

## Case Report

# **The effect of social capital on the performance of the branches of credit institutions (Case Study: SAMEN branches in the northern provinces of Iran)**

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## **ABSTRACT**

The concept of social capital include concepts such as trust, cooperation and partnerships among members of a group or a organization and society that shapes the targeted system and achieve the worthy goal to be guided by them. This article describes the relationship between social capital with the performance of the branches of a SAMEN credit institution's staff. The research method was survey and statistical population of all employees in the branches of a Samencredit institution in the northern provinces of Iran (North Khorasan, Golestan, Mazandaran, Gilan and Ardabil) included a random sampling of 265 employees (according to Morgan's formula), for example, were identified. The independent variable of social capital (trust, network connections and a sense of security) and the dependent variable is the performance of the branches. The study, Cronbach's alpha was 0.875. All statistical analyzes were performed using spss software. The results showed that the social capital of employees, network links, a sense of security and trust of employees and branches yield significant relationship.

**Key words:** social capital, social trust, a sense of security, network links, a Samen credit institution

## **1. INTRODUCTION**

Social capital is, in fact, common ideals, consensus and social integration and a strong impetus for development, honors rising, trust, honesty and mutual respect, people relate to each other, respect for values and norms and ethics and avoid any pretense at social action to contribute to the progress of society and defined. In this regard, and given the importance of this issue is discussed in the present study is about the relationship between social capital, staffing and performance for branch there?

## **2. The importance of and necessity of research**

Social capital is the most important factor for economic, social and cultural development in an organization. One of the biggest problems is the lack of confidence of the people in our organization to organization. At first look at the directives and guidelines issued by the top

management of the organization, the view is created in the minds of employees that the right policies are adopted, But employees do not trust the policies and directives established. This is the biggest obstacle to economic development and performance in an organization.

The problem is not that correct policies for employees to be fixed, but the existence of a stable organization that employees have confidence to it. If people think their managers and staff to lie and say they are doing something other than what they claim to be, merit virtually no place in the organization, then you cannot expect the economic development or improve the performance of such an organization respectively. Social capital of integration and interaction of physical capital, human and cultural occur and the context of the society in the future. On this

basis it can be made a specific definition: social capital is a set of norms and values in the system of intellectual, scientific, social, economic, cultural and political norms and values achieved results and the impact of social institutions economic and political system and human relations that features mutual trust, mutual social interaction, social groups, a sense of collective identity and sense of teamwork and shared picture of the future and who are the focal points. The study, to banks and financial institutions will help to boost the performance of their branches a special look at the issue of social capital have their own staff and purely materialist view of the performance and not be involved. Factors such as sense of security, a sense of social trust as one of the key indicators of social capital and despite low wages and benefits be appropriate if an organization actually use the cost of the upgrade will not return. The research, which qualitatively new look to improve the performance of their branches. In addition, since the review of the performance of the branches in the resources sector, expenditure and collection of arrears (which ultimately represents the profit or loss of subsidiaries are) assess the economic and financial institutions such as banks and credit institutions to the resources, Field facilities and collection of the greatest importance. In this study, to seek to improve the performance of the branches of the social capital of employees on effective or not?

### 3. Research literature

According to Zimotka (1386) Social capital is about options in the political, social, cultural, economic or social standing position to a network of community engagement. For each potential social position, four connection options imaginable: social relations, forced relationships, dialogue relationships, and exchange relations. The connection options for occupying a position in the ruling are valuable resources. In other words, to occupy a social issue, the options related to that topic could be a potential capital reserves that social relations of power, wealth, influence and knowledge are (chalabi, 1375) In general, most social scientists

in the definition of the role of social capital networks and civic norms are emphasized. Social capital is often seen as a common good and private, for social capital as a product of social relations is in the interest of the agent and the benefit of others. The benefits of social capital cannot be restricted. Theoretical concept of social capital is owes the theorists: Bourdieu (1380), Coleman, Putnam, Fukuyama (Fukuyama, 1995), Portz, Halpern and Woolcock (woolcock, 2001). In connection with this concept there are two theoretical perspectives: the perspective of neo-Marxist and neo-liberal views. Bourdieu and Putnam representative neo-Marxist perspective of neoliberal representative. Neo-Marxist perspective, great emphasis on the issue of access to resources and power in society. Bourdieu on the role of different types of capital in the reproduction of unequal power relations, insisted. While Coleman argued that social capital is defined by its function, social capital is not a separate entity but includes various entities that have common features, all of which include some aspects of social structure and some the actions of people who are within the structure facilitate (Coleman, 1377) Regardless of subtle differences between different views on the definition of social capital, different definitions of some common features, such as:

