Relation of Organizational Social Capital with Job Satisfaction and Job Stress: An Empirical Investigation

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ABSTRACT

The aim of this research is to study the relation of organizational social capital with job satisfaction and job stress among employees of Insurance Corporations. 272 employees were selected using simple random sampling. Data were collected through three questionnaires which reliability of them was approved using Cronbach Alpha coefficient. The results showed that there were positive and significant relations between total social capital and structural, relational and cognitive dimensions with job satisfaction. Moreover, the results showed that there is a negative and significant correlation between social capital and its structural and relational dimensions with job stress. Moreover, result of the stepwise regression analysis showed that relational and cognitive dimensions of organizational social capital were significant predictors of job satisfaction; also, relational and structural dimensions have significant role in predicting job stress.

KEYWORDS: social capital, organizational social capital, job satisfaction, job stress.

1. INTRODUCTION

Definitions of social capital are abounding. To frame the discussion of social capital in organizations, a working definition needs to be developed. Leana and Van Buren (1999) present a good departure point for developing a working definition with contributions from others. Leana and Van Buren have coined the term organizational social capital consistent with social capital’s broader meaning. They view social capital as a desired feature of organizations in which the quality of social relations among members is seen as a key to unlocking assets in their organization. As another definition, organizational social capital defined as active social connections and behaviours that bond members together and make collective action possible (Vilanova and Josa, 2003). So far, different dimensions of organizational social capital have been developed. Leana and Van Buren (1999) suggest a model for organizational social capital having two primary parameters: 1. Dependence: dependence is the individual’s desire and ability to define collective objectives. 2. Trust: trust is an introduction to successful collective action and a by-product of successful collective action. Vilanova and Josa (2003) assume social capital as a phenomenon related to management including seven parameters, namely, trust (norms), common values, relations, cooperation, mutual commitment and networks. In addition, Nahapiet and Ghoshal (1998) have developed a model for organizational social capital having three primary dimensions as the following:

The relationship dimension; refers to the characteristics and the quality of the relationships between members based on normative quality such as trust, reciprocity, obligations and group identification developed over time. Relational dimension, denotes different sorts of individuals’ relations, based on long-developed interactions and special relations such as respect and friendship, which affect individuals’ behaviour. Relational dimension facilitates teamwork, group identity, and creation of networks to increase quality, productivity and creativity (Danchev, 2006; Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998).

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The structural dimension: structural dimension is related to characteristics of social systems and networks of relations as a whole. In other words, this dimension relates to a holistic model of communication among members (Bolino et al., 2002). It refers to the overall pattern of relationships found in an organization. It is the accessibility, linkages, and the familiarity of members of the organization to each other facilitated by structure. The structural dimension is comprised of network ties, network configuration, and appropriatibility (Danchev, 2006; Adler and Kwon, 2002; Nahapiet and Ghoshal, 1998).

The cognitive dimension: it is the member’s shared understanding and perceptions of the organization transmitted through shared language, codes and shared narratives. Shared language is common words, phrases, and acronyms with specificity and meaning to work and practice. Coding systematizes and categorizes information and understanding transmitted through language. Shared narratives are stories, myths, accounts, and gossips that communicate understanding and meaning about work and practice.

Because of the frequent use of these models by researchers, in the present paper these three dimensions has been the main framework of organizational social capital. Although, for a long time, different factors of social capital has been among the elements of organizational theories, only recently has this concept been included in the organizational analysis (Timberlake, 2005) and in the literature of organizational research, social capital has been the focus of attempts to explain the relative success of members and organization (Adler and Kwon, 2002). The strength of social capital is that it can incorporate the organization’s objectives at the same time as it highlights the social relations which are important for the psychological work environment and thus can be of critical importance to an employee’s job satisfaction and commitment.

