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**THE RELATIONSHIP BETWEEN SOCIAL CAPITAL WITH ORGANIZATIONAL  
LEARNING IN GOVERNMENTAL ORGANIZATION (CASE STUDY: YAZD  
EXECUTIVE DEVICES STAFF)**

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**ABSTRACT**

The aim of this study was to investigate the relationship between social capital with organizational learning in governmental departments of city of Yazd. This research was an applied research and in terms of data collection is quantitative and non-experimental research. The method of research is cross-correlation. The study population consisted all executive devices staff in Yazd which were working in 62 executive organizations that their number was 1,032 people and the sampling method was classified. The sample size was estimated by Cochran formula ( $n = 140$ ). The main tool for data collection was a questionnaire. Questionnaires was used to measure social capital by combining views of Putnam (2000) and Onyx and Bullen (2000) and organizational learning from Neefe questionnaire (2001). Validity of the questionnaire by a panel of experts in the field of management and the reliability of the instrument using Cronbach's alpha coefficient for different sections of the questionnaire were used. Reliability of research in section of social capital was 81.0 and in organizational learning

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was 87.0. The results showed that based on the factors affecting model on learning, among three variables or factors of social participation, social trust and social cohesion, respectively participation variables (with factor loadings of 98.0), trust (with factor loadings of 96.0) and solidarity (with factor loadings of 79.0) have more impact. Also organizational learning variable over all in primarily was under the influence of organizational culture (with factor loadings of 97.0) and the environment and technology (with factor loadings of 89.0). Regarding the structural part, the relation between social capital and organizational learning statistically has been verified.

**Keywords: Organizational learning, social capital, community participation, social trust, social cohesion**

## **INTRODUCTION**

In today's world, economic and trade theorists believe that knowledge plays a fundamental role in the development and every nation and government that is more prosperous in access to knowledge and its growth, it will take a larger share of progress. The secret to survival in today's competitive world is continuous learning, and social capital is a good tool that through it investigated to development of knowledge and learning within the organizations (Field, 2006). The impact of social capital in the development of organizational knowledge and organizational learning, convert organization to knowledge-based organization and helps them to achieve a learning organization (Aminbidokhti and Nazari, 2009). In organizations that have strong role models, common behaviors and norms were formed which followed by them,

pure social capital have been created. This pure social capital with the help of a strong and healthy culture has been able to encourage and assist individuals in sharing information and knowledge for the development of organizational learning (Devenport and Gunilla, 2007).

Grootaert and Bastelaer (2002) argues that social capital refers to valuable concepts such as social networking, interrelationships, public trust, commitment. Organizational learning achieved through sharing of insight, knowledge, experience and mental models of organization members. Organizational learning creates based on knowledge and experience that exists in organization memory and depends on mechanisms such as policies, strategies, and models on storing of knowledge. Individuals and groups are factors that organizational learning can be

fulfilled through them. It can be said that the strengthening of social capital impacts on organizational learning.

Winter (2000) considers social capital as mutual benefit of social relations which creates by the norms, trust and mutual interaction. Lock Lee (2005) tries to summarizing the various dimensions of social capital from theoretical foundations. He divided social capital into two dimensions of quality and the structural network that the quality encompasses interrelationships and confidence and trust is also divided into two types of institutional and social. Structures that are considered for measuring this dimension, are including social trust, political participation, civic leaders, giving and volunteering, religious participation, informal social networks, diversity in friendships and justice in a civil partnership.

Voudhous (2006) argues that the main variables of social capital are including social participation, network of formal relationships, exchange information with outside of social system and social capital of intergroup and social consciousness. Rosalyn and Maryanne (2003) considered the dimensions of social capital as participation, social commitment and loyalty, control and self-efficacy, understanding the structure or

characteristics of the community, social interaction, social networks and social support and mutual trust and social cohesion. Anckar (2007) believes that there are the conceptual and causal relationship between social capital, trust, reciprocity and association. There is interrelationships between emergence of trust and partnership. Argeris (1999) considers organizational learning depends on the sharing of knowledge, beliefs and assumptions among the teams. Probst and Buchel (1997) define organizational learning as ability of an organization as a whole in detecting errors and correcting them and also changes in knowledge and values of the organization so that the new problem-solving skills and new capacity create to work.

Effective variables on organizational learning can be categorized in the following cases:

- Structure: Organizations should be away from structures with centralized and choose vivid and flexible structure to encourage learning. Seems that fans of the learning organization emphasize based on characteristics such as flat organization, local authority, trust and cooperation between units.

