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A Cross-Sector Comparison of Motivation-Related Concepts in For-Profit and Not-For-Profit Service Organizations

Rein De Cooman,1 Sara De Gieter,1 Roland Pepermans,1 and Marc Jegers1

Abstract
This contribution examines differences in four motivation-related concepts between employees in not-for-profit and for-profit sector service organizations. Using regression analyses, 630 knowledge workers, employed in either the not-for-profit or the for-profit sector, were compared. The majority of the hypotheses were supported by the data. Even after the impact of gender, age, seniority, contract type, and task characteristics were controlled for, employees from both sectors differed significantly. Not-for-profit workers valued more social service, perceived a better person–organization fit, and were more motivated by identified and integrated regulation. Their for-profit counterparts valued more advancement and were more motivated by external regulation. These conclusions account for a broad range of activities within the service industry because a wide variety of organizations were included in the study.

Keywords
not-for-profit organization, service industry, for-profit organization, values, motivation, work effort

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Background

The service industry accounts for a substantial and increasing share of today’s economies. Increasingly, not-for-profit organizations are finding themselves in competition with for-profit organizations in this field of activities (Leete, 2000; Salamon & Dewees, 2002). As already stated in 1983 by Mirvis and Hackett and repeated in 2002 by Frank and Goulet, sector represents an important but often neglected facet of the work environment. Structural differences between the for-profit and not-for-profit sector relate to ownership, reason for existence, organizational goals and methods, source of control, and organizational structure (Karl, Peluchette, Hall, & Harland, 2005). Not-for-profit organizations are on average less hierarchically structured (Barnabé & Burns, 1994) than for-profit or public organizations. Contrary to for-profit organizations, which are influenced by business motives, the profit motive is not the reason for creating financial earnings for not-for-profit organizations. These earnings cannot be distributed to their stakeholders and employees in whatever way the leaders choose. Another distinguishing characteristic of many not-for-profit service organizations is their commitment to a social and often very specific mission. As recently stated by Cheverton (2007), a commitment to values differentiates not-for-profit organizations from their private and public sector counterparts. Moreover, their mission is often not merely to provide particular services but to make them available either to everyone (e.g., general hospitals) or to particular consumer groups (e.g., medical care in developing countries; Weisbrod & Arrow, 1998). Furthermore, because of the nondistribution constraint, their employees rarely receive an extra bonus or incentive, and transfer or promotion opportunities are much less available than they are for for-profit employees.

As most comparisons published to date (e.g., Karl et al., 2005) discussed structural differences, which may have an impact on the motivations of the employees (for a review, see Schepers et al., 2005), a cross-sector comparison of motivation-related concepts (e.g., values, motivational type, effort) is warranted. In a recent article, Borzaga and Tortia (2006) observed that, although they are usually considered to be important, few empirical comparisons have been made of employees’ motivations other than monetary ones. The few studies that have examined individual differences among the sectors focused primarily on the differences between employees in public and for-profit enterprises and did not include the not-for-profit sector (e.g., Bourantas & Papalexandris, 1999; Buelens & Van den Broeck, 2007). Moreover, past research often combined employees of not-for-profit organizations and civil servants in a single group, which may result in averaging out potential differences (Lyons, Duxbury, & Higgins, 2006).

On three facets, this article uses a unique approach to the study of sectoral differences: (a) In order to control for a number of potential confounding variables that are related to the type of work one does (e.g., education, income, and socioeconomic status), we shall restrict ourselves to knowledge workers in the service industry; (b) we shall compare the for-profit with the not-for-profit sector only, excluding the public sector, which is already studied extensively; (c) we shall offer a comprehensive picture
of the industry covering major service fields (health, education, social and legal services, financial services, culture and recreation, business services, and development aid). The article starts with an overview of the motivation-related concepts of interest: work values, person–organization fit, motivational type, and work effort. Later on a review of past findings concerning sectoral differences on these variables results in specific hypotheses that are verified in empirical analyses.

Concepts and Hypotheses

Work motivation is a broad, invisible, internal, hypothetical construct. We cannot actually see motivation nor can we measure it directly. Instead, we rely on established theories to guide us in measuring observable manifestations of work motivation (Kanfer & Ackerman, 2000). Work values, person–organization fit, and motivational type are well-developed concepts that are crucial for organizations because of their influence on individuals’ attitudes and actions. The concepts differ mainly in their degree of generality and their assumed influence on action or actual behavior (Locke & Latham, 1990). A behavioral concept that is closely related to those individual characteristics is work effort. This action can be defined as the behavioral manifestation of motivation. By integrating this concept of work effort, this study investigates not only individuals’ preferences and the reasons why they engage in an action but also the level and type of energy it results in.

Work values are fundamental, wide-ranging preferences for types of work, work environments, and work-related outcomes employees prefer or consider important in job decisions (Ros, Schwartz, & Surkiss, 1999). Generally, categorizations of work values included intrinsic, extrinsic, social, altruistic, and prestige values (Elizur, 1984; Lyons, 2003; Ros et al., 1999; Super, 1970). Lyons et al. (2006) compared the work values of for-profit, public, and parapublic sector employees. Their parapublic sector covered only publicly funded education and health care. Hence, employees of private not-for-profit organizations were not included in their study. Nonetheless, they found that their not-for-profit employees valued contributing to society more than employees in the for-profit sector. This finding is in line with the statement that employees are drawn to the not-for-profit sector because of their desire to help others or to make a difference (Hansen, Huggins, & Ban, 2003; Pattakos, 2004). Recently, Hagström and Kjellberg (2007) studied values among nurses and engineers and found that altruism was given higher ratings by nurses than by engineers. Consequently, we formulated the following hypothesis:

Hypothesis 1: Not-for-profit sector employees are more concerned about altruism than for-profit sector employees.

