakeholder activity, which is the focus of our hypotheses. We obtained a five-item scale (Cronbach's alpha = .69).

We measured stakeholder *adherence to the social values of the organization* using four-items (Cronbach's alpha = .77) adapted from Allen and Meyer's (1990) measure of affective commitment similarly to the process followed by Burris, Detert and Chiaburu (2008) to measure psychological adherence .

Table 2 shows the results of descriptive statistics (mean and standard deviation).

Table n. 2 - Descriptive Statistics and Correlations

	M	*SD*	*1*	*2*	*3*
1 Job Engag	3.88	.565			
2 Org Engag	3.65	.634	.409**		
3 Adher Soc Val	3.63	.557	.423**	.370**	
4 Soc Meaning Work	4.21	.654	.374**	.417**	.354**

** significant at p < .01; * significant at p < .05

3.3 Control Variables

We controlled for stakeholder social-oriented values and attitudes, which we assumed could influence the importance that people attribute to the social aspects embedded in organization cultures and to the social impact of their job. We measured this attitude with a single-item scale adapted from the ordinal scale used by Thoits and Hewitt (2001) to assess volunteer work. We used the following item: "State the frequency of your participation in unpaid activities in social, political, and/or community groups (e.g., blood donor, volunteer in care

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activities, catechist, volunteer sport trainer). The variable was coded with the following ordinal categories: 0 = never, 1 = less then weekly, 2 = weekly or more.

We also considered the most common socio-demographic variables. In particular, we assumed that tenure, role (type of stakeholder), education degree and job title could influence the attitudes of individuals and their organization and job, and that they may therefore play a role in defining the level of organization and job engagement. Moreover, these control variables are generally used in empirical studies on engagement (e.g., Sacks, 2006; Farndale et al., 2014).

4. Findings

Our results provide some evidence that social issues play a relevant role in the stakeholder-organization relationship and contribute to the debate on stakeholder engagement in modern organizations.

As our model is composed of latent constructs and multiple indicators, we first performed a confirmatory factor analysis (CFA). The results show an acceptable model fit ($\chi 2(225)$ = 512.1521, p < .001; GFI = 0.92; AGFI = 0.88; CFI = 0.96; NFI = 0.90; NNFI = 0.95). A value greater than .80 is desirable for AGFI (Anderson and Gerbing, 1988), while a value greater than 0.85 is desirable for other indices (Hinkin, 1995). The Root Mean Square Error of Approximation (RMSEA) is 0.079. Browne and Cudeck (1993) suggest that an RMSEA value of 0.05 indicates a close fit and that values up to 0.08 represent reasonable errors of approximation in the population. Accordingly, the model's overall fit as shown by these estimates is considered satisfactory.

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Table n. 3 - Reliability and Validity Assessment of the Construct Measures

Construct	Indicator	CFA loading	t-value	Cronbach alpha	Composite reliability
Soc Values	SocVal1	0.55		.75	.84
	SocVal2	0.54	3.91		
	SocVal3	0.52	4.07		
	SocVal4	0.88	8.88		
S Mean W	SMeaW1	0.74		.84	.88
	SMeaW2	0.76	9.84		
	SMeaW3	0.62	7.97		
	SMeaW4	0.75	9.70		
	SMeaW5	0.69	8.95		
Org Eng	OrgEng1	0.57			
	OrgEng2	0.57	6.06	.78	.86
	OrgEng3	0.51	5.40		
	OrgEng4	0.66	6.74		
	OrgEng5	0.74	7.20		
	OrgEng6	0.70	6.95		
Job Eng	JobEng1	0.71			
	JobEng2	0.57	7.07	.78	.86
	JobEng3	0.53	4.84		
	JobEng4	0.57	4.63		
	JobEng5	0.63	7.83		
	JobEng6	0.52	6.15		
	JobEng7	0.70	8.60		
	JobEng8	0.69	8.47		

Note: $\chi 2(225) = 512.151$ (p<0.001); GFI = 0.92; AGFI = 0.88; CFI = 0.96; NFI = 0.90; NNFI = 0:95; RMSEA = 0.079; RMR = 0.068.

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We tested for convergent validity by checking that all items significantly (all t-values greater than twice their standard error) and substantially (all standardized parameters greater than 0.50) loaded onto the expected latent construct (Anderson and Gerbing, 1988). Moreover, all constructs show satisfactory levels of average variance extracted (all AVEs > 0.53) and composite reliability (all composite reliabilities > 0.84). As to the discriminant validity among constructs, we adopted the condition suggested by Fornell and Larcker (1981). All AVEs were greater than any squared correlation among constructs (greatest squared correlation = 0.179), thus suggesting that discriminant validity was achieved. In addition, the correlations between the latent variables range between 0.35 and 0.42, which are values below the 0.85 threshold proposed by Kline (2005) to test for discriminant validity. Detailed values of the correlations among latent constructs are provided in Table 2.

