Dimensions of Social Capital in Trifling Event Administration in Kenya

Kimeli Korir¹, Thomas Bor², Jacqueline Korir², Dorothy Rotich²

1. P.O. Box 6021 – 30100, Eldoret - Kenya
2. School of Tourism, Hospitality and Events Management, Moi University P.O. Box 3900 - 30100, Eldoret, Kenya
*Corresponding author: elkorry@yahoo.com

Abstract
This paper examines indicators that measure social capital in small event management undertakings. This study enhances understanding of social capital and contributes significantly to literature on providing pragmatic knowledge. Descriptive research design was employed in the study. Sample size of 271 industrialists formed the sample size. Census sampling was used where all the event management industrialists in Nairobi, Kisumu and Uasin Gishu counties in Kenya were included in the study. Data was collected using questionnaires containing closed-ended questions. Reliability was tested using Cronbach’s alpha. Exploratory factor analysis grouped the constructs into two components namely positive exchange and sharing. Confirmatory factor analysis was used to measure the extent to which the observed variables (positive exchange and sharing) explain the unobserved variable (social capital). The results showed that both variables adequately explained social capital of event management ventures.

Keywords: Event Administration; Industrialists; Trifling; Kenya; Social Capital; Factor analysis.

1. Introduction
French sociologist Bourdieu (1986) aptly defined social capital as made up of social obligations (‘connections’), which is convertible, in certain conditions, into economic capital and again as the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition. Social capital is, in other words, the value of social obligations or contacts formed through a social network. Social networks are the medium through which social capital is created, maintained, and used. In short, social networks convey social capital. It is not what you know, it is who you know. This common aphorism sums up much of the conventional wisdom regarding social capital. It is wisdom born of experience gaining membership to exclusive clubs require inside contacts, close competitions for jobs and contracts are usually won by those with “friends in high places.” When people fall upon hard times they know it is friends and family who constitute the final “safety net.” Less instrumentally, some of happiest and most rewarding hours are spent talking with neighbors, sharing meals with friends, participating in religious gatherings, and volunteering on community projects.

Burt (1992) spells out social capital as friends, colleagues, and more general contacts through whom ventures receive opportunities to use in their financial and human capital. Portes (1998) confirms the above observations that Bourdieu, Coleman, Burt, Loury, and other academics created a consensus in the literature that social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures. Woolcock and Narayan (2000) write about the growing consensus among social capital scholars. However, Woolcock (2000) also highlights one of the major criticisms of the literature that much interest in social capital has been fueled by a definition that includes not only the structure of networks and social relations, but behavioural dispositions such as trust, reciprocity, honesty, and institutional quality measures (‘rule of law’, ‘civil liberties’).

There are two basic functions of social capital, as a source of social control, and as a source of benefits through networks. The source of benefits through networks is the emphasis taken here. The most common function of social capital is acting as a source of network-mediated benefits beyond the immediate family. This definition comes closest to that of Bourdieu (1986) and is frequently used to explain access to employment, mobility, and entrepreneurial success (Light 1984; Montgomery 1991; Wegener 1991; Anheier, Gerhards, and Romo, 1995; Hagan, MacMillan, and Wheaton, 1996; Davern 1999; Reingold 1999; Allen 2000; Ingram and Roberts, 2000; Bertrand, Luttmer, and Mullainathan, 2000). Many writers and researchers have explicitly made the link between network-mediated benefits and social capital (Fernandez-Kelly 1995; Stanton-Salazar and Dornbusch, 1995; Temkin and Rohe, 1998; Gittell and Vidal, 2000 and Rice and Prince, 2000).

Portes (1998) stresses that the different functions of social capital may clash with one another and Woolcock and Narayan (2000) warn that social capital can be a double-edged sword. On the contrary, social capital can have a range of negative effects. Portes and Landolt (1996); Durlauf (1999); and Woolcock and Narayan (2000) cite many examples of negative effects of social capital. Firstly is exclusion. When an individual wants to gain access to a group, he or she may find that the strong ties between the members of this group may be the same ties that keep him or her out. Evidence that group identification can lead to intergroup hostility is plentiful in psychology.
Secondly, a negative effect of social capital is that membership in a group can prevent the success of the business initiatives of their members. Geertz (1963) observes in his study of the development of commercial enterprises in Bali how entrepreneurs were constantly bothered by job- and money-seeking relatives. These demands were backed by the strong system of norms to assist family members. The result was that the development of any successful enterprise was delayed by network members. Thirdly, the level of social control in a community can be overwhelming, restricting individual freedom. Lastly, Portes (1998) notes that group solidarity may be founded in opposition to mainstream society with the result of downward leveling of norms. In this case, individuals are not allowed to participate in mainstream society because they belong to such a group. Portes concludes that a lengthy period of time in which upward mobility of a group has been blocked by outside discrimination typically precedes the emergence of this downward leveling of norms.