The present study, also, social capital has been taken as an organizational concept and, considering the lack of research on the relationship of organizational social capital with variables such as job satisfaction and job stress, examines this concept from the perspective of its relation with the job satisfaction and stress. With the relative lack of research focused on the social capital as an organizational characteristic (Pastoriza, Arino and Ricart, 2008) the lack of research on the examination of organizational social capital from the angle of its relation to organizational behaviours such as job satisfaction and stress is felt. So, we are very interested in an investigation of the relationship of organizational social capital with job satisfaction and stress.

1.1 Job satisfaction and social capital

Job satisfaction is the important factors of occupational success and improvement of individual’s performance in the organization. Job satisfaction denotes an emotional response to the different dimensions of individual’s job (Kreitner et al., 1999; Austin and Droussiotis, 2007; Noruzy et al., 2011). Edwin Lock defines job satisfactions individual’s report as a result of an emotional positive evaluation of working experience. As an outcome of advantages of job satisfaction for individuals and organizations, attempts have been made by the researchers to enhance job satisfaction of the staff through facilitating the realization of organizational social capital. Flap and Volker (2001) have investigated social capital and job satisfaction and the impact of different sorts of networks on the instrumental and social dimensions of the job. According to their research, social capital entails structure and content of social networks, and the fulfillment of special objectives such as job satisfaction requires networks with specific content and form. Requena (2003) states that the high rates of social capital brings high rates of job satisfaction and quality of life and that social capital is a better indicator of quality of life and occupational satisfaction. Moreover, Ommen et al. (2009) conclude that social capital is a significant indicator of job satisfaction among physicians. So, the first question of the study is whether there is a correlation between social capital and its dimensions and job satisfaction of the staff.

1.2. Job stress and social capital

Job-related stress is one of the greatest challenges to health of the organization and the staff and reducing its costs for individuals, managers and organization is essential (Le Fevre, Kolt and Matheny, 2006). Job stress denotes an event or a chain of events, generally non-physical, which is regarded as a threat from the receiving party, and lead to physical, emotional and psychological response. This threat from inside or defensive responses become intense in the long run and may jeopardize physical, emotional and psychological health of the individual (Boyer, 2009). Ommen et al. (2009) believe that social capital can be considered as a factor which helps organizations and individuals manage stresses and enhance emotional health. Boyas and Wind (2009) also imply that social capital mainly functions as the factor of improving mutual support between staff in the organization. They count trust, social interaction with colleagues and managers,
organizational commitment and mutual effectiveness and relation in the organization among the parameters of social capital and state that these parameters are inversely related to job stress. Gachter, Savage and Torgler (2009) investigated the relationship between social capital and job stress among police officers and based on the results of a multi-variety regression, concluded that an increase in social capital entails a decrease in job stress. They suggest that programmers for alleviating job stress should, in some way, enhance the commitment of the staff in making strong social networks. Thus, the second question of the study would be that weather there is a link between social capital and its dimensions and job stress of the staff.

2. METHOD

2.1. Participants
Participants in this study were the employees of Insurance Corporations. using simple random sampling, 272 people (112 female and 160 male) were selected. The survey instrument was a self-reported questionnaire. The participants were volunteers and completed the survey anonymously. Participants were informed that all participation was only voluntary, that all information would be treated confidentially, and that they had the right to withdraw from the study at any time.

2.2. Instruments

Social capital: To measure organizational social capital, the questionnaire devised by Faraji (2010) has been used. The present questionnaire uses 24 questions, with 7 questions in structural dimension, 11 questions in relational dimension and 6 questions in cognitive dimension. The achieved alpha in the present study for structural, relational, cognitive dimensions and social capital are 0.82, 0.74, 0.71 and 0.80, respectively.

Job satisfaction: To assessment the job satisfaction of personnel, Job Description Index (JDI) of Smith, Kendall, and Hulin (1969) was used. This questionnaire was graded using Likert scales from 1 to 5. The Cronbach's Alpha was estimated at .91 that shows the high level of reliability of this questionnaire used in this research

Job stress: Caudron Scale of Stress (1998) comprises four main divisions of job stress, life health stress, personal life stress and individual character stress. The questionnaire for measuring job stress had 32 questions, for life health as source of stress had 17 questions and for personal life as source of stress had 16 questions. In the present study, to measure job stress, only the job stress dimension of the Caudron scale has been used. The reliability achieved using Cronbach's α test for job stress dimension of Caudron scale of stress is 0.83.

