

# Study Effect of Social Organizational Capital on Social Security Staffs' Productivity

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## Abstract

*Nowadays, there is a sociological experience in social capital of productivity engineering science, it is considered as a successful lever and is greatly welcomed. Social capital has been considered as an appropriate place for physical and human capital productivity. The aim of this research is to observe the effects of social capital on Tehran social security staffs' productivity. The survey method was used in this study. The population in this study was all Tehran social security staffs in 2014. The sample size was calculated 200 people. Simple random sampling was used to access observed samples. Hersey and Blanchard's Labor productivity questionnaire was used to measure staffs' productivity as well as Nahapyt and Ghoshal organizational social capital questionnaire was used to measure organizational social capital (1998). Face and content validity of the questionnaire was confirmed. Cronbach's alpha values for each variable were calculated over 7.0, and as a result, the reliability of the questionnaire was approved. Analytical tests (Pearson correlation coefficient and stepwise multivariate regression) were used at a significance rate of less than 0/01 to clarify the research hypotheses. In this regard, version 22 from spss software was used, results showed a significant relationship between the three dimensions of social capital and Staffs' productivity.*

**Key words:** productivity, social capital, structural, relational, cognitive

## Introduction

Social capital is considered as an appropriate place for human and physical capital productivity and the way to achieve success. Managers and those who are able to create the social capital in their organization, so they will be able to make good chance for their work. It can be said that social capital is mentioned as a managerial phenomenon. This means that it can be helped on the basis of policy in the specified areas of restructuring organization or in process of its formation (Nasresfehany and colleagues, 2011). Interaction among actors in a social system is considered as a foundation of system. The actors' final objectives are provided by the interaction according to the targeted actions. The interaction can be seen in permanent goods exchange, in services among individuals and groups in a society and in a simple association as well, it causes the unity in production of shared norms, common identity, and confidence and on the other hand in strong economic ties with each other (Asoonsden, 2000). Social capital is cultural and social cohesion of society, norms and governing values on interactions among people and institutions, these norms and values are embedded in it. Social capital is as an adhesive that guarantees the integrity of communities, and without which no economic growth or human well-being is possible (Fine, 2001). Kolman (1990) believes that social capital, in turn, occurs when the relations among persons change in ways that facilitate action. The concept of social capital encompasses the potential benefits of social bonds (Magdool and Bessel, 2003). The Coleman's view, the concept of social capital is an indicator of how the social structure of a group can act as a resource to that group. In other words, social capital is the value of the aspect of social structure as a source that is given to the member, so they can achieve their goals. The concept of social capital consists of two important components: 1-Social capital explains the resources which are placed in social relations compared to personal ones. 2-Access to available resources and use them in the community, is attainable only through membership in social networks. Thus, social capital creates a common place for members and networks to use these capital for achieving more benefits and welfares (suy minanda, 2007). Social capital is an important resource for individuals and organizations due to be as a supplement to other resources that are controlled by individuals and organizations. Many studies have focused on the effects of social capital in a company or industry on performance, however, few studies have linked social capital to productivity at the individual

rate, so the aim of this paper is to observe the effects of social capital on Tehran social security staffs' productivity.

### History

- Haji Karimy and Farajian (2008), conducted a research entitled 'human, social and emotional capital management with an effective approach on career success: Study case was Mellat Bank'. The results showed that both human and social capital in accordance with the proposed path analysis model affect the managers' success.
- Abbaspoor and Barootian (2010) conducted a research entitled 'observing the relationship of effective communication and organizational performance (based on the model Achyv) at the headquarters of the National Iranian Gas Company in 2009'.
- The evaluating instrument of data collection was a questionnaire with 6 components for effective communication and 7 components for organizational performance. The results of this study showed that there is a significant relationship between effective communication and organizational performance in observed society.
- Aghanasery (2001), conducted a research entitled 'The role of social capital in promoting labor productivity'. For this purpose, firstly he considered the concept of social capital and its measurement methods, and then considered the place of social capital in related laws and documents. The process of influence, review of social capital, labor productivity, and finally its impact on labor productivity are analyzed. Research findings suggest that social capital, has a positive impact on labor productivity.
- Keramanet (2006), showed in a research entitled 'observing the relationship between the establishment of the human relations principles with efficiency and effectiveness' with the statistical analysis model that monitoring shows a significant correlation with productivity, and establishing humanitarian principles shows a meaningful relationship with the effectiveness. That the correlation coefficient between productivity and supervision is greater than correlation between the effectiveness and the planning.
- Chang and colleagues (2006), conducted a research entitled 'study of social capital, organizational learning, innovation, intellectual capital, and performance'. This research is an experimental study achieved the following results: Social capital is not significantly impact on organizational innovation, however, organizational learning has increased. Organizational learning significantly affect the rate of innovation and creativity, group dynamics, organizational learning and innovation has significantly expanded, and organizational performance can be modified by increasing the organizational innovation, which suggests that organizations insist on innovation.

