

## **The functionality of the relationship network in the enterprise – the context of social capital**

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**Abstract:** *The functionality of the relationship network in the enterprise – the context of social capital.* The article is a continuation of presented definitional analysis of the social capital and the social capital of the organization. It is presenting authority achievements in the subject matter of the function of the social capital of the organization. An attempt of the construction of rates of the social capital was made in the enterprise. The research tool was subjected to the verification in the process of pilot schemes conducted in companies of industry of wood. The one of aims of the research was determining the general state of the relation between employees of selected companies. Issues of researches included networks of the relation and the confidence in the enterprise understood as the social capital. In the article opinions of employees portraying elements of the sphere of the network of the relation and the cooperation in examined enterprises were presented.

*Keywords:* the networks of the relation, social capital of the enterprise

### INTRODUCTION

Issues including the raised subject are regarding the function of the network of the relation in the enterprise, constituting the social capital of organizations. Irrespective of the discourse above the social capital is being taken in the sociological or economic context, seeking factors of forming it and acting includes social mechanisms [1]. E. Robak is mentioning the following sources of the social capital of the organization: networks of the social relation, trust, reciprocity of action, cooperation [2]. The carriers of social capital are: norms, values, attitudes, the community's experiences. A difference between described capital and other forms of capital consists in it [3]. Specific persons are beneficiaries of the social capital who are functioning in the produced and reconstructed social structure including so as an enterprise is. Different power of connections between individuals can appear, but also between structures produced by them, and the disintegration of these forces can lead to integrating, or fencing in of individuals or groups, depending on the configuration. The social capital always arises through the accumulation - mechanism of producing or redoubling public action. Categories of the network structure, action and effectiveness [4] and confidences are elaborating only a process of forming it.

From the economic outlook an essence of the discourse upon the social capital of enterprises is a possibility of control of its level , a possibility of influence forming it and accumulating, and managing it. Perceiving the social capital from a perspective of the profit and aspirations to exploiting him , result from functions which he can fill in the organization.

### FUNCTIONS OF THE SOCIAL CAPITAL IN THE ORGANIZATION

The social capital in the organizational capture is presenting the number of the benefit. A cost cutting connected with the conducting business activities thanks to social connections which are facilitating the access to resources is an example. The members of the cooperation network have a greater mettle in the access to brand new sources. The cooperation for the realization of the common goal is improving the driving force of units through the join of efforts. The better flow of information influences on the decision making and action, because the social capital enables replacing formal structures, reducing the bureaucracy, that is cut

costing transaction. The idea of the social capital is based on a cooperation, and so here horizontal structures are an equivalent, their result is also a cost cutting with applying of securities. The advantage of such structures is also discharge responsibilities and liabilities as a result of cooperation and action online. Cooperation with other in frames of the social capital enables to acquire the new knowledge and experience what extends readjust to changing environmental conditions. A greater openness and a simpler absorption of the innovation and a flexible approach are further attributes for changes. Joint actions are facilitated by using communication channels which in frames of the net are more passable. Strong partners of the cooperation are better recognized and promoted, influence on the credibility of remaining users of capital. It is easier in such conditions to build up mutual trust, both between participants in the network as well as in the face of the environment networks let the relation on: keeping stores, sharing the risk and inducing to the greater risk, going new markets up, developing strategies of investing, creating the innovation [2], [5], [6]. However benefits to units in the context of the social capital of the organization are following:

- the social capital influences on encouraging the reciprocity [2],
- the individual is being motivated to construction of contacts (of social capital) in order can take advantage of chances turning up in the environment [5],
- the social capital influences on purchasing forms of the human capital: of the education, the ability and other useful features in achieving the economic success [1].