3. RESULTS

Descriptive statistics findings indicated male and female participants constituted 58.82% and 41.17% of the whole respondents, respectively. Meanwhile age distribution of the participants was as follows: 36% were 20-30, 44 % were 30- 40, 20% were 40- 50 years old. Respondent’s education distribution shows 59.3% of respondents hold a bachelor’s degree, 38.5% a master’s degree and 2.2% a PhD degree. Finally, analysis of the frequency of respondents by their years of job experience revealed 13.9%, 48.5%, 19.3% and 18.3% of respondents had up to 5, from 5 to 15, from 15 to 25 and above 25 years of occupational experience, respectively. The Results Table 1 shows that the correlation coefficients between cognitive, relational and structural dimensions of social capital and job satisfaction are significant in the level of p<0.05 and there is a positive and significant relationship between these three dimensions and job stress.

<table>
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<tr>
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<td>2. 2. relational dimension</td>
<td>0.23*</td>
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<td>3. 3. cognitive dimension</td>
<td>0.49**</td>
<td>0.41**</td>
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<td>4. 4. total social capital</td>
<td>0.49**</td>
<td>0.35**</td>
<td>0.12*</td>
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<td>4. 5. Job satisfaction</td>
<td>0.66**</td>
<td>0.79**</td>
<td>0.41**</td>
<td>0.81**</td>
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<td>5. 6. Job stress</td>
<td>-0.74**</td>
<td>-0.78**</td>
<td>-0.11</td>
<td>-0.73**</td>
<td>-0.81**</td>
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* p < 0.05 and ** p < 0.01
The correlation coefficient between total score of social capital and the job satisfaction of the staff ($r=0.81$) in the level of $p<0.05$ is significant and there is a significant and positive relationship between them. Furthermore, the correlation coefficients of relational and structural dimensions and social capital as a whole with job stress are significant in the level of $p<0.05$ and there is a negative and significant correlation between these dimensions and job stress. But there is no significant relationship between cognitive dimension and job stress.

Results of the stepwise regression (table 2) showed that in the second step 0.70 percent of the variance of job satisfaction is determined by relational and cognitive dimensions.

### Table 2. The result of stepwise regression analysis

<table>
<thead>
<tr>
<th>Steps</th>
<th>Forecasting elements</th>
<th>$R$</th>
<th>$R^2$</th>
<th>$B$</th>
<th>$\beta$</th>
<th>$t$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>First step</td>
<td>Relational Dimension</td>
<td>0.79</td>
<td>0.63</td>
<td>.61</td>
<td>0.79</td>
<td>18.86</td>
<td>0.001</td>
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<tr>
<td>Second step</td>
<td>Relational Dimension</td>
<td>0.83</td>
<td>0.70</td>
<td>.58</td>
<td>0.75</td>
<td>19.49</td>
<td>0.001</td>
</tr>
<tr>
<td></td>
<td>Cognitive Dimension</td>
<td></td>
<td></td>
<td>.15</td>
<td>0.26</td>
<td>6.78</td>
<td>0.001</td>
</tr>
</tbody>
</table>

In addition, to determine the share of these dimensions in predicting the job stress of the staff based on standard coefficients of the regression (Beta), it can be claimed that the contribution of the relational and cognitive dimensions of social capital in estimating job satisfaction of the staff has been 0.75 and 0.26, respectively. The structural dimension has been excluded from the equation because it had not had any significant contribution in estimation of the job satisfaction.

