



# The Effect of Social Capital on Creating Shared Value for Educational Companies

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## Abstract

**Purpose:** To examine the strength of social capital (SC) that are likely to affect Created share value (CSV) factors. This research aims to conduct a literature review to establish the components of SC and CSV identified within educational research and use factor analysis to identify how numerical values differ from the average and the amount of variance expressed in eigenvalue and factor score. **Research design, data and methodology:** To achieve the purpose of the study and provide adequate empirical results, we conducted the structural equation analysis using IBM AMOS 24.0 and collect online questionnaires from top practitioners, managers and non-managerial employees in Korean education firms, which will be used to conduct a factor analysis to assess SC's effect on CSV. **Results:** Final analysis of the path coefficient of the research model indicated that the SC values based on six have a significantly positive (+) effect on CSV values based on three categories ( $\beta=.35$ ,  $p<.001$ ). Therefore, the current research accepts the hypothesis in determining that SC can enhance the impact of CSV in educational companies. **Conclusions:** From the study, the practitioners of education companies should make more efforts to find action plans to create corporate social responsibility and shared value, which are required throughout society.

**Keywords :** Creating Social Value, Sustainable Social Capital, Educational Firm

**JEL Classification Codes :** A13, A29, M14.

## 1. Introduction<sup>a</sup>

All extant research on Creating Shared Value (CSV) in the educational sector is extensive and informs this research profoundly, particularly on the role creative value plays in educational attainment (Farheen & Farooq, 2015). The study assessed the impact of social capital on student attainment and personality development and found that social capital is vital for advancing present and future human capital (education). Many studies have also analyzed the effects of Social Capital (SC) on academic success and society social capital, as opposed to family social capital (Acar, 2011). As well, existing studies have studies social capital within the academic discipline since the 1990s. The focus of studies has been on the social capital definition, types, and

economic development, especially ownership controversies.

On the one hand, social capital exists in the realms of community interactions. Equally, other forms of capital reside in the individual (Robison, Schmid, & Siles, 2002). Also, on controversies of ownership, such as in Portes (1998), economic capital is evident in a bank account, while human capital rests with the skills and capabilities gained. However, social capital lies in the related structures, and hence there is no way to sell social relations (Bhandari & Yasunobu, 2009). Many studies have focused on the relationships, effects, significance, or impact of SC and CSV on academic achievement. However, this study investigates the effects of the individual elements of SC on factors of CSVs.

Within CSV and SC research in the context of

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education, there lack of studies that analyze which of these sub-factors of CSV are likely to most impact SC, which South Korean educational companies can use for more impactful outcomes. Therefore, through factor analysis, the research contributes to existing research because it analyzes diverse underlying factors that influence the variables and how strongly each variable is related. All these subfactors' strength or weakness has not been studied and will inform on which factors institutions should focus on.

To examine the strength of SC elements that are most likely to affect CSV factors. This research aims to (1) conduct a literature review to establish the components of SC and CSV identified within educational research. (2) collect online questionnaires from top practitioners, managers, and education firms, which will be used to conduct a factor analysis to assess SC's effect on CSV. (3) use factor analysis to identify how numerical values differ from the average (variance) and the amount of variance expressed in eigenvalue and factor score.

The study uses a quantitative methodology where researchers use objective measurements and statistical means of data analysis. The research method employs a scale within the questionnaire distributed, which is used to undertake a factor analysis on IBM's SPSS and AMOS software. The method is ideal because the research is investigating SC and CSV as additional distinguishable factors that have latent meanings that comprise many variables. The researcher then translates these variables into a framework to observe many variables explicated by the different latent factors as explained by Allen (2017). The study research question is: What factors have a strong intensity of sustainable SC based on six components that impact the strong formulation of Shared Value Creation (SVC)?

### 1.1. Case Study Problem Statement

According to the prior study (Dika & Singh, 2002), severe social and economic impacts might occur due to increased private education costs in South Korea. The authors asserted that educational gaps and social polarization might arise based on participation in private education. Seventy percent of current elementary, middle, and high school students in South Korea are learning various subjects provided by private education companies, including academics, tutorials, online lectures, and Korean society (Lee, 2018; Kim, 2016). These have taken effect since they are supposed to enter the examination system, and so learners rely on private education to acquire knowledge essential for passing exams.

