

Social Capital and Organizational Performance: The Mediating Role of Knowledge Transfer

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Abstract: The purpose of the study was to empirically determine the effects of social capital on organizational performance and whether or not knowledge transfer mediates this relationship. A self-administered instrument was used to collect data from convenience sample of 190 employees from banking sector. Statistical tests of correlation and regression analysis were used to analyze the data. To analyze the potency of the associations of the constructs, correlation was used. Results of the study reflected that social capital influenced the performance of the organizations. In addition, knowledge transfer significantly mediated the association between social capital and organizational performance. The results offered opportunities to organizations to introduce intervention strategies to enhance social capital and use knowledge transfer effectively for superior organizational performance.

Key words: Social capital • Knowledge transfer • Organizational performance • Banking sector • Pakistan

INTRODUCTION

Worldwide competition, swift varying technologies and rising client prospects have caused successful association with stakeholders as an indispensable facilitator to comparative benefit [1]. Predominantly, social capital (SC) fashioned with stakeholders has developed into a priceless and a long-lasting reserve of advantage for the organization [2]. SC is now related with improved organizational performance [3, 4]. Organizations, nowadays are capitalizing on their valuable relationships to gain better performance outcomes. This certainty has augmented significance of this sphere of discipline in the firms and its impact on organizational performance [5].

Although the literature unveils a wide-ranging compilation of knowledge management (KM) definitions, the general organizational intention is to expand the insight of the organization to aid enhanced verdict, assuage novelty and to accomplish enduring competitive advantage for improved performance. Processing this approach requires unrelenting institution of most up-to-date knowledge and the transfer of this latest knowledge in all units/departments of the firm. Knowledge transfer is considerable in enhancing knowledge for leveraged

organizational performance (OP). The interest in OP to endorse competitive advantage is crucial for all firms [6]. The probability to preserve greater performance to battle existing competition is an imperative precursor of firm achievement [7].

Another vital characteristic in obtaining competitive advantage is the ability to effectively relocate knowledge. Despite varying amount of literature on the occurrence and worth of knowledge transfer (KT), several disconcerted matters linger such as the influence, interaction and inference of social capital and connections that encourage KT [8]. Even as KT is an unswerving benefit of SC [9], organizational culture is another key feature of KT. While SC is customary recognized as substantial to KT, yet, a gap exists in literature due to insufficient empirical confirmation encompassing the impact of SC on KT [8]. For a firm operating in an uncertain environment and circumstances, knowledge has been seen as a crucial source. A corporation tries to enhance this source by sharing the available knowledge from inside and outside sources of the organization [10].

Worldwide challenges, pressures and escalating technological improvements have caused the want for firms to continually be novel and progress [11]. Firms with

better capability to share knowledge are further successful in anticipating shifting situations and mounting its' abilities to gain better performance [12]. Firms require constant incorporation, establishment and reconstruction of extrinsic and intrinsic capabilities to influence the outcomes [13].

SC is an imperative contributor of organizational performance, mainly in knowledge embracing centers. In an amplified interconnected system, ability to create SC becomes decisive. Experiential evidence is basically contradictory with the theoretical concepts in maintaining that SC considerably impacts monetary boom and firm's success. The general occurrence of SC is not adequate to influence OP. SC affects corporations by facilitating them with information accessibility [14]. Constructing upon set of connections and knowledge literature, scholars have anticipated that relationship among SC and performance is impacted by KT [15].

Although unseen by the scholars for large amount of time, interrelationships emerge to be the main contributors for administrating knowledge and abilities [16]. Management literature has recognized that SC has a noteworthy influence on sales volume [17]. SC assists the firms in predicting ground-breaking business options reaching a variety of markets [18], devising helpful strategies and in analyzing the necessities of consumers [19].

Regardless of rising studies on KT in past years [20], KT amid persons in the firms has gained reasonably minor deliberation. Furthermore, even as most of the research has paid attention on the antecedents and outcomes of KT; particularly its influence on OP has been somewhat restricted [21]. Despite diverse research studies to determine the connection among KM and elevated OP, the association linking KT and OP is indistinct [6]. The thorough national and worldwide rivalry, financial reliance and insufficiency of economic possessions compel the national banking sector to opt for downsizing with its communal consequences and service effects, along with the mergers and acquisitions that have occurred in banking division [22, 23].