Lyons and colleagues (2006) further concluded that not-for-profit employees placed significantly less importance on career advancement than did for-profit employees. Hansen et al. (2003) came to the same conclusion when comparing 573 not-for-profit
with 958 for-profit employees in the United States. Moreover, Devaro and Brookshire (2007) suggested that both sectors differ in their perspective on career advancement. In a not-for-profit setting, promotions are rather based on seniority than on competencies, and the environment is less favorable for individuals with high growth needs. Consequently, we formulated the second hypothesis:

**Hypothesis 2:** Not-for-profit sector employees are less concerned about career advancement than for-profit sector employees.

Concerning the importance of salary, some studies reported a particularly strong nonmonetary orientation among not-for-profit sector employees (Hansen et al., 2003; Mirvis & Hackett, 1983; Von Eckardstein & Brandl, 2004). It is assumed that people who value pay will seek employment in the for-profit sector, which is generally perceived to pay more than the not-for-profit sector for comparable jobs (Lewis & Frank, 2002). According to Handy and Katz (1998), not-for-profits indeed pay less, but at the same time they appear to be able to attract staff who are as productive as those of the for-profit sector. Finally, Lyons and colleagues (2006) found no significant sectoral differences in the importance of salary. Given these contradictory results, we proposed the following hypothesis directly testing the most supported finding on the subject:

**Hypothesis 3:** Not-for-profit sector employees attach less importance to monetary remuneration than for-profit sector employees.

In addition to the influence of individual features such as values, the characteristics of the organization itself can come into play (Maierhofer, Kabanoff, & Griffin, 2002). Since an organization has its own set of values, the interplay between individual and organizational-related values in terms of person–organization fit has been shown to motivate employees to choose an organization (Judge & Bretz, 1992). Person–organization fit is defined as the compatibility between individual and organizational characteristics and is most often operationalized as value congruence (Kristof-Brown, Zimmerman, & Johnson, 2005). According to Devaro and Brookshire (2007), this person–organization fit is especially high in the not-for-profit sector. In line with Perry and Wise (1990), Devaro and Brookshire stated that not-for-profit employers seek to attract a particular type of worker that is sympathetic to and motivated by the organization’s values. Unfortunately, they did not empirically test this assumption. Therefore, we put forward the following hypothesis:

**Hypothesis 4:** Not-for-profit sector employees demonstrate a better person–organization fit than for-profit sector employees.

Research on Deci and Ryan’s (1985) self-determination theory, both in the work area and in other life domains, has supported the existence of different types of motivation or reasons why individuals engage in work-related activities (Gagné & Deci, 2005;
Ryan & Deci, 2000). This theory differentiates among five qualitatively different kinds of motivation or reasons for action (intrinsic motivation: engaging in an activity because it is interesting; integrated regulation: engaging in an activity because of the valued outcomes that are fully integrated into his or her own value system; identified regulation: engaging in an activity because of the personally meaningful outcomes; introjected regulation: engaging in an activity out of guilt or to maintain self-worth; and external regulation: engaging in an activity because of the material rewards or because of the perceived social pressure). They argue that different types of motivation will lead to different outcome levels. In their terminology, autonomous motivation covers high levels of intrinsic motivation, integrated and identified regulation, and is associated with enhanced psychological functioning. These positive consequences range from the quality and quantity of the work done to the employee’s own well-being. Controlled motivation refers to high levels of external and introjected regulation and, contrary to autonomous motivation, does not lead to enhanced psychological functioning (Ryan & Deci, 2000). For each of the five motivational types, findings from previous studies lead us to a hypothesis concerning sectoral differences.

In numerous economic and psychological sources, it is often argued that not-for-profit and public sector employees are more intrinsically motivated than for-profit sector workers (e.g., Bacchiega & Borzga, 2003; Mirvis & Hackett, 1983; Valentino, 2007). Leete (2000) found that not-for-profit organizations rely disproportionately on intrinsically motivated employees. Recently, Devaro and Brookshire (2007) questioned this finding, proposing a distinction between intrinsic motivation derived from the job content and intrinsic motivation derived from the organizational mission. They suggested that workers in not-for-profit organizations are especially motivated by a social mission, meaning that the mission of the organization fits the worker’s value system. Accordingly, it is not the motivation derived from the job characteristics—the pleasure found in doing the work itself—but the value-based motivation (derived from the mission) or prosocial motivation (Grant, 2008) that is said to be more prominent in the not-for-profit sector compared to the for-profit sector. Simultaneously, Grant (2007) proposed not to consider the motivation to make a prosocial difference as a state of pure intrinsic motivation but rather as a state of integrated or identified regulation. Earlier studies that dichotomously conceptualized intrinsic versus extrinsic motivation did not make this differentiation, and thus interesting differences could not be discerned. Most studies concluded that not-for-profit employees were less extrinsically and, hence, more intrinsically motivated (e.g., Crewson, 1997; Theuversen, 2004).