2. Networks View Perspective on Social Capital

World Bank’s interdisciplinary Social Capital Group highlighted general perspectives on social capital (Grootaert 1997; Serageldin and Grootaert 2000) such as communitarian view, networks view, institutional view and synergy view. The differences between them are primarily the unit of analysis on which they focus, their treatment of social capital as an independent, dependent, or mediating variable, and the extent to which they incorporate a theory of the state. The largest and most influential bodies of work have emerged from the networks and institutional perspectives, with the most recent approaches seeking a synthesis in the form of the synergy view. This study adopted the networks view perspective.

2.1 The Networks View

Networks view stresses the importance of vertical as well as horizontal associations between people, and relations within and among other organizational entities such as community groups and firms. Building on the seminal work of Granovetter (1973), it recognizes that intra-community (or “strong”) ties are needed to give families and communities a sense of identity and common purpose (Astone et al., 1999). This view also stresses, however, that without inter-community (or “weak”) ties that cross various social divides—for example those based on religion, class, ethnicity, gender, socio-economic status—strong horizontal ties can become a basis for the pursuit of narrow sectarian interests. In the recent popular literature, these two forms of social capital have come to be called “bonding” and “bridging” social capital (Gittell and Vidal, 1998). Different combinations of these dimensions, it is argued, are responsible for the range of outcomes that can be attributed to social capital. This more nuanced perspective, the networks view, regards the tension between social capital’s virtues and vices as a defining property, one which explains in part why scholars and policymakers have been so persistently ambivalent about its potential as a theoretical construct and policy instrument.

The networks view of social capital, most closely associated with the work of Burt (1992, 1997, 1998), Alejandro Portes (Portes and Sensenbrenner 1993; Portes 1995, 1997, 1998), Douglas Massey (Massey and Espinosa 1997; Massey 1998), and Marcel Fafchamps (Fafchamps and Minten 1999), is characterized by two key propositions. First, social capital is a double-edged sword. On the one hand, it can provide a range of valuable services for community members, ranging from baby-sitting and house-minding to job referrals and emergency cash. But there are also costs, in that those same ties can place considerable non-economic claims on members’ sense of obligation and commitment that have negative economic consequences.

Group loyalties may be so strong that they isolate members from information about opportunities, foster a climate of ridicule towards efforts to study and work hard, or siphon off hard-won assets. Portes and Sensenbrenner (1993) cite the case of prosperous Asian immigrants who had anglicized their names in order to divest themselves of communal obligations to supporting subsequent cohorts. Second, the sources of social capital need to be distinguished from the consequences derived from them. Imputing only desirable outcomes to social capital, or equating them with it, ignores the possibility that these outcomes may be being attained at another group’s expense, that given outcomes may be suboptimal, or that desirable outcomes attained today come at the price of significant costs tomorrow.

There must be two basic dimensions of social capital at the community level, namely ‘strong’ intra-community ties (“bonds”) and ‘weak’ extra-community networks (“bridges”): both are needed to avoid making tautological claims regarding the efficacy of social capital. Without this distinction, for example, an argument could be put forward that successful groups were distinguished by their dense community ties, failing to consider the possibility that the same ties could be preventing success in another otherwise similar group. Accordingly, the networks view argues that communities can be characterized by their endowments of these two dimensions of social capital, and that different combinations of these dimensions account for the range of outcomes associated with social capital.

Furthermore, as community members’ welfare changes over time, so too does the optimal “calculus” of costs and benefits associated with particular combinations of bonds and bridges. Poor entrepreneurs, for example, once heavily dependent on their immediate neighbors and friends (“bonding” social capital) for credit, insurance, and support, require access to more extensive product and factor markets as their businesses expand. Economic development, from this perspective, takes place when an ongoing “coupling and de-coupling” social mechanism
is in place (Granovetter 1995). This mechanism allows individuals initially to draw on the benefits of close community membership, but in doing so also ensures that they acquire the skills and resources to participate in more extensive networks that transcended their community, thereby progressively incorporating them into mainstream economic life.

