

The Relationship Between Social Capital and Organizational Entrepreneurship in Iran Physical Education Organization

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Abstract: The purpose of this study was to investigate the relationship between social capital and organizational entrepreneurship in Iran Physical Education Organization. This investigation is a descriptive and correlation nature which was conducted as a survey study. For data collection, a reliable and valid questionnaire ($\alpha=0.85$) was applied. The total population included 50 employees of the Iran Physical Education Organization. However, the final sample which was originally equal to the main population was reduced to 46 because some of the questionnaires were not sent back to the researcher. Spearman Rank order correlation was applied for data analysis. Results revealed that there is a positive and significant relationship between social capital and organizational entrepreneurship with a 1% error probability ($r=0.787$). In addition, there was a positive relationship between social capital subscales (Cognitive and Structural dimensions) and organizational entrepreneurship ($r=0.717$, $r=0.718$). There was a positive relationship between organizational entrepreneurship subscales (new business, innovation, Self-renewal, risk taking, proactive ness, competitive aggressiveness) and social capital at the level $P<0.01$ is respectively 0.767, 0.686, 0.668, 0.531, 0.587, 0.547 that indicates a positive and meaningful relationship between them.

Key words: Social capital • Organizational entrepreneurship • Organizational entrepreneurship subscales

INTRODUCTION

In the present ever-developing world, those societies and organizations will be successful that establish a meaningful relationship between their rare resources and the managerial and entrepreneurship capabilities of their human resources. In other words, only when a society or an organization equips its workers by providing them with knowledge and skill in order to direct and manage other resources of the society or the organization to reach its desired value and development, can it have a progressive and fast movement in the line of development [1].

Social capital is a set of valuable resources inherent in social relations of primitive and secondary groups and also in the social organization of the society (official and unofficial institutes). Some major resources, which are sometimes referred to as social values, are: honesty, rapport, sympathy, friendship, participation, etc. Through these resources, social capital can make the interaction of the active members in different levels somehow easy, quick and inexpensive and this way help them in reaching their common social goals [2].

Human and physical capitals facilitate productive activities and social capital works as well. For instance, groups whose members trust each other perform better than one which doesn't have trustful members [3].

The Role of Individuals and Human Capital in the Social Capital of the Organization:

The theory of human capital explains that individuals make rational choices for a better investment in their time, efforts, money, education, studies and experience. Social capital is exchangeable and doesn't belong to any particular organization since it is the workers of the owners of social capital who decide for the rate of the investment in human capital. Social capital makes value through investment in increasing the knowledge, skills and capabilities of individuals. One form of investment in human capital is education and higher levels of education demonstrate better investment in this part. It is also said that age is another form of human capital in a way that younger workers have more time to improve their qualifications than the older ones [4].

Researchers explained that the relationship between human capital and social capital is causative, that is, every individual's knowledge is positively related to the position he gains in social network and this way his social capital is improved according to his effect on other members. It is to say that those who have higher social capital are respected more because of their proficiency and other people seek their help and advice and this in turn increases their influence upon others. Similarly, interaction between human capital and social capital has positive effect on the organization's financial performance [4]. Top managers nowadays are aware that social capital increasingly gains more importance and they also know that they can rarely find individuals with high social capital. The higher value of these individuals has drawn the attention of organizations to brain-drain and accordingly managers seeking to promote their organizations try to hire workers with high social capital

and this way increase their invisible assets [5]. Generally, individuals with high social capital gain a higher position than others in the organization in a way that they have access to the required information and are able to understand the problems and find functional solutions [4]. Thus enables them to solve the problems easier and act as an important resource to deal with other workers. This way other workers turn to consult them more frequently and they reach an advantageous position in the organization that can be used as an important resource in future transactions. Thus these individuals get more opportunities to help the organization and can achieve promotion and success in their career.

Managers with high social capital get promoted quickly. Individual with high social capital due to their great relations with people are less dependent on a single person and can control others over achievements in resources [4].

Dimensions of social capital LockLee (Fig 1).

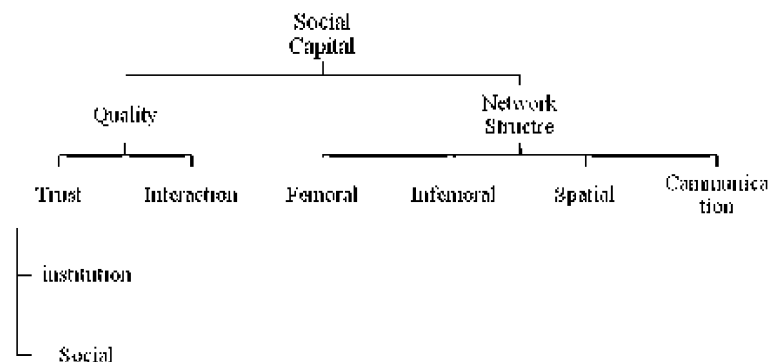


Fig 1: LockLee classified aspects of social capital

Dimensions of social capital of Stone (Fig 2)