The empirically supported differentiation in motivational types as proposed by the self-determination theory includes the distinction between motivation derived from job characteristics and motivation derived from the mission. According to the self-determination theory, intrinsic motivation refers to people performing an activity because they find it interesting or derive spontaneous satisfaction from the activity itself (Gagné & Deci, 2005). This definition of intrinsic motivation matches the intrinsic motivation derived by job characteristics as described by Devaro and Brookshire (2007). Based on their assumptions and the fact that we did not expect to find different
job characteristics in both sectors, we expected no sectoral difference for this type of motivation, hence we hypothesized the following:

*Hypothesis 5:* There is no difference between for-profit and not-for-profit employees in intrinsic motivation.

According to the self-determination theory, integrated regulation refers to employees working toward value-congruent, personally meaningful outcomes. They identify with the value of an activity to the point that it becomes part of their personal functioning and their sense of self. Together with identified regulation, where an individual appreciates the valued outcomes of participation without fully integrating it into his or her value system, integrated regulation can be seen as value-based regulations. In accordance with the earlier literature (Preston, 1989) and the propositions about motivation derived from a positive social mission (Devaro & Brookshire, 2007), we expected both types of motivation to be more important in the not-for-profit sector, compared to the for-profit sector.

*Hypothesis 6:* Not-for-profit sector employees demonstrate more integrated regulation than for-profit sector employees.

*Hypothesis 7:* Not-for-profit sector employees demonstrate more identified regulation than for-profit sector employees.

Introjected regulation, as another motivational type in the theory, refers to performing an activity out of guilt or compulsion or to maintain self-worth. Review of the literature on this type of regulation does not give an indication of a possible sectoral difference, so we hypothesized the following:

*Hypothesis 8:* There is no difference between for-profit and not-for-profit employees in introjected regulation.

Finally, external regulation is the classical type of extrinsic motivation that is considered when extrinsic is merely contrasted with intrinsic. It refers to social pressure and material rewards as reasons for doing a specific job. In line with the literature (e.g., Goulet & Frank, 2002; Theuvsen, 2004), we expected this type of motivation to be more prominent in the for-profit sector compared to the not-for-profit sector.

*Hypothesis 9:* Compared to for-profit sector employees, not-for-profit sector employees demonstrate less external regulation.
which is then translated into an accomplished output. Work effort influences performance in that an individual who puts more effort into a job will have a better chance to achieve a good performance. In its turn, performance is followed by outcomes (rewards and success) and emotional appraisals such as satisfaction or dissatisfaction (Porter & Lawler, 1968). Furthermore, there is a feedback mechanism in that the value of rewards (satisfaction) again influences one’s effort. Although it is a very important variable due to its relation to job satisfaction and work performance (De Cooman et al., 2009), work effort was rarely included in psychological research on sectoral differences. Furthermore, as discussed earlier, the self-determination theory states that autonomous work motivation is associated with enhanced psychological functioning. Outcomes that have previously been associated with autonomous motivation are performance, organizational trust, commitment, and job satisfaction (Gagné & Deci, 2005). Work effort can evidently also be considered a positive outcome; thus, in case our expectations about the sectoral differences in motivational type can be confirmed, based on the self-determination theory, we expect a greater work effort related to the higher levels of integrated and identified regulation in the not-for-profit sector. Accordingly, Mirvis and Hackett (1983) found in their study higher ratings of effort expended on the job in the not-for-profit than in the for-profit sector. Therefore, we proposed the following hypothesis:

**Hypothesis 10:** Compared to for-profit sector employees, not-for-profit sector employees demonstrate greater work effort.

**Method**

**Participants**

The research participants included 630 knowledge workers employed in 13 service organizations. The sample contained 5 organizations in the for-profit and 8 in the not-for-profit sector. A total of 2 organizations were active in the field of education, 1 in each sector; 3 in the cultural domain (organizing events), 2 in the for-profit and 1 in the not-for-profit sector; 3 in business support, 2 in the for-profit and 1 in the not-for-profit sector; 2 not-for-profit organizations in health care; and 3 not-for-profit organizations in developmental aid. For-profit sector employees represented 31% (n = 198) of the total sample, and not-for-profit employees made up 69% (n = 432). The sample was restricted to knowledge workers (e.g., professionals, administrative employees) to substantially control for the effects of the type of work performed by the participants. All employees identifying themselves as laborers and technicians were excluded from the sample. A further description of the sample can be found in Table 1. Participation was anonymous on an unpaid voluntary basis. An online version or a paper-pencil version of the questionnaire was provided depending on the organization’s preference. For every organization, the general manager or the human resource manager sent an e-mail or letter to all employees stating that the organization had agreed
to take part in a scientific research project and encouraged participation in it. The link to the online questionnaire or the questionnaire itself was included in the e-mail or letter. Overall response rate was 26%.

**Measures**

Table 2 provides an overview of all measures’ scales, the number of items, an example of an item, and the Cronbach’s alphas.

