

THE EFFECT OF PHYSICAL AND SOCIAL CAPITAL RESOURCE CAPABILITIES ON EMPLOYEE PERFORMANCE IN COURIER COMPANIES IN KENYA

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ABSTRACT: *Incorporation of physical resources and social networking in organizations is a successful investment that managers can think of. They are essential in piloting corporate activities and production of goods and services for which the organization's goal may be based on. The quality of physical resource capabilities lie in its fitness for purpose and its longevity. It relates to the concept and design of a building, and its suitability for the use to which it will be put. When employees work in a secure environment strengthened by the organization's buildings, the tendency to have better performance will be evident. A shared vision embodies the collective goals of the employees. When employees have the same perceptions about how to interact with one another, they can avoid misunderstandings in their communications and have more opportunities to exchange their ideas freely. This paper thus sought to establish the effect of physical and social capital resource capabilities on the performance of Courier Companies in Kenya. The study was based on social capital theory and targeted a population of 2800 where a sample of 339 respondents was obtained using Cochran's formula. The study used simple random sampling which employed explanatory research design. Data was analyzed using descriptive and inferential statistics. Correlation and moderated regression analysis were used to test the hypotheses. Physical capital resource capabilities had the greatest influence while Social capital resource capabilities were found not to be significantly associated with employee performance.*

KEYWORDS: Social capital resource capabilities, Physical capital resource capabilities, Employee performance, Courier.

INTRODUCTION

Physical capital resource capabilities are important assets to an organization without which an organization cannot function effectively. They are the potential value of the financial, social as well as the cultural of the built environment (Mulgan,2005). Courier companies receive and deliver consignments to customers and hence the need for sound adequate physical facilities such as motor vehicles. Social capital resource capabilities on the other hand equally play a crucial role in the networking with other environmental groups that share both the inputs and outputs of the organization. Acquaah, (2008) defines social capital as the actual and potential resources embedded in networking relationships that are accessed and used by actors/players.

LITERATURE UNDERPINNING

Physical Resource Capabilities

The concept of physical resource capabilities according to Barney (2001) is any non-human asset made by humans and then used in production and is extended to mean the buildings and spaces that determine the identity and quality of life in any given community. Peteraf and Barney (2003) demonstrate that an increase in the stock of physical resource capabilities should have a positive effect on the accumulation of human capital, since increased physical capital means human capital will be more productive in the future. According to Madhoc, (2002) any increase in physical resource capabilities must be matched with increases in human capital in order to sustain per-capita income growth, while Hassan and Shaff, (2012) refer to physical resource capabilities as a combination of infrastructural capital and natural capital. Physical resource capabilities constitute a major component of the entire resources available to an organization. When employees are adequately resourced with physical resources they perform highly thus contributing to competitive advantage to the company. There will also be minimal staff turnover since they will be motivated to work harder. The investment of physical resources is essential in piloting corporate activities and for the production of goods and services. They include investment in machinery, plant, equipment, buildings, motor vehicles, furniture and fittings.

Physical resource capabilities contribute to employee performance in various firms which comprises the basic infrastructure, machines, tools and factories and producer goods needed to support work performance. Infrastructure consists of changes to the physical environment that help people meet their basic needs and to be more productive. Producer goods are the tools and equipment that people use to function more productively, (Hassan and Shaff, 2012). A proposition by Fiss, (2007) is that improved air quality could result in significant reductions in illness and absenteeism and thus help to increase productivity. A report by Watkins and Wedman, (2003) is that performance can only be accomplished through the use of human, physical and financial resources within organizational process. Strategies for investing in physical capital vary depending on the nature of the item. However, as reported by Peteraf and Barney (2003), investment in physical capital could be by outright (cash) purchase, credit sale agreement, hire purchase (HP) and leasing. Upadhyay (1994), while recognizing the possibility that new technology may destroy existing human capital, constructs a model where innovation increases the derived demand for new types of human capital.

A postulation by Zhang and Fung (2006) is that physical resource capabilities include physical and human capabilities and together constitute the basis for employee performance. According to Madhoc, (2002) and Peteraf and Barney (2003), an increase in physical capital should have a positive effect on human capital and more productivity in the future because employees are motivated to enhance their work performance since they have adequate tools. The notion of physical capital is an integral part of the economic process, as the development industry circulates resources and transforms them into long-term capital. It draws on the strength of the economy, more buildings and roads are built when the economy is in good shape; in return, they also fuel further economic transformations Greve *et al.* (2006).

