

SOCIAL CAPITAL AND ENTREPRENEURIAL SUCCESS: A CONCEPTUAL AND EMPIRICAL REVIEW

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ABSTRACT

Social capital refers to worth of individual social networks which can be pooled together for all individual employees in and organization for form organizational or corporate social capital to promote organizational performance. Therefore, organizations could gain competitive advantage by deploying social capital. Social capital is latent in individual entrepreneurs and needs to be activated, developed and deployed positively for entrepreneurial success. This is important at this period of global inflation with negative effect on small and medium enterprises. This has resulted into business failure and the rate is alarming. Enterprises can increase their competitive advantage for entrepreneurial success through gaining corporate social capital. This paper provides a comprehensive review of the concept of social capital and its three dimension namely relational social capital, cognitive social capital and structural social capital for better understanding of the concepts. It also undertakes a comprehensive empirical review of social capital and its three dimensions as they affects entrepreneurial success with success factors as profitability, sales growth, customer satisfaction and competitiveness. It is recommended that researchers in the area of entrepreneurship should devote more efforts to research in this area for better understanding of social capital and how it could be harnessed to enhance entrepreneurial success.

Keywords: Social Capital, Relational Social Capital, Cognitive Social Capital, Structural Social Capital, Entrepreneurial Success.

INTRODUCTION

Social capital can be viewed as free capital available to entrepreneurs to use with no worries for principal and cost of fund payment. However, the entrepreneurs must have a clear understanding of the concept of social capital and how to harness it to ensure entrepreneurial success.

In the social capital model, social capital comprises individual's informal and formal relationship and interactions with other members of society to attain a perceived reward from the market. It has been defined as the benefit or capital attained because of societal social relationships (Gannon & Roberts, 2020). Conscious and unconscious investments in human relationships result in social capital, which requires time and resources (Claridge, 2018). In addition, access to information, reduction in transactional costs, and combine decision making facilitation become easier because of social capital (Motkuri, 2018). Similarly, social capital is identical to physical capital, which can be appreciated or depreciated with use hence the need to make a conscious plan for sustainable use of social capital in enterprise development.

The strength and weakness of the relationships of an organization with other

organization(s) is a significant factor that relates to social capital (Machalek & Martin, 2015). Both strong and weak internal ties in a community are significant to assure social capital self-efficacy. Closeness in social capital will be attained if there are strong internal ties in the community, while weak internal ties lead to gaps in social capital.

The historical background of research works in social capital can be traced back to the works of Adam Smith and John Stuart Mill (economists) and Max Weber (sociologist) who used cultural approach to explain economic issues. It is not until early 1980s however, when social capital research came to spotlight and became a topical issue attracting great research interest. Social capital concept has become a growing area of research interest to explain social and economic outcomes in the cycle of social scientists including economists, political scientists, psychologists, sociologists and anthropologists and of late entrepreneurial researchers.

Social capital creation such as trust could be regarded as something that came up happily by chance through some uncontrolled experiences of individuals or through which individuals did not plan. In essence, we should not think that social capital is some kind of byproduct resulting from the activities of the firm but rather we should think of corporate social capital as a valuable resource to be managed and harnessed effectively. Firms' investment in social capital is worthwhile because it will eventually create values for the firm (Kochadai, 2018).

The basic idea in social capital research is to explain issues of development using social and cultural factors. Policy makers, development experts and academic researchers including researchers in the area of entrepreneurship studies are now conducting empirical researches in different areas of social capital. Empirical and scientific studies on social capital concept and theories are new in relative terms, but today, literature is enormous in this field of research interest. Despite the volume of availability of literature materials on this subject matter, researchers and other stakeholders are yet to agree on a single definition for social capital. Also, measures of social capital are yet to be standardized and systematized though numerous recent studies are trying to fine tune the concept to develop standard measurement technique. Researchers are beginning to agree on the conceptualization and dimensions of social capital as applicable to different groups. Social capital is not a tangible phenomenon but abstract in nature with its theories deeply rooted on the idea of informal networks, trusts and norms with assumption or believe that social relations is a resource and is valuable.

