

The Relationship between HRM Practices and Social capital via the Moderating Role of Organizational Performance in Islamic Azad universities of Gilan province, Iran

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Abstract

University and higher education system are the main focus of creation and development of social capital in the society. Hence, it's Development via the production and improvement of social capital will make higher education institutions to effectively advance the economic, social and cultural developments. The purpose of this study is to investigate the relationship between HRM practices and social capital via the moderating role of organizational performance in Islamic Azad universities of Gilan province. This research is a correlation study in the branch of descriptive studies. The statistical population of this study includes all faculty members and staff of Gilan Islamic Azad Universities, among which Lahijan, Rasht, Astara, Anzali and Hashtpar branches were chosen. The population size of this research is 720, including 622 faculty members and 98 staff. The sampling method is stratified random sampling with proportional allocation and based on Azad University branches of Gilan province. The Sample size of survey was found as 256, using Morgan's table. The data collection method is using questionnaire (social capital, HRM practices and organizational performance questionnaires). Analysis of validity is based on confirmatory factor structures using LISREL software. The results of confirmatory factor analysis showed high validity coefficients for each indicator (structural social capital, human resource management and practices, and organizational performance). Also reliability was confirmed by Cronbach's alpha. To test the hypothesis, Pearson correlation coefficient test in SPSS18 software was. The results show that there is a significant relationship between HRM practices and social capital and its dimensions. However, organizational performance does not moderate this relationship. The correlation between the variables was evaluated in a comprehensive model based on Structural Equation Modeling. The offered model (derived from the conceptual model) with AMOS 18 software shows that the experimental data were fitted to the observed data.

Keywords: Social capital, human resource management practices, organizational performance, knowledge sharing, teaching, and researching procedures.

Introduction

The increase of accountability in the achievement of organizational social capital sources such as information technology, knowledge, and financial capital of collaborative networks is a critical issue. These resources directly affect the performance or innovation by facilitating the development of a more indirect impact on organizational performance¹. Organizational social capital is a set of intangible assets and resources available to the organization to facilitate social benefits –the economic dealings with internal and external elements of the network as well as human resource². HRM practices are considered as a powerful tool for organizations to provide and expand the depth and content of organizational social capital³. University as a place of producing knowledge is required to reproduce the elements of social capital with the aim of increasing the efficiency and development impact or to facilitate innovation. Organizational social capital is the most important element to facilitate socio-economic benefits in engaging with external and internal elements of the network that

is the human resources of an organization^{1, 2}. The studies which indicate the relationship between HRM practices and social capital in the universities emphasize that HRM practices reinforce the coordination between the staff. Kaše and colleagues express that HRM practices such as job design, motivation, and training and development enhance interpersonal relationships⁴. Strategic HRM practices that focus on the development and promotion of social capital must create opportunities for employees to make social relationship, enhance their effort in developing social relations, and increase their ability to maintain and enhance such relationships. According to the literature of human resource management, Bhatt, Buxall, Parcel, and Lepak et al point at dimensions of opportunity, ability and motivation as the three main factors for the development of organizational social capital⁵⁻⁸. This study focuses on human resource practices which consider these three dimensions. Social capital is one of the important organizational capabilities and assets that can greatly help to create and share knowledge in the organizations and in comparison with other organizations create sustainable organizational advantage⁹. In

addition, success in the knowledge-driven organizations depends on the employees who engage in knowledge activities such as knowledge sharing¹⁰. HRM practices that emphasize frequent and intense interactions can encourage employees to focus on cooperation and to share and combine complex and ambiguous knowledge rather than to conceal knowledge and pursue selfish interests. Thus, HRM practices may exert a greater influence on the development of OSC for organizations in knowledge-intensive industries rather than those in industries relying on tangible resources¹¹.

Another aspect that may affect the relationship between HRM practices and social capital is the research and teaching procedures. In management literature procedure is one type of programs that characterize the way of operations and working practices. Procedures, policies and guidelines, are the tools to standardize jobs, and increase the predictability of an organization. In fact, each procedure is based on a set of rules. Organizations should select and develop the organizational procedures that create value and unify their communicational resources⁹. As knowledge intensity increases, employees require more cross-disciplinary coordination and integration to effectively perform their work. Thus, extensive communication among the employees for cooperation and problem-solving is critical¹². Employees may realize that they need not only broader professional knowledge and higher technical skill levels but also good social relationships with other organizational members. Under these circumstances, employees are more likely to recognize the potential benefits of implemented HRM practices to help them improve their interpersonal and team work skills and provide them more opportunities to interact and develop good relationships with others. Therefore, an investment in such HRM practices can have stronger effects on the development of OSC in higher knowledge-intensive contexts¹¹.