Social Capital Resource Capabilities

The term social resource capabilities was originally used to describe the relational resources, embedded in cross-cutting personal ties that are useful for the development of individuals in

community social organizations (Loury, 1977). Social resource capabilities as ascertained by Acquaaah, (2008) is the actual and potential resources embedded in networking relationships that are accessed and used by actors such as managers of business enterprises. Social resource capabilities as described by Baker (1990) is a resource that actors derive from specific social structures and then use to pursue their interests which it is created by changes in the relationships among actors. Employees in courier companies require the social interaction between themselves and also with the environment to share the resources and gain knowledge through sharing. Acquaaah, (2008) noted that social capital can be divided into internal and external social resource capabilities. Internal social capital deals with the structure and social networking relationships among employees within an organization and external social resource capabilities focuses on the structure and social networking relationships.

Recent research has applied this concept to a broader range of social phenomena, including relations within and beyond the firm (Burt, 1992), the organization-market interface (Baker, 1990), and public life in contemporary societies (Putnam, 1995). Social resource capability is a productive resource, facilitating actions that range from an individual's occupational attainment (Marsden & Hurlbert, 1988) to a firm's business operations (Coleman, 1990).

Several scholars have conceptualized social resource capability as a set of social resources embedded in relationships. Other scholars, however, have espoused a broader definition of social resource capabilities, including not only social relationships, but also the norms and values associated with the (Coleman, 1990; Portes and Sensenbrenner, 1993; Putnam, 1995). Drawing on a comprehensive review of previous work on social capital, Nahapiet and Ghoshal (1997) called these different aspects of social context the structural in which employees interact to gain knowledge and resources needed during their work performance. The relational aspect is important to employees as this enables them relate well as they work motivating them to increase their efforts. The cognitive dimensions of social capital enables employees value the contribution of individuals towards the company's success. In distinguishing between the structural and the relational dimensions of social capital, Nahapiet and Ghoshal, (1997) relied on distinction between structural and relational embeddedness which distinguish every employee's work.

According to this view, the structural dimension of social capital includes social interaction. The location of an actor's contacts in a social structure of interactions provides certain advantages for the actor. People can use their personal contacts to obtain information, or to access specific resources. The relational dimension of social capital, in contrast, refers to assets such as computers that are shared and are rooted in these relationships, such as trust and trustworthiness. Trust can act as a governance mechanism for embedded relationships (Uzzi, 1996).

Trust is an attribute of a relationship, but trustworthiness is an attribute of an individual actor involved in the relationship and more specifically in the sharing of the scarce resources (Barney and Hansen, 1994). Since trust can induce joint efforts (Ring and Van de Ven, 1994), a trustworthy actor is likely to get other actors' support for achieving goals to an extent that would not be possible in a situation where trust did not exist. This can be witnessed in situations where courier companies require market expansion for its products and services hence the need for employee networks and also they should network with their customers.

Another dimension of social resource capability, which Nahapiet and Ghoshal, (1997) called the cognitive dimension, is embodied in attributes like a shared code or a shared paradigm that

facilitates a common understanding of collective goals and proper ways of acting in a work environment. Such a common standing is appropriable by the collectivity as a resource (Portes and Sensenbrenner, 1993). This dimension of social resource capability actually captures the essence of what Coleman, (1990) described as “the public good aspect of social capital”. Inside an organization (especially a large, complex organization), a shared vision and/ or a set of common values help develop this dimension of social capital, which in turn facilitates individual and group actions that can benefit the whole organization.

The structural dimension of social capital, manifesting as social interaction ties, may stimulate trust and perceived trustworthiness, which represent the relational dimension of social capital which helps employees connect for individual benefit as well as group benefit in the wider organization. Previous studies have suggested that trusting relationships evolve from social interactions (Gulati, 1995). Moreover, the social network literature on the tie- strength has documented the implications of strong interaction ties for trust and trustworthiness in which individuals have a sense of belonging (Krackhardt, 1992).

Frequent and close social interactions permit employees to know one another, to share important information, and to create a common point of view. Hence, an employee occupying a central location in a social interaction network is likely to be perceived as trustworthy by other actors in the network and thus work together for the common goal of the organization (Krackhardt, 1992).