Firms can increase their competitive advantage through gaining corporate social capital. Study has shown the role played by a supply network hub in facilitating effective information and raw materials flow which in turn lead to creation of high corporate social capital through the creation of inter organizational supply networks. Being central in a network has obvious advantage in social capital creation. Researchers have observed that it is possible to be in a vantage central position in any work at any stage of the network. Firstly, an individual could be the object of many relations and this makes the individual central in the network. Secondly, an individual can also be in the middle of the network that connects others that are performing the linkage role yet still central in the network. Thirdly, an individual could have immediate access to others who are connected in a network (Muler & Peres, 2019).

What is Social Capital?

In a broad sense, social capital can be defined as a phenomenon with multiple dimensions or entities consisting of beliefs and values; trusts and social norms; friends and obligations; relationships and networks; memberships and civic engagement; information flows and network

of institutions promoting cooperation and joint actions for inclusive gains towards socioeconomic development. These dimensions or entities have social structure and this structure assists to facilitate individuals' actions within the structure. The structure is a productive resource in form of social relations between and among actors that makes achievement of certain goals possible which may be impossible without the structure. Social capital can also be described as a complex concept with multiple dimensions consisting of reservoir of systems of cultural and social values.

Connections among individual's social networks, norms of mutual exchange and trustworthiness arising from them have been described as social capital. The value of social networks is associated with the number of social contacts of an individual in the network with implications for individual and group productivity. Civic virtue is also closely related to social capital. The number of civic associations and the extent by which individuals engage or participate in those associations determine the worth of social capital in the society. Networks of civic engagements, social connections and voluntary participation in organizations facilitate mutual exchange and trust; societal cooperation and coordination; communication and reputations building which allow speedy resolution of dilemmas by collective actions.

Kofi (2014) identified the weak-tie and the structural holes approaches as the two major approaches for creation of social capital for firms. In weak-tie approach, social tie is important; this approach relies of social tie's strength. We have social tie with many types of relationships involving friends, co workers, supervisors, adviser which are emotional intense as well as being frequent. There is also a social tie characterized by limited type of relationships, emotionally non-intense and not frequent. Despite this, such social tie provides a bridge between social cliques which are densely interconnected providing new information and resources. Therefore, diverse, weak tie support venture's social capital creation. In structural holes social capital creation approach, the focus is on the patterns of the relationships/ties rather the characteristics of the relationships/ties (Hampton et al, 2019). A structural hole is created whenever the actors in networks are not connected to one another. Networks can be viewed as polymer string which breaks and connects depending on conditions for connections and disconnections. The actors in the organizations control the connections and the disconnections processes (Khoi et al, 2018). Most research on entrepreneurs and entrepreneurs' networks found in literature are mainly about the personal networks of the entrepreneurs and these in most cases cover acquisition of resources via the networks. Entrepreneurs are responsible for creation of social capital via their networking activities and they take charge and responsibility for networking process and activities.

Lin argued that organizations draw their social capital from employees. This is because social capital is personal to individual employee. It is therefore, the aggregation of social capital of individual employees that form the corporate social capital. Thus, to a large extent, the corporate or the organization's social capital is tied up to the social capital of the individuals employed by the firm. It is therefore, easy for any organization to create or destroy social capital using the human resources management practices. McKeever (2014) measured the impact of reward system put in place for individual employees of some firms who contribute high social capital to the overall corporate capital. Researchers have studied practices in employment as a major mechanism to foster or discourage internal social capital within organizations (J. Nahapiet & S. Ghoshal, 2018).

Zhang et al (2019) noted that the ability to create and exploit social capital is a function of the differences between firms as well as differences in performance. There are three resource

challenge facing new firms namely, availability of resource, access to resource and resource uncertainty. The major issue in resource availability is that of how to locate the sources of the resource and the issue of costs and difficulties. Entrepreneurs can tap resource which are external to his firm i.e. resource outside his control through a process of networking.

Vonneilich (2022) observed that social capital conveys information advantages; to access and disseminate information, the vehicle needed becomes social relations. This costs less but efficient than formal information dissemination vehicles, tacit information for instance, is disseminated via networks in efficient way.

Innovation performance of a firm could be aided by social capital of the firms. Study on whether social capital has role to play in digital firms' innovation performance found that social capital remains significantly associated with innovation performance and that digital firms who are high in social capital are could generate innovation performance at high level even under harsh operating environment (Lyu et al, 2022).

