

Dimensions of social capital: relationships and reliance in the furniture industry companies - comparison of small business and corporation

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Abstract: *Dimensions of social capital: relationships and reliance in the furniture industry companies - comparison of small business and corporation.* The article is the third part of the series concerning the dimensions of social capital within the organization. The paper includes the comparative analysis of the data received on the basis of the two stages of research: pilot research conducted in 2013 and the main research conducted in a large enterprise in 2014. The subject of the comparison are the opinions of the employees working for a corporation and opinions of people employed in a small business enterprise. According to the rule that social environments gathering not many members are different from the social environments in large enterprises, the differences between the respondents were presented during the research.

Keywords: social relationships, reliance in small business and corporation

INTRODUCTION

The aspect of social environments in the context of the number of members may be analyzed from various perspectives. Sociology presents: stages of development of social relationship [1], group structure [2], aspect of reliability [3]. Management concerns these problems in the context of organization and staff teams management [4,5]. The main subject discussed in this article is the subject of social relationships and the level of social trust and reliability, both for individual employees as well as the whole enterprise, from the perspective of the company size described by the number of employees.

The data were collected from the two research areas representing the furniture industry: small enterprise and a large corporation. Because the large enterprise in which the research was conducted is a part of the corporation, the terms will be used interchangeably in this description. The material for comparison was collected after the pilot research conducted in 2013¹. A selection of the respondents was intentional. As a part of the research, a survey was conducted, a result of which was gaining 74 questionnaires from seven companies. The enterprises taken into account employed not more than 35 workers. There were gained 20 questionnaires from 4 micro- enterprises (up to 10 employees) which was 100% of the employees. The respondents from small enterprises (up to 50 employees) were employed in 3 various companies, from which there were 54 questionnaires received. From the survey conducted in the corporation in 2014 similar number of questionnaires was gained: 71. The aim of the comparison of the results was to draw the conclusions allowing to formulate the research hypotheses.

1. SIMILARITIES AND DIFERENCES BETWEEN THE GROUPS OF RESPONDENTS

In case o small enterprises 89,1% of the respondents were men. The proportion is reversed in the large enterprises, in which most of the respondents were women: 63,4%. The most

¹ The results of the pilot research are presented in the articles: K. Kukowska, The functionality of the relationship network in the enterprise – the context of social capital; Trust as a Source of Capital for a Company Operating in the Wood Industry, Annals of Warsaw University of Life Sciences - SGGW. Forestry and Wood Technology nr 83, 2013; 145-155

numerous groups taking part in the pilot research were people aged between 36 and 45 (41,2%) and younger than 25 years (34,4%). The employees working for the large enterprise were younger, and the most numerous group included people aged 26-35 years: 33,1%. The respondents from small enterprises were less educated: 27% with higher education, 37,8%-secondary education, 25,8% - vocational education, 9,4% - primary education. In the large enterprise the data may be presented in the following way: 74,6%- employees with higher education, 8,4%- incomplete higher education, 16,9%- secondary education.

In case of small businesses most of the respondents were physical workers, which is 77% of all the employees. The next numerous groups are masters and foremen: 8,1%, managers: 6,7% and owners: 5,4%. Administrative workers are only 2,7% of all the respondents. The respondents from large enterprises, in contrast to small business enterprises, were mainly administrative workers (83,1%). The next groups were: mid-level managerial staff- 8,5%, junior managerial staff- 4,2%, and senior managerial staff- 2,8%. The least numerous group is a group of physical workers (1,4%).

In case of the employment seniority, the most numerous groups of the employees from small enterprises are people working from 1 to 5 years (28,4%) and 11-15 years (24,3%). Only 2,7% of the employees were employed longer than 20 years and they were employed in only one company. In the large enterprise the group of people working from 1 to 5 years was quite big: 23,4% and it was as numerous as a group of employees with employment seniority between 6-10 years: 23,4%. Because the company has been functioning on the market for over 20 years, in this case the representatives of the group of employees working 20 years is 20,3%.

2. RELIANCE AND RELATIONSHIPS: COMPARISON OF A SMALL BUSINESS AND CORPORATION

Below there is presented the comparison of the respondents' opinions from analyzed environments, concerning the statements about trust, reliance and relationships.² The results are presented in table 1.

S1. When the task is performed by a team, all the members of this team have to trust one another, in order to have the task done properly.

Significantly more corporation employees agree with this statement (85,9%) than small business employees (62,2%). Nevertheless, the proportion will be more similar, if we take into account the answer „I rather agree”: 92,9% (corporation) and 94,6% (small enterprises).