On the other hand, private educational institutes have explicitly influenced social capital and growth. Concerning this, the urgency for education companies should aim at transforming their corporate activities into shared values.

Therefore, this research clarifies that SC values can explicitly influence formulating strong CSV for societal improvement. Succinctly, Dika and Singh (2002) also exemplify that provision of empirical evidence of the strong connections between CSV and SC will indicate that educational organizations in South Korea could accumulate the required social values. In this case, the social capital values, including trust, social interaction, and mutual norms, will have a considerable effect on CSV values, thereby reducing private educational discrepancies and economic side effects.

### 1.2. Research Objects

- i. To determine possible extreme economic and social outcomes that may unfold in South Korea due to the escalating cost of private education frameworks
- ii. To identify some of the social and educational gaps that are guaranteed to occur following the increasing investment and participation in private education systems
- iii. To determine the long-term effect on learners in a situation whereby a majority (more than 60 percent) of learners in the South Korean elementary, middle, and high schools are learning essential disciplines in private institutions, including tutorials
- iv. To identify social pointers that manifest how social development and social capital have led to the explicit change in the private educational frameworks in South Korea
- v. To deliberate on how the relationship between Creating Social Value and Sustainable social capital has led to a robust social-values based education framework in South Korea

### 1.3. Research Questions

- i. Do the South Korean learners extensively rely on private learning institutions' learning programs to acquire knowledge and pass their examinations?
- ii. Can the educational companies in South Korea play a central role in transforming their strategic educational objectives into shared values across mainstream society?
- iii. Can Sustainable social capital values expressly lead to establishing robust Creating Social Value for improvement of society?

## 2. Literature Review

### 2.1. Three Components of Creating Shared Value (CSV)

In the past decades, a business created environmental, social, and economic issues. For instance, businesses in the motor industry still make vehicles that are not

environmentally sustainable. Some firms in the food chain sector are under pressure to produce healthier meals to create sustainable lifestyles. These issues imply that firms must develop measures that support competitive economic advantages and a way to make communities create responsible corporate behaviors. Porter and Kramer (2019) conceptualized that shared values could identify and expand the links between societal and economic progress. In their perception, they defined the concept of shared value as operating practices and policies that aid the improvement of an organization's competitiveness and advancement of communities' social and economic conditions. Therefore, literature denotes that economic, social, and cultural values form the critical components of CSV (Wójcik, 2016). While this paper focuses on Kramer and Porter's idea of shared value as a conception of capitalism, it is vital to note that other authors theorize shared value within ontological and epistemological properties. Dembek, Singh, and Bhakoo (2016), for instance, noted that shared values require more conceptualization because explained within the context of economic expansion and social reconciliation is vague. Thus, concepts introduced in Dembek et al. (2016) incorporates (a) Reconsidering products and markets, (b) Redefining the configuration of the value chain, and (c) facilitating the development of local clusters.

Thus, the authors assert that firms must create not just products and services but also find means to open untapped markets by reconsidering the redesign of existing products to cater to unmet needs. Secondly, there is a need to design value chains that serve target customers (Le, Ngo, Trinh, & Nguyen, 2020) by developing relative cost and price differences. Thirdly, the authors found that firms must find competitiveness while still alleviating social issues in society. Empirical studies based on the three constructs investigated share value and how it impacts a hotel's performance and found that firms that use CRV find substantial performance (Fernández-Gámez, Gutiérrez-Ruiz, Becerra-Vicario, & Ruiz-Palomo, 2019). A different study by the same authors investigated the impact of CSV on the firm's online reputation. Within the online environment, the study found a significant interaction between reconceiving products and redefining productivity in the value chain and CSV. However, this research postulates the significance of CSV for educational companies within the capitalist notion. Firstly, not all educational companies are oriented towards competitiveness and since the concept of clusters is confined geographically. Thus, the study postulates relevance within the three constructs as clusters are relevant to economic debates without exclusively being part of shared value.

