The Moderating Effect of Social Capital on the Relationship of Performance Improvement Practices and Organizational Performance

Kamil Hussain

Department of Management Sciences, University of Wah, Quaid Avenue, Wah Cantt, Pakistan.

* Corresponding author: kamil.hussain@yahoo.com

Abstract

In this study the moderating effect of social capital on the relationship of performance improvement practices and organizational performance has been undertaken in Meezan bank Ltd. Data was collected from Islamabad & Rawalpindi area branches. An adapted questionnaire was distributed. Distribution of 150 questionnaires to the managerial and non-managerial grade officers of Meezan Bank was done, of which 110 valid questionnaires were received. Regression analysis gave positive and statistically significant results of the moderating variable social capital on organizational performance with the independent variable performance improvement practices. This study is helpful to the management of the organization to utilize such practices which result in better performance.

Keywords: Social Capital, Organizational Performance

ARTICLE INFORMATION

Received: 12 February 2017

Revised: 10 April 2017

Accepted: 25 April 2017

DOI: 10.31580/jei.v4i2.95

© Readers Insight Publication

INTRODUCTION

Background of Study

Organizations around the globe work to improve the performance of their employees to improve the quality of their products and services. They do so to ensure an edge over their competitors and secure a better share of the market in which they operate. However improving the performance is not a task that could be done over night. Organizations use different Performance Improvement Practices (PIP) to continuously improve and sustain the improvement procedure and to make continuous performance improvement an integral part of their culture. Some of the most commonly used PIPs are training & development, employee appraisal, employee engagement, employee involvement, rewards, motivation, leadership and many more. For the purpose of this study we would be taking only four PIPs under consideration. These are training & development, employee involvement, rewards programs and fair performance appraisal.

Training & development is a start to gain knowledge that is required to complete tasks or objectives of an organization through well structured teaching and a good way of delivery (Kulik, J. A., & Kulik, 1988).

A lot of theoretical literature suggests that those organizations can get a hierarchical edge which enhance their workers engagement by giving them better rewards (Kulp, S. C., Lee, H. L. and Ofek, 2004).

(Jones, 2005) noted that if an appraisal system does not have fairness, it will have a negative impact on the organization. This study also includes another very important variable that gives this study a totally different perspective from other related studies. In this study we are looking at SC which is actually enhancing the relationship between PIP and OP. SC is the link that a group of people have, which has the capability to bring into action the contacts they have (Ichniowski, C., Shaw, K. and Prennushi, 1997).

Initiatives in Pakistan

A lot of research been carried out on the relationship between various dimensions of performance improvement practices and organizational performance in Pakistan (Leibowitz, Z. and Schlossberg, 1981). However we could not find any study on SC which is effecting the relation between PIP and OP in Pakistan.

Growth of Services

Meezan Bank has developed itself as one of the most acknowledged Islamic Banks in Pakistan, having the largest branch network. There has been a huge paradigm shift in banking sector from its traditional way of doing business with its customers to a new more demanding business model which is in line with the Islamic belief of Muslims around the globe.

Industry Analysis

Banking sector has been vitalized in the last decade through restructuring of the private banks in Pakistan. This has totally changed the shape of Pakistani banking sector and Pakistan has now a banking industry that is profitable and attractive for its customers. The major changes that occurred in the last decade to the banking sector are that 80 % of banking is being now done by banks that are not state run. Banks which were in continuous loss are highly profitable now. Defaulters banks have cleared up their balance sheets. Due to online credit reports about the customers history, new loan schemes have been introduced which help banks in identification of the potential loan borrowers, human resources have improved through merit based and performance based selection criteria, access to online banking and banking technology like ATM's have transformed the banking industry and competition among banks for securing more deposits have substantially leveraged the banking industry.

The shift towards Islamic banking, as Pakistan is a Muslim dominated population country, have brought a paradigm shift in banking here in Pakistan. Customers are now more aware of the religious issues that are related with their finances, they are therefore intrinsically motivated by their faith to go for Islamic banks which are more aligned to their faith and religious values.

It has been ten years since Meezan bank started working as an Islamic commercial bank. It has achieved significant growth through offering several different services to its customers. Each year there is a gigantic growth of 55% in deposits and they grew from 4 branches in 2002 since they started to 210 branches currently throughout the major cities of Pakistan.

Identification of problem

Access to capital, technology, economies of scale and innovation are more responsible for success in present world market in which companies operate. Efficient use of human resources and effective use of human resource management practices are the factors that gives organizations an edge over their competitors and improve their own performance.

Banking has really grown in recent years in Pakistan. Banks realize that Pakistan is the country where they can get their roots strengthened. Banks are also playing their part in the financial growth of Pakistan. However banks are facing different kinds of structural and operational problems. Such problems have limited their capability to get fruits from the rapidly growing concepts like globalization & human resources management processes.

In this paper we would try to find the link between PIP practices and OP through the enhancing role of SC in Pakistani context.

Objectives of the Study

- 1) To determine the impact of performance improvement practices on organizational performance.
- 2) To determine the impact of moderating role of social capital on the relationship of performance improvement practices and organizational performance.

Importance and Significance

In future this study may be used by different organizations particularly to understand the importance of social capital at work. Managers can get help and insight into the advantages and benefits that they can get from using social capital of their organization effectively. They would be also able to understand how much performance of their organization can be leveraged by the efficient use of Performance Improvement Practices combined with social capital.

Research Questions

- 1) Does Employees Training improve Organizational Performance in the presence of the moderating effect of social capital?
- 2) Does Rewards Program improve Organizational Performance in the presence of the moderating effect of social capital?
- 3) Does Employee Engagement improve Organizational Performance in the presence of the moderating effect of social capital?
- 4) Does Fair Performance Appraisal have a positive impact on Organizational Performance in the presence of the moderating effect of social capital?

DEFINITION OF VARIABLES

Organizational Performance

“Organizational performance means financial performance, customer services, internal processes and growth” (Daft, 2004).

Training

“Providing employees with more comprehensive skills, for extended training period and structured program to ensure that skills have been transferred” (Dean, J. W., Jr., & Snell, 1991); (Wilkinson, B., & Oliver, 1989).

Rewards Program

In this study, reward is defined as two folded concept. First is “individual equity; which is the pay offered to the job incumbent by the firm that command the external market”. Second is “individual equity; which is paying the job incumbent in accordance to his/her performance” (Wallace, M. J., & Fay, 2010).

Employee Engagement

It can best be described as harnessing of one’s self to his or her roles at work. In engagement, people express themselves cognitively, physically and emotionally while performing their work roles (Kahn, 1990).

Fair Performance Appraisal

A performance appraisal is said to be fair if it accurately evaluates the performance, rates the performance free of bias and is justified by the supervisor (Kavanagh, P., Benson, J., & Brown, 2007).

