

THE EFFECTS OF SOCIAL CAPITAL (SC) OF ORGANIZATION ON MARKETING PERFORMANCE: A CASE STUDY OF MANUFACTURING COMPANIES IN GUILAN PROVINCE

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Abstract

As long as the organization struggles to survive and need to presence in national and international arena, the principle of continuous improvement should be a priority of their activities. This principle cannot be achieved unless is possible the field to achieve the promotion of social capital. This study is conducted with aim of evaluating the effect of social capital (SC) of organization on marketing performance in manufacturing companies of Guilan Province (Iran). Customers of manufacturing companies in Guilan province are considered as statistical population and number of samples has obtained 385 customers. Sampling method in this study has been non-probability sampling and convenience. Also method of this study in term of objective is applied and in term of implementation is descriptive and finally method of data collecting is field. Regression test is used to analyze research hypotheses using SPSS software. Results showed that both variables of cognitive social capital and structural social capital affect customer satisfaction and trust.

Keywords: Cognitive Social Capital, Structural Social Capital, Customer Satisfaction, Customer Trust

1. Introduction

Social capital is formed through information flows such as education related to jobs, exchanging ideas, exchanging information of norms related to transactions on social networks, popular participation, self-help groups, the spirit of collectivism against individualism and altruism. Social capital can be observed among groups of friends, neighbors, schoolmates, members of sports clubs, etc. In general, social capital can be considered infrastructure and major underlying for a modernization process, thus real understanding amount and type of social capital and the use of factors that increase social variable is required due to being Iran in transition and the need for comprehensive planning in order to achieve sustainable development and reaching a relatively stable (Tavasoli & Amani Kelarijani, 2012: 56). High speed of social changes and business environment has introduced knowledge as the new stimulant motor in development organization (Gilaninia & Asadi Matak, 2012). Social capital increases people's willingness to cooperate with groups and create lively network of voluntary associations in various aspects of social life by it that staff administrate their affairs through the best possible form. This study is conducted with aim of evaluating the effect of social capital (SC) of organizations on marketing performance in manufacturing companies of Guilan province. Since social capital done satisfaction

replacement force and self-control put at the head of affairs and as well as guide various aspects of intellectual capital including human, structural and relationships in order to achieve the organizational goals and this is one of the major goals of any organization is trying to achieve it. Researchers examine measuring customer satisfaction, trust of manufacturing companies in Guilan Province, cognitive social capital constructs and structural from customer's perspective.

2. Problem Statement

From the past attention to the organizations as social actors as well as experts carefully to the needs and social issues related to the organization has established a favorable context for the development of the concept of social capital within the organizations. Corporate social capital remains in its infancy. Although it exist various factors of social capital in organizational theory for a long period, but this concept has recently been entered in organizational analysis. Corporate social capital is an asset that is beneficial both for the organization (through the creation of value for stakeholders) and for members of the organization (through improving the skills of the employees). In other words, corporate social capital refers to the organization informal dimension that is based on networks of organizational communication and as well as mutual trust (complementary formal dimension of the organization) (Ebili & et al, 2013:131). Social capital represents the general mass of internal resources which is provided by the access and the relationship of an individual or organizations. A company can obtain a huge advantage from the internal relationship and inter organization. Secure internal social capital will facilitate internal coordination of company, the creation and collection of knowledge and creativity. Social relations among members of organization enhance innovation, growth, and other organizational outcomes. It seems that secure social capital promotes innovation through the use of knowledge and increase competitiveness of enterprises and the likelihood of success (Chuang & et al, 2013). Social capital networks have strong relationships in the form of a dense that creates trust, norms and requirements and repetitive interactions and intensive assists to organizations to establish relationships and attract knowledge and other sources needed for innovation in the organization. Corporate social capital is an asset that is beneficial both for the organization (through the creation of value for stakeholders) and for members of the organization (through improving the skills of the employees) (Andishmand, 2009).

