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## **The survey of the relationship between the social capital and the organizational commitment level in the employees working in Iran insurance company in the city of Tehran**

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### **ABSTRACT**

The main objective pursued from performing the current research is the identification of the employees' social capital relationship with their organizational commitment. Social capital has been analyzed in the present study based on the model proposed by Nahapit and Gushal incorporating three structural, cognitive and normative aspects and the organizational commitment was also approached according to Allen and Mayer's model which is commonly known to be consisted of three indices, namely, emotional, continuous and normative commitments. The study population includes all of the staff members working in Iran Insurance Company branches and tributaries in the city of Tehran the total number of whom reaches to a number of 140, all of whom have been selected by taking advantage of Cochran formula and a sample volume of about 102 individuals were appointed by making use of randomized sampling method and questioned via distributing questionnaires. The results obtained from the questionnaires were analyzed by means of Pierson test after the data were demographically investigated and then the model's fitness was determined by the use of structural equations tools. Finally, the relationship between the social capital as the independent variable and the threefold aforesaid organizational commitment, each as the dependent variable, was studied and surveyed and in the end we came to the following conclusions: 1. there is a statistically significant relationship between social capital and the emotional commitment; 2. there is a significant relationship between the social capital and the continuous commitment; 3. there is a significant relationship between social capital and the normative commitment.

**Keywords:** social capital, organizational commitment, emotional commitment, continuous commitment, normative commitment, Mellat insurance company

Received 10.09.2016

Revised 16.10.2016

Accepted 02.11.2016

### **SPECIAL ISSUE : ADVANCE RESEARCH IN AGRICULTURAL SCIENCE, HUMANITIES AND MANAGEMENT**

**INTRODUCTION**

The concept of social capital in the organizations was first introduced to the organizational and managerial literature in 1999 by Lina and there has been paid more attention to the organizational commitment during the last thirty years and the results obtained in the great many of the studies indicate that the individuals who show a higher level of commitment to the organizations have also been found to have a higher level of performance and their productivity level is also in a higher status. Also, much of the attention paid to the organizational commitment during these years stems from the fact that its relationship with the intention to leave the organization is negative and it is inferred that the committed employees have a lesser likelihood to leave the organization. But, it seems that the factors behind the creation and augmentation of the commitment in the employees have been less attended to and there has been a great deal of attention and research devoted to the results obtained thereof and in case that there has been a research in this regard it has dealt with the material groundings of the commitment generation such as the rewards and the benefits and the immaterial reasons have not received much of the research efforts. The organizations are nowadays looking for ways to minimize their costs and maximize their profits and increasing the profits to the greatest amount cannot be accomplished unless an organization is found in possession of employees committed to the organization and its ideals. Such a commitment is invaluable but the organizations are not readily apt to pay any cost for it because they are also seeking for

ways to minimize their costs in this area as well, therefore the organizations are looking for immaterial methods to enhance their employees' commitment but, in the meantime, they have been less attentive to the interrelationships between the individuals in the organization and the social networks and the establishment of mechanisms for expanding the interpersonal relationships [1].

Iran Insurance Company in the city of Tehran following the lead of the other organizations is also seeking to increase the productivity level of its staff and it is well understandable from the decisions made and actions taken by the managers of the company that they are looking for ways to elevate the staff commitment level to the organization by means of which to increase their performance level and they have been more attentive to the material dimension of the subject in doing so, to wit, they have been spending efforts in gaining their attention to become committed to the company via increasing the salaries and benefits and considering providing them with special rewards, but it is clearly discernible from the status quo of the accounts and the financial statements of the company that the employees are not currently exhibiting a high level of performance and such an investment by the managers does not seem to be of a great effect on the staff performance and productivity enhancement, therefore the researcher based on the aforementioned findings has tried to assess the influence of the other variables on the individuals' organizational commitment and among such variables the social capital of the individuals has obsessed the researcher's mind according to the bureaucratic and cold relationships being the governing factors in the company and there is proposed the question that whether the individuals' social capital can lead to the creation or the elevation of the organizational commitment in the individuals? That is because it can be envisaged as the most cost effective and the surest method in case of being feasible.

#### **Aspects of the organizational commitment:**

The first aspect of the commitment which is highly underlined more than the other aspects is the behavioral commitment.

There is more attention paid to the reasons behind intentions to leave and absenteeism in this aspect and generally it is defined as the "staff's intention and determination to stay in the organization based on which the organizational commitment is more investigated in terms of cases such as tendency to leave or stay and intentions to leave or continue performing vocational duties".