- Environment: Learning organization utilize competitive environment more as a learning tool. Competition enables

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organizations to compare their performance with others in a trait and thereby to increase their learning. Learning must occur within the organization which is result of interaction with its environment.

- Technology: Information systems using information technology in two forms of direct and indirect impact on organizational learning. Employees who have been powerful by equipping with information can show effective performance.

- Organizational Culture: Organizational culture determines the nature of learning and ways of its realization. Therefore, organizational learning may be developed through a participatory culture and take different positions in learning according to variants of the organization.

- Leadership: In the Learning Organization, the leader is not the only decision-maker but is teacher of plan and steward of change. The main task of the leader is to create an organizational culture and shaping its evolution. Managers and leaders of learning organizations know that the answer of issues is with their employees.

Several studies have examined the relationship between social capital and organizational learning. Hoffman and et al (2005) found that social capital supports organization to achieve a great performance

to strengthen and improve organizational learning. Organizations that have high social capital is compared to organizations with a low social capital, have more capabilities in their learning.

Kopelowitz (2001) argues that organizations that have high social capital and collective identity, because of training network and the development of constructive relations of members in groups, people learn and also teach, and this means that organizational learning is in the a higher level.

Helenayli and et al (2001) found that social capital promotes the acquisition of knowledge and organizational learning and the acquisition of knowledge and the exploitation of the growth has been enormous in the organizations that have a strong relationship with each other and tremendous trust exists between them.

Cross and Levin (2004) argue that organizational learning to be created in learning organizations based on trust and cooperation with each other and in the organizations that social capital is high, the organizational learning is high too. Chinyinglang (2004) showed that there is a significant positive relationship between the components of social capital and organizational learning, namely for carrying out any kind of empowerment in the

organizational learning social capital should be increased to lead to the integration of organizational knowledge. People with trust in others have more interest and try to helping organization in merger and consolidation of knowledge by playing an effective role in organizational learning.

Janine and sumantra (2005) showed that by increasing social capital, also intellectual capital increases in terms of human, structural and relational and lead to more organizational learning.

Transfer of knowledge and organizational learning requires effective communication. Social capital is a form of capital that cause to facilitates in access to information and vital resource to enhance performance and make good use of environmental opportunities (Johnson et al., 2013).

According to the review of sources and previous research, it can be clearly found that strengthening of social capital in the organization lead to improve promotion of learning, knowledge sharing, creativity and innovation and ultimately organizational performance. Investigate this relationship between governmental organizations in order to improve efficiency and effectiveness and also identifying the effectiveness of each of the dimensions of social capital on organizational learning is necessary.

Therefore, this study aimed to investigate the relationship between social capital and organizational learning in the governmental organizations in Yazd was performed.

## **MATERIALS AND METHODS**

The research was an applied research and quantitative in terms of data collection and it's non-experimental research. The method of this research is descriptive and correlational. The population consisted of all executive devices staff in Yazd that were employed in 62 executive the organization which their number was the 1,032 people and sampling method was stratified. The sample size was estimated by Cochran ( $n=140$ ). The main tool for data collection was a questionnaire. Questionnaires was designed to measure social capital by combining common views on social capital such as Putnam (2000) and Onyx and Bullen (2000) in 21 items and in the form of Likert spectrum. Neefe questionnaire (2001) was used with an adjustment in 22 questions on a Likert spectrum to measure organizational learning. The reliability of questionnaires was established by a panel of experts in the field of management. Cronbach's alpha coefficient was used for different parts of the questionnaire in order to assess the reliability of research. Reliability of research in part of social capital was 81.0 and in part of

organizational learning was 87.0 that was indication of suitable reliability of research tools. Social capital in this research was measured in three areas: confidence, participation and social cohesion. Organisational Learning was measured in five dimensions of structure, environment, organizational culture, technology and leadership. The relationship between these dimensions with each other was conducted using structural equation analysis.