Social Capital

This study has adopted the definition of social capital from (Ilgen, Fisher, & Taylor, 1979) which is the combination of the views of both (Coleman, 1990) and (Putnam, 1995). We define social capital as “the features that are embedded in social organizations such as network ties, norms and trust that facilitate coordination and cooperation for mutual benefit.”

LITERATURE REVIEW

Organizational Performance

Nowadays there are revolutionary trends faced by organizations due to globalization i.e. change in product and technology, deregulation, demographic changes, competing globally and the shift towards service society. In such a situation, companies have to be high-performers or they will disappear from the market (Dessler, 2000).

Organizational performance is a most important variable in the study of human resource practices and a keen area for the academics and human resource practitioners (Reio, T.G. Jr & Wiswell, 2000). Organizational objectives are measured through organizational performance (Ahmed, I & Din, 2009). According to (Andersen, 2006), organizational performance consists of actual output against desired output of an organization.

According to (Hancott, 2005), there are number of indicators used to measure organizational performance since mid-1900, such as profitability, growth in total assets, market share growth, return on assets, number of new products launched etc. New elements such as return on capital employed were incorporated in 1900s to measure the performance.

The units of sales is used as a measure of organizational performance (Churchill, G., Ford, N. & Walker, 2000). Financial measures are used for financial performance but uses of customer satisfaction is increasing in new decades (Baldauf, A., Cravens, D.W. & Piercy, 2001).

Customer satisfaction (CS) can be classified as extrinsic or intrinsic. Intrinsic source of CS depends on individual personal characteristics such as behavior and attitude. Extrinsic source of CS is contextual and depends on work environment such as climate and workplace. Extrinsic source is adopted by economists while intrinsic

source is adopted by mostly social scientists (Huselid, 1995). According to (Blanchflower, D. G., & Oswald, 2000), job satisfaction is still at infancy.

Furthermore, according to (Delaney, J.T. & Huselid, 1996), organizational performance can be measured in two ways: organizational performance and market performance. Organizational performance is concerned with product, service quality, growth, and customer satisfaction. Market performance is concerned with marketing ability, profitability and total sale growth.

Studies show that human resource management practices such as team work, autonomy and discretion in the work place and employee involvement have motivated workers and improved organizational performance (Cully, M., Woodland, S., O'Reilly, A. & Dix, 1999).

In this study organizational performance means financial performance, customer services, internal processes and growth and the questionnaire is taken from the study of (Daft, 2004).

Training

According to (Chiaburu, D.S. & Tekleab, 2005), the purpose of training is to improve the individual job performance by the employers of the organization. In order to achieve the goals of organization, training is a necessary tool. Employees who are getting trained in reducing anxiety or frustration has helped them handle their work (Chen, T.Y., Chang, P.L. & Yeh, 2004). Employees who feel that they are less competent than others to do a particular task would leave the job or if they remain attached to the job, their productivity is not up to the mark (Kanelopoulos, C. & Akrivos, 2006).

If the gap between the skills possessed and skills required is great, job dissatisfaction is the result. According to (Rowden, 2002), there is no direct link between job satisfaction and training but he proposed that training increased job satisfaction. According to (Rowden, R.W. & Conine, 2005), well trained employees are able to better satisfy their customers.

According to (Admiraali, W & Lockhorst, 2009), small to medium size enterprises do not conduct formal training. They are just only conducting informal training having limited activities, i.e orientation towards business and necessary guidance. Training is inexpensive, flexible and can be used for several kinds of skill needs. Barrier to training are issues of scale, time and resource constraints.

Aside from on the job training, there are different sources of training i.e. onsite and offsite training, purchasing the training material in written form, audio or video link as it can also be provided online (Hamilton, B. H., Nickerson, J. A., and Owan, 2003).

In this study, training means providing employees with more comprehensive skills for extended training period and a structured program to ensure that skills have been transferred (Dean, J. W., Jr., & Snell, 1991); (Wilkinson, B., & Oliver, 1989).

Rewards Program

According to (Luthans, 2000), there are two types of compensation that can be used for reward purpose i.e. extrinsic rewards and intrinsic rewards. Extrinsic reward are called financial while intrinsic rewards are called non financial. Both rewards have positive effect on employee behavior. Financial rewards consist of payment made on the basis of performance i.e. commission, gifts and tips. Non financial rewards are social recognition such as health program, vacation and appreciation etc (Neckermann, S. & Kosfeld, 2008).

There are different sort of literature available to determine whether extrinsic reward or intrinsic reward is effective for measuring individual performance (Perry, J. L., Mesch, D., & Paarlberg, 2006). According to (Srivastava, A., Locke, E. A. & Bartol, 2001), financial reward has a de-motivating effect on individual performance and leads to decreased organizational performance. According to Ryan (undated), non financial rewards are effective for motivating employees and thus lead to improved organizational performance. Furthermore, according to him, non financial rewards help in retention and performance of employees of the organization. Intrinsic

compensation must have the characteristics of autonomy, feedback, task significance, task identity and skills variety.

But according to (Cox, 2000), a number of studies have been conducted to determine the mix of reward system based on examining its factors. For example, study conducted by (Gerhart, B., & Rynes, 2003) provided reward decision model which consisted of environmental factors and organizational factors such as the organization human resource strategy and business strategy determining the compensation system. Although a number of studies discussed earlier show a little awareness to determine the mix of rewards.

In this study reward is defined as a two folded concept. First is individual equity, which is the pay offered to the job incumbent by the firm that commands the external market. The second is individual equity, which is paying the job incumbent in accordance to his/her performance (Wallace, M. J., & Fay, 2010).

Employee Engagement

Employee engagement is defined as "the harnessing of one's self to his or her roles at work. In engagement, people express themselves cognitively, physically and emotionally while performing their work roles (Kahn, 1990)".

Employee engagement is associated to significant business outcomes (Harter, J. K., Schmidt, F. L., & Hayes, 2002). Employee engagement increases vigor, absorption, devotion, and enhances the organizational performance (Schaufeli, W. B., Bakker, A. B., & Salanova, 2006). (Saks, 2006) argued that high engagement of employees leads them to contribute highly to the goals of organization and may forecast the achievements of organization.

Engaged employees comes to know about the company mission and are willing to put their personal and emotional energies needed for their work (Loehr, J., & Schwartz, 2003). (Buhler, 2006) argued that engaged employees are eager to help the organization achieve its goals and are involved emotionally in their individual responsibilities.

(Kahn, 1990) argued that engagement and job involvement are different from each other because employee engagement considers worker skills as well as commitment of employees towards their individual tasks in the organization. (May, D. R., Gilson, R. L., & Harter, 2004) argued that when the employees are engaged they use their emotions as well as their cognitive skills during performing their individual tasks in the organization. (Ayers, 2006) said that disengagement is like a cancer which can slowly eat away at the organization.

