

## An empirical investigation on relationship between social capital and organizational commitment

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### CHRONICLE

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### ABSTRACT

This paper presents an empirical investigation to study the relationship between social capital and organizational commitment. The study considers the relationship between social capital with three components of organizational commitment; namely, affective commitment, continuous and normative commitment. The study has been applied among a sample of 292 regular employees who worked for an Iranian bank located in city of Tehran, Iran. The implementation of Pearson correlation has indicated that there were positive and meaningful relationships between social capital and affective commitment ( $r = 0.197$ , Sig. = 0.01), continuous ( $r = 0.308$ , Sig. = 0.01) and normative commitment ( $r = 0.423$ , Sig. = 0.01). In addition, the study has detected that women had more commitment on their organization than men did. The proposed study of this paper has also considered a regression model where organizational commitment is dependent variable and trust and communication are considered as independent variables. According to the results of regression analysis, an increase of one unit in trust and social capital communication will increase organizational commitment by 0.189 and 0.204, respectively.

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## 1. Introduction

Organizational commitment has been a major concern among many scholars for various reasons and it has been conceptualized and measured using various techniques (Nahapiet & Ghoshal, 1998; Wellman et al., 2001). Allen and Meyer (1990), for instance, performed an investigation to study antecedents of affective, continuance and normative commitment to the organization. The two studies were conducted to examine different perspectives of a three-component model of commitment, which integrated these conceptualizations. The affective component of organizational commitment, proposed by the model, was associated with employees' emotional attachment to, identification with, and involvement in, the firm. The continuance component was associated with commitment based on the expenses that employees associate with leaving the firm. Finally, the normative component was associated with employees' feelings of obligation to stay with the firm. In the first study, scales were developed to compute these components. Relationships among the components of commitment and

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with variables considered their antecedents were tested in the second study. Results of a canonical correlation analysis recommended that, as forecasted by the model, the affective and continuance components of organizational commitment were distinguishable constructs with various correlates. The affective and normative components, although distinguishable, seemed to be somewhat correlated.

Allen and Meyer (1996) reviewed and evaluated the body of evidence relevant to the construct validity of organizational commitment. Meyer et al. (2002) performed meta-analyses to evaluate the relationships among affective, continuance, and normative commitment to the organization and to study the relationships between the three forms of commitment and variables identified as their antecedents, correlates, and consequences in Meyer and Allen's (1991, 1993) Three-Component Model. They reported that the three forms of commitment were correlated yet distinguishable from one another as well as from job satisfaction, job involvement, and job commitment. Affective and continuance commitment in their study seemed to be correlated as expected with their hypothesized antecedent variables. In addition, as expected, all three forms of commitment co-related negatively to withdrawal cognition and turnover, and affective commitment maintained the strongest and the most favorable correlations with organization-relevant and employee-relevant outcomes. Normative commitment was also related to desirable outcomes, albeit not as strongly. Continuance commitment was unrelated, or associated negatively, with these outcomes.

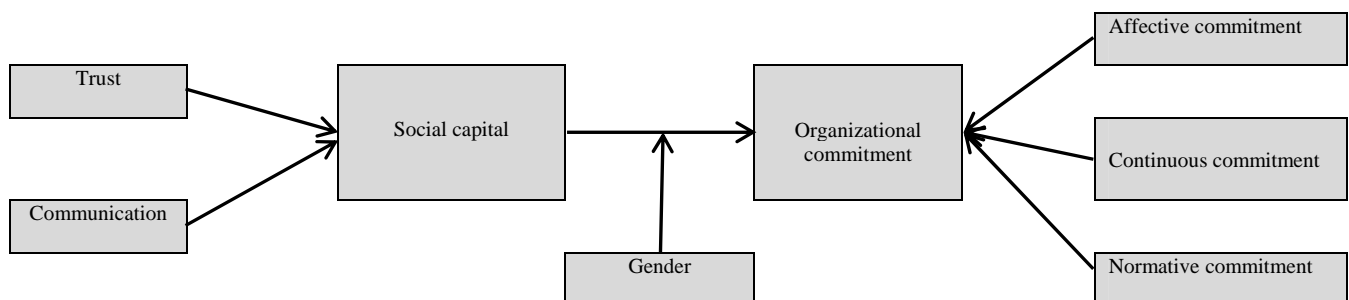
Social capital is another component of business organizations and there are a growing number of sociologists, political scientists, economists, and organizational theorists on the concept of social capital in the search for address different questions in this field. Adler and Kwon (2002), for instance, synthesized the theoretical research undertaken in these different disciplines and developed a common conceptual framework that identified the sources, advantage, risks, and contingencies of social capital.