### 2.1.1. Economic Value

CSV management is the notion that businesses will use their economic resources to finance social activities that

result in competitiveness for both the firm and benefit for society (Porter & Kramer, 2019; Porter, 2011). In this case, the CSV perspective's economic value denotes activities for the company's economic goals. Therefore, organizations may strive towards improving economic performance and contributing to national economic development through profits. Further, it signifies the degree to which a firm will strive to create jobs and consider customers' interests (Kang, 2020).

### 2.1.2. Social Value

Social values are indicators of organizations' activities for social and environmental goals. They also indicate the rate at which an organization helps resolve fundamental challenges in society and social contribution activities. Further, they denote the rates at which social welfare can be improved (Porter & Kramer, 2019; Morris & Shin, 2002).

### 2.1.3. Cultural Value

Cultural values imply the correct cultural formation activities. They elicit the degree to which firms could create authentic cultural beliefs and standards. Besides, the extent to which organizations contribute to the improvement and spread of cultural conditions can easily be identified based on societal, cultural health, or safety (Porter & Kramer, 2019; Caputo, Ayoko, Amoo, & Menke, 2019).

## 2.2. Social Capital (SC)

According to Jacobs (1965), he expounded that SC formed community-based research investigating city neighborhood networks based on trust and cooperation. However, Dufays and Huybrechts (2014) eluded that SC is a unique CSV concept, which involves social and cultural systems. On the other hand, Sobel (2002) confirmed that researchers are moving to provide various social capital definitions. Succinctly, many schools of thoughts have recently defined SC as the conditions or characteristics of individuals to solve common societal problems. Therefore, this would promote mutual coordination and cooperation for common interests and connect with informal networks, mutual norms, and trusts among societal members. Again, they asserted that SC aims to facilitate respect through mutual support among persons and sometimes associate them with hierarchies (Tulin, Lancee, & Volker, 2018; Blakely & Ivory, 2006). Hence, sustainable social capital is the most remarkable concept because it incorporates the socio-cultural factors required for determining societal developmental outcomes.

Na and Kang (2018) studied the social capital impact on online businesses that value and share certain resources within the sharing economy within social platforms. The study found that social capital should be developed to gain a

competitive advantage. In particular, the study asserts that businesses can attain a high level of competitiveness by exploiting various elements such as sharing economy benefits of the online environment and which are possible due to the interaction with social factors. The authors found that The structure features of sharing economy businesses can promote actions that pursue group benefits by creating standards or rules in the group. From the relationship perspective, the quality of the relationship (interaction) between transactors in a group is promoted. In contrast, the group's standards, values, beliefs, and attitudes are shared from a cognitive perspective that can lead to actions that bring about mutual benefits. Thus, the study implied that there must be active information sharing to achieve social capital benefits, that increasing social commitment where everyone is important in the market.

### 2.3. Six Main Components of Social Capital

According to the numerous studies (Zhou, Zheng, Yuan, Zhang, Chen, Wang, & Yang, 2018; Devine & Quinn, 2019; Cuthil, 2010; Villalonga-Olives & Kawachi, 2017), they stated that (1) trust is a fundamental condition that builds and maintains a society and communities through reducing culminating social and economic costs. However, they denoted that (2) social interaction is a form in which individuals or groups are connected. Therefore, this relationship structure could allow an individual's or group's access to one another. On the contrary, they expounded that (3) Mutual Norms enable society and community members to trust, participate, and cooperate under given rules and order. However, (4) identification is based on homogeneity with the organization's members and the degree to which members feel and get proud of their sense of belonging. Succinctly, they exhibited that (5) Shared Vision is a voluntary and horizontally formed network that connects relationships between individuals or groups. They added that these social relations have reciprocity characteristics that members in the community have a shared vision to solve community problems. Besides, they connoted that (6) Shared Language is the means of communication that the organization members can understand. It also depicts the degree to which language forms (messages) are used for smooth communication.

