

SURVEYING THE RELATIONSHIP BETWEEN SOCIAL CAPITAL AND TALENT MANAGEMENT SYSTEM IN DRILLING IRANIAN NATIONAL COMPANY

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Abstract

The aim of this study is to examine the relationship between social capital and talent management system in National Iranian Drilling Company located in Ahwaz. This research is applied research and correlation. The employees of Iranian National Iranian Drilling Company form the population which among them 100 people selected as a sample using Corcoran formula. The main tool of this study ate the standard questionnaires of social capital and talent management system. Using the opinion of university professors and company experts, the Reliability confirmed again. The validity of questionnaires obtained above 0.70. In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used. The results Kolmogorov-Smirnov Test shows the test distribution is Normal. So we can use Pearson Correlation coefficients to test the hypothesis of the research. In order to determine the relationship between the variables of the study, the SPSS tool has been used. Findings indicate that between social capital and talent management systems and all the indicators there is a relationship. This relationship is positive.

Key words: *social capital, talent management system, National Drilling Company*

INTRODUCTION

The concept of social capital became fashionable only relatively recently, but the term has been in use for almost a century while the ideas behind it go back further still. "Social capital" may first have appeared in a book published in 1916 in the United States that discussed how neighbours could work together to oversee schools. Author Lyda Hanifan referred to social capital as "those tangible assets [that] count for most in the daily lives of people: namely goodwill, fellowship, sympathy, and social intercourse among the individuals and families who make up a social unit".

In organization studies, too, the concept of social capital is gaining currency. It proves to be a powerful factor explaining actors' relative success in a number of arenas of central concern to organizational researchers: (Paul, 2002).

- Social capital influences career success (Gabbay & Zuckerman, 1998) and executive compensation (Burt, 1997).
- Social capital helps workers find jobs (Lin & Dumin, 1996) and creates a richer pool of recruits for firms (Fernandez, Castilla, & Moore, 2000).
- Social capital facilitates interunit resource exchange and product innovation (Gabbay & Zuckerman, 1998), the creation of intellectual capital (Nahapiet & Ghoshal, 1998), and cross-functional team effectiveness (Rosenthal, 1996).
- Social capital reduces turnover rates (Krackhardt & Hanson, 1993) and organizational dissolution rates (Pennings, Lee, & van Wit teloostuijn, 1998), and it facilitates entrepreneurship (Chong & Gibbons, 1997) and the formation of start-up companies (Walker, Kogut, & Shan, 1997).
- Social capital strengthens supplier relations (Uzzi, 1997), regional production net-works (Romo & Schwartz, 1995), and inter-firm learning (Kraatz, 1998).

Social capital is about the value of social networks, bonding similar people and bridging between diverse people, with norms of reciprocity (Dekker and Uslander 2001).

Table 1 Definitions of Social Capital

External versus Internal	Authors	Definitions of Social Capital
External/ Bridging/ Communal	Baker	‘a resource that actors derive from specific social structures and then use to pursue their interests; it is created by changes in the relationship among actors’; (Baker 1990, p. 619)
	Belliveau, O’Reilly, Wade	‘an individual’s personal network and elite institutional affiliations’ (Belliveau et al. 1996, p. 1572)
	Bourdieu	‘the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition’ (Bourdieu 1986, p. 248) . ‘made up of social obligations (‘connections’), which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility’ (Bourdieu 1986, p. 243)
	Bourdieu Wacquant	‘the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition’ (Bourdieu and Wacquant 1992, p. 119)
	Boxman, De Graai. Flap	‘the number of people who can be expected to provide support and the resources those people have at their disposal’ (Boxman et al. 1991, p. 52)

