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# Measuring the Social Capital and its Relation with Entrepreneurial Orientation: Iran Social Context

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## ABSTRACT

Although concept of social capital has global validity, but evaluation criterion of social capital can be different in each context. In this research, an Iranian criterion is conpoiled for evaluation of social capital. Data is collected from 402 professors and student of Humanities majors in three universities and are tested by factor analysis. The results indicate that social capital includes 4 aspects of structural, institutional, cognitive and normative. Also, in society of Iran, demography variables such as gender, age, education, marital status have strong relationship with some of the aspects of social capital. In order to measure the validity of evaluation tool, its relation with entrepreneurial orientation is studied. Strong relationship between social capital and entrepreneurship orientation was observed.

**Keywords:** Public Confidence, Social Networks, Social Capital- Entrepreneurship, Society of Iran.

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## Introduction

Review of social and human studies and in past two decades indicates that concept of social capital is one of the most important topics that was noticed by researchers and many studies are one about this topic even with similar titles. Most of these studies made social capital understood by offering definitions, compilation of measurement tools, determination of aspects and components and finally, creation of social capital in societies or organizations (Harper, 2002; Kitchen, 2012). Despite the fact that large loads of studies related to social capital can be considered as strong point for this concept, but on the other hand it indicates

lack of experts' consensus about the manner of measuring social capital.

Some reasons are stated for this conceptual dispersion. First of all, social capital is dominated in sphere of social sciences so that it is attempted to attribute each social and positice factor or variable (Stone, 2001; Webb, 2008). Also, some of the pre-hypotheses of researchers about effective factors on social capital has affected some of the studies, intensively. One of these hypotheses is about the relation between the amount of societies being democrat and social capital which have different results. Although in some studies, the base of structural factor of social capital is in

democracy institutionalized in political structures, but in most of the comparative researches about level of social capital in different places around the world, the name of some non-democratic countries were at the top of social capital list (Mansyur, 2008 ; Brune and Bossert, 2009). Third, social capital is not separated from cultural, social and even economic context of that society which is studied and on the other hand, it combines with context of society studied. This issue is especially observed in societies which have more complexity and variety and it is expected that social capital can coincide with these varieties (Mitchell and Bossert, 2007). As an example, none of the demographic studies in Middle-East countries can never be successful without noticing religion because subcultures of Middle East region are intensively combined with religious beliefs of people in this region (Dadfar and Gustavsson, 1992; Javidan et al., 2006). This is while most of modern tools for measuring occurrence or reinforcement factors of social capital which are used mostly in various studies, do not pay attention to role of religion or morality.

In recent years, concept of social capital in Iran is noticed by social sciences researchers; especially these researches show that Iranian people are at high level of social capital and it is possible to utilize this great social capital for improvement of other development indexes. In a comparison between 83 large countries around the world, Iran's society was at the third place for public confidence and then there were Denmark and Sweden, respectively. This is while confidence level in Iran is approximately 3 times greater France and 80% more than America (Bjørnskov, 2006). Also it should be noticed that significant increasing of social capital in Iran is because of social or natural disasters which is studied in several researches. As an example, Aghabakhshi and Gregor (2007) in an article "learning lesson from Bam"

emphasized the role of social capital in facing with such destructive and great earthquake. Despite these studies, in Iran concept of social capital suffers from lack of a research mechanism which is compatible with its special social-cultural features. In numerous studies about social capital in Iran, mostly questionnaires and expatriate measuring tools are used which can cause hesitation in coincidence of their results with the real situation in society of Iran.

