Advances in Environmental Biology, 9(2) January 2015, Pages: 668-677

AENSI Journals

Advances in Environmental Biology

ISSN-1995-0756 EISSN-1998-1066

Journal home page: http://www.aensiweb.com/AEB/

Survey In Relationship Between Social Capital and Organizational Theory

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ARTICLE INFO

Article history:
Received 12 October 2014
Received in revised form 26 December 2014
Accepted 1 January 2015
Available online 17 February 2015

Key words:
social capital, competitive advantage, organization, economic

ABSTRACT

The paper looks into the (deficiencies in) understanding of relations within the economic theory of organization. The analysis is based on a three-level definition of social capital which is, due to a growing interdependence in the world of business, increasingly becoming an important source of competitive advantage. By employing the concept of social capital as the lowest common denominator in the economic organization theory, the author presents a new understanding of economic organization theory's evolution.

To Cite This Article: Ali raeespoor, Rahele sharifi, Farzane mahmoodian, Sara mardani, Tayebeh rastgoo, Zeinab bozorgvary., Survey In Relationship Between Social Capital and Organizational Theory. ***Adv. Environ. Biol., 9(2),*** *668-677, 2015*

INTRODUCTION

Every research requires a certain organizational form. Taking a viewpoint of business, the choice of organization seems sensible as it involves numerous activities that are closely related to social capital which is becoming an increasingly important aspect of competitive advantage in the markets at the break of the millennium. From an epistemological viewpoint, the choice of economic theory is sensible, as the author is quite convinced that the divisions in the scientific-research community and consequently narrow-mindedness of academic approaches impede a productive understanding of relations. Therefore, the paper seeks to analyze the understanding of social capital within economic theory of organization, as well as to point out that social capital may be understood as the lowest common denominator and one of the key factors of evolutionary change within the economic theory of organization. By summarizing the evolution of the economic organization theory, the author wishes to argue that the more contemporary and modern the theory, the more advanced is its understanding of social capital. To corroborate these hypotheses, the comparative analysis will be used.

1. *Definition Of Social Capital On An Organizational Level::*

The concept of social capital is hardly a novelty. In sociology, it has constantly been present as a concept that stresses the importance of relations. What is new about the approach is the emphasis on the word "capital", indicating that relations comprise a value component that can become a source of competitive advantage. Social capital generates economic effects for its proprietors, whereby it is, unlike other types of capital, not embodied in respective individuals, but rather in relations between them; thus, it cannot be appropriated by any one individual. Consequently, it does not benefit solely those who generate it, but also brings utility to those that do not take part in the process of its creation; thus, the "free-rider" problem arises, with certain individuals avoiding responsibility for the social capital's reproduction [17]. Social capital is a public good and is thus subject to externalities. According to many authors, social capital prevents opportunism, encourages cooperation, decreases transaction costs, lowers the possibility of disputes, drives transfer of knowledge and increases solidarity [31,18]. On the other hand, it may impede the flow of information and curb individual freedom [2,72].

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Social capital lacks a general agreement upon a unified definition. The differences between multiple definitions and measurement methods stem from various sources, levels and approaches. With regard to the sources of social capital, the scientific literature most commonly refers to networks [17,15,74,32], norms [72,74], social beliefs [56] and rules [2]. The authors differ not only in the significance that they ascribe to respective sources, but also in the level at which the analysis is conducted, and may either be the level of an individual [17], an enterprise (e.g. Baker, 1990), a geographic region, a nation or a network [14].

Two approaches predominate in the analyses. The egocentric (external) approach focuses on the benefits of each subject when entering a set of interpersonal relations; conversely, the sociocentric (internal) approach emphasizes on the broader community [2,1]. The egocentric approach treats social capital as a source of benefit that an individual will gain by becoming a part of some external network. Coleman [17] for instance, defines social capital through its function, as individuals enter mutual relationships for their own interests; Portes [72] stresses the ability of the players to reap benefits from their membership in particular structures, while Bourdieu [12] underscores the frequency and importance of contacts that are helpful for improving an individual's position. On the other hand, the sociocentric approach plays up the meaning of sociability in the creation of sophisticated organizational structures, as well as its role in a more harmonious and coordinated action during synergetic decision-making processes at various levels. Putnam [74] understands social capital as a set of networks, trust and norms that promote coordination and cooperation; Fukuyama, however, relates it mostly to trust in a society. Due to differences in the level of analysis, sources, and approaches, scientists often arrive at contradictory conclusions. Putnam [74] claims that the level of social capital in the last two decades has constantly decreased in the USA, while Paxton [64] believes that the level of social capital in the USA, in the same period, has not declined.