	Burt	'friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital' (Burt 1992, p. 9). 'the brokerage opportunities in a network' (Burt 1997, p. 355)
	Knoke	'the process by which social actors create and mobilize their network connections within and between organizations to gain access to other social actors' resources' (Knoke 1999, p. 18)
	Portes	'the ability of actors to secure benefits by virtue of membership in social networks or other social structures' (Portes 1998, p. 6).
Internal/ Bonding/ Linking	Brehm Rahn	'the web of cooperative relationships between citizens that facilitate resolution of collective action problems' (Brehm and Rahn 1997, p. 999) .
	Coleman	'Social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure' (Coleman 1990, p. 302).
	Fukuyama	'the ability of people to work together for common purposes in groups and organizations' (Fukuyama 1995, p. 10). 'Social capital can be defined simply as the existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them' (Fukuyama 1997).
	Inglehart	'a culture of trust and tolerance, in which extensive networks of voluntary associations emerge' (Inglehart 1997, p. 188) .
	Portes Sensenbrenner	'those expectations for action within a collectivity that affect the economic goals and goal' seeking behavior of its members, even if these expectations are not oriented toward the economic sphere' (Portes and Sensenbrenner 1993, p. 1323).
	Putnam	'features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit' (Putnam 1995, p. 67).
	Thomas	'those voluntary means and processes developed within civil society which promote development for the collective whole' (Thomas 1996, p. 11).
Both types	Loury	'naturally occurring social relationships among persons which promote or assist the acquisition of skills and traits valued in the marketplace. . . an asset which may be as significant as financial bequests in accounting for the maintenance of inequality in our society' (Loury 1992, p. 100).
	Nahapiet	'the sum of the actual and potential resources embedded within,

	and Ghoshal	available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network' (Nahapiet and Ghoshal 1998, p. 243).
	Pennar	'the web of social relationships that influences individual behavior and thereby affects economic growth' (Pennar 1997, p. 154) .
	Schiff	'the set of elements of the social structure that affects relations among people and are inputs or arguments of the production and/or utility function' (Schiff 1992, p. 160) .
	Woolcock	'the information, trust, and norms of reciprocity inhering in one's social networks' (Woolcock 1998, p. 153).

Nahapiet and Ghoshal (1998) in their examination of the role of social capital in the creation of intellectual capital, suggest that social capital should be considered in terms of three clusters: structural, relational, and cognitive (Nahapiet & Ghoshal, 1998). Carlos García Timón describes that the structural dimensions of social capital relate to an individual ability to make weak and strong ties to others within a system. This dimension focuses on the advantages derived from the configuration of an actor's, either individual or collective, network. The differences between weak and strong ties are explained by Granovetter (1973) the relational dimension focuses on the character of the connection between individuals. This is best characterized through trust of others and their cooperation and the identification an individual has within a network. Hazleton and Kennan (2000) added a third angle, that of communication. Communication is needed to access and use social capital through exchanging information, identifying problems and solutions, and managing conflict. According to Boisot (1995) and Boland and Tenkasi (1995) meaningful communication requires at least some sharing context between the parties to such exchange. The cognitive dimension focusses on the shared meaning and understanding that individuals or groups have with one another.

Organizations are made up of people: people creating value through proven business processes, innovation, customer service, sales, and many other important activities. As an organization strives to meet its business goals, it must make sure that it has a continuous and integrated process for recruiting, training, managing, supporting, and compensating these people. The following chart shows the complete process: (Levensaler, 2008).

1. *Workforce Planning*: Integrated with the business plan, this process establishes workforce plans, hiring plans, compensation budgets, and hiring targets for the year.
2. *Recruiting*: Through an integrated process of recruiting, assessment, evaluation, and hiring the business brings people into the organization.
3. *Onboarding*: The organization must train and enable employees to become productive and integrated into the company more quickly.

4. *Performance Management*: by using the business plan, the organization establishes processes to measure and manage employees. This is a complex process in itself, which we describe in detail in our new research Performance Management 2006.

5. *Training and Performance Support*: of course this is a critically important function. Here we provide learning and development programs to all levels of the organization. As we describe in the Death of the Corporate University, this function itself is evolving into a continuous support function.

Fig 1. Talent management process



6. *Succession Planning*: as the organization evolves and changes, there is a continuous need to move people into new positions. Succession planning, a very important function, enables managers and individuals to identify the right candidates for a position. This function also must be aligned with the business plan to understand and meet requirements for key positions 3-5 years out. While this is often a process reserved for managers and executives, it is more commonly applied across the organization.

7. *Compensation and Benefits*: clearly this is an integral part of people management. Here organizations try to tie the compensation plan directly to performance management so that compensation, incentives, and benefits align with business goals and business execution.

