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# The effect of social capital on organizational citizenship behavior: A case study of employees in Mashhad Municipality

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# **ABSTRACT**

### **Keywords:**

Social Capital, OCB, Mashhad Municipality

Correspondence: h.amintojjar@gmail.com Social capital is one of the key concepts in the success of employees and organizations in the third millennium. This study aimed to investigate whether there was a meaningful relation between social capital and different dimensions of organizational citizenship behavior (OCB) including helpful behavior, magnanimity, loyalty, obedience, self initiative, civil behavior, and self development. The study followed a descriptive and statistical method. The data for the present study was gathered through library research and using standard OCB questionnaire and social capital questionnaire. The findings of the research indicated that there was a direct relation between social capital and organizational citizenship behavior among employees of Mashhad Municipality.

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## Introduction

Social capital is saving the accumulation of resources based on such relationships that could materialize the organizational goals. An argument raised in the past two decades that has attracted behaviorists, sociologists, and psychologists' attention and is called social capital behavior. OCB is an optional and meta-duty behavior that is effective in increasing an organization's efficiency and is not organized directly or indirectly through the formal reward system of the organization. All managers try to increase their organization's capitals and

create value to gain more privileges in the competitive markets. Any organization that enjoys greater capitals is more powerful and has more support.

Previous research scientists defined physical, monetary, and financial capital as the only capital of life, but nowadays, they add new capitals including human and natural capital (natural resources) and, more recently, social capital; each of them has significant and important effect on comprehensive and sustainable human development and economic growth, and they are considered in the new economic literature. The concept of social capital has been widely used by researchers to explain different social phenomena. They believe that social capital affects social phenomena or political issues such as economic development, participation in elections, education, governance, democratic citizenship, and trust in political institutions (Lee, 2010). Castiglione, van Deth, and Wolleb (2008) in "A Guide for Social Capital" provides a comprehensive and brief definition for social concept and refers to it as the value of all of the resources and benefits that a person has achieved or harnessed by his/her position. Trying to improve performance has been one of the main concerns of scholars in this field from the early days and this concern not only is not finished, but also it takes a new dimension gradually and conquers more domains. The primitive management schools evaluated individuals according to the behaviors specified in their job description and requirements, but today more behaviors are addressed (Robbins & Judge, 2007). This kind of behaviors that do not fit within the mandate of the organization and is the result of social characteristics of organizational behavior create new definitions such as social, citizenship, and civil behaviors. To this end, the present study aimed at investigating whether social capital can affect OCB of employees in Mashhad Municipality.

### The Literature Review

Civil social capital affects the rate of accumulation of human capital and social consistency is important for building trust to perform administrative reforms (Coleman, 2010). Therefore, the importance of addressing the issue of social capital is introducing concepts, its applied role in development and its different types, and also indicating that social capital within organization and among organizations may associated with an effective operation on economic, social, and cultural development (Fukuyama, 2001).

In addition, organizations want and need workers who do their jobs in a very strong sense, even if that job is not listed in the job description. Evidences also show that organizations which have such forces have better performance; therefore, OCB is considered as a

dependent variable (Foote & Tang, 2008). Researches show that organizations that focus more on OCB are healthier and more successful than the other organizations (Vigoda, 2000). Using analysis of other researches' data, Gutierrez, Hilborn, and Defeo (2011) found that social capital is a key factor for the success of participatory management throughout the world. These findings clearly show that more reliable measurements are needed at the local level (Marín, Gelcich, Castilla, & Berkes, 2012).

# **History of Social Capital**

The term social capital, in 1916, was first introduced in an article by Hanifan in West Virginia University. However, it was used for the first time in the classic work of Jacob (1961) named "Death and Life of Great American Cities". The literature on social capital has grown at a growing pace in the last 20 years. Loury introduced the term in 1977 and after that several papers using different definitions of social capital appeared. Loury (1977) represented social capital as the influence of one's own social position, which acts to further or delay the acquisition of human capital. In 1990s, this term was applied by sociologist James Coleman in a wider sense, and the scientist of political sciences, Robert Putman, was the second person who raised a strong and passionate debate about social capital and civil society, both in Italy and in the United States.