## 2. The proposed study

This paper presents an empirical investigation to study the relationship between social capital and organizational commitment. The study considers the relationship between social with three components of organizational commitment; namely, emotional commitment, continuous and normal commitment. The sample size of the survey has been calculated as follows,

$$n = \frac{N \times z_{\alpha/2}^2 \times p \times q}{\varepsilon^2 \times (N - 1) + z_{\alpha/2}^2 \times p \times q}, \quad (1)$$

where  $N$  is the population size,  $p = 1 - q$  represents the yes/no categories,  $z_{\alpha/2}$  is CDF of normal distribution and finally  $\varepsilon$  is the error term. Since we have  $p = 0.5$ ,  $z_{\alpha/2} = 1.96$  and  $N = 1217$ , the number of sample size is calculated as  $n = 292$ . In our survey, there were 122 women and 170 men participated in this investigation. Fig. 1 demonstrates the structure of the proposed study.



**Fig. 1.** The proposed study

The proposed study has been adopted from Watson and Papamarcos (2002) as well as Allen and Meyer (1990). Based on the proposed model we consider the following five hypotheses,

1. There is a relationship between social capital and organizational commitment.
2. There is a relationship between social capital and affective commitment.
3. There is a relationship between social capital and continuous commitment.
4. There is a relationship between social capital and normal commitment.
5. Gender influences organizational commitment.

The study has designed a questionnaire in Likert scale to examine all components of the survey. The study has detected that all data were normally distributed through Kolmogorov-Smirnov test and, consequently, uses Pearson correlation test to verify all hypotheses of the survey.

### 3. The results

In this section, we present details of our findings on testing various hypotheses of the survey.

#### 3.1. *The first hypothesis: The relationship between social capital and organizational commitment*

The first hypothesis of the survey examines the relationship between social capital and organizational commitment. In our survey, Pearson correlation ratio is equal to  $r=0.416$  with  $\text{Sig.} = 0.000$ , which means there was a positive and meaningful relationship between these two components and we can confirm the first hypothesis.

##### 3.1.1 *The second hypothesis: The effect of affective commitment*

The second hypothesis of the survey studies the relationship between affective commitment and social capital. Again, the implementation of Pearson correlation ratio yields  $r = 0.197$  with  $\text{Sig.} = 0.000$ , which specifies that there was a positive and meaningful relationship between these two components and we can confirm the second hypothesis.

##### 3.1.2 *The third hypothesis: The effect of normal commitment*

The fourth hypothesis of the survey studies the relationship between normative commitment and social capital. Again, the implementation of Pearson correlation ratio yields  $r = 0.423$  with  $\text{Sig.} = 0.000$ , which specifies that there was a positive and meaningful relationship between these two components and we can confirm the fourth hypothesis.

##### 3.1.3 *The fourth hypothesis: The effect of continuous commitment*

The third hypothesis of the survey studies the relationship between continuous commitment and social capital. Again, the implementation of Pearson correlation ratio yields  $r = 0.308$  with  $\text{Sig.} = 0.000$ , which specifies that there was a positive and meaningful relationship between these two components and we can confirm the third hypothesis.

#### 3.2 *The results of regression analysis*

The proposed study of this paper has also considered a regression model where organizational commitment is dependent variable and trust and communication are considered as independent variables. Table 1 demonstrates the results of our survey.

**Table 1**

The summary of ANOVA test on regression analysis

Model	df	Sum of Squares	Mean of Squares	F	Sig.	R-Square
Regression	4	9423.248	177.906	12.432	0.000	0.211
Residual	295	23959.26	94.701			
Total	299	29382.508				

As we can observe from the results of Table 1, there are some meaningful relationship between organizational commitment and two independent variables when the level of significance is one percent. In addition, the results of regression model is as follows,

Organizational commitment = 0.189 Trust + 0.204 Communication

t-student	3.26	3.996
Sig.	0.001	0.000

According to the results of regression analysis, an increase of one unit in trust and social capital communication will increase organizational commitment by 0.189 and 0.204, respectively.

#### 4. Conclusion

Human resource management plays an important role on managing organizations. A faithful and loyal employee could contribute on all business units, significantly. In this paper, we have presented an empirical investigation to study the relationship between social capital and organizational commitment in an Iranian Bank. The proposed study has concluded that there were some positive and meaningful relationships between different components of social capital and organizational commitment. The result of our investigation has also indicated that women were more loyal in banking industry in long term than men. In addition, two components of social capital including trust and communication influence on organizational commitment, positively.

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