1. All definitions, the realms of economic, social and political grafted to each other and to implicitly accept that social relations based on how the market and the state.
2. All definitions, focuses on relationships and believe that stable relations actors, improve individual and collective action.
3. All definitions assumed that social capital can be strengthened and for this purpose needs to be external resources.

Cause of this that there are many definitions of the concept, of disciplines and areas of interest in this issue. Social capital can be definitions in three specifically noted: Putnam tradition of political philosophy, Coleman and Bourdieu's sociological tradition, while Coleman works the researchers heavily affected North America in

research on social capital, Bourdieu's work more effective European researchers. The two people in two different continents, at the same time arguing about the theory of social capital, but it seems so unaware of each other's work.

Theories of social capital can be divided into two broad categories:

A. In the first group, following Putnam, social capital can be defined as a cultural phenomenon that reflects the attention of members of the civil society and social norms promoting collective action and show that there is a degree of trust in public institutions. Putnam study in Italy showed that social capital accumulated over a long time and accumulate. In this sense, social capital has the characteristics of a public good is collective. Putnam study in Italy showed that social capital accumulated over a long time and accumulate. In this sense, social capital has the characteristics of a public good is collective. More political leaders on the relationship between social capital and political development of those which the rule of law are established, are emphasized. They ultimately facilitate economic transactions.

B. In the second group, unlike definitions Putnam, and to comply with the vision of Pierre Bourdieu (Bourdieu, 1993), social capital is seen as an investment in people on social networks. In this sense, social capital and personal privacy is a commodity that can be converted into cultural capital and reflect the individual's social status.

Therefore, the accumulated social capital reflects his power in society. Coleman also similarly, the benefits of social capital for the individual or individuals focused network. Norm Coleman believes that the rule of reciprocity in social capital and social capital can be achieved through facilitating collective action at the national level will have positive economic effects.

Thus, according to Coleman, social capital on the border between private goods and public goods. Some researchers, Bourdieu and Coleman's views on social capital in a row because they both thought reciprocity in social

and economic relations are emphasized. According to this interpretation, social capital facilitates economic transactions, although it is a completely different mechanism of action.

Some findings also show that income inequality between social capital, however, there is a negative correlation. In a survey in the city of Sari (Hasani, 1386) was the result of factors such as social security, social trust, social tolerance, social satisfaction, social norms, community involvement as well as variables such as education, economic status, marital status and age has a considerable impact on social capital.

Another study ali believes (1383) that social capital leads to disruption of the relationship in a relational disorder, social mutual respect and social flexibility decreases the disorder relationship, undermine social stability and individual vulnerability increase and lead to social isolation, despair and passivity. The survey also says that only 21 percent of young people in the youth most reliable people, 32 percent of them are honest people.

Early and systematic development of this concept by Bourdieu, French sociologist and American sociologist Coleman was done for people with small groups. And in the meantime this concept as an important part of analysis was used.

The two with the small difference, focused on the interests of individuals and families bonded with each other to gain (Candland, 2000). and Putnam in 1990 to study the concept of democratic institutions in Italy used. However, it can be said that the concept of social capital has been raised since the 1920s, but during the past two decades is considered.

#### **4. Research goals**

##### **4.1. General objectives**

In this study, we conclude that there is a relationship between social capital and social capital, branch staff and the staff will affect the performance of the branches.

##### **4.2. Specific goals**

Specifically, this study examines social capital indicators on the performance of branch staff in the resource sector, and deferred expenses that

the combination of these factors, profit for the branches of his. This article is to explore the relationship between social capital elements (security, reliability and network connections) staff to improve the performance of the branches of credit institutions in the northern provinces of Samen country.

### 4.3. Hypothesis

It seems there is a significant relationship between social capital and staffing, and operations branches.

It seems the staff and the performance of branches network connections there is a significant relationship.

It seems there is a significant relationship between the sense of security personnel and branch performance.