8. *Critical Skills Gap Analysis*: this is a process we identify as an important, often overlooked function in many industries and organizations. While often done on a project basis, it can be "business-critical." For example, today industries like the Federal Government, Utilities, Telecommunications, and Energy are facing large populations which are retiring. How do you identify the roles, individuals, and competencies which are leaving? What should you do to fill these gaps? We call this "critical talent management" and many organizations are going through this now (Levensaler, 2008).

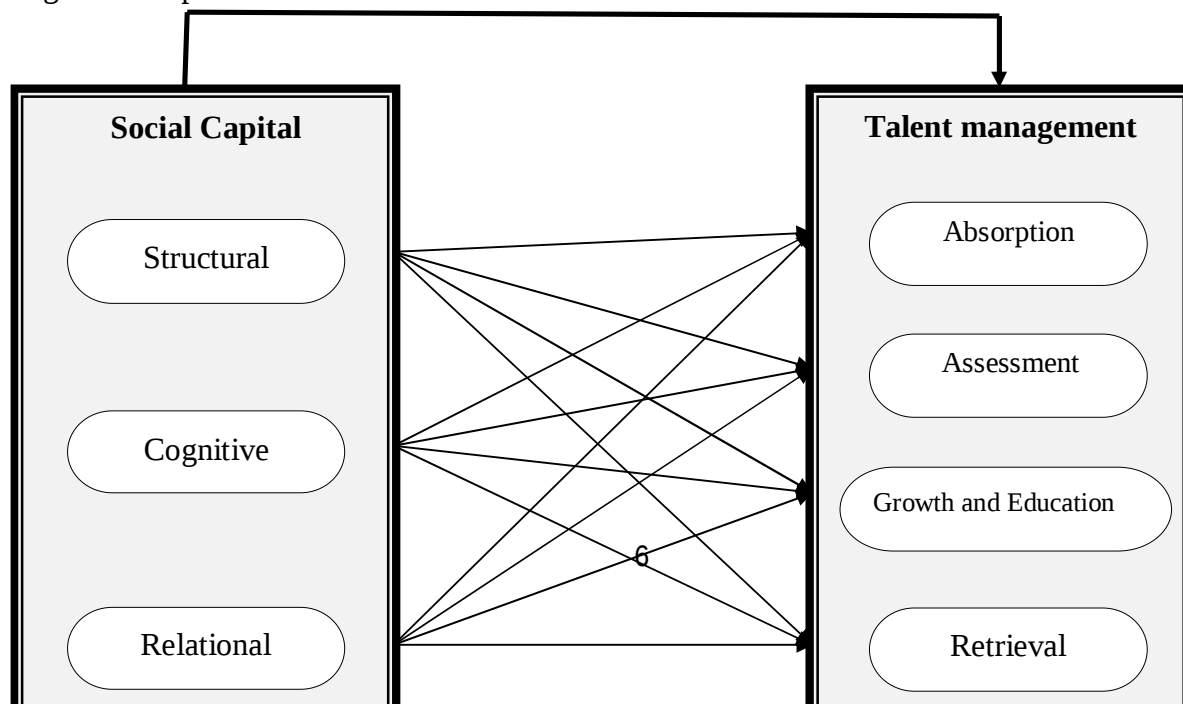
Dell and Hickey, (2002 mentioned Seven Keys to Effective Talent Management:

- 1) Develop an integrated, proactive talent management strategy: View “employer of choice” status as an outcome of coherent corporate culture rather than ad-hoc programs.
- 2) Balance grassroots involvement in talent attraction and retention with management accountability.
- 3) Know the company’s business environment and plans—the competitive climate: Know plans for growth, merger, divestiture, new products or technologies and project their impact on immediate and longer-term talent needs.
- 4) Know what factors contribute to difficulties in attraction and retention: Base initiatives on the real concerns of employees. Raw numbers on turnover can show where retention problems are but not what they are.
- 5) Keep various retention factors in balance, especially the mix of compensation and nonfinancial motivators.
- 6) Track turnover: Know its costs and where they are the greatest and convey them to management to support the business case for retention.
- 7) Market the company and its brand to current employees as vigorously as to the outside talent pool (Dell & Hickey, 2002).