Haron (2020) opined that relatively new firms tend to benefit more from having prominence alliance partners because the effect of the alliance benefits was found to decrease with the age of the firms. A study has shown that young firms with prominent alliance partners were able to acquire more prominent partners thus giving the firms competitive advantage and a good ranking on the list of firms with prominent associates. However, Gamage et al (2020) noted that access to resources could be pretty difficult for new firm due to uncertainty. Older firms with abundance of such resources sometimes are not willing to do resource exchange with new firms with future uncertainties. Good reputation or social credit should be built by entrepreneurs to facilitate easy access to information or resources that are needed in the future.

Social Capital- levels, types and interconnectivities

Social capital has different complex levels (Conroy & Deller, 2020). The first is the social or macro level, at which the potential advantages or benefits attained from an organization or individual society are focused, such as enhanced and upgraded level of income (Lyu & Ji, 2020). The second level is the individual or micro level, at which the potential advantages or benefits from the network relationships or linkages of an individual are focused, such as the success of the firm (Ozgun & Zaim, 2022). The final level is the organization or meso level, at which the potential advantages or benefits from the network relationships or linkages of an organization are focused, such as higher and greater efficiency and effectiveness (Sanchez-Arrieta et al, 2021). At all three levels, the advantages and benefits are attained from bridging and bonding social capital.

Three main dimensions of social capital are found in literature namely cognitive social capital, relational social capital and structural social capital. Cognitive social capital is derived from a psychological process that results in ideas and thoughts, reinforced by ideology and culture, generate shared values and norms, trust, belief, and attitude. Thus, the cognitive capital has both integral and subjective characters that contribute to cooperative behavior and conduct, and encourages collective actions. Relational capital concerns with the characteristics and qualities of personal relationships of which trust, obligations, respect and friendship are very important. However, structural social capital is linked with social networks, policies, and procedures that contribute to a combined action toward the attainment of joint benefits and social contribution. Structural social capital is a comparatively impartial and superficially noticeable concept.

Previous research has stated that, conceptually, in entrepreneurship, a vital role is played by social capital (Strobl et al, 2022). Furthermore, in previous research, the term entrepreneurial capital at times gave the impression of signifying one or more types of capital, such as human or physical capital (Hu et al, 2022). The definition of entrepreneurship capital is usually taken in its broader sense. Social capital is included in the definition of entrepreneurship, even though entrepreneurship and social capital are dissimilar concepts.

Entrepreneur and the firm is the central actor in the social network. Some researchers have reported on the established relationship between entrepreneurial network and the venture. Family members and friends have been leveraged upon by some emerging firms to get resources that are required to establish feasibility. Of particular note is that at emergence situation, the entrepreneur's social network becomes synonymous with the network of the firm because, initially, network ties are found to exist at level that is interpersonal. By procedures and routines, ties that are interpersonal in nature can be formalized into inter organizational ties and by opinion of researchers, networks evolution of emerging firms could make firms to adapt easily to challenges of resources.

The enormous resource needed for growth may not be something that embedded network ties of a firm can provide, hence, firms may have to look for network ties like the arm-length ties and the structural holes ties meet their resources demand. The network of a firm shifts from being cohesive at the emergence stage to the one that bridges structural holes at early growth stage. Business and professional associates in their top five networks were found to be more successful in a longitudinal study conducted on entrepreneurs and networks.

In the words of Putnam (2020), social capital is both firm specific and path dependent, while the structure of a firm's social network is industry specific. It is an emergent outcome generated by rules that guide the firm's cooperative decisions in a specific competitive market is guided by an emergent outcome generated the firm's rules. The location of an actor in a social network is captured by a dimension of social capital, i.e. structural social capital (Rauch & Hulsink, 2015). By implication, individuals with more contacts in an environment tend to have more structural social capital.

In accordance to structural holes approach, a network configuration with many contacts that are spread thinly in diverse forms are needed to create maximum structural corporate capital. Sparse networks with not many contacts that are redundant has the ability to supply more information diversity, hence, the corporate social capital will be more (Roxas & Azmat, 2014). Mixed model network have been found to be positively related to survival of organizational (Shook et al, 2014). Benefits like complex adaptation and collective problem solving; trust and reduced bargaining as well as reduced cost of monitoring are provided by dense ties while the firms are provided with novel information beyond their immediate ties with arms-length contacts (Singer et al, 2019).