Fair Performance Appraisal

(Kavanagh, P., Benson, J., & Brown, 2007) defined fair performance appraisal as "the performance appraisal which accurately evaluates the performance, rates the performance bias free and is justified by the supervisor".

(Longenecker, C.O. and Goff, 1992) argued that in order to improve the performance of employees and to have an effective human resource management system, performance appraisal is very important.

A well designed and effectively administered and implemented performance appraisal system can provide excess of benefits to employees, managers and to the whole organization (Cascio, 1987); (Coens, T. and Jenkins, 2000). Performance appraisal can lead to dissatisfaction if the employees perceive that their performance appraisal is biased, irrelevant and political (Skarlicki, D. P. and Folger, 1997). Employees will wholeheartedly accept the appraisal system if they perceive that their performance was fairly rated (Landy, E. F., Barnes, J.L., and Murphy, 1978)

Researchers and practitioners both argue that when performance appraisal is taken in systematic way, it improves the organizational performance (Pettijohn, Pettijohn, Taylor, & Keillor, 2001). (Bartel, 1994), (Bangert-Drowns, R. L., Kulik, C. C., Kulik, J. A., & Morgan, 1991) and (Hameed, A & Waheed, 2011) argued that the overall purpose of a fair performance appraisal is to increase the performance

of employees. (Hjollund, L., & svendsen, T, 2000) argued on authors agreement that organizations should have systematic approach towards the “fairness” and “consistency” of performance appraisal. They further said that appraisal needs to provide a connection between goals of organization and employee performance on the basis of individual objectives and performance criteria. They argued that the role of performance appraisal reactions is very important for the development of organizational attitudes and enhance motivation to increase individual and organizational performance (Amisano, 2010) and (Azevedo, R., & Bernard, 1995). Appraisal system that compares and differentiates performance of individuals (Bandura, 1991) can create competition among employees and create the survival of the fittest situation and aware the employees of the fact that they should do better than other employees to survive in the organization and ultimately improve organizational performance (Batjargal, B & Liu, 2004).

Performance appraisal's main purpose is to develop and improve employees and create a committed workforce whose main goal is to improve the organizational performance (Bandura, A & Cervone, 1983).

Moderating Effect of Social Capital

Different authors (Koka, B. and Prescott, 2002); (Nahapiet, J & Ghoshal, 1998) suggested diverse elements of social capital which provides varying information and also have different impacts on the performance of organizations.

Social capital is defined as “the features that are embedded in social organizations such as network ties, norms and trust that facilitates coordination and cooperation for mutual benefit” (Becker, B & Huselid, 1998).

(Andersson, U., Forsgren, M. and Holm, 2002), (Koka, B. and Prescott, 2002), (Bandura, 1982) and (Uzzi, B & Gillespie, 2002) argued that the growing need of business networks in today's competitive world has led to emergence of significance of the relationship between social capital and organizational performance in the field of research. Still, the presented empirical results are largely unconvincing and inconclusive because researches show negative (Rowley, T. J., Behrens, B & Krackhardt, 2000) as well as positive relationship between social capital and organizational performance (Andersson, U., Forsgren, M. and Holm, 2002); (Park, S. H. and Luo, 2001). (Zucker, 1991) argued that Social capital can help to increase the efficiency of firm in searching and screening of information valuable for the use of managers.

(Gulati, R., Norhria, N. and Zaheer, 2000) and (McEvily, B & Zaheer, 1999) argued that Social capital is necessary for creating inimitable value generating resources inbuilt in the network between the employees of an organization. (Uzzi, B & Gillespie, 2002) argued that results of various studies on short and medium enterprises propose social capital for enhancing the organization's financial performance. Ties in an extremely strategically inter-connected coalition have a negative effect on organizational performance (Rowley, T. J., Behrens, B & Krackhardt, 2000).

Manager's personal ties with government officials and senior management of other organizations are very helpful for improving the macro organizational performance (Peng, M. W & Luo, 2000). (Uzzi, 1997) established that social networking helps organizations to gather and share information.

(Zaheer, A., McEvily, B & Perrone, 1998) discovered that inter-organizational trust and performance are positively correlated with each other. Trust in management is very important as far as organizational performance is concerned (Cummings, 2004).

(Corbett, A. T., & Anderson, 1989), (Coleman, 1988), (Carraher, R, Gibson, 2006) and (Chen, X-P & Chen, 2004) argued that in recent years there has been a rapid growth in recognition of the importance of trust in organizational relationships which is evident from a large number of publications on the topic addressing both academic and practitioner audiences. (Gadot, V, E. & Talmud, 2007) suggest that trust in management is very important for enhancing the organizational performance and further said that trust will engage

employees in a higher level of organizational citizenship behaviors (OCB). According to (Fedor, 1991), trust affects group performance. Trust also affects the performance of inter-organizational relationships (Zaheer, A., McEvily, B & Perrone, 1998).

Enforcement of the norms of behaviors among corporate actors are very important for increasing the organizational performance (Scarselletta, 1999). According to (Stryker., 1986), organization's norms and values have a strong affect on every one who is attached with the organization. He further argues that norms are invisible but if any organization wants to improve the performance of the employees and increase profitability, they have to first look at their norms.

(A., Epstein, 2002) said that high performance work systems like performance management; training, rewards etc influence various elements of social capital, like, norms, trust, knowledge sharing, organizational citizenship Behavior and network ties.

The performance of organization is influenced by human resource practices and the reason behind it is that it influences the relationship between employees helpful for their work. Collective learning can be achieved through work practices which improves the multi-faceted knowledge due to which the organizational performance increases (Luthans, 2000). Organizational performance is influenced by human resource practices due to the impact of human resource practices on social capital (Collins, C.J. and Smith, 2006). They further said that social networking in senior executives created competitive advantage, and the development of social capital is encouraged by the human resource practices. Collins & Clark further said that the effect of human resources practices on organizational performance are dependent on the strength of social networks of the top management.

(Uzzi, B & Lancaster, 2003) also argued that human resource practices such as performance appraisal, training and performance-based rewards contribute to enhance the social capital by making the employees aware of the importance of relationships, and then this enhanced social capital and organizational performance.

Gap Analysis

There has been a lot of research on the effect of Performance Improvement Practices on Organizational Performance e.g. (Imran, M & Aslam, 2010).

However we could not find a single study over the moderating effect of Social capital on the relationship of PIP and OP.

Recommendations by Researchers

(Boselie, P., Dietz, G & Boon, 2005) recommended that it would be valuable to examine the effect of contextual factors of organizational climate, and cultural values that moderate or mediate the relationship between HRM practices and organization.

