



A Survey of the Relationship between Social Capital and Intellectual Capital of the Organization (Case Study of the Employees and Lecturers of Azad University of Kermanshah of Iran)

Kamran Nazari, Mostafa Emami, Siavash Ghorbani, Fatemeh Ghorbani

¹Department of Business Management, Payam Noor University, Iran

²Teacher of University of Applied Science, Industrial Management Institute of Kermanshah, Iran

³Msc student in Agricultural engineering, Islamic Azad university of Arsanjan, Arsanjan, Iran

⁴Msc Tourism Management University of Semnan, Semnam, Iran

*Corresponding author's Email: Emamemostafa12@yahoo.com

ABSTRACT: The present study aimed to evaluate the relation between social capital and intellectual capital in Azad University of Kermanshah. The study was descriptive-correlation design. The study population was the employees and lecturers of Azad University of Kermanshah and by simple random method, 180 people were selected. The data collection measure was including two questionnaires of evaluation of social capital and intellectual capital and the reliability was calculated by Cronbach's alpha as 0.86, 0.842. In the present study the social capital was measured by three dimensions, structural, cognitive and relational and the relation of each of the dimensions with intellectual capital was evaluated by Pearson correlation coefficient. The results of the hypotheses analysis showed that there is a positively significant association between all dimensions of social and intellectual capital.

Received 35 Dec. 2013
Accepted 30 Mar. 2014

ORIGINAL
ARTICLE

Key words: Intellectual capital, Social capital, Human capital, Structural capital, Relational capital.

INTRODUCTION

The current world is the period of considerable changes and according to Toffler the power movement period and intellectual capital management and intangible assets of the organizations issues as important phenomena affected the management changes completely after re-engineering (80s) and total quality management (90s). The newest paradigm including the above issue in organizations management is the intellectual capital management. Stewart defines intellectual capital as the set of knowledge, information, intellectual property, experience, competition and organizational learning that can be used to create wealth. Indeed, the intellectual capital includes all the employees, organizational knowledge and its capabilities to create value-added and it leads to continuous competitive advantages (Ghelichli and Moshabaki, 2006).

Thus, the intellectual capital attempts to take into account the intellectual assets, knowledge, experience and organization learning to achieve the full development more than before. Despite the common beliefs that technology was an important component in development, knowledge and sharing it in the organizations and human capitals guaranteed the improvement of the performance and development.

The management of intellectual capital is mostly the management of social phenomena. One of the important and multidisciplinary concepts in management of social phenomena is the concept of social capital. Putnam considered social capital a set of the concepts including trust, norms and networks leading to optimum relation and participation of the members of a society and their reciprocal benefits will be provided. He believed that trust and reciprocal relation of the members in the network are the resources existing in the actions of the members of the existing community (Putnam, 2000).

As it was said and considering the fact that the most important challenge of the intellectual capital management is obliging people to share their knowledge and it is of social issue, the present study attempted to evaluate the relation between social capital and intellectual capital among the lecturers and employees of Azad University of Kermanshah and the role of each of the components of social capital in relation to intellectual capital was determined.

The theoretical framework

The concept of intellectual capital: The term intellectual capital was first published by John Kenneth Galbraith (1969). He believed that intellectual capital



meant more than just "intellect as pure intellect" but rather incorporated a degree of "intellectual action". In that meaning, intellectual capital is not only an intangible asset per se, but an ideological process; a means to achieve the goal. From the beginning of the research on intellectual capital in the early 1980s, various definitions of intellectual capital are presented and all indicated the general concepts (Namazi and Ebrahimi, 2005).

Stewart defines intellectual capital as the set of knowledge, information, intellectual property, experience, competition and organizational learning that can be used to create wealth. Indeed, the intellectual capital includes all the employees, organizational knowledge and its capabilities to create value-added and it leads to continuous competitive advantages (Ghelichli and Moshabaki, 2006).

Bontis defined intellectual capital as a set of intangible assets (resources, capabilities and competition) being achieved of the organizational performance and value creation (Bontis, 1998).

Edvinsson and Malone defined intellectual capital as" the applied information and knowledge being used for working and value creation (Vasile, 2008). According to EU, intellectual capital is a combination of intangible resources and activities enabling an organization to turn a set of human, financial and materialistic resources to the system creating value for the stockholders (Stewart, 1997).

Intellectual capital dimensions: Bontis divided intellectual capital into three components:

Human capital: The first dimension of intellectual capital of an organization is considering its human dimension. Human capital is important because it is a source of innovation and creativity.

Structural capital: It arises from the ability of the organization to cope with the external and internal challenges. He considered the structural capital consisting of the organizational mechanisms and organizational structures to be supportive in achievement of the employees to the maximum processes, R&D and performance. Bontis defined these components as culture, information systems of the current affair and the efficiency of each of them.