The direct advantages are found in the creation and maintenance of social relations that facilitate easy access to resources and new technologies rather than creation of a large bundle of ties. More successful entrepreneurs have been found to be the one more dense and small networks; this suggests that entrepreneurs should be more selective in their networks, spending less time in building large network but increase efficiency in circulating information (Thornton, 2019). Firm should build their network in a way that it will deliver high social capital for them as much as possible with focus on long term.

The stability and sustainability of the social structure is major deciding factor for the value of all forms of social capital and high level of mutual inter dependence of this structure

results in high levels of social capital (Shin,2022). Dense and integrated networks; small size and with low differentiation are structural conditions that favor high levels of social capital (Yli-Renko et al, 2017). Structural basis needed for effective cooperation and collaboration at Silicon Valley was provided through trade associations and regional governments (Trunina, 2021). In contradiction to what is obtainable in classic market govern by competitive rule of exchange, firms having small networks are involved in information sharing, establishment of long term relationships and support for one another in a functional network (Dar & Ishra, 2020).

Cognitive, relational and structural dimensions of social capital have been reported to be interwoven and interdependent with one influencing the other. For example, a two-way relationship has been observed for structural and relational dimensions with structural dimension being found to affect the relational dimension in a large organization (Claridge, 2021). Actors participating in an organization's network with central roles, have high tendencies to consider one another trustworthy with shared vision, a manifestation of cognitive capital have positive influence on trust and trustworthiness while relational capital was reported as breeding structural capital (Claridge, 2018). New linkages are easier to be created between a trustworthy unit and other related units that are strategically linked. The main reason is because with trust, cooperation is assured between related units. Other researchers have also observed close relationship between structural capital and relational capital with suggestion that in the interaction of actors in a network, trusting tends to become concrete with time while the parties involved will have more likelihood to consider and perceive one another as trustworthy (Hassan et al, 2022). A link between cognitive capital and relational capital has been reported with researchers positing trusting relationship can be developed through common values and a shared vision (Pangidoan & Nawangsari, 2022).

Networking has been argued to be a good source of non routine but timely informal data (Vonneilich, 2022) while social networks' importance in recognition of opportunity has been examined. Network entrepreneurs tend to have more access to new business opportunities than non network entrepreneurs. Studies have shown that individuals who identified opportunities from network entrepreneurs can be distinguished easily compared to those that used personal networks. Research results have shown clear differences between entrepreneurs who acquired business opportunities from the network entrepreneurs' social networks than that acquired them through other means.

One of the clear advantages of social relationships is that it allows the employees in an organization to learn from each other through social interactions. Learning brings about growth and new opportunities are recognized through learning to develop entrepreneurs and enhance organizational performance.

Social Capital and Entrepreneurial Success

Ha et al., conducted a study to establish possible relationship between social capital dimensions and operational performance with knowledge sharing as mediator. Construction industry sector was the focus of research. Data were collected from 346 SMEs in Ho Chi Minh City. Convenience sampling technique was used. Online questionnaire were distributed to respondents using Googleforms. Study sample was obtained from two main sources i.e. Yellow pages showing the list of registered business entities in Vietnam and registered members of Youth Business Association in the city of Ho Chi Minh. Data analysis was carried out by structural model assessment through IBM SPSS AMOS Version 24. Results indicate that only

cognitive social capital dimension has direct positive relationship with operational performance. Both relational and cognitive dimensions of social capital have direct positive relationships with explicit knowledge sharing but structural dimension of social capital do not. Explicit and tacit knowledge sharing have positive influence on the firm's operational performance.

Yusuff et al (2018) investigated social capital as a mediator in a research to determine the influence of financial capital on business performance of 184 women micro entrepreneurs who are under Amanah Ikhtiar Malaysia (AIM). Simple random sampling technique was used to select the participants while multiple regression analysis was used to analyze the data. Microcredit and financial collaterals were used as dimensions of financial capital while groups, norm, trusts, networking, economic equality and volunteerism were used as social capital dimensions. The result shows that financial capital (microcredit) has positive effect on business performance of the women entrepreneurs when mediated by social capital (volunteerism).