The matter requires to be addressed by paying attention on SC and KM. As Tymon *et al.* [24] suggested, accomplishment in the twenty first century will be more social than when the clans were the principal social constitution of civilization as this is the era of social revolution. Scholars pay attention on gaining victory through developing and increasing SC [25]. So, the query is how SC is able to take part in KT to influence OP in the banking sector of Pakistan.

The present research study is a contribution to fill up the fissure present in preceding literature. Investigative literature lately has recognized the connection among SC, KT and team performance in the context of selling centers. Though, the associations among the concerned variables are non- exhaustive. The scholars have advised that potential research studies can enlarge their conceptual framework and learn its impact on OP. Moreover, the propositions offered require to be tested empirically [26]. A study suggests the empirical determination of the influence of the anticipated facets of SC and its effects on the KT [27]. Research on KT has gained popularity over the past decade. Literature though, has not so far measured emotional facets that depict its attainment and relocation. The financial, communal and cognitive approaches are likely to keep passion out of description. So the scholars have recommended statistical examination of emotional interference as a facet of KT [28]. The vast literature on KT focuses on highly developed countries. In developing economies, researchers ought to battle with KT in an environment where cultural determinants are a vital factor in determining OP. KT in emerging economies needs rigorous cross-cultural modification to incorporate information and construct networks among employees of the firm. A lot less is recognized about the accomplishment of cross-cultural KT linking unrelated cultural surroundings; making organizational culture (OC) a facet of KT [29].

The purpose of this research is to empirically determine the impact of SC on KT and on OP. This study aims to establish if KT mediates the association between SC and OP. This research is also an attempt to empirically determine emotional involvement, a facet of KT that has not been empirically tested before.

Social Capital (SC): The term SC was primarily established in the sociology literature. In spite of general agreement regarding the importance of SC, no commonly recognized viewpoint of the notion substantiates its definition, deepness, or commercial results [30]. In social literature it is emerged that forcing the significance of structure of sturdy interpersonal associations supply the base for belief with the passage of time [31]. Institutions depend on their societal associations to produce, broaden and exploit knowledge options; it gives them with the necessary systems to accomplish entry to discrete assets and association set-ups, enhancing their output [32]. Ferri *et al.* [33] declares that Pierre Bourdieu, James Coleman and Robert Putnam effectively explained the SC over the past 25 years. Based on this description, SC is

the set of current or potential assets which are coupled with possession of an abiding network of mutual societal connection and acknowledgment. This description elucidates that SC might be alienated into two rudiments: first, the societal connections that assist folks to aver entrance to assets infatuated by their contacts and second, the amount and value of those assets [33].

SC has been defined as a variety of units with two rudiments generally: first, the units hold few features of societal constitutions and second, they support optimistic act of those inside the constitution [33]. Conversely, Ferri *et al.* [33] has all eared on local society affiliation and the welfare of the public in describing SC. He has presented an elucidation of the common SC of the populace of either vicinity. Researchers delineate SC by personality of an institution like faith, principles, customs and systems that support synchronized proceedings and enhance the effectiveness of the public [33]. Researchers [34] stated that SC detains the network associations individuals relish in a societal institution; it permits them to recognize and exploit possibilities promoting to novel industry undertakings. The primary ingredients of SC are liaison of networks, figure of entities in the network, their willingness to proffer support and respond when needed and the assets they subsequently make available. In summary, it is the societal networks that sum to a precious asset in the course of new-fangled business enterprise establishment. Network binds as well provides entrance to the concrete and elusive resources like investment and information [8].

There are three facets of SC: structural, cognitive and relational. These variables persuade the ability of individuals to involve others in the network to hound for data and assets [8].

