

DEVELOPING SOCIAL CAPITAL THROUGH INTEGRATED USE OF ORGANIZATIONAL SOCIAL MEDIA

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Abstract

In highly competitive environments confronted by organizations acting in banking system, performance improvements depends on the effective utilization of intangible assets such as social capital. Hence, the present study has investigate the effect of integrated application of social media on developing organizations' social capital. The population of interest consists of managers and staff at a private bank in Tehran among whom 225 persons have been chosen randomly as statistical sample. The current study is applied and descriptive-correlational research in terms of objective and data collection respectively. Data collection tool is a standard questionnaire. The data was analyzed through structural equation model using Lisrel software. The results indicated that integrated use of social media (web-based services, LinkedIn and Telegram) has a positive impact on developing triple components of social capital.

Keywords: Social Capital, Social Media, Web-based services, LinkedIn, Telegram

INTRODUCTION

In today competitive world, organizations should prepare themselves for encountering major alterations. Not only organizations should be equipped technologically, but also they should prepare their staffs who are their major and valuable assets (Allame and Moghadami, 2010). The nature and mission of IT services-oriented organization such as banks, including complexity, scope and depth of their activity effectiveness and being privileged with professional staff have turned them in to knowledge organizations and this existing knowledge in their structure, processes and human resources has a major impact on effective performance and achieving their desired perspective. Hence, today the mentioned organizations follow developing intangible and intellectual capitals including social capital as one of their fundamental strategies. During past two decades companies have actively endeavored to exploit for improving their performance by managing what they know and have extremely benefited from Information Technology (Joshi, Chi, Data and Han, 2010). One of the new technologies that have developed in the field of knowledge management is social media. According to Orili (2007) Social media are web-based technologies that enable individuals share users' produced content. Organizations invest in social media for optimizing relationship with customers, improving staff participation and integration with partners and suppliers (Choi and colleague, 2012). These Media enable organizations to communicate with their customers, suppliers and sellers in a modern and timely manner (Kitsman, et. al., 2011). Integrated use of social Media is expanding in the organizations by using technologies like Facebook, LinkedIn and Telegram (Baharati and colleagues, 2014). Based on the report of Mc Kinsey Institute (2011), today about 70 percent of organizations benefit from social technologies like weblogs, Facebook, LinkedIn for increasing their organizational knowledge and expertise (Beharati and Colleagues, 2015).

Despite the vast literature that exists in the field of social capital and its consequences and reinforces, performed researches regarding the effects of organizational social media on developing social capital are not rich enough. The current research endeavors to assess the role of integrated utilization of organizational social media in developing social capital for decreasing this gap and consider the fact that how the integrated utilization of organizational social media would be able to improve the components of social capital. Better recognition of the role of these media in developing knowledge goals and developing intangible assets of the investigated organization could be helpful in the field of developing theoretical knowledge as well as getting assured regarding effectiveness of investments and performed endeavors in using such social media.

LITERATURE REVIEW

Theoretical Background

Social Capital

There are various interpretations of social capital which indicates its multidimensional identity. Considering the mentioned fact, it would be essential to create a territory for this theory in order to achieve a clear meaning of it for fulfillment of the goals of knowledge management (Maning, 2009). Social capital includes characteristics of social organization that simplify required cooperation for acquiring mutual benefits (Taslimi and colleagues, 2008). Despite other forms of capital, social capital forms in the structure of the relations among individuals and groups (Coleman, 1990). Social capital includes institutes, relations, tendencies and norms that dominate behavior and interaction between individuals (Tesay and Gushai, 2013) and are related to those norms that enables individuals for collective action.

