

# Impact of Public Support Service Quality Factors on Public Institution Performance - Focusing on the Moderating Effect of Organization Spontaneity-

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## Article Info

Volume 81

Page Number: 298- 305

Publication Issue:

November-December 2019

## Abstract

**Background/Objectives:** This study aims to grasp the satisfaction of government support service of social enterprises, cooperatives, self-support companies and village enterprises among social enterprises, cooperatives, self-support companies, and village companies that make up the social economy. To this end, the items of PCSI model were formulated and empirical data were collected and analyzed for social enterprises. We will study the satisfaction of government support services for social enterprises and the performance of the services of government support organizations.

**Methods/Statistical analysis:** The subjects of the study were those who have obtained the social enterprise certification among social enterprises. In order to identify the influential factors of the government support service, four types of factors were the product quality, delivery quality, relationship quality, and social quality of the PCSI model. The survey was conducted to identify the relationship with service performance. The research model and hypothesis were established through previous studies, questionnaire was constructed through operational definition, and the questionnaire was empirically analyzed for 468 surveyed. As an empirical analysis tool, frequency analysis, exploratory factor analysis, reliability analysis, correlation analysis, and regression analysis were performed using IBM SPSS 22.0.

**Findings:** Looking at the results of this study, the support services of public institutions for social enterprises (product quality, procurement quality, relative conditions quality, and social quality) all have positive effects on performance. The analysis of 'Organizational spontaneity' through the moderating effect confirmed that the social quality of the service did not contribute to the increase of positive influence.

**Improvements/Applications:** The service quality factors of public institutions have an impact on performance, and the spontaneity of social enterprises has increased the positive impact. In this study, we have studied only the performance of public support institutions, and we need research to increase the performance of social enterprises, and

**Article History**

**Article Received:** 3 January 2019

**Revised:** 25 March 2019

**Accepted:** 28 July 2019

**Publication:** 22 November 2019

quantitative analysis that has overcome the limitations of the survey.

**Keywords:** Support Service, Public institutions, Quality of service, Service social quality, Service Procurement Quality.

## 1. Introduction

Social enterprises are a form of business that aims to be "social" and "economic". The 1997 IMF foreign exchange crisis brought society to the issue of jobs. In response, the government enacted the 2007 Social Enterprise Promotion Act and sought to provide jobs for the vulnerable. Each government department provided support for the social economy, and the Ministry of Employment and Labor provides public support services from the establishment, operation and maintenance of social enterprises through support agencies. In terms of social enterprise subsidies, government support accounts for 75.2% of the total and supports various service areas such as management, accounting, labor and law to stabilize social enterprises. As a result, 55 social enterprises were certified in 2007, and 2,306 companies were certified in September 2019, growing to about 42 times. This study analyzes and supports the effects of product quality, delivery quality, relationship quality, and social quality, which are the quality factors for public support services, on the support

service performance through the moderating effects of voluntary and involuntary establishment and operation of social enterprises. The purpose of this study is to investigate the application of consulting services in the field of public support services for social enterprises.

## 2. Materials and Methods

### 2.1. Definitions of Social enterprise

A social enterprise is an intermediary form of for-profit and non-profit corporations that conducts business activities such as producing and selling goods and services, while pursuing social objectives first. The Korean Social Enterprise Promotion Act is a company that conducts business activities such as producing and selling goods and services while pursuing social goals such as providing social services or jobs to vulnerable groups to improve the quality of life of local residents. It is defined as an agency certified by the minister. Research on social enterprises has been conducted continuously, and the definition of social enterprises in the preceding studies is shown in [Table 1].

**Table 1: definition of social enterprise**

Researcher	Definition
Campell (1998)	It is a social purpose project, and it is defined as an organization to socialize the profits generated by producing goods and services needed by the community and supporting the scarce resources of the community[1].
Defourny (2001)	We have identified social enterprises in the economic and social sectors, and we are concerned with the economic and public interests, the organization established by citizen groups, and the capital base, which include sustained revenue activity, high levels of autonomy, economic risks and the minimum employment of paid workers. It is identified as a social domain that includes other decisions, stakeholder engagement, profit sharing, etc[2].