In order to solve the problem of lack of tool for measuring social capital in Iran, in this research we attempt to prepare a questionnaire coincident with special context of society by utilizing opinions of wide range of experts in social sciences field and testing primarily designed indexes. We believe that Iranian culture has unique features because of distinct characteristics such as long civilization background, special governmental structure and ethnic, religious and language diversity; so, it is necessary to adjust public attributes of social capital according to cultural facts in society of Iran. In order to evaluate prediction capability of measurement tool compiled for social capital, we study its relation with entrepreneurial orientation. Review of entrepreneurship literature indicates that it is essential to prepare social, political and cultural situation in order to develop entrepreneurial activities in society. Social capital at national or regional level can be an appropriate concept for determining situation of macro-environment for improvement of business and entrepreneurship atmosphere (Casson and Della, 2007; Stephan and Uhlaner, 2010; Turkina and Thai, 2013). Results of different studies show that social capital provides effective communication situation among economic activists by providing social confidence and wide communication networks. However, the relationship between social capital and entrepreneurship requires deeper studies from theoretical and

practical view and especially it should be studied that which one of exclusive attributes of social capital leads more to entrepreneurship reinforcement in each regional or cultural context. The results of this research can help with determination of this relation in society of Iran.

### **Social Capital and Its Aspects**

Social capital mentions quality of relations between individuals in social groups that their members cooperate with each other to achieve bilateral advantages. More formal, it is possible to consider social capital as a set of features related to social organizations which simplifies cooperation and coordination in form of networks, norms and social confidence for achieving bilateral advantages (Putman, 1995). Social capital forms a constant pattern of social interactions in which group members attempt to achieve material and spiritual desires by mutual relations, confidence and bilateral commitment (Glaeser et al., 1999). Social capital somehow determines concessions of individuals in social relations, influences these relationships and guides them. These sources are noticed because they are useful for achieving individual interest such as higher fame, more power, increased income and welfare.

Some of the bases of social capital are hidden in history and ideology. Generally, one ideology can create social capital by forcing its followers to do others' demands (Whiteley, 1999) or by demands of reliable individuals (Halman and Luijckx, 2006). Although most of the religions have different effects on social capital, however it is believed that in countries with Protestant religion, social capital is more than countries with other religions of Christianity such as Catholic and Orthodox (Van Oorschot et al., 2006).

So, social capital or at least understanding of social capital in a society is affected by

cultural, religious, social and economic context. This diversity causes many definitions from social capital in increasing literature of its concept (Robinson et al., 2002) and there is little agreement in tools measuring social capital and factors that make it happen in societies.

Social capital is a multidimensional concept that can be studied in two individual and group levels (national level). According to Putman's view (1995) social capital in national level, creates powerful information networks and routes which can prevent from opportunistic behaviors in danger and unreliability conditions. At individual level, social capital can be affected by a major set of factors such as income, individual training and social and family position (Christifou, 2005). Empirical observations indicate that at high level of income and education, there is possibly more interpersonal confidence among members of that group (Denny, 2003). About effective individual factors on social capital, some of the other authors value more the effect of system and occasion factors such as income equality, confidence in government, impartiality of set of policies and better models of cooperation and relation between individuals of a group (Alesina and Ferrara, 2000).

From multidimensional view about social capital, some of the studies focus on another classification based on cognitive-structural approach instead of individual and group classification. Structural aspect mentions the form of communication networks and individuals' tendencies for participation in these networks such as voluntary participation in an organization or a society. Cognitive aspect reflects features such as trust to others and mutual norms. This study has accepted cognitive-structural attitude in social capital concept and our analysis from social capital concept is focused on provision of a coherent framework of indexes related to this attitude in society of Iran and extraction

of a set of factors relate to these attributes. Also, some of the most important researches of social capital which are utilized for compilation of attributes are studied.

Background of Previous Researches about Social Capital and its Aspects.

