

Identifying the Relationship between Social Capital and Knowledge Sharing and Organizational Performance among the Personnel of the Administration: A Case Study

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Abstract

In knowledge-based economies, social capital is an important organizational capability which can help the organizations to create and share knowledge and make for them the advantage of a sustainable organization as well as optimal performance, compared with other organizations. The present paper is an applied study; it is a descriptive survey with regard to data collection. The quantitative data of the study was collected using questionnaires. We used a standard questionnaire to measure the variables of the study. The statistical population of the study includes all the personnel of the administration of justice in Fars Province, among whom 286 attendants were selected by Cochran formula as the sample. The collected data was analyzed using SPSS and AMOS applications. Dynamic capabilities are a relatively new subject in the scope of educational management; hence it requires significant analysis particularly regarding experimental studies. The present paper aims at fulfilling the need for research in this area of knowledge, and the findings can help the organizations to improve their current knowledge sharing by the help of social capital for a better organizational performance. The findings of the present study confirm the effectiveness of social capital on collecting and diffusing knowledge, which in turn affects performance of the organizations. Among the different aspects of social capital, knowledge collecting aspect was proved to be the most effective.

Key words: Knowledge sharing, Organization performance, Social capital

INTRODUCTION

Today knowledge is considered as a valuable property and a strategic capital in organizations without which presenting qualitative and economic services is difficult and even impossible.

Knowledge is defined as: Knowledge is a flowing combination of information, experiences, values, and attitudes organized based on logical and rational criteria which is used as a framework for analysis, evaluating,

and applying new information and events (Wang, 2014). Managers try to extract the knowledge accumulated in the minds of organization staff through knowledge management and share it among all people. The term of knowledge management arose in 1970s for the first time and there have been many definitions for it so far (Lin, 2007). In a comprehensive definition, knowledge management is defined as applying management and preparing the ground for transforming knowledge (implicit to explicit and vice versa) within an organization through collecting, sharing and using knowledge as an organizational capital to achieve organizational goals (Wang, 2014). Knowledge sharing is a stage in knowledge management. Knowledge sharing can be defined as a systematic activity to transfer and exchange knowledge and experience among the members of a group or organization having a common objective. In other words, knowledge sharing is the identification, diffusion, and operating the existing knowledge to resolve the problems more desirably (Lee, 2014). Assuming that the

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most efficient way to participate in intellectual knowledge is direct connection between the sender and receiver of the knowledge, then social capital plays a fundamental role in this process. People should be able to distinguish others based on their expertise. They should be able to create a relationship in which the sender is willing to share knowledge with the receiver, creating a sense of a common language to make them able to describe the required knowledge (Khaligh, 2014).

Theoretical Principles

Social capital

Social capital is a set of actual and potential resources available in a network of relationships among entrepreneurs and derived from it. In the study of social capital and its importance, Nahapiet and Ghoshal (1998) represented a model including three dimensions, structural, relational, and cognitive.

Structural dimension

It includes network connections, network configuration, and adaptability of the networks among people. Generally, this aspect investigates an area in which people in the organization get connected together, the relationship patterns among the personnel are described, and the profitability of such relationships is studied (Bolino et al. 2002).

Relational dimension

It is characterized by high levels of trust, common norms, and mutual tasks and identity. Actually this aspect considers the effective relationship among colleagues who love each other, trust in each other, and take identity together (Chang & Chuang, 2011).

Cognitive dimension

This dimension is created by mutual understanding among the staff through language, and common senses and interpretations. The most important aspects of this dimension are that language, codes and common narrations develop and there will be a time that the members of the network would have common objectives (Li et al. 2014).