Customer capital: According to Bontis, it the knowledge embedded in the marketing channels and customer relationships and both of them play an important role in an organization. In addition, other

aspects as relation with the competitors and providers are the important components of this capital (Bollen, 2005).

Social capital: From sociology view, there are various discussions in the definition of social capital. The social sciences theorists based on their specialization (psychology, sociology, politics, economy, etc) and their theoretical views defined the social capital as:

According to Pier Bourdieu, social capital refers to the communication and participation of the members of an organization and it is considered as a tool to achieve the economical capitals (Alvani, 2001). Coleman considered the social capital a part of social structure letting the actor to achieve his benefits by it and consider the social capital as other forms of productive capital to make the achievement of definite goals possible (Coleman, 1998). The social capital reveals the significance of the strong networks and the relations based on trust and collaboration in the society (Jacobs, 1965).

In social resources theory, Lin defined social capital as the resources embedded in social structure being accessed/collected by purposive actions. Thus, according to Lin, social capital is consisting of three components: resources embedded in a social structure; accessibility to such social resources by individuals; and use or collection of such social resources by individuals in purposive actions (Lin, 1999). Simply, social capital is defined as a definite set of informal norms or values that promotes cooperation between two or more individuals. The norms that constitute social capital consist of some attributes as honesty, fulfilling the obligations and reciprocal communications (Fukuyama, 2000).

The social capital dimensions

The social capital dimensions of Nahapiet and Ghoshal (1998): Nahapiet and Ghoshal discussed about social capital from organizational view. They suggest that social capital has three distinct dimensions: structural, relational and cognitive. In other words, Nahapiet and Ghoshal considered three dimensions for social capital as followings (Nahapiet and Ghoshal, 1998).

Structural dimension of the social capital: This aspect considers the general model of the relations in the organization and it is consisting the relation of people with each other in the organizations. In other words, the structural dimension of the social capital is

including the links in the network, network form and composition and the organizational consistency (Ghelichli and Moshabaki, 2006).

Relational dimension of the social capital: This dimension is including the nature of the relations in an organization. In other words, the structural dimension focuses on this issue whether the employees in an organization are related or not, but the relation dimension focuses on the nature and quality of these relations (e.g. Are these relations determined by trust, intimacy, love, etc or not (BoLino, 2002). This dimension is including trust, norms, obligations and identification.

Cognitive dimension:

This dimension is including the common points of the employees inside a social network or the common understanding between them and like relational dimensions refers to the nature of the relations between people in an organization and it is including common language and codes and common narratives (Nahapiet and Ghoshal, 1998).

The conceptual model of the study

The conceptual model of the study is extracted from the social capital dimensions of Nahapiet and Ghoshal (1998) and intellectual capital dimensions of Bontis (1999).

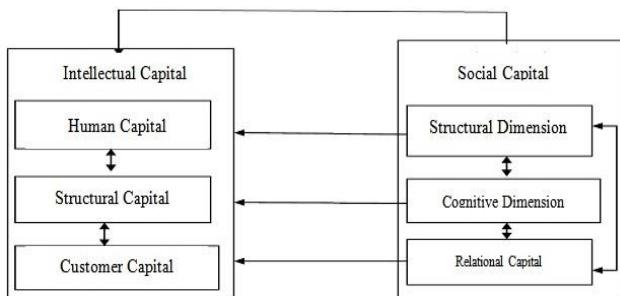


Figure 1. The conceptual model of the study

The study hypotheses

Main hypothesis: There is a positively significant association between social capital and intellectual capital of the lecturers and employees of Azad University of Kermanshah.

Sub-hypotheses: There is a positively significant association between cognitive capital and intellectual capital of the lecturers and employees of Azad University of Kermanshah.

There is a positively significant association between structural capital and intellectual capital of the

lecturers and employees of Azad University of Kermanshah.

There is a positively significant association between relational capital and intellectual capital of the lecturers and employees of Azad University of Kermanshah.

The study population and the study method:

The present study was applied in terms of the goal and in terms of the method was descriptive, survey-correlation. The study population was the employees and lecturers of Azad University of Kermanshah and 180 people were selected by simple random method. For data collection, questionnaire was used. To evaluate the intellectual capital based on Bontis (1999) regarding the intellectual capital, a 20-item questionnaire was designed. The dimensions of the questionnaire were as: 1- Human capital, 2- Structural capital, 3- Customer capital. To evaluate the social capital based on Nahapiet and Ghoshal (1998), a 19-item questionnaire was designed based on theoretical and empirical basics as it was referred.

The questionnaire was based on Likert scale and the dimensions were including 1- Relational dimension, 2- Cognitive dimension, 3- Structural dimension. For content validity, at first the questionnaires were distributed among 20 experts and lecturers of University. To determine the reliability of the questionnaires components of the study, Cronbach's alpha was used. The reliability values for the study measures showed the good reliability of them. The reliability of the intellectual capital questionnaire was 0.842 and the reliability of the social capital questionnaire was 0.86. To evaluate the normality of the collected data, Kolmogorov-Smirnov test (KS) was used and the normality of the data was supported and to evaluate the data, parametric tests were applied. To test the hypothesis, Pearson correlation method and SPSS software were applied.