Universities consist of several sub-systems with complex and social interaction which its dynamics has an infrastructural role in training technical and managerial experts. Considering the prominent role of universities in social development, and considering that social capital is the grounds for the development of immaterial assets in organizations¹³, this study tries to answer the question whether there is any significant relationship between social capital and HRM practices via the modifying role of organizational performance at Azad universities of Gilan province.

Research literature: In Chang's research on the relationship between HRM practices and organizational social capital, practices that increased emphasis on the social relationships between employees have led to organizational social capital and this impact increases on the environment with less regulation and also the environment with high regulatory and with high levels of knowledge, strengthen this relationship. Aarnoutse in his research investigates the effect of HR practices on Organizational Citizenship Behavior in teams and how this

relationship is moderated by the elements of leadership. It was hypothesized that HR practices have a positive effect on Organizational Citizenship Behavior and that leadership positively moderates this relationship. HR practices were conceptualized using the AMO model by Appelbaum¹⁴. Separate hypotheses were formulated for each of the elements of the model (Ability, Motivation and Opportunity). According to the results, only the hypothesis regarding the moderating effect of leadership on the relation between HR practices that enhance employees' Opportunity and Organizational Citizenship Behavior is confirmed. All other hypotheses were rejected¹⁵.

Adler and Kwon have shown a significant relationship between social capital and knowledge transfer in organizations. Zheng, Brooks and Nafukho have proposed that social capital can reduce transaction costs, etc., increase innovation and knowledge sharing, and may affect the performance of the organization¹⁶⁻¹⁸. Kassa in his study showed that social capital, especially its structural aspects in the form of formal and informal networks of civic engagement has a positive impact on innovative activities¹⁹.

Drawing upon the data gathered from an intensive ongoing ten-year study of over a hundred small and medium-sized manufacturing enterprises in the UK, Patterson et al. argue that 'HRM practices can influence employee's skills through the use of valid selection methods to hire appropriately skilled employees and through comprehensive training to develop current employees²⁰. Their research focuses on measuring the relationship between people management, other managerial inputs, and business performance outputs over time.

Katou measures the impact of HRM on organizational performance in the context of Greece. The results indicated that the relationship between HRM policies (resourcing and development, compensation and incentives, involvement and job design) and organizational performance is partially mediated through HRM outcomes (skills, attitudes, behavior), and it is influenced by business strategies (cost, quality, innovation). Thus, the contribution of this study for academics and practitioners is that HRM policies associated with business strategies will affect organizational performance through HRM outcomes²¹.

Theoretical framework: Social Capital: Social capital is the product of individual and collective investment that is consciously or unconsciously seeking to consolidate or reproduce social relationships that are directly usable in shorter long terms. Bordiuo believes that durable and compact bonds are important because the number of individual social capital relates to the rate of relationships and capitals (social, cultural and economic) which are owned by each interface²². The World Bank and Organization of Economic Cooperation and Development define social capital as the networks of norms, values and shared an understanding that facilitates co-working

within the group. Trust has a specific place in social capital and some theorists know trust as the outcome of social capital²³. Others consider it as one of the components of shared values that comprise social capital. According to Putnam social capital has a profound and even measurable effect on the various aspects of our life and is not limited to just "warm and loving feelings or issues to the honor of social pride"²⁴.

Dimensions of social capital: Nahapyt and Ghoshal consider three aspects for social capital.

The structural social capital: Which contains the communication patterns among members of a group or social units that contain three aspects: network links, network arrangements and network stability? Net work link involves specific forms of social units whose members are related to each other and work together. Network arrangements determine the patterns between members of a social unit. And the stability of network consists of proximity and similarity of individuals in a social unit.

The Cognitive social capital: Which involves the understanding, beliefs and perceptions of the common social and cultural meanings that have been accepted by people and remains via shared memories and common language? This aspect has two dimensions: common goals and common culture. Common goals are the shared vision and understanding of the group members of a social unit through objectives and results of group activities. Common Culture consists of shared behavior and norms among members. For example, to what extent there is a tendency among members to participate in group activities of the organization, shows the extent of culture which is shared among members.

