

## Social Capital and Evaluating the Performance of Entrepreneurship Educators: Case of a Developing Country

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**Abstract:** Social capital, the resources and the rewards individuals receive through their social relationships has gained widespread prominence in the recent decades. However, the number of studies examining the effect of social capital on the occupational performance of individuals has been scant. The aim of the present study is to examine the effect of social capital on the performance of the faculty staff of Tehran University. Using the views of researchers in the field such as Putnam and Coleman, social capital was measured among the faculty members of Tehran University and then the effect of social capital on their occupational performance was examined. The components of social capital that were analyzed included the quality of relationship (trust) and the quantity of relationship (group memberships, association and reciprocal relationships). The research method included a correlation and survey analysis. The population included 160 faculty members of Tehran University in the 1st semester of 2010 academic year. Using Cochran's formula, 120 faculty members were randomly selected to form the sample. A questionnaire was administered to collect research data. Cronbach's alpha reliability for the questionnaire was equal to 0.903. The results of the study showed that social capital had a direct and significant effect on different aspects of professional performance of the target faculty. Therefore, all three hypotheses were supported.

**Key words:** Social capital, faculty staff, case study, education, occupational, performance

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### INTRODUCTION

Today, accumulation of wealth and acquisition of the latest physical equipment and ICT tools are not considered as the only measures of achievement because financial, physical and human capital fail to function efficiently without appropriate social capital (Hitt *et al.*, 2002). Although, management researchers have for long emphasized the social aspects of organizations, the significance of social relationships and social capital in organizations is a new point of discussion just raised in the past decade taking into account the development of social capital while measuring the effectiveness and success of organizations (Burt, 2007). Efficient use of financial, physical and human resources in an organization may not be possible unless adequate social capital is established, i.e., mutual relationship between organization members based on trust, affection and friendship that safeguard the organizational values and norms. Social capital refers to a set of valuable resources and reserves which potentially exist in the social relationship of primary and secondary groups and in the social organization of a society. Some of these resources which are also referred to as social values include honesty, integrity, sympathy, trust, unity and altruism.

Through, these resources social capital facilitates and simplifies the task of activists at micro-mid and macro-levels of the society and helps them achieve their common social goals with minimum costs.

Developing countries suffer from many social ills including the inefficiency of the state bureaucracy, low trust among individuals and between the government and people and a low spirit in teamwork and social participation. Many of these problems can be studied in light of social capital. Although, there are different and conflicting views on the nature of social capital and many criticisms have been leveled at this concept, nevertheless, numerous studies in different fields (e.g., education and economy) show that groups or societies who enjoy a higher level of social capital suffer less from social harms or enjoy higher rates and levels of development and progress. Unfortunately, figures on delinquency, crime and different measures of social capital are alarming in different classes of the society (Narayan, 1999; Annen, 2001).

Coleman (1988, 1990) recognizes ideology as a way to develop and preserve social capital. Through strengthening collectivism and spreading a sense of serving for someone or some cause other than self, ideology reinforces social capital. A political system may

develop a suitable ideology through cultivating and educating its youth in order to promote a collective spirit. In addition, by solving the problems and satisfying the needs of the educated, a political system can build a mutual trust and social capital which will ultimately result in increased efficiency in the education system of the country.

In this study, researchers firstly state the main problem of the research and then theoretical frameworks and the existing literature are discussed. Afterwards, the methodological issues are elaborated and findings are proposed. Finally, the main findings are elaborated and the result concludes.

**Statement of problem:** Since, many of the functions of a family are distributed and assigned to other social institutions, universities serve important roles in educating students and transferring social values to them. Therefore, university faculty staff enjoy a great potential in fulfilling this cause. Most research conducted on social capital in the education system is concerned with educational outcomes, drop-outs or academic achievement of students (Meier, 1999; Portes, 1998; Sandefur *et al.*, 1999). Furthermore, domestic studies on teachers (in Esfahan or other cities of Iran) are mostly concerned with psychological or organizational aspects which have explored issues such as job satisfaction, motivation and management and organizational issues. Thus, few studies have been conducted to explore the effect of social capital constructs and different aspects of teaching career in schools and universities. This study tries to fill this gap in the literature by investigating the issue in a new context considering the contextual elements of the country.