As Social Capital could be a constituent of organizational climate, that is the reason of taking social capital as moderating variable in this study.

Conceptual Framework

Hypotheses

H1: Training has a positive impact on Organizational Performance in the presence of Social Capital.

H2: Rewards program has a positive impact on Organizational Performance in the presence of Social Capital.

H3: Employee engagement has a positive impact on Organizational Performance in the presence of Social Capital.

H4: Fair Performance Appraisal has a positive impact on Organizational Performance in the presence of Social Capital.

RESEARCH METHODOLOGY

Type of Study

It is a causal as well as a descriptive study because it is studying the effect of independent variables on dependent variables and it includes social capital which is new in Pakistani scenario, hence the descriptive label.

Instrument Development

The instrument used is an adapted one. The questionnaire is made up of the combination of total 7 different questionnaires used in other studies.

As it is an adapted questionnaire, there is no need to test its validity. For reliability, we have performed pilot testing and the results are given in the table below.

Population and Participants

We have taken 26 branches of Meezan bank in Pakistan as our population while sample selected is 12 branches of Meezan bank in Islamabad & Rawalpindi. 150 questionnaires were distributed, out of which 127 were received, of which 110 were valid and 17 were invalid.

Unit of Analysis

The unit of analysis of this study is 'individuals' i.e. employees of banks.

Pilot Testing Results

Pilot testing has been conducted on 25 respondents, and the results are given below in Table 1.

Table 1: Pilot testing results

Variables	Cronbach's alpha	No of items
Organizational performance	0.842	10
Training	0.685	4
Reward program	0.703	4
Social capital	0.672	6
Employee engagement	0.651	5
Fair performance appraisal	0.690	5

Data Collection Method

The technique used for data collection is convenience sampling.

Tests for Data Analysis

Tests used for data analysis are Correlation and Regression, while other tests have also been performed like reliability tests and descriptive statistics.

Software used

SPSS software has been used for data analysis.

RESULTS ANALYSIS AND DISCUSSION

Demographic analysis

Descriptive analysis is used to describe the general characteristics of the data. This study uses mean standard deviation, skewness,

kurtosis and frequencies of the demographics such as age, gender, qualification and level of job. The mean value and standard deviation are given below.

Table 2: Demographic profile

Employees	Mean	std. dev	skewness	kurtosis	F
Age	2.2	0.937	0.543	-0.480	110
15-25 years					25
26-35 years					52
36-45 years					19
45+years					14
Level of job	1.83	0.38	-1.756	1.102	110
Manager					19
grade					
Non					91
manager					
grade					
Qualification	1.80	0.587	0.066	-0.319	110
Bachelor					32
Master					68
Any other					10
Gender	1.04	0.188	5.022	23.653	110
Male					106
Female					4

Age of Employees

The maximum of respondent age limit lie between 26-35 i.e.52 and the minimum number of age limit is 45+ i.e. 14. Mean value is 2.20 which again shows that the maximum number of respondent age is 26-35. Standard deviation value is 0.937 which shows that the data varies from the mean 0.937 from the mean.

Level of Job

The maximum number of respondent level is 91 i.e. non manager grade and the minimum number of respondent is 19 i.e. manager grade. Mean value is 1.83 which again shows that the maximum number of respondent level is non managerial grade. Standard deviation value is 0.380 which shows that the data varies from the mean 0.380 from the mean.

Qualification

The maximum number of respondent qualification is 68 i.e. master and the minimum number of respondent is 19 i.e. any other. Any other means that having more than master qualification. Mean value is 1.80 which again shows that the maximum number of respondent level is masters. Standard deviation value is 0.587 which shows that the data varies from the mean 0.587.

Gender

The maximum numbers of respondent are 106 i.e. male and the minimum number of respondent is 4 i.e. female. Mean value is 1.04 which again shows that the maximum number of respondent are male. Standard deviation value is 0.188 which shows that the data varies from the mean 0.188.

Descriptive Statistics

Data has been collected regarding various variables. In this study we have computed using SPSS program with various information about these variables. This information includes mean, mode, standard deviation, skewness and kurtosis. Organizational performance value is closed to 4. Standard deviation value is 0.433, which shows how much data varies from the mean. Skewness shows about the distribution of the data. And kurtosis shows the plateness or peakness of the curve. Given in table is various information regarding various variables.

Table 3: Descriptive statistics

Construct	Mean	Mode	std. dev	skewness	kurtosis
Organizational performance	3.90	3	0.433	0.286	-1.059
Fair performance appraisal	3.9073	3.64	0.51664	-0.109	-0.951
Training	3.8763	4.45	0.51659	0.076	-0.900
Employee engagement	3.9238	4.24	0.45970	-0.212	0.083
Social capital	3.9377	3.55	0.39904	-0.270	-1.043
Reward program	3.9782	3.65	0.46655	-0.250	-1.043

Reliability

For the purpose of reliability we used Cronbach's Alpha. Over all reliability value is 0.867. Most of the time 70 or above is acceptable value for the analysis. Values in the table shows that overall items are reliable. Individual items reliability is also acceptable. From the reliability values we come to know that all the values are reliable. And can be used for regression analysis.

Table 4: Reliability statistics

	Cronbach's Alpha	N of Items
Organizational performance	0.869	10
Fair performance appraisal	0.735	5
Training	0.663	4
Employee engagement	0.799	5
Social capital	0.680	6
Reward program	0.721	4
Overall reliability	0.867	34

Correlation

In order to calculate the degree of association among the dependent variable organizational performance, moderating variable social capital and four independent variables, this study uses correlation matrix. Generally values of correlation range from -1 to +1. This can be defined as strongly negative correlation to strongly positive correlation. The study shows that correlation between organizational performance and fair performance appraisal is +0.589. In the similar way all the other variable can be explained from the correlation matrix.

Regression Analysis

Regression analysis is used to find out the magnitude of relationship between independent and dependent variables. It is also used to check the hypothesis. R square shows overall significance of the model. It is 0.317, this value shows overall model explanation. 31.7% of the model is explained.