### Table 3. The result of stepwise regression analysis to predict the

<table>
<thead>
<tr>
<th>Steps</th>
<th>Forecasting elements</th>
<th>$R$</th>
<th>$R^2$</th>
<th>$B$</th>
<th>$\beta$</th>
<th>$t$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Step</td>
<td>Relational Dimension</td>
<td>0.78</td>
<td>0.62</td>
<td>-0.60</td>
<td>-0.78</td>
<td>18.29</td>
<td>0.001</td>
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<tr>
<td></td>
<td>Structural Dimension</td>
<td>0.79</td>
<td>0.63</td>
<td>-0.43</td>
<td>-0.56</td>
<td>6.55</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Moreover, results of the stepwise regression in table 3 shows that the relational and structural dimensions account for 0.63 of the variance of the job stress of the staff ($R^2=0.63$, $F=33.65$, $P=0.001$). In addition, to determine the contribution of these dimensions in predicting the job stress of the staff based on standard coefficients of the regression (Beta), it can be claimed that the contribution of the relational and structural dimensions of social capital in estimating job stress of the staff has been -0.56 and -0.25, respectively. The cognitive dimension has been excluded from the equation because it had not had any significant contribution in estimation of the job stress.

### 4. DISCUSSION AND CONCLUSION

The findings of the present study indicate that correlations achieved for cognitive, relational and structural dimensions of the social capital has been significantly related to the job satisfaction and there is a positive relationship between these dimensions and occupational satisfaction. Better to say, an increase in social capital would increase the job satisfaction of the staff. In this case the findings of the present study are in consistent with those of Flap and Volker (2001) Requena (2003), Ommen et al. (2009), and Sandhya and Kumar (2011). Findings indicate that providing social capital in environments, where individuals interact with each other, can play a pivotal role in improving the optimal performance of the individuals and organizations. If staff in an organization is able to interact, to build commitment and to provide social capital in general, organizations will be capable of providing high levels of job satisfaction and comfort (Requena, 2003). The findings of the present study indicated that relational and structural dimensions and total score of social capital of the staff are negatively and significantly related. In other words, the more valuable social capital and its relational and structural dimensions among staff, the less their job stress will be. These findings have been also confirmed in studies by Boyas and Wind (2009) and Gachter, Savage and Torgler (2009) and Noruzy et al. (2011). Boyas and Wind (2009) believe that high rate of trust, commitment, interactional communications, organizational supports for the staff and organizational effectiveness of the staff provides an environment with less job stress in their work place. In other words, a sense of interaction with the individual staff and managers
and trust and commitment toward the organization and support form it brings about a job with less and less job stress. Findings of the stepwise regression indicate that relational and cognitive dimensions of the social capital significantly foresee the job stress of the staff. Requena (2003) and Ommen et al. (2009) concluded that social capital is an important indicator of estimating job stress. On the other hand, relational and structural dimensions of social capital plays significant part in estimating job stress and can prognosticate the level of job stress among staff. The findings of Boyas and Wind (2009) and also Gachter, Savage and Torgler (2009) show that social capital is an appropriate indicator of job stress. Therefore, any concern by Organizations about facilitation of realization of social capital and its applications on the enhancement of job satisfaction on the one hand, and decreasing job stress on the other based on the findings of the present study has been more important. However, first step to create social capital is the desire and capability of the staff in building social capital (Leana and Van Buren, 1999).

5. Managerial Implications

This empirical study proposes that social capital is critical in improving employees’ job satisfaction and decreasing job stress. This result has considerable managerial implications; first, it suggests that insurance manager’s efforts and resources should be dedicated for improving relational, structural and cognitive dimensions of social capital in workplace; Second, social capital is demonstrated to elicit emotional connections among members, increasing cohesion between employees and the organisation. This study delineates how employees’ perceptions of social capital serve to create job satisfaction and diminish job stress. Diminished job stress and job satisfaction may take a long time to develop and this study shows the importance of social capital in facilitating the diminished job stress and job satisfaction. Managers could generate higher levels of job satisfaction and lower level of job stress if they be able to generate acceptable levels of trust, relationships or communication in organizational environment, which is organizational social capital. This demonstrates the importance of encouraging a culture that values environments favourable to organizational social capital dimensions

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