Consequently, this study adopted the networks view of social capital that prescribes the perspective of bonding and bridging. The choice was based on the fact that the key actors in the perspective are entrepreneurs, business groups or information brokers which fitted well with the unit of analysis in the study. In addition the networks view prescribes decentralization, creation of enterprise zones as well as ‘bridging’ social divides. Networks view of social capital treats social capital as an independent variable which in this study social capital was treated as both an independent and dependent variable. Social capital being multidimensional allows incorporation of different levels and units of analysis. The nature of firms of social capital change over time which is characteristic of minor event management ventures under study. The networks view supports strong and weak ties which determine range of outcomes.

2.2 The Communitarian View

The first perspective, the communitarian view, equates social capital with local level organizations, namely associations, clubs, and civic groups. This view, measured most simply by the number and density of these groups in a given community, implies that social capital is inherently “good,” that “more is better,” and that its presence always has a positive effect on a community’s welfare (Dordick 1997).

In the communal perspective social capital refers to the social network and the norms of mutual benefit and the trustworthiness which arise from the connections among the individuals (Putnam 2000). Social capital is linked to the characteristics of social organizations, such as networks, norms and trust, which facilitate collaboration and the exchange of mutual benefits between people (Putnam 2000). According to O’Hara (2004) trust forms social capital. Social capital is described as an asset which can be invested and lead to valuable gains when invested wisely. Putnam (2000) studied many American local clubs and societies and developed a theory that experienced people gain from social clubs where they can build trust and build social capital which later can be used to expand their social network in wider societies. Trust is an important part of building relationships associated with the so called “civic virtue”. When civic virtue is included in a high intellectual network of reciprocal social relations, it is at its highest degree of power. Putnam (2000) says that a group with many virtues but which are isolated does not have to include a high degree of social capital. Aldrich & Martines (2003) and Thornton & Flynn (2003) link social capital with entrepreneurship.

This study did not adopt this view as the key actors are community and voluntary groups which the study was not based upon. Additionally, the policy prescribed under this perspective links social capital as comprising social assets for the poor, a sociological issue, which is contrary to this research that views social capital with entrepreneurship. Communitarian view treats social capital as an independent variable.

2.3 The Institutional View

Another perspective of social capital, the institutional view, argues that the vitality of community networks and civil society is largely the product of the political, legal, and institutional environment. Where the communitarian and networks perspectives largely treat social capital as an independent variable giving rise to various “goods” and/or “bads”, the institutional view instead puts the emphasis on social capital as a dependent variable. This view argues that the very capacity of social groups to act in their collective interest depends crucially on the quality of the formal institutions under which they reside (North 1990), including emergent qualities such as high levels of “generalized trust”.

The perspective of this view encompasses political, legal and institutional environment. The key actors are private and public sector of which this study was not interested in. Its philosophies advocate transparency, accountability and granting civil and political liberties. This perspective treats social capital as a dependent variable wherein the achievement of social capital depends on the formal institutions internal coherence, credibility competence and external accountability to civil society. This perspective deviates from the researcher’s interest which links social capital to politics and public sector.

2.4 The Synergy View

A synergy view, attempts to integrate the compelling work emerging from the networks and institutional camps. While the synergy view traces its intellectual antecedents to earlier work in comparative political economy and anthropology, its most influential body of research was published in a special issue of World Development (1996). Evans (1992, 1995, 1996), one of the primary contributors to this view, concludes that synergy between government and citizen action is based on complementarity and embeddedness. Complementarity refers to mutually supportive relations between public and private actors, and is exemplified in frameworks of rules and laws which protect rights to associate, or more humble measures such as the provision of transport by the state to facilitate exchanges among community associations. Embeddedness refers to the nature and extent of the ties connecting citizens and public officials.

The synergy view’s perspective of community networks and state-society relations was of little interest to the researcher. Also the key actors in this perspective involve community groups, civil society, firms and states
which are contrary to the researchers’ interest key actors are entrepreneurs. In addition, the policy prescriptions of co-production, complementarity, participation, linkages i.e. “scaling up” local organizations are not in line with the study objectives.

