

## A study on the effect of social capital on learning organization: A case study of Jihad Agriculture Organization of Kermanshah, Iran

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### ABSTRACT

One of the challenges in contemporary zone of management and organizational behavior is to create and strengthen social capital. Social capital arises from individuals trying to help people build trust, relationships and cooperation. Without social capital, employees are not able to share information and knowledge. The purpose of this study is to review the relationship of social capital and the learning organizational in one of Iranian organizations called Jihad Agriculture Organization of Kermanshah. The statistical population includes 270 employees of this organization and a sample size of 159 people are chosen using Morgan statistical table for a the first six months of 2012. The research method is descriptive- survey, the type of correlation and a questionnaire for collecting information are used. A number of university professors confirmed validity of the questionnaires. Their reliabilities were obtained with Cronbach's alpha and the coefficients for questionnaire of social capital was 0.705 and for questionnaire of learning organization was 0.838, respectively. By using correlation coefficient and multiple regressions, the data were analyzed. Results in a significant level of 95% showed, social capital had a meaningful relationship with learning organizational.

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## 1. Introduction

For years, there have been three different assets including natural, physical and human capital for development and economic performance. However, it is important to realize that development depends on social capital and active institutions in the organization (Amirkhani & Poorezzat, 2010). The concept of social capital refers to communication links and network of members as a valuable source. With the creation of the norms and mutual trust, it is possible to make realization of the members (Nahapiet & Ggoshal, 1998). On the other hand, if organizations are serious of success in business, it will require learning the system. Ability of organizations in learning and demonstrating faster reaction than competing organizations has emerged as a source of competitive advantage in business (Abukhadra & Rawabdeh, 2006). Social capital helps organizations change them into knowledge-based organizations. Social capital also helps them achieve learning organizational. If

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organizations change to learning units, the components of social capital will be established among members (Bidokhti & Nazari 2009). On the other hand, organizations are increasingly required to increase their abilities as learning system. Today, smart companies have mastered the knowledge required to participate and they enforce knowledge with creating social capital as an organizational competence. The corporate culture, education, counseling, supervision, cooperation and collaboration would increase the amount of learning rather than competition (Baker 2004). Consequently the organizational learning is formed. The present study considers the definition of social capital and its relationship with learning organization. It also considers whether social capital and its components can be effective on increasing learning organization or not.

## **2. Theoretical Foundations and Literature review**

### *2.1. Social Capital*

Wealth or income-generating asset is a resource, which can be personalized to create additional sources of income or other application. According to Bourdieu (2001), capital is the primary source, which affects certain areas and allows the individuals to get certain benefits through participation. According to Golman, social capital is a way for cohesion of social theories with economic theory (Mohammadi 2005). The central idea of social capital theory can be summarized as relationship (Field 1997). Social capital as a resource for achieving the objectives will facilitate the research team and community (Putnam 1993). Putnam believes that social capital, unlike other assets, does not, and if used correctly can be spread (Moham, 2002).

#### *2.1.1. Dimensions of social capital*

Different scientists have expressed various indicators of social capital. Putnam, for example, believes components of social capital are networks, norms and trust. According to Fukuyama, social capital is a certain set of norms, values, non-official members of the group. Sharifian Sanii (2005) and other scientists such as Baker (2004) believe that social capital, includes power, political support, benevolence, trust and cooperation. The following components are extracted from definitions and theories of various scientists:

*Trust:* Trust facilitates exchange in the social space and minimize the cost of social dialogue and exchanges and it has crucial role to solve problem of social order (Azkya & Ghaffari 2004).

*Cohesion and social solidarity:* One component of social capital is participation. Solidarity and cohesion are elements and contexts of participation (Sharifian sanii, 2005).

*Mutual cooperation:* Mutual cooperation is symmetrical heat exchange in social life (Chalapi 1996).

*Networks and shared norms:* Networks through which people create connections with others, gain the respect of our organization and understand norms, values and organizational goals (Timberlake, 2005).

*Empathy, understanding and mutual respect (communication):* Understanding mutual respect is important to gain a sense of empathy among members of a community. When empathy is high, people do not use knowledge in the unethical goals (Baker 2004).

*Cooperation and voluntary participation:* People participate in a collective effort and this means members are seeking to achieve their goals with coalition of resources (Azkya & Ghaffari 2004).