Structural Dimension: In this facet of SC, people gather and distribute knowledge with other people to facilitate KT; they construct and sustain relations with one another to permit supportive and significant acts to happen [8]. The text represents that this facet of SC is supportive to KT amongst persons [35]. Thus organizations must build a secure societal network and system for people compulsory for increasing KT chances and encouraging KT. Firms can build and encourage relationships amongst their workers by giving ample time, emancipation and technical help for KT. They can accomplish this by launching information sharing actions facilitating workers and administration to get close with each other and distribute knowledge with one another [35, 25].

Relational Dimension: This facet of SC connects with trust, principles, customs, predictions and acknowledgments significant in building SC among workers. This facet elucidates that SC is cultivated when people have trust that their behaviours will be comparatively shared and that they will congregate their predicted obligations. It highlights the interpersonal affairs in the firm resulting in progress of SC by virtue of joint aspires, values and common predictions regarding the industry relations [36]. Elevated class relations support path, amplify joint understanding, alleviate prolonged exchange proceedings and exterminate the free-riding conditions by cultivating KT [36]. Moreover, the value of societal relations amongst workers build on particular relationship and combined profit is imperative in generating an important network or system of KT [8].

The relational facet of SC is helpful to KT amongst workers. Truthful institutional culture is a vital requirement for KT. Common faith by diminution in the anticipation of expenditure of KT increases readiness for KT. Readiness is based on mutual belief. Thus, it is imperative to construct a trustworthy firm's culture to buttress the collaboration of workers ensuing in improved and amplified know-how [35, 26].

Cognitive Dimension: The cognitive facet of SC whittles the desire for a general viewpoint and communication to grow SC [9]. Building a general environment can be attained by joint exploitation of general substances and the utilization of anecdotes of past [6]. Cognitive facet is favourable for KT amongst workers [25]. To enhance workers, excellence of combining information, firms must increase workers, understanding and informing capability, lessen information space amongst workers and ultimately build up their KT capability [35, 26].

Knowledge Transfer (KT): It is the procedure of sharing information from one member to the other member. It happens among individuals, group and inside the firm. KT is a process of deal of unspoken and overt information amongst attached parties; one client purposely gain information provided by the other client [20]. The "client" might be a one person, group or teams of people, one firm, or a set of firms [20]. Cummings [36] confirmed that transfer of knowledge among people is connected with output in the expression of organizational variety. Firms must build a culture to support KT inside the firm and amongst all departments from bottom to higher level [35, 25]. Building and communicating information is imperative for all firms to survive in the vibrant settings.

Concrete assets are relatively simple to move whereas information being unspoken is complex to emulate. This study utilizes two facets of KT; OC (organizational culture) and EI (emotional involvement).

Organizational Culture (OC): Generally culture is the detained principles, thoughts and attitudes that subsist in a firm. Basically, culture is “the manner we perform functions in an institution” [37]. O’Dell and Grayson [37] have recommended that organizations with elastic, amenable and friendly culture are flourishing at handling KT procedure [38]. Plenty of literature on KT relates the developed nations. In emerging economies, researchers still effort with KT in an environment as cultural aspects are imperative for OP [29]. Some research identified cultural dissimilarities amongst business set ups and nations in the KT procedure [29]. Culture consists of shared principles, aspires, values and understanding of conditions resulting from information of individuals concerned which are mutual amongst generations. Individuals in a culture act according to the limitations highlighted by what is expected by their common environments. Culture typifies character and behavioural patterns set or erudite [39]. People are supposed to be from different cultures if their methods of living life vary significantly [39]. Culture is recognized as one of the imperative background variables that affects the KT procedure. Authors have coupled culture to KT as information is formed by individuals and ingrained in a particular cognitive and behavioural background and then moved from the resources to recipient by moving their culture-particular principles and frameworks [40].

A firm background holds a huge effect on the business setting and person’s actions. Complimentary firm backgrounds for KM can promote and trigger their workers to build and distribute information more strongly. Thus, firm backgrounds most probably influence person’s actions in KT [12]. Firm backgrounds build conditions that can nurture or barricade the KT procedure from predicting industry opportunities to expansion of novel goods and services [12]. The shift of concrete assets in an organization’s entity is simple than the passage of information that is ingrained in firm’s workers and teams. This situation can generate a barrier and make the procedure extra difficult particularly in entities estranged by cultural and physical limitations. The achievement of KT depends on firm’s capacity to effectively handle the KT procedure [27].