3. Methodology
The study was undertaken in three selected counties in Kenya namely; Kisumu, Nairobi and Uasin Gishu. The target population was entrepreneurs of 271 industrialists in Event Administration enterprises. Census sampling was used to include all entrepreneurs in the sample. Structured questionnaires were used to collect the data. Data was tested for normality using skewness and Kurtosis. Descriptive data was analysed and presented using frequencies, means, percentages and standard deviation. Structural Equation Modeling (SEM) was used to test the strength of the unobserved and observed variables.

3.1 Measurement of Social Capital
Social capital was measured using structural, cognitive, relational and human perspectives. Structural (Network ties, configuration and appropriate organization) comprised statements such as ‘Our venture receives valuable information that we can use, Service providers receive timely information sooner than those outside the circle and we receive referrals on available opportunities’. Cognitive (Shared codes, language and Narratives) comprised statements such as ‘working with other businesses has resulted in sharing a common language, there is shared common codes and vocabulary for communication and working with people facilitates the exchange of practices and experience’. Relational (Trust, Norms, Obligations and Identification) comprised statements such as ‘there is good intent and exchange between and among service providers, other venture service providers are competent and capable and other service providers are reliable’. Human aspects comprised statements such as ‘we have perceived openness from those we work with’.

![Figure 1: Measurement model of Social Capital](image)

4. Findings and Discussion
Social capital was measured using a ten item scale. The respondents were asked the extent to which their venture made various gains as a result of their networking relationships with other partners. The responses were elicited using a 5-point Likert Scale that ranged from 1=Never, 2=Rarely, 3=Often, 4=Very Often and 5=Always. The findings show that in order to conduct referrals, there was need to trust the person in question to be genuine with the purpose. Referring entrepreneurs who are not accountable make a venture look bad yet reputational capital is an important asset. An entrepreneur says he would only refer someone to whom he has a good impression of since information spreads fast therefore vendors are careful of what they say thus there is need to trust before referring a vendor to a venture. Referrals are mentioned as one of the best way to find business expertise and establish business relations. Businesses receive the majority of their clients from referrals therefore referrals are important for the entrepreneur to connect with others. Entrepreneurs need to establish relationships with individuals who possess a strong social network and thereby have the ability to refer the entrepreneur. Entrepreneurs refer their clients to others within their wide business network. However, the relationship between the entrepreneur and other entrepreneurs has to be strong in order for referrals to occur. If the business relation is build on trust, the entrepreneur will also have access to the outside business network. When an entrepreneur refers another entrepreneur, he or she put its reputation at stake. Therefore, vendors only refer individuals they trust and who they are sure of will follow through with their commitments. A bad experience from a referral will destroy the trust in the business relation and will not lead to further referrals or commitments.

Chi square ($\chi^2$) tests performed on each of the indicators of social capital were all significant at 1% level with $p=0.001$ showing that there is strong evidence of sharing and positive exchange among service providers of EMVs. The mean responses as presented in table 1. indicated that social capital was gained very often.
provider (M=3.99, SD=0.919), venture received referrals on available opportunities (M=3.96, SD=0.924) 