### RESEARCH FINDINGS

#### *- Fitting of sub model of social capital:*

Based on the criteria presented in Table 1, especially the three indicators of RMSEA, CFI and NNFI which compared to other indicators in order to judgment about models are more recommended, the whole model has enough fitting. Also, because the basis of the values T that is provided in Graph 2, relationships between overt and covert variables (structural and measurement models) is significant, it can interpret the presented relationships in Graph 1. Based on standard load values presented in this graph between three groups of participation, trust and integrity, confidence factor (with factor

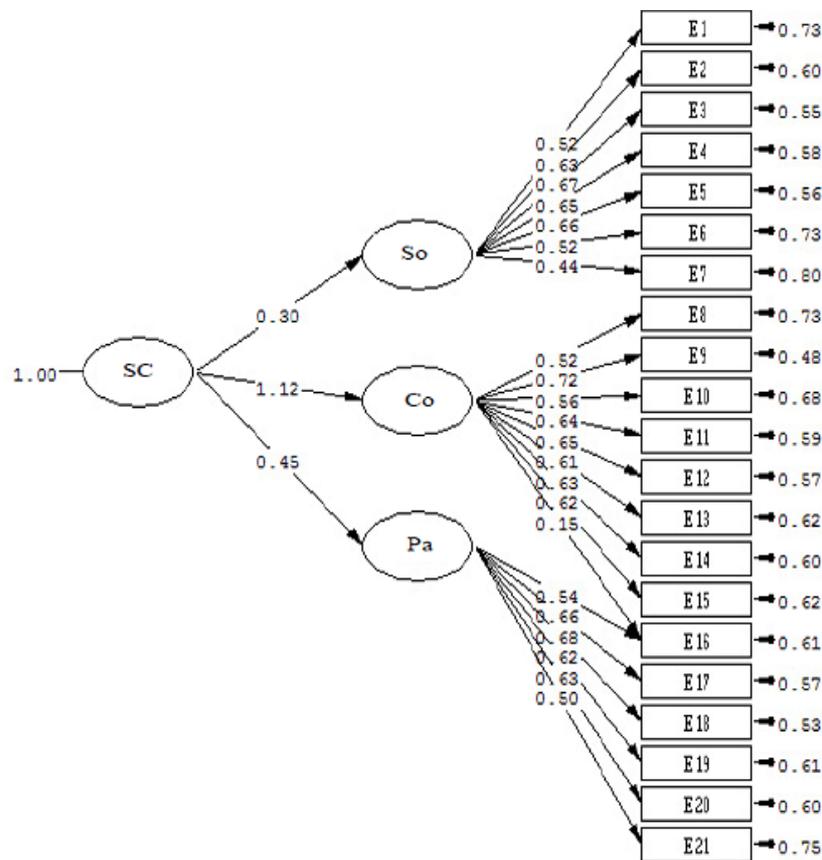
loadings of 12.1), participation (with factor loadings of 45.0) and of solidarity (with factor loadings of 30.0) have the greatest impact respectively.

#### **- Fitting of sub model of organizational learning:**

Based on presented criteria especially three indicators of RMSEA, CFI and NNFI in Graph 2, the whole model has enough fitting. Since, according to T statistics values provided in Graph 4, relationships between overt and covert variables (structural and measurement models) is significant, so we can interpret the relationships presented in graph (3). Based on standard load values presented in this graph between the five elements of organizational culture, environment, technology, structure and leadership, the greatest impact on organizational learning variable factors related to organizational culture (with factor loadings of 1), the environment (with factor loadings of 94.0), technology (with load factor 93.0), structure (with factor loadings of 90.0) and finally led (with factor loadings of 850), respectively.

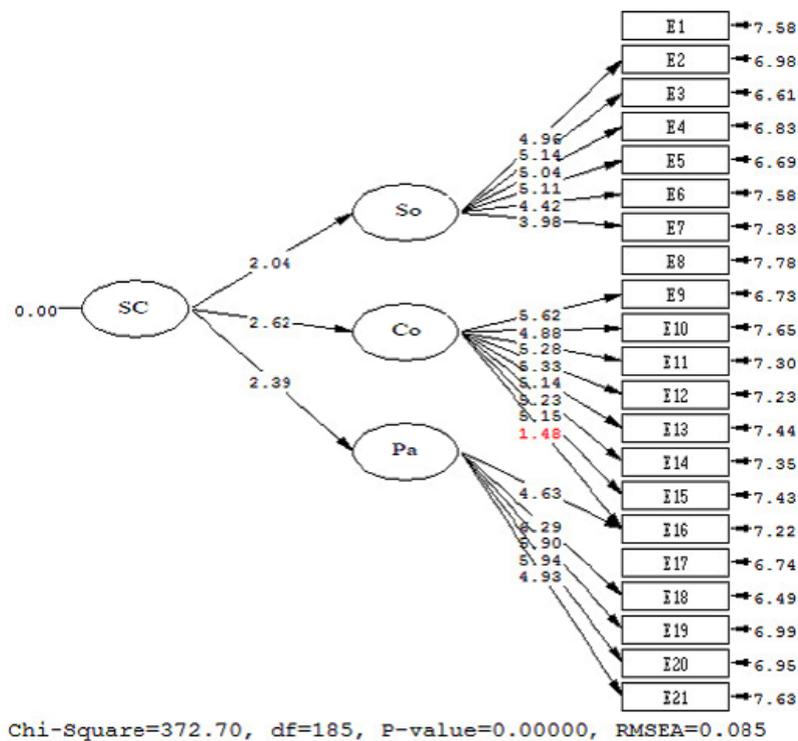
Table 1: different criteria of fitting the whole sub model of social capital

