The Impact of Social Capital on Job Performance of Individuals within an Organization (Case study: Employees of Nonprofit Universities in Ghazvin Province)

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**ABSTRACT**

The present investigation was done with the purpose of studying the impact of social capital on job performance of individuals within an organization. The population consisted of 122 individuals who were chosen using stratified random sampling method and Morgan table. The data collection was carried out through questionnaire. The analysis of obtained data was performed using Structural Equation Modeling (SEM) and PLS software in two parts of measurement model and structural section. In the first part, the technical features of the questionnaire were assessed through reliability, convergent validity and divergent validity indices and required modification were performed. The research hypotheses were studied in the second part. The results indicated a positive and significant impact of social capital and its dimensions on job performance of employees within the research population.

**INTRODUCTION**

Changes in the recent decades in organizations allude to the fact that success in organizations is achievable by the employees, but paying special attention of any organization have prevented the employees to find the opportunity to improve their performance [15]. Therefore, it is necessary to pay attention to improve and strengthen human resources in organizations initially in order to develop a comprehensive plan for organizational success. Promotion of organizational situation can be achieved through job evaluation in organizations and identification of shortcomings and failures along with enhancement of employees’ job performance and skills.

In the status quo, the society needs to organizations in which individuals encourage themselves to innovation and creativity. Organizations nowadays increasingly experience situations in which the existence of expert and creative individuals with high performance is inevitable [21]. Special attention should be paid to innovation and creativity of employees with high performance in order to survive in today’s world of turmoil and change. Moreover, new and novel responses are needed in addition to identification of environmental changes in order to confront with them.

According to most of the researches on management and organization, organizations should provide such a situation in which innovation is settled and individuals can individually or collectively carry out their assignments in a creative manner and improve their performance in this way [24]. In this regard, organizations are enthusiastically increasing multiple skills among their employees. In the meantime, social capital is one of the most effective factors in job performance of employees. Social capital, as a drive force that moves trust to the organization, leads to realization of organizational objectives and development of competitive advantages and its survival [8]. The importance of social capital is for the reason that its presence leads to a type of interaction, and it is important for individuals, groups and organizations that have it adequately [11]. Hence, social capital plays an important role in the improvement of employment status of individuals, because it has impact on the process of group and individual innovation, creativity and learning among the employees and
facilitates them [12]. Florida et al. [10] expressed that “employees in an organization have eagerness to work with each other and take more risk when they have social capital, and this enriched social capital leads to the development of innovative activities among them”.

The current status refers to organization's inability to deal with organizational issues and problems. In the meantime, the role of social capital and occupational performance of employees, as two factors affecting improvement of organizational status, have great impact on organizational success, increasing the quality of products/services, success in competition, increasing motivation in employees, job satisfaction, decreasing expenses, variety of products/services, reducing administrative bureaucracy and so on, so further studies are needed.

In this regard, the present investigation is going to study the relationship between the two variables of social capital and job performance. Moreover, it is going to answer to the following question. Do social capital and its dimensions have positive impact on job performance of employees within an organization?

Review of theoretical foundations:
Social capital:
According to Putman [20], social capital is a manifestation of the dimensions of social organization such as trust, norms, and networks that social performance can be improved in them through facilitating the sharing relations among individuals. Structural, cognitive and relational factors are considered as dimensions of social capital in a social relationship. They improve the communicational relations of individuals and facilitate knowledge sharing among them.

Social capital is known as a social phenomenon leads to creativity, innovation, facilitation of innovative behaviors and risk-taking [6]. In addition, it is beyond a collection of social organization or social value and this capital often promotes the output through increasing productivity of other resources such as physical and human capital [8].

Unlike financial capital, social capital is not capable of transformation and consisted of bilateral relations, interactions and networks emerge among human groups. Social capital nowadays has more important role than other human and physical capitals within organizations and societies. Other capitals loose their effectiveness in the absence of social capital and following the path of cultural and economical development becomes rugged and difficult. Hence, social capital is considered as a fundamental concept in the improvement of employee performance and organizational dynamisms, because the process of creativity, innovation and group learning has been affected and facilitate them [12].