Knowledge sharing

Knowledge sharing includes a set of behaviors leading to information exchange or helping others. Perceiving knowledge sharing is an absolute definite positive power in creating innovation in organizations (Michailova & Minbaeva, 2010). Knowledge transformation is about transferring the implicit knowledge into the platform of organizational knowledge where it can be managed and shared. If not, the knowledge remains completely personal and difficult to transfer. Without a mechanism to take the control of this implicit knowledge and transfer it into tangible and explicit knowledge (or focal knowledge), a

major part of the organizational knowledge remains useless. In discussing knowledge sharing, an important distinction which is not often made, is distinction between two kinds of knowledge sharing: Granting knowledge on one hand and collecting knowledge on the other hand (Aizpurua & Saldana, 2011). Other researchers have distinguished among similar processes, but mainly with regard to an active process and a passive process (De Leo Van Vinen, 2002), for example Van Der Rijet (2002) who makes distinction between granting and receiving knowledge. Sharing organizational knowledge facilitates knowledge sharing, as they start and implement the innovation to specify personal knowledge and learning in the organization. Each person in the organization benefits from knowledge sharing under the circumstances that the organization assigns the task of coding useful knowledge for the employees (Aggestam, 2015). The employees enjoy not only deliberate diffusion of knowledge to them but also sharing knowledge of personnel with others. Therefore, practical organizational knowledge sharing develops organizational performance. In this study we used Van Den Hoof model (2004) to measure knowledge sharing. This model involves knowledge granting and knowledge collecting subscales. In this model, knowledge diffusion means connecting to people in order to transfer our knowledge and intellectual capital, while collecting knowledge means connecting to people in order to access their knowledge and their intellectual capital (Van Den Hoof, 2004).

Organization performance

It is obvious that organizations are created to achieve certain objectives, and success in achievement to organizational goals is directly associated to the performance of human forces. Therefore, the process of evaluation which is also referred to as identification of competence evaluation, performance evaluations and so on in theory and practice, is an effective tool for managing human forces. If it is applied correctly, not only will the objectives and missions of the organization realize with desirable efficiency, but also the actual benefits of the staff and society will be provided as well (Mills, 2011). In fact, evaluation order is a systematic instrument to evaluate the employees in dimensions related to their performance, so that it will be cleared what organizations get for paying to their personnel.

Heresy and Goldsmith summarize the factors affecting performance management in the word A.C.H.I.E.V.E which is combined of the first letter of each the following words:

- A. Ability: It refers to knowledge and skill in working. The key aspects of ability are knowledge (formal and informal training), experience (past working experience), and talent (particular characteristics leading to success in work).

- C. Clarity or cognition (perceiving the role): One knows what should be done when and how. In many cases oral agreement on the tasks is not enough. Manager should make sure that the objectives are expressed formally and the subordinates should be encouraged to ask for understanding more.
- H. Help (support): It refers to organizational supports which people need for fulfilling their tasks. It may include budget, equipment, and facilities appropriate for doing jobs, supporting other departments and human resources (Kim, 2013).
- I. Incentive (willing or motivation): Job motivation means being interested to fulfill tasks successfully. People are not motivated similarly. They are motivated when working brings them material and spiritual rewards.
- E. Evaluation: Feedback of daily performance and periodical formal screens. An effective feedback process allows people to know how to do their job in the best way. It is irrational to expect employees to improve their performance without being aware of their job expectations.
- V. Validity: It refers to legitimacy and validity of the decisions regarding hiring people made by managers. Managers' decisions regarding the professional route of people (including job analysis, recruitment, evaluation, training, enhancement, and leaving the organization) must be documented and legal.
- E. Environment: It refers to external factors affecting performance, even when all the other factors including ability, support, and motivation are present. Important environmental factors include competition, labor market conditions, government regulations, suppliers, and so on (Heresy& Blanchard, 1988).

A review of the literature may show the possible different relations among these variables. The authors suggested the following model after comprehensive analysis of such possible relationships (Figure 1).

Kim, 2013

- Accordingly, the following hypotheses are presented:
- Hypothesis 1: Social capital has a positive effect on knowledge collection
 - Hypothesis 2: Social capital has a positive effect on knowledge diffusion
 - Hypothesis 3: Knowledge diffusion has a positive effect on organization performance
 - Hypothesis 4: Knowledge collection has a positive effect on organization performance.