The relational social capital involves mutual trust among members of a social unit. Confidence is a crucial factor in facilitating effective interactions between members. Examples such as the members trust each other, willingness to cooperate with the people with opposite point of views in a unit, and the extent to which members can count on their colleagues' sayings, indicate the level of mutual trust among members of a social unit⁹.

Structural aspect: When all members of a network are linked together, the so-called network is congested and the indication of this congestion is the number of relationships between members of the organization²⁵. The Structural social capital includes the pattern of connections between members of a group and the composition of their organization.

Network hierarchy, density and homogeneity of members are the major indicators of this dimension. According to researches, one aspect of organizational social capital can be known as horizontal structure²⁶. By reviewing the literature of social capital it can be understood that dense, heterogeneous and hierarchical networks are as the main components of structural aspect²⁷.

Hierarchy: Based on the distribution of power with in the hierarchy two types of social capital can be mentioned: Horizontal social capital: the network structure is decentralized. Vertical social capital: relationships in organizations are being affected by power, and network is centralized²⁸.

Relational aspect: Relational aspect refers to the quality of relationships and interactions between members within an organization. The indicators that have been suggested in this aspect are trust and mutual relationship.

Trust: It can be stated that social capital and trust strengthen each other. Social capital builds the relationships with trust and confidence, and in turn leads to shaping social capital. According to Coleman, forms and norms show the amount of consensus in a social system²⁷.

Interaction: Norms and forms of interaction can vary depending on the network. As the relationship between the networks is legal and has a long-term exchange, there will be less flexible and weak interaction²⁶.

Cognitive aspects: The cognitive aspect of social capital is less measurable and associated with assumptions of organizational culture as common language and shared narratives²⁶.

Common language: Language affects our perception. Codes organize sensitivity of the data in to groups and categories and provide conceptual framework for interpreting the observations. Common language combines abilities and talent to increase them. So language as a common concept, leads to make a valuable asset in the organizations²⁹.

Common narratives: In addition to common language scientists believe that stories, proverbs and metaphors are powerful tools to exchange information³⁰. The emergence of common narratives within a community, make new interpretations of the facts and facilitate the combination of various types of knowledge²⁹.

Organizational social capital: The concept of social capital is known as the organizational benefits that can prevent organizations stop in under development phase³¹. Organizational social capital can be seen as the result of relationships based on understanding and trust among employers and makes a desirable social life in organization³². Nahapiet and Ghoshal believe that social capital at organizational level is not only a vital source, but the only factor that can provide sustainable organizational benefits. Organizational social capital includes Structural, relational and cognitive dimensions that each of them is a powerful force to facilitate the interaction between staff. In the definition that Coleman suggests, social capital focuses on the structural aspect. He suggests that social capital consists of social structures that will facilitate the actions of individuals within the organization. Vilanova and Josa suggest social capital as a

managerial phenomenon that has characteristics such as: trust, norms, shared values and behaviors, relationships, cooperation, understanding, commitment, mutual and reciprocal networks. According to them, the issue that organizations can do their tasks without some characteristics of social capital cannot be conceived³³. Danchou describes organizational social capital as the informal aspects of organizations which are based on mutual trust and complements of the formal organization. He also believes that social capital may provide better and faster ways to achieve organizational goals³⁴. Thus, organizational social capital (OSC) as 'a resource reflecting the character of social relations within the firm' is a critical resource for organizations³⁵. Previous research shows that OSC fosters mobilization, assimilation, and use of organizational knowledge resources, facilitates resource exchange and combination, and increases innovation capabilities³⁶⁻³⁸.

HRM practices: HRM refers to the policies, practices and systems that influence employees' attitudes and performance³⁹. According to Robbins, Human Resource Management includes four functions: recruiting, development, motivation and retention of human resources⁴⁰. Human resource management is not only pays considerable attention to labor supply and demand but also highlights an understanding of the knowledge and skills in order to achieve their goals. One of the goals of human resource management is to create homogeneity between employee engagement and organizational goals⁴¹. Human resource management is a comprehensive and strategic approach for managing the most valuable asset of organization that is human resources. Human resource management approach is based on the profitability of not only the managing staff, but the outlook particularly emphasizes on the commitment and employee relations as bilateral relations⁴².