Auteri (2003)	We defined social enterprise as an organization that started from business and became a philanthropic enterprise and talked in a hybrid form to achieve philanthropy and special purpose[3].
Brouard&Larivet (2010)	It is understood that social enterprise has the purpose of creating social value and realizing social purpose, and pursues social interests, public interests and economic interests[4].

In the 1970s, the welfare system was reformed due to the crisis of the welfare state, and the social concept emerged as the third sector emerged during the privatization process in the public sector. In the United States, social enterprises started from social services and welfare activities of non-profit organizations, and there were commercial activities to support donations and welfare expansion. The concept of was formed. In the late 1990s, Korea's social enterprises were able to expand their social services and create jobs to solve various social problems such as slowing economic growth, unemployment, low birth rates and aging. Can be seen as the beginning of a social enterprise.

## 2.2.PCSI (Public-service Consumer Satisfaction Index)

Existing survey models for measuring customer satisfaction in Korea have been limited to reflect the specificity of the public sector as they were developed for private organizations. The Korea Management Association Consulting and

Seoul National University developed the PCSI model considering the specificity of public institutions. In the PCSI model, the service quality → customer satisfaction → performance causality structure resulted in the improvement of service quality and customer satisfaction. The PCSI model consists of three measures: the leading factor model, the performance model, and the satisfaction model. The preceding factors consist of product quality, delivery quality, flower quality and social quality of service and measure the factors of quality index. The satisfaction model is calculated by multiplying the weights for overall satisfaction, factor satisfaction and social satisfaction. Performance models measure institutional and social performance[5]. The PCSI index is a measure of how much room there is for customer satisfaction to rise. In other words, it is possible to grasp the current customer satisfaction level, calculate the customer satisfaction coefficient, and grasp the current customer satisfaction level to identify the improvement range[6][Figure 1][Figure 2].



Figure 1. PCSI(individual) Model



**Figure 2. PCSI(corporate enterprise) Model**

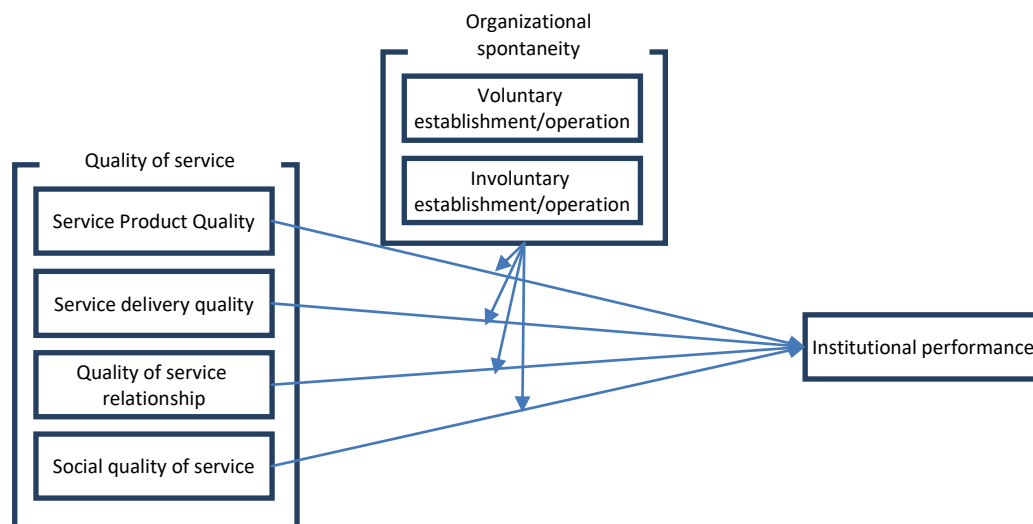
According to the preceding study, we analyzed the causal relationship between the PCSI model and the product quality, environmental quality, and social quality in the Korean society[7]. The quality of services provided to users of the National Assembly Library has been found that customer satisfaction has a direct impact on organizational performance and environmental quality and social quality have positive nutritional effect on customer satisfaction[8]. A study of the Yeosu World Expo showed that the product quality, delivery quality, and environmental quality of service had a positive effect on customer satisfaction from an individual perspective. Conditions quality was found to have a positive effect on overall customer satisfaction[5].