Social ties are channels for information and resource flows. Through social interactions, an individual may gain access to other employees’ resources. This facilitates sharing of latest technology as well as allow innovators to go across formal lines and levels in the organization to find what they need (Kanter, 1988). Inside firms, social interactions among different business units blur the boundaries of those units and stimulate the formation of common interests.

An individual department has more opportunities to exchange (or to combine) its resources with other departments. Several studies on intra-organizational communication have documented the importance of inter unit interaction for the creation and diffusion of innovations within complex multiunit organizations (Ghoshal *et al.*, 1993). Thus, an individual employee that is central in a network of social interactions likely has greater potential to combine and exchange resources with other individuals because of its location advantages in the network.

Furthermore, the common goals or interests they share help them to see the potential value of their resource exchange and combination. As a result, organization members who share a vision will be more likely to become partners sharing or exchanging their resources. Several studies have shown that a shared vision (or a similar construct, such as goal congruence) may hold together a loosely coupled system and promote the integration of an entire organization (Orton and Weick, 1990). Moran and Ghoshal, (1996) argued that new sources of value are generated through novel deployments of resources, especially through new ways of exchanging and combining resources. To create new or better products, firms need to reallocate resources, to combine new resources or existing resources in new ways. Employees in an organization therefore gain immensely from these social interactions if they are developed and encouraged in an organization.

Social Capital Theory

Social capital has gained wide acceptability as a fruitful theoretical perspective for understanding and predicting the norms and social relations embedded in the social structures of societies. It is these patterns of social interrelationships that enable people to coordinate action to achieve desired goals (Putnam, 1993). Bourdieu, a French sociologist, was one of the first authors to analyze systematically the properties of social capital, defining it as the sum of resources, actual and virtual, that accrue to an individual or a group by virtue of possessing a durable network or less institutionalized relationships of mutual acquaintance and recognition (Bourdieu, 1980).

According to James Coleman, (1988) a sociologist interested in the role of social capital in human capital creation and educational outcomes, defined social capital by its function. 'It is not a single entity, but a variety of different entities having two characteristics in common: they all consist of some aspect of social structure and they facilitate certain actions of individuals who are within the structure' (Coleman, 1988).

An intrinsic characteristic of social capital is that it is relational, whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships. To possess social capital, a person must have an interaction with others, and it is these others, not self, who are the actual source of his or her advantage, (Portes, 1998) social capital exists only when it is shared. While social capital is relational, its influence is most profound when relationships are among heterogeneous groups. From an economic perspective, several recent studies conducted as part of the World Bank's Local Level Institutions Study (Grootaert and Narayan, 2000) confirm the importance of heterogeneity in group membership which is a gauge of positive social capital and economic outcomes. It is not simply an issue of the extent to which people are connected to others, but the nature of those connections.

The basic idea of "social capital" is that one's family, friends and associates constitute an important asset, one that can be called upon in a crisis, enjoyed for its own sake, and/or leveraged for material gain. What is true for individuals, moreover, also holds for groups. Those communities endowed with a diverse stock of social networks and civic associations will be in a stronger position to confront poverty and vulnerability, resolve disputes (Schafft, 1998; Varshney, 1999), and/or take advantage of new opportunities (Isham, 1999). Conversely, the absence of social ties can have an equally important impact on an individual or a group. Office workers, for example, fear being left "out of the loop" on important decisions; ambitious professionals recognize that getting ahead in a new venture typically requires an active commitment to "networking". A defining feature of being poor, moreover, is that one is not a member of or is even actively excluded from certain social networks and institutions, ones that could be used to secure good jobs and decent housing (Wilson, 1996). There are four general perspectives on social capital (Serageldin & Grootaert, 2000): the Communitarian View, the Networks View, the Institutional View, and the Synergy View. For the purposes of this study, the networks view, the Institutional View and the synergy view are considered.

The institutional view, argues that the vitality of community networks and civil society is largely the product of the political, legal and institutional environment. It 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), and that emergent qualities such as high levels of "generalized

trust” (as measured, for example, by the World Values Survey) in turn correspond to superior rates of economic growth. Courier companies operate within a community and therefore acts as a collective interest for that community.