## 2.2. Learning Organizational

Change is one of the characteristics of today's changing world. The need to change is appeared in most societies, organizations understand to move beyond the current situation require learning. Learning means accumulating, thinking and using knowledge, skills and complex attitudes, so that Individual or group could adapt to changing environments (Theron, 2002). Senge (1999) defines the Learning Organizational: The Learning Organization is developing activities, which includes new governance ideas, new management methods and tools to change the way that people would do their work (Rowly & Gibbs 2008). Learning Organization as a change in his behavior is described consequence of the learning (Sicilia & Lytras, 2006). According to our discussion, there are 8 important factors for becoming a Learning Organization:

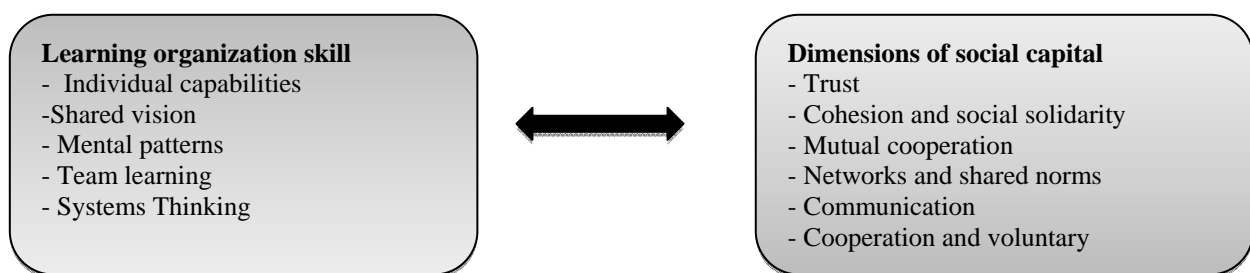
1. Globalization and the World Economy
2. Technology
3. Sharp change in the business world
4. Growing influence of customer
5. Knowledge
6. Role and changing expectations of employees
7. Diversification and labor mobility
8. Change and turmoil in the rapidly changing (Marquardt 1996)

### 2.2.1. Learning Organization skills

Senge states five principles and skills for Learning Organization as follows,

- Individual capabilities
- Shared vision
- Mental patterns
- Team learning
- Systems Thinking

According to these studies, the following conceptual model can be formulated in Fig. 1 as follows,



**Fig. 1.** Conceptual model

## 2.3. Review of Literature

Nazari et al. (2012) studied the relationship between social capital and entrepreneurship organization in a case study of governmental organizations in province of Kermanshah in Iran. The results revealed that there was a significant relationship between social capital and entrepreneurship organization. Kheirkhah (2011) studied the relationship between social capital and intellectual capital in organizations and in other investigation for a case study of Kurdistan education organizations located in province of Kurdistan, Iran. The results revealed that there was a significant relationship

between social capital and intellectual capital of organization. Hosaini (2011) studied the relationship between social capital and entrepreneurship for another case of industrial companies in province of Kurdistan in Iran. The results revealed that there was a significant relationship between social capital and Entrepreneurship. Nowrozi (2011) investigated the effect of social capital on development of organizational knowledge management for a case study of municipality of Karaj. The results revealed that there was a significant relationship between social capitals on development in an organizational knowledge management.

Ferydouni et al. (2011) investigated a comparative survey on social capital between Devotees families and ordinary ones and effective factors of information technology in Golestan province of Iran. The results showed that there was a significant relationship between social capital in martyrs and devotees families and ordinary families so that social capital in first group was much higher than the second one. Rabiee and Sadeghzadeh (2011) performed an investigation to study social capital's effects on entrepreneurship. The results revealed that there was a significant relationship between social capital and entrepreneurship.

Barzegar (2011) studied the relationship between social capital and the commitment of staff in another case study of an Iranian bank. The results revealed that there was a significant relationship between social capital and the commitment of staff. Abbaszadeh and Moghtadaei (2009) studied a sociological study of social capital impact on knowledge creation and the results revealed that there was a significant relationship between social capital and Knowledge Creation. Share pour et al. (2009) performed another investigation on relationship between social capital and tolerance among the students of social sciences faculties of Tehran and Allameh Tabatabaei Universities in Iran and the results revealed that there was a significant relationship between social capital and Tolerance.

Asadi Shirin (2008) performed another investigation on the relationship between social capital and job satisfaction for a case study of the employees of Kurdistan university in Iran. The result of their analysis of job satisfaction on the trust elements of social capital including trust to own, trust to family, trust to friends and coworkers, trust to official institutions, and trust to unofficial institutions indicated that only trust to friends and coworkers, and trust to official institutions had positive effect on job satisfaction. Gholipour et al. (2008) in another assignment analyzed the relationship and effect of social capital on organizational entrepreneurship. Their results indicated that there was a significant relationship between effects of social capital on organizational entrepreneurship.