Emotional Involvement: This is a significant contextual facet. The authors state that emotional connection linking the resource of information and information itself will affect the KTP [41]. Research recommends that degree to which specialists are emotionally involved to and recognize themselves with their information will affect the KTP [41]. KTP is not merely a mental, cognitive and societal procedure, but it is a poignant procedure as well. Foucault, [42] declares that authors in the history have frequently paid attention on mental, cognitive features of folks whilst disregarding the poignant facets. Fervor is mostly linked with envy, vengeance, anger and even lunacy and so left out from financial and administration accounts [28]. Fervor is area of emotional connection that shows people determine to inspect untilld logical areas with passion and dedication. Passion is the major feature of specialists, who are in quest of nonstop investigation for the unidentified [43]. The quest is aggravated by interest about discovering innovative methods of learning and working [28].

On the other hand, Passion/fervor is a key feature of people typified by a stable investigation for the unidentified. It aids to sustain the struggle at epochs of collapses and encourages them to prosper. This is the field of emotional connection that clarifies people determine to find out new rational areas and ensure for novel views with obligation. The quest of rational defy is determined by prying about finding out latest methods of learning and distribution. If interest forces the chase for the unidentified, Fervor interprets it into behaviors [44]. Passion for information is imperative to activate a person’s energies for supporting an unfathomable and lifelong promise to person’s scholarly and professional growth [44].

One’s dedication to his or her information is a predictor of its passage; particularly the more fervent people are, the more they are involved in sharing their information to co-workers. The ardor for understanding shows a passion for sharing that understanding [28]. KT requires excitement, interest and interest. Interest has effect on the sharing of information. Interested people want to find out and to transfer their experience with others. Professionals are encouraged by their lasting pursuit for knowledge and their readiness to transfer that knowledge [28].

Organizational Performance: In this paper, two facets (non-financial and financial) of OP have been used.

Non-Financial: It is the capability to produce innovative products or services, the capability to forecast happenings or calamities, the progress of the ability to react to new knowledge of industry [45]. Research scholars [45] have made an instrument of OP which involves relative edge and worker output.

Financial: Research scholars have made an instrument of performance which involves market share and profit margin [45]. Moreover, Tippins *et al.* [46] projected that OP is measured on magnitude of sales growth or revenues.

Knowledge is thought to be one of the most significant assets of firms. It may increase the firm's abilities for maintaining competitive edge and to perform better than its rivals. Managing abilities and information improves rational decision making and plan achievement. The research sets up the association between KT and performance, but need both academic and experimental support [47]. Literature supposes that organizations attain improved performance if firm's KT is efficient. The KT procedure success is connected with approach to limited, distinctive and matchless information asset and using this asset for profitable goals [47]. The centre of novelty placed in a set-up of practical relations. Thus, the organizations with more knowledge in handling relations are more positioned to get edge of that information and benefit from amplified expansion rates of innovative goods and services [47].

Relationships between SC and OP: SC as a determinant of organizational performance has been largely analyzed in research papers over the past years. This literature divulges that societal relations verified to be important assets for company growth for existing and new businesses. Societal set-ups support in identifying industry chances and approach to assets that are needed for new venture to endure and expand. In general, SC relates to societal connections amongst workers producing fruitful outcomes [48]. Social relationships are valuable assets for they support financial movement and enhance performance [48]. Other research scholars have confirmed that SC can increase achievement by improving a person's position and power [49]. Past research papers have observed the effect of societal relationships on business's performance and portrayed how the investment of time and assets in the development and protection of these relationships is positively connected with sales enlargement [49]. Furthermore, it is established that the development of networks among people and firms also increases performance [44, 49, 50].

Relationship Between SC and KT: Social psychology discusses about how societal backgrounds and conditions affect the thoughts, beliefs and actions of individuals [51]. So aspects related to a person's psyche which affects his or her attitude in society are recognized as social-psychological aspects. The trepidation that a person's information participations can be pessimistically estimated by co-workers in the firm is an illustration of social-psychological aspect [52]. This type of trepidation may be an obstacle and stop an individual from transferring his information. Other illustrations of social-psychological aspects involve mutual faith [53] and anticipation of an interpersonal relation because of distribution of information [54].