Nahapiet and Ghoshal [19] defined social capital as “a collection of resources and values that lies in a network of individual and organizational relations and originate from it". Hence, this capital is considered as a source of value creation for individuals and organizations. Social capital has been considered at different levels including individual, organizational and social [7]. Social capital at organizational level is defined as a value in an organization based on formed relationships by its members with the purpose of participation in group activities.

Dimensions of social capital:
Reviewing the theoretical literature on social capital reveals that the most important dimensions in this regard are trust, honesty, amity, self-esteem, sympathy, friendship, solidarity and sacrifice. The dimensions form through knowledge sharing and information sharing among the members of social networks in forms such as training related to occupations, exchange of ideas, norms related to trading in social networks and public participation. Many dimensions have been presented for social capital. However, three dimensions of structural, cognitive and relational capitals are the most common among them. The mentioned dimensions are described in the following [11].

Structural capital:
Researchers of social capital believe that network relations improve accessing to resources. Therefore, interpersonal relations have impact on both getting access to members to exchange knowledge and their expectations of such exchanges. Structural capital describes the interaction and closeness of the relationship between the two groups (individuals who share information and knowledge and individuals who are in search of information technology). According to Ascigil and Magner [1], strong relations based on trust usually help to the improvement of individuals' job performance. Strong relation means employees are more accessible and more enthusiastic in order to be helpful in information sharing.

Cognitive capital:
Individuals in different working groups, fields and organizations have norms that reflect their prominent features and allow other people to participate in their operations. In fact, their norms form the way of thinking, behaving, judgment and even realization of the environment (Saparito and Coombs). Therefore, individuals'
norms develop their prominent points of view and attitude, which tends to affect their behavior. This is cognitive capital, which encourages individuals with similar norms to establish a relationship with each other.

Relational capital:
Confidence plays a vital role in relationships among individuals so that successful cooperation depends on high confidence. Confidence facilitates organizational knowledge sharing through decreasing conflicts and increasing employees' enthusiasm for trust in vision, ideas and expertise of others. Desai and Desai [9] emphasized that level of confidence has impact on knowledge development, presentation and sharing among individuals and improves their job performance in this way. One’s trust in other members of an organization indicates his intention to exchange knowledge in order to improve his and organization’s performance. Organization researches demonstrated that trust relationships of employees with each other provides more access to new knowledge. Moreover, some other researches presented the lack of relationship among employees as the main barrier to improvement of job performance.

Job performance:
Job performance means obtaining the required tasks of a job in the best way; condition in which assignments are carried out, and payment and benefits are received for the job. Activities and circumstances that affect employees have a great impact on their performance. To what extend one’s occupation meets his expectation has a considerable impact on his performance and develops his judgment on the job. The importance of job performance gone so far that most of the organizations (including small and big organizations) provide official plans for evaluation of their employees. This is because the individuals need to be aware of their position and the way to improve their performance right after entering the organization in order to achieve designated purpose and increase their job performance. The awareness let the employees to be informed of their strengths and weaknesses and to employ necessary measures for the effectiveness of their efforts [18].

In order to improve employees’ job performance, organizations should be aware of their effectiveness in order to improve the human resource condition, increase the volume of production and service provision and make positive changes in their motion. Job performance could be a proper instrument in order to achieve individual and organizational goals if it is investigated properly. Moreover, it could be an instrument for efficient use of organization’s human resources [17].

Many factors have been presented for improvement of employees' job performance so that controlling the performance of human resources is considered as one of the most important management assignments. The most important factors affecting employee job performance within an organization are demonstrated in figure 1.

Fig. 1: The most important factors affecting job performance of employees.