MATERIALS AND METHODS

Regarding the time, the present study is cross-sectional; regarding the findings of the study, it is an applied study; it is a case study and descriptive with regard to the purpose of

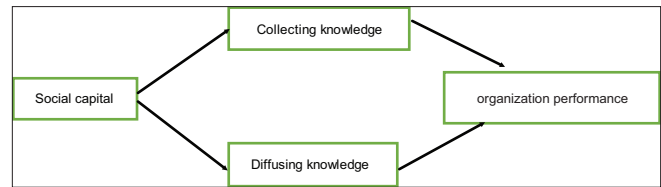


Figure 1: Research model

the study. The statistical population of the study included all the employees of the administration of justice in Fars Province, Iran who were 430 persons totally, from whom 286 persons were selected by Cochran Formula as the sample. The questionnaire used in this study contained three parts. The first part includes a brief expression of the questionnaire and how to fill it to make it clearer for the respondents. The second part is related to the personal information including demographic questions like age, educational level, gender.

To measure knowledge sharing we used the standard questionnaire developed by Van Den Hoof (2004), and for measuring social capital we used the standard questionnaire by Nahapiet and Ghoshal (1989). In order to evaluate the organization performance we used Heresy and Goldsmith Questionnaire (1993). Following data collection we used AMOS software for data analysis.

RESULTS

Once the reliability characteristics of the questionnaire were investigated, the next step is evaluating the relationships. Table 1 shows the results of SEM and indicates whether the fitness of the model is acceptable.

Figure 2 suggests that the web of relationships is consistent with appropriate rule of data, further confirming the validity of these measures (Churchill, 1979). The results of the test of the first hypothesis confirm the existence of significant effect of social capital on knowledge collection with a standardized coefficient equal to 0.52 (p<0.001). Also, the second hypothesis, the effectiveness of social capital on knowledge diffusion is confirmed with a standardized coefficient equal to 0.43 (p<0.001). Hypothesis 3 indicating the effectiveness of knowledge collection on organization performance is confirmed with a standardized coefficient 0.61 (p=0.000). The effect of knowledge diffusion on organization performance, hypothesis 4 was confirmed with a standardized coefficient 0.58.

DISCUSSION AND CONCLUSION

Dynamic capabilities are a relatively new subject in the scope of educational management, and require deep analysis particularly in experimental studies. The present study aims

at responding to such requirement in this area. The findings of this study can help companies to improve their current knowledge sharing activities with the help of social capital.

The relationship between social capital and knowledge sharing is critical for the organizations. They complete each other due to the overlaps they have together. These

overlaps significantly depend on the plans and priorities of the organization. Knowledge sharing plays an important role in developing and exploiting social capital. It focuses on facilitating and managing knowledge based activities to create a friendly knowledge oriented environment for social capital to grow and increase by relating to knowledge sharing. For this purpose knowledge sharing should be seen beyond the traditional borders in the scope of management and account for every kind of factors effective in identification of social capital and its components and related activities. It requires creating coherence among the technologies and systems, focusing particularly on people, which in turn requires managing, measuring, and aligning social capital and knowledge sharing (Kim, 2013). If the managers in the administration of justice in Fars Province are encouraging and facilitating relationships, then the informal relationships among employees may expand and lead to efficient knowledge sharing because of information diffusion and social support. These findings are in line with the findings by Katsia, (2011) and Bond (2014).

Table 1: Data analysis

Goodness of fit index	English equivalent	Reported value
CMIN	Chi square	68.121
DF	Degree of freedom	50
CMIN/DF	Relative Chi square	1.362
NFI	Normalized fit index	0.931
	Bentler-Bonnet	
RFI	Relative fit index	0.909
IFI	Incremental fit index	0.981
TLI	-	0.974
CFI	Comparative fit index	0.980
RMSEA	Mean square error	0.047