It seems there is a significant relationship between social trust staff and branch performance.

### 5. Methodology

Methods of descriptive survey, Samen's credit institution staff is our target population. In this study, the sample is mixed so that the sampling

method for sampling and quota sampling is used for each branch and each sex. The study consisted of a total of 850 employees in five provinces of the northern strip of Mazandaran, Golestan, Gilan, Khorasan and Ardebil is the that of that number, according to the method of determining the sample volume (Morgan), 265 (the 90 branches), for example, were estimated. The structure of the questionnaire and the Likert scale was also used to determine the criteria, including research tools for data collection, measurement scale for measuring attitudes and attitudes Likert scale is the most common. The study, Cronbach's alpha was 0.875. All statistical analyzes were performed using spss software.

### 6. Findings

In evaluating the results of the study hypothesis was:

The first research hypothesis: it seems that a significant relationship between social capital in the staff and the performance of the branches there.

**Table 1.** Performance of staff and branches of social capital

			Performance branches	social capital
Kendall's tau_b	performance of branches	correlation coefficient	1.000	0.704 **
		Sig. (1-tailed)		.000
		Number of branches	90	90
	social capital	correlation coefficient	0.704 **	1.000
		Sig. (1-tailed)	.000	
		Number of branches	90	90

\*\* . Correlation is significant at the 0.01 level (1-tailed).

As the table suggests the hypothesis test hypothesis testing in accordance with the variable level (Kendall's tau\_b) the hypothesis "there is a significant relationship between social capital and staffing, and operations branches." To put to the test. Tests show that a significant relationship between social capital and staffing, and operations branches. Also can

be a significant addition to the relationship between social capital and the branch staff, two variable type and intensity of a very high positive correlation (0.704) enjoy.

The second hypothesis: it seems that the members of family ties and social networks and there is a significant relationship between the branches.

**Table 2.** Network connections and branch performance

			Performance branches	Network Links
Kendall's tau_b	performance of branches	correlation coefficient	1.000	0.668 **
		Sig. (1-tailed)		.000

	Number of branches	90	90
Network Links	correlation coefficient	0.668 **	1.000
	Sig. (1-tailed)	.000	.
	Number of branches	90	90

\*\* . Correlation is significant at the 0.01 level (1-tailed).

As the table suggests the hypothesis test hypothesis testing in accordance with the a variable level (Kendall's tau\_b) that support the "network of links between the staff and the performance of the branches there is a significant relationship." To put to the test. Test shows that between staff and the branch network ties. Also significant relationship can be a significant addition to the relationship

between staff and the branch network connections, two variable type and intensity of a very high positive correlation (0.668) are given.

The third hypothesis: it seems there is a relationship between the sense of security personnel and branch performance.

**Table 3.** A sense of security and performance of branches

			Performance branches	a sense of security
Kendall's tau_b	performance of branches	correlation coefficient	1.000	0.696 **
		Sig. (1-tailed)		.000
		Number of branches	90	90
	a sense of security	correlation coefficient	0.696 **	1.000
		Sig. (1-tailed)	.000	
		Number of branches	90	90

\*\* . Correlation is significant at the 0.01 level (1-tailed).

As the table suggests the hypothesis test hypothesis testing in accordance with a variable level (Kendall's tau\_b) the hypothesis "there is a significant relationship between the sense of security staff and the performance of the branches." To put to the test. Test shows a significant correlation between the sense of security staff and the performance of the branches there. It can also be said that in

addition to the significance of the relationship between the sense of security staff and the performance of the branches, the variable type and intensity of a very high positive correlation (0.696) are given.

Fourth hypothesis: it seems there is a relationship between social trust staff and branch performance.

**Table 4.** Social trust staff and improve the performance of branches

			Performance branches	Social trust
Kendall's tau_b	performance of branches	correlation coefficient	1.000	0.594 **
		Sig. (1-tailed)		.000
		Number of branches	90	90
	Social trust	correlation coefficient	0.594 **	1.000
		Sig. (1-tailed)	.000	
		Number of branches	90	90

\*\* . Correlation is significant at the 0.01 level (1-tailed).