Organizational performance shows that how an organization can achieve to mission and its aims. Organizational performance indicating the start from a given situation and reach a precise target that this may include multiple purpose, such as market share, sales volume, employee motivation, customer satisfaction, quality, etc (Boisvert,2006). Sometimes companies based on their strengths and weaknesses relative to competitors and an analysis of competing strategies are planned (Taleghani & et al, 2013). In this study considered marketing performance and its elements are customer satisfaction and trust. Customer satisfaction is generally described as completely meet of customer expectations. Customer satisfaction is feeling or attitude of a customer to a product or services after use it. On issues related to service, quality and customer satisfaction is equal to a large extent. Trust is an important element in organizations and business transactions (Gilaninia & Gholami Ghashlagh, 2012). Trust is resulting repeated interactions over time. Understanding the validity and reliability is the most important elements.

The continuous improvement of organization performance in the light of attention to social capital creates synergy force that these forces can support planning of growth and development and creating excellence opportunities of organization. Governments, organizations and institutions apply many efforts about it. Social capital can be a phenomenon of mutual trust, reciprocal social interaction, community groups, a sense of collective identity, a sense of a shared image of the future, work together in a social system.

Social capital is interdisciplinary subject that its role is to facilitate human communication. Social capital is a concept that bureaucratic impasse order in organizing social affairs has attracted the attention of social experts and scholars.

Business environment is very complex and has become from the local to the global. Continuing pressure to management by reducing operational costs and improving support will increase their competitive advantage; since customers are very aware from increasing standards and have access to a high level of product and service because select among them, there is compete in attracting and keeping customers For many manufacturing companies.

In today the business world the largest enterprise value is based on intangible assets. The ability to identify and estimate the source of these values is critical for organizations. In order to be able to manage social capital we need to know its origin and how creating these assets in the organization. In this context, it should be recognized social capital variables and exploit to best way possible. In this study, researchers will try to answer this question that does social capital (SC) sales unit and business affects marketing performance of manufacturing companies in Guilan Province?

3. Research Framework

Since Uphoff for conceptualization, social capital divided into two classes of structural and cognitive and yet connected Scope of performance in them together. Therefore, it is understood that with regard to the mental dimension (cognitive) and objective dimension (structural) of social capital of Uphoff and social capital model of Scott can understand the better the positive effects of social capital on organizational performance (Jahangiri & Shokrizadeh,2010:112). Dimensions of organizational performance derived from model of Taherpour Kalantari and Tayebi Toloe (2010). In this model is measured the impact of the structural and cognitive social capital on customer satisfaction and trust.

