



Agnieszka Chomiuk

The meaning of social capital in creating the internal image of the organisation

Summary of the dissertation

PhD Supervisor: dr hab. Magdalena Stefańska, prof. UEP
Date of submission: 22.05.2023 r.

Supervisor's signature

Poznań 2023

Table of contents

I. Research problem and justification for the subject of the dissertation	3
II. Research goals and hypotheses	4
III. Scope of research	7
IV. Structure of the dissertation	8
V. Empirical findings	9
VI. Recommendations and directions for further research	12
VII. Bibliography	15

I. Research problem and justification for the subject of the dissertation

The beginning of the 21st century is a turning point towards values in social and economic life. The economic crisis, progressing globalization and omnipresent technologies as well as the associated threats contribute to the search for new thoughts and solutions in terms of ethics, morality, politics and economy. A kind of revolution in the economy has been observed, which from measuring the value and success of entities on the basis of their tangible capital, turns to measuring their value on the basis of accumulated intangible capital. Moreover, the value of the organization is perceived not only in human capital and resources that individuals bring to the organization, but more frequently on the basis of the relationships that the organization establishes, the trust it is endowed with, its network of connections and cooperation skills. It all cumulates to the organization's social capital, which has not only gained in value over recent years, but it is the beginning to be perceived as an extremely valuable goal of the organization, as well as a necessary condition for the socio-economic development of the country.

The issue of social capital in the literature of the subject of management sciences has been more intensively discussed since the turn of the 20th and 21st centuries, though its sources can be found in many theories. The concept of social capital refers to the interest in intangible goals of the organization to perceive them as sources of competitive advantage. Although the relationship between social capital and the organization is the subject of the research, the current scientific achievements focus on modelling relations with external stakeholders and creating social capital at the point where the organization and the environment in which it operates meet, being based on the network of contacts, bonds, cooperation and trust created among members of the organization's environment.

Social capital can be the source of value in the organization and generate numerous benefits in the economic, social, ethical and emotional-developmental areas. It affects building and strengthening the organization's brand, improves decision-making processes and information management in the organization, reduces transaction costs, affects job satisfaction and employee loyalty, enables to create bonds and networks, improves communication processes, strengthens the flexibility, innovation and entrepreneurship of the organization (Chomiuk, 2016).

Therefore, from the point of view of theoretical considerations, as well as due to the practical and useful nature of discussions, it is interesting to identify and determine the relationship between social capital and building and strengthening the internal image of the organization. Disclosure of the role of social capital may have a significant impact on the activities undertaken by organizations, in particular in the context of ongoing socio-economic changes. An internal communication of the organization was defined as a moderating factor, because it is of great importance for building bonds and thus trust and cooperation in the organization.

Because of the time limit, the content and analytical possibilities, the research in the dissertation, was diminished to social entities, that is non-governmental organizations. It was assumed that due to social values, the nature of cooperation and the tasks performed, social capital in these organizations is more straightforward to verify and study. Therefore, the results of the research have significant limitations related to the generalization in the population of organizations of other types, e.g. for-profit or public administration. However, specific conclusions and recommendations related to the impact of social capital on the internal image of an organization may be universal and contribute to the reflection and possible in-depth research in the area of private or public sector organizations.

II. Research goals and hypotheses

The concept of social capital, in particular its role in managing the internal image of an organization, is a new approach, poorly defined on theoretical and empirical grounds. Hitherto, no comprehensive research on the impact of social capital on the image of an organization has been conducted in the literature. The dissertation proposes a multi-faceted, both cognitive and practical approach related to strategic factors in shaping the internal image of an organization on the example of third sector entities in Poland. The importance of the topic is reflected not only in cognitive purposes – the analysis of the concept of social capital and creating the internal image of the organization, but also for utilitarian purposes – presenting the factors affecting the internal image of the organization and developing a model of the impact of social capital on its formation.