Index	amount of criterion	Acceptable limits
Chi-Square (P Value)	P = 0.00	P > 0.05
RMSEA (90%)	0.0854	0.0729 < RMSEA < 0.0979
Non-Normed Fit Index (NNFI)	0.889	NNFI > 0.9
Comparative Fit Index (CFI)	0.902	CFI > 0.9
Goodness of Fit Index (GFI)	0.816	GFI > 0.9
Critical N (CN)	140	CN > 90.186



Chi-Square=372.70, df=185, P-value=0.00000, RMSEA=0.085

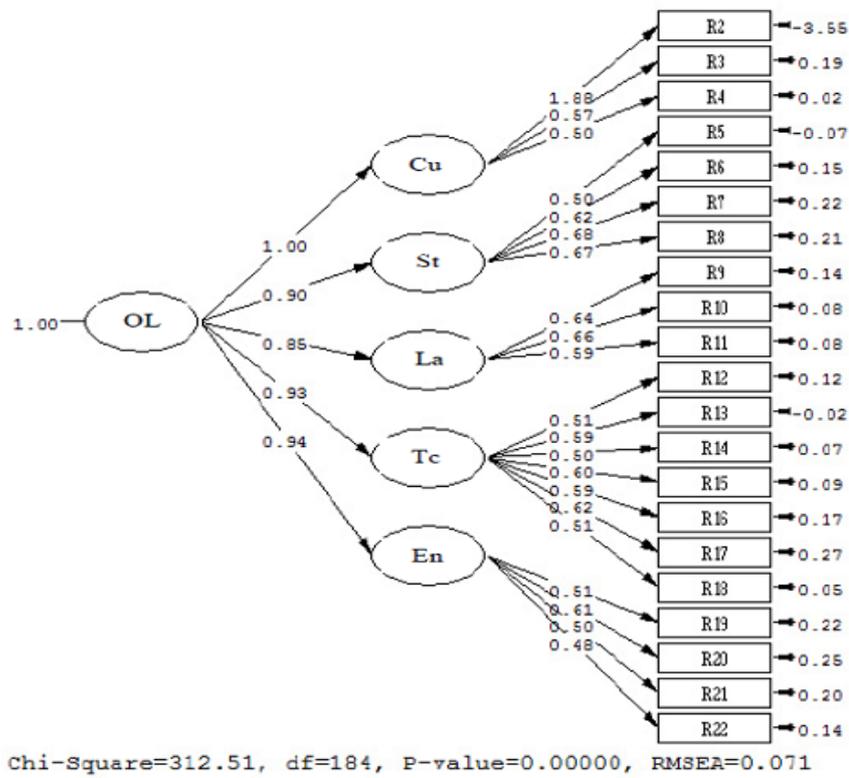
Graph 1. The standard load values for each of the factors and variables in sub model of social capital