In short, social capital is the sum of all the relationships, interactions, values and norms that facilitate collective action and provide the achievement of individual and collective goals in the spirit of cooperation and trust (Monavarian, Asgari, Akhavan and Ashena, 2013). According to Nahapit and Goshal (1998), social capital is one of the significant organizational assets that could create "sustainable organizational advantage" for the organizations as well as assisting them in creating and sharing knowledge. According to them, various aspects of social capital could be classified in three groups:

1. Cognitive Components: It refers to resources that provide common symbols, interpretations, annotations and meaning system among groups. The most significant aspects of this component of language are common codes and anecdotes.
2. Structural Component: It is the most significant aspect of social capital (Baharati and colleagues, 2015) that refers to the general pattern of contacts among individuals; in other words, how and to whom you access (Monavarian and colleagues, 2013) and it contains two factors: 1. Network links that indicates creation and development of inner network relations. These relations provide the possibility of accessing sources such as knowledge; 2. Configuration of network relations which is a significant aspect of social capital and could affect development of intellectual capital.
3. Communicational Component: it means simplification of communication.

Social media

Despite wide range of definitions regarding social media, most of them concentrate on two components: "sharing" and "interaction". Some of the definitions have highlighted production and publication of concept and recognized social media as one in which video, voice, context or

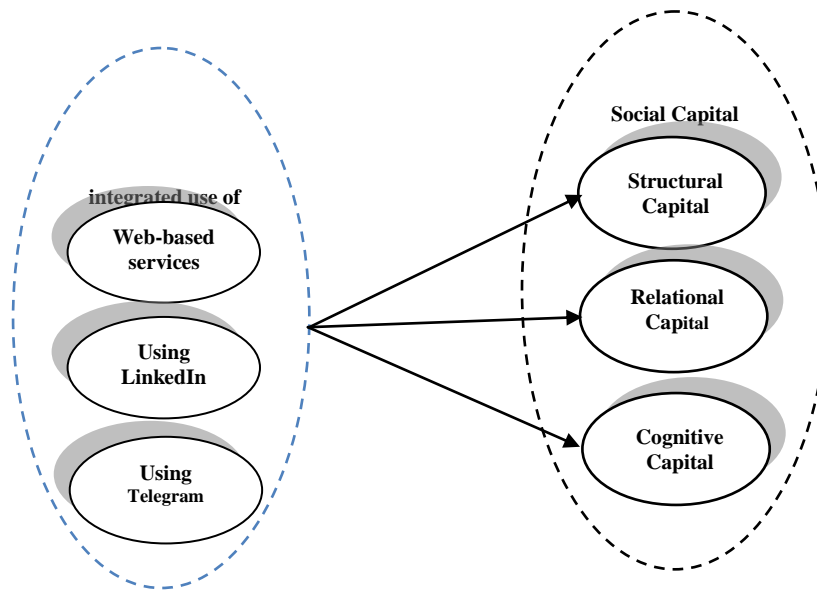
multimedia production is being produced today and published in social environments and shared among the peers in blogs, wiki or sites that are hosts of video clips (Kaplan and Honline, 2010). What was stated defines extensions of social media and recognizes it as the sites that have been formed based on the user's participation and producing content. These Media include social network Media such as LinkedIn, Facebook, social bookmarking sites like Delicious¹, social news sites like Digg² or Eddit³ or other sites whose attention is focused on interacting with the user. In other words, social media is any kind of site or web service that has the characteristic of being "social" or uses the web; like: blogs, social networks and social news sites (Khanaki and Babayi, 2010). However, in the past recent years, entrance of new media and increment of communicational channels that are available for the people in the society, have caused the end of the era of single-media and today, individuals often interact with several media and are not the sole consumer of a single media, but they create a combination of their desired media.

Conceptual Model

The most significant theoretical foundation of the current research consists of Tesayi and Gushal's (1998) social capital frame based on which social capital assists sharing resources. Selecting the mentioned foundation is due the fact that knowledge is a significant and strategic resource for achieving sustainable competitive advantage of the organizations (Tis, 1998). Studies have confirmed the positive impact of Social media on social capital. For instance, Social media like electronic communications that are able to create new online communications have a positive impact upon structural component of the social capital (Bork, Crowt and Marlow, 2011). Social media simplify sharing knowledge by supporting improving cognitive component of the social capital. The significance of the social media is being highlighted more when the organization staffs are geographically apart from each other (Bork and colleagues, 2011). Generally, it could be stated that Social media improve the environment of trust, cooperation and interaction by creating a bridge between the time and place and improving the relations among the staff (Baharati and colleagues, 2015).