In Table 1, we mention the most important models and previously done studies about social capital and its components:

**Table 1.** Some selected research about social capital

Author	Research Method and Methodology	Research findings
Bourdieu (1986)	Survey	Social capital is set of successes and relations between social groups and networks which increase access to opportunities, material sources and social occasions for individuals. Better social classes form the manner of behavior in other classes. Also, networks and commitments that are formed among families create a strong and lasting structure.
Coleman (1988)	Qualitative Methods	Social capital has different types which all of them have two common features: 1) they include an aspect of one social structure; 2) they simplify certain actions of individuals inside the structure.
Portes and Sensenbrenner, 1993	Discussion and Survey	Social capital is affected by economic goals and targeted behaviors of people in society. In fact, social structures simplify individual actions.
Putnam (1993)-(1995)	Qualitative Methods	Social capital is hidden in civil and religious groups, family linkage, informal social networks, volunteering, self-sacrifice and confidence and is one of the main conditions for civil society formation.
Fukuyama (1995)	Survey	Cultural values such as kindness and compassion, humanitarianism, toleration are important in formation of social capital in one society.
Schneider et al (1997)	Factor Analysis	They evaluated a set of effective institutional factors on social capital.
Narayan & Cassidy (2001)	Combination of Delfy method and Factor Analysis	Social capital is a multidimensional structure which can be evaluated in two structural and individual aspects.
Grootaert et al. (2003)	Factor Analysis	In this research, integrated questionnaire of social capital is designed and compiled.
Mitchell & Bossert (2007)	Factor Analysis and Multivariable regression	A set of social capital determining factors were recognized in poor societies (case study: Nicaragua). From their point of view, in such societies, in addition to factor of structure, also public confidence and tendency for membership in organization determine social capital. Also, social capital is related to political participation and behavior health of citizens.
Ferri et al. (2009)	Qualitative Approach	This article seeks to review literature related to social capital measurement in entrepreneurial process. In quantitative researches, there is no total agreement about social capital that can cause different results. In order for measurement of social capital and its help to entrepreneurship, its concept in cultural context should be noticed.

Kitchen et al. )2012(	Questionnaire compilation due to literature review and descriptive analysis of data	Understanding of socai capital includes Safety Confidence, Help from friends and Multiculturalism and social capital performances include Volunteer and Voting.
Lee & Kim) 2013 (	Multiple qualitative methods such as correlation analysis and multivariable linear regression	Validity of several social capital criteria in states and country of America is compared. According to this study, criteria such as: National Health Communication Survey and the Behavioral Risk Factor Surveillance System (BRFSS), Putnam's index, and Kim et al. indicated acceotable validity and only Petris Social Capital Index (PSCI) didn't have required validity.
Koivuma'ki )2013 (	Multiple qualitative methods such as CFA, t-test and OLS regression	A two dimensional measurement tool for measuring social capital of professionals is provided. First aspect is social and the second one is network density including formal and informal networks. These two aspects are correlated to each other.
Wang et al. )2013 (	Validity and reliability qualitative test such as Cronbach's alpha and correlation of shortened questionnaire with main one	Data collection by questionnaire of The Personal Social Capital Scale (PSCS) was hard because high number of items. In this research, a questionnaire with 8 questions and another one with 16 questions were taken. They were named respectively PSCS-8 and PSCS-16. These shortened questionnaires have high correlation with main questionnaire and can be used instead of that.

### Social Capital and Entrepreneurship

Environmental factors is known as one the most important stimulus of entrepreneurial activities and creation of a political, economic and cultural supportive environment is emphasized for entrepreneurship development. By mean of reviewing studies related to supportive environment, the points could be understood.

First, for simplification of entrepreneurship process, a setting should be created for public confidence to increase the ability of predicting economic and social variables at macro and micro level (Kwon *et al.*, 2013). Confidence adjusts understanding risk of entrepreneurs by cooperation, social empathy and common values and norms and reduces costs of business. Second, in a supportive environment, owners of valuable ideas, managers of enterprises, shareholders, actual customers and all people in

entrepreneurship, find themselves easier by reinforcement of social networks (Laursen, et al., 2012; Paxton, 2007) and the primary cycle for beginning the business will be created sooner. Third, legal structures on one hand and cultural context on the other hand can act as a promoter or deterrent factor. As an example, common cultural understanding among people in one society helps individuals to have less misunderstanding in economic interactions (Naeiji and Abbasalizadeh, 2010) and cultural flexibility in facing with foreign cultures simplifies field of economic cooperation and acquisition of resources and capitals from other countries (Peterson, 2004).