The present study examines the professional activity of the university faculty in terms of trust, membership in associations, sympathetic behaviors and informal relationships which are all social concepts. In other words, researchers have examined the quality and quantity of social relations of the faculty members as factors influencing their quality of work.

**Literature review:** Social capital gained currency in the 1990's, received central attention in the social sciences, entered the discourse of these fields and many sociologies, politicians and economists sought their answers to their questions in this concept (Adler and Kwon, 2000). Lakon *et al.* (2008) maintain that social capital is a term that expresses executive resources and methods in social analyses. Hampshire and Matthijsse (2010) assert that social capital is a controversial concept with no consensus over what it is and how it can be

measured. Kawachi (2006) believes that social capital pivots around two aspects of process and outcomes associated with the community and access resources to social networks. Beaudoin *et al.* (2010) hold that the conceptual definitions of social capital evolves into three levels of the individual, ecological and multiple. At the individual level (1997) considers social capital as a network of organized durable mutual relationships. Kim *et al.* (2006) believe that interpersonal facts, group membership and social relationships are the most common characteristics of social capital. Nardone *et al.* (2012) maintain that trust is a mechanism for converting a non-secure situation into a quasi-secure situation. In his various researches, Putnam (2001) has defined social capital as social networks-the norms of mutual relationships, trust and reliability originating from that. In fact, Putnam in his definitions refers to the relationships between individuals and social resources that create such relationships.

Paxton (1999) asserts that physical capital was used to explain increases in economic efficiency and as a result changing physical equipment such as tools and machinery; however cultural capital came to explain the increased efficiency of individuals as a result of training and skill acquisition. Later, researcher like Bourdieu (1983) and Coleman (1988, 1990) introduced the term social capital to refer to those social relationships and social norms that increase individuals and groups' efficiency. Afterwards, researchers like Putnam (1995) and Fukuyama (1995, 1999) applied it in explaining different social phenomena in society at large.

Coleman (1988, 1990) maintains that social capital is part of the social structure which allows an agent to reach his interests. He also believes that the basic resources that constitute social capital include: tightly-knit relationships between individuals that increase group coherence, trust and control, a powerful and influential ideology, flexible social structures and organizations that are able to change their function in different time and place conditions, executive guarantee for social and group norms that reduce violation of norms and increase informal social control and trust.

Trust which is indicative of social relationships may occur at different levels (Nooteboom and Six, 2003). The most distinguished one occurs between individuals. At a higher level, it may develop across groups and individuals. That is on the basis of their personal experience and knowledge of ethical commitments and adherence to principles by the typical members of those groups and organizations, individuals may develop different degrees of trust to those groups or organizations (e.g., trusting the physicians or street sellers). Giddens

(1990) maintains that individuals may even have different degrees of confidence in special or abstract systems, e.g., whether or not their car or television set is well-built.

Putnam (1995, 2001) believes that in any group or society the membership of individuals in different groups or associations or the time they spend meeting each other or their degree of participation in different social or political issues determine the level of trust, sympathy and social capital; this social capital influences other aspects of collective life such as school performance, amount of time children spend watching television, rate of violent crime, development, etc. He further maintains that social networks bring together individuals with different abilities and functions and the individual can use them. Thus, trust and group participation (or membership in formal and informal groups) are two main indicators of social capital. Moayedfar and Zehani in their examination of social factors on job dissatisfaction among teachers in Neyshabour (Iran), emphasized on social needs and failure of self-actualization. They found a significant relationship between group membership and an opportunity to participate in group works (as indicators of social needs) and job dissatisfaction.