S2. The employees generally trust one another and they exchange information, e. g. concerning ideas, plans.

In a small group it is easier to build the sense of trust, as direct relationships cause that people have a chance to find out more about co-workers' features, behaviour and values. Does it mean that in small companies employees trust one another more often than corporate employees? Positive answers concern 52,7% respondents employed in small companies, and 40,8% of corporation employees. Answer “Rather yes” was marked respectively by 32,4% and 21,1% of people. Therefore, in a questionnaire study small companies resulted better (85,1%) than corporations (61,9%). At the same time, almost 2 times more respondents from large company did not agree with the subject of trust among the employees at all: 7% (small business: 4,1%).

S3. At work I feel the need for checking the action of co-workers before joining the continuation of work started by them.

The need for controlling co-workers before joining their work, indicating being against the general atmosphere of trust, reached significantly higher level in small enterprise (86,4%)

² Theories presented in the article: Dimensions of social capital: Relationships and reliance in the furniture industry company. Part II

than in corporation (50,7%). These results seem to question the trust declaration included in the previous statement, in which respondents of small enterprises reached better results. In case of the employees working for corporations, controlling actions of co-workers was rather irrelevant, or the statement was not true for 12,8% of people. A group of workers from small companies who answered the same question was quite small: only 2,7%.

S4. Most of the employees in the company are trustworthy.

The rate of the atmosphere of trust in the analyzed enterprises was lower in small enterprises, at the same time confirming the need for controlling co-workers. Mostly, the respondents only partially agreed with this statement: 37,8%. Its confirmation was identified only by 16,2% of the respondents (“I absolutely agree”; or “I rather agree”). In case of large enterprise, the results were much more positive: 62% (“I absolutely agree”, or “ I rather agree”). In small companies answer “I rather do not agree”, or “I definitely do not agree”) was marked by 46%. Only 15,5% of the corporate workers answered the question this way.

S5. In the company there are many occasions for informal meetings fostering sharing information.

In management it is more common that the company managers undertake some actions fostering informal contacts among the employees, that can promote integration and sharing information. Nevertheless, atmosphere itself, or organizational culture may entourage such situations spontaneously. In small companies the employees are in constant direct contact. The companies analyzed were not bigger than 35 employees. Therefore, contact face to face gives much more possibilities of communication, apart from the formal channels. The results concerning this statement confirm the rule about the structure of communication in groups with small and great number of members. The 91,1% of the respondents employed in the small enterprises agreed with this statement, while in case of corporation there were only 28,2% of them.

S6. The employees can always rely on help from other employees in terms of task realization.

Regardless the fact that the result of the survey in the area concerning general trust- was very low in case of small enterprises, most respondents (78,4%) declared that they can always rely on their co-workers. In terms of the answers given by the employees of the corporation, a regularity may be observed: 31% of them agreed with this statement, 33,8% rather agreed. Comparing sums of positive answers concerning the sense of support from the co-workers, in case of small enterprises the result is equal 92%, while for corporation – 64,8%. 8,4% of the employees of the large company negated the statement, while respondents from small enterprises did not chose this answer at all

S7. New employees are quickly joined into the enterprise community and accepted by the remaining part of the group.

Quick adaptation and acceptance of the newly- employed people was show by the employees of small enterprises: 83,3%. In case of the corporation less than half of the respondents answered this way (47,9%), answer “I rather agree” was given by 32,4% of the respondents. The next quite numerous group of people employed in a small enterprise (23%) declared that they rather agree. It does not influence the general impression connected with both environments, as in a large company 8,4% of the respondents negated the statement („I rather do not agree” - „I definitely do not agree”), in small enterprises 2,7% of the respondents („I rather do not agree”).

S8. The company undertakes common projects with other enterprises.

It seems that the knowledge about the cooperation of the enterprises with environment is bigger among the employees from small enterprises. First of all, because they did not resign from answering the questions concerning the above statement, in contrast to the second group, 80,3% of which declared choosing one of the opinions. More than a half of the employees of

small business company (56,8%) chose the answer in accordance with the statement. In case of the next group of respondents, the greatest group of 25,4% of employees answered that they partially agree that the company undertakes common action with other companies. The number of answers negating the statement completely is equal 11,3% among the employees of the corporation and 4,1% among people employed in small business enterprises.