Table 5: Correlation

	Op	Fpa	Trn	Ee	Sc	Rp
Op	1					
Pearson Correlation		.589**	.445**	.340**	.105	.319**
Sig. (2-tailed)		.000	.000	.000	.275	.001
N	110	110	110	110	110	110
Fpa		1				
Pearson Correlation			.329**	.347**	.003	.175
Sig. (2-tailed)			.000	.000	.975	.067
N	110	110	110	110	110	110
Trn			1			
Pearson Correlation				-.043	-.151	.158
Sig. (2-tailed)				.656	.116	.098
N	110	110	110	110	110	110
Ee				1		
Pearson Correlation					.145	.215*
Sig. (2-tailed)					.131	.024

	tailed)					
N	110	110	110	110	110	110
Sc	Pearson	.105	.003	-.151	.145	1
Correlation						
Sig. (2-tailed)		.275	.975	.116	.131	.001
N	110	110	110	110	110	110
Rp	Pearson	.319**	.175	.158	.215*	.326**
Correlation						
Sig. (2-tailed)		.001	.067	.098	.024	.001
N	110	110	110	110	110	

Dependent variable: op

Table 6: Regression

	B	R square	Adjusted R square	F	t	sig
		.317	.291	12.206		.000
(constant)	2.303				8.634	.000
TRN	.047				2.504	.014
FPA	.075				3.784	.000
EE	.004				.190	.850
RP	-.020				-1.112	.269

Training and Fair performance appraisal is significant. Whereas employee engagement and reward program is insignificant.

Regression Analysis After using Moderating Variable

Regression needed to be run second time when social capital is used as moderator. After using moderating variable social capital, there is increased in overall model significance.

Table 7: Regression

	B	R square	Adjusted R square	F	t	sig
		.480	.461	24.270		.000
(constant)	.363				.911	.364
T*s	.247				3.847	.000
F*s	.337				4.981	.000
E*s	.167				2.287	.024
R*s	.153				2.244	.027

Dependent variable: op

Hypothesis 1

Our first hypothesis was whether Employees Training improves Organizational Performance in the presence of the moderating effect of social capital.

Regressing it without moderator in table No 5 gives B value 0.047. Whereas regressing it after moderator variable gives B value 0.247 given in table No. 6. This gives the indication that about 20% additional explanation is provided by moderator variable. T value has also been increased using moderating variable. So our first hypothesis is accepted i.e. training improves organizational performance in the presence of the moderating effect of social capital.

Hypothesis 2

Our second hypothesis was whether rewards program improve organizational performance in the presence of the moderating effect of social capital?

Regressing it without moderator in table No 5 gives B value - 0.020. Whereas regressing it after moderator variable gives B value 0.153, given in table No. 6. This gives the indication that about 17% additional explanation is provided by moderator variable. T value has also been increased using moderating variable. Before using moderation there was negative effect on organizational performance but social capital make this relationship positive. So our second hypothesis is also accepted i.e. reward program improves organizational performance in the presence of the moderating effect of social capital.

Hypothesis 3

Our third hypothesis was whether employee engagement improves organizational performance in the presence of the moderating effect of social capital.

Regressing it without moderator in table No. 5 gives B value 0.004. Whereas regressing it after moderator variable gives B value 0.167 given in table No. 6. This gives the indication that about 16% additional explanation is provided by moderator variable. T value has also been increased using moderating variable. So our third hypothesis is accepted i.e. employee engagement improves organizational performance in the presence of the moderating effect of social capital.

Hypothesis 4

Our forth and last hypothesis was whether fair performance appraisal have a positive impact on organizational performance in the presence of the moderating effect of social capital.

Regressing it without moderator in table No. 5 gives B value 0.075. Whereas regressing it after moderator variable gives B value 0.337 given in table No. 6. This gives the indication that about 26% additional explanation is provided by moderator variable. T value has also been increased using moderating variable. So our forth hypothesis is accepted i.e. fair performance appraisal improve organizational performance in the presence of the moderating effect of social capital.

Summary of Hypothesis Testing

Our independent variable was performance improvement practices including training, reward program, fair performance appraisal and employee engagement. Before using moderation and after moderation there is a great difference. Before moderation our R square value was 0.317, whereas after moderation this value increases up to 0.480. So overall model explanation is increased with the use of moderating variable. F value was low before moderation and after moderation it is doubled. Individually t value are not all significant before moderation. After moderation all t values are significant. Those values who were significant before moderation, their level of significance is increased. In summary all of our hypotheses are accepted.

Discussion of Results

This paper helps in the importance of social capital in Pakistani context. Social capital which work as a glue in improvement of organizational performance. We have selected Meezan bank for the purpose of studying social capital and organizational performance. This study provides us positive effects of performance improvement practices and organizational performance in the presence of moderating variable social capital. This finding can prove to be helpful to the industries of Pakistan. Further studies are needed to add up other variable of performance improvement practices to improve our results.

Organizational performance cannot be measured from single dimension (Daft, 2004). Financial performance consists of increase in profit, increase in sales and growth in market share. Internal process includes cost reduction, optimum use of resources and reduction in employee turnover. Customer services are current customer retained and how much new customer are entering into the market. Learning and innovation includes introduction of new product and how much competition is in the market. From the study of (Cully, M., Woodland, S., O'Reilly, A. & Dix, 1999), it is clear that performance improvement practices have positive and significant on organizational performance.

Training is teaching the new or old employees the skill needed to do their job well. Some of the consultants rely on the method of on the job training. Because on the job training helps the organization in the reduction of additional cost burden (Neckermann, S. & Kosfeld,

2008). From the study of (Dean, J. W., Jr., & Snell, 1991), it has already been proved that training is having positive effect in Production Company but the moderator social capital was not used. Furthermore, from the same study, it is proved that job instruction training has no direct relationship on organizational performance. In short, training can be enhanced in the presence of social capital and this will provide significance effect on organizational performance both in financial as well as non financial terms.

The study of (Gerhart, B., & Rynes, 2003) proved that there is a need of extrinsic as well as intrinsic reward to better evaluate organizational performance. But in our study we used moderating variable social capital that increases this relationship. But from the study of (Perry, J. L., Mesch, D., & Paarlberg, 2006), it is proved that for individual performance intrinsic reward is important. From the study of (Dean, J. W., Jr., & Snell, 1991), it is proved that individual reward is less significant from the other. So we must also note that organizational performance is a combination of individual performance. Individual performance leads to organizational performance.

Employee engagement helps the employees of the organization to better understand the vision and mission of the organization and help them to put their energies to the best of their own (Loehr, J., & Schwartz, 2003). Commitment and skills of the worker is better understood when the employees are engaged towards the organization (Ayers, 2006). Employee engagement can easily be linked with social capital in our study.

Fair performance appraisal helps in achieving the goals of individual and organization (Longenecker, C.O. and Goff, 1992). Effective performance appraisal must have fairness and consistency (D'Arcimoles, 1997). In study of social capital, ties, norms, values and trust are important. Without these dimension our study is meaningless (Wall, T.D. and Wood, 2005).

The present study provides an agreement to the prior study that the training, reward program, employee engagement and fair performance appraisal have a positive and significant effect on organizational performance (Dean, J. W., Jr., & Snell, 1991); (Kahn, 1990); (Wallace, M. J., & Fay, 2010); (Wilkinson, B., & Oliver, 1989); (Kavanagh, P., Benson, J., & Brown, 2007). The moderation is a new concept in Pakisatani scenario.