Ghelichli and Moshabeki (2006) used network relationships, trust and communality of norms to study the role of social capital in the development of intellectual capital of organizations. The components of intellectual capital included human capital (e.g., problem solving), structural capital (e.g., strategies) and relationship capital (e.g., customer satisfaction). They found that social capital had a significant and positive (though not strong) effect on all components of intellectual capital.

In a study on the role of social capital in the successful performance of electricity technicians at District Power Company of Province of Fars (Iran), Erfanian explored the perceived roles of different components of social capital (flexibility, transferability, synergy, controllability and entropy) in their successful performance and found that although their social capital measured below the average, it had a significant effect on their professional performance. Flexibility ( $r = 0.51$ ) and control ( $r = 0.37$ ) constituted the strongest and weakest components, respectively.

In a similar study, Haghighyan and Torbati examined different factors such as participation in group studies, absence from workplace and tendency to change jobs, influencing the performance of high school teachers in Falavarjan (Iran). The results showed that although the effect of these factors on teachers' performance existed after the empowerment and school facilities, they were statistically significant. In a nutshell, previous studies show that social capital has generally had a positive effect

on professional performance. However, one should note that in these studies social capital was not used systematically and in relation with each other and even some of its components (e.g., institutional trust or generalized trust) were ignored.

## MATERIALS AND METHODS

**Population and sample:** The population included the faculty members of Tehran University ( $n = 160$ ). Cochran's formula ( $d = 0.05$ ,  $p = 0.05$ ) was used to estimate a sample size of 120. Questionnaires were distributed among the participants ( $n = 160$ ) from which 120 properly filled questionnaires were analyzed.

**Data collection instruments:** Questionnaires were administered to collect the research data. The questionnaire included 36 items based on Likert scale and measured two components of social capital (general trust and relationship network) and three components of professional performance (quantity or amount of workload, quality of education and research activities). The two components of social capital (i.e., general trust and relationship network) consisted of different subcomponents. The trust component included four subcomponents of personal trust, civil trust, institutional trust and generalized trust which were measured using 13 items based on a 5-point Likert scale. The sub-components of trust are as:

- Trust in an informal area (personal) including trust in family members, relatives and friends
- Institutional trust including trust in state institutions
- Civil trust including trust in special systems
- General (generalized) trust including trust in aliens or acquaintances

Another component of social capital is relationship. This variable comprises and is measured by three indicators of association membership, relationship with informal groups and reciprocal behaviors (Paxton, 1999). The target population included three types of associations or groups (such as student unions, local councils and membership in vigilante groups) which were measured by three 5-point items. Reciprocal behaviors were measured using four items (such as public call, helping injured people, giving charity and alms to the poor and helping neighbors in times of need). In addition, group relationship as an informal network of relationships was measured using three items (such as relationship with friends, relationships with neighbors and relationships that happen due to group membership).

Research performance is a variable affected by social capital. In the present study, work performance is measured on two levels of quantity and quality of education and quantity and quality of research activities. Quality and quantity of education are measured using five items in the questionnaire and the quality of research activity is measured through three items.

The following directional hypotheses are assumed for the present research:

- There is a relationship between the social capital of faculty members and the quantity of their research
- There is a relationship between the social capital of faculty members and the quality of their teaching
- There is a relationship between the social capital of faculty members and the quality of their research

**Theoretical research model:** The theoretical model of the study illustrates the assumed relationship between the variables. Three components of the professional performance are regarded as the independent variable and social capital is considered as the dependent variable. Figure 1 shows the adopted theoretical model.

**Validity and reliability:** As stated before, a questionnaire was used to collect the research data. Since the used research questionnaire had already been administered widely in numerous studies in Iran, its validity is regarded as de facto acceptable. However for reliability coefficient, researchers used Cronbach's alpha which produced a value of 0.903. Since, the obtained alpha value is well above 0.70, it can be concluded that the questionnaire enjoys a high reliability.

**Statistical analyses:** Both descriptive and inferential statistics were used to analyze the research data. The research variables were first described using various statistics (mean, median, variance, standard deviation).