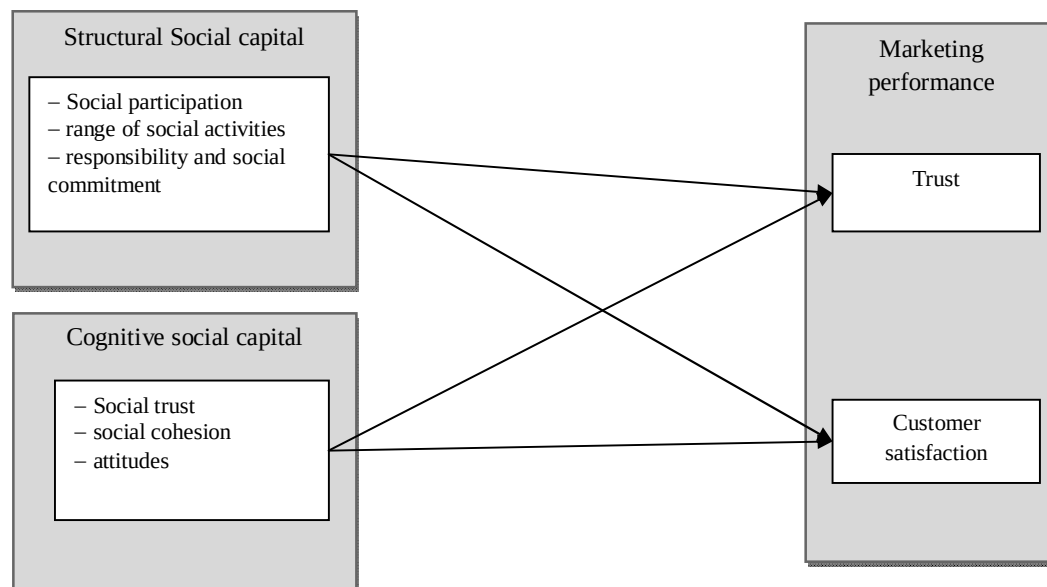


Figure 1: Research Conceptual Model (model Integrated Taherpour, 2010 & Jahangiri, 2010)

4. Research Hypotheses

1. Structural Social capital affects customer trust in Manufacturing Companies of Guilan province.
2. Structural Social capital affects customer satisfaction in Manufacturing Companies of Guilan province.

3. Cognitive social capital affects customer trust in Manufacturing Companies of Guilan province.
4. Cognitive social capital affects customer satisfaction in Manufacturing Companies of Guilan province.

5. Research Methodology

Method of this study in term of objective is applied and in term of implementation is descriptive and finally method of data collecting is field. Customers of Manufacturing Companies in Guilan province are considered as statistical population and number of samples has obtained 385 customers. Sampling method in this study has been non-probability sampling and convenience. Questionnaire is considered as tools of data collection. It is designed based on previous research and also their validity has confirmed by supervisor and some experts. Cronbach test results show that the questionnaire has been reliable. Descriptive and inferential statistical methods are used to analyze data. In descriptive method is used indicators of such as mean, frequency and standard deviation and to test their hypotheses in inferential statistic are used regression method.

6. Research Findings

First Hypothesis

1. Structural social capital affects customer trust in manufacturing companies of Guilan province.

Table 1) Regression testing between structural social capital and customer trust

Variables	Number	R	R ²	Sig	Result
Structural Social capital and customer trust	385	0.564	0.318	0.000	Confirmed

According to the table is observed that $\text{sig}=0.000<0.05$, for this reason, the hypothesis is confirmed with 95 % confidence and relationship is significant. Also based on this table it can said that intensity of correlation between structural social capital and customer trust is +56.4 percent. This suggests a direct relationship between the two variables of structural social capital and customer trust. On the other hand coefficient of determination between the two variables is equal to 0.318. This shows that structural social capital (independent variable) at a rate of 31.8 percent can predict customer trust (dependent variable).

2. Structural social capital affects customer satisfaction in manufacturing companies of Guilan province.

Table 2) Regression testing between structural social capital and customer satisfaction

Variables	Number	R	R ²	Sig	Result
Structural Social capital and customer satisfaction	385	0.425	0.181	0.000	Confirmed

According to the table is observed that $\text{sig}=0.000<0.05$, for this reason, the hypothesis is confirmed with 95 % confidence and relationship is significant. Also based on this table it can said that intensity of correlation between structural social capital and customer satisfaction is +42.5 percent. This suggests a direct relationship between the two variables of structural social capital and customer satisfaction. On the other hand coefficient of determination between the two variables is equal to 0.181. This shows that structural Social capital (independent variable) at a rate of 18.1 percent can predict customer satisfaction (dependent variable).

3. Cognitive social capital affects customer trust in manufacturing companies of Guilan province.

Table 3) Regression testing between cognitive social capital and customer trust

Variables	Number	R	R ²	Sig	Result
Cognitive social capital and customer trust	385	0.617	0.381	0.000	Confirmed

According to the table is observed that $\text{sig}=0.000<0.05$, for this reason, the hypothesis is confirmed with 95 % confidence and relationship is significant. Also based on this table it can said that intensity of correlation between cognitive social capital and customer trust is +61.7 percent. This suggests a direct relationship between the two variables of cognitive social capital and customer trust. On the other hand coefficient of determination between the two variables is equal to 0.381. This shows that cognitive social capital (independent variable) at a rate of 38.1 percent can predict customer trust (dependent variable).