Despite this implicit emphasis on role of concepts related to social capital, several studies have also studied directly the relation between social capital and entrepreneurship. Casson and Guista (2013) stated that social capital improves entrepreneurship when it

helps opportunity seeking, resources acquisition and creating market organization. Social capital is as a situation that creates social networks at individual, organizational, regional, national and international level of entrepreneurial activities (Casson and Della Giusta, 2013). According to Casson's point of view (1991), finance is a problem for most of the entrepreneurs especially at the beginning of business. Social capital can be used instead of financing. In a society with high social capital, not only limited resources such as information and knowledge would be given to entrepreneurs, also decisions about allocation of resources would be made with higher quality because of transparency in economic, political and legal systems.

Actually, effect of social capital should not be considered about financial problems at the beginning of business and enterprises use utilize effective relations of management and employees, suppliers and customers' confidence to entrepreneur and learning opportunities. All these characteristics would be acquired by social capital (Westlund and Bolton, 2003). In a research about entrepreneurship of immigrants in 34 countries of OECD, it is indicated that social capital and its aspects including horizontal networking, interpersonal confidence and institutional confidence have great relationship with entrepreneurship (Turkina and Thai, 2013).

### Research Methodology

As this research is aimed to identify effective factors on society of Iran and study its relation with entrepreneurial orientation, it is applicable by its goal and is descriptive-survey one because of the manner of data collection. Also, in this research, factor analysis is used because these are studies to discover and identify main factors effective on social capital. The main tool of data collection is questionnaire. Due to this, by means of many survey studies including

comprehensive review of theoretical literature and interviewing experts of social capital, a primary questionnaire including 29 questions was prepared. The validity and reliability of questionnaire was evaluated again by factor analysis and Cronbach's alpha. According to Nunnally and Berstein's point of view (1994), minimum alpha 0.7 was accepted for reliability. For measuring entrepreneurial orientation, questionnaire of Cavin and Slowin (1989) was used which measures three factors of innovation, hyperactivity and risk in form of 9 items. For each item, 7-point Likert scale was used.

### Statistical Population and Sampling Method

In this research, statistical population included professors and students in social sciences, management and Education sciences faculties of 12 universities in Tehran whom on one hand are familiarized with indexes of questionnaire and on the other hand, the results could be generalized properly to all the society of Iran because of diversity in demographic features. Number of samples was calculated 390 by Cochran formula. 510 questionnaires were distributed as it was predicted that some of them wouldn't be returned. 402 questionnaires were returned (return rate: 79%). Demographic features of research samples are given in Table 2 by their gender, education, age and family income.

### Data Analysis

Results of Cronbach's alpha are given for each social capital factor in Table 3. Alpha coefficient indicates high and acceptable reliability of social capital factors. Also, Cronbach's alpha is calculated 0.893 for total questionnaire of entrepreneurial orientation and aspects of entrepreneurial orientation were greater than 0.7.

**Table 2.** Demographic characteristics of statistical samples

Demographic variables		Quantity	Percentage
Gender	female	207	51.5
	male	195	48.5
education	Bachelor of science student	189	47.0
	Mater student	103	25.6
	PhD student	68	16.9
	University staff	42	10.5
	Yonger than 20	62	15.4
Age	20-30	206	51.3
	30-40	84	20.9
	Older than 40	50	12.4
Family Income	Lower than 1 million toman	98	24.4
	1-2 million toman	151	37.6
	2-3 million toman	79	19.6
	More than 3 million tome	74	18.4

### Factor Analysis

As in this research it was aimed to find latent variables in one set of measured variables and summarization of data, factor analysis was used. So, first 29 effective variables (items) on social capital were recognized and then factor analysis was used to determine main factors and the coefficients of their importance. After first factor analysis, it was determined that 3 variables including common opinions about national interests, continuity of citizens' membership in civil social institutes and attention to environmental issues, didn't have significant correlation with extracted factors; thus, for second factor analysis these variables were eliminated.