The importance of the behavioral aspect is in expressing the relationship between the organizational commitment and the intention to leave and job satisfaction and the best relevant index in this regard is the intention to leave. The advantages of the research on the behavioral aspect's effect on the other aspects and dimensions are revealed particularly in terms of the intention to leave or stay and job detachment in such a manner that behavior is most indicative of the accuracy rate of the reasons behind intentions to leave from the employees' side. Moreover, the use of the mere normal information without taking the individual behaviors into consideration cannot determine the extent to which the will can be considered as effective and influential on the decision to leave service.

The second aspect of the commitment is the attitudinal commitment which is one of the best indices capable of predicting the behavioral commitment and by attitudinal commitment being committed to the organizational values and objectives and adapting oneself to such objectives are meant. Among the attributes given to such type of commitment one can point to the individual's devotion to the organization, the individuals' extensive tendency for joining and becoming a member of the organization and contrarily much lesser tendency to leave.

Therefore, quite a lot similar to the way that the behavioral commitment is the predicting index of the job satisfaction, with the exception that the job satisfaction is more of a temporary nature because it is a transient response to the positive and useful aspects of the occupational environment, attitudinal commitment can be featured with long-term and permanent aspects due to the individual's being more attentive to the organizational objectives and values.

What seems to be turning the attitudinal commitment and behavioral commitment to predictors of the behavior is the individual's perceptions of his or her own behavior and attitudes, on the one hand, and the perceptions and the attitudes held by the others regarding the same individual, on the other hand.

The third aspect of the commitment is the emotional commitment, which is found to be in a close relationship with the attitudinal commitment and it is defined as "the attachment and adherence to the organization through accepting the organizational values and tendency to stay with the organization". Such a commitment can be an index used to predict the intention to leave and absenteeism.

The fourth aspect of commitment is continuous commitment, which is the last one of the multidimensional aspects of the commitment and it is a "commitment based on the costs related to the intention to leave. Such a definition is considered as one of the latest definitions provided for commitment drawn upon the costs of leaving an organization [2].

**Social capital:**

Social capital is the “system of the institutions, regulations, social habits, values, beliefs and the behavioral rules established in the society and govern the social relations between the members of the community” [3]. The constituent factors of the social capital are:

1. **Institutional factors;**
2. **Internal factors;**
3. **External factors; and**
4. **Natural factors.**

1. **Institutional factors:**

Institution means the rules, norms, traditions, habits and/or organization influencing the political and social life of the people and creates an objective-oriented system in line with satisfaction of the needs in an organized community.

The distinct instance of an institution can be exemplified in a government which generates social capital through enacting the rules and regulations and creating an objective-oriented system.

Some of the rules and regulations are enacted intellectually as institutional factors in order to motivate the human beings members of the institution participate. Communist governments such as the former Soviet Union and China had such characteristics.

In democratic systems the regulations are enacted in a way that the institutions and the formations can be legitimized based on them and they can take such responsibilities as promoting the informal values very much like the formal parties or the people-driven formations.

2. **Spontaneous factors:**

The norms which are derived out of the mutual actions taken by the members of a society in the form of spontaneous standards and take the place of the law and the other formal institutions and are thus not stemming of the intentional choices should be considered accordingly as the spontaneous factors in generating social capital which can be divided into two sets of spontaneous intellectualism and spontaneous non-intellectualism.

3. **External factors:**

By such types of factors we mean those norms which stem from a place other than the very society in which they have been applied. Factors such as religion, ideology, culture and common historical experiences can be classified in this category.

Coleman states that “Weber considers religion as not only a factor which creates ethics at work but as a factor that also creates trust networks in business relationships and economical exchanges. In the today’s world, the entire nongovernmental sector which is called the civil society tends to be organized around the ideologies and, on the other hand, a vast fraction of the norms are derived out of the cultures without being able to find a relationship between them and the religion” [3].