In many books and articles two scientific frameworks of HRM practices has been noticeable. First, the four process Laver model (empowerment, competency development, information sharing, and procedural justice) has been effective on job attitudes and behavior. Employees' empowerment refers to a higher level of decision making authority or power. Competency development demonstrates programs such as job rotation, teacher - student relations and staff training which makes them feel they are considered as a competitive advantage and that the organization is attempting to have a long-term relationship with its employees. Information sharing means that employees are aware of the context and environment in which the work and procedural justice is referred to as perceptions of the fairness of procedures to compensate their service in the current decision⁴³. The second framework is high-performance work system model, proposed by Bailey; it suggests that employees will have interaction only when they are given the opportunity to participate. Castro (2004) believes that a complete human resource strategy which aims to promote positive behavior and attitude of the staff must takes these three criteria into account: Employees must have incentives (rewards, recognition) to be motivated to perform the favorable behavior

and attitudes. Employees must acquire the skills required for their significant efforts. Employees must find opportunities to participate in different levels⁴⁴. According to Billy and Laver model, the HRM practices which increase these three components, also increase the perceptions of organizational commitment, perceptions of fairness and organizational citizenship behavior and reduce the intentions to leave the organization, because people tend to respond positively to the support and commitment of top managers.

AMO Model and its dimensions: The conceptual model used in this paper to evaluate human resources management practices is AMO model (ability, motivation, and opportunity). AMO Model is presented by Bailey for the first time⁴⁶. Appelbaum conceptualize high performance work system, the so called AMO model which means that the organization would most benefit from human resources management system when it ensures that the employees have the necessary abilities to perform their activities (A), the opportunity to participate is given (O) And in the end will be encouraged and motivated (M). AMO model was mentioned in 27 out of 42 empirical papers, more than any other theory during that period. AMO model (Appelbaum, 2000) argues that:

Performance = f {employees' Ability, Motivation and Opportunity to participate}

This means that a company would most benefit from a HR system that ensures that employees have the right skills (A) to do the job, are given the opportunity (O) to experiment and to codetermine how they do their work, and finally are motivated (M) to show discretionary effort and upgrade their skills when necessary^{14,15}.

Ability: Ability refers to those practices which will ensure the organization that its employees have the required skills to perform their duties and ensures that the staff has the suitable skill levels for using the opportunity of collaborative and optional working. There are two ways through which organizations can ensure that their employees are suitable, the recruiting and selection practices which ensure that the selected staff has the ability to be trained^{15,46}. One of the tools and practices used to build the ability of making relationships is training, during which the employees are taught the skills required for making proper social relations⁴⁷.

Motivation: Employees need to be motivated to carry out their voluntary activities. Motivation can be classified into three types: external, internal and mutual benefit¹⁵. Payment has a strong potential link with AMO model's motivation that is related to the payment and payment system⁴⁸. A wide range of payment systems relate to collaboration and group working¹⁵. Inner motivations are related to the desire to do something that is pleasant for the staff and provides a sense of fulfillment and organization, and an atmosphere of confidence can motivate the employees to step toward the goals⁴⁵.

Opportunity: One of the practices that can be categorized in this aspect is social dialogue. The EU describes social dialogue as 'discussions, consultations, negotiations and joint actions involving organizations representing the two sides of industry (employers and workers)'. Social dialogue is essentially what Wood and Wall describe as the employees' 'voice' in an organization. Social dialogue is most clearly associated with opportunity in the AMO model. Social dialogue is, above all, about the participation of employees in workplace decision-making⁴⁹. For example, Bryson, Forth and Kirby suggest that unions can act as a vehicle for employees' voice, improving the flow of information between management and employees. In addition, having a voice in an organization may give high performers an alternative to exit when they have grievances. Consequently, social dialogue might help firms retain skilled staff⁴⁸.

Wood and Wall have described a method by which employees can find the opportunities to participate, for example team working. The opportunity to cooperate and collaborate with others in a small group makes work intrinsically more satisfying^{15, 48}. The collaborative and cooperative nature of team working may enhance employees' ability by enabling informal learning between employees⁵⁰. Finally, team work may support all three elements of AMO framework. Autonomous work teams increase opportunities for participation; also, team-based organizations develop motivation¹⁵.

Organizational performance: Performance is the measurable outcomes of organizational decisions and actions that show the success rate and obtained results. Costs are the central part of performance. However, it almost includes all non-competitive and excellence goals as reliability, flexibility, quality and speed⁵¹. This study pays attention to organizational performance in the two following areas:

Knowledge sharing: Knowledge is a critical organizational resource that provides a sustainable competitive advantage in a competitive and dynamic economy⁵². According to Brown and Duguid, to gain a competitive advantage it is necessary but insufficient for organizations to rely on staffing and training systems that focus on selecting the employees who have specific knowledge, skills, abilities, or competencies or helping employees to acquire them. Knowledge sharing refers to the provision of task information and know-how to help others and to collaborate with others to solve problems, develop new ideas, or implement policies or procedures⁵³. Also Knowledge sharing between employees and within and across teams allows the organizations to exploit and capitalize on knowledge-based resources⁵⁴.