The analysis of the results of the study

Descriptive results: The results of the study showed that of total 186 people, there were 55% men and 45% women. It means that most of the respondents were men. In terms of age group, the people 25 to 35 years old, 28%, 35 to 45 years old 27.5%, 45 to 55 years old 29.5% and the people above 55 years were 14%. In terms of the work experience of the respondents, 35.5% of them had lower than 5 years experience, 40.5% of them were ranging 5 to 10 years, 24% of them had more than 10 years experience. The results of the education showed that only 1.8% of the respondents had under

diploma education, 6% of them with Diploma, 11.9% associate, 37% BA and 43.3% MA and above.

Analytical Results

As it was said, the relation between social capital and intellectual capital of the employees and lecturers of Azad University of Kermanshah was evaluated by Pearson correlation test. The results of the study hypotheses are shown in Table 1. As is shown in Table 1, based on Pearson value test significant at error level smaller than 0.05, it can be said that with confidence interval 0.95, there is a positively significant association between intellectual capital and all dimensions of social capital (cognitive, structural and relational) and finally between the intellectual capital and social capital. Thus, all H₀ hypotheses are rejected and H₁ hypotheses regarding the relation between intellectual and social capital of the employees and lecturers of Azad University of Kermanshah were supported (Table 1).

Table 1: The correlation coefficient between social capital and intellectual capital

Relation Between Two Variables		Intellectual Capital
Cognitive Dimension	Correlation coefficient	0.570
	Significance level	0.000
	Result	Supported
Structural Dimension	Correlation coefficient	0.611
	Significance level	0.000
	Result	Supported
Relation Dimension	Correlation coefficient	0.607
	Significance level	0.000
	Result	Supported
Social Capital	Correlation coefficient	0.668
	Significance level	0.000
	Result	Supported

CONCLUSION

The results of the study tests showed the support of the main hypothesis regarding the positively significant association between the social capital and intellectual capital in Azad University of Kermanshah and the sub hypotheses regarding the relation between cognitive, structural and relational dimensions and social capital and intellectual capital were supported.

Research recommendations

It is recommended for further study to considering the followings:

1-As various models on social capital and intellectual capital were presented, the researchers can apply other models in their studies.

2-The study population of the study was the employees and lecturers of Azad University of Kermanshah. It is recommended for further study to do

the same in other provinces or other organizations and compare the results with the present study results.

Executive recommendations

It is recommended to the managers of Azad University of Kermanshah to consider the followings to develop the social capital and intellectual capital in their organization.

1-The attempt to create a supportive culture via the design of the incentive systems to promote the creativity and innovation, learning and development of human resources of the organization.

2-The manager should eliminate the complex rules, extra work methods and long processes to reduce the extra bureaucracy in the organization.

REFERENCES

- Putnam, R (2000). *Boling Alone: the collapse and Revival of American community*. New York: Simon & Schuster.
- Bontis, N (1999). Managing organizational Knowledge by diagnosing intellectual capital: framing and advancing the state of the field", International journal of technology management, Vol.18 No.5/6.
- Valise, B (2008). Factors of the Earning Function And Their Influence on the Intellectual capital of an organization, journal of applied quantitative methods, Vol.3, No.4.,
- Stewart, T (1997). *Intellectual Capital: The New Wealth of Nations*, Doubleday Dell Publishing Group, New York, NY.
- Alvati, M (2001). The social capital: The concepts and theories. Management studies journal. NO. 33, 34.p. 3-26.
- Coleman, J (1998). *The foundations of social theory*, Translated by Manuchehr Saburi, First edition. Nashr Ney.
- Jacobs, J (1965). *The death and life of great American cities*. London: Penguin Books.
- Lin, N (1999). Bbuilding a network theory of social capital". in Nam lin, katern cook and Ronals S.Burt, *social capital: theory and research*, New York: Aldine de Gruyter.
- Fukuyama, F (2000). Disruptions, the social capital investigation and keeping it. Translated by Gholamabas, Tavasoli, Tehran: Iranians community, First edition.
- Nahapiet. J., Ghoshal ,S (1998). Social capital ,intellectual capital and the organizational advantage", *Academy of Management Review* ,vol23No(2),. pp 242-266.

Glaeser, E (2001). The formation of social capital,
Canadian journal of policy research,2(1):34-40

Sano.Y (2008). The role of social capital in a common
property resource system in coastal areas: A case
study of community -based coastal resource
management in Fiji, SPC Traditional Marine
resource management and knowledge
information bulletin, 24-Desember 2008.