Menike (2020) in a research conducted to examine the effect of social capital on performance of firm, network size, network density and network strength were the measures of structural social capital while credibility and benevolence were the measures of relational social capital. Share vision, share knowledge, shared language, shared resources and shared opportunities were used to measure cognitive social capital. Cross sectional research design approach was adopted and survey design to administer 200 questionnaires to selected SMEs for the study. Data analysis was carried out using PLS structural equation modeling. The findings revealed that structural social capital and cognitive social capital have a positive significant effect on small enterprises performance in Sri Lanka while relational social capital has negative significant effect on firm's performance.

Yani et al (2020) reported that entrepreneurial competence played a mediator role in a study designed to investigate the influence of social capital on SMEs business performance in Bekasi City, West Java. Data were collected from 315 participants using questionnaire. The focus of the research is on individual micro entrepreneur who sell food in food stall on the streets Bekasi City. Data collected were analyzed using SEM modeling approach by SmartPLS software. The results show that social capital has significant effect on entrepreneurial competence. Entrepreneurial competence shows significant effect on business performance. Therefore, through entrepreneurial competence as mediator, social capital was found to have significant effect on performance of SMEs business.

Akintimehin et al (2019) collected primary data from a survey of 650 owners of business in the informal sector of Ikeja Local Government Area, Lagos State, Nigeria to determine the influence of social capital on performance of business. Cross sectional research design approach was adopted. Samples were selected with simple random sampling technique and data were collected from the samples by self administered questionnaire. Composite reliability, Cronbach Alpha value provided the means to test the reliability of the research tool. SPSS version 23 was used for descriptive statistical analysis and the hypotheses were tested by SEM using PLS Version 3.2. Measures of social capital are internal and external social capital. The result concludes that social capital has significant effect on business performance without firm age as the controlling variable. Internal social capital has a significant effect on non financial performance; but it shows no significant effect on financial performance. External social capital shows no significant effect on both financial and non financial performance.

Rababah et al (2022) investigated the role of internal and external social capital as determinants of financial and non-financial performance in manufacturing sector in India using 417 manufacturing companies that provided data for the study. Structured questionnaire was

used to gather the data. Confirmatory factor analysis and structural equation modeling was carried out with the aid of SPSS and AMOS. Internal social capital has significant effect on both financial and non-financial performance of the firm. External social capital has significant effect on financial performance but show no significant effect on non-financial performance of the firm.

Xie et al (2012) studied social capital from the view to classifying social capital as bonding and bridging social capital as well as to investigate the effects of both types of social capital on creative performance of agricultural entrepreneurs with opportunity recognition and operational efficiency as moderators. 180 SMEs were involved in the study and data were collected from them using questionnaire. The data reliability was determined by internal consistency reliability analysis. Cronbach Alpha values range from 0.74 0.82 indicating that the questionnaire was reliable. Data analysis was carried out with the aid of SPSS and AMOS software. From the results, bonding and bridging social capital has significant effect on the performance of agricultural entrepreneurship. However, operational efficiency plays a positive role in the relationship while opportunity recognition plays a negative role.

Christy et al (2022) studied some entrepreneurs in Indonesia on how social capital influences their business success using quantitative research approach. A purposive sampling technique was adopted. The study led to the conclusions that: successful entrepreneurs possess social relationship that help to facilitate their interpersonal relationship with the public; successful entrepreneurs are proactive in developing and maintaining social relationship relevant people; successful entrepreneurs usually experience magnificent social involvements and lastly, successful entrepreneurs are more concern with benefits to their immediate community/environment as well as the general public.

A research was conducted on industrial chemical manufacturers at Banten Province, Indonesia to investigate how their social capital can influence organizational performance with competitive advantage as a mediator variable. The study focused on the industrial chemical manufacturing industry at Banten Province, Indonesia. Ninety seven respondents were involved in the study. SEM-PLS provided means for data analysis. The results show that social capital has direct relationship with the performance of organizational; competitive advantage mediates this relationship (Nuryanto et al, 2020).

Using panel data, researchers have investigated the effect of organizational social capital and organizational structure on organizational performance. 100 organizations between 2002 and 2005 were selected for the study. Statistical results of analyzed data showed that cognitive and relational dimensions of social capital have positive relationship with organizational performance. The results show that structural dimension of social capital has no relationship with organizational outcomes. Organizational structure has complex and contradictory effects on the impact of the three dimensions of social capital (Rhys, 2010).