### 2.4. Applying SC on CSV for Educational Firms

This section applies SC on CSV for educational companies. For example, Kramer, Hills, Tallant, and Bhatt (2013) noted that shared values enable firms to create vital community benefits instead of diminishing them. These social needs addressed by shared value result from the creation of economic advantages by companies. Thus, the

shared value within the business environment is not part of corporate social responsibility but must be the basis of every core business strategy (Kang & Hwang, 2018). Education within shared values research is critical because it enables firms to support educational objectives, which is part of the United Nations Millennium Development Goals. The overall poverty burden could reuse through shared values by introducing shared values that drive individual and overall perpetuity and better educational outcomes. Another report by the same authors assert that it is possible to create economic benefits through shared value to "generate economic benefits for their businesses while simultaneously addressing unmet educational needs... by redefining supply chain productivity, leveraging core expertise, and innovating and scaling commercially viable solutions that also deliver tangible educational outcomes" (Kramer, Hills, Tallant, & Bhatt, 2013). Thus, businesses should fund philanthropic objectives and support aims such as education that align with business interests to create more benefits for shareholders and help augment organizational sustainability. Talant (2014), for example, describes that various dynamics of the market, such as the rise of the middle class and the other factors such as technology disruptions and the need for quality among customers has compelled firms to start thinking of creating shared value in education. For example, in more recent decades, firms began to source training for employees, suppliers, and customers to grow businesses or by directly selling affordable commodities to enhance learning outcomes.

Several professionals have suggested that top practitioners, managers, even employees in education companies should make more efforts to integrate CSV required within institutions. When for example, students in South Korea integrate shared values, there will be reduced incongruencies among students learning is predominant private and public schools. For instance, shared languages between predominantly private school students and students in public schools would lead to polarized communities due to perceptions of inequality. Hence, educational firms Therefore, educational organizations in South Korea could accumulate the required social values when firms leverage shared values from economic advantages to create similar values such as trust, social interaction, and mutual norms.

On the other hand, numerous research groups (Zhou et al., 2018; Devine & Quinn, 2019; Cuthil, 2010; Villalonga-Olives & Kawachi, 2017) believed that the levels of CSV in education organizations could be raised above the standard level. They also articulated that managers need to find mechanisms of accumulating social capital. In this case, the accumulation of social capital could impact the CSVs since top managers and practitioners will be indebted to form new kinds of shared values in the community. As a result, these would form new learning platforms for social conflict

adjustments and the formation of trusts. In case education firms raise synergies of "convergence," the core of social capital formulation. There will be an emergence of strong trust and friendly culture in educational institutions in a society. Concerning this, the mission is to look forward to an active and in-depth approach so that CSVs could be promoted through educational firms and provide robust connections and evidence between SC and CSV. As a result, the hypothesis for the present research should follow:

Hypothesis: The strong intensity of sustainable SC based on six components has a statistically significant impact on the strong formulation of CSV based on three components.

Alternative hypothesis: The strong intensity of sustainable SC based on six components does not significantly impact the strong formulation of CSV based on three components.

## 2.5. Comparison to other Studies Focusing on SC and CSV

Park and Lee (2021) argue that though the private sector may be neglected despite the crucial opportunities exposed to them in terms of education, it is essential to note that some of the gaps in the market that the government does not address are systematically addressed by these private stakeholders. From the perspective of education in South Korea, therefore, prior study deliberates that it is of critical importance to appreciate the role of the private sector in shaping the future of the current generations of learners. In fact, based on the relationship between Creating Social Value and Sustainable social capital in the learning environment, Park and Lee (2021) suggest that there is unlimited room for the private sector to generate both positive and negative outcomes across the educational and social continuum of mainstream society.

For the advantageous part, it is critical to appreciate that social enterprise that privately invests in education, according to the statement by, often establish social welfare and advance social benefits to members of society for their viability. On the contrary, commercial enterprises do the opposite because they do not only seek to maximize gains in the form of profits, but they deliberate on private businesses that may not necessarily benefit the interests of the public, who are the primary consumers of their respective services. Perhaps the situation of private education programs in South Korea is a bit unique in this context because it is holistic in approach. The Concept of holism in this perspective refers to the aspects of not-for-profit, for-profit, and public as well as social values for the education system as says (Hultberg, Calonge, & Kim, 2017).