The main purpose of the dissertation is to identify and evaluate the importance of social capital dimensions in creating the internal image of an organization in the context of forms and channels of internal communication. The detailed objectives help to answer the

question: which dimensions of social capital and their relationships with communication in the organization affect the formation of the internal image. They were formulated as follows:

- Identification of social capital factors affecting the formation of the internal image of the organization.
- Indication of the relationships between the dimensions of social capital and forms of communication.
- Identification and determination of the strength of the relationship between internal communication in the organization and the development of social capital.
- Clarification of the relationship between social capital, internal communication and the internal image of the organization, with assessment of employees' position
- Proposing a model of the impact level of social capital on creating the internal image of the organization.

The main hypothesis of the dissertation is: Social capital affects the organization's ability to build an identity internal image. This became the basis to formulate supporting hypotheses as follows:

Hypothesis 1: The stronger the organization's identity, the closer the relationship and the greater the bond between employees.

Hypothesis 2: The stronger the sharing and adherence to norms and rules, the higher level of trust in the organization.

Hypothesis 3: Employees' high sense of impact increases their commitment and job satisfaction.

Hypothesis 4: There is a relationship between the conditions for collaboration and cooperation of employees and the durability of bonds and relationships between employees.

Hypothesis 5: The more of joint activity of employees, the better cooperation and greater team cohesion.

Hypothesis 6: High indicators of dimensions of social capital in an organization transfers into a positive internal image.

Hypothesis 7: There is a relationship between the use of mutual channels of direct communication using formal and informal communication tools and the organization's ability to multiply the dimensions of social capital.

The dissertation formulates an assumption that internal communication may contribute to minimize the information gap, strengthen the ability to communicate with

different target groups, creating fast communication routes and ensure feedback between the sender and the recipient. Internal communication can also affect the quality of communication, the atmosphere of cooperation and the creation of a culture of trust in the organization. Therefore, it may have the ability to maintain and multiply social capital, whose role in organizations is often underestimated.

The issue of the role of social capital in an organization is extensive. Hence, it is necessary to introduce certain limitations to the conducted considerations and clear definition of the scope of the dissertation. In the dissertation, the internal social capital of the organization (objective scope) is examined and assessed in terms of creating links, understood as capital shaped in large, open groups, acquaintances, friends from work, who help in development and progress, and the social capital of links - i.e. existing relationships within the network, among people with various positions in the structure and of diverse status (Woolcock, 1998). The definition adopted in the dissertation refers to the network of social contacts inherent in the social structure, enabling access to information and other resources (Lin, 1999). In the definition, Lin emphasizes the role of the interaction within the network, i.e. the element of social capital located in the relations of employees, thanks to which more valuable resources can be transferred. It also refers to information as a factor reducing the transaction costs of the organization in the process of recruitment and establishing relationships between the organization and a potential employee. Lin considers social capital to be a "social credentials" that, by strengthening a person's identification, can give the success of undertaken actions (ibid., pp. 28-51). For the purpose of capturing the characteristics of the social capital of an organization, the definition is extended to include such elements of the capital as: the ability to mobilize and join resources as well as the development of common norms, values and trust, that all enable to cooperate and stimulate human activity, proved to be adequate for examining social capital at the organizational level.

III. Scope of research

The research in the dissertation was carried out in the pragmatic paradigm and its appropriate triangulation of research. Qualitative research was conducted using the in-depth interview method and vignette method. On the basis of respondents' answers, descriptions of situations and events presented in the episodes, conclusions about their beliefs and

attitudes were drawn. In view of that, the regularities and answers to the research questions posed related to the hypotheses of the dissertation were sought.

Another qualitative method used in the dissertation was the in-depth interview (IDI), conducted on a group of representatives of non-governmental organizations. A directed unstructured interview was a research tool. Qualitative research served to explain and understand the regularity of the discussed phenomena and to search for connections in relation to quantitative research. Both in quantitative and qualitative research, employees of the third sector constituted the subjective scope of the dissertation.

Besides qualitative methods, quantitative methods were conducted, a survey study with a questionnaire survey was carried out via the Internet (CAWI). The above selection of methods and tools was used due to their practical nature, the possibility of wide application and obtaining a large amount of empirical material as well as the compilation of the content of quantitative and qualitative research. That allowed to draw conclusions and search for answers to the hypotheses and research questions.