### Definition of social capital

From an organizational perspective, "Ghoshal and Nahapyt" social capital is defined as the sum of actual and potential resources embedded within, available through, and derived from the network of relationships of an individual or a social unit. From the perspective of social capital is one of important organizational capabilities and assets that can assist the organization in the creating and sharing of knowledge, and creates 'sustainable organizational advantage' for them compared to other organizations (Nahapit, Ghoshal, 1995).

Nahapyt and Ghoshal's organizational social capital model:

Various aspects of social capital are categorized in the three rate by Nahapyt and Ghoshal's method with organizational approach: Structural, relational and cognitive aspects

- **Structural element:** Refers to the general pattern contacts between individuals. It means, who do you contact them and how. The most important aspects of the elements are network relationships between individuals, network configuration, and appropriate organization.

A: Network relationships: Social relationships are the creator of the information channels which reduces the required time and investment to gather information.

B: Network relationships configuration: Three characteristics of the network structure: density, links, and hierarchies cause flexibility and ease of information exchange through the impact of contact rate or network members' accessibility.

C: Appropriate organization: Appropriate society organizations can provide a potential network of people and resources' access, including information and knowledge, and this exchange may be prevented by cognitive and relational dimensions of social capital (Rahman Saresht.2007:263).

- Cognitive element: It refers to the resources which provide symbols, interpretations and systems of shared meanings among the groups.

A: Common language and codes: the language has a direct and significant function in the social relationships and impacts on our perception. The code provides a frame of reference to view environment and our interpretation.

B: Common anecdotes: Myths, stories and metaphors are powerful tools for communities to create, share, and support a rich set of meanings (Nademy, 2009).

- Rational element: Describing is the kind of personal relationships that people have with each other because of their interactions.

A: Trust: Where the relationships are based on a high rate of trust, people tend to social exchange and collaborative interaction greatly.

B: Norms: Norms of cooperation can create a strong base for the creation of intellectual capital.

C: Identity: A process in which a person or group of people feel that with the other or others are members of a single group (Ghelichly and Meshiky, 2006, 113-130).

Hersey and Blanchard's model of labor productivity:

Achieve model was planned in order to help determine the cause of performance problems and to develop strategies to solve these problems by Hersey and Blanchard. They considered two main goals in mind at developing a model for analyzing human performance. Identify the key factors that can affect the performance of individual staffs, secondly providing these factors is in the way that employing managers can apply it and remember it (Harsy and belanchard, 2010). The Manager evaluates about how effect of current and potential employees and improvement of their productivity in the context of a specific task by using ACHIEVE model. Then the manager should take the required measures in accordance with the unique causes of special (Obolensky, 1994). Seven available steps at ACHIEVE model with typically operate for solving the problem are:

The ability (knowledge and skills): In this model the ability term refers to the staff' knowledge and skills in terms of ability to successfully accomplish a task. It is important to remember that people's deserve are not general. Key components of the ability include task-related knowledge (formal and informal training that will facilitate performing a specific function), the task-related capabilities (potential or distinguishing characteristics that will strengthen successful completion) and the task-related experience (previous work experience that will help to complete the task successfully). They should ask the performance analysis that whether this person have the necessary knowledge and skills to complete this task is successful or not? However, some problems exist in the individual's ability, the offered solutions include: Specific training and education, formal education, referral of responsibilities and specific duties (Janali nezhad, 2001).

- Resolution (perceived or thought of): The mean of resolution is understanding and acceptance of work, its place and its method. For this purpose that followers have a thorough understanding of trouble, so the main purposes, achieving the objectives and goals and priorities of goals should be clear and obvious. Followers should be encouraged to ask questions to more assert. There's a problem in resolution and understanding indicates that there is a problem in the performance plan. Managers must ensure that all objectives are officially recorded (Rezayian, 2002).

Support (organizational support): The term of support refers to the organizational support that follower needs it to complete the effect of work. Some of these organizational support are: Budget, equipment, and facilities that are needed to complete the task, necessary support from other departments, availability and quality of its products and with the help of adequate human resources when organizational support are reduced, managers shall clearly identify where the problem is, if the problem is lack of money, manpower, equipment or facilities, the directors must see if we can have the necessary resources so that capital is supplied? If resources are not provided, then it may be that managers are forced to rethink goals to followers are not known as a responsible to the conditions that are outside of their authority (Nematy, 2005).