## 2.6. Background and Rationale of SC & CSV to Improve the Professionalism of the Thesis

The world has become globalized and the relationships between Creating Social Value and Sustainable social capital are also pertinent to this effect particularly within the field of academia. The increasing technological inventions and rapid innovations have made the world a homogenous place where tolerance to multiculturalism is a common experience. For example, because of the major realizations like robotics, the internet of things, and artificial intelligence, it is not possible to use geopolitical restrictions to limit how people can meet, engage, socialize, exchange ideas, and learn (Hultberg et al., 2017).

Using social media platforms like Facebook and twitter, people can converse and society has thus become more homogenous and people are willing to tolerance social diversity more than ever before (Sánchez Guerrero, 2020). Both the fully digitized economies like the US and the rapidly developing countries like South Korea are important players on the global platform, and this is why the field of academia cannot be of any difference (Kim, McVey, & Jung, 2020). In fact, from a global perspective, understanding the role of social capital is important in demystifying the role of the private sector in shaping education for the present and future generations.

It is essential to approach this issue from a holistic perspective, such that all players, both the public sector and the private sector are considered as critical stakeholders in the process (Kim et al., 2020). By operationalizing a universal model of addressing Creating Social Value and Sustainable social capital, it becomes more practical and sustainable to understand and demystify the South Korean Issues, both emerging and those known to policy makers.

## 3. Methodology

### 3.1. Research Model

Previous literature has mentioned that severe social and economic impacts might occur due to increased private education costs in South Korea which implies that educational gaps and social polarization might arise based on participation in private education. Seventy percent of current elementary, middle, and high school students in South Korea are learning various subjects provided by private education companies, including academics, tutorials, online lectures, and Korean society. private educational institutes have explicitly influenced social capital and growth. Concerning this, the urgency for education companies should aim at transforming their corporate activities into shared values. Therefore, this research clarifies that SC values can explicitly influence formulating strong CSV for societal improvement.

The current study classified the CSV of education companies into economic, social, and cultural values based

on numerous prior studies. Sustainable SC comprises social interaction, trust, mutual norm identification, shared vision, and shared language. Figure 1 indicates the research model of this study. Investigating the strong positive impacts of the SC on CSV values, this research may offer a source of information for current educational companies that the firm's strategy with a high degree of SC has significant and positive impacts on formulating strong CSV for educational companies.

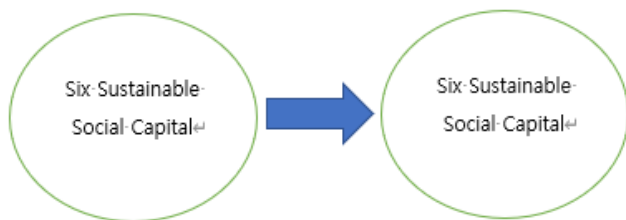


Figure 1: Research Model

### 3.2. Variables

The questionnaire's total questions used to gather variable values were 39 questions (SC-27 questions and CSV-12 questions). Variables regarding CSV were based directly on by prior study (Porter & Kramer, 2019; Porter, 2011). The part of the SC on the instrument was based totally on the study of three prior studies (See Table 1). These prior studies already indicated a high degree of reliability and validity.

Table 1: Variables Based on Prior Literature

Main factor	Number of Questions	Sources
CSV	12	Porter & Kramer (2019), Porter (2011)
Economic Value	4	
Social Value	4	
Cultural Value	4	
SC	27	Tsai & Ghoshal(1988), Chiu et al. (2006) Xiang et al.(2013)
Trust	5	
Social Interaction	5	
Mutual Norm	4	
Shared Language	5	
Shared Vision	4	
Identification	4	

### 3.3. Analyzing Tool and Data Collection

The statistical processing and analysis methods to

achieve the purpose of this study are as follows. First, statistical processing of collected data was analyzed using IBM SPSS statistics 24 and AMOS 24.0 programs. To verify the reliability of measuring tools for education companies' SC and CSV values, internal consistency was examined through Cronbach's  $\alpha$  value. Next, Confirmatory Factor Analysis (CFA) was conducted to measure the validity of the measurement model for confirming the suitability of the structural equation model. Finally, this research uses path analysis to confirm the hypothesis and examine the structural relationship between the SC and CSV.