Social Capital and Firm Profitability

Many empirical studies have established effect of social capital on firm profitability. For instance, Orekhova and V.S. Zarutskaya (2021) studied the amount of social capital a network-based organization possesses and how it affects its effectiveness. Strategic management and a number of neo-institutional theories form the foundation of the study. The most significant theories are those that deal with networks, social capital, and transaction costs. Synthesis, typology, and content analysis are some of the research techniques used in the theoretical section

of the paper. The study's data source is a survey and statistical reporting of 101 travel agencies in the Russian Sverdlovsk region for the years 2017 to 2020. They define the impact of social capital components on the growth rates of revenue and profitability of sales in Russian tourism for the two (2017-2019) and three (2017-2020) years. They also identify the structural, relational, and cognitive components of social capital within an organization. The findings shows that behavioural practices (relational and cognitive components) and social structure (structural component of social capital) ensure the survival and expansion of the business.

Rahman et al (2019) examined the function of social capital in the growth of small and medium-sized enterprises in the Peshawar Valley with profitability and future viability as measures of firm performance. A cross-sectional, descriptive, and analytical research design is used with a sample of 169 manufacturing weavers as a representative sample. Using a self-administered questionnaire, data is gathered. The findings show there is a significant and favourable link between relational capital and firm performance specifically firm profitability.

The impact of social capital on an entrepreneur's ability to withstand localized shocks was examined (Dimitriadis, 2021). In this study, various types of relationships and how they affect an entrepreneur's performance was investigated using a distinctive longitudinal survey of business owners conducted in Togo during a spike in violent protests in 2017 and 2018. According to the findings, businesses' profits decreased by 20% when they were close to violent protests. Entrepreneurs' connections to their local communities and their non-located advice relationships, which were ties to advisers who were located far away, however, helped to offset this decline. Collocated advisers, or those who were close by spatially, on the other hand, were detrimental to their performance.

Through the use of social capital, some researchers investigated how innovativeness can be accomplished by entrepreneurial network capability and social capital relationship (Sarwar et al, 2021).The study based its presumptions on the dynamic capability theory and gathered feedback from 199 entrepreneurial SMEs operating in Pakistan through a questionnaire. The study used the partial least square structural equation modeling technique to analyze the feedback after confirming its validity and reliability. The study's findings add to our understanding by demonstrating how network capability significantly enhances innovation capability thereby enhancing profitability.

Sani et al (2019) conducted a study using 139 SMEs as samples in two States of North West Nigeria (Sokoto & Zamfara) to examine the effect of social capital on small businesses performance. The data gathered was analyzed using Ordinary Least Square. The study establishes significant positive influence of networking, technological innovation and number of employees with performance of SMEs. The study however, observes insignificant inverse relationship between social ties and performance of SMEs.

Study on the impact of social capital on firm performance in the context of Taiwan's semiconductor industry was conducted (Hsu & Yah, 2019). The authors used a sample of 156 firms, and the data was collected through a questionnaire survey. The study finds a positive relationship between social capital and profitability.

Obeitoh (2018) investigated the impact of social capital on the financial performance of small and medium-sized enterprises (SMEs) in Nigeria. The study used a sample of 250 SMEs, and the data was collected through a questionnaire survey. The authors employed regression analysis to analyze the data, and the results show that social capital has a significant positive impact on the financial performance of SMEs.

The relationship between social capital and firm performance in the Pakistani context has

been investigated (Rahman & Khan, 2019). The study used a sample of 300 firms, and the data was collected through a questionnaire survey. The authors used regression analysis to analyze the data, and the results shows that social capital has a significant positive impact on firm performance.

Nguyen and Ha (2020) in their study examined the relationship between social capital and firm performance in Vietnam. The study used a sample of 153 firms with 104 from service industry and 49 from northern Vietnam and 33 firms in central Vietnam and data collected through a questionnaire survey. The authors used regression analysis to analyze the data. The results show that all the dimensions of social capital have significant positive impact on firm performance.