Societal aspects like mutual understanding, degree of teamwork among workers, common customs and principles and the power and compactness of network bonds are illustrations that have been considered in association to KT in organizations [20]. Studies have suggested the power of the network bonds as a significant driver of KT among business entities [20].

Sharing information is usually connected with major variations like the crumbling of conventional practices at the receiver entity or variations in the firm culture. The complexity of the KT procedure needs commitment to substantial assets to know, regulate and integrate the information into its existing firm arrangement [27]. It has affirmed that knowledge gumminess; the complication of gathering, sharing and utilizing information improves because of need of receiver incentive, need of reliability of the resource and arduous relations among the receiver and the resources of information. Research scholars affirm that the relations among the recipient and the sources of information are important in the KT procedure. A successful KT needs the active participation of both the resources and the receiver. Researchers suggested that KT is a mainly societal process [27].

In addition to understand the success of information formation and move in an organization, it is essential to know the culture and its configuration. The close societal inside or outside connections amplify the potency, intensity, extent and success of the joint information connections. The KT literature recommends that cultural clash especially forward to decrease performance. Therefore, entity, firm or nationwide cultural misapprehensions can disturb a competent and successful KT. A firm culture that encourages knowledge, transformations and modernization has more fast speed of KT [27].

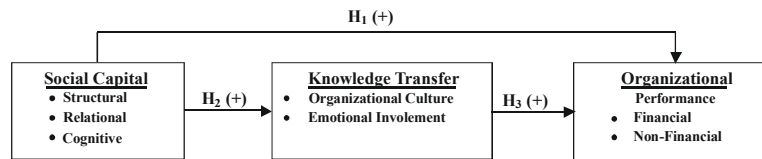


Fig. 1: Conceptual Model

Relationship Between KT and OP: Information of a firm is a valuable, scarce and unique asset and thus, it is a resource of competitive edge. Organizations require to look for the most quick and efficient techniques of handling information, involving its formation, passage and exploitation [37]. KT facilitates the exploitation of information for the accomplishment of firm's goals. Information is spread amongst workers, groups and sections in a firm. Therefore, a firm requires bringing out and incorporating this wide information from different resources to achieve the objective of fabricating innovative goods and services. Research scholars expressed this as the incorporation of information, which is the appearance of firm abilities. Efficient combination falls out in the development of unique and individual capabilities which might generate a durable comparative edge for the organization [20]. A person's connection to his or her information is a forecaster of its move, mainly, that the more fervent a person, the more he or she will be concerned in transferring their information to co-workers of the organization. The zeal for learning illustrates passion for sharing that information [28]. KT may be sighted as main part of a company. Combination takes place when information initiated from one side is used and applied on other side and it is the purview of KT [20].

KT in the firm enables workers with required information they need to manage and solve clients' questions effectively, facilitating them to be efficient at handling and holding clients. KT gives data that enables companies to predict emerging goods and services requirements, facilitating them to bring in novel goods and services prior to competitors. Company's culture provides conditions that might cultivate or encumber the KT procedure from predicting industry chances to enlargement of innovative goods and services [12]. Research studies have offered a positive connection between KT and company tangible and intangible results. KT improves firm consistency; and straps its workforce with each other [27]. The workers have better work performance, contentment and lowered differences. Moreover KT is essential for people's progress as they become more aware by getting knowledge from co-workers [26].

H₄: KT mediates the relationship between SC and OP.

Research Hypotheses: Following propositions are hypothesized:

H₁: SC predicts OP.

H₂: SC affects KT.

H₃: KT impacts OP.

H₄: KT mediates the association between SC and OP.

MATERIALS AND METHODS

This research study is causal, quantitative and cross-sectional in nature.

The SC consists of three facets; structural (2 items), relational (5 items) and cognitive (4 items) in that order. KT comprises of two facets; OC (7 items) and EI (emotional involvement) (11 items). OP involves two facets; financial (5 items) and non-financial (3 items). Likert scale (five points) was utilized to get the responses. The scale ranged from one (strongly disagree) to five (strongly agree). The scales of the instrument have been adapted from different studies as reflected in Table 1.