Existence of a large number of individuals who have weak job performance could be a sign of defects or problems in performing one of the assignments of human resources management. Therefore, the obtained results of assessment system of job performance of individuals within an organization can be considered as an instrument for ensuring that the assignments of human resources management are carried out. If employees’ job
performance is improved, then the existed defects and problems can be resolved and it could be led to the improvement of overall performance of the organization.

In order to optimally use of human resources and reduction of expenses, which are of the most important responsibilities of senior managements in an organization, it is necessary for the managers to identify the causes and circumstances of poor job performance of human resources and improve them through proper evaluation and investigation of the most important factors. In the meantime, Chen and Francesco [5] presented the following questions and stated that answering to them is important to evaluate the job performance.

1. Is performing the job that employees are responsible for hard and difficult for them?
2. Are skills and capabilities of individuals within an organization more than their assignments?
3. Does the failure to promptly handing employees' need lead to reduction of job performance?
4. Does lack of discipline and proper management lead to reduction of employees' job performance?

Many researches have referred to the impact of enriched social capital on job performance among individuals. On the other hand, these effects lead to increase in the organization’s overall performance as a result of increase in creativity and innovation among the employees.

Chen et al. [4] demonstrated in an investigation entitled “relationship among social capital, entrepreneurship orientation, human resources and performance in new businesses” that there is a significant correlation among social capital, entrepreneurship orientation and human resources, and there is a direct and significant relationship between the three components and individuals' job performance.

According to Vidyarthi et al. [23], individuals within an organization are interested in payment systems and policies with fair promotion, without ambiguity and in accordance with their expectations. Those who have such a thought in which salary and benefits policy and promotion of organizational members are based on justice and fairness probably have great job performance. In addition, employees prefer to work in an environment free from danger and discomfort. According to them, the environment should meet their expectations. Therefore, there would be no surprise that having intimate and one-heart partners forming powerful social capital among partners leads to increase in individuals' job performance.

Reviewing the research literature and background, the present investigation is going to answer to the following question. Do social capital and its dimensions (structural, cognitive and relational) affect employee job performance? In this regard, the research main hypothesis and sub-hypotheses are mentioned in the following, respectively.

Main hypothesis (Ha): social capital has impact on employees' job performance.

First sub-hypothesis (Hb1): the structural dimension of social capital has impact on employees' job performance.

Second sub-hypothesis (Hb2): the relational dimension of social capital has impact on employees' job performance.

Third sub-hypothesis (Hb3): the cognitive dimension of social capital has impact on employees' job performance.

The conceptual framework of the research is also presented in figure 2.

![Fig. 2: Conceptual model of the research.](image)
Methodology:

The method used in this investigation was practical in terms of objectives and correlation-descriptive in terms of data collection. Moreover, it was a quantitative research based on the type of collected data. In this regard, questionnaires were distributed among employees of non-profit universities in Ghazvin province and the results were recorded. Since a cause and effect relationship was studied in the research, the research method was causal in terms of the relationship between the variables, which Structural Equation Modeling (SEM) was used in order to comprehensively investigate the conceptual model of the research. The mentioned model is the best instrument for investigational analysis, which observed variables have measurement error and the relationships between the variables are complicated. Using the present method, the accuracy of indices or observable variables can be accurately measured and on the other hand, the causal relations between latent variables and the amount of explained variance can be studied [2]. SEM consisted of two parts of measurement model and structural model and the variables are divided into two categories of latent and observed variables. Social capital together with cognitive, relational and structural dimensions and job performance of employees are latent variables and questions on each of them are latent variables, which are considered as their indices.

The population consisted of 122 individuals who were chosen using stratified random sampling method and Morgan table so that all the universities were initially located in a few main categories based on the number of students, professors and employees and the sampling was carried out randomly from each of the categories. Finally, 180 individuals were eligible for the present study, which 122 questionnaires were distributed using Morgan table. Eventually, 116 of the questionnaires were returned and the related statistical analysis was carried out.