- Motivation (motivation or desire): The term of motivation refers to motivation for the followers' task or completion of special task in the successful manner. In assessing motivation should not forget that all people are not motivated to complete their assignments as the same. If the follower has a motivational problem, the first step, the use of rewards and punishments should be checked. It should be clear to follower that the performance of this task will connect to the payment, promotion, and recognition and

job security. The research shows that managers often hope that the reward-seeking is not asked for by the followers. People naturally have a tendency to follow the works which rest on the reward and vice versa turn away the works which do not have this reward. Rewards can be tangible or intangible. Feedback on performance such recognition can be considered as an important part of the overall system of motivation (Kotter & Vijoy, 1978).

- Evaluation (education and performance feedback): If people are not aware of performance problems, expectation is unrealistic to expect performance improvement. People should be regularly assessed informally informed about themselves before they are formally evaluated, cause of many performance problems is, lack of necessary education and performance feedback. Problem of evaluation indicates that there is a lack in daily feedback about effective or ineffective performance. Many managers focus on the bad news, and do not focus on good ones when they are happened. Practical recognition which is done well, is a vital part of the continuous process of evaluation. It increases the motivation in the organization and it should not been paid a lot for it. Highlights of extremism or negligence are detected by the process of incident including preparation the reasons and the official documents for a very positive or very negative performance. This process ensures that follower achieve to the feedback that is part of being formal (Sarayee, 2005).
- Validity (staffs' valid and legal actions): The term of validity refers to the managers' suitability and the legal decisions about human resources. Managers must ensure that decisions about people are appropriate in accordance with legal, court decisions and corporate policies. They should certainly know that the affairs related to personnel are the same for all groups and individuals. Organizations need valid performance evaluations, adopted techniques of related policies to the training and promotion and matters such as these. If there are problems with the validity, they should know that the trajectory of law is clear. Personnel decisions shall be accompanied by evidence and based on performance-oriented policies, managers who are not sure about the validity, they should talk about it with the human resources department or the legal department (Hooman, 1994).
- Environment (environment fit): The term environment refers to the external factors that it would affect the performance even with the existence of ability, resolution, support and necessary motivation for the job. Key elements of environmental factors consist of competition, changing market conditions, government regulations, logistics, and things of this nature. Followers should not be rewarded or punished if the environmental problem is out of their actions. The employee should be expected to act in the surface coordinate with environmental restrictions (Dolan etal, 2008).

#### **Research hypotheses**

- There is a relationship between social capital (structural dimension) and social security staffs' productivity.
- There is a relationship between social capital (cognitive dimension) and social security staffs' productivity.
- There is a relationship between social capital (rational dimension) and social security staffs' productivity.

Research method: This study in term of its goal is placed in developing -functional research. The survey method was used to obtain the desired information according to the way of performance and research objectives. The population in this study was all Tehran Social Security staffs in 2014. A sample size of 200 was calculated with an error rate of 5% and a confidence rate of 95% by using the Moorgan's table to estimate the sample size for this study population. Simple random sampling was used to access observed samples. A standardized questionnaire was used to gather information with slight change to implement and coordinate the statistical community questions. Hersey and Blanchard's (1983) labor productivity questionnaire was used to measure the staffs' productivity which consists of 7 criteria: ability (3 items), understanding (4 items), organizational support (4 items), motivation (4 items), feedback (4 items), validity (4 items), and environmental compatibility (3 items). Items were designed in spectrum disorder very low (1), low (2), moderate (3), high (4) and very high (5). Nahapyt and Ghoshal's (1998) organizational social capital questionnaire was used to measure organizational social capital which consists of 3 dimensions: structural (5 items), cognitive (3 items) and rational (7 items) as well as the items were designed in spectrum disorder Strongly disagree (1), disagree (2), somewhat agree (3) disagree (4) and strongly agree (5) . The questionnaire were given to some experts after a slight change in the wording of questions, and the results of this study lead to the modification on the questionnaire. Face and content validity of the questionnaire was confirmed. Cronbach's alpha values for each variable were calculated over 7.0, and as a result, the reliability of the questionnaire was approved. Analytical tests (the Pearson correlation coefficient and stepwise multivariate

regression) were used at a significance rate of less than 0/01 to clarify the research hypotheses. In this regard, version 22 from spss software was used.