Pearson correlation was performed to explore the relationship between the various variables and components of the study. Finally, structural equation modeling was performed to verify research hypotheses using LISREL.

**Data analysis:** The following section presents descriptive and inferential analyses conducted in this study.

**Descriptive analysis:** Table 1 shows the descriptive statistics obtained for the research variables. As can be seen in Table 1, except for generalized trust, all the variables in the study (i.e., social capital and its components) score a mean value >3. As for the dependent variables (professional performance and its components) all have a mean score <3.

**Inferential statistics:** Path analysis (through LISREL) was performed to explore the likely relationships between the independent and dependent variables of the theoretical model. As can be seen in the standardized coefficients path analysis in Fig. 2, the relationships between all independent variables were explored in order to find the ones which are directly related with social capital.

Figure 3 shows the significant path analysis model which explores the significance of the relationships between professional performance and its components (quantity/amount of teaching, quality of teaching and quality of research).

The significant relationships between professional performance as the independent variable (including the components of quantity of teaching, quality of teaching and quality of research activities) support the model. In addition, the relationship between these components and social capital (as dependent variable) was supported. There was also a significant correlation between general trust and network of relations and social capital. Moreover, the relationships among these components

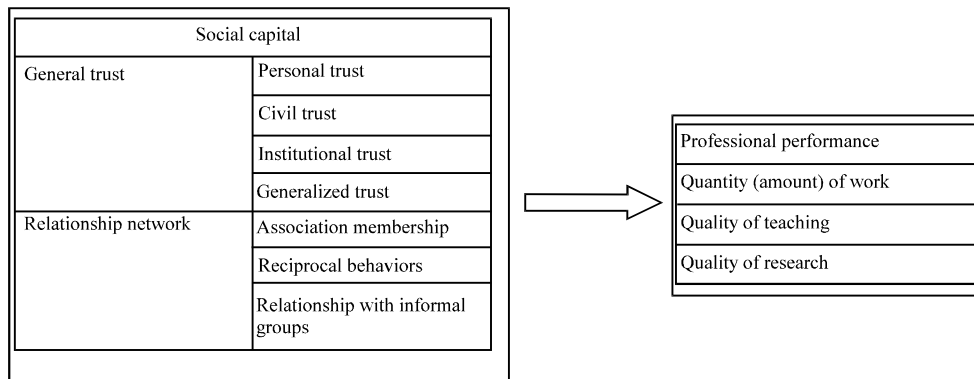


Fig. 1: Theoretical model of the research

Table 1: Descriptive statistics for variables and components

Variables	Components	Scale points and percentages					Mean	SD
		Very low (%)	Low (%)	Average (%)	High (%)	Very high (%)		
General trust	Personal trust	0.0	1.7	50.0	48.3	0.0	3.000	0.393
	Civil trust	0.0	5.0	58.3	36.7	0.0	3.000	0.428
	Institutional trust	0.0	0.0	26.7	59.2	14.2	3.500	0.612
	Generalized trust	0.0	15.8	76.7	7.5	0.0	2.667	0.505
	General trust	0.0	0.0	40.0	60.0	0.0	3.112	0.332
Network of relationships	Association membership	6.7	7.5	25.8	42.5	17.5	3.334	1.030
	Reciprocal behaviors	5.0	8.5	35.5	46.0	5.0	3.000	0.649
	Informal groups	0.0	20.8	53.3	23.3	2.5	3.667	0.456
	Relationships network	0.0	9.0	74.0	22.5	0.0	3.432	0.453
Professional performance	Quality of teaching	0.0	30.0	63.3	6.7	0.0	2.400	0.472
	Quantity of teaching	0.0	11.7	72.5	15.8	0.0	2.600	0.456
	Quality of research	9.2	54.2	34.2	2.5	0.0	2.000	0.576
	Professional performance	0.0	21.7	72.5	5.8	0.0	2.312	0.408