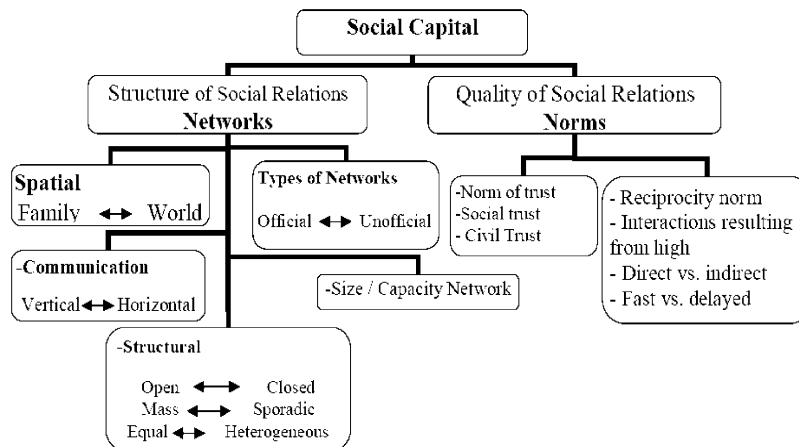


Fig 2: Stone classified aspects of social capital

Dimensions of Social Capital in Australian Institute of Family Studies: This model of Lock Lee [6] and Stone [7] includes:

- Cognitive dimension: social capital that refers to interactive relations and trust and trust itself that is divided into two types of institutional and social [6].
- Structural dimension: social capital that refers to interrelation of individuals in the organization and includes the ratio of their relations [8].

Stevenson and *et al.* express that entrepreneurship is a process in which individuals, for their own benefit or the organization they work for, try to pursue the opportunities disregarding the sources that control them. Organizational entrepreneurship acts in the realm of the organization and develops its structures, approaches, norms, technologies, services and products or directs them into new paths [9].

Dimensions of Organizational Entrepreneurship of Antonic-hisrich: Antonic-Hisrich explains organizational entrepreneurship as a process in which an entrepreneur supported by an organization can do his entrepreneurial programs. They provide eight dimensions of organizational entrepreneurship that include: 1, 2- Departments and new businesses which can have independent or semi-independent official units that are known as incubative entrepreneurship. These independent institutes can be placed inside or outside the realm of the organization. 3, 4- Innovation in process and product/services that include making new products and improving them and new procedures and ways for production. Determines development and promotion of products and services and also technologies in production as part of organizational innovation and considers innovation in production and technologies as a sign of innovation in productive companies [10]. 5- Self-renewal: refers to reformation of the organization by renewing key ideas upon which it is basically constructed. It includes strategic changes and redefinition of the concept of business, reorganization and providing systematic changes for improvement. 6- Risk-taking: risk can be related to quick persuasion of opportunities and employing resources and enterprising activities. 7- Pro-activeness: refers to pioneering endeavors in pursuing opportunities and entering into new markets. 8- Competitive aggressiveness: is defined as the organization's inclination in challenging other competitors. Thus, considering available models and

dimensions in the area of organizational entrepreneurship, eight dimensions of Antonic-Hisrich is used in the present study for it is new, comprehensive and completes [9].

In a research by Mostafa Ashna [3] the relationship between social capital and organizational entrepreneurship in Arak Pars Wagon Co. is investigated. The results indicate that increase or decrease in social capital increases or decreases organizational entrepreneurship and organizations that have high social capital can become a successful organization through values, standpoints, commitments, contribution and trust in the system and also through managerial structures and procedures such as group work, methods and processes. Oshima *et al.* [9] investigated social capital and entrepreneurship in their research and expressed that the entrepreneur in an organization represents human capital with special skills and capabilities and it is of great value for his organization because this individual's human capital turns to social capital as he enters into the organization and can be considered a part of that organization. This dynamic process of changing of human capital into social capital is a means that promotes organization's value in all times. Also it was indicated in the research that as the entrepreneurial capital increases in the organization, organization capital and time allocated to work by the entrepreneur, profits of the organization and its value increase as well. Mueller [10], in his article *Entrepreneurship in the region*., discusses different types of human, social, financial and new entrepreneurial capitals and expresses that social capital facilitates entrepreneurship and helps individuals to start a business and get some valuable resources necessary for the early stages of their business [11]. According to Lina and Wan Borren, there is a positive and meaningful relationship between social capital and the workers' commitment, flexibility of the organization, managing group activities and creating a high-level implicit capital and thus social capital can promote the performance of the organization. They have created a structure called "organizational social capital" and define it as a source that reflects the features of interior social relations. In their opinion, organizational social capital is known by the workers' tendency in group activities and their mutual trust, which makes value by the facilitation of group activities [8]. Regarding these researches, we perceive that nowadays social capital plays a more important role than human and physical capital in organizations and societies and is the binding point between public and group relations, people, people and organizations and organizations with