As for the intent of defining social capital at the organizational level, I shall follow a combined socio-economic approach, which is in line with my belief that the success of an organization depends on the ability to manage both. I shall focus on relations within organizations (organizational level), among them (inter-organizational level) and on relations between organizations and their environment (institutional level). Accordingly, these three levels will serve as guidelines when defining social capital from an organizational perspective:

- Organizational level refers to relations within an organization. Economists take interest in relations predominantly for the incentives they may have for the rational economic agents, while sociologists stress that not all relations are based on efficiency, as there are other important factors in complex relationships (e.g. power, trust, knowledge transfer). According to Williamson [90] the organization is far more complex than economists tend to believe. Drucker [23], Quinn [76], Nonaka and Takeuchi [59] and Jones [40] stress that organizational structure is becoming ever more open and non-hierarchical.
- On the inter-organizational level, the basic level of analysis ceases to be one particular organization; rather, it is the relations among them. Oliver and Ebers [62] discern two predominant approaches in the field of inter-organizational links. The economic approach emphasizes efficiency, as the market coordinates inter-organizational relations [18,62]. Vertical integration is a common form of inter-organizational connection in the conditions of high knowledge specificity, uncertainty, repetitive relationships, small number of partakers, long-term agreements, and opportunism [61,40]. The sociological approach notes that inter-organizational relations cannot be understood exclusively based on administrative relations driven by market rationale; as such, they are no longer merely a subject of choice between the firm and the market [28,43]. High technological product complexity, information technology and more efficient transfer of knowledge continuously increase the level of co-dependence between organizations. Therefore, today's organizations are characterized by complex, flexible and informal inter-organizational relations that are not based entirely on economic efficiency [28,8]. I believe that only a complementary approach enables an undistorted understating of inter-organizational relations.
- The institutional level links the understanding of social capital to institutions. North [60] examines the relation between social capital and institutions through the idea that a higher level of mutual trust will decrease transaction costs. The institutional framework can be defined as a set of formal and informal rules in a society where, unlike the formal rules (e.g. laws and regulations), the informal ones (e.g. values, norms) are much more stable and more difficult to change [60]. (In)formal rules are not only important for being a source of social capital, but also for representing the environment where social capital is both located and appraised [2]. Kogut, Zander [45] and Sorge maintain that success of an organization largely depends on its institutional environment.

These three levels are considerably interwoven. For instance, institutional environment affects how social capital is generated both within and among organizations since this generation process necessarily requires observance of mutual obligations, responsibilities and reciprocity [1]. On the other hand, social capital on the level of an organization determines the features of inter-organizational relations [64,47,87].

2. (A deficient) understanding of social capital Within the economic theory of organization:

The mainstream economic theory in most of contemporary business and economics schools is based on the neoclassical synthesis, combining the ideas of Marshallian microeconomics with Keynesian macroeconomics.

To Marshall, one important aspect of organization theory is its duality, as it consists of abstract (neoclassical) organization theory on one hand and the ideas of evolutionary theory on the other [57,93,16]. As Marshall [54] already noted, there is a problem of choice arising between the two ideas of the future organization theory. In order to present this problem of choice between the neoclassical and the more contemporary economic theories of organization from the viewpoint of social capital, it should first be explained how deficient the understanding of social capital within these theories actually is.

2.1. (Deficiency in) understanding of social capital within the neoclassical organization theory:

After Marshall's death, the development of the neoclassical organization theory took the abstract course. The economic logos and the neoclassical organization theory became rooted in methodological individualism which equates rational behaviour of an individual with the behaviour of an organization [63], in perfect information and rationality [42,93], and in profit maximization [53]; from these starting points, it is then possible to reach the equilibrium state by deductive reasoning. The neoclassical organization theory is based on diminishing returns and rising marginal costs, thus implying that the equilibrium is reached by equating marginal cost and marginal revenue. Numerous authors point to the deficiency in understanding social capital within the neoclassical organization theory, on all three levels: organizational, inter-organizational and institutional:

- *Organizational level:* It is believed by many authors that focusing on the market price mechanism and production factor allocation inhibits the neoclassical theory of organization at understanding the inner structure of the organization (black box). According to Arrow, the neoclassical organization theory, in its purest, is a theory of relative prices with an emphasis on mark*et al*location of production factors. Failure to understand relations in organization is mostly a consequence of the fascination with geometrical-algebraic models. Perfect decentralization makes the market price mechanism increasingly important, the firm becomes the market's mirror image and the allocation efficiency a synonym for information efficiency; all this indicates an attitude of stark underestimation towards the organization's inner structure.
- *Inter-organizational level:* The need for efficiency in conducting business spurred the neoclassical economics to develop certain forms of accounting for the unconscious cooperation within firms and among them [63]. The notion that paying some attention to the relations with others is in a rational interest of any individual subject indicates that social capital on the organizational and inter-organizational level is understood primarily from the viewpoint of neoclassical efficiency [51,81,93,46].
- *Institutional level:* Margolis [53], Sen [80], Hannan, Freeman [37] and Etzioni [24] underline that organization is a part of the broad environment which neoclassical theory does not look into. An individual cannot act or function without the environment, as humans are necessarily entangled in numerous relations, rather than being isolated and selfish entities, subordinated to the laws of economics. The neoclassical theory accounts for the broad institutional environment mostly by means of the demand curve [89,66]. Similarly, Cyert and Hedrick [20] maintain that the neoclassical firm draws some information from its environment, which enables making more rational decisions; this could point to some sort of understanding of the broader environment.

Methodological individualism, rational behaviour and concept of equilibrium drove the neoclassical theory into the embrace of scientific deductivism. Scientific positivism caused a loss of several Marshall's potent ideas, as duality in the organization theory was replaced by cost curves and equilibriums that prevent the understanding of relations within neoclassical organization theory to penetrate any deeper than to the level of efficiency. In spite of that, it should not be claimed that the neoclassical theory does not pay any attention to social capital (e.g. unconscious cooperation, game theory, information from the environment) at all. I am convinced, though, that one of the main reasons for the lack of understanding of social capital is the unwillingness for any stronger cooperation with other scientific communities, especially with sociology.

2.2. (Deficiency in) understanding of social capital within the principal/agent theory:

Beginnings of the principal/agent theory can be traced back to the 1930s, while a particular interest for it was spurred in the '70s and '80s, following the contributions of Alchian and Demsetz [4], Ross, Jensen and Meckling, and Fama and Jensen. The principal/agent theory stresses rational behaviour in a contractual relationship and pursuing one's own interests. An individual's conduct is strongly influenced by the asymmetry of information, as the parties in any contractual relationship have different amounts of information at their disposal due to the difference in their starting positions [55]. Asymmetric information and pursuit of individual interest give rise to the problem of opportunism and control since the agent often does not perform according to the principal's expectations [25,40]. Opportunistic behaviour of a manager can be prevented by appropriate agreements and market control. Several authors emphasize that the principal/agent theory pays a relatively fair amount of attention to social capital:

- Jensen and Meckling [39] stress that human capital cannot be appropriated, therefore only contractual-relational links are possible between the agent and the principal.

- Leibenstein [48] and Demsetz [22] argue that the agent/principal theory views the relations between the individuals in an organization through opportunistic attitude, understood as a negative form of social capital.
- Moe [55] and Collier [18] point out that the understanding of contractual relations between individuals within the principal/agent theory is based on efficiency.
- Fama and Jensen [27] emphasize that the main problem of partner organizations is knowledge transfer. Hence, employees about to retire are offered ample compensations for passing on their knowledge to their successors. A successful knowledge transfer in partner firms requires a high level of correlation between human and social capital.
- According to Furubotn and Richter, trust between the agent and principal increases mutual benefits, facilitates knowledge transfer and reduces the problem of control.

The listed authors have three things in common. First, they stress the importance of social capital through contractual relationship, control, preventing opportunism, trust and knowledge transfer. Secondly, studying relations in an organization is based exclusively on the drive towards greater efficiency, which implies a continuation of the neoclassical tradition. Thirdly, the principal/agent theory emphasizes the understanding of social capital on the organizational level, as it focuses on the relationship between the agent and the principal. The theory gives hardly any attention to social capital on the institutional and inter-organizational level; the latter is perhaps glanced by the study of potential takeovers or acquisitions, again based on an imperative for improved efficiency. Due to a deficient understanding of social capital at the inter-organizational and institutional level, the principal/agent theory is incapable to understand it in its entirety, in spite of having a more advanced understanding of relations than the neoclassical theory. The problem of relations arises in the background of the principal/agent theory (e.g. opportunism, employment relationship, takeovers); therefore, social capital can be understood as one of the key elements of the theory. According to Furubotn and Richter, the stress on contractual relationships links the agent/principal theory with sociology. By adopting a sociological element, the principal/agent theory is gradually moving away from the neoclassical theory and is becoming more interwoven with the sociological theory; as a result, it enables a better understanding of social capital.