Based on the survey of theoretical and empirical background and assumed relations among the variables of the research in the form of hypothesis, the conceptual model of the research has been presented in the form of figure 1. As the mentioned image indicates, unified utilization of the Social media has been considered as the independent variable and triple components of the social capital as dependent ones.

Figure 1: conceptual model of the research



Based on the reviewed literature and the developed conceptual model of research about the hypothesized relations, the hypotheses developed in this study are as follow:

1. "Integrated use of social" media has a meaningful positive effect on developing on "structural capital".
2. "Integrated use of social" media has a meaningful positive effect on developing on "relational capital".
3. "Integrated use of social" media has a meaningful positive effect on developing on "cognitive capital".

METHODOLOGY

The Research typology

The research method is the quantitative, applied and descriptive-survey in terms of purpose, time dimension, type of data and data collection method respectively.

The population of interest

The population of interest consists of the staff of a private bank in Tehran who are 560 persons among whom 225 were selected randomly using sampling formula of limited society. In order to make sure of collecting sufficient questionnaires, 250 questionnaires were distributed among sample of interest.

Data collection tools and reliability

Data collection tool used is a standard questionnaire. Beharati and Yang's (2015) questionnaire with 9 measures has been utilized for measuring social capital. In addition, Fitch man's (2001) questionnaire with 3 items has been used for measuring integrated use of organizational social media. For assessing reliability of the questionnaire Cronbach's Coefficient Alpha has been applied which was 0.84 (Table 1). Here, Cronbach's Alpha of all of the questions related to all of the variables is more than critical limit of 0/7; consequently, it could be stated that measuring models are at an acceptable level.

Table 1. Introducing the data collection tool

Variables	Number of measures	Cronbach's Alpha Value
Integrated use of organizational social media	3	0.74
Structural capital	4	0.76
Relational capital	4	0.73
Cognitive capital	4	0.72

Data analysis approach

In order to analyze the collected data and to examine the relation among the concepts being studied in following research and their dimensions of confirmatory factor analysis and assess the assumptions of the research, structural equations modeling have been applied. Structural equations modeling have been utilized in order to analyze the data. In the mentioned model, we want to identify whether the relations among the hidden adjectives that have been extracted based on the theory would be confirmed considering the aggregated data of the sample or not (Kalantari, 2009). There are 15 apparent and 4 latent variables in this model. In order to assess significance of the predicted relations in the assumptions significant model and in order to assess the amount of effect the standard model has been applied.

RESULTS

After modeling, specific indexes are used for assessing accuracy of the model including: the ratio of chi-squared to the degree of freedom that should be lower than permissible amount of 3, the amount of the average of root-mean square of the adiabatic approximation whose permissible limit should be lower than 0/08 and the amount of Pi that should be lower than 0/05 and the modified fit index should be greater than 0/9. In order to assess significance of utilizing organizational social media on social capital, significance model and for assessing the amount of this effect the standard model is used. Regarding significance of the acquired numbers of the

model, it could be stated that since the hypothesis test is being performed in the reliability level of 0/95, numbers would be significant that would not be between -1/96 and 1/96, in other words, in case a number would be between -1/96 and 1/96, that number would not be significant.