Synergy between government and citizen as explained by Evans (1996) is an action based on complementarities and embeddedness. Complementarities refer to mutually supportive relations between public and private actors, and are 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. In courier companies gain from each other’s skills and their embedded knowledge is that it is hard to be duplicated by competitors. Embeddedness refers to the nature and extent of the ties connecting citizens and public officials. When workers are from the community being served; they are enmeshed in local social relations and hence are under pressure by the community to perform and be responsive to them. In this study, the workers of Courier companies fall into this category of complementarities and embeddedness (Evans, 1996). The synergy view stresses that inclusive development takes place when representatives of the state, the corporate sector and civil society establish common forums through which they can identify and pursue common goals. Social capital is thus treated as a mediating variable that is shaped by public and private institutions. Therefore, it is worth noting that social relations are the key in mobilizing other growth-enhancing resources (Evans, 1996).

METHODOLOGY

This paper employed use of explanatory research design method to establish the effect of the resource capital capabilities on the employee performance of courier companies (Oso and Onen, 2005).

The target population for this study included all cadres of employees of registered courier companies in Nairobi County, Kenya. A population of 2800 employees in 109 courier companies in Nairobi County was used.

Simple random sampling technique was used to select a representative sample from the target population. To achieve this,, Cochran’s (1963) formula of finite population as indicated:

$$\text{Cochran, (1963) formula: } n = \frac{\text{no.} \cdot \frac{\text{no.}-1}{1+(\text{no.}-1)}}{N}$$

Where: n = new sample size

no. = 385

N = Population of the study

$$\text{Therefore the sample size is: } n = \frac{385}{\frac{385-1}{1+384} + 2800}$$

$$n = \frac{385}{1+0.13714}$$

Thus a sample size of 339 respondents was obtained.

Primary data was obtained from employees of courier companies through self-administered questionnaires.

The Principal Components Factor Analysis (PCA) was used to determine the factor structure of the constructs. Construct means and standard deviations were computed to examine the variance in responses. The Levene's test was used to help explain the homogeneity of variance of the data. To establish the main characteristics of the study variables, descriptive statistics, Pearson correlations and regression analysis were done. To establish the statistical significance of the respective hypotheses, analysis of variance (ANOVA) as well as moderated linear regression analysis were conducted as appropriate at 95 percent confidence level ($\alpha = 0.05$). Statistical packages for social sciences (SPSS) Version 22.0 was used to assist in data analysis. Analyzed data were interpreted and presented in tables, graphs and charts.

Multiple regression analysis was conducted to test whether the nature of formalization and level of integration could be antecedents of human resource capabilities, physical resource capabilities, social resource capabilities, and financial resource capabilities respectively. Hierarchical regression analysis was conducted to test the predictive ability of resource capabilities on employee performance while controlling for gender and experience of the respondents. Employee performance was hypothesized and predicted using the following:

$$\text{Model 1: } Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + C + \text{error}$$

Where: Y = Employee performance

X₁ = Human capabilities

X₂ = Physical capabilities

X₃ = Social capabilities

X₄ = Financial capabilities

$$\text{Model 2: The moderating effect of experience } Y = \beta_0 + \beta_1 X + \beta_2 Z + \beta_3 X * M + C + \epsilon$$

Where: Y = Aggregate mean score of employee performance

β_0 = y-intercept/constant

β_1 = least squares estimate of the population regression coefficient for X

X = degree of the individual independent variable

Z = hypothesized grouping moderator (Level of education)

β_2 = least squares estimate of the regression coefficient for Z

X*M = the product between the predictors and the moderator

B_3 = the sample base least squares of the population regression coefficient
of the product term

ε = error term- random variation due to other unmeasured factors

RESULTS AND DISCUSSIONS

The study results on social capital resource capabilities show that respondents neither agreed nor disagreed on the following variables: organization culture and values which had a mean 3.81 which means that the same is not pursued by employees or the same is not communicated effectively across all cadres. Honesty and trustworthiness of employees had a mean 3.65 an indicator that not all employees are honest and the cohesiveness that is required for good performance becomes a hindrance. Employee good working relations mean was 3.77 meaning that in majority of cases the relationships that could have assisted boost employee performance are lacking. Employee teamwork indicated a mean of 3.76 which means that there are employees that do not contribute to team building thus not enhancing employee performance in firms. Employee counseling mean was 3.97 which could either mean that employee counselling is not being carried out in most firms or the counselling is not taken seriously by those who receive it. Provision of welfare facilities mean is 3.71 and this means that welfare facilities are not being provided in most courier companies and thus do not enhance their employees performance.