Ashna and Monavarian (2006) in another study performed an investigation on the relationship between social capital and inter-organizational entrepreneurship and their results indicated that there was a positive relationship between social capital and inter-organizational entrepreneurship and its dimensions, namely cognitive and structural. To be more specific, with an increase in social capital, inter-organizational entrepreneurship will increase. Ghlichli and Moshabaki (2006) investigated the role of social capital in the creation of intellectual capital in a case study of two Iranian automobile company. The results disclosed that there was a significant relationship between social capitals in the creation of intellectual capital. Finally, Sori (2004) studied the relationship between social capital and economic performance and the result indicated that declining social capital has a negative effect on economic performance.

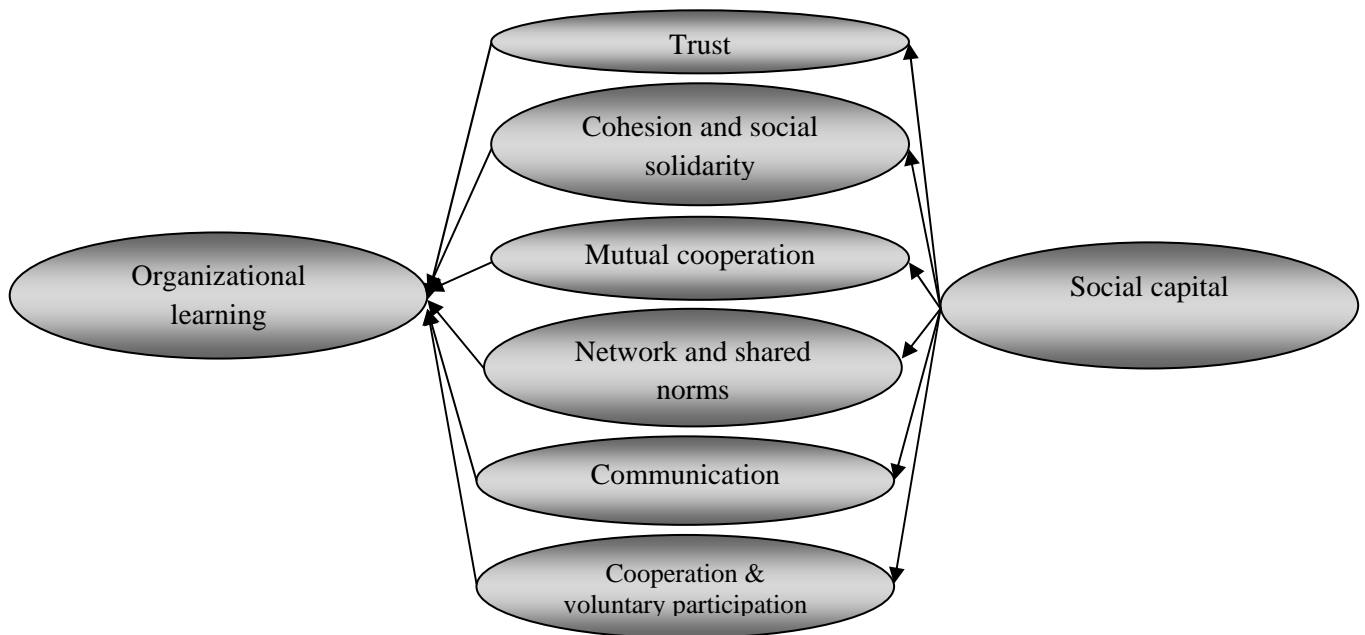
### **3. The hypotheses of research**

*The main hypotheses:*

Social capital of staff has a positive and significant effect on their learning organizational.

### *Subsidiary hypothesis*

- 1) The amount of trust of staff has a positive and significant effect on their learning organizational.
- 2) The amount of cohesion and social solidarity of staff has a positive and significant effect on their learning organizational.
- 3) The amount of mutual cooperation of staff has a positive and significant effect on their learning organizational.
- 4) The amount of networks and shared norms of staff has a positive and significant effect on their learning organizational.
- 5) The amount of communication of staff has a positive and significant effect on their learning organizational.
- 6) The amount of cooperation and voluntary participation of staff has a positive and significant effect on their learning organizational.