In a competitive marketplace, talent management is a primary driver for organizational success. Broadly defined, talent management is the implementation of integrated strategies or systems designed to increase workplace productivity by developing improved processes for attracting, developing, retaining and utilizing people with the required skills and aptitude to meet current and future business needs. A recent study shows that 85% of HR executives state that the “single greatest challenge in workforce management is creating or maintaining their companies’ ability to compete for talent.” Without question, effective talent management provides one of the most critical points of strategic leverage today (Lockwood, 2006).

The conceptual model of this study in social capital with three dimensions (structural, cognitive and relational) according to Nahapiet and Ghoshal (1998) and talent management with four dimensions (absorption, assessment, growth and education and retrieval) according to Ahmadi et al, (2012).

Fig 2. Conceptual model



RESEARCH HYPOTHESES

In this paper we have 12 hypotheses. The statistical way of analysis of hypotheses is two ways, H_1 is acceptance of hypothesis and H_0 is rejecting of hypothesis. In other words, it means that H_1 has positive meaning and H_0 has no meaning.

- 1) There is a significant relationship between structural dimension and absorption dimension in Drilling Iranian National Company
- 2) There is a significant relationship between structural dimension and assessment dimension in Drilling Iranian National Company
- 3) There is a significant relationship between structural dimension and growth and Education dimension in Drilling Iranian National Company
- 4) There is a significant relationship between structural dimension and retrieval dimension in Drilling Iranian National Company
- 5) There is a significant relationship between cognitive dimension and absorption dimension in Drilling Iranian National Company
- 6) There is a significant relationship between cognitive dimension and assessment dimension in Drilling Iranian National Company
- 7) There is a significant relationship between cognitive dimension and growth and Education dimension in Drilling Iranian National Company
- 8) There is a significant relationship between cognitive dimension and retrieval dimension in Drilling Iranian National Company
- 9) There is a significant relationship between relational dimension and absorption dimension in Drilling Iranian National Company
- 10) There is a significant relationship between relational dimension and assessment dimension in Drilling Iranian National Company
- 11) There is a significant relationship between relational dimension and growth and Education dimension in Drilling Iranian National Company
- 12) There is a significant relationship between relational dimension and retrieval dimension in Drilling Iranian National Company

METHODOLOGY

The main purpose of this study was surveying relationship between social capital and talent management system in Drilling Iranian National Company. The population was 135 employees of this company. We determined the amount of the sample size with the used of Cochran sampling method which the statistical sample is 100 of these employees which have been selected through the simple random sampling method. To gathering of data, we used a questionnaire with 48 items. Questionnaires reliability was estimated by calculating Cronbach's

Alpha. Table 2 shows the number of question and Cronbach's Alpha for each dimensions of research.

Table 2 shows the number of question and Cronbach's Alpha for each dimensions:

Dimensions	No. of Items	<i>Alpha</i>
social capital	20	0.85
talent management	28	0.89

In order to analyze the data resulted from collected questionnaires deductive and descriptive statistical methods are used. The results Kolmogorov-Smirnov Test shows the test distribution is Normal. So we can use Pearson Correlation coefficients to test the hypothesis of the research. In order to determine the relationship between the variables of the study, the SPSS tool has been used.

RESULTS

A) Demographic Results

The data gathered from questionnaires shows that, eighty two percent are male and eighteen percent are female. The responder's degree is 4 percent PhD, 29 percent MA, 43 percent BA and 24 DA. It means that the most of the customers have university degree. (Table 3)

Table 3- Responders degree

Valid	Degree	Frequency	Percent
	AD	24	24
	BA	43	43
	MA	29	29
	PhD	4	4
	Total	100	100.0

Table 4 shows age of the responders. 26 percent of responders have between 20-30 years' old; 40 percent have between 31-40; 23 percent 41-50; and finally 11 percent have more than 51 years of work experience. It shows that most the employees experience are between 20-40.