2.3. (Deficiency in) understanding of social capital within the transaction cost theory:

One of the biggest watersheds in microeconomics was the finding that information in the market causes costs and that its asymmetry considerably influences the conduct of individuals. Coase's article, "The Nature of the Firm" from 1937 is seen as the beginning of the transaction cost theory. The neoclassical economic theory of organization does not consider transaction costs, as it assumes that all information is available at no cost, while the absence of information-related problems enables setting up elegant models and employing exact mathematical analysis [39,42]. On the level of a firm, the new institutional school deals with the problem of transaction costs. Managerial-organizational costs are related to organizing a transaction in an organization, while the market transaction costs relate to the same transaction in a market [16]. An organization grows to decrease the cost of performing transactions within it, to slow the growth of these costs compared to the market transaction costs, to reduce the cost of obtaining information as well as to decrease communication costs within a firm [16,74]. When transaction costs within an organization reach the level of market transaction costs, the equilibrium is established. However, as the costs constantly change, so does the equilibrium point [16]. By economizing transaction costs, the transaction cost theory builds on efficiency, on which the choice between the market and the organization is based, as a choice between two modes of performing economic activity [90,22]. Pitelis [70] suggests that a mono-institutional neoclassical theory hence takes a duopoly structure. The main characteristic and the basic unit of analysis in the transaction cost theory is a transaction, which actually constitutes a relation as it maintains a particular institutional framework which is a site of economic activity [14,92].

Hence, the following section shall be dedicated to an explanation of how thoroughly the social capital is understood by the theory:

- *Organizational level:* Except for studying the relationship between an employer and employee, the transaction cost theory, for the most part, fails to heed the relations within an organization. Today, human capital cannot be appropriated in a typical contractual form as slavery has long been abolished; thus, only contractual relations are possible in the form of relative property / ownership rights [43]. The employer and the employee establish a relationship for mutual benefit, where a greater specificity of human capital at hand increases the probability of opportunism. Several authors have underlined that the transaction cost theory only understands the efficiency component of a contractual relationship, which does not enable a complete understanding of social capital on the organizational level. Leibenstein and Williamson [90] stress that the "organizational man" is much more complex than the "economic man" because employment relations are not based merely on efficiency, but also loyalty, respect and trust. Moe, Alchian, Woodward [4] and Pitelis believe that transaction cost theory is characterized by viewing relations between the employer and the employee from a neoclassical perspective, while culture and values do not receive much attention. Alchian, Demsetz and Ravix point out that the theory hardly takes into account any form of teamwork and learning, where the sociological component should not be ignored.

- *Inter-organizational level:* Transaction cost theory brings forth the advantages of inter-organizational vertical integration from the perspective of minimizing transaction costs; this way, external or contractual partners become internal partners and transaction costs are internalized. According to Williamson [92], negotiations are considerably simplified in the case of vertical integrations, wherefore the organization-transaction costs are lower than market-transaction costs. Due to a strictly economic approach to transaction costs, the sociological view of inter-organizational relations is overlooked. Richardson, Fligstein, Dauber [28] suggest that inter-organizational links are not based solely on economic efficiency and that they are not exclusively a choice between the firm and the market (e.g. franchise, strategic partnership). Blois [11] submits that the transaction cost theory is unable to understand "quasi integrations", i.e. the case of a large customer on which a company's existence depends. Klein *et al*. [43] and Jones hold that vertical integration is quite common when dealing with high uncertainty, small number of partakers and long-term relations.
- *Institutional level:* According to Granovetter [32], the theory understands institutions as effective solutions to economic problems, without regarding the fact that they are a product of a specific environment. Perow holds that the transaction cost theory largely disregards the broad environment and, therefore, fails to understand costs that are related to it. Similarly, Pitelis [69] and Hodgson [38] argue that methodological individualism precludes the transaction cost theory from recognizing the importance of the broad environment.