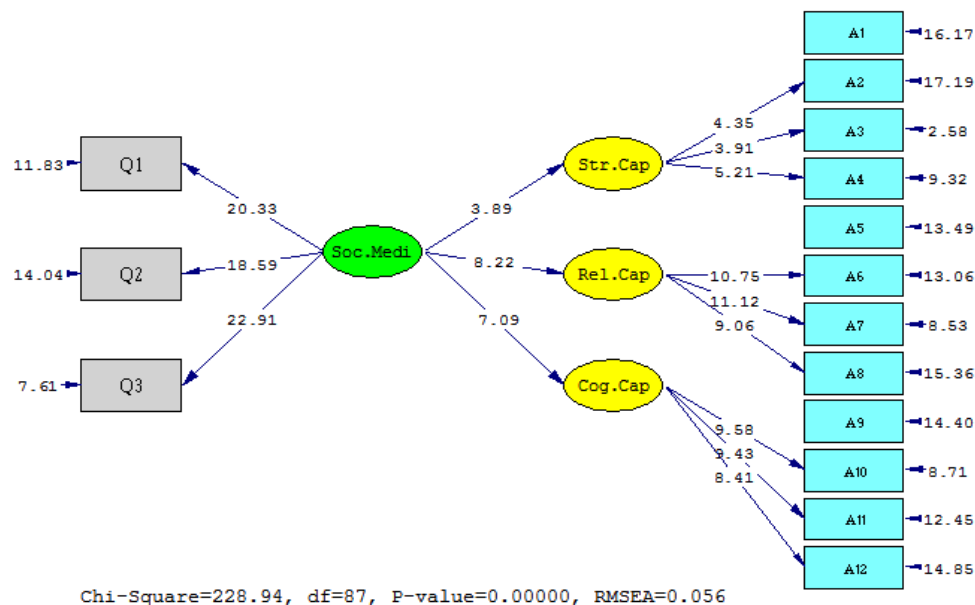
In order to assess the stated relations in the hypothesis, firstly, significance of the impact of each predicted relations was assessed using significance model and then, using standard model, the amount of each would be assessed. Based on the indexes of table 2, we are able to judge fitness model of the impact of utilizing social media on social capital. The results of the assessment of the significance of the predicted relations are presented in Figure 2.

Table 2: indexes of the fitness model of the impact of utilization of social media upon social capital

Indexes	Permissible limit	result	assessment
Ratio of chi-square to the degree of freedom	$\chi^2/df < 3$	2.63	Appropriate fitness
Root-mean square of adiabatic approximation (RMSEA)	$0.05 < RMSEA < 0.08$	0.056	Appropriate fitness

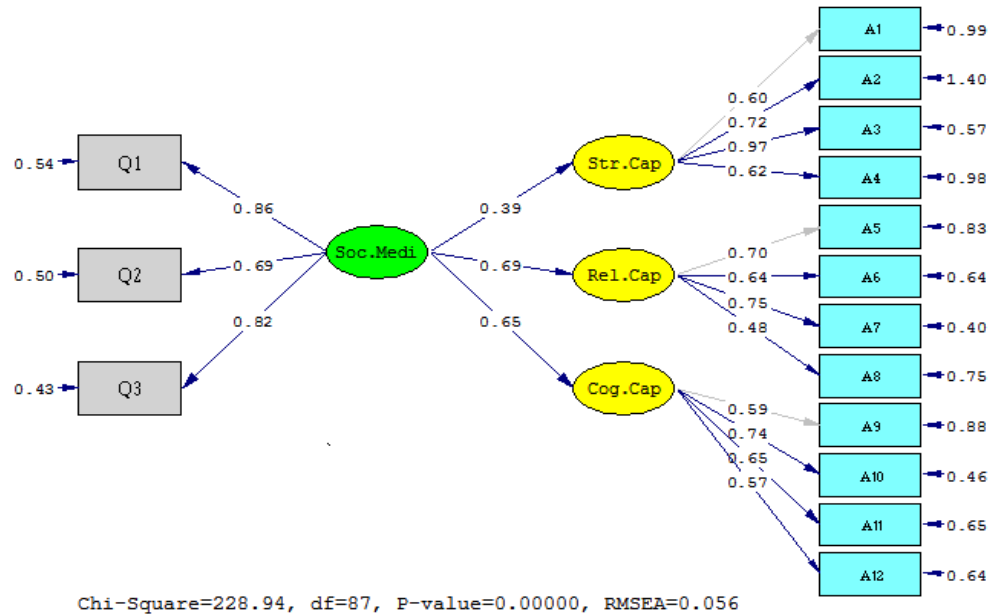
The indexes of fitness of the mode, indicates convenience of the measuring model of the relevant variables; as the ratio of chi-square to the degree of freedom equals 2/10 and less than allowable amount of 3, and the amount of Root-mean Square error of approximation which is 0.056 equals permissible limit which is less than 0/08 and higher than 0/05. Based on this model, the impact of predicted relations is significant in all hypothesis as well; as their amount for hypothesis first to third equals 3.89, 8.22 and 7.09 respectively and all of them are higher than 1/96.