Continuing factor analysis of research data, structures of each factor consisted of their related variables were recognized according to load factor and only those factors were put in the structure that have load factor greater than 0.5. Rotated matrix of research variables were given in Table 3.

Results of second factor analysis indicate recognition of 4 main factors that due to theoretical literature and sociology and management concepts, we call them

structural, institutional, cognitive and normative factors. In Table 4, name of factors are given in order of importance in determined variance by means of rotated varimax method. Totally, these 4 factors, determine 77.8% of total variance of social capital.

One of the most important and applicable aspects of social studies is study of effect of demographic factors on research variables. In this regard, effect of demographic factors including gender, age, education marital status and family income on identified aspects of social capital were evaluated by ANOVA method. Results of this analysis are given in table 6. As it is obvious, there is no significant difference between men and women in studied statistical population except for cognitive aspect. About cognitive aspect, results of data analysis indicate that in this research, not only women had more emphasis on role of cognitive factors of social capital, also evaluated public confidence of Iran more positive than men.

Variable of age was effective only on normative aspect; it means that when individuals get older, attention to factors of society norms such as respecting women, elderly, children and helping charity

institutes, increases. Results of ANOVA analysis show that education is effective on structural and normative factors. Such result can be observed about marital status. Marital status is also effective on cognitive factors and confidence in society.

Another important point is that in demographic analysis of social capital in this research, there was no significant relation between family income and any of social capital factors. Also none of demographic factors had significant relation with institutional factors.

**Table 3.** Structure of replace factors of indexes' varimax

Factors	Load factor
First factor (Cronbach's alpha=0.891)	
Diversity of informal communication networks in society	0.845
Democracy in governmental structure	0.873
Transparency of economic structure	0.532
Position of Non-Governmental Organizations in society	0.663
Participation in social macro-decisions	0.519
Participation in local and regional decisions	0.631
Cultural-economic homogeneity of society	0.714
Distribution of public facilities in country	0.521
Second factor (Cronbach's alpha=0.826)	
Honesty of the media	0/780
Behavior of police with people	0/654
Justice in the judiciary system	0/783
Justice in wducational system	0/602
Official corruption in governmental sections	0/865
Efficiency of the legislature and the judiciary supervision of government	0/691
Third factor (Cronbach's alpha=0.911)	
Confidence other people in society	0/560
Confidence to decisions and statements of statesmen	0/719
Confidence to usefulness of rules and laws in country	0/583
Understaning the existence of safety	0/743
Understaning foreign threats	0/671
Confidence to official statistics	0/759
Fourth factor (Cronbach's alpha=0.904)	
Respecting women	0.748
Respecting elderlies	0.712
Respecting children	0.601
Acceptance of various attitudes	0/764
People's tendency to help charity institutes in cash or noncash	0/819
Tendency to pay tax and duties voluntarily	0/621

**Table 4.** Main component analysis and varimax rotation with normalization

	Factors effective on social capital	Variance percentage	Cumulative variance percentage
1	Structural factors	27/3	27/3
2	Institutional factors	23/5	50/8
3	Cognitive factors	14/7	65/5
4	Normative factors	12/3	77/8



**Table 5.** ANOVA analysis between demographic variables and social capital factors

Demographic variables	F-value & Significant	Structural factors	Institutional factors	Cognitive factors	Normative factors
Gender	amount F-value	4/53	0/89	8/55	1/43
	Significant amount	0/12	0/64	0/02	0/51
Age	amount F-value	3/07	2/44	1/63	12/09
	Significant amount	0/31	0/39	0/47	0/03
Education	amount F-value	14/29	0/92	1/80	10/26
	Significant amount	0/00	0/75	0/53	0/02
Marital status	amount F-value	17/47	2/38	7/40	11/89
	Significant amount	0/00	0/52	0/03	0/01
Family income	amount F-value	2/02	0/70	1/56	3/11
	Significant amount	0/46	0/74	0/52	0/35