**Dependent variables.** To measure work values, three scales of the reduced Dutch version of the Work Importance Study instrument were used. Data collected with this instrument previously showed the scales to be valid and reliable (De Cooman et al., 2007). The scales were as follows: financial security to measure monetary aspects, career and leadership to measure career advancement, and social service to measure altruism. Respondents rated the importance of 12 items on a 7-point rating scale ranging from 1 (*totally disagree*) to 7 (*totally agree*). Respondents’ perceived person–organization fit was measured using a scale adopted from Cable and Judge (1996). Respondents answered two questions on a 7-point scale ranging from 1 (*absolutely not*)
The motivational type was measured by the regulation questionnaire developed by Vansteenkiste and Van den Broeck (2008). A shortened version of this scale was used, representing the five motivational types from the self-determination theory (intrinsic motivation, integrated, identified, introjected, and external regulation). Respondents were asked to indicate to what degree the items fitted the reasons why

<table>
<thead>
<tr>
<th>Measures</th>
<th>Scales</th>
<th>Number of items</th>
<th>Example item</th>
<th>Cronbach’s alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work values</td>
<td>Financial security</td>
<td>4</td>
<td>I find it important to have regular earnings</td>
<td>.856</td>
</tr>
<tr>
<td></td>
<td>Career and leadership</td>
<td>4</td>
<td>I find it important to get promotion</td>
<td>.815</td>
</tr>
<tr>
<td></td>
<td>Social service</td>
<td>4</td>
<td>I find it important to help people with problems</td>
<td>.844</td>
</tr>
<tr>
<td>Person–organization fit</td>
<td></td>
<td>2</td>
<td>Do you have the feeling that your values match those of the organization?</td>
<td>.818</td>
</tr>
<tr>
<td>Motivational types</td>
<td>Intrinsic motivation</td>
<td>5</td>
<td>... because I have fun doing my job</td>
<td>.898</td>
</tr>
<tr>
<td></td>
<td>Integrated regulation</td>
<td>4</td>
<td>... because I risk losing financial benefits if I don’t put enough effort in my job</td>
<td>.839</td>
</tr>
<tr>
<td></td>
<td>Identified regulation</td>
<td>5</td>
<td>... because I owe it to myself</td>
<td>.780</td>
</tr>
<tr>
<td></td>
<td>Introjected regulation</td>
<td>4</td>
<td>... because I consider it personally important to put effort in my job</td>
<td>.782</td>
</tr>
<tr>
<td></td>
<td>External regulation</td>
<td>8</td>
<td>... because this job is an expression of who I am</td>
<td>.876</td>
</tr>
<tr>
<td>Work Effort Scale</td>
<td></td>
<td>10</td>
<td>I think of myself as a hard worker</td>
<td>.917</td>
</tr>
<tr>
<td>Task characteristics</td>
<td>Decision authority and</td>
<td>3</td>
<td>To what degree does your job offer the possibility to determine your own working hours?</td>
<td>.781</td>
</tr>
<tr>
<td></td>
<td>autonomy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Skill utilization</td>
<td>3</td>
<td>To what degree does your job offer the possibility to learn new things?</td>
<td>.728</td>
</tr>
<tr>
<td></td>
<td>Work pressure</td>
<td>3</td>
<td>Do you have to work under time pressure?</td>
<td>.886</td>
</tr>
</tbody>
</table>
they put effort into their current job, ranging from 1 (does not fit at all) to 7 (fits completely). Finally, respondents’ levels of work effort were measured using the Work Effort Scale developed by De Cooman et al. (2009). This scale included 10 items that respondents had to rate from 1 (fully disagree) to 7 (fully agree).

Control variables. In addition to sociodemographics (gender, age, educational level, seniority, and contract type), we also incorporated four job descriptive variables. We included three task characteristics and one item about the degree of client contact in the job (“To what degree do you have contact with clients in your job?”). The measured task characteristics, derived from the job demands control model (Karasek, 1979), were decision authority and autonomy, skill utilization, and work pressure. The rating scale ranged from 1 (rarely or never) to 5 (very often or always). As can be seen in Table 2, all scales had a good internal consistency.

Analyses

Because sector may be linked to job content, which, in turn, may determine respondents’ motivations and behaviors, possible sectoral differences in task characteristics were investigated using t tests. Furthermore, we performed multiple linear regression analyses for 10 dependent variables: three work values, perceived person–organization fit, five motivational types, and work effort. Independent variables were the sector of employment (for-profit vs. not-for-profit), gender, age, seniority, type of employment (part-time vs. full-time), authority and autonomy, skill utilization, work pressure, and client contact.

Results

As reported in Table 1, the sample consisted of more female respondents from the not-for-profit sector, t(627) = −3.23; p < .001. This is not surprising because the sector in question is indeed predominately occupied by female employees. Moreover, the sample for-profit employees appear to be younger, t(615) = −3.62, p < .001; less senior, t(628) = −3.15, p < .001; and more likely to be employed full-time than part-time, t(627) = −7.07, p < .001. Therefore, these variables are included as control variables in the following analyses. Means, standard deviations, and intercorrelations of the variables are shown in Table 3. Table 4 reports the results of the independent samples t tests comparing the three task characteristics and client contact in both sectors.

Our findings indicated that the jobs in both samples differed significantly only for the dimension client contact: The respondents in the not-for-profit sample indicated having more contact with clients than the for-profit sector workers, t(610) = −2.21, p < .05. Therefore, this variable was also included as an independent variable in our regression models. For the three other dimensions, no statistically significant difference was found, implying that task characteristics between sectors are comparable.