4. **Natural factors:**

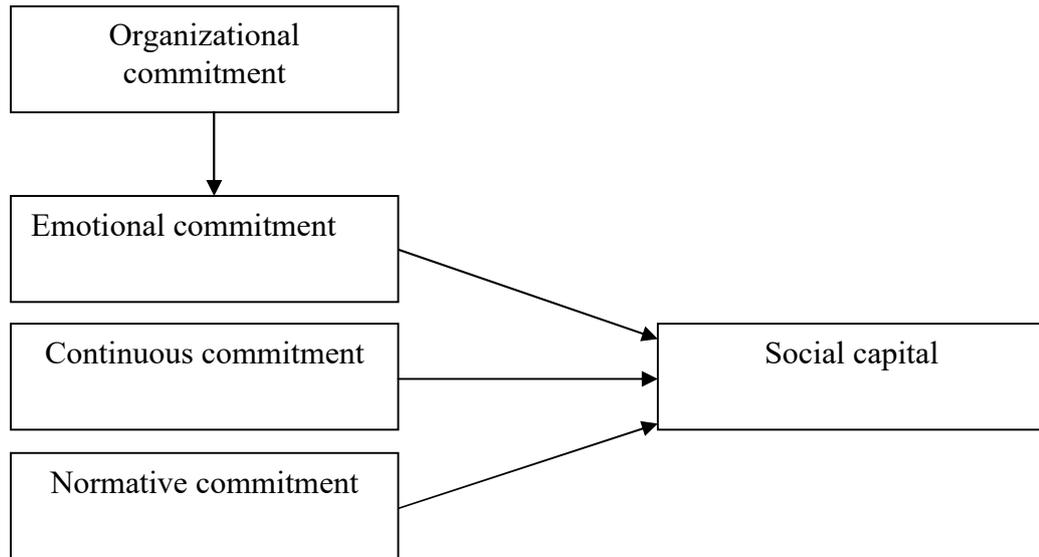
Two sets of the factors in the form of kinship relations and ethnic-racial associations can be placed in this group. The importance of kinship in comparison to the other social structures differs to a great extent from one society to another.

But, the kinship relationships have not been completely disappeared in any society. There are considerable evidences obtained from the natural sciences that indicate that sociability is an intrinsic issue not only concerning the mankind but also in regard of the other creatures. Furthermore, meanwhile the sociability being rooted into the culture in respect to the human beings but it has been found to be firmly associated with fundamental trends towards sociability and with the genetic issues.

Ethnicity and race are among the issues which are believed by the people to be both the critical sources of identity, therefore disregarding the biological and natural issues and even the social actions in recognizing the ethnicity, race one can claim that the ethnic and racial associations are enumerated among the natural factors behind establishing social capital. However, such a classification may fall short of embracing the sources of building social capital but at least it can provide us with an image of the vastness and complicity of the issue.

The distinctive and the unique feature of a healthy and dynamic society realization is that the social capital contributed by the relatives can be accumulated and/or allowed to get busy in accomplishing jobs quite contrary to which there is an unhealthy or semi-healthy society in which there is no production made and/or the social reserves of the people are wasted in the aberrant venues.

Illustration 1: Study Conceptual Model:



**Study Methodology:**

The present study is an applied research in terms of the objectives it is chasing. The study population of the current study includes all of the staff and managers working in Iran Insurance Company in the city of Tehran the total number of who reaches to 140 people. The study sample volume has been selected based on Cochran’s formula and a total number of 102 individuals were selected according to a randomized sampling method as the study sample volume. There is made use of a questionnaire with the Cronbach’s alpha coefficient of 0.948 for collecting the study data.

**Study hypotheses:**

**Primary hypothesis:**

There is a positive and significant relationship between the social capital and the organizational commitment in the staff.

**Sub-hypotheses:**

1. There is a positive and significant relationship between the social capital and the emotional commitment in the employees working in Iran Insurance Company in the city of Tehran.
2. There is a positive and significant relationship between the social capital and the continuous commitment in the employees working in Iran Insurance Company in the city of Tehran.
3. There is a positive and significant relationship between the social capital and the normative commitment in the employees working in Iran Insurance Company in the city of Tehran.

**Data Analysis:**

**The first sub-hypothesis: the survey of the relationship between the employees’ social capital rate and their emotional commitment in Iran Insurance Company in the city of Tehran.**

Table 1: the relationship between the employees’ social capital level and their emotional commitment

Emotional commitment	Social capital		
0.752*	1	Pearson correlation	Social capitals
0.00		Sig.(2-tailed)	
102	102	Number	
1	0.752*	Pearson correlation	Emotional commitment
	0.00	Sig.(2-tailed)	
102	102	Number	
*: Correlation is significant at 0.05 level (2-tailed).			

In the above table  $r=0.752$  and according to  $0 < r < 1$ , it can be concluded that the correlation is of a direct type and it has to be interpreted that there is a significant relationship between the social capital level of the staff and the emotional commitment and the correlation is suggestive of an enormous association between the two above mentioned variables.

**Second sub-hypothesis: The survey of the relationship between the staff social capital level and continuous commitment in Iran Insurance Company in the city of Tehran.**

Table 2: the relationship between the staff social capital and continuous commitment

Continuous commitment	Social capital		
0.502*	1	Pearson correlation	Social capitals
0.00		Sig.(2-tailed)	
102	102	Number	
1	0.502*	Pearson correlation	Continuous commitment
	0.00	Sig.(2-tailed)	
102	102	Number	

\*: Correlation is significant at 0.05 level (2-tailed).

