

SOCIAL CAPITAL AND ORGANIZATIONAL PERFORMANCE IN INSURANCE COMPANIES IN GHANA.

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Abstract

Social capital plays an important role in the relationship between firms globally since internal resources alone may not be enough to make a firm productive. The importance of social capital to the organizational performance of firms in the insurance industry is the main focus of this research with the aim of analyzing the impact social capital (internal and external) has on the performance of firms in the insurance industry of Ghana. A quantitative method approach was adopted for this study by exploring an explanatory research design with a case study. A sample size of three hundred (300) staffs and management of insurance firms were used for the quantitative part of the study whilst ten (10) respondents were used for the case study. The researcher used the purposive sampling technique for the qualitative, whilst quota sampling was used to sample the respondent used for the quantitative part of the study. The quantitative data was analysed using version 23 of the Statistical Package for the Social Sciences (SPSS) Program to generate descriptive and inferential statistics. However, content analyses were employed for the analysis of the case study.

A hierarchical multiple regression model was estimated to determine the impact of social capital on organisational performance. Findings from the regression results revealed structural and relational internal and external social capital as the significant determinants of organisational performance. Also, employee attitude moderated the relationship between structural and relational external social capital and organisational performance. Based on the established positive relationship, the study recommends that managers and key stakeholders within the insurance industry seek ways to communicate with other insurance companies. Structural and relational social capital significantly impact on organizational performance, therefore managers of insurance companies should facilitate active information sharing and cooperation. Also, task force, seminars and workshops are recommended. Informal gatherings for organisation members to stimulate performance should also be encouraged. The study recommends based on the positive relationship between relational social capital and organisational performance that, managers and leaders increase the level of trust among members and leaders within or outside the organizations. The study also gives important implications of the research for future research and this was drawn based on the findings of the study.

Keywords: Organisational performance, relational, structural and cognitive social capital insurance.