organizations. Without social capital, other capitals lose their effect and it becomes hard to develop in economical and cultural grounds [10]. From the other side, considering entrepreneurship in the frame of enclosed social structures provides the way for a broader prospect for entrepreneurship and brings to notice some important points that were formerly neglected and less attended. So, the aim of this research was studying the relationship between social capital and organizational entrepreneurship in Iran Physical Education Organization.

MATERIAL AND METHODS

The present research is a functional research because the findings will be used for solving special problems in the organizations and is an attempt to provide an answer for a scientific problem in the real world. Since the researcher tries to study the relationship between social capital and organizational entrepreneurship, the present study is a descriptive and participatory one. The statistic data were gathered from 50 individuals from the Physical Education Organization. The samples were as many as the individuals, but since some of them didn't know how to fill in the questionnaire, we have 46 samples. (n=46)

Methodology of Data Gathering: In this research we used the questionnaire of Mostafa Ashna [3] with $\alpha=0.83$ and to elevate its validity, we compared it with the results of General Bureau of Physical Education of Khorasan Razavi which yielded $\alpha=0.83$. The questionnaire was in two parts:

- General questions: (including sociological features of individuals).
- Professional questions: (20 for organizational entrepreneurship and 20 for social capital). For this purpose we used multiple choice scale of Lycrete. And variables are :
- Organizational entrepreneurship which includes eight dimensions: 1, 2- Departments and new businesses. 3, 4- innovation in process, products/services. 5- Renewal. 6- Risk taking. 7- Pro-activeness. 8- Competitive aggressiveness.
- Social capital including two dimensions: 1- cognitive dimension 2- structural dimension

Statistical Methods: In this research, to analyze the data and approve or disapprove hypothesizes we used descriptive statistics (to measure frequency, mean and variance) and analytical statistics (participation test of Spearmen) With SPSS and Excel.

RESULTS

Hypothesis 1: there is relationship between social capital and organizational entrepreneurship in the Iran Physical Education Organization (Table 1).

Table 1 shows that there is a strong relationship between social capital and organizational entrepreneurship, $r=0.78$, in a meaningful level ($\alpha= 0.01$) and we can say that there is a direct linear relationship between them in a way that organizational entrepreneurship decreases/increases as the social capital decreases/increases.

Hypothesis 2: there is a relationship between the elements of social capital and organizational entrepreneurship in the Iran Physical Education Organization.

- The findings indicate that there is a relatively good linear relationship between the cognitive dimension and organizational entrepreneurship, $r=0.717$ and assuming H_0 in a level 0.01 is meaningful since increase/decrease in one affects the other.
- Findings indicate that there is a statistical link $r=0.71$ between two variables of cognitive dimension and organizational entrepreneurship in a meaningful level $\alpha= 0.01$. In other words there is a positive and meaningful relationship between them and it shows that at higher levels of social capital, organizational entrepreneurship increases (Table 2).

Table1: Test the correlation between social capital and corporate entrepreneurship $P < 0.01$

Variables		Social capital
Corporate Entrepreneurship	Correlation Coefficient	0.787
	p-value	0.001

Table 2: Correlation test, between cognitive and structural social capital sector and corporate entrepreneurship $P < 0.01$

Variables				
Cognitive dimension of social capital				
Structural dimension of social capital				
Corporate Entrepreneurship	Correlation	Coefficient		
	0.718	0	1	7
	p - v a l u e	0	0	0
	0.001			

Table 3: Correlation test between entrepreneurship and organizational components of social capital $P < 0.01$

Variables	Social Capital	
New Business	Correlation Coefficient	0.767
	p-value	0.001
Innovation	Correlation Coefficient	0.686
	p-value	0.001
Self-Renewal	Correlation Coefficient	0.668
	p-value	0.001
Risk taking	Correlation Coefficient	0.531
	p-value	0.001
Proactive ness	Correlation Coefficient	0.587
	p-value	0.001
competitive aggressiveness	Correlation Coefficient	0.547
	p-value	0.001

Hypothesis 3: there is a relationship between organizational entrepreneurship and social capital in the Iran Physical Education Organization.