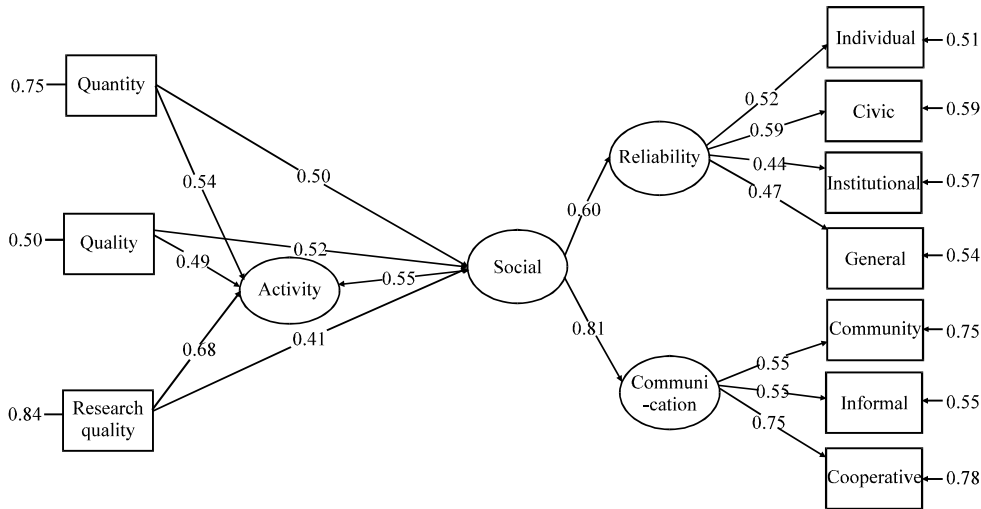


Fig. 2: Standardized coefficient path analysis for relationship between independent variables and social capital; Chi-square ( $\chi^2$ ) = 9.78, df = 32, p-value = 0.428781, RMSEA= 0.011

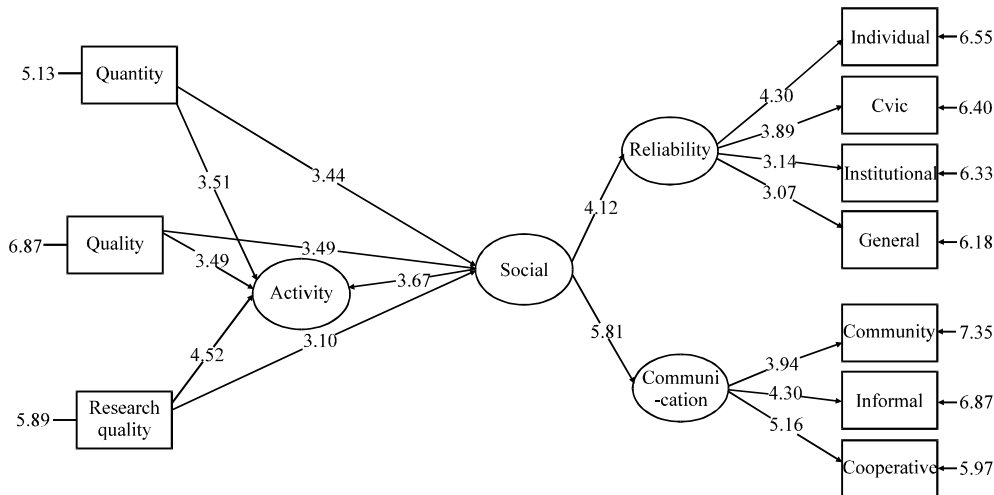


Fig. 3: Path analysis illustrating significant relationships between independent variables and social capital; Chi-square ( $\chi^2$ ) = 9.78, df = 32, p-value = 0.428781, RMSEA= 0.011