CONCLUSIONS AND RECOMMENDATIONS

Managerial Implications

The study awares the practitioners about the significance of social capital in the work place.

It also helps managers and practitioners understand that the connection between social capital, performance improvement practices, and organizational performance and it is considered highly significant for improving human resource practices and organizational performance.

From the findings of this research, it can be derived that training, rewards, fair performance appraisal and employee engagement are challenging practices in the banking sector of Pakistan. It is suggested that banks operating in Pakistan should give due consideration to training, rewards, fair performance appraisal and employee engagement in order to achieve better financial performance.

Academic Implications

No identified research projects have looked specifically at the moderating role of social capital in performance improvement practices and organizational performance relationship. Therefore, this study can be used as a literature in other studies.

The questionnaire used in the study could be used in future studies related to this research.

Limitations of the Study

Our results could also be tested by using the structural equation modeling. The data was collected from a single type of organization and environment, therefore investigations of this moderating link could be performed in other organizations and environments. Other components of social capital could also be considered for study. Finally, the study suffers from a single source bias, because unit of analysis is individuals, we could also collect the data from teams and different organization levels.

Recommendations

Researchers should also include other components of social capital such as knowledge sharing, shared vision and shared language (cognitive dimensions). Other studies should collect the data from different and multiple types of organizations and environments. Researchers should test the moderation effect through application of structural equation modeling. The sample size should be increased in other studies. Researchers should also consider team and organizational levels as unit of analysis.

REFERENCES

- A., Epstein, B. B. (2002). Immediate feedback assessment technique promotes learning and corrects inaccurate first responses. *The Psychological Record*, 52, 187–201.
- Admiraali, W & Lockhorst, D. (2009). E-learning in small and medium-sized enterprises across Europe. *International Small Business Journal*, 27(6), 743–767.
- Ahmed, I & Din, U. S. (2009). Evaluating Training and Development. Amisano, C. (2010). Andersson, U., Forsgren, M. and Holm, U.
- Andersen, J. A. (2006). Leadership, personality and effectiveness. *Journal of Socio-Economics*, 35(6), 1078–1091.
- Andersson, U., Forsgren, M. and Holm, U. (2002). The strategic impact of external networks: subsidiary performance and competence development in the multinational corporation. *Strategic Management Journal*, 23, 979–996.
- Ayers, K. E. (2006). Engagement is not enough. Integro Leadership Institute LLC.
- Azevedo, R., & Bernard, R. M. (1995). A meta-analysis of the effects of feedback in computer-based instruction. *Journal of Educational Computing Research*, 13(2), 111–127.
- Baldauf, A., Cravens, D.W. & Piercy, N. F. (2001). Examining the consequences of sales management control strategies in European field sales organizations. *International Marketing Review*, 18(5), 474–508.
- Bandura, A & Cervone, D. (1983). Self-evaluation and self-efficacy mechanisms governing the motivational effects of goal systems. *Journal of Personality and Social Psychology*, 45(5), 1017–1028.
- Bandura, A. (1982). Self-efficacy mechanism in human agency. *American Psychologist*, 37, 122–147.
- Bandura, A. (1991). Social cognitive theory of self-regulation. *Organizational Behavior and Human Decision Processes*, 50(2), 248–287.
- Bangert-Drowns, R. L., Kulik, C. C., Kulik, J. A., & Morgan, M. T. (1991). The instructional effect of feedback in test-like events. *Review of Educational Research*, 61(2), 213–238.
- Bartel, A. P. (1994). Productivity Gains from the Implementation of Employees Training Programs. *Industrial Relation*, 33(4), 411–425.
- Batjargal, B & Liu, M. (2004). Entrepreneurs' access to private equity in China: the role of social capital. *Organization Science*, 15, 159–172.
- Becker, B & Huselid, M. A. (1998). High performance work systems and firm performance: A synthesis of research and managerial implications. *Research in Personnel and HRM*, 16, 53–101.
- Blanchflower, D. G., & Oswald, A. J. (2000). Is the UK moving up the international wellbeing rankings? *Unpublished Paper. Dartmouth College and University of Warwick*. Retrieved from www.warwick.ac.uk/fac/soc/Economics/oswald/bonber.
- Boselie, P., Dietz, G & Boon, C. (2005). Commonalities and contradictions in HRM and performance research. *Human Resource Management Journal*, 15(3), 67–94.
- Buhler, P. (2006). Engaging the workforce: a critical initiative for all organizations. *SuperVision*, 67(9), 18–20.
- Carragher, R, Gibson, A. & B. R. (2006). Compensation in the Baltic and the USA, Baltic. *Journal of Management*, 1, 7–23.
- Cascio, W. F. (1987). *Applied Psychology in Personnel Management*. Englewood Cliffs, NJ, Prentice-Hall.
- Chen, T.Y., Chang, P.L. & Yeh, C. W. (2004). A study of career needs, career development programs, job satisfaction and the turnover intensity of R & D personnel. *Career Development International*, 9(4), 424–437.
- Chen, X-P & Chen, C. C. (2004). On the intricacies of the Chinese guanxi: a process model of guanxi development. *Asia Pacific Journal of Management*, 21, 305–324.
- Chiaburu, D.S. & Tekleab, A. G. (2005). Individual and contextual influences on multiple dimensions of training effectiveness. *Journal of European Industrial Training*, 29(8), 604–626.
- Churchill, G., Ford, N. & Walker, O. (2000). *Sales Force Management*, 7th ed., Irwin, Burr Ridge, IL.
- Coens, T. and Jenkins, M. (2000). *Abolishing Performance Appraisals*, San Francisco, CA. Berrett-Koehler Publishers, Inc.
- Coleman, J. S. (1988). Social capital in the creation of human capital. *American Journal of Sociology*, 94, 95–120.
- Coleman, J. S. (1990). *Foundations of Social Theory*. Cambridge, MA. Harvard University Press.
- Collins, C.J. and Smith, K. G. (2006). Knowledge exchange and combination: Role of human resource practices in the performance of high-technology firms. *Academy of Management Journal*, 49(3), 544–560.
- Corbett, A. T., & Anderson, J. R. (1989). Feedback timing and student control in the LISP intelligent tutoring system. In D. Bierman, J. Brueker, & J. Sandberg (Eds.). *Proceedings of the Fourth International Conference on Artificial Intelligence and Education*, 64–72.
- Cox, A. (2000). The importance of employee participation in determining pay system effectiveness. *International Journal of Management Reviews*, 2(4), 357–375.
- Cully, M., Woodland, S., O'Reilly, A. & Dix, G. (1999). *Britain at Work: As Depicted by the 1998 Workplace Employee Relations Survey*. Routledge, London.
- Cummings, J. N. (2004). Work groups, structural diversity, and knowledge sharing in a global organization. *Management Science*, 50, 352–364.
- D'Arcimoles, C.-H. (1997). Human Resources Policies and Company Performance: A Quantitative Approach Using Longitudinal Data. *Organizational Studies*, 18(5), 857–874.
- Daft, R. (2004). *Organization Theory and Design*. Mason; Ohio: South – Western, 8, 30.
- Dean, J. W., Jr., & Snell, S. A. (1991). Integrated manufacturing and job design: The moderating effect of organizational inertia. *Academy of Management Journal*, 34, 776–804.
- Delaney, J.T. & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal*, 39(4), 949–969.
- Dessler, G. (2000). *Human Resource Management*. Prentice-Hall, Englewood Cliffs, NJ, 8.
- Fedor, D. B. (1991). Recipient Responses to Performance Feedback: A proposed model and its implications. *Research in Personnel and Human Resources Management*, 9, 73–120.
- Gadot, V. E. & Talmud, I. (2007). Organizational politics and job performance: the moderating effect of social capital.
- Gerhart, B., & Rynes, S. (2003). *Compensation: Theory, evidence, and strategic implications*. SAGE Publications.
- Gulati, R., Norhria, N. and Zaheer, A. (2000). Strategic networks. *Strategic Management Journal*, 21, 203–215.
- Hameed, A & Waheed, A. (2011). Employee Development and It's Affect on Employee Performance: A Conceptual Framework. *International Journal of Business and Social Science*, 2(13).
- Hamilton, B. H., Nickerson, J. A., and Owan, H. (2003). Team Incentives and Worker Heterogeneity: An empirical analysis of the impact of teams on productivity and participation. *Journal of Political Economy*, 111(3), 465–497.
- Hancott, D. E. (2005). The relationship between transformational leadership and organizational performance in the largest public companies in Canada. *Unpublished Doctoral Dissertation*.
- Harter, J. K., Schmidt, F. L., & Hayes, T. L. (2002). Business-unit-level relationship between employee satisfaction, employee engagement, and business outcomes: A metaanalysis. *Journal of Applied Psychology*, 87(2), 268–279.
- Hjollund, L., & svendsen, T. G. (2000). Social Capital: A standard method of measurement. *The Aarhus School of Business-Denmark*.
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38, 635–670.
- Ichniowski, C., Shaw, K. and Prennushi, G. (1997). The effects of human resource management practices on productivity: A study of steel finishing lines. *American Economic Review*, 87(3), 291–313.
- Ilgen, D. R., Fisher, C. D., & Taylor, M. S. (1979). Consequences of individual feedback on behavior in organizations. *Journal of Applied Psychology*, 64(4), 349.
- Imran, M & Aslam, M. M. (2010). Effects of employee involvement in techno-