Table 4- age of the responders

Valid		Frequency	Percent
	20- 30	26	26
	31-40	40	40
	41-50	23	23
	More than 51	11	11
	Total	100	100.0

From the precedence point of view about 18 percent of responders have between 1 - 5 years' experience, 28 percent have between 6 -10, 16 percent have between 11-15, and finally 38 percent have experience more than 16 years of. It shows that all the employees have good experience.

Table 6- age of the responders

Valid		Frequency	Percent
	1-5	18	18
	6-10	28	28
	11-15	16	16
	More than 16	38	38
	Total	100	100.0

B) Hypotheses Results

Table 7 shows that correlation analysis has been done in order to determine the relationship between structural dimension as independent variable and absorption, assessment, growth and education and retrieval as dependent variable.

Table7, correlation coefficients between the independent and dependent variables

Independent variable	Dependent variable	n	R	P-value	Result
Structural	Absorption	100	.319	.000	Confirm H ₁
	Assessment	100	.244	.008	Confirm H ₁
	Growth And Education	100	.321	.000	Confirm H ₁
	Retrieval	100	.290	.001	Confirm H ₁

The results show that structural dimension significantly and highly related with talent management dimensions (absorption, assessment, growth and education and retrieval). Strong positive correlation was found between structural dimension and growth and education ($r=0.321$) with $p \leq 0.000$ level. And the weakness positive correlation was with assessment ($r=0.244$) with $p \leq 0.008$ level.

The findings show that significant level achieved about variables are less than 0.05. Therefore, in such cases, we can confirm H₁ and says that so, there is a correlation between the independent variables and also they have significant correlation dependent variable. It means that structural dimension have a significant correlation with talent management dimensions (absorption, assessment, growth and education and retrieval) in Drilling Iranian National Company.

Table 8 shows that correlation analysis has been done in order to determine the relationship between cognitive dimension as independent variable and absorption, assessment, growth and education and retrieval as dependent variable.

Table 8, correlation coefficients between the independent and dependent variables

Independent variable	Dependent variable	n	R	P-value	Result
Cognitive	Absorption	100	.304	.001	Confirm H ₁
	Assessment	100	.587	.000	Confirm H ₁
	Growth And Education	100	.304	.000	Confirm H ₁
	Retrieval	100	.293	.005	Confirm H ₁

The results show that cognitive dimension significantly and highly related with talent management dimensions (absorption, assessment, growth and education and retrieval). Strong

positive correlation was found between cognitive dimension and assessment ($r=0.587$) with $p \leq 0.000$ level. And the weakness positive correlation was with retrieval ($r=0.293$) with $p \leq 0.005$ level.

The findings show that significant level achieved about variables are less than 0.05. Therefore, in such cases, we can confirm H_1 and says that so, there is a correlation between the independent variables and also they have significant correlation dependent variable. It means that Cognitive dimension have a significant correlation with talent management dimensions (absorption, assessment, growth and education and retrieval) in Drilling Iranian National Company.

Table 9 shows that correlation analysis has been done in order to determine the relationship between relational dimension as independent variable and absorption, assessment, growth and education and retrieval as dependent variable.

Table 9, correlation coefficients between the independent and dependent variables

Independent variable	Dependent variable	n	R	P-value	Result
Relational	Absorption	100	.397	.000	Confirm H_1
	Assessment	100	.413	.000	Confirm H_1
	Growth And Education	100	.171	.008	Confirm H_1
	Retrieval	100	.203	.005	Confirm H_1

The results show that relational dimension significantly and highly related with talent management dimensions (absorption, assessment, growth and education and retrieval). Strong positive correlation was found between cognitive dimension and assessment ($r=0.413$) with $p \leq 0.000$ level. And the weakness positive correlation was with growth and education ($r=0.171$) with $p \leq 0.008$ level.

The findings show that significant level achieved about variables are less than 0.05. Therefore, in such cases, we can confirm H_1 and says that so, there is a correlation between the independent variables and also they have significant correlation dependent variable. It means that relational dimension have a significant correlation with talent management dimensions (absorption, assessment, growth and education and retrieval) in Drilling Iranian National Company.

Finally, we find a positive relation exists between Social capital dimensions (structural, cognitive, relational) and talent management dimensions (absorption, assessment, growth and education and retrieval) in Drilling Iranian National Company.

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