The subjective scope of the dissertation included representatives of the managerial and management level of non-governmental organizations from selected voivodships, meeting the boundary criteria of the research (i.e. employing a minimum of 13 people and performing tasks in the area of social services).

The time scope of the empirical research for the dissertation includes quantitative and qualitative research (January - December 2020) and the period of analysis of the research material, adding the creation of a model of the impact of the level of social capital on managing the internal image of the organization (January - December 2021).

The geographical scope of the dissertation extends to the area of Poland, voivodships were selected: Pomorskie, Wielkopolskie, Mazowieckie, Warmińsko-Mazurskie, Podlaskie and Śląskie, as they achieve average, low or high indicators in terms of the number of non-governmental organizations in the voivodship per number of inhabitants.

IV. Structure of the dissertation

The dissertation consists of five chapters, introduction, summation, attachments and a bibliography. The first three chapters are theoretical, the other two present the empirical part.

The first chapter presents the essence and functions of social capital in organizations from the theoretical point. The chapter contains the genesis of the idea and definitions of social capital as well as its features, dimensions and functions. Furthermore, social capital was placed in management sciences.

Chapter two covers issues related to the internal image of third sector organizations in Poland and the relationship between social capital and image. The essence of the internal image and its functions in the organization are presented. It also contains a description of third sector entities in Poland - their types, responsibilities, tasks, functions.

The third chapter presents issues related to the essence of internal communication in managing social capital and building the internal image of an organization. There is a description of concept and functions of internal communication, forms/tools of internal communication and types of internal communication channels.

Chapter four contains the methodology and analysis of the empirical research results and conclusions. The chapter identifies and evaluates the dimensions of social capital in the process of managing the internal image of an organization in the light of the conducted research. Moreover, it reports the role of internal communication in managing the image of the organization and identifies the dimensions of social capital that have an impact on the shape of the internal image in the organization.

The subject of discussion in chapter five is the determination of the impact of social capital in managing the internal image with the use of internal communication tools through a model approach. Further to that, the chapter presents obstacles and opportunities for multiplying and using social capital in shaping the internal image of the organization.

The summation covers conclusions from literature studies and empirical research, recommendations for directions of further research with its limitations.

V. Empirical findings

Theoretical considerations and conducted empirical research on social capital and its role in creating the image of an organization shows that it is a vast issue, creating many aspects of the functioning and management of an organization, at the same time difficult to define and still insufficiently researched in the field of organizations.

Literature studies and own research indicate that the concept of social capital in organizations is connected with the company's resource theory. Social capital as an

intangible resource of an organization can be a source of competitive advantage. The organization's ability to act and develop depends on its resources, competences and abilities. In this context, shaping the interior of the organization through social capital can cultivate the identity and efficiency of the organization, better functioning of employees, cooperation, knowledge sharing, which results in a real effect in the external functioning of the organization.

The analyses allowed to verify the main objective of the dissertation, which was to identify and assess the impact of social capital dimensions on creating the internal image of the organization, in particular in the context of internal communication. In-depth literature studies and research results indicated in detail the dimensions of social capital and the factors that shape it. At the same time, they revealed the importance of social capital in shaping the internal image of the organization. The dissertation also identifies the relationship between internal communication and social capital.

The main hypothesis put forward in the dissertation that social capital impacts the formation of the internal image of an organization was positively verified in the course of literature analysis and field research.

At the same time, on the basis of the conducted research, it can also be stated that the stronger the organization's identity, the closer the relations and the greater bond between co-workers. A high level of social capital contributes to building lasting relationships with members/employees (lower retention rates, job satisfaction, good atmosphere). On the basis of literature studies and own research, it is also considered reasonable to claim that the stronger the sharing and adherence to standards and rules, the higher the level of trust in the organization. In the course of the conducted research, it was verified that the high sense of impact among employees leads to their commitment and job satisfaction. The relationship between the conditions for collaboration and cooperation of employees and the durability of bonds and relationships between colleagues was also confirmed. On the basis of the analyses, it can be concluded that the more cooperative activity of co-workers, the better cooperation and greater cohesion of the team.