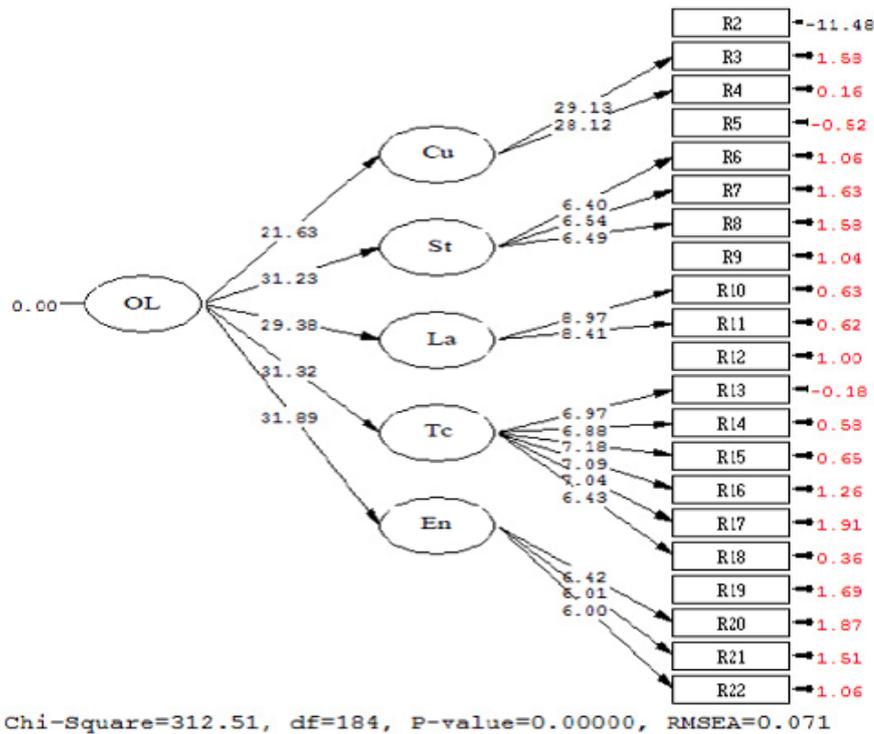
Graph 2: Statistical criteria of T Value statistics for each of the relationships between factors and variables

Table 2: different criteria of fitting the whole sub model of organizational learning

Index	amount of criterion	Acceptable limits
Chi-Square (P Value)	P = 0.00	P > 0.05
RMSEA (90%)	0.0709	< RMSEA < 0.0842 0.0572
Non-Normed Fit Index (NNFI)	1.000	NNFI > 0.9
Comparative Fit Index (CFI)	1.000	CFI > 0.9
Goodness of Fit Index (GFI)	0.944	GFI > 0.9
Critical N (CN)	140	CN > 95.166



Graph 3: Standard load values for each of the factors and variables in sub model of organizational learning.



Graph 4. Statistical criteria T Value for each of the relationships between factors and variables in sub model of organizational learning.

**- The relationship between social capital and organizational learning:**

Based on the criteria presented in Table 3 specially three indicators of RMSEA, CFI

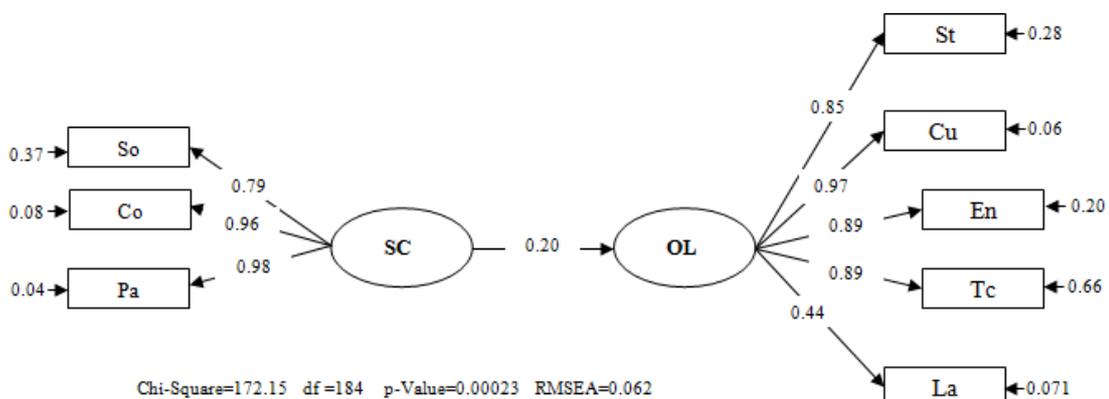
and NNFI, that compared to other indicators in order to judgment about models are more recommended, the whole models has enough fitting.