4. Cognitive social capital affects customer satisfaction in manufacturing companies of Guilan province.

Table 4) Regression testing between cognitive social capital and customer satisfaction

Variables	Number	R	R ²	Sig	Result
cognitive social capital and customer satisfaction	385	0.543	0.295	0.000	Confirmed

According to the table is observed that $\text{sig}=0.000<0.05$, for this reason, the hypothesis is confirmed with 95 % confidence and relationship is significant. Also based on this table it can said that intensity of correlation between cognitive social capital and customer satisfaction is +54.3 percent. This suggests a direct relationship between the two variables of cognitive social capital and customer satisfaction. On the other hand coefficient of determination between the two variables is equal to 0.295. This shows that cognitive social capital (independent variable) at a rate of 29.5 percent can predict customer satisfaction (dependent variable).

7. Conclusion and Recommendations

In today's competitive world, customer-centric is all activities organizations. Organizations can only stay that would best provides customer satisfaction and trust. Nowadays more than any other time organizations need to differentiate themselves through their intangible assets. In terms of social capital, like other investment prepared suitable field for access to opportunities and life goals, and is considered an important source of social and organizational success. Nowadays, managers need social capital rather than physical and human capital for development. People with higher social capital have more capable of solving the problem. According to several studies accepted that organizations with high levels of social capital is likely to will be more successful than their competitors. Managers should also consider this capital as a center of management in organizations to achieve goals easier. Considering the importance of social capital is necessary to consider the various programs. To encourage the creation and strengthening of social institutions is one of structural solutions to increase social capital. Managers by social responsibility, unity and solidarity with the community and commitment to ethical principles overcome injury and loss of confidence and help to create a climate of trust and social capital and trust, this increases customer satisfaction and trust.

According to the results obtained of this research and confirmation of hypotheses the following items is recommended:

According to result of the first hypothesis that was approved the positive impact of structural social capital on customer trust in manufacturing companies of Guilan province, to improve

the structural social capital should be tried that respect principles of social capital in organization and be taken sufficient attention to structural social capital. In general, it is recommended that a suitable system to measure structural social capital is designed in the organization because the status of organization in this monitored variables and possible weaknesses in the form of a long-term strategic plan be eliminated.

Also in line with the results of the present study, attention to the following items can contain applied achievements in organization.

- Employees in the company have friendly personal relationships in their behavior.
- The company's employees use good working relationships in their work.
- Various working relationships exist between individuals in the company.
- It be used facilitating communication structure for work among the groups in company.
- Company to improve products is used customer information.
- It be valued to the values and ideas of the client in company.

According to the second hypothesis that was determined the positive impact of structural social capital on customer satisfaction in manufacturing companies of Guilan province, thus to improve customer satisfaction is recommended:

- It is tried in order to satisfy the customer from services of company.
- It is tried to be happy enterprise customers from the services.
- It is tried to provide the best enterprise customers satisfaction.

According to the third hypothesis and the positive impact of cognitive social capital on customer trust in manufacturing companies of Guilan province, thus to improve cognitive social capital on customer trust is recommended:

- It is tried to attract the trust of customer to the service.
- It is tried that the customer not has bad experience in the use of services of corporate.
- After-sales service is represented well and reliable.

According to the fourth hypothesis and the positive impact of cognitive social capital on customer satisfaction in manufacturing companies of Guilan province, thus to improve cognitive social capital on customer satisfaction is recommended:

- It is tried to create customer-oriented culture within the organization and always done what is right for the client and the public.
- It be strengthened staff sense from responsibility towards external community.
- It is encouraged people that have actively their attention to the interests of the client and the public in organization.

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