In order to study relation between social capital and entrepreneurial orientation, Pearson correlation coefficient was used which its results are given in Table 7. As the table shows, positive relation between social capital and entrepreneurial orientation is confirmed at significance level of 1% ( $r = 0.345, p=0.05$ ). Nevertheless, social capital with entrepreneurial aspects is implicitly

confirmed; so that, social capital has relation with innovation and risk but this relation is not confirmed about hyperactivity. Relation between entrepreneurial orientation and aspects of social capital is also confirmed at level of 5% except for cognitive factors. Cognitive factors had also the weakest relation with all aspects of entrepreneurial orientation

**Table 6.** Pearson correlation coefficient between main and subsidiary variables of research

	1	2	3	4	5	6	7	8	9
Social capital	1								
Structural factors	0/611**	1							
Institutional factors	0/659**	0/329**	1						
Cognitive factors	0/524**	0/143*	0/470**	1					
Normative factors	0/508**	0/255*	0/351*	0/262**	1				
Entrepreneurial orientation	0/345**	0/191*	0/317**	0/374**	0/215	1			
Innovation	0/408**	0/036	0/328**	0/229*	-0/126	0/514**	1		
Hyperactivity	0/052	-0/164*	0/005	-0/151	0/109*	0/651**	0/290**	1	
Risk	0/178*	0/253*	0/204**	0/264**	0/185*	0/726**	0/101*	0/385**	1

Note: \*  $p < 0.05$ ; \*\*  $p < 0.01$  (two-tailed)

**Conclusion**

This research was aimed to identify factors that create social capital in society of Iran. As it was mentioned in review of theoretical literature, although there is common opinion about importance of social capital concept but about aspects and components of social capital it could be different in each social context.

Finding of this research show that in society of Iran 4 factors including structural, institutional, cognitive and normative factors respectively play more role on creation of social capital. Structural aspect focuses more on social macro structures such as cultural-economic homogeneity of society, distribution of public facilities, also communication networks and

public participations. Institutional factors are recognized as the second group in this research. Institutional aspects are those effective factors on social capital that are somehow related to organizations and effective macro institutes on society. In Iran, triple systems, the media and police are in this group. Despite the fact that institutional factor is mentioned in limited number of previous researches, but institutes were never considered as one main factor. As an example, Kassa and Parts recognized three components of confidence in police, confidence in parliament and confidence in the media as institutional factors but considered them as a part of more general factors i.e. cognitive factor of social capital (Kassa and Parts, 2008). This shows that from view of Iran's society, institutes that are responsible for administration of country affairs, play outstanding role in creation of social capital and importance of this factor in Iran, in contrast with studies in other countries, is also more than even cognitive factor.

Cognitive aspect is the only aspect of social capital which its importance is emphasized in all similar researches. In this research, cognitive factor is also recognized as the third factor of social capital. This factor includes items which are related more to public confidence of citizens in government and also confidence between citizens themselves. In addition, some items such as feeling of safety and foreign threats are also in this field. In findings related to cognitive aspect, respondents emphasized on effect of foreign threats on social capital; average of responses to this index was more than other indexes. It can be interpreted this way that internal coherence of society increases by raising foreign threats and in this way, public confidence increases and also communication networks expand throughout the society in order for responding these threats. Finally, the fourth factor of social capital was normative factor. Indexes such as respecting women, elderly and children, volunteer payment of tax and helping charity

institutes, determine this factor. As in previous studies these indexes were studied as cognitive or structural aspects, their importance was not noticed (Kassa and Parts, 2008; Rupasingha et al., 2006). It should be noticed that in societies such as Iran which have cultural and normative complex contexts, social capital is acquired by fulfillment of these limiting cultural frameworks and social dos and don'ts. In another word, as Puntam (1993) states: "social capital is just social networks, norms of mutual action and confidence as consequence of these networks of norms."