We then estimated the structural equation model based on the latent variables considered in the theoretical model shown in Fig. 1 and the measurement model for the same latent variables (Table 4). We performed model estimation using LISREL 8.5 (Joereskog and Soerbom, 1996). The results enabled testing the hypotheses advanced, which are all verified.

At this stage, the results confirm that stakeholder adherence to the organization's social values and the social meaningfulness of the work positively affect stakeholder organization and job engagement.

As to organization engagement, we assumed in our model that the social meaningfulness of the work acts as a moderating variable in the relationship between adherence to the organization's social values and organization engagement. We therefore tested the interaction effect of these variables on organization engagement (Ping, 1996). Using z-scores in the computations of interaction terms enables reducing potential multicollinearity problems.

Table 4 - Structural Equation Model Result

Hypothesis	Standardized estimate	t-Values	Test result
Adher Soc Values → Org Engag	0.20	2.32	Supported
Adher Soc Values → Job Engag	0.49	4.12	Supported
Soc Meaning Work → Job Engag	0.46	4.78	Supported
Adher Soc Values x Soc Mean Work → Org Engag	0.12	2.76	Supported

Note: χ^2(245) = 553.025 (p<0.01); GFI = 0.92; AGFI = 0.89; CFI = 0.96; NFI = 0.90; NNFI = 0:95; RMSEA = 0.079; RMR = 0.068.

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Hypothesis 1 states that adherence to the organization's social values is positively related to organizational engagement. Our results provide evidence that supports this hypothesis ($\gamma 11 = 0.20$; $t = 2.32$).

We also found support for the theoretical concept that adherence to the organization's social values sustains job engagement ($\gamma 12 = 0.49$; $t = 4.12$), Hypothesis 2 is thus confirmed.
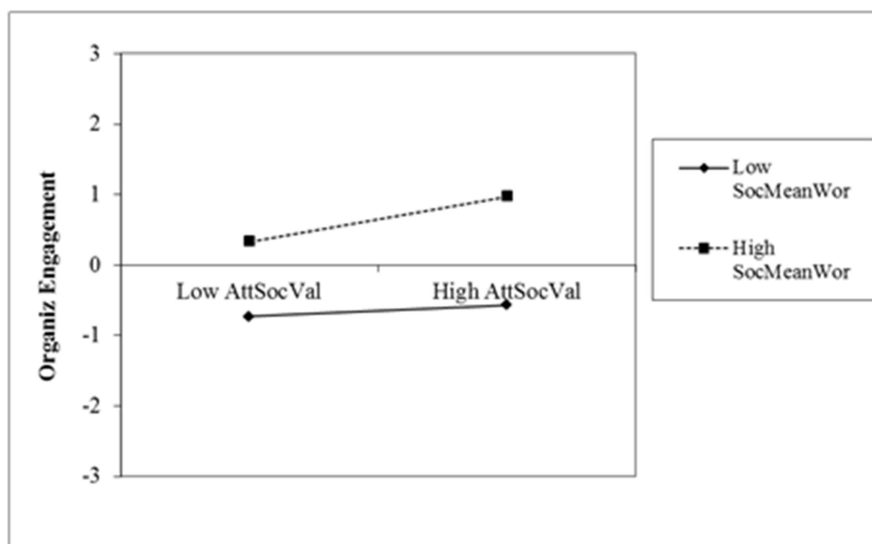
The social meaningfulness of the work was hypothesized as having a positive impact on job engagement. The empirical evidence confirms this path in the expected direction and as $\gamma 22 = 0.46$ ($t = 4.78$), Hypothesis 3 is supported.

The social meaningfulness of the work also reinforces the positive relationship between adherence to the organization's social values and organization engagement, thus confirming Hypothesis 4. The interaction term between adherence to the organization's social values and the social meaningfulness of the work is positive and significant with reference to the impact on organization engagement ($\gamma 13 = 0.12$; $t = 2,76$).

Our model explains 59% ($R^2 = 0.59$) of the variance of organization engagement and 51% of the variance of job engagement ($R^2 = 0.51$).