## 2.3. Research Model and Hypothesis

### 2.3.1. Research Model

This study examines the effects of quality service on social enterprises of

public support organizations on the performance of support agencies by the factors of product quality, delivery quality, relationship quality, and social quality of social enterprises. A research model was proposed to analyze the relationship of effects on organ performance. In the preceding study, we analyzed the satisfaction and performance of public institutions by applying the PCSI model, and analyzed the performance by using the service quality factor of the PCSI model as the control factor for the voluntary and involuntary establishment and operation of the social enterprise. It can be said that there is a difference. We set up the hypothesis and construct the questionnaire with the service quality factor of PCSI as the independent variable and the voluntariness of the establishment / operation of social enterprises as the control variable. The research model for research analysis is as follows[Figure 3].



**Figure 3. Research model**

### 2.3.2. Research hypothesis

H1. Product quality of services will have a significant impact on institutional performance.

H2. The quality of service delivery will have a significant impact on institutional

performance.

H3. The relationship quality of service will have a significant impact on institutional performance.

H4. The social quality of services will have a significant impact on institutional

performance.

H5. Organizational spontaneity will have a moderating effect on the impact of service quality on institutional performance of product quality.

H6. Organizational spontaneity will have a moderating effect on the impact of service delivery quality on institutional performance.

H7. Organizational spontaneity will have a

moderating effect on the impact of quality on institutional performance.

H8. Organizational spontaneity will have a moderating effect on the impact of social quality of services on institutional performance.

### 2.3.3. Operational Definition of Variable

The operational definition of each variable is as follows [Table 2].

**Table 2: Initial Set of features used for the experimentation**

configuration factor	Operational definition	references
Service Product Quality	The degree to which the result is helpful in accordance with the service and the purpose received from the support organization and based on the completeness of the work process.	[7], [9], [10], [11], [12], [13]
Service delivery quality	The process of using the service of the support organization is smooth and the communication is clear so that the staff understands and does the best for me.	
Quality of service relationship	The extent to which support agencies and social enterprises cooperate and help each other in an equal relationship to solve problems	
Social quality of service	The degree to which the support organization implements its policies according to its purpose and intentions and carries out its duties fairly and transparently for the sustainable development of society.	
Organizational spontaneity	Initiative actions taken by a social enterprise organization for cooperation, self-improvement, positive image, self-development, peer support, and goodwill of the organization	
Institutional performance	Improvement of the credibility of the social enterprises that received the support service, the support of the support agencies, and the degree of awareness improvement	

## 3. Results and Discussion

### 3.1. Frequency analysis

The total number of samples used in this study was 468, and frequency analysis was conducted to identify the characteristics of the samples. 137 (29.3%), 298 involuntary social enterprises (63.7%), and 33 other types (7.1%).

### 3.2. Validity and reliability analysis

#### 3.2.1. Exploratory Factor Analysis

In this study, factor analysis was performed with four independent variables and one dependent variable. To verify the

validity, exploratory factor analysis was used. Principal component analysis was used to explain the table variance most frequently and to explain the variance independent of the principal component. Varimax was applied to the rotation method of the rotational component matrix, and based on the factor extraction with an initial eigenvalue of 1 or more from the factor analysis results, five components were adopted as the variance cumulative percentage of up to 5 was explained as 88.405%. Factor loading was analyzed based on 0.4 or more. Kaiser-Meyer-Olkin (KMO) concluded that 0.947 and Battlett's unit matrix test of 0.000 were



suitable for factor analysis and common factors exist.

### 3.2.2. Reliability Analysis

Reliability analysis confirms

accurate and consistent measurement from survey respondents. Cronbach's  $\alpha$  value is over 0.8, which has very high reliability[Table 3].