In Table 5, the results of the 10 separate regression analyses are reported. Regarding the work values, we found that Hypothesis 1 about altruism was strongly confirmed
Table 3. Means, Standard Deviations, and Correlations

<table>
<thead>
<tr>
<th></th>
<th>For profit, M (SD)</th>
<th>Not for profit, M (SD)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Social service</td>
<td>4.86 (1.09)</td>
<td>5.74 (0.92)</td>
<td></td>
<td></td>
<td></td>
<td>.14 ***</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2. Career and</td>
<td>4.64 (1.10)</td>
<td>4.20 (1.21)</td>
<td></td>
<td></td>
<td>.14 ***</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>leadership</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. Financial security</td>
<td>5.88 (1.06)</td>
<td>5.84 (1.03)</td>
<td>.10 **</td>
<td>.26 ***</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>4. Person–organization fit</td>
<td>4.79 (1.16)</td>
<td>5.08 (1.10)</td>
<td>.30 ***</td>
<td>.14 ***</td>
<td>.07 *</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td>5. Intrinsic</td>
<td>5.37 (1.08)</td>
<td>5.44 (1.05)</td>
<td>.26 ***</td>
<td>.21 ***</td>
<td>.10 **</td>
<td>.45 ***</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>6. Integration</td>
<td>4.46 (1.31)</td>
<td>4.76 (1.21)</td>
<td>.33 ***</td>
<td>.23 ***</td>
<td>.07</td>
<td>.46 ***</td>
<td>.70 ***</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>7. Identification</td>
<td>5.11 (0.92)</td>
<td>5.36 (0.94)</td>
<td>.40 ***</td>
<td>.22 ***</td>
<td>.14 ***</td>
<td>.42 ***</td>
<td>.69 ***</td>
<td>.74 ***</td>
<td></td>
<td></td>
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<tr>
<td>8. Introjection</td>
<td>4.64 (1.36)</td>
<td>4.49 (1.31)</td>
<td>.18 ***</td>
<td>.24 ***</td>
<td>.21 ***</td>
<td>.13 ***</td>
<td>.26 ***</td>
<td>.36 ***</td>
<td>.48 ***</td>
<td></td>
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<tr>
<td>9. External regulation</td>
<td>3.54 (1.27)</td>
<td>3.01 (1.24)</td>
<td>.00</td>
<td>.24 ***</td>
<td>.31 ***</td>
<td>.12 **</td>
<td>.07</td>
<td>.17 ***</td>
<td>.17 ***</td>
<td>.54 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Work effort</td>
<td>6.05 (0.78)</td>
<td>6.00 (0.70)</td>
<td>.20 ***</td>
<td>.25 ***</td>
<td>.40 ***</td>
<td>.20 ***</td>
<td>.35 ***</td>
<td>.25 ***</td>
<td>.39 ***</td>
<td>.20 ***</td>
<td>.08 *</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05. **p < .01. ***p < .001.
by the data. Sector seems to be the most important factor in explaining differences in the work value social service. Not-for-profit sector employees valued social service significantly more, $t(593) = 8.82, p < .001$, than for-profit sector employees. Hypothesis 2 proposed that not-for-profit workers are less concerned about career advancement. Our findings on the work value career and leadership largely confirmed this hypothesis: Not-for-profit workers attached significantly less importance to career and leadership, $t(593) = -3.29, p = .001$. Hypothesis 3 is not supported by the data. There was no significant difference between for-profit and not-for-profit sector employees in the importance attached to financial security. Concerning the perceived person–organization fit or value congruence (Hypothesis 4), we expected a higher fit for not-for-profit workers. This was largely confirmed by the data. Not-for-profit sector workers reported significantly higher ratings for person–organization fit, $t(592) = 3.93, p < .001$. Hypothesis 5, the first hypothesis about motivational type, stated that there is no sectoral difference in intrinsic motivation. This hypothesis was confirmed. As can be seen in Table 5, there is not a significant impact of sector on intrinsic motivation, $t(591) = .19, p = .85$. Furthermore, Hypotheses 6 and 7 were confirmed by the data. Not-for-profit sector employees showed more integrated regulation, $t(591) = 2.83, p < .01$, and they showed more identified regulation, $t(590) = 2.40, p < .05$. In support of Hypothesis 8, our findings indicated no significant difference in introjected regulation according to sector. The regression model was not significant, $t(592) = -1.32, p = .19$. Next, Hypothesis 9 was strongly supported by our data. Not-for-profit sector employees demonstrated significantly lower scores for external regulation, $t(590) = -4.53, p < .001$. Finally, Hypothesis 10 concerning work effort was not confirmed: There was no significant difference in work effort between the workers from both sectors, $t(592) = -1.76, p = .08$. This finding appears to contradict the self-determination theory, stating that high levels of autonomous motivation (intrinsic motivation, integrated and identified regulation) leads to positive outcomes. However, the correlation coefficients in Table 3 indeed indicate a more positive relation for the autonomous motivation categories than for the controlled motivational types (external and introjected regulation). Therefore, we additionally tested this proposition in a regression analysis predicting work effort by both autonomous and controlled motivation. These results offer

Table 4. Results of the Independent Samples t Tests

<table>
<thead>
<tr>
<th></th>
<th>For profit</th>
<th>Not for profit</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision authority</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and autonomy</td>
<td>2.51</td>
<td>2.59</td>
<td>-1.13</td>
</tr>
<tr>
<td>Skill utilization</td>
<td>2.96</td>
<td>3.03</td>
<td>-1.34</td>
</tr>
<tr>
<td>Work pressure</td>
<td>3.10</td>
<td>3.01</td>
<td>1.36</td>
</tr>
<tr>
<td>Client contact</td>
<td>2.99</td>
<td>3.19</td>
<td>-2.21*</td>
</tr>
</tbody>
</table>