For Putnam (1993a), social capital is a set of trust, norms, and linked networks that facilitate cooperation for mutual benefits and its result is different types of collective actions. Putnam defines social capital with three components as the features of a social organization. He believes that social capital includes features of a social organization which facilitates mutual benefits. These features are networks, mutual transaction norms, and social confidence which are touched upon briefly below.

Network refers to formal and informal communication networks and exchanges in modern, traditional, feudal or capitalist society. These networks have two types including horizontal and vertical. In the horizontal networks citizens benefit from equal power and situation and in the vertical networks citizens have unequal situation.

In any social groups there are norms that their most positive point is boosting confidence, reducing transaction costs, and facilitating cooperation. Putnam (1993b) believes that the most important norms are norms of mutual transaction. He refers to these norms as productive elements of social capital. These norms are linked to huge networks of social exchanges and they reinforce each other.

Putnam's (1993b) social confidence comes from two sources, namely the norms of mutual transaction and networks of civic cooperation. According to him, trust facilitates cooperation and the higher the level of trust in a society, the greater the likelihood of cooperation and this collaboration in turn creates confidence. Thus, by using social capital more and more, it will increase further (Navabakhsh & Fadavi, 2008).

In recent research, the concept of social capital enjoys more dimensions than past researches. For example, Huvila (2010) state that social capital has 8 dimensions including cooperation in local community, being very active in social contexts, feeling trust and security, enjoying friendships, working, neighborhood and family relationships, tolerance, and considering the value of life.

# **Background of Organizational Civil Behavior**

The term OCB was introduced by Smith, Organ, and Near in 1983. This word was defined as extra duty behavior by Katz and Kahn in 1978. OCB includes employees' optional behaviors that are not among their official duties and are not directly under official reward system but will increase the total amount of effectiveness in the organization (Hunge, Jin, & Yong, 2004; Organ, 1997). Podsakoff model of OCB includes the helpful behavior, magnanimity, loyalty, obedience, personal initiative, civil behavior, and personal development (Podsakoff, Mackenzie, Paine, & Bachrah, 2000). These dimensions are defined below.

Helpful behaviors include helping others voluntarily or preventing occurrence of work-related problems. The first part of this definition includes three dimensions, including sympathy, mediation, and encouragement, and the second part of this definition refers to helping others in the form of avoiding work problems (Podsakoff et al., 2000; Vigoda, 2000).

The result of organizational obedience is internalizing and accepting the concept of organizational rule and regulations and procedures, even in the absence of supervision. Therefore, employees who obey all rules and instructions even in the absence of supervision, just according to their conscience, are labeled as good citizens (Podsakoff et al., 2000).

Magnanimity and forgiveness refer to the tendency toward tolerating inevitable adverse situation without complaining and expressing discomfort. It is possible to define magnanimity and forgiveness as staff goodwill in tolerating uncomfortable situations that are not ideal without expressing complaint.

Organizational Loyalty includes developing concept of goodwill, supporting the organization, and protecting and defending the organization's goals. Organizational loyalty is

essential in order to improve the organization position in the view of outsiders. Supporting and defending against outside threats and keeping commitment even in bad situation are signs of loyalty (Podsakoff et al., 2000).

Personal initiatives are extra role behaviors which are beyond the minimum expected overall requirements such as voluntary creative activities and initiative designs to improve personal duty and/or organizational performance. Borman and Motowildo (1997) define fulfilling duties eagerly and voluntarily as the components of this structure.

Civil behavior is a macro level of interest or commitment to the organization as a unit. Supervising the work place to find opportunities and threats, even by spending money personally, is a sample of these behaviors. This behavior reflects a person awareness of being a part of a greater body (Greenberg & Baron, 2000; Podsakoff et al., 2000). Social behavior is defined as a behavior which shows the cooperation in the company life (Wech, 2002).