**Table 3: Validity and reliability analysis**

Item	Factor load	Commonality	Eigen value	Distributed explanatory power	KMO	Bartlett	Cronbach's Alpha
Product Quality1	0.832	0.864	11.493	88.405	0.937	0.000	0.846
Product Quality2	0.733	0.902					0.857
delivery quality1	0.802	0.894					
delivery quality2	0.740	0.877					0.920
service relationship1	0.739	0.888					
service relationship2	0.768	0.917					
service relationship3	0.715	0.831					
Social quality1	0.790	0.913					0.928
Social quality2	0.763	0.911					
Social quality3	0.615	0.828					0.941
Institutional performance1	0.746	0.897					
Institutional performance2	0.780	0.917					
Institutional performance3	0.722	0.863					

### 3.3. Correlation Relationship Analysis

In the correlation analysis results, the mean showed the highest quality of relationship condition (4.6107) and the standard deviation showed the highest performance (0.7399). Correlation between all variables was found to be significant under the p-value <0.01 significance level.

### 3.4. Correlation Relationship Analysis

The correlation between the independent variable and the dependent variable was  $R = 0.861$ , and the overall

explanatory power was  $R^2 = 0.741$  (74.1%). The tolerance limit is 0.3 or more and larger than 0.1, so it is interpreted that there is no problem in multicollinearity. Durbin-Watson is higher in positive autocorrelation as it approaches 0, negative autocorrelation as it approaches 4, and Durbin-Watson = 1.991, which is greater than 0.1, so there is no problem with multicollinearity. Interpret Since all variables have a t value greater than 1.96 and a p value of <0.05, we can confirm that the hypothesis was adopted[Table 4].

**Table 4: Correlation Relationship Analysis**

Independent variable	Dependent variable	t value	Significance level
Service Product Quality	Institutional performance	3.689	0.000
Service delivery quality		4.180	0.000
Quality of service relationship		10.314	0.000
Social quality of service		5.149	0.000
R=0.861, R square=0.741, adjusted R square=0.739 F=308.211, p=0.000, Durbin-Watson=1.991			

### 3.5. Moderating Effect Analysis

As a result of checking the moderating effect of 'organization spontaneity' on the effect of the independent variable on the dependent variable, The effects of service product quality, service delivery quality, and quality of service relationship on institutional performance have been identified as having an Moderating effect

since R required account of change has increased and the significance probability F amount of change is <0.05. But, the effect of social quality of service on the institutional performance was interpreted as an increase in the R required account of change, but no Moderating effect since the significance probability F amount of change is >0.05[Table 5].

**Table 5: Moderating Effect Analysis**

model		independent variable			
		Service Product quality	Service delivery quality	Quality of service relationship	Social quality of service
R squared amount of change	1	0.134	0.164	0.153	0.185
	2	0.164	0.164	0.153	0.188
	3	0.167	0.167	0.167	0.193
	4	0.195	0.195	0.195	0.195
significance probability F amount of change		0.000	0.000	0.000	0.277

### 4. Conclusion

South Korea's public institutions support public services for the establishment and operation of social enterprises through support agencies. The support system of support organizations operates consulting and education services focusing on finding and nurturing social enterprises, strengthening competitiveness and creating ecosystems. Through this study, we confirmed that product quality,

procurement quality, and related conditions quality of the service have positive effects on the performance of the institution, and that organizational spontaneity has increased positive effects. However, the social quality of the service was found to have no Moderating effect. Voluntary participation by social enterprises is necessary to increase the positive effects of support services. Public support agencies need to establish

strategies to grow together by providing support for social enterprises through promotion and education, establishment support, and understanding the status of existing social enterprises. In this study, an analysis of the performance of support institutions was made, but no study of the performance of social enterprises was made. In addition, research on the performance of social enterprises will be necessary for social enterprises to continue to grow.

## 5. Acknowledgment

This research was financially supported by Hansung University.

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