It is crucial to determine the relationship between high social capital and a positive internal image for the purposes in the dissertation. In the conducted research it is also verified positively that there is a relationship between the use of mutual channels of direct

communication, using formal and informal communication tools and the organization's ability to multiply the dimensions of social capital.

Theoretical research and qualitative and quantitative field research conducted for the purposes of the dissertation enabled to formulate cognitive conclusions. Due to the fact that the theoretical and empirical achievements so far focus on the formation of social capital in the social environment, an important cognitive conclusion is to prove that social capital is a type of organizational resource that plays an important role in creating the internal environment of the organization. As a source of organizational value, it develops benefits in the economic, management, identity, social and development areas.

Another important cognitive conclusion resulting from the research is the importance of social capital in building a positive internal image of the organization. It is proved that social capital in the tested dimensions affects the formation of the organization's brand, strengthens the image of the organization as an attractive employer, and also affects the sense of identity of employees, their job satisfaction and loyalty.

On the findings of the conducted research, it is concluded that there is a certain profile of employees with high, individual social capital, for whom the key criterion of satisfaction, commitment and job satisfaction will be the social mission, values, social identity of the organization and the ability to achieve social goals at work. The conducted research also leads to the conclusion that non-governmental organizations, as a rule, are a safe, stable and socially sensitive employer.

In the methodological area, the research allows for the formulation of important conclusions from the research and methodological point of view. Most of all, the complexity of social capital, its various levels, functions and dimensions let use various measurement methods and tools. The dimensions of social capital adopted in the dissertation, following Herbst and Rudnicki (2014), such as: bonds/identity, trust, impact, cooperation, commitment, are appropriate for use in research at the meso-organizational level.

Since the literature on the subject lacks detailed research on the role of social capital in creating the internal image of the organization, the selected research methods and tools allow the adoption of the methodological solutions used to conduct other research and analyses in the area of the impact of social capital on the image of the organization.

The research conducted for the purposes of the dissertation confirms that the image of an organization, to a considerable extent, depends on intangible values and dimensions

shaped within the structure of the organization, based on cooperation, trust and impact. This carries great importance for the development of theory on the basis of management science and the search for potential and market advantage in social capital. With regard to the labour market and building the stability of the organization's personnel, the research results form the basis for seeing the potential resulting from the accumulation of social capital, both in the theoretical and practical aspects of shaping the personnel policy and creating conditions for employee cooperation.

The conclusions from the research of an application nature and the practical recommendations formulated on their basis may be significant for the management of the organization. First, it seems important to reflect on the conclusions regarding indicators creating social capital and their importance for managing the organization. Research proved that the social mission and values of the organization has crucial importance, which are treated as the core of the tasks performed and the basis of the organization's identity, at the same time they also have the power to attract people to work and keep employees in the organization.

The other area worth reflecting on is the importance of trust in building the culture of an organization, its identity and image. It should be emphasized that in this context the results of the research are fully consistent with the conclusions of the literature study conducted as part of the dissertation. Trust is a basic value and a leading form of cooperation in non-governmental organizations. Mutual trust builds a strong sense of community in the organization and shapes the commitment and loyalty of employees and their positive opinion about the organization.

Based on the analysis of the research material, it is concluded that the sense of impact is worth further observation in the context of organization management. This is one of the key factors that determines employees' job satisfaction and their positive image of the organization as an employer.

Another area of social capital that implies conclusions and recommendations important in managing an organization is cooperation. For the multiplication of social capital, but also for building lasting bonds in the organization, which are the basis for efficient cooperation, is a friendly nature of the relationship based on the informal canon of rules and customs. It is proved that the focus on cooperation, discussion and compromise is an investment in the long-term effectiveness of employees and a positive internal image.