Self-development includes staff voluntary behaviors to improve their knowledge, skills, and abilities. Peculiarity of this behavior is that the purpose of learning a new collection of skills is developing range of cooperation within the organization (Podsakoff & Mackenzie, 1994; Podsakoff, 2000).

# **Research Question and Research Hypothesis**

The following question guided the study:

- To what extent does the social capital affect the OCB of employees in Mashhad Municipality?

This study relied on one main hypothesis:

- There is a direct relationship between social capital and OCB of employees in Mashhad Municipality.

However, the main hypothesis does not exclude other secondary objectives of the research which are complementary. Thus, the present study had nine secondary objectives in addition to the main one to shed more light on the research, namely:

- Studying the status of social capital in Mashhad Municipality;
- Studying the status of OCB in Mashhad Municipality;
- Studying the impact of social capital on helpful behavior among employees of Mashhad Municipality;

- Studying the impact of social capital on magnanimity among employees of Mashhad Municipality;
- Studying the impact of social capital on loyalty among employees of Mashhad Municipality;
- Studying the impact of social capital on the obedience among employees of Mashhad Municipality;
- Studying the impact of social capital on initiative among employees of Mashhad Municipality;
- Studying the impact of social capital on civil behavior among employees of Mashhad Municipality;
- Studying the impact of social capital on self development among employees of Mashhad Municipality.

### Method

The primary purpose of the current research was to identify the effect of social capital on OCB of employees in Mashhad Municipality. In the other words, this study aimed to investigate whether there was a meaningful relation between social capital and different dimensions of OCB, including helpful behavior, magnanimity, loyalty, obedience, self initiative, civil behavior and self development. Finally, the present study aimed to know whether social capital affects OCB. The purpose of current research was practical because it aimed to develop practical knowledge in a particular field. Also, the method of data collection was descriptive and statistical because its aim was describing the situation or phenomenon under investigation based on the characteristics of a target population. Due to the nature of the variables, the data needed for the study was collected after compiling the survey instrument (questionnaire) and determining the statistical population who were experts in Mashhad Municipality. These experts were selected among the experts of district 9, the Waste Management Organization and the head quarter.

The instrument of this study was citizenship behavior based on Nahapiet and Ghoshal social capital questionnaire (1998). To determine the questionnaire reliability, a sample of 33 persons was selected and the Cronbach's Alpha was applied to determine reliability. Cronbach's Alpha coefficients obtained from the OCB and social capital questionnaire were 0.713 and 0.721, respectively indicating the questionnaire reliability and validity. In this study random sampling was used.

# **Results**

Table 1 shows that the obtained  $\Pi$  for the test of comparing the average of social capital with number 3 was more than 0.05 and the obtained confidence interval was zero. Following this, the average social capital was not significantly different from 3. So, it can be said that social capital was moderate. Also, according to Table 1 it can be argued that  $\Pi$  for obtained number and for the comparison of average of citizenship behavior test with number 3 was less than 0.05 and the obtained confidence interval covered positive numbers. Therefore, it is possible to say that the average of citizenship behavior had a meaningful difference with number 3 and the average was meaningfully more than 3. These considerations imply that citizenship behavior exists.

Table 1

Results of Studying Average of Two Variables

Variable	Number	Average	Divergence	t	Freedom rate	Л	Confidence Interval of 95% for Average Difference with Number 3
Social Capital	139	2.93	0.42	-1.76	138	0.08	0.007 & -0.135
Citizenship Behavior	125	49.3	0.44	12.25	124	0.00	0.571 & 0.412

Using a scatter plot of two variables together, social capital and OCB, the relationship between these two variables are discussed. Scatter plot showed that there was almost a direct relationship between social capital and citizenship behavior of employees in Mashhad Municipality. This means that by development of social capital, citizenship behavior will increase and by its decrease the OCB will decrease, too.