*p < .05.
Table 5. Results of the Regression Analyses

<table>
<thead>
<tr>
<th>Dependent variable</th>
<th>Beta gender&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Beta age</th>
<th>Beta seniority</th>
<th>Beta education</th>
<th>Beta contract type&lt;sup&gt;b&lt;/sup&gt;</th>
<th>Beta client contact</th>
<th>Beta decision authority and autonomy</th>
<th>Beta skill utilization</th>
<th>Beta work pressure</th>
<th>Beta sector&lt;sup&gt;c&lt;/sup&gt;</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hypothesis 1: social service</td>
<td>.10***</td>
<td>.12*</td>
<td>-.07</td>
<td>.00</td>
<td>.04</td>
<td>.05</td>
<td>-.02</td>
<td>.10*</td>
<td>.01</td>
<td>.35***</td>
<td>.19***</td>
</tr>
<tr>
<td>Hypothesis 2: career and leadership</td>
<td>-.04</td>
<td>-.07</td>
<td>-.04</td>
<td>.01</td>
<td>-.20***</td>
<td>-.02</td>
<td>.09*</td>
<td>.12**</td>
<td>.09*</td>
<td>-.13**</td>
<td>.15***</td>
</tr>
<tr>
<td>Hypothesis 3: financial security</td>
<td>.12***</td>
<td>-.04</td>
<td>.09</td>
<td>-.19***</td>
<td>-.11***</td>
<td>.00</td>
<td>-.16***</td>
<td>.11*</td>
<td>-.04</td>
<td>-.04</td>
<td>.10***</td>
</tr>
<tr>
<td>Hypothesis 4: person-organization fit</td>
<td>-.01</td>
<td>-.00</td>
<td>-.08</td>
<td>.07</td>
<td>.02</td>
<td>-.07</td>
<td>.07</td>
<td>.27***</td>
<td>-.07</td>
<td>.16***</td>
<td>.13***</td>
</tr>
<tr>
<td>Hypothesis 5: intrinsic motivation</td>
<td>.02</td>
<td>.02</td>
<td>.01</td>
<td>.02</td>
<td>.03</td>
<td>.06</td>
<td>.02</td>
<td>.47***</td>
<td>-.04</td>
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<td>.24***</td>
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<tr>
<td>Hypothesis 6: integrated regulation</td>
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<td>.13***</td>
<td>-.03</td>
<td>.08</td>
<td>.02</td>
<td>.05</td>
<td>.05</td>
<td>.36***</td>
<td>.00</td>
<td>.11***</td>
<td>.19***</td>
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<td>Hypothesis 7: identified regulation</td>
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<td>.14***</td>
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<td>.06</td>
<td>.00</td>
<td>.03</td>
<td>.00</td>
<td>.34***</td>
<td>-.02</td>
<td>.10*</td>
<td>.16***</td>
</tr>
<tr>
<td>Hypothesis 8: introjected regulation</td>
<td>.03</td>
<td>.05</td>
<td>.03</td>
<td>-.02</td>
<td>-.07</td>
<td>-.04</td>
<td>-.08</td>
<td>.18***</td>
<td>-.06</td>
<td>-.06</td>
<td>.04*</td>
</tr>
<tr>
<td>Hypothesis 9: external regulation</td>
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<td>-.03</td>
<td>-.11**</td>
<td>-.06</td>
<td>-.04</td>
<td>-.07</td>
<td>.03</td>
<td>.00</td>
<td>-.19***</td>
<td>.08***</td>
</tr>
<tr>
<td>Hypothesis 10: work effort</td>
<td>.14**</td>
<td>.10</td>
<td>-.02</td>
<td>-.07</td>
<td>-.06</td>
<td>-.01</td>
<td>-.06</td>
<td>.25***</td>
<td>.18***</td>
<td>-.07</td>
<td>.14***</td>
</tr>
</tbody>
</table>

<sup>a</sup>A positive sign indicates that women scored higher on this variable.
<sup>b</sup>A positive sign indicates that respondents with a part-time contract scored higher on this variable.
<sup>c</sup>A positive sign indicates that not-for-profit employees scored higher on this variable.

*p < .05. **p < .01. ***p < .001.
support for the self-determination theory. Fifteen percent of the variance in work effort is explained by the type of motivation, $R^2 = .15$, $F(2, 622) = 56.25$, $p < .001$. With a Beta value of .39, $t(622) = 10.14$, $p < .001$, high levels of autonomous motivation significantly predicted work effort in a positive way. The controlled motivation did not predict work effort, $\beta = .00$, $t(622) = 0.01$, $p = .99$.

Concerning the sociodemographics and task characteristics, some remarkable differences are revealed (see Table 5). Women attached more importance to the work values social service and financial security than men. Moreover, they indicated to exert greater effort. Being integrated and identified regulated increased with age, whereas being externally regulated decreased with age. Level of education is negatively related to external regulation and the work value financial security. Full-time workers valued career and leadership and financial security higher than their part-time colleagues. Finally, as regards task characteristics, regression analyses indicated that skill utilization had by far the greatest impact. It influenced almost all dependent variables positively. For the two other task characteristics, findings indicated the following: The more decision authority and autonomy in the job, the more one valued career and leadership and the less one valued financial security, and the more work pressure in the job, the more one was looking for career and leadership and the greater effort one exerted.

**Discussion**

The empirical evidence of the present study supported most of the hypotheses concerning the differences in work values, person–organization fit, motivational type, and work effort between employees in for-profit and not-for-profit sector service organizations. Concerning job content, the organizations in both sectors were very similar. We found no difference for decision authority and autonomy or for skill utilization or for work pressure. On average, the task characteristic decision authority and autonomy scored lowest in both groups. Yet, the not-for-profit employees indicated having significantly more client contact in delivering their services.