Research and Teaching procedure: Rules and regulations of research and training activities are considered as research and training procedures.

HRM practices and social capital: One of the factors affecting the level of social capital is human capital and in fact, HR

managers with investing on organizational human resource can promote social capital¹⁶. The theoretical literature on the relationship between HRM practices and organizational social capital show that HRM practices strengthen the relational coordination among the employees who perform distinct functions, while indicating that HRM practices of work design, motivation, training and development promote interpersonal relationships. Kaše suggests that practices such as job design, motivation, and education will develop the relations between individuals³. HRM practices can play a critical role in facilitating the development and implementation of organizational social capital⁵⁶.

Knowledge sharing and social capital: In the age of knowledge economy, knowledge is a critical resource to gain competitive advantage. Stewart through an article reminds to organizations that what they know (intellectual capital) is more important than what they have (physical capital)⁵⁶. When intellectual capital is shared with other employees, it turns into organizational knowledge; so the knowledge sharing leads to the production of new knowledge²².

Therefore, Knowledge sharing is a process through which people exchange mutually their knowledge with each other; individual knowledge is transformed into organizational knowledge, and potentially the opportunity to learn new experiences and the opportunity to practice the process and implementation experience, skills and abilities is provided⁵⁷. According to knowledge-based theories, organization is an example of a social community that has the skill to create and transfer knowledge with high speed and performance⁵⁸. Knowledge-based theories assume that positive relationships among members are essential for the creation and transferring knowledge. Thus, social capital is embedded in the social relations within the organization, and can be considered as a vital asset in maximizing organizational benefits.

HRM practices and social capital with the moderating role of organizational performance: Work force needs not only a wider professional knowledge, but also requires appropriate social relationships with other staff. Under such an atmosphere, employees are more willing to understand the benefits of HRM practices that create more opportunities for them to interact and develop relationships with others. Therefore, the investment in such human resource management practices in the organization with high levels of knowledge sharing is more effective. According to studies, knowledge sharing reinforces the relationship between HRM practices and social capital, i.e. as the level of knowledge sharing increases in organizations, the human resource management has a greater impact on social capital. There is wider agreement that 'HRM practices can improve organizational performance by: increasing employee's skills and abilities, promoting positive attitudes and increasing motivation, providing employees with expanded responsibilities so that they can make full use of their skills and abilities'²⁰.

According to research by Chang rules and regulations does not affect the relationship between HRM practices and social capital by itself. But in the presence of knowledge, they influence the relationship between the dependent and independent variables. So, in the presence of high knowledge, rules and regulations strengthen the relationship between HRM practices and social capital.

This paper proposed combination of social capital model of Nahapit and Ghoshal and Baileys HRM practices model, where knowledge sharing and education and research procedure are also considered as moderating variables.

Research hypotheses: H1. There is a relationship between HRM practices and social capital in Azad universities of Gilan province. H₂. Organizational performance moderates the relationship between HRM practices and social capital. H1-2 there is a significant relationship between HRM practices and structural capital. H1-3 there is a significant relationship between HRM practices and cognitive capital. H1-4 there is a significant relationship between HRM practices and relational capital. H1-5 There is a significant relationship between opportunity and social capital. H1-5 There is a significant relationship between motivation and social capital. H1-5 There is a significant relationship between ability and social capital. H2-1 Research and teaching procedure moderates the relationship between HRM practices and social capital. H2-2 knowledge sharing moderates the relationship between HRM practices and social capital.

Methodology

This research is an applied cross-sectional survey, and according to the nature and methods of data collection it is a descriptive (non-experimental) study. In terms of inferential statistical measures, the moderating effect of organizational performance was examined using the three-step hierarchical regression procedure of SPSS software. Then, to examine the research model and operational model the technique of factor analysis and structural path analysis were used. The research population included all faculty members and staff of Islamic

Azad universities of Guilan, among which Rasht, Anzali, Astara and Talesh units were chosen as the statistical population. The population volume was 720 in total, where 256 people were chosen as the sample based on Morgan Table. The instrument is the researcher-built questionnaire. To assess the validity of the method, structural validity by factor analysis, formal confirmation, and content validity were used. To determine the reliability of the questionnaire Cronbach's alpha was calculated. The values obtained from the alpha coefficient calculated for the dependent variable (social capital) are shown in the table below.