Physical capital human resource capabilities on the other hand were conceptualized to be measured by seven items on a five point Likert scale. Respondents were in agreement that the firms had adequate stock mean 4.10 to service customer requirements. This is an indicator that the Courier companies are able to provide employees with the required stocks to serve customers, However, majority neither agreed nor disagreed on working tools with a mean of 3.87 meaning that adequate tools are not sufficient in most of the courier companies. Motor vehicles had a mean of 3.88, an indicator that the fleet of vehicles is not adequate and could be that they are aged. ICT showed a mean of 3.27 which means that not all employees are provided with ICT facilities. Electric power provision had a mean 3.75 an indicator that not all buildings serving courier businesses have electricity installations to enable the employees discharge their duties effectively. Customer care facilities had a mean of 3.71 and this shows that few courier companies have customer care facilities.

Principal Component Analysis for Capital Resource Capabilities

The results for the Principal component analysis for the study variables are presented in Table 1. It has captured values above 0.5 as suggested by Tabachnick and Fidel, (2001).

Table 1: Principal Component Analysis for Capital Resource Capabilities Component

	2	3	4
Courier employees are experienced in work performance	.764		
All courier employees are knowledgeable in service provision	.759		
Courier employees have a positive attitude towards work	.627		
Courier employees perform highly and achieve the set targets	.608		
Courier employees are facilitated to acquire new knowledge	.564		
The courier firm is able to finance CSR activities every year		.648	
ICT facilities are available in all the firm's courier offices		.618	
Firm's courier services are offered in the firm's own buildings		.605	
The firm pays bonus yearly to courier staff as a motivator		.586	
Courier employee welfare-recreational facilities are provided.		.573	
The courier business undertakes CSR activities to community		.559	
The firm is financially stable despite stiff competition.			.723
The firm meets its debt obligations as scheduled.			.668
Courier employees receive their salaries/ wages on time			.519
Electric power installations are in place in the entire offices			.644
The courier fleet of vehicles are very dependable all year			.642
Customer care facilities are available in all our offices			.600
There is always availability of courier working tools			.593

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 8 iterations.

Source: Survey Data 2015

Factor analysis

Table 2 KMO and Bartlett's Test Results for Resource Capital Capabilities

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.832
	Approx. Chi-Square	2580.065
Bartlett's Test of Sphericity	Df	351
	Sig.	.000
Reliability Statistics	Cronbach's Alpha	.764

Source: Author 2015

Physical capital resource capabilities were conceptualized to be measured by seven items. The study findings show that these were sorted and clustered into two factors: factor two and factor four. The components had Eigen values more than 1.0. This factor had Eigen value of 2.269 with a variance of 8.402% Factor two had 1 item, courier services are offered in firm's own buildings had factor loading of 0.605. Factor four had 4 items: electric power installations are in place in the office had factor loading of 0.644, organization's fleet of vehicles are very dependable had factor loading of 0.642, customer care facilities are available in all offices had factor loading of 0.600 and there is availability of working tools had factor loading of 0.593.

Social capital resource capabilities were conceptualized to be measured by seven items. The results show that they are sorted and clustered into one factor with Eigen values of more than 1.0. The items were loaded into one factor, that is; factor two which was named organization welfare and CSR activities and had Eigen values of 1.820 with a variance of 6.740% and had 2 items: employee welfare recreational facilities are provided, had factor loading of 0.573 and the organization undertakes CSR activities to the community had factor loading of 0.559. The paper was based on two hypotheses that stated:

H0₁: there is no significant relationship between physical capital resource capabilities and employee performance.

H0₂: there is no significant relationship between social capital resource capabilities and employee performance.

The study findings however showed that there was a positive and statistically significant relationship between physical capital resource capabilities and employee performance. Physical capital resource capabilities therefore, such as the need for adequate stocks to service customer needs, offering services in firm's own buildings, ICT facilities for use by employees in serving customers, availability of electricity power in the offices, dependable fleet of vehicles for logistics efficiency and customer care facilities among others will facilitate employee performance in offering efficient service delivery at their courier companies.