The current research obtained real data from the top managers and employees of education companies located in Seoul and the metropolitan area between March 2, 2020, and April 17, 2020, distributing questionnaires in person or 'Google Forms' which is an online survey administration software. A total of 500 questionnaires were distributed, and consequently, 408 sets of the questionnaire were used for the final study analysis (See Tables 2, 3, and 4 in detail).

Table 2: Data Collection Procedure

	Total	Percentage (%)
Questionnaires Distributed	500	100
Uncollected Questionnaires	85	18
Collected Questionnaires	415	82
Discarded Questionnaires	7	1
Usable Questionnaires	408	81

Table 3: Breakdown Information of Data Collected

Company Type	Total Number	Percentage (%)
General tutoring school	171	42%
Arts and Physical Academy	52	13
Internet education institution	38	9
Education Publishing Service Company	37	9
Company	104	25
Visiting education company	6	2
Total	408	100

**Table 4:** Demographic Characteristics for Final Sample

Profile	Frequency	Percentage (%)
Gender		
Male	264	64.7
Female	144	35.3
Job level		
Non-Managerial	168	58.8
Managerial	209	51.2
Age distribution		
20s	53	13
30s	189	46.3
40s	109	26.7
50s	46	11.3
Over 50s	11	2.7

## 4. Findings

### 4.1. Reliability Analysis

Based on the obtained final dataset (N = 408), to measure the reliability of all main factors, Cronbach's alpha analysis was conducted to gauge internal consistency. Usually, more than 0.6 point for the alpha value means the acceptable value and more than 0.8 is regarded as an exceptional level. Table 5 and 6 indicate that Cronbach alpha values regarding all factors were greater than 0.7 and the present authors could believe that all sub-factors of SC and CSV were connected one another to measure main factors reliably (See the table 5 and 6).

**Table 5:** Results of Cronbach's Alpha Analysis for CSV

Sub-Factors	Question Numbers	Cronbach's $\alpha$
Economic Value	1-4	0.835
Social Value	5-8	0.910
Cultural Value	9-12	0.853
Total	12	0.928

**Table 6:** Results of Cronbach's Alpha Analysis for SC

Sub-Factors	Question Numbers	Cronbach's $\alpha$
Trust	13-17	0.888
Social Interaction	18-22	0.894
Mutual Norm	23-27	0.877
Identification	22-26	0.850
Shared Vision	27-30	0.866
Shared Language	31-34	0.842
Total	35-39	0.972

### 4.2. Confirmatory Factor Analysis (CFA)

As mentioned earlier, the current research conducted a CFA to measure a conversion validity and confirm whether main factors' measurement variables reasonably explained the latent variables. Table 5 shows that the value of Average Variance Extracted (AVE) is more than .5, which means that all measurement variables can be regarded as having conversion validity since they revealed more than the corresponding reference value (.5). Table 7 indicates the detailed results of the CFA analysis.

**Table 7:** Result of Confirmatory Factor Analysis (CFA)

Items	Unstandardized Factor Loadings	Standardized Factor Loadings	S.E	C.R.	AVE	Construct Reliability
CSV (EV)	1.00	0.88			0.731	0.889
CSV (SV)	0.91	0.65	0.06	14.23***		
CSV (CV)	1.04	0.84	0.05	19.95***		
SC (SI)	1.00	0.79			0.760	0.950
SC (T)	0.87	0.83	0.05	18.62***		
SC (MN)	0.88	0.78	0.05	17.15***		
SC (I)	0.89	0.78	0.05	17.32***		
SC (SV)	0.91	0.85	0.05	18.48***		
SC (SL)	0.88	0.79	0.05	17.54***		