Table1
Reliability coefficients of HRM practices, social capital and organizational performance

Variables	dimensions	Alpha
Social Capital	Relational	0.911
	Cognitive	0.783
	Structural	0.878
HRM practices	Opportunity	0.922
	Motivation	0.799
	Ability	0.910
Organizational performance	Knowledge sharing	0.889
	Education and research procedure	0.784

Findings: Kolmogorov-Smirnov Test was conducted using the variables, which followed a normal distribution. In order to prove the hypothesis, Pearson test was used. First, it was necessary to assume a significant correlation between the two variables, and then in case of a significant correlation, path analysis (structural equation modeling) was used to identify the effect of one variable on the other variables.

Hypothesis 1: There is a significant relationship between HRM practices and social capital. H₀ There is not a significant relationship between HRM practices and social capital. H₁ There is a significant relationship between HRM practices and social capital.

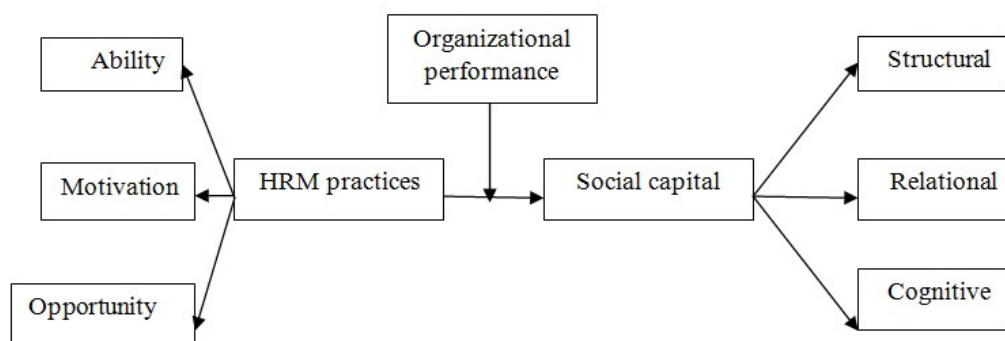


Figure-1
Conceptual framework

Table-2
The correlation coefficient between HRM practices and social capital

Variables	Correlation coefficient	Significant level	result
HRM practices and social capital	0.756	0.000	Confirmed the hypothesis

Hypothesis 1-1: There is a significant relationship between HRM practices and structural capital together: H₀: There is not a significant relationship between HRM practices and structural capital. H₁ There is a significant relationship between HRM practices and structural capital.

Table-3
The correlation coefficient between HRM practices and social capital

Variables	Correlation coefficient	Significant level	Result
HRM practices and structural capital	0.681	0.000	Confirmed the hypothesis

Hypothesis 1-2: There is a significant relationship between HRM practices and cognitive capital: H₀: There is not a significant relationship between HRM practices and cognitive capital, H₁: There is a significant relationship between HRM practices and cognitive capital.

Table-4
The correlation coefficient between HRM practices and social capital

Variables	Correlation coefficient	Significant level	Result
HRM practices and cognitive capital	0.645	0.000	Confirmed the hypothesis

Hypothesis 1-3: There is a significant relationship between HRM practices and relational capital: H₀: There is not a significant relationship between HRM practices and relational capital together. H₁: There is a significant relationship between HRM practices and relational capital together.

Table-5
The correlation coefficient between HRM practices and social capital

Variables	Correlation coefficient	Significant level	Result
HRM practices and relational capital	0.793	0.000	Confirmed the hypothesis

Hypothesis 1-4: There is a significant relationship between

opportunity and social capital: H₀: There is not a significant relationship between opportunity and social capital. H₁: There is a significant relationship between opportunity and social capital.

Table-6
The correlation coefficient between opportunity and social capital

Variables	Correlation coefficient	Significant level	Result
opportunity and social capital	0.749	0.000	Confirmed the hypothesis

Hypothesis 1-5: There is a significant relationship between motivation and social capital: H₀: There is not a significant relationship between motivation and social capital. H₁: There is a significant relationship between motivation and social capital.

Table-7
The correlation coefficient between motivation and social capital

Variables	Correlation coefficient	Significant level	Result
motivation and social capital	0.898	0.000	Confirmed the hypothesis

Hypothesis 1-6: There is a significant relationship between Ability and social capital: H₀: There is not a significant relationship between Ability and social capital. H₁: There is a significant relationship between Ability and social capital.