Our results confirmed two of the three hypotheses on the differences in work values. Even after the impact of gender, age, seniority, contract type, and job content were controlled for, employees from both sectors differed significantly in the importance they attributed to the work values social service and career and leadership. As expected, not-for-profit workers valued making a positive difference in people’s lives more than employees in the for-profit sector. Given the specific social mission in the not-for-profit sector, this finding is not surprising. For example, developmental aid organizations have the explicit mission to contribute to society. For-profit sector employees in this study were found to value advancement (career and leadership) more than not-for-profit employees. Our findings suggest that, although sociodemographics and job content are controlled for, seeking opportunities for promotion and influence was more prominent in the for-profit sector than in the not-for-profit sector. As Devaro and Brookshire (2007) suggested, the actual human resources practices in both sectors differ: Workers are less likely to receive promotions in not-for-profit than
in for-profit organizations, probably because not-for-profit organizations are, relatively speaking, less hierarchically structured (Barnabé & Burns, 1994), implying that vertical career moves are less evident. It is possible that employees in this sector rationalize the lack of promotions by lowering their importance. Alternatively, the older mean age of the employees in the not-for-profit may be the result of a lower turnover, thus limiting upward mobility of younger employees. Consequently, the younger employees placing a high value on advancement may move on to other employment opportunities. Further research is needed to explore the nature of this value difference.

For the third work value, financial security, no difference was found between the sectors. Although this finding is not in line with our expectations, which are based on recent literature on this subject (Hansen et al., 2003; Mirvis & Hackett, 1983; Von Eckardstein & Brandl, 2004), it is a confirmation of the conclusions of Lyons and colleagues (2006). However, as was the case in Lyons and others’ study, our sample included only knowledge workers. They are probably better paid and have good income security. Yet, as Leete (2000) concluded, differences in wage structure between both sectors are largest among managerial and professional employees, and diminish as one moves down the occupational structure from white- to blue-collar occupations. An alternative explanation for our finding is that the particular operationalization of this work value in our study combined the salary element with income security. It is possible that the former may be more reachable in the for-profit sector, whereas the latter may be more attainable in the not-for-profit sector. In the light of workforce shortages in a number of major subsectors in the not-for-profit sector, namely health and education (Dolton, 2006; Milisen, Abraham, Siebens, Darras, & Dierckx de Casterlé, 2006), the job security in these subsectors is very high. Nurses and teachers are rather sure that they will always make a living. For some respondents, this may have compensated for the purely monetary aspects included in the measure of that work value.

Our fourth hypothesis regarding person–organization fit was also confirmed. The employees in not-for-profit organizations perceived a better fit between their work values and the organizational values than their counterparts in for-profit organizations. This finding supports the statement that a worker whose values match the organizational values is attracted to organizations in the not-for-profit sector (Devaro & Brookshire, 2007; Perry & Wise, 1990).

Our results further confirmed hypotheses on the differences in motivational type between the two sectors. We found some interesting and predicted discrepancies between for-profit and not-for-profit sector employees in service organizations that cannot be explained by gender, age, seniority, contract type, or job content. Building on earlier speculations (Devaro & Brookshire, 2007; Grant, 2007), we expected the intrinsic motivation to be similar and the value-based regulations to differ between the for-profit and not-for-profit sector. Indeed, employees from both sectors did not differ in their level of intrinsic motivation. The intrinsic motivation was the motivational type that scored highest in both samples, but a similar share of the workforce in both sectors was motivated by the interesting and fun aspects of their jobs. The hypotheses
about the identified and the integrated regulation (value-based regulations) were also confirmed. Compared to for-profit employees, not-for-profit employees were significantly more motivated by their appreciation of valued outcomes (identified regulation) and outcomes that are personally important for self-selected aims and purposes (integrated regulation). This is an important finding in that these motivational types are theoretically considered as leading to better work-related outcomes than external regulated type that was more prominent in the for-profit sector employees. Next, there was no significant difference for introjected regulation, confirming Hypothesis 7. Finally, in their jobs, for-profit workers were significantly more externally regulated, meaning that they engage more in their work-related activities to achieve some instrumental end (e.g., earning a reward, avoiding punishment). They are more motivated by financial prosperity and may work because it is a necessity to get others’ approval or to avoid criticism. Although this type of motivation was more prominent in the for-profit sector, this still was the least common motivational type overall.

A final hypothesis partially tested the outcome-related postulation from the self-determination theory. Contrary to our expectations, we found no significant difference in work effort between for-profit and not-for-profit workers. However, we did find support for the theory in that the autonomous motivation significantly predicts a greater work effort. Although for-profit workers are more prominent in motivational types belonging to controlled motivation and not-for-profit workers are found more in motivational types belonging to autonomous motivation, the latter do not put greater effort into their jobs. The fact that they do not differ in intrinsic motivation or in introjected regulation probably accounts for this finding.

In addition, this study included a series of relevant control variables. Findings confirm age effects that can be expected from the self-determination theory (Sheldon, Kasser, Houser-Marko, Jones, & Turban, 2005). Also, the found gender effects are in line with previous research (De Cooman et al., 2007; Green, 2004). The positive relation between level of education and financial issues, such as external regulation and financial security, can probably be explained by lower positions and associated remuneration. Finally, findings indicated that, contrary to part-time employees, knowledge workers who are full-time employed attach more importance to the work values career and leadership and financial security. This is not surprising seen the greater opportunity full-time jobs offer to attain these values. Concerning the job content, the pivotal task characteristic seems to be skill utilization, being positively related to almost every dependent variable. This is an important finding that could be focused on in future research, possibly leading to important practical implications.