Findings from demographic variables of this research including gender, age, education, marital status and family income contain several points. Gender is only effective on cognitive factors of social capital. Results of previous research also confirm this finding. Halman and Luijckx (2006) in their research about social capital in European society, considered gender ineffective in institutional factors of social capital but emphasized that public confidence of European women is a little more than men. It is possible to mention a mutual relation which is affected by softer approach towards women, as the reason of more positive view of women to reliability of society. Results of a research show that although women tend less to have informal social connections, can find a solution for their depression easier and at the time of financial need, they face with fewer problems for receiving help (Fidrmuc and Gërkhani, 2005). Also, women in most of the societies are evaluated as more reliable persons (Kassa and Parts, 2008). Another demographic variable in this research was age of statistical population that showed positive relation only with normative aspect of social capital. It means that by increasing age of respondents, their belief to importance of role of normative factor increases. Van Oorschot and Arts (2005) achieved to similar results in their study about role of age in social capital in Europe society. They believed that lack of relation between age

and structural factor of social capital is because of lack of time and health problems of older people in establishing social relations. Education was another demographic variable which had positive relation with cognitive and normative factors. Actually, researchers at first expected that the importance of structural factor reduces by increasing level of education because cost of opportunity for doing voluntary activities and creating informal networks raises. Results indicated opposite of this prediction. The fourth demographic variable in this research was marital status which had relation with structural, cognitive and normative aspects. In fact, from individuals' view, marital status affects social capital in Iran more than other demographic variables. As the results of this research state, people, after getting married, establish new social relations (such as relations with relatives of their spouses) in addition to maintenance of most of their previous relations and in this way, social networks, that married people are involved in) become larger and more complicated than single individuals (Christoforou, 2005). The final demographic variable in his research was family income that didn't have any relation with none of the factors creating social capital. Actually, we expected that there would be relation between minimum income and structural factor and as income increases, tendency for establishment of social relations and belief in macro structural indexes as determining components of social capital, increase. In contrast with previous studies, in society of Iran, there is no relation like this. Although such opinion requires scientific and accurate study but theoretically it can be said that by changing family income, form of networks and social relation between individuals and not necessarily the number of relation within the network, changes.

Final part of research has studied relation between entrepreneurship and social capital. There is a deep relation between entrepreneurial orientation and social capital

also some aspects of them. These results are coincided with previous studies in which social capital is recognized as a proper prediction of development in entrepreneurial activities (Doh & Edmund, 2011; Kim et al., 2005). Entrepreneurship does not form in vacuum and for its improvement, proper social and political situation should be prepared in addition to individual features. The more social capital, cooperation and confidence increase in social system and costs of interactions and transmissions reduce. Among aspects of social capital, institutional capital had more relation with entrepreneurial orientation. Because governmental structure of economy in Iran, political institutes play important and determining role in distribution of resources and in creation of economic opportunities and they can provide necessary substructures for development of entrepreneurship (Rezaian & Naeiji, 2011). So, this social belief that institutional system does not support interests of individuals and special groups at national or regional level and attempts to distribute resources and opportunities, can increase motivation and hope of entrepreneurs in success of venture investments.

Another important result of research is confirmation of relation between cognitive capital and entrepreneurial orientation which indicates importance of creating social confidence for improvement of business atmosphere. Cognitive capital leads to reduction of environmental unreliability for entrepreneurs and motivates them to show more tendencies to risk. As Coleman (1988) states, interpersonal confidence increases the ability to predict behavior of people and economic activists can focus better on functional aspects of their business.

This research had two limitations in research method. First, determination of concepts such as social capital requires more studies with higher size and diversity of sample; in this research, although it was attempted that samples have maximum

generalizability but its results are only an introduction for more studies in this field. The second limitation of this research is related to tools for measurement of analysis of individuals' view about factors of social capital. These tools can cause systematic error because of self-tooling.

Despite these limitations, this article defines a concept that can solve most of the questions and problems in structure of Iranian society. Relation between social capital and national identity, economic development, nation-government interaction, political participation and many other macro concepts requires a resource for monitoring of amount of social capital by division of different regions in country to utilize mechanisms and actions for increasing social capital in addition to study opportunities and threats in this field.

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