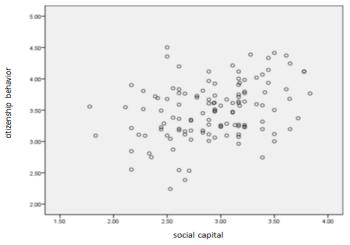


Figure 1. Distribution of social capital and citizenship behavior

The study calculated the Pearson correlation coefficient to assess the relationship between two variables and their impact test was analyzed and the results are represented in Table 2.

Table 2
Results of the Pearson Correlation Coefficient of the Relationship between Two Variables

Variables	Correlation coefficient	Meaningful level	Test result		
Social Capital			There is a meaningful		
Citizenship Behavior	0.336	0.000	relationship between two variables		

Table 3 presents the impact of social capital on the dimensions of OCB.

Table 3
Impact of Social Capital on the Dimensions of Organizational Citizenship Behavior

Secondary Question	Question Question	Correlation Coefficient	Meaningful level	Result
1	Impact of Social Capital on Helpful Behaviors	0.165	0.066	There is no meaningful relation.
2	Impact of Social Capital on Magnanimity	0.346	0.000	Social capital affects the magnanimity among the staff of Mashhad Municipality.
3	Impact of Social Capital on Loyalty	0.331	0.000	Social capital affects the loyalty among the staff of Mashhad Municipality.
4	Impact of Social Capital on Obedience	0.181	0.044	Social capital affects the organizational obedience among the staff of Mashhad Municipality.
5	Impact of Social Capital on Initiatives	0.149	0.098	There is no meaningful relation between two variables.
6	Impact of Social Capital on Civil Behavior	0.130	0.147	There is no meaningful relation between two variables.
7	Impact of Social Capital on Personal Development	0.134	0.136	There is no meaningful relation between two variables.
Main Question	Impact of Social Capital on OCB	0.336	0.000	Social capital affects the OCB among the staff of Mashhad Municipality.

As Table 3 clearly indicates, the test meaningful level was less than 0.05. So, the hypothesis of correlation coefficient test which indicates that there is no meaningful relation between 2 variables is rejected and it is possible to say that there was a direct relation between 2 variables with extremity of 0.336. This highlights that when social capital increases, citizenship behavior variable will increase too. So, these two variables have direct effect on each other.

# **Discussion and Conclusion**

This study was therefore an attempt to identify the effect of social capital on organizational citizenship behavior of employees in Mashhad municipality. The obtained results of the questionnaire showed that the sample accepted the effectiveness of social capital on OCB with correlation coefficient of 0.336 and at a meaningful level it was equal to zero per cent.

In the other words, there was a meaningful relation between social capital and OCB of employees in Mashhad Municipality with confidence coefficient of 100 per cent. It means that employees in Mashhad Municipality believe that social capital affects the OCB. It is imperative to state that that among seven dimensions of OCB, social capital affected just three of them, namely magnanimity, loyalty, and obedience. Therefore, Mashhad Municipality managers, in addition to preparing situation to increase social capital, can create a comprehensive informing structure and provide easy access to managers. Also, they can issue good and bad news of organization, arrange periodical meeting for managers and staff, follow a friendly manner from the high level of organization toward all staff, and form heterogeneous groups to work with each other most of the times.

The absence of meaningful relation between social capital and civil behavior suggest managers should improve and reform sharing management system, function management, and meritocracy within the organization. In this way, motivation and cooperation in organization life will improve and organizational efficiency will develop.

The especial characteristic of this study is that all employees in Mashhad Municipality talked frankly about their colleagues and managers' behavior. Therefore, the results are likely to be more reliable. To this end, the answers to the open questions are categorized in two groups; first group showed managers negligence toward staff and the second group showed absence of loyalty in managers' behavior. Finally, proving the effect of social capital on OCB among employees in Mashhad Municipality provides an opportunity for managers to improve their organization efficiency and performance by reinforcing these two concepts and at the same time increase citizens satisfaction based on high performance. Since significant attention was paid to the employees of Mashhad Municipality, it is desirable that this research be extended to a wider scale, where more respondents from different organizations are included in the study. This would allow for more generalizations to be made.

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