- structural interventio in textile sector of pakistan. EBR & ETLG conference proceedings.
- Jones, C. D. (2005). The effect of employee involvement on firm performance: evidence from an economic case study.
- Kahn, W. A. (1990). Psychological conditions of personal engagement and disengagement at work. *The Academy of Management Journal*, 33(4), 692–724.
- Kanelopoulos, C. & Akrivos, C. (2006). Career development in Greek management. *Spoudai*, 56(1), 79–106.
- Kavanagh, P., Benson, J., & Brown, M. (2007). Understanding Performance Appraisal Fairness. *Asia Pacific Journal of Human Resources*, 45(2), 132–150.
- Koka, B. and Prescott, J. E. (2002). Strategic alliance as social capital: a multinational view. *Strategic Management Journal*, 23, 795–816.
- Kulik, J. A., & Kulik, C. C. (1988). Timing of feedback and verbal learning. *Review of Educational Research*, 58(1), 79–97.
- Kulp, S. C., Lee, H. L. and Ofek, E. (2004). Manufacturer benefits from information integration with retail customers. *Management Science*, 50, 431–444.
- Landy, E. F., Barnes, J.L., and Murphy, K. R. (1978). Correlated of Perceived Fairness and Accuracy of Performance Evaluation. *Journal Of Applied Psychology*, 63, 751–754.
- Leibowitz, Z. and Schlossberg, N. (1981). Training Managers for their Role in a Career Development System. *Training and Development Journal*, 72–79.
- Loehr, J., & Schwartz, T. (2003). The power of full engagement. *The Free Press*.
- Longenecker, C.O. and Goff, S. J. (1992). Performance Appraisal Effectiveness: A Matter of Perspective. *Advanced Management Journal*, 57(2), 18–23.
- Luthans, K. (2000). Recognition: A Powerful, but often Overlooked, Leadership Tool to Improve Employee Performance. *The Journal of Leadership Studies*, 7(1), 32–39.
- May, D. R., Gilson, R. L., & Harter, L. M. (2004). The psychological conditions of meaningfulness, safety and availability and the engagement of the human spirit at work. *Journal of Occupational and Organizational Psychology*, 77, 11–37.
- McEvily, B & Zaheer, A. (1999). Bridging ties: a source of firm heterogeneity in competitive capabilities. *Strategic Management Journal*, 20, 1133–1156.
- Nahapiet, J & Ghoshal, S. (1998). Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23, 242–266.
- Neckermann, S. & Kosfeld, M. (2008). Working for Nothing? The Effect of Non-Material Awards on Employee Performance, Goethe-University Frankfurt, Germany.
- Park, S. H. and Luo, Y. (2001). Guanxi and organizational dynamics: organizational networking in Chinese firm. *Strategic Management Journal*, 22, 455–477.
- Peng, M. W & Luo, Y. (2000). Managerial ties and firm performance in a transition economy: the nature of a micro-macro link. *Academy of Management Journal*, 43, 486–501.
- Perry, J. L., Mesch, D., & Paarlberg, L. (2006). Motivating Employees in a New Governance Era: the Performance Paradigm Revisited. *Public Administration Review*, 66, 505–514.
- Pettijohn, C., Pettijohn, L. S., Taylor, A. J., & Keillor, B. D. (2001). Are performance appraisals a bureaucratic exercise or can they be used to enhance sales-force satisfaction and commitment? *Psychology & Marketing*, 18(4), 337–364.
- Putnam, R. D. (1995). Bowling alone: America's declining social capital. *Journal of Democracy*, 6, 65–78.
- Reio, T.G. Jr & Wiswell, A. (2000). Field investigation of the relationship between adult curiosity, workplace learning, and job performance. *Human Resource Development Quarterly*, 11, 1–36.
- Rowden, R.W. & Conine, C. T. J. (2005). “The impact of workplace learning and job satisfaction in small US commercial banks. *Journal of Workplace Learning*, 17(4), 215–230.
- Rowden, R. W. (2002). The relationship between workplace learning and job satisfaction in small and mid-sized businesses. *Human Resource Development Quarterly*, 13, 407–426.
- Rowley, T. J., Behrens, B & Krackhardt, D. (2000). Redundant governance structures: an analysis of structural and relational embeddedness in the steel and semiconductor industries. *Strategic Management Journal*, 21, 369–386.
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600–619.
- Scarsella, M. (1999). Between tradition and innovation: the cultural contradictions of employee involvement. Cornell university.
- Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The measurement of work engagement with a short questionnaire: A cross-national study. *Educational and Psychological Measurement*, 66(4), 701–716.
- Skarlicki, D. P. and Folger, R. (1997). Retaliation in the Workplace: The Roles of Distributive, Procedural and Interactional Justice. *Journal of Applied Psychology*, 82, 434–443.
- Srivastava, A., Locke, E. A. & Bartol, K. M. (2001). Money and Subjective Well-Being it's Not the Money, it's the Motives. *Journal of Personality and Social Psychology*, 80, 959–971.
- Stryker. (1986). Identity theory: developments and extentions.
- Uzzi, B & Gillespie, J. J. (2002). Knowledge spillover in corporate financing networks: embeddedness and the firm's debt performance. *Strategic Management Journal*, 23, 595–618.
- Uzzi, B & Lancaster, R. (2003). Relational embeddedness and learning: the case of bank loan managers and their clients. *Management Science*, 49, 383–399.
- Uzzi, B. (1997). Social structure and competition in interfirm networks: the paradox of embeddedness. *Administrative Science Quarterly*, 42, 35–67.
- Wall, T.D. and Wood, S. J. (2005). The romance of human resource management and business performance and the case for big science. *Journal of Human Relations*, 58(4), 429–462.
- Wallace, M. J., & Fay, C. H. (2010). Compensation theory and practice. Boston: PWS-Kent.
- Wilkinson, B., & Oliver, N. (1989). Power, control and the kanban. *Journal of Management Studies*, 26, 47–58.
- Zaheer, A., McEvily, B & Perrone, V. (1998). Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. *Organization Science*, 9, 141–159.
- Zucker, L. (1991). Markets for bureaucratic authority and control: information quality in professions and services. *Research in the Sociology of Organizations*, 8, 157–190.