Fitness Index:  $\chi^2=222.39$ ,  $df=95$ ,  $p=.000$ ,  $RMR=.018$ ,  $TLI=.966$ ,  $GFI=.935$ ,  $CFI=.973$ ,  $RMSEA(90\% CI)=.057$ , \*\*\* $p < .001$

### 4.3. Research Model Verification Result

To determine the research model's fit,  $\chi^2$ , RMR, TLI, GFI, CFI, and RMSEA were used as indicators. For model fit, the absolute fit ( $\chi^2$ , RMR, GFI, RMSEA, etc.) and incremental fit (TLI, CFI, etc.) were used. As can be seen in Table 9 ( $\chi^2=222.39$ ( $df=95$ ,  $p<.001$ ),  $RMR=.018$ ,  $GFI=.935$ ,

$TLI=.966$ ,  $CFI=.973$ ,  $RMSEA=.057$ (90 % CI: .048 to .067) and a result of the final analysis of the path coefficient of the research model indicated that the SC values based on six have a significantly positive (+) effect on CSV values based on three categories ( $\beta=.35$ ,  $p<.001$ ) (See the table 9). Therefore, the current research accepts that SC can enhance the impact of CSV in educational companies.

**Table 8:** Result of Path Analysis

Path (Independent → Dependent)	Unstandardized coefficients	Standardized Coefficients	S.E	T
SC → CSV	0.39	0.35	0.08	4.83***

\*\*\* $p<.001$ ,  $R^2$  for SC= .54,  $\chi^2=222.39$ ( $df=95$ ,  $p<.001$ ),  $RMR=.018$ ,  $GFI=.935$ ,  $TLI=.966$ ,  $CFI=.973$

## 5. Discussion and Implication

Firstly, it is important to note that the results of reliability analysis are consistent in table 6, which shows the consistency of methods used to measure the effect. The measurement in this study found in table 5 and 6 found that all subfactors are between 0.8 but do not exceed 0.95. Kline (1999) noted that the acceptable value of alpha in a reliability analysis should be 0.8. The sub-factors for table 5 and 6, however, exceed the 0.8 analysis but also do not go beyond 0.95 making the reliability tests acceptable. Table 7 results showed the results of confirmatory factor analysis to test if the data fit a hypothesized measurement model. Table

8 thus rejects the alternative hypothesis and accepts the null hypothesis that the strong intensity of sustainable SC based on six components has a statistically significant impact on the strong formulation of the CSV based on three components. Thus, the confirmatory factor analysis's goal reduced the number of variables and explained the result of the hypothesis as either significant or not. The present study sought to examine the effects of SC of education firms on CSV. Therefore, this has provided important information for South Korean education companies to induce shared value creation activities. Ultimately, SC's main implications for concerns resolution regarding social and economic side effects perpetuated in private education have been provided.



Again, it has built sympathy for shared value creation activities in education firms.

In light of this, the strategy is set toward creating social and economic values and shared values between local communities so that social capital can be formed through the formation of trust, mutual norms, and positive social interactions among employees and members in an organization. Succinctly, the study findings have indicated that the creation of shared value for education companies can positively affect the SC. A prior study (Yang & Yan, 2020) found that there is a link between creating CVS with social capital benefits and that managers should understand the economic and social benefits are not usually exclusive. Combining both elements can help enhance competitive advantage while still satisfying all stakeholders.

Another study examined trust through creating shared value and found that due to CSV, and found that the fans perceived that the team had augmented trust, which impacted the team and the fanbase loyalty. Based on the Cronbach results, therefore, CSV affects other attributes such as mutual interaction and trust as well as aspects such as shared vision. A study investigated the effect of shared values on learning second or third foreign language and learned that shared values played a critical role in motivating learning. In Pakistan for instance, students learned English “for the satisfaction of communicative and practical purposes of life” (Soomro, Kazemian, & Mahar, 2015, pg. 9). While the objective of this study was what shared value through economical injection brings, rather it illustrates the outcomes of shared values to learning a shared language. For that reason, it is impossible to disintegrate shared values and the concept of sharing language as students had to be highly motivated towards the value of English helping in communication leading to student outcomes. Different study assessed students taking master courses and the shared value that is provided to help them become industry ready professionals through service learning in management education. Specifically, the scholars had to illustrate high level motivation while their instructors shared relevant information and feedback that the industrial community used to identify achievement of the students for career projections. Thus, the shared value in this case required shared vision among master students.