The mediating role of dynamic capabilities and the moderating role of entrepreneurial orientation in the relationship between social capital and firm performance have been examined (Hongyun et al, 2019). The analysis of primary data from 787 small and medium-sized enterprises (SMEs) operating in Ghana using SmartPLS software 3.2.8 yielded findings that social capital is positively and directly correlated with firm performance in Ghana. According to the research, entrepreneurial orientation acts as a moderator in the relationship between social capital and firm performance.

Social Capital and Sales Growth

Griffin et al (2021) examined the role of CEO social capital as an important driver of the widespread practice of real earnings management (REM). Using the number of social connections to outside executives and directors to measure CEO social capital, they find that well-connected CEOs associate with higher levels and volatilities of REM. The positive relation between REM and CEO network size is stronger when the CEO connects with more informed and influential persons, and when a more severe misalignment of interests can occur. Equally, they find a contagion of REM among well-connected CEOs in an industry. Lastly, the level of REM induced by a large CEO social network associated negatively with future operating performance.

Kanini et al (2022) investigated the effect of social capital on performance of SMEs in Kenya. The sample size was 384 licensed manufacturing businesses operating in the City County of Nairobi. Primary data collected was analyzed using descriptive and inferential statistics. The results show that both relational capital and cognitive social capital have significant and positive effects on sales growth dimension of the performance of the SMEs. Structural capital has no significant effect on sales growth dimension.

Similarly, a study that explored the relationship between social capital and sales growth in the text of new ventures in China has been reported (Lyu & Ji, 2020). The study used a survey to collect data from 248 new ventures and found that social capital positively influenced sales growth. The study also used regression analysis to examine the data and controlled for other factors such as the venture's age and industry. Zhang et al (2019) conducted a study using survey data from 348 firms in China found that social capital positively impacts sales growth, and that the effect is stronger for firms with weaker market-oriented cultures.

In a similar vein, findings of empirical study using survey data from 330 SMEs in Pakistan finds a significant positive relationship between social capital and sales growth. Setini et al (2021) used panel data from 192 firms in China and found that social capital positively influences sales growth through the mediation of innovation capability. An empirical study using

data from 384 ventures out of 61,931 ventures operating within Nairobi City, Kenya found that social capital has a significant positive effect on sales growth and business performance generally (Kaberia et al, 2022). Moreover, a study using data from 316 firms in China found that social capital positively influences sales growth through the mediation of knowledge sharing (Lyu et al, 2020). A qualitative description of a multi-case analysis of effects of social capital on performance of immigrant Chinese businesses in some regions of Phoenix and Los Angeles has been reported. The results demonstrated the importance of social capital with local Chinese community in the areas under study. The report also demonstrated that social capital promote sales growth of Chinese businesses.

In summary, empirical studies suggest that social capital is an important factor in sales growth in various business contexts. The studies used different methodologies such as surveys and regression analysis to explore the relationship between social capital and sales growth while controlling for other factors that could influence sales growth. The findings of these studies have important implications for firms seeking to enhance their sales growth and improve their overall performance.

Social Capital and Customer Satisfaction

Jääskeläinen et al (2022) analyzed in a study how social capital and supplier development support achieving supplier satisfaction and preferred customer status. The resulting model is compared between manufacturing and service suppliers. A survey of 482 supplier responses from manufacturing and service suppliers was utilized and analyzed using Partial Least Squares (PLS) path modeling and multi-group comparison tests. Findings show that the new explanations for preferred customer status through empirical evidence of relationships between supplier development, social capital, supplier satisfaction, and preferred customer status have changed. The results also show that cognitive and relational capital directly support achieving preferred customer status. Also, the role of supplier satisfaction in achieving preferred customer status is lower for manufacturing suppliers.

The moderating effect of family social capital on the relationship between community social capital and life satisfaction among rural community-dwelling older adults in Northeast China has been examined (Zhang & Lu, 2022). Data were based on a social survey in the rural communities of Northeast China in late 2019. The analytic model included 455 respondents who completed the survey successfully. They used multiple-group analysis to test the proposed hypotheses. The results show that family social capital played a significant moderating role in the relationship between community social capital and life satisfaction. In other words, both cognitive social capital and social participation were significantly associated with life satisfaction in the higher family social capital group, whereas these associations were not significant among those with relatively lower levels of family social capital.