APPENDIX

References for Questionnaire

- Daft, R. (2004). *Organization Theory and Design*, 8th ed., Mason; Ohio: South – Western, p. 30.
- Dean, J. W., Jr., & Snell, S. A. 1991. Integrated manufacturing and job design: The moderating effect of organizational inertia. *Academy of Management Journal*, 34: 776-804.
- Wallace, M. J., & Fay, C. H. 2010. *Compensation theory and practice*. Boston: PWS-Kent.
- Kavanagh, P., Benson, J., & Brown, M. (2007). Understanding Performance Appraisal Fairness. *Asia Pacific Journal of Human Resources*, 45(2), 132-150.
- Wilson, K. (2009). A survey of employee engagement. University of Missouri-Columbia.
- Hjollund, L., & svendsen, T. G. (2000). Social Capital: A standard method of measurement. The Aarhus School of Business-Denmark.
- Gadot, V. E. & Talmud, I. (2007). Organizational politics and job performance: the moderating effect of social capital.

We are student of MS (MS) at SHAHEED ZULFIKAR ALI BHUTTO INSTITUTE OF SCIENCE & TECHNOLOGY. We are conducting a research on “ The moderating effect of social capital on the relationship of performance improvement practices and organizational performance”. We need your precious time for filling this questionnaire. We assure you of the confidentiality of the information you provide as well as anonymity of your personal identity.

Demographics

Gender	Age	Qualification	Level of Job
Male	15-25	Graduation	Manager Grade

Female		26-35		Masters		Non-manager Grade	
		36-45		Any other			
		45+					

Please check the box that best describes how you feel regarding each statement.

1	2	3	4	5
Strongly Disagree (SDA)	Disagree (DA)	Neutral (N)	Agree (A)	Strongly Agree (SA)

S.No	Organizational performance					
1	There is increase in profit of organization.	1	2	3	4	5
2	There is increase in sales of organization.	1	2	3	4	5
3	Growth in market share compared to other competitive products/ services.	1	2	3	4	5
4	There is Cost reduction of the organization.	1	2	3	4	5
5	There is optimum used of resources acquisition and utilization.	1	2	3	4	5
6	There is reduction of employees' turnover.	1	2	3	4	5
7	Customer are satisfied regarding quality and price of products provided by the company.	1	2	3	4	5
8	There is retention of present customers of the organization.	1	2	3	4	5
9	Development and introduction of new products/ services of the organization.	1	2	3	4	5
10	Organization is coping and dealing successfully with various environmental changes.	1	2	3	4	5
	Training					
11	Too much priority is placed on training employees in your organization.	1	2	3	4	5
12	Training process is formal in your organization	1	2	3	4	5
13	More than 30% of people have received training in the last year.	1	2	3	4	5
14	Very wide variety of different kinds of training programs is available for members of your work unit to attend.	1	2	3	4	5
	Reward program					
15	Pay rates are high in this unit relative to other organization.	1	2	3	4	5
16	The wages in this work unit are very competitive for this industry.	1	2	3	4	5
17	Very closely pay is tied to individual performance.	1	2	3	4	5
18	To great extent there is differences in pay across members of this work unit represent differences in their contribution	1	2	3	4	5
	Social capital					
19	If I have a problem there is always someone to help me.	1	2	3	4	5
20	I feel accepted as a member of this organization	1	2	3	4	5
21	I pay attention to the opinions of others in my organization.	1	2	3	4	5
22	People are always interested in other welfare.	1	2	3	4	5
23	I think that top management tells the truth in formal meetings.	1	2	3	4	5
24	In my view, the top management is trustworthy and fulfills its duty towards the organization.	1	2	3	4	5
	Fair performance appraisal					
25	My last performance rating truly represented how well I performed in my job.	1	2	3	4	5
26	My performance was accurately evaluated.	1	2	3	4	5
27	My supervisor was justified in his/her rating of my performance.	1	2	3	4	5
28	My rating was free from biasness.	1	2	3	4	5
29	If I had been evaluating my own performance I would have given the same rating as my supervisor.	1	2	3	4	5
	Employee Engagement					
30	I have received recognition for doing my job well.	1	2	3	4	5
31	My supervisor seems concerned about my welfare.	1	2	3	4	5
32	The mission of the organization makes me feel like the work I do matters.	1	2	3	4	5
33	While on the job, my ideas and opinions are taken seriously.	1	2	3	4	5
34	The materials, tools and equipment that I need to do my job are supplied by the organization and made readily available to me.	1	2	3	4	5