If to assume that the individual cannot use the social capital apart from the group, and group relations are determining the status of the individual [1], member of the organization can appear as the individual oversocialized. Benefits to the organization aren't transferring automatically to benefits of its members themselves, who can be treated instrumentally by managers. The social capital in order to function between individuals, bonds must be created, but if they are too strong they will lead to closing structures. Whereas for the smooth functioning balancing in the form of the bond with surroundings is needed for the organization [2]. According to F. Fukuyama a beneficiary of the developed social capital can also be the local community, forming surrounding the organization, and in the large scale society [7].

Irrespective of advantages of the social capital, which an ultimate consequence might be the conversion of this capital into financial benefits, administering this capital remains basic problem.

## MANAGING OF THE SOCIAL CAPITAL OF THE ORGANIZATION

W. Dyduch in one of his studies he wrote: "There is no recipe for creating the proper network of connections, therefore it is essential to monitor of existing contacts and pay special attention for catching new chances all of for creating next ones, which will help the organization to build the long-lasting competitive edge " [9]. If there is no recipe, and the network of connections isn't regarding only members of the organization, but also their connections with surroundings (customers, competition, etc.) in order to talk about managing of the social capital of the organization, a possibility of control of these contacts, as well as initiating them is necessary. It would mean that in order to raise the competitiveness through an effective management of social capital, the organization should invest in tools which enable to receive fullest information about the network of contacts of employees. Because contacts of employees, can be established spontaneously, not officially, it is worth also to monitor contacts apart from place and time of the work. Managing of the social capital through the network monitoring of contacts enables the organization in the long perspective of the time to determine which of them are more or less beneficial. Applying such tools will mention ethical problems. Network management of contacts, that is with whom the employee should contact and consequently what effects of such contacts can be (produced social,

cultural capital) , one could determine the cultural or public eugenics. However eugenic programs were being criticised as unethical. However personnel management, is applying techniques of social engineering and manipulating in its being, in positive understanding this notion, with behaviours of employees. In the middle of 20<sup>th</sup> century at the social science a method of the sociometry turned up as the analysis method of the network of contacts. However at examining the network in the aspect of the social capital it seems insufficient to the relation. They assumed in it that the information about personal contacts of examined group aren't provided, but only the network structure is presented. It isn't possible to manage the net of contacts without reporting who with whom is contacting.

#### STUDYING SOURCES OF THE SOCIAL CAPITAL IN ENTERPRISES

The conducted pilotage of examinations included the issue of social capital of enterprises with including the aspect of the network of the relation and trust. The main aim was to determine the state of the social capital through its selected carriers. Choice of respondents was intentional, spread through employees of companies of the industry of wood operating in the town and Łomża communes. The examined enterprises didn't exceed number of 35 employed. A survey was carried out in seven companies getting 74 questionnaire forms. At analysis surveys were divided into two groups (I, II) according to the size of companies, considering the number of the employed. It was acknowledged that the size of the company could be a factor affecting for diversifying declared replies. In the group I 20 questionnaire forms were get from 4 micro companies (up to 10 employed) appropriately after: 4, 4, 7 and 5 questionnaires what constituted the 100% the employed. Respondents of smaller companies (up to 50 employed) were employed in 3 different companies from which 54 questionnaires were obtained, appropriately after: 23, 14 i 17 (group II).

The conducted pilotage of examinations embraced respondents who were characterized by the following features: men constituted the 89% of persons; an average of the age is 43 years; education: 27% higher, 38% averages, 26% professional, 9% basic.

Table 1 is presenting the conclusions of the reply concerning the context of building employee relations. The relations of the outside companies were also considered.

**Tab. 1** Selected aspects of the network of the relation in the declaration of respondents

Lp.	Replies of respondents with reference to put statements (T1, T2, T3, T4)									
	I agree entirely; I agree		I rather agree		I partly agree		I rather disagree		I disagree; I disagree entirely	
	I	II	I	II	I	II	I	II	I	II
T1.	17	29	3	21	-	4	-		-	-
T2.	11	28	7	17	1	7	1	1	-	1
T3.	16	41	1	5	2	7	1	1	-	-
T4.	-	4	5	3	11	17	2	21	2	9

Source: own Study. Denoted columns and: micro companies (sum of 20 respondents); denoted Columns II: small companies (sum of 54 respondents)

Respondents took a stance on the statement: *There are many chances in the enterprise to informal meetings of supporting employees for information exchange* (T1).