Table-8
The correlation coefficient between ability and social capital

Variables	Correlation coefficient	Significant level	Result
ability and social capital	0.827	0.000	Confirm Hypothesis

Investigating the moderating role of organizational performance: H₂. Organizational performance modifies the relation between HRM practices and social capital.

To investigate this hypothesis, we used a hierarchical regression in three stages. As you can see in the chart below measures the relationship between human resource management practices, organizational performance and social capital is not significant. Hierarchical regression results are as in table-9.

To further investigate the moderating variable it is shown in a chart. Organizational performance variable was divided to three strong, medium and weak performances. As it is obvious in the average performance the slope is steeper, indicating that average performance in Gilan University has a better moderating role in the relationship between social capital and human resource practices.

Table-9
The moderating role of organizational performance

Variables	First stage	Second stage	Third stage
HRM practices	0.756 0.000	0.766 0.000	0.746 0.000
Organizational performance		0.011 0.881	0.028 0.845
HRM practices and organizational performance			0.035 0.891
R ²	0.571	0.586	0.591
ΔR ²	0.571	0.015	0.003
F	333.847	0.022	0.019
SIG F change	0.000	0.881	0.891

Evaluation of model: The strength and validity of the model fitness were analyzed by several indices, as it is observable in table 3; all parameters show that the model has a strong fitness

The results of factor analysis and item loading confirmed the theoretical structure of the model.

The final research model using structural equation modeling: In the present study, in order to provide an integrated model of the structure of relations between HRM practices, social capital and organizational performance, structural

equation modeling was used. The results and the general model of study regarding the effect of variables on each other which were simultaneously implemented in AMOS18 software are provided below:

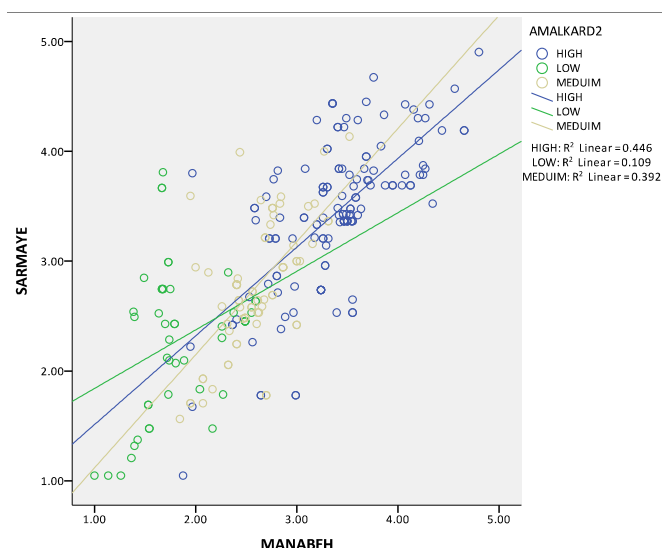


Figure-1

The modifying effect of organizational performance on the relationship between human resource practices and social capital