**Table 3 - Different criteria of whole fitting**

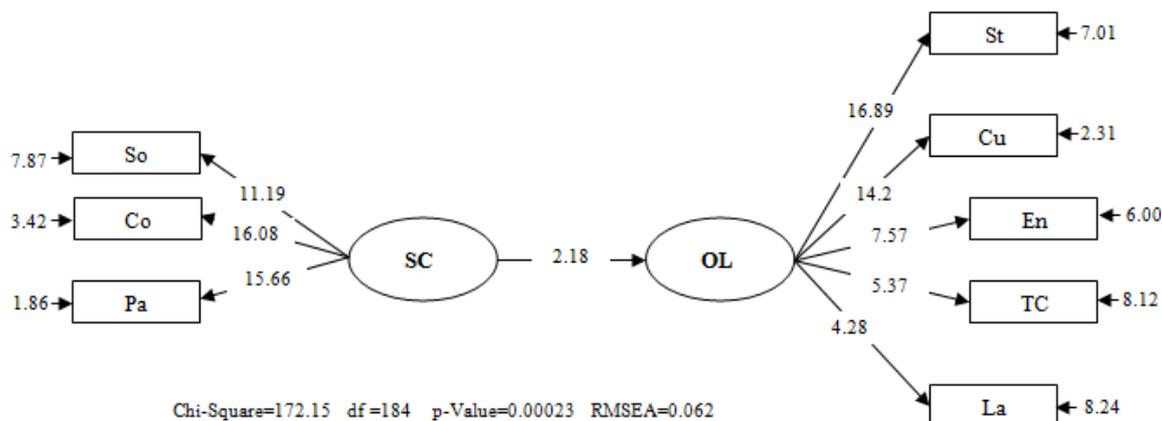
Index	amount of criterion	Acceptable limits
Chi-Square (P Value)	P = 0.00	P > 0.05
RMSEA (90%)	0.0690	0.043 < RMSEA < 0.080
Non-Normed Fit Index (NNFI)	0.92	NNFI > 0.9
Comparative Fit Index (CFI)	0.93	CFI > 0.9
Goodness of Fit Index (GFI)	0.953	GFI > 0.9
Critical N (CN)	120	CN > 116.10

Therefore, we can interpret the results. The Statistical criteria T Value presented in the Graph (6) implies that relations between overt and covert variables and some relationships between latent variables are significantly different. Based on the factors affecting on the social capital, between the three variables or factors of social participation, social trust and social cohesion, the participation variables (with factor loadings of 98.0), trust (with factor loadings of 96.0) and solidarity (with factor loadings

of 79.0) have a greater impact respectively. Organizational learning variable was primarily most influenced by organizational culture (with factor loadings of 97.0) and the environment and technology (with factor loadings of 89.0) respectively. Regarding the structural model and according to the presented formulas in Graph (5), The relationship between social capital and organizational learning statistically has been verified.



**Graph 5. The standard load values for each of the factors and variables in the model of the factors affecting organizational learning**



Graph 6: Statistical criteria T Value for each of the relationship between factors and variables in the model of the factors affecting organizational learning

**CONCLUSIONS**

**RECOMMENDATIONS**

Today, business environment and organizations has become to the competitive environment and full of challenges with the development of science and technology and a new paradigm has emerged that make difficult the survival for many organizations. In such an environment, it is natural that competitive advantage change shape. In the meantime, the biggest competition points in new paradigm of the organization is organizational learning. Results of previous studies demonstrated that there is a positive and significant relationship between social capital and organizational learning. Results of this study also confirmed this as well. Results of this study are at confirmation of findings of Chinyinglang (2004), Hoffman et al. (2005), Kopelowitz (2001), Helenali et al. (2001), Cross and Levein (2004) and Janine

**AND**

and Sumantra (2005), which showed that organizational learning associated with social capital in organizations and the organizational learning will vary with changes in social capital. The results clearly show that social capital enhances the learning based on trust, cooperation and solidarity. The results correspond with the studies of Chen and Lauren (2013), Anderson and Hanstad (2013), Wei and et al (2011), Adler and Kan (2002) and Das and Teng (2002). Petro et al (2013) states that social capital improve citizenship and solidarity between member through the promotion of solidarity and teamwork and personify to the group, and it's was effective on exchanging experiences and findings aimed to design learning organization and also it's effective in improving the innovative performance of the team. Ahuja (2000) also proved the impact of social capital on organizational learning and

performance improvement in his study which correspond with findings of this study.

Therefore, according To the positive and effective role of social capital in promoting and improvement organizational learning in governmental organizations of Yazd, study to the managers governmental agencies recommends the following steps in order to improve their social capital:

- Using appropriate methods, such as building trust between employees, encouraging members and staff to create organizations and groups working in the organization and employee participation in these networks and organizations for the improvement of social capital in the organization.

- Managers as far as can attention in tasks and dealing with staff to human values, dignity and mutual respect to encourage employees to create value and respect for each other and promote social capital within the organization.

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