Taking into account financial capabilities, the scale of common actions with the environment, is different in case of the small enterprises and the corporation. Small enterprises, with limited financial capabilities may establish cooperation with competitors and then it is based on exchange, support, consultancy, or help in a process of task realization, (when they exceed the production capacity of the company), renting equipment, machines, etc. Common actions taken between the enterprises may be conducted on the large scale, at the same time realizing the policy of shaping the company image, or social responsibility. Regardless the form of common actions with other enterprises, they are based on the use of common actions in terms of providing benefits to the units directly involved. It is the case of building the network of external relations.

Table 1. Selected aspects of social capital declared by the respondents working for the analyzed companies

	Replies of respondents with reference to put statements									
	<i>I agree entirely; I agree</i>		<i>I rather agree</i>		<i>I partly agree</i>		<i>I rather disagree</i>		<i>I disagree; I disagree entirely</i>	
	I	II	I	II	I	II	I	II	I	II
S1.	62,2%	85,9%	32,4%	7%	5,4%	4,2%	0	0	0	2,8%
S2.	52,7%	40,8%	32,4%	21,1%	10,8%	31%	2,7%	4,2%	1,4%	2,8%
S3.	86,4%	50,7%	8,1%	22,5%	12,2%	14,1%	2,7%	11,3%	0	1,4%
S4.	5,4%	32,4%	10,8%	29,6%	37,8%	22,5%	31,1%	11,3%	14,9%	4,2%
S5.	91,9%	28,2%	6,8%	23,9%	0	19,7%	0	14,1%	0	14,1%
S6.	78,4%	31%	13,6%	33,8%	6,8%	25,3%	1,4%	1,4%	0	8,4%
S7.	83,8%	47,9%	12,2%	32,4%	23%	11,3%	2,7%	5,6%	0	2,8%
S8.	56,8%	21,1%	24,3%	15,5%	12,2%	25,4%	2,7%	7%	4,1%	11,3%

Source: Own elaboration. column marked as I: small companies (74 respondents); columns marked as II: large enterprise (71 respondents).

Employment, education, position occupied and first of all, type of work performed in both groups of respondents were pretty different. An obvious aspect is the scope of the company operations. The corporation operates on the European market, while small enterprises mostly on small, regional markets. Two of them operate nationwide. At the same time, the presented common element is the area of the companies' operations, which is furniture industry. Both, corporation and 5 small companies were focused on production of furniture. Taking into account the differences between small business and corporation, an attempt was made in order to formulate some research hypotheses.

CONCLUSIONS

The criterion determining the research direction were the relationships and reliance among the employees of the selected enterprises. Therefore, the suggested hypotheses were formulated on the basis of the limited number of factors taken into account:

1. Employees of the corporation have stronger need for reliance than employees from small business companies, in case of common tasks.
2. Employees from small business company generally feel stronger trust and reliance and share with co-workers opinions about, e. g. ideas, plans in contrast to the employees from the corporation
3. People employed in the corporation have significantly less need for controlling and supervising co-workers than people employed in a small enterprises
4. In the small companies the level of reliance and trust is on a low level.

5. Large companies create the atmosphere of reliance and trust for co-workers on the level higher than small business.
6. Among the people employed in the small enterprises informal meetings, fostering sharing information are more common than in large enterprises.
7. People employed in small enterprises are more sure that they can rely on the help of co-workers than employees of the corporation.
8. Employees from small company have the sense of quick acceptance of newly- employed workers and joining them to the enterprise community. The employees of the corporation show greater distance for the new employees.
9. People employed in a small business company have greater knowledge about the common actions/ projects of their enterprise with other companies, rather than employees of the corporation.

Complexity of the subject of social capital is determined by many factors. The elements of social capital described in this article are exposed to the influence of such intrinsic factors as HR policy, employment security, as well as external factors directly connected with the region characteristics: unemployment rate, competition, average local earnings, etc. Apart from these features which are objectively countable, here we may also include these resulting from the subtle combination of the individual psychological features of the individuals involved. That is why the evaluation of the usefulness of the suggested hypotheses should also take into account their limitations.

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Streszczenie: *Wymiary kapitału społecznego: sieci relacji i zaufanie w przedsiębiorstwach branży drzewnej - porównanie small businessu i korporacji.* Artykuł jest trzecią częścią cyklu dotyczącego wymiarów kapitału społecznego w organizacji. Zawiera on analizę porównawczą danych uzyskanych z dwóch etapów badań: pilotażu przeprowadzonym w 2013 r. oraz badania docelowego w dużej firmie przeprowadzonego w 2014 r. Przedmiotem porównań są opinie pracowników korporacji z opiniami pracujących w small buisnesie. Zgodnie z zasadą, że środowiska społeczne o małej liczbie członków różnią się od tych, które określane są jako duże, starano się wykazać różnice między badanymi grupami respondentów.