Note: N=271; 1=Never, 2=Rarely, 3=Often, 4=Very Often and 5=Always

Table 1: Indicators of social capital

<table>
<thead>
<tr>
<th>Measurement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>M</th>
<th>SD</th>
<th>VAR</th>
<th>Skew</th>
<th>Kurt</th>
<th>χ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>E1: our venture receives valuable information that we</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>1.0</td>
<td>35</td>
<td>12.9</td>
<td>18</td>
<td>6.6</td>
<td>159</td>
<td>58.7</td>
<td>54</td>
<td>19.9</td>
<td>3.8</td>
</tr>
<tr>
<td>E2: SPs receive timely information sooner than those outside the circle</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>0.4</td>
<td>19</td>
<td>7.0</td>
<td>64</td>
<td>23.6</td>
<td>150</td>
<td>55.4</td>
<td>37</td>
<td>13.7</td>
<td>3.8</td>
</tr>
<tr>
<td>E3: venture receive referrals on available opportunities</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>1.1</td>
<td>27</td>
<td>10.0</td>
<td>22</td>
<td>8.1</td>
<td>145</td>
<td>53.5</td>
<td>74</td>
<td>27.3</td>
<td>4.0</td>
</tr>
<tr>
<td>E4: working with other businesses has resulted in sharing a common language</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>2.2</td>
<td>28</td>
<td>10.3</td>
<td>32</td>
<td>11.8</td>
<td>137</td>
<td>50.6</td>
<td>68</td>
<td>25.1</td>
<td>3.9</td>
</tr>
<tr>
<td>E5: there is shared common codes and vocabulary for communication</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>4.4</td>
<td>35</td>
<td>12.9</td>
<td>50</td>
<td>18.5</td>
<td>125</td>
<td>46.1</td>
<td>49</td>
<td>18.1</td>
<td>3.6</td>
</tr>
<tr>
<td>E6: working with people facilitates exchange of practices and experience</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>5.5</td>
<td>32</td>
<td>11.8</td>
<td>152</td>
<td>56.1</td>
<td>72</td>
<td>26.6</td>
<td>270</td>
<td>99.6</td>
<td>4.0</td>
</tr>
<tr>
<td>E7: there is good intent and exchange btn &amp; among SPs</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>0.7</td>
<td>27</td>
<td>10.0</td>
<td>46</td>
<td>17.0</td>
<td>143</td>
<td>52.8</td>
<td>53</td>
<td>19.6</td>
<td>3.8</td>
</tr>
<tr>
<td>E8: other venture SPs are competent and capable</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>1.8</td>
<td>23</td>
<td>8.5</td>
<td>55</td>
<td>20.3</td>
<td>138</td>
<td>50.9</td>
<td>50</td>
<td>18.5</td>
<td>3.8</td>
</tr>
<tr>
<td>E9: other service providers are competent and reliable</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>1.8</td>
<td>27</td>
<td>10.0</td>
<td>36</td>
<td>13.3</td>
<td>150</td>
<td>55.4</td>
<td>53</td>
<td>19.6</td>
<td>3.8</td>
</tr>
<tr>
<td>E10: we have perceived openness from those we work with</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>f</td>
<td>%</td>
<td>M</td>
<td>SD</td>
<td>VAR</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>1.5</td>
<td>22</td>
<td>8.1</td>
<td>26</td>
<td>9.6</td>
<td>141</td>
<td>52.0</td>
<td>78</td>
<td>28.8</td>
<td>4.0</td>
</tr>
</tbody>
</table>

Note: N=271; 1=Never, 2=Rarely, 3=Often, 4=Very Often and 5=Always

Source: Survey Data (2011)

This was evident from the high mean scores that indicated entrepreneurs working with people facilitated exchange of practices and experiences (M=4.04, SD=.777), there was perceived openness among service providers (M=3.99, SD=.919), venture received referrals on available opportunities (M=3.96, SD=.924), working with other businesses resulted in sharing a common language (M=3.61, SD=.107), other service providers were competent and reliable (M=3.81, SD=.927), there was good intent and exchange between and among service providers (M=3.80, SD=.983), ventures received valuable information that they used (M=3.82, SD=.959), other service providers were competent and reliable (M=3.76, SD=.915), service providers received timely information sooner than those outside the circle (M=3.75, SD=.791) and there was shared common codes and vocabulary for communication among service providers (M=3.61, SD=.106). The values of the skewness and kurtosis show a normally distributed data.

4.1 Exploratory Factor Analysis

Exploratory factor analysis was undertaken to assess whether the data contained different underlying dimensions of networking. For this purpose a Principle Components Analysis (PCA) with varimax rotation was conducted to identify the latent dimensions or constructs represented in the original variables. As noted by Hair et al., (1998), when a large set of variables is factored, the method first extracts the combinations of variables explaining the greatest amount of variance, and then proceeds to combinations that account for small amounts of variance. To determine how many factors to extract, a combination of several criteria were used, namely, the eigen values, the percentage of variance criterion and the scree test criterion (Cattell 1966; Hair et al., 1998).

An iterative process of deleting items that did not demonstrate sufficient discriminant validity and re-running the principle components factor analysis was done until all the items loaded to a significant extent (p>0.6) with no cross-loadings (loaded on only one factor). This process was done for all the six latent variables. The scale measuring social capital consisted of 10 items. Principal components analysis with varimax rotation extracted two factors namely sharing (SHA) and positive exchange (PEX) as illustrated in table 2.
social capital items were grouped into two factors and explained a total of 57.14% of the variance in the data. Sharing explained a total of 41.44% of the variance in the data and had 4.144 eigen values whereas positive exchange explained 15.70% with 1.570 eigen values.