Figure 2: The impact of Social media on social capital in the state of significance



Using the standard model the amount of the impact of the relations in this model whose significance has been confirmed could be assessed as well.

Figure 3: The impact of the Social media on social capital in the standard state



In the standard state, the model indicates that the positive impact of the Social media on the triple components of the social capital is confirmable. Consequently, based on the results acquired from the significance and standard models, the results of the assessment of the hypothesis of the research could be summarized in table 3.

Table 3: the results of the assessment of the hypothesis

Hypothesis	Route: positive and significant impact of	Standard coefficient	Significance numbers	result
1	Social media on structural capital	0.39	3.89	confirmed
2	Social media on relational capital	0.69	8.22	confirmed
3	Social media on cognitive capital	0.65	7.09	confirmed

General pattern of the relations among the variables in structural equation model were compatible with the stated hypothesis, all of the three assessed relations have been significant. Based on the acquired results social media has a significant impact on all 3 components of social capital.

DISCUSSION AND CONCLUSIONS

One of the most significant profitable factors for organizations active in banking industry, is optimized exploitation of intangible capitals including social capital. Developing social capital at the organization requires technical and social simplifier sub-structures. Among the various empowerments of the social capital, the current research has assessed the impact of the social organizational Media. The findings of the research indicated that unified utilization of the services based on web, LinkedIn and telegram has a simplifying role in developing triple components of the social capital; since, based on the findings of the research, a number of proposals would be offered as the following: the mentioned finding is compatible with the one performed by Baharati and colleagues (2015).

Based on this, it could be stated that meaningful and coherent utilization of Social media like LinkedIn and Telegram, could provide the possibility of more prevailing, effective and purposeful interaction among the members of the organization, customers and other beneficiaries. It also could increase recognition of these individuals regarding each other, improve their formal and informal interactions and provide a more stable structure for their interactions. These achievements indicate development of social capital of the organization. Generally, it could be stated that Social media provide an opportunity for the staff by creating a bridge between the space of time and place to increase their interaction by creating an environment based on mutual trust. As a result, it is suggested that Saderat bank would provide a ground like this by applying social networks like creating internet clubs and fan clubs and presenting various internet services as an environment for sympathy and creating knowledge for increasing social interactions and presenting customers' opinions and perspectives. Social capital could be profitable through increment of access to foreign resources of knowledge, exchanges and also increment of efficiency of transferring knowledge; since the effective performance of the service organizations depends on its soft prerequisites which are human-social factors. Social capital could provide the possibility of effective cooperation and exchanging knowledge, experiences and staff's learning by simplifying and improving interpersonal relations and interactions. As a result, organizations could optimize convenient circumstances for improving the quality of organizational knowledge by reinforcing trust, networks, effective norms and mutual commitments among the members. It is suggested that the following actions would be prioritized for improving the state of social capital at this bank: expanding friendly relations, encouraging honest behavior and emphasizing upon keeping promises and commitments, discouraging destroying political behavior at the organization, managing organizational conflicts, reinforcing the sense of commitment toward the organization, encouraging relations based on trust, encouraging staff to exchange their knowledge and

experience with others and learning from them in exchange, reinforcing the sense of trust among the staff.

LIMITATIONS

Conducting this research was associated with limitations. One of the limitations of the current research is the fact that the data have only been collected from a single organization and as a result, generalizability of its results is limited. Only survey method has been utilized for data collection and innate limitations of this method including the probability of partiality by the responders is probable here as well. Shortage of the researches related to the subject of this research, restricted the possibility of comparing the findings. Despite the stated limitations, the results of this research could assist researcher and practitioners theoretically and practically. The current research indicated the capability of Social media in improving interpersonal interactions at the organization which could have a significant impact on developing organizational performance; consequently, the endeavor of the organizations for unified utilization of these Media could have effective results. However, better recognition of effectiveness of the Social media on social capital depends on perceiving the role of various intermediary factors. It is suggested to assess the role of the mentioned factors in future studies. Conduction of the current research once more at other organizations would assist in more complete understanding in this regard.

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