All scales for these variables have been validated in previous studies. By the operationalization of these confirmed and corroborated items, content validity has been confirmed [62].

Pilot testing of the questionnaire was done through the sample of 40 workers from the populace. The results of pilot study showed proper reliability [63]. The Cronbach's alpha of constructs ranged from 0.663 to 0.936.

Convenience sampling method has been utilized in this research paper. It was a self-managed study. To investigate the developed propositions, a prearranged questionnaire was utilized. Questionnaires were distributed to workers (men and women) functioning in diverse organizations (banks). Out of the 250 questionnaires, 190 were returned and used in the data analysis with 76% response rate. Descriptive statistics (mean & standard deviation), correlation and regression analysis were used to examine the hypotheses. SPSS 17 (Statistical Program for Social Sciences) software was applied for data analysis.

Table 1: Instrument Development

Variables	No. of items	Authors
Structural SC	2	Martínez-Cañas <i>et al.</i> [34]
Relational SC	5	Martínez-Cañas <i>et al.</i> [34]
Cognitive SC	4	Martínez-Cañas <i>et al.</i> [34]
Organizational Culture	7	Cantú <i>et al.</i> [37]; Rhodes <i>et al.</i> [8]; Gold <i>et al.</i> [55]
Emotional Involvement	11	Tuan <i>et al.</i> [56]; Amabile <i>et al.</i> [57]; Schaufeli <i>et al.</i> [58]; Reio, [59]; Allen <i>et al.</i> [60]
Non-financial Performance	5	Delaney <i>et al.</i> [61]; Gold <i>et al.</i> [55]
Financial Performance	3	Delaney <i>et al.</i> [61]

RESULTS

Demographics: The demographic characteristics of participants were based on gender, age, level of job and education.

66.3% respondents were between the age of 20-30 years; whereas 25.3% had age between 30-40 years, 7.4% were between the age of 40-50 years and only 1.1% of total respondents were more than 50 years of age. 71.1% participants were male; whereas females were just 28.9%. Most of the participants (58.4%) were non-managers; whereas 41.6% participants were managers. 24.7% participants held graduation degree, whereas 64.7% and 10.5 % had master and M.Phil degrees respectively.

Descriptive Analysis: The results show general confirmation of the participants to the study constructs. The average values ranged from maximum 3.9125 to minimum 3.8804.

Reliability and Correlation Analysis: First, reliabilities of constructs and significant correlations were calculated. The findings are showed in Table 2. The statistics showed suitable reliabilities (Nunnally, 1978). The Cronbach's alpha of constructs ranged from lowest 0.871 to highest 0.919.

The results of correlation in Table 3 indicates that SC had the strong positive correlation 0.785 with the KT. 0.659 show that SC has positive and statistically significant relationship with the organizational performance. The value of correlation between KT and OP is 0.657 which shows a positive and statistically significant association between the constructs. Correlation of all variables is significant at the 0.01 level.

Barron & Kenny's [64] technique was utilized to examine the mediation model.

The findings of regression analysis are represented in above Table 4. The complete model fit for regression equation was confirmed by *F* statistics. The models represent positive and statistically significant associations. The IV (SC) responsible for

Table 2: Internal consistency (reliability) of important variables:

Variables	No. of items	Cronbach's Alpha
Social Capital	11	0.894
Knowledge Transfer	18	0.919
Organizational Performance	8	0.871

Table 3: Correlation among important variables

	SC	KT	OP
SC	1	-	-
KT	.785**	1	-
OP	.659**	.657**	1

** . Correlation is significant at the 0.01 level (2-tailed).

43.1% (Adjusted $R^2 = 0.431$) of variation in DV (OP). The model shows significant affect of mediation of KT ($F = 87.934, p = 0.000$). The IV (SC) with mediation of KT responsible for 47.9% ($R^2 = 0.479$) of variation in DV (OP). Results indicate acceptance of all hypotheses.