Table 2: Social Capital (Total Variance Explained)

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigen values</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
</tr>
<tr>
<td>1 SHA</td>
<td>4.144</td>
<td>41.441</td>
</tr>
<tr>
<td>2 PEX</td>
<td>1.570</td>
<td>15.701</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

Sharing (SHA) loaded six items namely other service providers are competent and reliable; we have perceived openness from those we work with; other venture service providers are competent and capable; there is good intent and exchange between and among service providers; there is shared common codes and vocabulary for communication and working with other businesses has resulted in sharing a common language. Positive exchange (PEX) loaded three items namely our venture receives valuable information that we use; venture receive referrals on available opportunities and service providers receive timely information sooner than those outside the circle.

4.2 Construct Reliability

Composite Reliability (CR) was used to measure the reliability of a construct in the measurement model because it offers a more retrospective approach of overall reliability and estimates consistency of the construct itself including the stability and equivalence of the construct (Hair, et al., 2010). A value of 0.70 or greater is deemed to be indicative of good reliability (Hair et al., 2010).

Social capital (SC) extracted two factors namely sharing (Y1) and positive exchange (Y2). Out of the initial ten items used to measure the construct social capital, six items (E9, E10, E8, E7, E5, E4) loaded together on factor 1, sharing (SHA). The Cronbach’s alpha coefficient for this factor as shown in table 3 was 0.848, item-to-total correlations were all above the 0.7 threshold.

Table 3: Construct Reliability for indicators of Social Capital

| Factor 1: Sharing (SHA), Eigen value: 4.144, Cronbach’s alpha: 0.848 |
|-----------------------------|------------|----------------|
| ITEM | Factor Loading | Item-to-total correlation |
| E9: Other service providers are reliable | 0.836 | 0.810 |
| E10: We have perceived openness from those we work with | 0.785 | 0.769 |
| E8: Other venture service providers are competent and capable | 0.744 | 0.751 |
| E7: There is good intent and exchange between and among SPs | 0.735 | 0.749 |
| E5: There is shared common codes & vocabulary for communication | 0.685 | 0.734 |
| E4: Working with other business has resulted in sharing a common language | 0.650 | 0.723 |

Factor 2: Positive Exchange (PEX), Eigen value: 1.570, Cronbach’s alpha: 0.719

| ITEM | Factor Loading | Item-to-total correlation |
| E1: Our ventures receive valuable information that we can use | 0.864 | 0.902 |
| E3: We receive referrals on available opportunities | 0.850 | 0.885 |
| E2: SPs receive timely information sooner than those outside the circle | 0.845 | 0.889 |

This factor was therefore considered a reliable instrument for measuring the construct SC was evidenced by the Cronbach’s alpha coefficient of 0.719 shown in table 3 coupled with the item-to-total correlation. Factor 2, designated as positive exchange loaded on three items (E1, E3, E2). The coefficients for the three items indicate that the factor positive exchange was a reliable measurement instrument for measuring SC.

4.3 Confirmatory Factor Analysis (CFA) for Social Capital

The measurement model is a confirmatory factor analysis (CFA). It specifies how the observed variables depend on the unobserved or latent variables. The hypothesized model has one distinct measurement model with the unobserved variable - social capital and four observed variables namely: structural, cognitive, relational and human. The CFA using the AMOS programme focused on the one latent variable and the 4 extracted observed variables. The maximum likelihood parameter estimation was chosen since the data were distributed normally. Two factors namely: Sharing (SHA) and Positive Exchange (PEX) pertaining to social capital were segregated. The path diagram in figure 2 displays the factor loadings for social capital and the two indicators. From the figure, it is clear that both the two factors appear to be good indicators of social capital. Their standardized regression weights are respectively 0.58 and 0.58 with R² values of 0.33 and 0.34. This means that social capital explains 33% of the variance in Sharing and 34% in Positive Exchange.
4. Conclusion

Two sub-dimensions of social capital namely relational and human were rejected while structural was modified to sharing while cognitive was modified to positive exchange. Consequently the study concludes that sharing and positive exchange can be used to measure social capital in event management setting.

Table 4: Contribution of constructs for social capital

<table>
<thead>
<tr>
<th>Variable</th>
<th>Constructs Based on Literature Review</th>
<th>Study Findings</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Capital</td>
<td>o Structural</td>
<td>✓ Sharing*</td>
<td>Only two constructs out of four were adapted in this study and renamed SHA &amp; PEX</td>
</tr>
<tr>
<td></td>
<td>o Cognitive</td>
<td>✓ Positive Exchange*</td>
<td>-None of the previous ones were used</td>
</tr>
<tr>
<td></td>
<td>o Relational Dimension</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Human</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

References