Employees of micro companies definitely have more often declared the possibility of the chance to informal meetings (85% of readings). The worker of companies above 10 employed achieved the agreement in relation to this statement in the 54%. Considerable part of them is "rather agree" (39%) and partly agree (7,4%).

Following statement sounds: *Employees can always count on the other's help in solving problems* (T2).

Irrespective of the size of companies respondents declared similar result in relation to the mutual support, with the little majority for micro companies (group I: 55%, group II: 52%). There is a matter of the incompatibility with this statement on the similar level.

The third statement concerned the issue of the adaptation of employees to the social environment of the company: *Recruits are quickly involved in the community of the enterprise and accepted by the rest part of the group* (T3).

Both workers of the first group and the second group of companies matched the above statement in the significant number (I group: 80%, II group 76%). Considering the reply “than I agree” achieved a result in both cases approximately 85%.

The closing statement concerned accessing enterprises into relations with surroundings: *The company is organizing common undertakings with other companies* (T4).

Amongst respondents of companies below 10 employed there was no person who matched the put statement. 25% of persons from the first group „rather agreed”. Similarly, since for the 20% of persons, “rather disagreed” and “disagreed entirely”. Employees of large firms in the number of the 7.4% of persons agreed with the statement. However 39% of persons “rather disagreed” and 16.6% “disagreed”.

## CONCLUSION

The conducted researches determine selected carriers of the social capital in companies. On their base, according to the opinion of respondents it is possible to state that in companies up to 10 employed, the workers have a decided majority in chances to informal meetings on business premises. An advantage of the smaller group is obvious. However from the prospect of construction of the social capital inside the organization, the little number of the employed can constitute the element of limiting the change of intellectual resources. The assessment of the possibilities of getting the help from others turned out to be similar in the case both of micro companies, as well as small ones. The result reaching the nearly half the people is low. Functioning in the enterprise of the individual are sentenced to the interdependence, and so a cooperation on the level higher than results of the researches disclosed is a priority. A significant incompatibility of respondents in the issue of undertakings entertained with other companies was gained. An unconcern of employees with outside operations of the company can be a cause, that is a lack of knowledge on the topic. As well as little activity of companies in the framework of building the social capital with surroundings.

Possibility of generating benefits from the network of the relation existing in organizations, became an important and still not solved research problem of the management in final years. In the interest of every enterprise diagnosing one's social capital is in order consciously to take action influencing the social organism of the company. A special case are small-sized enterprises, demonstrating the greater sensitivity for all appearing changes both inside, as well as in surrounding them.

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**Streszczenie:** *Funkcjonalność sieci relacji w przedsiębiorstwie - kontekst kapitału społecznego.* Artykuł jest kontynuacją prezentowanej analizy definicyjnej kapitału społecznego i kapitału społecznego organizacji. Przedstawia on dorobek autorytetów w tematyce funkcji kapitału społecznego organizacji. Podjęto próbę konstrukcji wskaźników kapitału społecznego w przedsiębiorstwie. Narzędzie badawcze poddano weryfikacji w procesie badań pilotażowych przeprowadzonych w firmach branży drzewnej. Jednym z celów badania było określenie ogólnego stanu relacji między pracownikami wybranych przedsiębiorstw. Problematyka badań obejmowała sieci relacji i zaufanie w przedsiębiorstwie rozumiane jako kapitał społeczny. W artykule przedstawiono opinie pracowników ukazujące elementy sfery sieci relacji oraz współpracy w badanych przedsiębiorstwach.

*Słowa kluczowe:* sieci relacji, kapitał społeczny przedsiębiorstwa

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