DISCUSSION

This research study validates the impact of SC on OP and the mediating role of KT in relationship of SC and OP. The empirical results of this research verify that KT in companies can be attributed to the SC and OP can be credited to the combined effects of SC and KT.

The findings of the first hypothesis indicate that there is a positive impact of SC on OP. Over the past decade, SC as a driver of firm performance has been explored in literature. This SC literature [65, 66] demonstrates that social networks prove to be significant resources for the expansion of any business. Societal relationships make it feasible to predict business prospects and contact to resources that are mandatory for continued existence of industry. Generally, SC refers to social relations amongst individuals producing fruitful outcomes [47]. Societal relationships are valuable possessions that assist monetary activities and improve overall performance of firms [47]. The results are in accordance with prior studies [67, 68, 48].

Table 4: Results of regression analyses for H₁, H₂, H₃, H₄

Steps	R	R ²	Adj.R ²	Unstandardized Coefficients		Standardized Coefficients		t	F	Sig.
				B	Std. Error	Beta				
Step 1 (Constant) SC(IV) → OP(DV)	.659	.434	.431	1.611	.194	.659		8.289	144.00	.000
				.593	.049			12.000		.000
Step 2 (Constant) SC(IV) → KT(MV)	.785	.616	.614	1.231	.155	.785		7.945	301.18	.000
				.684	.039			17.355		.000
Step 3 (Constant) KT(MV) → OP(DV)	.657	.431	.428	1.277	.223	.657		5.724	142.52	.000
				.678	.057			11.938		.000
Step 4 (Constant)										
SC(IV) OP(DV) → KT(MV)	.696	.485	.479**	1.148	.215			5.343	87.934	.000
				.336	.076	.373		4.404		.005
				.376	.087	.364		4.299		.000

Model 1: Predictors: (Constant), SC; Criterion: OP

Model 2: Predictors: (Constant), SC; Criterion: KT

Model 3: Predictors: (Constant), KT; Criterion: OP

Model 4: Predictors: (Constant), SC, KT; Criterion: OP

*p<0.005

** Δ R² is 0.048; N= 190

The results of the second hypothesis reflects significant positive impact of SC on KT. Prior studies on the impact of social networks and relationships on KT favours the statement that KT is improved by understanding how societal relations affects KT [8]. Comprehending social interactions present a viable alternate for establishing the amount of implicit KT. Recent studies related with the management of KT found that allocation of knowledge between persons is vital for firms [8]. This demonstrates that KT can be considered as a social procedure and an essential element of personal and organizational learning. The foremost objective of KT is the organization's consumption of this knowledge. Prior studies on KT recommend that flourishing KT is achieved not only through official processes but also societal networks [20]. KT is extremely influenced by organizational surroundings and customs as it is an individual's behaviour. Individual's action like keenness and dedication to knowledge and transmission of information plays a significant role in successful KT. Furthermore, the outcomes in the past studies recommend that preserving suitable social networks significantly improves KT [8].

The findings of the third hypothesis are in congruence with the prior studies [26, 20]. Past research studies present support to the hypothesis that KT has a considerable impact on OP. In today's knowledge-based economy, there is a substantial necessity for organizations to work in atmosphere that encourage creativity and support acquiring and transferring of knowledge [37]. KT is fundamental constituent in boosting knowledge for superior OP [6].

This research study authenticates the mediating role of KT in SC and OP relationship. This study demonstrates that both SC and KT are vital for OP. The results of this study are in consensus with the literature on SC [49, 12].

This research study has empirically examined the proposed model that OP is affected by SC and KT. This study brings together the relationships and knowledge perspectives and verifies that the relationship between SC and OP is mediated by KT. An organization's inner SC facilitates effective KT and collaboration for performing the required tasks. The findings put forward that successful transferring of knowledge necessitates individual's concern and devotion to a particular task [37, 69]. Organizations profoundly depend upon social relationships and interactions to work, where every agreement is seen in relation to the precedent and potential viewpoint. Alteration and creativity rely not only on the features of the products or services, but also on relational consequences. Organizations are progressively becoming more concerned about joint success and mutual wellbeing than the individual interests [26].