The area of social activity results in numerous conclusions regarding the importance of individual and collective commitment of employees for creating relationships, the organization's identity as well as creating its image from the point of view of employees and the environment. Social activity of employees is a way of building the image of a socially engaged organization.

Research conducted for the purposes of the dissertation shows that internal communication is an essential "grease" for multiplying social capital and an element necessary to build effective cooperation and an integrated, conscious team. A vital element of internal communication focused on communication, strengthening social capital is the predominance of informal communication, free flow of information, access to knowledge at every level of the process and the use of numerous internal communication tools.

Besides the conclusions presented above, the conducted analyses allow to draw a number of conclusions concerning the creating of the internal image of the organization. A positive image is based on the satisfaction and commitment of employees, which is evidenced by low staff turnover. Employees build a positive internal image based on trust, good atmosphere at work, honesty, friendly relations and the possibility to have an impact. The internal image of the organization is a way to build the external image.

VI. Recommendations and directions for further research

The conducted in-depth literature research and field research allowed for the collection of research material on the basis of which it was possible to verify the hypotheses put forward in the work and draw conclusions in the research area of interest to the author of the dissertation. Simultaneously, the research procedure and research material raise further research questions and implications that would be worth analysing.

Most of all, it would be intriguing to analyse the impact of individual social capital on the collective social capital of an organization. Verification of how individual capital affects collective capital in the context of the ability to multiply social capital would be interesting in cognitive as well as practical and useful terms.

The second aspect that emerges from these analyses is the impact of the organizational and legal form and the accompanying social or economic mission on the level of social capital of the organization. It would be fascinating to examine relationships and prove the correlation (or the lack) between the social/economic mission and the possibility

to create social capital. A comparative analysis of entities from all three sectors: non-governmental, governmental and private, would allow to capture the real differences and indicate the factors influencing the development of social capital and those that restrain its development, taking into account characteristics of sectors.

The last aspect that may be of the fundamental importance for the management of an organization is the impact of social capital on other aspects of the organization's functioning. It would be stimulating to check how the level of social capital affects other areas of internal management in an organization, apart from the image, such as: planning, motivating, controlling, recruiting, organizing, introducing changes or creating innovations. It would be no less interesting to examine the relationship between the level of social capital of organizations and their relations with other important stakeholders, such as customers, suppliers, partners or local community in which the organization operates.

The research and analyses conducted for the purposes of the dissertation took place during the coronavirus pandemic in Poland, and the completion coincided with the outbreak of war in Ukraine. These two extremely important events have an impact on the economy and societies around the world. From the research point of view, it would be important to analyse the impact of both the coronavirus pandemic and the war in Ukraine on the formation of social capital. On one hand, the coronavirus pandemic and the war in Ukraine revealed many problems, in particular regarding the weaknesses of the system. On the other hand, they also showed certain social attitudes and the potential to build social capital. Both events are accompanied by very active performances of civil society. Since social capital, unlike material tangible capital, does not exhaust through use, but multiplies, it can be assumed that these two experiences will create it and create opportunities for further strengthening. However, it will be crucial for the future how we, as a society, will use this potential inherent in the strength of solidarity and human activity.

The areas of management and their connection with social capital mentioned above are important and interesting issues to explore, as well as research questions for which it is worth looking for answers. The research work may be an inspiration for further research in the field of the importance of social capital in contemporary organizations in the social and economic sphere.

VII. Bibliography

Chomiuk, A. (2016). Social capital as a source of organization value. In: M. Młokosiewicz (ed.), Human capital - development towards values. Szczecin, University of Szczecin, Faculty of Economic Sciences and Management.

Herbst, J., Rudnicki, R. (2013). BOX – Study of the impact on social capital. A guide to how to measure your impact on the community and why. Warsaw: Social Research and Innovation Studio Stocznia.

Lin, N. (1999). Building a Theory of Social Capital. *Connections Journal*, 22(1), 28-51.

Woolcock, M. (1998). Social capital and economic development: Toward a theoretical synthesis and policy framework, *Theory and Society*, 27(2), 151–208.