**Research Findings**

Results of Pearson correlation coefficients test between the independent variables (structural social capital, cognitive social capital, relational social capital) and the rate of social security staffs’ productivity. According to the results in Table 1, it can be said there is a relationship between structural social capital and the rate of social security staffs’ productivity with a confidence rate 0/99 and a significance rate of less than 0/01. On the other hand, the relationship is directly (positively) and is in the moderate rate. There is a relationship between and the rate of social security staffs’ productivity and the relationship is directly (positively) and is in the moderate rate. There is a relationship between rational social capital and the rate of social security staffs’ productivity and the relationship is directly (positively) and is in the strong rate.

Table 1 Pearson correlation coefficients test between 3 independent variables and the rate of social security staffs’ productivity

Statistical test	rate of social security staffs’ productivity/ structural social capital	rate of social security staffs’ productivity/ cognitive social capital	rate of social security staffs’ productivity/ rational social capital
Pearson correlation coefficients	0/547	0/589	0/614
Significant rate	0/000	0/000	0/000
Number of respondents	200	200	200

Results of multivariate regression analysis test of affecting factors on social security staffs’ productivity

Table 2 Results of multivariate regression analysis test of affecting factors on social security staffs’ productivity

Row	Predictive variables	R	R <sup>2</sup> .adj	β	T	Sig.T	F	Sig.F
1	structural social capital	0/547	0/292	0/547	6/373	0/000	40/618	0/000
2	structural social capital cognitive social capital	0/589	0/333	0/224	2/614	0/01	24/971	0/000
3	structural social capital cognitive social capital rational social capital	0/614	0/357	0/197	2/116	0/37	18/755	0/000

Step 1: According to Table 2, structural social capital variable is the first predictive variable for measuring the staffs’ productivity which entered the regression equation which accounted for 29.2% of the variance in productivity rate. The standardized regression coefficient for this variable is (β: 0/547)that indicates relative contribution of the independent variable on prediction of the dependent variable changes. In other words, efficiency is about 5% for every one-unit change in structural social capital variables.

Step 2: In the second stage, cognitive social capital variables entered into the regression equation and accounted for 33/3% of the variance in dependent variable. The predictive power of the model is increased 4 percent by entering this variable. The standardized regression coefficient for this variable is (β: 0/224) that

indicates relative contribution of the independent variable on prediction of the dependent variable changes. In other words, efficiency is about 2% for every one-unit change in cognitive social capital variables.

*Step 3:* In the third stage, rational social capital variables entered into the regression equation and accounted for 35/7% of the variance in dependent variable. The predictive power of the model is increased 2/4 percent by entering this variable. The standardized regression coefficient for this variable is ( $\beta: 0.197$ ) that indicates relative contribution of the independent variable on prediction of the dependent variable changes. In other words, efficiency is about 2% for every one-unit change in rational social capital variables. In total, these three variables accounted for 35/7% of the dependent variability changing.

### Conclusion

This study conducted an observation of organizational social capital impact on the rate of Tehran staffs' social security productivity. Here, a summary of the results are mentioned.

- Results of the Pearson correlation test showed that there is a direct (positive) relationship between structural social capital and the staffs' productivity directly and it was in the moderate rate. This means that rate of productivity or about their performance will be moderately increased by increasing the structural organizational social capital.
- Results of the Pearson correlation test showed that there is a direct (positive) relationship between cognitive social capital and the staffs' productivity directly and it was in the moderate rate. This means that rate of productivity or about their performance will be moderately increased by increasing the cognitive organizational social capital.
- Results of the Pearson correlation test showed that there is a direct (positive) relationship between rational social capital and the staffs' productivity directly and it was in the strong rate. This means that rate of productivity or about their performance will be strongly increased by increasing the rational organizational social capital.
- Stepwise multiple regression analysis was used to study the simultaneous effects of independent variables on the dependent variable, The results showed that, in total, these three variables 35/7% of the dependent variable changing.
- According to the obtained results, generally it can be said that, one of the effects of social capital to increase productivity in the organization. Efficiency and effectiveness are developed by social capital through building trust, relationships and common goals and with sharing knowledge among staffs and enhance organizational learning. In these organizations, new techniques are rapidly disseminated, useful ideas and activities, understanding and quickly become accepted and innovation is grown. Informal interaction which is developed among staffs of an organization, leads to improve dissemination of information and improve creating a treasury of knowledge that assists manufacturing processes. So there will be facilitating knowledge, improving teamwork and organizational commitment, and higher product quality as well as when staffs feel that there is an organizational support back of them, the role of the negative outcomes of stress in organizational performance decreases.
- Productivity of physical capital is increased by acquisition of knowledge and skills, and consequently, the increase in human capital and ultimately leads to improve organizational performance and productivity growth. The increase of social capital leads to lower risk (risk of non-cooperation) and the expected term operational risk is also reduced.

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