**Table 2: Independent and dependent variables relationships**

Variables	Components	Estimate	Standardized	Standard error	t-value	p-value	Sig.
Trust	Personal trust	0.63	0.62	0.11	4.30	>0.05	0.000
	Civil trust	0.60	0.59	0.14	3.89	>0.05	0.000
	Institutional trust	0.44	0.44	0.15	3.14	>0.05	0.000
	Generalized trust	0.48	0.47	0.14	3.07	>0.05	0.000
Relationships network	Association membership	0.56	0.56	0.10	3.94	>0.05	0.000
	Reciprocal behaviors	0.67	0.65	0.15	4.30	>0.05	0.000
	Informal groups	0.78	0.76	0.13	5.16	>0.05	0.000
Social capital	Relationships networks	0.61	0.60	0.12	4.12	>0.05	0.000
	Professional performance	0.81	0.81	0.14	5.81	>0.05	0.000
Professional performance	Quality of teaching	0.55	0.54	0.11	3.51	>0.05	0.000
	Quantity of teaching	0.49	0.49	0.10	3.49	>0.05	0.000
Social capital	Quality of teaching	0.68	0.68	0.11	4.52	>0.05	0.000
	Quality of teaching	0.52	0.50	0.10	3.44	>0.05	0.000
	Quantity of teaching	0.53	0.52	0.15	3.49	>0.05	0.000
	Quality of teaching	0.42	0.41	0.13	3.10	>0.05	0.000
	General trust	0.55	0.55	0.12	3.67	>0.05	0.000

**Table 3: Verifying path model hypotheses**

Items	Hypothesis	Model relationship	
		Direct	Result
1	There is a significant relationship between social capital of faculty members of Tehran University and the quantity (amount) of their teaching	*	Accepted
2	There is a significant relationship between social capital of faculty members of Tehran University and the quality of their teaching	*	Accepted
3	There is a significant relationship between social capital of faculty members of Tehran University and the quality of their research	*	Accepted

were significant (as the values ranged from -2 to +2). Table 2 shows different values obtained for the model. The obtained data are used to verify the research hypotheses in Table 3. As can be shown in Table 3, all research hypotheses have been supported.

**CONCLUSION**

The aim of the present research was to explore the relationship (assumed to be positive and direct) between social capital and professional performance of the faculty staff at Tehran University. The findings showed positive significant relationships between the independent and dependent variables, i.e., the higher the social capital among faculty members is the higher the quantity and quality of their teaching will be. As shown by numerous studies, higher levels of social capital may even reduce inequalities and social harms.

The results of the path analysis in the present study showed that social capital exerts a significant effect on all aspects of their profession. The relationship between social capital and quality of teaching was especially strong and significant. The results of the study are in agreement with those of other studies.

Saeedfar and Zehani found that the unsatisfied needs of teachers in Neyshabour (which could have been met through group participation) caused a sense of deprivation and job dissatisfaction. In a similar study, Haghghyhan and Torbati found that refusing to participate

in meetings had a negative effect on the efficiency of high school teachers in Falavarjan schools. These findings are in line with the results that employee participation has a positive effect on the performance of faculty members. One should also note that relationships network (a component of social capital) has the highest effect on professional performance.

The results of the study that show the positive effect of trust and wider network of relationships on increased quality of teaching underscore the importance of social capital and its effects on the national higher education. The government's investments and plans can encourage the public for more social participation. A low rate of institutional trust and generalized trust and a low rate of group and association membership (especially at the level of society) is a common theme in most studies related to social capital which warrants further investigation.

**RECOMMENDATIONS**

One more important point to note is that paying attention to only one component of social capital cannot be adequate and even undue emphasis on one component may unbalance and undermine the remaining components. Therefore, social capital is a multi-component construct and one should pay attention to society, politics and market as well. Quality of teaching by faculty members is not unaffected by their social base in terms of social, political and economic variables. Therefore, the role of

social capital in higher education can be reinforced in different ways. One way is to develop network relationships, intra-group trust and respecting the beliefs. Another way is to take into account the social base, major plans and the economic condition of the agents (faculty members and economic conditions).

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