On the whole, this study revealed some remarkable differences between the for-profit and not-for-profit employees. We found differences in three out of the four motivation-related concepts. For-profit and not-for-profit employees differed in certain work values and motivational types. Furthermore, they differed in person–organization fit, but they did not differ in their work effort. Concluding, we could say that, within similar fields of activities with comparable tasks, for-profit sector employees valued advancement more and were more motivated by external regulation. The not-for-profit
workers for their part valued social service more, perceived a better person–organization fit, and were more motivated by identified and integrated regulation. This paints a picture of not-for-profit workers who are primarily interested in and motivated by the organizational mission and their own values that are attained through that mission. Whereas, for-profit workers are, relatively speaking, more interested in getting ahead and are motivated by rewards and punishments. These are important findings as they cannot be explained by differences in sociodemographics or task characteristics. Moreover, the conclusions account for a broad range of activities within the service industries because a wide variety of organizations were included in the study.

**Implications**

On a more general level, this study has some implications for theory, research, and practice. As regards theory and research, our findings contradict the earlier studies that, based on a dichotomous conceptualization of intrinsic versus extrinsic motivation, concluded that relatively speaking not-for-profit workers were more intrinsically motivated. Conversely, our findings underlined the proposition (Devaro & Brookshire, 2007; Gagné & Deci, 2005; Grant, 2007) that, although they can be grouped under the concept of autonomous motivation, it is important to keep the concepts of intrinsic motivation and value-based regulations separate both theoretically and empirically.

As regards implications for practice, we noticed that employees from both sectors are equally interested in the financial security that is attained through working. Nonetheless, the monetary remuneration leading to financial prosperity acts as a more important motivator in for-profit sector organizations. So, the extra bonuses and benefits that can be and are distributed in the for-profit sector may indeed reach their goal, serving as an incentive for their employees. Not-for-profit workers are motivated in a different way. Interpreting our results, we could say that not-for-profit workers are interested in work that has a significant impact on society. Moreover, they perceive a good fit with the values of the organization they work for. They feel that their job enables them to reach personally meaningful outcomes (e.g., offering guidance to children with learning disabilities, helping the homeless, and so on). So far, we could not confirm that this specific pattern of motivation also leads to enhanced functioning or well-being. Though, as Gagné and Deci (2005) reported in their meta-analyses of self-determination theory studies in work settings, autonomous motivation is preferable in organizations. They concluded that in all kind of jobs, there is an advantage to autonomous motivation in terms of job satisfaction and well-being, which are likely to yield better attendance and lower turnover. In this regard, we feel the findings of this study have some further practical implication. Interpreting our results, we could say that not-for-profit firms’ particular social mission or commitment to values plays an essential role in their employees’ motivation. Further enhancing not-for-profit employees’ understanding and acceptance of the company’s strategy and mission by enlarging jobs both horizontally and vertically could lead to an even better person–organization fit. Furthermore, we agree with McCulloch and Turban (2007) that, from a return on
investment perspective, person–organization fit could seriously be considered as an assessment tool in hiring decisions. The well-known practice of offering a realistic job preview (Wanous, 1989) could be extended with a realistic organization preview. Displaying an accurate picture of the job in terms of content as well as the organization in terms of values and mission will reduce unrealistic expectations and will allow candidates to self-select out of incongruent environments.

Limitations and Future Research

Similar to other studies, this investigation had some weaknesses, which on their turn may stimulate and inspire future research. First of all, findings confirm that the structural differences between the for-profit and the not-for-profit sector have implications for the employees working there. Hierarchical structure and promotion opportunities, on one hand, and the particular social mission, on the other hand, seem to relate to employees’ values. Unfortunately, it is not possible to determine whether this congruency between structural elements and values was created by attracting, selecting, and keeping employees with particular values or by influencing the employees’ original values through socialization. To attribute causality to this relation, a longitudinal design is required. Second, only one behavioral variable was included in this study. For work effort, the positive influence of a more autonomous motivation in the not-for-profit sector could not be confirmed. Nevertheless, the results of an additional analysis confirmed the self-determination theory in that, overall, autonomous motivation indeed predicted for greater work effort. Future research could embrace performance, organizational commitment, or attitudes like job satisfaction in a cross-sector comparison to further analyze the consequences of motivational differences. A shortcoming that appears very often in the limitation section of psychological articles is the mono-method bias. In this study, the measurement instruments were limited to self-reported questionnaires. This may have affected the correlations. Therefore, applying a multitrait technique is a further suggestion for additional research. Finally, although we consider the firm restriction to knowledge workers in the sample as a methodological strength, in a future study it would be interesting to include blue-collar workers.

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Notes

1. We additionally analyzed the data without considering the health care and developmental aid organizations because for these industries no comparable for-profit activities were included in the sample. All differences reported are similar; only person–organization fit can no longer be significantly predicted by the model. However, a look at the Beta coefficients indicates that the sector still explains a significant part of the variance in fit (greater fit in not-for-profit).

2. This analysis was executed on the total sample. In the two separate samples (for-profit and not-for-profit sector), similar significant results were found.

References


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