- Findings indicate that there is statistical link between social capital ($\alpha=0.01$) and new businesses at a relatively good level $r=0.767$, it means that new business can be regarded as an increasing variable in increasing social capital.
- It was indicated that there is a positive and meaningful relationship ($r= 0.686$) between innovation and social capital ($\alpha=0.01$) and it shows that increasing social capital in the organization increases innovation.
- Findings indicate that there is a statistical link between self-renewal and social capital $r=0.686$ and we can say it is a direct linear and relatively high relationship.
- There is a positive meaningful relationship between risk taking and social capital ($r=0.531$), namely as the risk taking in the organization increases, social capital increases too.
- Findings indicate that there is a positive and meaningful relationship between pro-activeness and social capital $r=0.587$, namely if proactive spirit rises in the organization social capital increases.
- findings indicate that there is a positive and meaningful relationship between competitive aggressiveness and social capital $r=0.547$, namely by increasing competition in the organization social capital increases (Table 3).

DISCUSSION

In the present study, participation value between the elements of social capital (cognitive and structural) and

organizational entrepreneurship at the level $P < 0.01$ is respectively 0.717 and 0.718 that indicates a positive and meaningful relationship between them. Also, participation value between the elements of organizational entrepreneurship (new business, innovation, self-renewal, risk taking, proactiveness, competitive aggressiveness) and social capital at the level $P < 0.01$ is respectively 0.767, 0.686, 0.668, 0.531, 0.587, 0.547 that indicates a positive and meaningful relationship between them. After all, the findings show a positive and meaningful relationship between social capital and organizational entrepreneurship ($r= 0.787$) at the level $P < 0.01$. In other words increase/decrease in social capital between individuals causes organizational entrepreneurship to increase/decrease. An organization that possesses a good social capital can affect transformation of explicit and implicit information and foster new ideas in individuals which increases their creativity and ultimately innovation and entrepreneurship in the organization. Thus it can be a potential entrepreneur organization and, vice versa, an organization without or with low social capital will not promote learning and trust (one of the major components of social capital) and in this case the entrepreneur individual who makes a mistake will be punished; so the optimal strategy for that individual would be to deny or cover his mistakes which in turn will decrease organizational entrepreneurship.

Also, for the structural dimension of social capital - which is related to structures and processes of management like responsibility of the managers, clarity in decision making, decision-making and execution based on group work- we can say that having established an organization of horizontal and vertical relations based on decision-making and group work provides the ground for new ideas to foster and finally organizational entrepreneurship is created in the organization. And also for cognitive dimension -which is related to phenomena like values, standpoints, commitments, participations and trust in the organization- it is said that organizations with higher participation, commitment and trust enjoy a greater and better creativity, innovation and finally entrepreneurship because individuals don't waste their time protecting themselves in interactions with others and controlling the misdoings of their colleagues. Consequently any organization with higher cognitive social capital will have a better organizational entrepreneurship.

Creating new departments in the organization, innovation in procedures and services/products, creating a risk taking spirit and pro-activeness in providing

services and new processes increase interaction and trust among the workers and creates communicational channels for better and more effective participation and nonofficial networks in the organization and consequently increase social capital among the workers.

According to the studies and the results found by the researcher in this field to gain desired status in sportive organizations such as the bureau of physical education, the following.

Suggestions Need to Be Considered:

- The dominance of conservative culture blocks the way for entrepreneurial activities in big organizations, so creating a rational risk taking culture among the workers and managers by a rewarding system (rewarding individuals with a good sense of risk taking and introducing them as a model for others), pursuing opportunities and quick exploitation of resources, increase organizational entrepreneurship.
- Using techniques for increasing creativity and innovation: brain-challenging activities, compulsory relations, modeling the nature, parallel thinking.
- Creating research teams for bigger research departments in the organization.
- Because the workers are paid monthly and according to their working hours, they are not motivated to innovation and creation, so, although financial reward is important, finding a better system of rewarding seems essential.
- Creating the culture to accept mistakes and failure: since most of the entrepreneurial activities may fail to succeed and some just partly succeed, the organization must consider it natural in case it happens.
- Using a more flexible structure with less complexity and concentration in which top managers allocate more freedom on their workers and hold meetings to bring the workers in decision-making processes in the organization.
- Creating a sense of social responsibility: when individuals feel that their top managers feel responsible towards the society, they get a positive feeling about their atmosphere and it leads to more mutual trust between them.
- Creating professional groups and team works from volunteer experts and specialists can increase social capital in the organization.

- Using employment practices in which not only the proficiency of the individual but also his sociability and ability in establishing connection and his willingness in group activities are considered (based on psychological tests in this regard).
- Using social capital indexes in evaluating systems: evaluating processes should be done in ways that increase social capital.
- The organization should try to provide the individuals with physical requirements and safety in order to improve esteem (positive self-image) and self-development in individual according to hierarchal level of social requirements of Mazola.
- Create an atmosphere for individuals to express themselves and become extrovert so that they can develop their relations with others and increase social capital.

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