As the table suggests the hypothesis test hypothesis testing in accordance with the

variable level (Kendall's tau\_b) the hypothesis "there is a significant relationship between

social trust staff and the performance of the branches." To put to the test. Tests show that social trust between employees and branch performance. Also significant relationship can be said of the relationship between social trust significant addition to the staff and the performance of branches, two types of variables has a positive correlation intensity of the relationship upper (0.594) have are.

## 7. Discussion and conclusion

Economic, social capital and human capital are linked with a significant role in promoting and at present all aspects of individual and organizational development. The social capital in the organization is high, the need for a regulation, reduced administrative and supervisory institutions. It seems that managers through indicators and factors can determine the degree of social capital in the organization, meaning that the higher the levels of these factors in the organization is high, social capital will be less.

1. Instructions and circulars,
2. multiple institutions supervision and inspection;
3. Gossiping,
4. Character assassination and destruction,
5. Administrative Offences.
6. Disregard for employees;
7. Defeat teams and committees working in the organization.
8. Unwillingness of employees to learn new knowledge and sharing knowledge and information;
9. the lack of competitive spirit within the organization or to competitors;
10. increased absences, leave and so on.

The study found that employees who have a higher social capital have strong communication skills than less skilled workers who take advantage of this and if the relationship with customers and thereby increase confidence in the work of the branches to grow rapidly. It must be acknowledged that credit institution Samen according to two decades in the banking sector to date from well-known directors and heads of departments and other retired major banks government, which is indicative, see Field founders and senior executives of the Institute social capital. This has created shortly after the formation of a

considerable position among the masses to lead and to teach, along with oral directors and heads of the branches of the lead young forces find. Today most organizations, especially private banks and financial and credit institutions who are new to emerge in the market competition in the financial offer and rely on the principle of the directors and heads of branches that have higher social capital at different levels benefit. In terms of performance in the collection of deferred was found that employees who have a higher social capital and social trust in the index are better able to convince customers that the consequences of the expected non-payment of their debts to the institution is expected, Thus, the receipt of payments, more successful. According to the statements this staff to support the organization of the performance of a reference index greater sense of security. This success takes the form. This study showed that there is a significant relationship between social capital and staffing, and operations branches. The relationship between social capitals is also true in other parameters. So that the network ties, a sense of security and trust of employees and enhance the performance of branches, a significant relationship was found. The results suggest that higher social capital are branches with staff, a better performance in terms of resources, costs and claims that all these factors will lead to more profitable for the branch.

## 8. Offers:

Managers of the different ways they can contribute to the development of social capital in organizations, some of which related to the community (at the macro level) and the rest of the organization (at the micro level) that include:

1. Adherence to ethics: the actions and decisions of corporate managers who employ ethical principles, to establish relations based on ethics, social capital create.
2. The sense of social responsibility: the organization and the community together in a dynamic interactive. If the citizens to ensure that they feel a responsibility to management organizations, the organization will have a

positive attitude and atmosphere of confidence and trust in the light of the social capital generated.

3. Unity with the society: to create social capital managers have to overcome separation and a unity with the others feel. They should know that employees, clients, customers, citizens and neighbors 'them', but as part of our manager and dependent and interconnected to 'our'. If they are damaged, we will see damage.

4. Trying to create confidence in the organization: Unfortunately, in many organizations, relations and organizational communication and organizational units so that people do not learn from each other truly good and therefore will not be necessary to provide reliable networks.

5. Continuous emphasis on education: the creation and use of social capital needs to change behavior and mentality. Comprehensive training programs, the desired pattern is for people who want to learn new behaviors, see, explore and run.

6. Job rotation is one of the main goals of job rotation, establishment and strengthening of human and social capital. Job rotation, the opportunity to staff that we identify the tasks and activities of other businesses and increase their capacity, increase communication and interaction with each other and thus the spirit of collective confidence (which is the essence of social capital) that would expand lead and facilitate the sharing of knowledge and experience is the staff.

7. Increased employee job satisfaction: A space based on understanding, integrity, trust and cooperation to increase job satisfaction and ultimately organizational productivity.

8. Support sustainable development: development that is based on the idea of

sustainable development is known, managers are faced with a new structure of development in which not only economic goals, but also emphasized the environmental aspects and human . In other words, favorable development in our age of moral and human development. Long-term financial shortsighted standards prevailed over economic decisions. Now it's time to bring the realities of environmental and human economics.

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