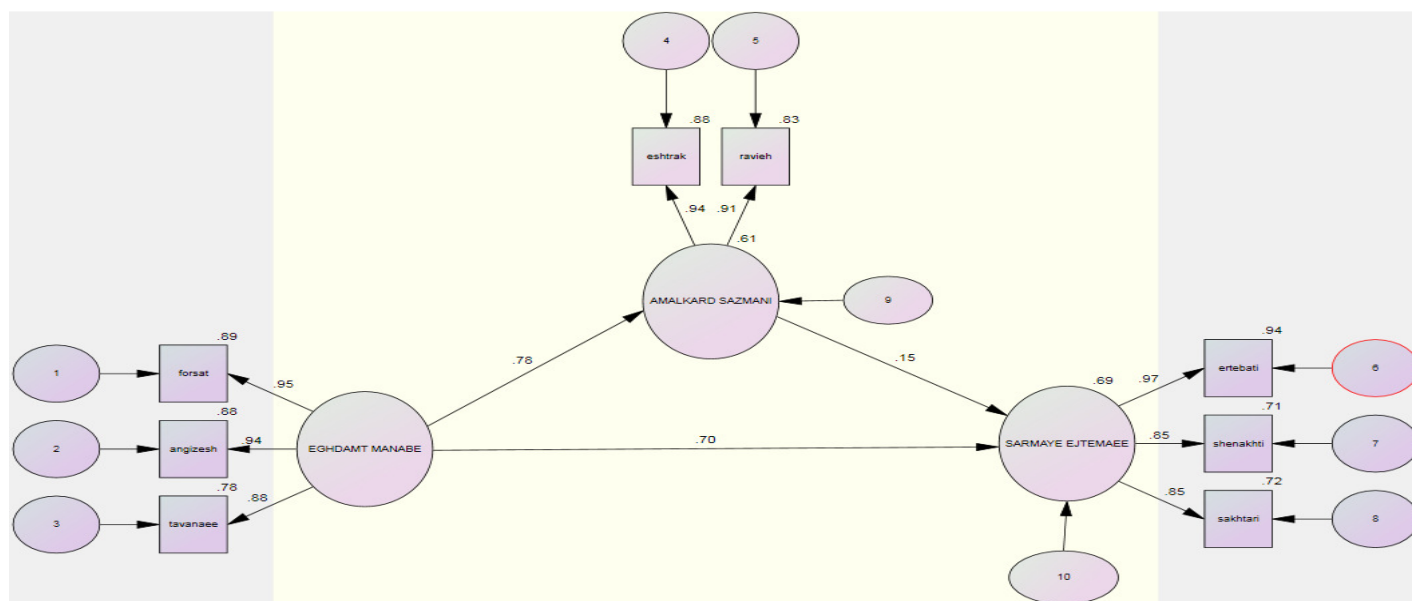


Figure-2
Path coefficients

Table-10
Model Estimation and Acceptable level

Model	NFI	RFI	IFI	TLI	CFI	RMSEA
The model Estimation	0.946	0.940	0.971	0.952	0.971	0.088
Acceptable level	close to one	close to one	close to one	close to one	close to one	Under 0.1

Results and Discussion

Social capital is a collection of norms in a social system that promotes cooperation among its members and decreases the interaction and relation's cost⁵⁹. The subjects presented in this article support the theory that investment in human resource management practices aligned with the strategic objectives of the organization is very precious. In order to give direction to staff behavior in line with the strategic objectives of the organization, managers must firstly determine their strategies and then select the appropriate HRM practices. In particular, personnel management, with an emphasis on the development of social relations, creates beneficial social networks within organizations and develops appropriate organizational social capital. The purpose of this paper is to emphasize the impact of HRM practices on social capital. Authors such as Coleman, Putnam, Fukuyama and Nahapiet and Ghoshal have pointed out in their research studies that social capital can have different effects and consequences. But what is achieved from their findings represent that social capital can have results such as the individual and collective capitals in different levels of society.

Another issue that was considered in this paper is the impact of HRM practices on social capital with the role of knowledge sharing and teaching and research procedure among employees. According to research conducted by Chang knowledge sharing facilitates the impact of HRM practices on social capital. Under the condition of high industrial regulation, HRM practices have positive and significant effects on OSC with the presence of knowledge intensity (but not with low knowledge intensity). The results clearly suggest that knowledge intensity moderates the HRM–OSC link in a regulated context.

Based on the findings of this study and the confirmation of main hypothesis1 and its secondary hypotheses it was found that social capital is a function of human resource management practices. In other words, investment in human resources management practices aligned with the strategic objectives of the organization can have a significant impact on the development of social capital.

According to the rejection of main hypothesis2 and its sub-hypotheses, it seems there is no link between the exchange of information, promotion of new ideas, partnerships and evaluation of with HRM practices in Azad universities of Gilan province. This may be due to bureaucracy or lack of proper scientific influence on HRM practices.

According to these results, it appears there are no relationships and sequence between teaching practices, especially dissemination of information, comparative research and educational performance, flexibility in the implementation of approved guidelines and actions related to education and research with human resources at university and these two structures are completely independent.

Conclusion

The results showed a significant relationship between HRM practices and social capital. So we can create opportunities for social relationships as well as the ability and motivation to improve the social capital of Gilan University. According to the results, some methods are suggested to HR of such social activities sponsored by university, such as programs, scientific lectures, a think tank in the university-wide program to provide familiarity with the culture and values of staff and faculty, designing incentive and rewards, and team-based activities. It can be suggested for future research that to evaluate the generalize ability of these results, the model be tested in other organizations. This paper suggests to managers when designing HRM practices that are planned for fostering the development of social capital, be aware of the level of organizational performance in knowledge sharing and procedures of research and teaching in their organization. In order to examine the accuracy of these results, the model can be empirically tested in organizations, which is suggested for future research.

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