Standard questionnaire of Chang and Chuang [3] with a five-point Likert scale was employed in order to evaluate social capital variable. The questionnaire consisted of 19 items (questions), which 4 questions were related to the structural dimension, and 12 and 4 dimensions were related to the relational and cognitive dimensions, respectively. On the other hand, a researcher-made questionnaire with 35 questions (using five-point Likert scale) was utilized in order to measure employee job performance. The questionnaire was taken from the researches of Holzer [14], Koopman et al. [18] and Yu and Park [25] and consisted of 36 questions, which 6 questions were related to the dimension of “having knowledge about the job”, and 7, 3, 7 and 4 questions were related to the dimensions of “cooperation and coordination with other employees”, “career planning”, “measuring the amount of proper relationship with the upstream authorities” and “accordance with the organization's culture”, respectively.

Loading factors, which shows the amount of correlation between the indices of a structure and the structure, was used in order to assess the reliability. If the value is more than or equal 0.4, then the reliability is at an acceptable level [16]. The results related to factor loadings demonstrated that most of the questions had a factor loading more than 0.4 and the rest of them had not such a feature and were eliminated (2 questions from the questionnaire of social capital and 3 questions from the questionnaire of job performance).

The validity of the questionnaire was checked through two criteria of convergent and divergent validity (specific to SEM). Average Variance Extracted (AVE) was employed in convergent validity, which the results for the research variables are demonstrated in table 1.

Table 1: Investigating the convergent validity.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Social capital</th>
<th>Job performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Structural capital</td>
<td>Relational capital</td>
</tr>
<tr>
<td>AVE</td>
<td>0.662</td>
<td>0.751</td>
</tr>
</tbody>
</table>

The accepted value for AVE is equal to 0.5 [16]. As it is shown in table 1, all the values for the structures are more than 0.5 and this confirms that the convergent validity of the questionnaire is acceptable.

In divergent validity, the differences between the indices of a structure are compared with the indices of other structures in the model. This is done through comparing the root square of AVE for each structure with the correlation coefficient values between the structures. To do this, a matrix should be formed in which the main diagonal consisted of AVE coefficients of each structure and the lower and above values of the main diagonal are the correlation coefficients between each structure and other structures [13]. This matrix is shown in table 2. According to table 2, the root square of each structure (the main diagonal values) are more than the correlation coefficient of that structure with other structures (the same column and same row values) and this shows that the divergent validity of the structures are acceptable.
Finding:
In this phase, the cause and effect relationships between social capital together with its dimensions and job performance were measured in the form of structural section in order to test the research hypotheses. According to figure 2, the impact of social capital and its dimensions on employees’ job performance is positive. On other words, job performance of employees improves with improvement of status of social capital of individuals within the organization. Moreover, the cognitive dimension of social capital has the greatest impact on job performance of employees.

Fig. 3: Model in the status of standardized estimation.

In order to evaluate the main hypothesis and the sub-hypotheses of the research, t-coefficient was used. The results are listed in table 4. Since all the t-values are more than 1.96, then all the hypotheses are approved

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized coefficients</th>
<th>t-value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main hypothesis</td>
<td>Social capital→job performance</td>
<td>0.61</td>
<td>13.87</td>
</tr>
<tr>
<td>Sub-hypothesis 1</td>
<td>Structural capital→job performance</td>
<td>0.64</td>
<td>15.16</td>
</tr>
<tr>
<td>Sub-hypothesis 2</td>
<td>Relational capital→job performance</td>
<td>0.72</td>
<td>17.49</td>
</tr>
<tr>
<td>Sub-hypothesis 3</td>
<td>Cognitive capital→job performance</td>
<td>0.77</td>
<td>21.29</td>
</tr>
</tbody>
</table>

Conclusion:
As it was mentioned before, organizations need to have employees with great job performance in order to compete in today’s turbulent world, preserve and hope for future progress. Owning such a valuable treasure leads the organizations to compliance with new conditions and be along with the changes. Social capital of individuals within an organization was considered as an important and vital variable affecting their performance and the results demonstrated that social capital and its dimensions had a positive impact on job performance.