Although the transaction costs theory presents a new way of understanding the relations, the sociological view of relations is still mainly overlooked. The organization's internal structure is largely ignored as the theory solves the problem of opportunism, viewed as a negative form of social capital primarily by contractual employment relationships as the most efficient solutions. The theory is less attentive to social capital on the institutional level, but at the same time it also brings forth the understanding of inter-organizational relationship from a perspective of minimizing transaction costs. The problem of relations obviously arises in the background of the transaction cost theory (employment relationship, opportunism, vertical integration). One of the main reasons why this theory has a more advanced understanding of relations, compared to the previously considered theories, is a greater level of scientific interdisciplinarity, which is principally materialized in a sort of concept exchange with sociology [63]. Similarly, Williamson [90] and Oliver and Ebers [62] argue that institutional theory is a strong link between economic and sociological theory. Despite that, the theory is still incapable to fully grasp the concept of social capital.

2.4. (Deficiency in) understanding social capital within the evolutionary organization theory:

Considering the variety of streams within the evolutionary school, it seems quite difficult to denote a common foundation and a generally applicable definition of the evolutionary theory since its intellectual evolution is a product of several theoretic ideas and schools. For the largest part, the evolutionary organization theory has been promoted and developed by Nelson and Winter in the ’70s and ’80s. Hence, evolutionary theory is often defined as an alternative approach to the neoclassical school, where the fundamental differences relate to understanding optimization, competition and time. Accordingly, its methodology differs significantly from both the neoclassical one and the one employed by the new institutional school [57,93]. The main characteristics of the evolutionary organization theory are:

- The fundamental problem of economics is not the study of equilibrium, but the historical development in the organization in order to construct a dynamic organization theory which will correspond to the historic analysis [57,93,55].
- The process of the organization adapting to the environment and the selection carried out by the environment (the market) are two mutually combined processes. Hannan and Freeman [36] suggest that optimization is performed by the market, thus the rationality of an organization and the environment meet in the "competitive market".
- The evolutionary organization theory is focused on a group of organizations, or more precisely, the situation of one organization in relation to its competitors [5,36].
- The meaning of routine regarding repetitive activities and the mode of an organization's operation [57,93].

In this section, it is shown how deeply the evolutionary organization theory understands social capital on the organizational, inter-organizational and the institutional level:

- *Organizational level:* The evolutionary organization theory directs most attention at the organizational structure which is formed through the processes of adjusting to the environment and through the selection of organizational forms in the market. The focus of the analysis is the organization, not the individual. Although the evolutionary organization theory assumes the existence of the organization itself, it does not try to reach deeper into the contents of relations at the level of an organization.
- *Inter-organizational level:* The evolutionary organization theory studies inter-organizational links from the viewpoint of mutual learning, communication and taking up patterns of the most successful organizations. It

deals extensively with both economic (e.g. efficiency) and sociological (e.g. trust) factors, which enables it to understand correctly the inter-organizational relations.

- *Institutional level:* Compared to the previously discussed theories, the evolutionary theory pays much more heed to social capital on the institutional level. Relations between the organization and the environment are studied through the market as a mechanism of selection [5,57,93,36]. Organizational structure is a product of constant adjustment to the changes in the environment, which indicates the strong influence that social capital on the institutional level has on the organizational level.

In its consideration of social capital, the evolutionary organization theory focuses mostly on the inter-organizational and institutional level, while social capital on the level of one organization receives much less attention; in this way, it does exactly the opposite as other theories considered thus far. In the theory's background, the problem of relations emerges (e.g. knowledge transfer, trust), making social capital its important element. Hence, it does not come as a surprise when Fligstein, Dauber [28] and Winter [93] place evolutionary theory "between” economics and sociology. Due to its greater openness for an interdisciplinary scientific approach, especially regarding a deep cooperation with sociology, the evolutionary organization theory is much more advanced in understanding social capital than its predecessors.

2.5. (Deficiency in) understanding social capital in the resource theory:

The pioneer of the resource theory is Edith Penrose and her work, "The Theory of the Growth of the Firm". The resource theory emphasizes understanding the organization as a set of resources which stand at the disposal to a particular organization while specific combinations of resources create competitive advantages [66,50,73]. The goal of the entrepreneurial structure is efficient employment of all resources for production of goods and services. The size of an organization is, therefore, not limited only by the market, but by organizational resources. This strongly contradicts a common notion in the economic theory that limitations emerge from the supply of production factors. The growth of an organization is a process and the organization's fundamental feature, the size, is "merely" a consequence of this growth, which implies that there is no such thing as the optimal size of an organization.