The study implies that practitioners of education firms will explicitly have a positive management strategy for employees and social communities if the top management implements social capital values on CSV. Besides, this study's results are in line with the meaning of the support plan for the socially vulnerable class suggested in the studies (Lee, 2018; Kim, 2016). Concerning this, socially vulnerable are consumers of educational services who consume educational products and access information. Also, they need to be responsible for providing computers, the

internet, and any other relevant gadgets that aid institutional learning.

The study also implies that education firms can support education by catering to educational expenses and supporting socially vulnerable human beings' living standards. In contrast, the spread of trust and culture of educational institutions will emerge if privatized educational organizations arise with synergies of "convergence," which forms the basis of social capital formation. Therefore, there is a need to take an active and in-depth approach to promote education companies' privatized creation. Again, the social value consists of non-financial influences, others and measured to ensure a firm's success. For instance, trainers will measure the effects of students' social values as they seek to determine the kind of curriculum that learners would use at any given time. In this scenario, aspects that will be used in measuring the significance of social capital will encompass those entitled to individuals and community well-being (Gresham et al., 2018).

## 6. Limitation and Recommendation

The research method using factor analysis is limited in that analysis rests on the decisions and interpretations of a researcher which can make the research method inappropriate. However, further research should integrate Structural Equation Modeling (SEM) techniques as SEM is more dynamic in variable relations extraction. For multivariate methods in particular, SEM is crucial for determining causal relationships. Thus, while the factor analysis accepted the null hypothesis and shows links with sub-factors, SEM is a comprehensive and overall arithmetical method, that verifies assumptions relationships among observed and latent variables with minimal human bias.

From the study, the practitioners of education companies should make more efforts to find action plans to create corporate social responsibility and shared value, which are required throughout society. Therefore, it is appropriate to raise the level of shared value creation of education companies and the entrepreneurship level of top managers above average. Besides, there is a need to understand the values portrayed in education companies and those exhibited in society. On the other hand, there is a need to prepare a plan for harmonizing the top managers and employees in education companies based on a shared vision, language, and trust. Succinctly, practitioners should find ways of accumulating social capital since it will help create shared value. Educational firms should also form a new kind of shared value creation in a community that serves as new learning platforms for social conflict adjustment and trust

formation.

The study has also found that CSV and SC are associated. For efficiency purposes, practitioners need to critically evaluate them in terms of cultural norms and behaviors affecting a society. However, educational institutions' systems need to be efficient to exacerbate the social value and social capital (Dong & Phuong, 2018). It can also be noticed that social values can be measured when individuals understand the effects of social capital in educational firms.

## 7. Conclusion

This study has been unique because it offers a detailed understanding on multiple issues. For example, this study has determined the presence of extreme economic and social outcomes that may unfold in South Korea due to the escalating cost of private education frameworks. This study has also identified some of the social and educational gaps that are guaranteed to occur following the increasing investment and participation in private education systems. That the long-term effect on learners in a situation whereby a majority (more than 60 percent) of learners in the South Korean elementary, middle, and high schools are learning essential disciplines in private institutions, including tutorials has also been deliberated in this research study. Finally, this study has determined how the relationship between CSV and Sustainable SC has led to a robust social-values based education framework in South Korea.

From a more detailed perspective, there are many implications that have been obtained from this study. It is evident that the private sector for a social development approach cannot be overlooked in any continuum of economic, social, cultural, or political advancements. Rather, the opportunities that present in mainstream society are to a major extend utilized better in the event that government policies and frameworks do not take care of the interests of the public in this continuum. The focus of this paper has been a multivariate approach to take advantage of and address the gaps in society over the emerging issues in education. Typically, this paper has recognized that social capital is an important phenomenon that cuts across many social, economic, and cultural continuums in society, and across generations, thus the relationships between CSV, Sustainable SC cannot be overlooked.

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