Based on the main hypothesis, social capital had positive and significant impact on employees’ job performance. The approval of the hypothesis means that job performance increases/decreases with improvement/weakening of social capital. An organization with enriched social performance can cause flourishing of new ideas in people by its impact on individuals. Moreover, this new ideas lead to creativity in
individuals and this increases the job performance. Therefore, an organization with enriched social capital can have employees with high job performance potentially, and vice versa. The hypothesis was approved in the present research, because the value for standardized coefficient was equal to +0.61 and the t-value was acceptable at 95% confidence level (13.87). The results are in harmony with the findings of researches such as Coleman [6], Salanova et al. [21] and Ascigil and Magner [1].

It was confirmed in the first sub-hypothesis that the structural dimension of social capital has a positive and significant impact on job performance of employees. As it was mentions, the structural dimension in relation with management structures and processes such as accountability of managers and leaders to their performance, transparency in decision-making and decisions and actions are base on group works. The approval of the hypothesis demonstrated that horizontal and vertical structures and relationships, which group work and decision-making is considered in them, has great impact on job performance of employees, because owning an appropriate structure in decision-making and carrying out assignment in group lead to improvement of job satisfaction of individuals within the organization and increase in their job performance. The data analysis demonstrated that the standardized coefficient for the hypothesis (+0.63) was positive (direct) and the t-value was confirmed at 95% confidence level (15.16). Therefore, it can be concluded that if an organization has more appropriate structural dimension of social capital, then the employee performance improves. The results are in line with other researches such as Saporito and Coombs [22] and Chen et al. [4], because the positive and significant relationship of structural capital and job performance of employees and organization was confirmed in these investigations.

The significant and positive impact of relational capital on job performance of employees was approved in the second sub-hypothesis. The relational dimension refers to the level of confidence among individuals and has common norms so that if they are capable of resolving disputes and reducing the negative norms among themselves, then they could be capable of preserve the level of interaction among themselves and increase confidence, so they will be not afraid of sharing creative and innovative ideas and thoughts with each other and consequently, their job performance improves. The second sub-hypothesis was approved through positive standardized coefficient (+0.72) and significance of t-value at 95% confidence level (17.49). The approval is in harmony with a part of the result of Chen et al. [4], because they also confirmed the positive impact of social communications and communicational nodes between networks on individuals' creativity. Moreover, Dakly and De Clerk [7] emphasized the importance of confidence between employees within an organization, and considered the lack of enough confidence between them as the major source of conflicts and disputes among individuals. Hence, the research results are in harmony with the present investigation.

Eventually, it was confirmed in the third sub-hypothesis that the cognitive dimension of social capital has a positive and significant impact on job performance of employees. It was demonstrated that the cognitive dimension of social capital is in relation with factors such as values, attitudes, commitments, participations and trust in the system. Hence, individuals in organizations with high level of trust, participation and commitment put less effort on conservation and protection of themselves from not being exploited by economical interactions and monitoring the unlawful acts of partners. Moreover, exchange of information is done at a higher confidence level. This let the individuals to spend more time on promotion of personal skills that consequently leads to increase in job performance. The third sub-hypothesis was approved through positive standardized coefficient (+0.77) and significance of t-value at 95% confidence level (21.29). This reveals the fact if organizations have better and more appropriate cognitive dimension of social skill, then job performance of employees improves. The results are in harmony of the findings of Chen et al. [4], because they referred to the significant role of common values and norms, which are reflected in the organization's culture, and considered the organization's cognitive capital effective in individuals' performances. In addition, according to Florida et al. [10], recognition of individuals within an organization of each other could be an important factor and has a great impact on their performance. Moreover, they stated that recognition of individuals of each other and norms within an organization leads to lessen discord and division caused by lessen individuals' activities and do not prevent improvement of their performance.

REFERENCES