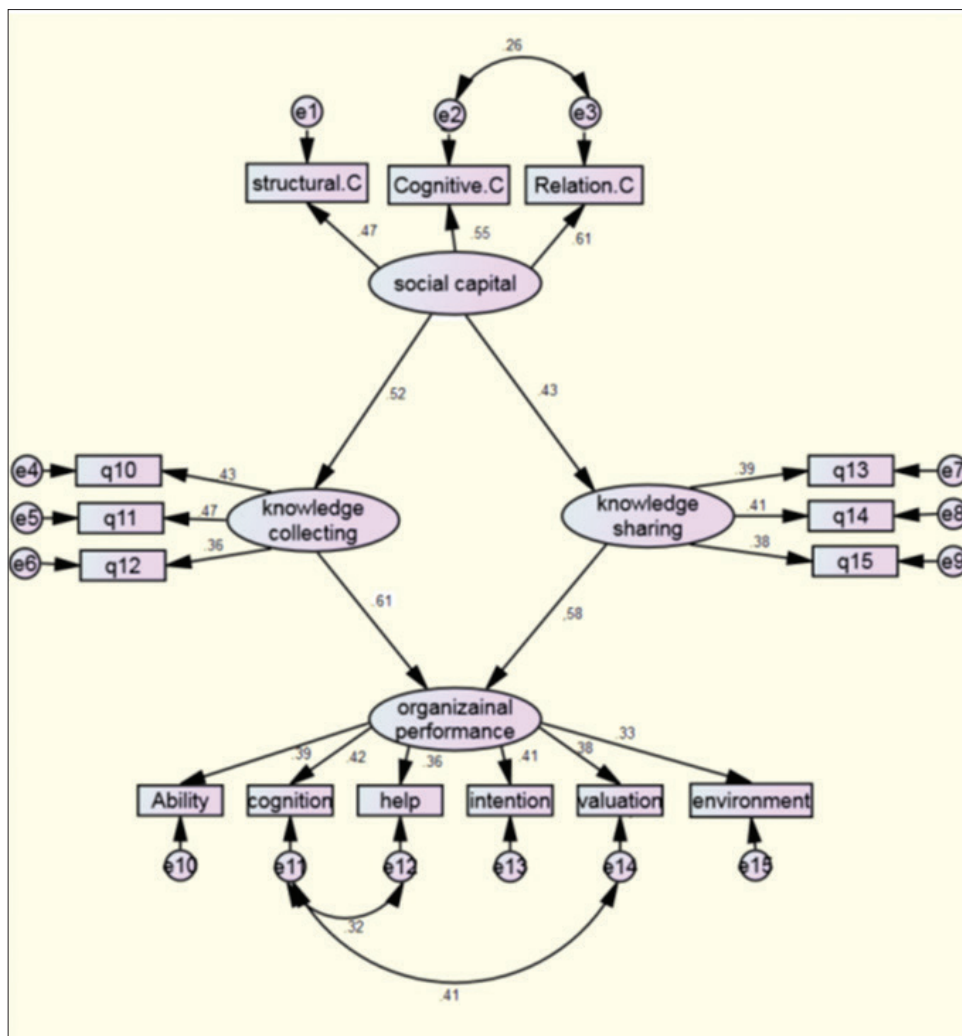


Figure 2: Heresy and Goldsmith's Model (summarizing the factors affecting performance management in the word A.C.H.I.E.V.E)

Efforts in collecting and diffusing knowledge to prevent losing knowledge and quick and on time access to it when necessary, can lead to marketing enhancement. It also may lead the implicit intellectual asset of people to be discovered and become organizational asset, so that a wide range of people who are involved in decision making processes can use it.

As expected, knowledge sharing dimensions have significant positive effect on the organization performance.

In a classification, Van den Hoof and colleagues define knowledge sharing and collecting and disusing knowledge. More exactly, it appears as a combination of merits, ideas, and creativity among the employees. Employees' competence in diffusing knowledge can result in effective job performance. It is emphasized that appropriate and effective use of knowledge management chain within the organizations leads to improvement of organization performance through facilitating the enhancement of quality of services (Chow & Chan, 2008).

Implementing knowledge sharing process within the organizations makes the employees increase their adaptive and flexible power through networking and exchanging their knowledge and experience. They will also accept the changes related to organizational improvement to increase their performance and are more ready to respond to such changes.

Bontis (2003) showed in his study that the organizations the employees of which share their knowledge, have higher efficiency and perform more effectively, because of decreased costs associated with search and access to valuable knowledge and technologies. In addition to the above points, collecting and diffusing knowledge can have a direct effect on organizational performance through saving, maintaining, and accelerating availability of the knowledge within the organization to the employees. These findings confirm the important role of two organizational

capabilities in improving the organizational performance, social capital and knowledge sharing.

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