Huang and Suo (2021) investigated the impact of social capital on customer satisfaction in online communities. The researchers used Snowballing sampling technique to collect data from members of online communities with 548 valid data. Three measures of social capital namely social interaction, shared language and trust have positive effects on peer intrinsic motivation and peer extrinsic motivation with additional findings that peer motivation has positive impact on consumer. The findings of the study indicate that social capital positively influences customer satisfaction in online communities.

Muhammad et al (2017) conducted a study on the effects of social capital measured with

three dimensions of social capital namely relational social capital, structural social capital and cognitive social capital on relationship satisfaction using 478 clients of Pakistani banking industry. The data was analyzed using variance base partial least squares structural equation modeling. The results show that all the three dimensions of social capital have significant positive impact on relationship satisfaction thereby enhancing customer re patronage intention. Kim (2020) evaluated the effect of social capital on customer satisfaction in the hospitality industry. The researchers used a survey method to collect data from 388 participants. The findings of the study indicate that social capital has a positive impact on customer satisfaction in the hospitality industry.

The path and mechanism of the influence of social capital on customer citizenship behavior in virtual community environment has been investigated (Liu, 2020). The results of the findings show that social capital impact on customer citizenship in multi path rather than single path by acting on customer citizenship behavior through customer satisfaction which in essence shows that social capital has significant positive effect on customer satisfaction.

Overall, these studies suggest that social capital has a positive impact on customer satisfaction. The studies also suggest that trust and social media can mediate the relationship between social capital and customer satisfaction.

Social Capital and Competitiveness

Studies have explored the essence of the concept of "*soft skills*" as an integral part of the development of social capital among employees to ensure the efficiency of enterprises as well as their impact on the competitiveness of enterprises in Ukraine (Grishnova & Zhuk, 2021). The analysis confirmed the importance of "*soft skills*" in the formation of social capital and the competitiveness of the enterprise, as well as helped identify trends in "*soft skills*" in today's world. The results showed that the most necessary "*soft skill*" for an employee in the company in light of today's challenges is the ability to take responsibility. Communication skills, organization, attentiveness, resilience, and self-control also play an important role. It is established that these skills form the individual social capital of employees, help to find the first job, and successfully develop it.

Mishchuk et al (2022) reported the findings of a study with objective to determine the factors of social capital of enterprises that can have a significant impact on achieving sustainable competitiveness. In this regard, the study tested the SEM-analysis method for evaluating hypotheses. The obtained results and modeled relationships of factors confirmed the significant influence of factors of social capital of enterprises on competitiveness. At the same time, the results reveal the most essential influence of efforts to develop strategic partnerships with suppliers (as part of structural SC), efforts to form a positive image of the enterprise and satisfaction with horizontal relationships (as part of relational social capital), general satisfaction with the psychological climate in the team, the establishment

Qamariah & Muchtar (2019) investigated the effect of human capital and social capital on competitive advantage, and the role of competitive advantage as the mediator of the relationship between human capital and social capital on business performance. The result shows only human capital significantly affects the competitive advantage of SMEs, while social capital does not affect the competitive advantage of SMEs. Both social capital and competitive advantage significantly affect the business advantage of SMEs, meanwhile human capital does not affect the business advantage of SMEs. Moreover, competitive advantage does not mediate

the relationship between human capital and social capital to business performance.

Overall, the evidence suggests that social capital can have a positive impact on competitiveness, but the strength and nature of the relationship may depend on a variety of contextual factors, such as the level of human capital and the specific measures of social capital used in the analysis.

CONCLUSION

Social capital is a popular concept with the sociologists and psychologists. But of recent entrepreneurial researchers have started applying the concept to explain entrepreneurial actions and outcomes as well as to deploy it to influence entrepreneurial success. This paper provides a comprehensive review of the concept of social capital and its three main dimensions. The three dimensions reviewed in this paper are: relational social capital, cognitive social capital and structural social capital.

Conceptual review was carried out for better understanding of the concepts and to identify areas of applications to entrepreneurship studies. Empirical review was also carried out to know the extent by which researchers have worked on social capital and the three dimension and their effects – individually and collectively on entrepreneurial success.

It is recommended that researchers should give more attention to research on social capital and how it could be deployed to ensure entrepreneurial success. This is particularly important to reduce the rate of business failure amongst the small and medium enterprises occasioned by the global inflation.

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