**Fig.2.** Framework of the conceptual model

## **4. Research Methodology**

The present study is descriptive and survey technique is based on correlation ratio, which is one of applied research. The proposed study designs and distributes a questionnaire to collect the required information. The questionnaire includes 27 different questions, which are associated with social capital and the questionnaire includes 25 questions, which are associated with organizational learning. The statistical population includes 270 people who are all staff and employees of Jihad Agriculture Organization of Kermanshah province. Using the Morgan sampling technique, a sample size of 159 is used.

A group of university professors confirmed validity of the questionnaire and to determine the reliability of the questionnaire we have used Cronbach's alpha and Table describes details of the results for various factors. To examine the relationship between the sub-hypothesis the Pearson correlation is used and to test the main hypothesis stepwise regression is implemented. Table 1 shows details of the results of Pearson correlation test for six hypotheses. As we can observe from the results of Table 1, all six sub-hypotheses have been approved when the level of significance is five percent and we can conclude that there are some meaningful and positive relationships between organizational learning from one side and trust, cohesion, mutual cooperation, network, communication on the other side.

**Table 1**

The summary of the results of six sub-hypothesis

Hypothetical	Coefficient	Type of Relationship	Std. Error	N	R	R <sup>2</sup>	P-value	Sig	Hypothesis Verification
1	Pearson	Linear	0.05	159	0.175	0.030	0.039	0.095	H1
2	Pearson	Linear	0.05	159	0.183	0.033	0.031	0.095	H1
3	Pearson	Linear	0.05	159	0.176	0.031	0.037	0.095	H1
4	Pearson	Linear	0.05	159	0.215	0.046	0.011	0.095	H1
5	Pearson	Linear	0.05	159	0.185	0.034	0.029	0.095	H1
6	Pearson	Linear	0.05	159	-0.179	0.032	0.035	0.095	H1

There is also a negative and meaningful relationship between organizational learning and cooperation. Table 2 shows details of testing the main hypothesis,

**Table 2**

The summary of regression analysis

hypothesis Type Of Regression	Main hypothesis		
	Step Wise	Step Wise	Step Wise
Steps	Step1	Step2	Step3
Std. Error	0.05	0.05	0.05
N	159	159	159
R	0.215	0.276	0.337
R <sup>2</sup>	0.046	0.076	0.114
$\bar{R}^2$	0.039	0.063	0.094
F	6.679	5.667	5.807
value-P	0.011	0.004	0.001
Sig	0.95	0.95	0.95
Hypothesis Verification	H <sub>1</sub>	H <sub>1</sub>	H <sub>1</sub>

The main hypothesis of this survey indicates that there is a positive and meaningful relationship between social capital and learning organization. The main hypothesis is performed through three steps, in the first steps, networks and shared norms variable is entered into the equation because it has the most influence, other variables are eliminated because they do not have meaningful impact. In this case, the amount of multiple R for Networks and Shared norms is equal to 0.215, which shows that this variable can predict 0.215 of learning organizational, when the added variables of Cooperation & voluntary participation and Mutual cooperation predictive value will be 0.276 and 0.337, respectively. Finally, at the assurance level of 95% and with respect to meaningful level of 011%, 004% and 001% meaningful relationship is between social capital and learning organizational at in the Jihad Agriculture Organization of Kermanshah. In other words, we can approve the results of the main hypothesis.

## 5. Conclusion

Awareness of the learning process and pushing the organizations towards learning units, organizational flexibility, and changes in organizational structures using knowledge networks, and finally, the development of boundaries, are challenges of learning organizational in today's world. In other words, it seems necessary to gain this advantage needed for components of social capital in organizations. Social capital is a new concept, nowadays, which has been widely used in sociology and economics, and recently in management and the organization and this concept refers to links and communication between members of a network as a valuable source that with creation of norms, and mutual trust has created the member's achieving their goals. Social capital includes different concepts such as trust, cooperation and collaboration among members of a group or society to form purposefulness system and to lead them towards achieving worthwhile goals. Thus, identifying effective factors on strengthen or weaken social capital can help in the development aspects of social capital and it can increase people's economic and social performance in the community. In this paper,

we have presented a comprehensive study to measure the relationship between organizational learning potentials and other issues including trust, cohesion, mutual cooperation, network and communication. The main hypothesis of this survey has confirmed that there was a positive and meaningful relationship between social capital and learning organization. The proposed study of this paper has been implemented among employees of Jihad Agriculture Organization.

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