Managerial Implications: The findings of this research study can assist firms to boost innovation and consequently increase OP, by enhancing KT amongst employees. This study has considerable realistic implications, as it advises managers that to transfer knowledge efficiently they ought to focus on building and maintaining quality contacts and relationships [19]. This research study brings into light the importance of trust in KTP in organizations [70, 71]. Developing and maintaining a knowledge sharing workforce is not only clustering a

number of individuals, but it is ensuring a trusted OC. To encourage trust, a trusting organizational culture is essential. The managers should assist their employees in developing structural, relational and cognitive social capital to help enhance personal and organizational performance through effective sharing of knowledge. The use of appropriate associates and network ties is very significant in building KT culture. Managers can use such meaningful and significant system of relations to make effective groups and teams who will perform better and consequently affect OP in a positive way.

Managers may employ fresh graduates of different universities or from different geographical contexts to form new groups and teams. These diverse people will acquire diverse knowledge and skills and once a truthful and close relationship is developed amongst them; they may execute better than the group and team, based on mere contacts [70]. Managers require discovering the level of emotional attachment of their workforce with their knowledge and then make an effort to capitalize this attachment in the form of knowledge transferred to other members of the organization. Furthermore, KM is recognized as a comparative advantage for firms and learning about factors that might help or hinder a fast and effective KT among individuals is of strategic significance [27].

Academic Implications: The current study is an input to the statistical determination of the associations between the conceptually proposed variables and dimensions. This research study is an effort to explore the assistance of SC to the transfer of knowledge and its consequence on organizational performance in the Pakistani banking sector. Moreover, it is an endeavour to empirically evaluate the facet of KT i.e., emotional involvement; which lacked empirical investigation. Current research study also analyzes the impact and linkage among SC and OP through the mediation of KT, consequently adding to the offered research on knowledge management, social capital and OP.

This research presents that development of valuable connections between the workforce and firm itself may well improve performance. Additionally to figure out the usefulness of relocating knowledge in an organization, it is important to comprehend the social order and its assortment. The valuable social external as well as internal networks enhance the vigour, profundity, extent and usefulness of the mutual knowledge exchanges.

Limitations: Present research is not devoid of some limitations. To begin with, the study sample comprises of only participants from Pakistani banking sector, also it is a limited sample size. For generalizability, this study may possibly be replicated in any other industry or context with augmented sample size. This is a cross sectional research in nature which does not covers the time lag effects. Subsequently a longitudinal study is recommended to examine the offered conceptual framework. The presented framework investigated in this research is an uncomplicated adaptation of a complicated phenomenon. A variety of new prospects can be tested in future that can provide comprehensive understanding of the phenomenon under study. Research in future can investigate the individual effect of three dimensions of SC on KT and OP. Moreover this research study only measures the function of KT. Merely one intermediary KT is applied in the current study, though potential research studies might integrate other mediators than KT that may have an effect on OP through SC. In addition, facets other than OC and EI should be investigated and determined.

Future Recommendations: The potential studies can empirically investigate the impact of the three facets of SC individually on OP via the intervention of KT. Prospect scholars can also analyze the relationship among the three dimensions of SC and their outcomes on KT. Literature recommends that SC can affect other dimensions of KT such as the complexity of knowledge being exchanged. Research studies in the future can link SC with different dimensions of KT.

CONCLUSION

The current research study empirically determines the association of SC, KT and OP. The outcomes verify the significant positive impact of SC on OP through the intercession of KT. Results of this study suggest that firms need to vigilantly handle their internal SC. The study outcomes disclose that existence of SC may possibly be useful for OP. SC impacts OP ultimately by improving KT. Throughout configuration of teams, it is vital for managers to regard the characteristics of formal and informal relations between workers. However, it is not SC alone that alleviates performance. For SC to impact performance; organizations are required to ensure that knowledge is exchanged, because it is KT that transforms SC into superior performance. Organizations can persuade

KT by performance assessment and provision of rewards depending on KT, giving stage for exchanging knowledge like mutual planning sessions, building common interests between the workforces and also among departments. Firms proficient in exploiting SC to influence KT are inclined to be flourishing at sustaining preferred behaviours of employees, which results in better OP [26].

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