Again, the nature of this interaction was explored further by deriving the simple slopes at high and low levels of the social meaningfulness of the work and calculating the level of significance (Aiken and West, 1991). The regressions were conducted at high (one standard deviation above) and low (one standard deviation below) levels of the social meaningfulness of the work. In both cases, the relationship between adherence to the organization's social values and the social meaningfulness of the work was positive. However, when the social meaningfulness of the work is low, the relationship between adherence to the organization's social values and organization engagement is not significant ($b=0.08$, $t=1.03$, $p=0.30$). Conversely, the relationship is stronger and significant at high levels of social meaningfulness of the work ($b=0.32$, $t=3.20$, $p<0.005$).

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Figure n. 2 - Hypothesized interactions

5. Discussion

The pressure on firms to be socially responsible continuously increases. Social initiatives, however, are not without controversy. Business critics investigate the sincerity of these activities and argue that firms are simply attempting to stave off stakeholder pressures without providing a corresponding benefit to society and/or to employees (Lopatin, 2004; Hillenbrand et al., 2013).

Our preliminary findings contribute to this debate, confirming the potential, relevant and substantial role of social meaning of the work and of the organization's perceived social values as a predictor of active stakeholder engagement considering external but also internal stakeholders (Hae-Ryong, Moonkyu, Hyoung-Tark, Na-Min, 2010).

The results advance some practical and theoretical considerations for stakeholder literature, engagement theory, the HRM domain and social enterprise research.

First, the results contribute to the recent research avenues in emerging literature on stakeholder engagement (Mathur, Price and Austin, 2008; Prado, Gallego and Garcia, 2009; Noland and Phillips, 2010; Devin and Lane, 2014). In our research, we propose a comprehensive and solid framework of active stakeholder engagement and its measures, focusing on the nature of the relationship and extending the engagement construct from the employee-organization to the stakeholder-organization perspective. Our findings confirm

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the relevance of extending the concept of engagement to stakeholders while contributing to a better understanding of the specificity of stakeholder relationships and offering stimuli for further research on stakeholder engagement (Bissola and Imperatori, 2012; Greenwood, 2007).

Second, our project contributes to the empirical evidence on the antecedents of engagement, distinguishing between job and organization engagement (Saks, 2006). This distinction is debated by scholars in the organization behaviour field (Truss et. al. 2006; Farndale et al. 2014),

Third, as suggested by Dacin et al. (2010), we adopt the social enterprise framework to challenge the stakeholder engagement construct. The results confirm that the 'social' dimension is crucial to sustaining people engagement in social enterprises but also suggest the relevance of the *social meaningfulness of the work* and of *adherence to the social values of the organization* as pertinent and appropriate engagement drivers in hybrid organizations (Battilana et al., 2014).

Finally, the results provide support for the growing body of literature that emphasizes the importance of a positive work environment to enhance employee engagement (Pfeffer, 2010; Soane, Shantz, Alfes, Truss, Rees and Gatenby, 2013) with managerial and theoretical implications for the social enterprise domain as well as for the for-profit domain in terms of the proactive management of social issues. Our results suggest the significant role of social initiatives for employees and their positive impact on employee engagement. This research avenue is to be further investigated but suggests interesting stimuli for HRM literature and the CSR domain.

6. Conclusions

Given the assumption that stakeholder engagement is strategic for organizational effectiveness, this paper represents an effort to bridge studies on the growing relevance of social issues in management and engagement literature under the stakeholder theory umbrella. It provides a theoretical rationale and reports results on the relationship between social values and engagement both with the job and the organization in the social enterprise domain.

Results confirm the relevance of the *social meaningfulness of the work* and of *adherence to the social values of the organization* as pertinent and appropriate engagement drivers. Similarly to what happens in the case of motivation, *social meaningfulness of the work* and *adherence to the social values of the organization* particularly act on the intrinsic side of employee engagement. They do not provide extrinsic form of rewards or direct advantages for employees while acting on their values and sensitivity to social issues to stimulate engagement. Zhang & Bartol (2010) proved that intrinsic motivation drivers positively influences employee creative performance both directly and through

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engagement in creative activities. This allows us to posit that organizations may consider *social meaningfulness of the work* and *adherence to the social values of the organization* as drivers to rely on, when they are interested in creative performance and innovation contribution from employees generally. This opens up e new avenue not only in the domain of engagement antecedents, but also in the field of antecedents of employees performance. Besides testing the relationship among *social meaningfulness of the work* and *adherence to the social values of the organization* on the one side, work and organization engagement on the other and performance in the for profit enterprise domain, such implications suggest boosting research on the role of the social side of the organization action and CSR initiatives in supporting employee positive attitudes and performance (Bhattacharya, Sen, & Korschun, 2008; Kim, Lee, Lee & Kim, 2010).

Another research path could be testing the model in for-profit organizations to verify the value of social issues and their relationship with people engagement across industries and business models.

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