This section reveals how deeply the resource theory understands social capital on the organizational, inter-organizational and institutional level:

- *Organizational level:* Penrose [66], Prahalad, Hamel [73] and Knudsen submit that trust, cooperation, mutual learning and taking responsibility enhance an organization's performance and problem solving. The resource theory assumes that organizations are capable of learning and storing knowledge, while organizational routines represent organizational memory and a way of storing knowledge [66,9,29]. Cooperation is important in organizations since a contractual relationship alone cannot mediate the transfer of "silent knowledge"; thus, a firm is both an economic and a sociological institution [66].
- *Inter-organizational level:* The takeover of an organization is a way of acquiring resources that complement existing knowledge [66]. However, a takeover requires certain negotiating skills, mutual cooperation and knowledge transfer as a requisite for organization management. In this way, the resource theory emphasizes social capital on the inter-organizational level, both from the economic (e.g. efficiency) and sociological view (e.g. knowledge transfer, cooperation).
- *Institutional level:* According to Penrose, the growth of an entrepreneurial organization depends on internal (e.g. management quality) and external factors (e.g. resources, opportunities). Since knowledge is accumulated in our broader environment, it is essential to be familiar with the framework in which the organization is operating [85]. Understanding the external factors indicates a particular understanding of social capital on the institutional level, although the environment takes some independence from the organization's decision making [66,19].

Understanding social capital through takeovers, learning, mutual decision making, knowledge transfer, and influences of the broader environment are examples of how relations emerge in the background of the resource theory; these relations are explicitly emphasized. As far as the understanding of social capital is concerned, the resource theory is the most advanced among the ones considered in the paper, showing the best competence to understand it on all three levels. The main distinguishing feature of the resource theory is its scientific interdisciplinary approach and, as Barney [9] and Knudsen [44] notice, it is considerably interwoven mainly with sociological theory; thus it has enabled a better understanding of relations on the organizational, inter-organizational and institutional level.

3. Conclusion:

The previous section revealed that only the resource theory fully understands social capital on the organizational, inter-organizational and institutional level, while other theories only consider some partial aspects and dimensions of social capital. Methodological individualism and rational behaviour prevent the understanding of relations within the neoclassical organization theory any deeper than to the level of efficiency. The principal/agent theory is more sophisticated in understanding relations than its forerunner, the neoclassical theory. However, in spite of employing information problems to expand its analysis to the inner organizational structure, the principal/agent theory hardly pays any attention to social capital on the inter-organizational and institutional level and it is, therefore, incapable to understand social capital in its entirety. The transaction costs theory presents a new way of understanding the relations (employment relationship, opportunism, vertical integration), although the sociological approach to relations is mainly ignored. Nevertheless, the transaction cost theory is comparatively more sophisticated in understanding social capital than its predecessors (neoclassical theory, principal/agent theory), which also makes it more contemporary from the evolutionary point of view. In its consideration of social capital, the evolutionary organization theory does exactly the opposite as previously considered theories; it focuses mostly on the inter-organizational and institutional level, while social capital on the organizational level receives much less interest. As far as the understanding of social capital is concerned, the resource theory is the most advanced among the theories considered in the paper, showing the best competence to simultaneously understand social capital on the organizational, inter-organizational and institutional level, both from the economic and sociological point of view.

Studying social capital within the economic theories of organization brings us to a conclusion that it is possible to understand social capital as their lowest common denominator. In the background of economic theory, the problem of relations emerges in different ways, making social capital an important element of the economic theory of organization. Such treatment of social capital enables us to define social capital as a factor of evolutionary change within the economic theory of organization. The evolution of the economic theory of organization clearly indicates that the more contemporary such a theory is, the higher the level of understanding of social capital it reaches; hence, the theories more recent in the course of theoretical evolution have a more thorough understanding of social capital. Understanding relations is doubtlessly the most advanced within the resource theory, which also makes it the most modern from an evolutionary perspective. It seems that the understanding of social capital can be a reliable proxy for theoretical development since every economic theory of organization appears to evolve proportionally to its capability to understand relations.

A complacent self-sufficiency and narrow-mindedness of academic approaches in economics preclude a deeper understanding of relations within the economic theory of organization, as the economic scientific community by itself can only understand particular and partial dimensions of social capital. Theoretical analysis shows that "sociologization" of the economic organization theory has driven the discipline away from the orthodox neoclassical theory; thus has enabled increasing returns of their theoretical findings with regard to understanding social capital. Contemporary economic theories of organization continue to include more sociological elements, which are obviously becoming increasingly important starting points of the economic theory of organization.

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