In the above table  $r=0.502$  and according to  $0 < r < 1$  we can conclude that the correlation is of a direct type and it has to consequently be interpreted that there is a significant relationship between the employees' social capital and their continuous commitment and such a correlation is in an intermediate level.

**Third sub-hypothesis: the survey of the relationship between the social capital and the normative commitment in the employees working in Iran Insurance Company in Tehran.**

Table 3: the relationship between the social capital and the normative commitment of the employees

Normative commitment	Social capital		
0.744*	1	Pearson correlation	Social capitals
0.00		Sig.(2-tailed)	
102	102	Number	
1	0.744*	Pearson correlation	Normative commitment
	0.00	Sig.(2-tailed)	
102	102	Number	

\*: Correlation is significant at 0.05 level (2-tailed).

In the above table  $r=0.744$  and according to the fact that  $0 < r < 1$ , it can be concluded that the variables are directly correlated and thus it has to be interpreted that there is a significant relationship between the social capital and the normative commitment in the employees and the correlation is in a high level.

**Primary hypothesis: there is a positive and significant relationship between the social capital and the organizational commitment in the employees.**

Table 4: the primary hypothesis ANOVA diagram

SIG	F	Mean Square	DF	Sum of squares	Model	
0.000a	1.775	0.235	3	0.704	Regression	1
		0.132	98	12.943	Residual	
			101	13.647	Total	

a. Predictors: (constant), market, organizational factors, organizational preparation, writing, managerial factors, cost factors, environmental factors, technological factors, cultural factors.  
b. Dependent variable: establishment

The F-value is 9748.976 and the significance level has been found equal to 0.000 and because the significance level is smaller than the type 1 error rate in a 0.01 level, the first hypothesis of the study which dealt with the survey of whether a significant relationship is existent between the study variables or not can be consequently confirmed. We deal, in the following section, with the investigation of the regression model coefficients to further confirm the hypothesis.

Table 5: the study hypotheses regression model coefficients

Sig.	T-	Standardized	Unstandardized	Model
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level	value	coefficients				
		Beta	Std. Error			
0.000	21.650		0.231	5.005	(Constant)	1
0.000	0.164	0.016	0.051	0.008	Organizational commitment	
0.046	-2.020	-0.206	0.044	-0.088	Emotional commitment	
0.027	1.538	0.158	0.041	0.063	Continuous commitment	
a. Dependent variable: Q1						

Because the significant level of the independent variable coefficients is smaller than the type 1 error rate in a 0.05 level, thus the hypotheses are confirmed, accordingly.

## DISCUSSION AND CONCLUSION

Due to the fact that the organizations' performance differs depending on their employees' level of commitment, the organizations which are in possession of the staff members with a strong commitment to the organization tend to have higher performance levels, higher job satisfaction and greater efficiency. The present study depicted interesting outlooks regarding the social capital, organizational commitment and efficient training. According to the findings obtained from analyzing and examining the study hypotheses it can be concluded that there is a positive and significant relationship between the social capital variables and its dimensions with the organizational commitment and the employees' efficient and effective training. The employees who are found enjoying an optimum level of social capital tend to exhibit strong occupational relations, behave more optimally in their interactions with the other peers and take benefit from such proper social relations in their own organizations. Consequently, such interpersonal interactions and relationships with the peers and with the managers and superiors, as well, and also with the others to whom they are needed to establish professional relations inside the organization causes the staff to enjoy their work in the organization and due to the supports they get from their other colleagues and peers they feel more comfortable and safety in their work environment and they are found to be more attached to and interested in their jobs and their organization. Therefore, the employees can enjoy a greater deal of order and discipline at work, spend more time in the organization and do their best to take every possible measure to achieve the organizational objectives and all of these can be recounted as examples of the organizational commitment in which the employees exhibit commitment and loyalty and devotion and sacrifice to their organization.

Therefore, according to the study findings it can be concluded that the presence of the social capitals in an organization and/or a section of an organization can lead to corroboration of the organizational commitment.

Based on the study results it is subsequently suggested that the managers should be more attentive to the human resources as the most significant factors in organizational efficiency and effectiveness, in such a manner that through more accurate programming the staff can be encouraged to participate in social gatherings and formations. Also, there is a need for a greater emphasis to be placed on the effective staff training programs through taking advantage of efficient methods and finally the managers should spend more effort and endeavor in staff motivation via paying a greater deal of attention to the staff mental statuses in order to make them prepared to better accomplish their duties and responsibilities and become more efficient in the organization.

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