The study findings on physical capital resource capabilities are in support of the resource based view theory which stipulates that the resource bundles and capabilities underlying production are heterogeneous across firms (Barney, 1991). One might describe productive factors in use as having intrinsically differential levels of 'efficiency.' Firms endowed with such resources are able to produce more economically and/or better satisfy customer wants. Heterogeneity implies that courier companies of varying physical resource capabilities are able to compete in the market place and, at least, breakeven. The courier companies under study also are endowed with different physical capital resource capabilities and they also experience differences in employee performances. This study also supports other works done by Greve *et al.* (2006) which was carried out in order to establish how physical capital resource capability contribute to individual productivity in organizations. Zhang and Fung, (2006) postulated that three types of capital (natural, physical and human capital) together, constitute the basis for performance.

The findings also showed that in the direct effects, there was a positive relationship though not statistically significant between social capital capabilities and employee performance. The study findings did not support the work of other researchers who had postulated that, communities endowed with diverse stock of social networks and civic associations will be in a stronger position to confront various challenges (Moser 1996; Narayan 1996), resolve disputes (Schafft, 1998; Varshney, 1999), and/or take advantage of new opportunities (Isham, 1999). Similarly, employees in courier companies will not confront any challenges since social ties seem to be lacking in most courier firms, and therefore there is need for them to build and strengthen their social networks as well as establish associations with other players within their operating environment so as to win more customers for their companies.

The possible reasons why social capital resource capabilities had no significance on employees' performance in courier companies, point to the kind of social networks that could be lacking within and outside of the courier companies. Employee team work also, could be lacking in some companies especially where there are few employees which are an indication

that each individual effort is emphasized and not the team spirit. Other variables that could have aided employee performance are the welfare facilities or recreational facilities which are lacking in most courier companies. Also, the study findings showed that social networks to the external environment were not emphasized yet this could have assisted courier companies in marketing their products and expanding their markets. It was also found that organization culture has not been inculcated in most employees so that they can have a sense of ownership in the company. Errant employees appear not counseled when they make mistakes and this in turn extends to other employees thus contributing to negative effect on work performance. The counseling would have helped employees improve their attitudes towards work performance despite the absence of social networks that are expected to connect employees and the management to work as one whole family. When the levels of education were introduced as a moderator between social capital capabilities and employee performance, it was found statistically significant though negative. This stresses the importance of acquiring more education that enables employees interact and network with other players within their environment.

IMPLICATION TO RESEARCH AND PRACTICE

This study has extended knowledge in the field of strategic management since it has contributed to the theory of resource based view and dynamic capability framework whose emphasis is on deployment of scarce resources within the firm. The study successfully extends an understanding of the importance of physical as well as social capital resource capabilities as determinants of employee performance in courier companies and in this way Courier companies should be able to develop adequate physical capital and encourage employees to network with other environmental actors for the benefit of both the employees and the company. Also, the study helps courier companies understand the need for employees being adequately resourced with physical capital resource capabilities especially new fleet of vehicles that enable them deliver consignments to customers speedily thus minimizing customer complaints.

CONCLUSION

Courier companies operate within a community and therefore acts as a collective interest for that community. This paper supports the notion that courier companies cannot exist independent of the communities that provide the market for their products and services and hence the importance of a web of social networks that should be encouraged for the success of both parties. When workers are from the community being served; they are enmeshed in local social relations and hence are under pressure by the community to perform and be responsive to them. In this study, the workers of Courier companies fall into this category of complementarities and embeddedness and therefore management of courier companies should foster this through encouraging employees to acquire more education, encourage employees to build social networks that extend beyond the work environment.

Physical resources enable employees work better and thus enable the company achieve a competitive advantage, building on the assumption that strategic resources are heterogeneously distributed across firms and that these differences are stable overtime. Four empirical indicators

of the potential of firm resources to generate sustained competitive advantage are value, rareness, inimitability and non-substitutability.

RECOMMENDATIONS

Social networks among employees and also customers is very important as this fosters good working relations and also customers become better informed of the company's products and services through the interaction of employees. The management of courier companies should have recreational facilities and also have exchange programmes and undertake sponsorship programmes that include corporate social responsibility activities aimed at connecting with the public who are the consumers of the company's products and services.

Ageing fleet of vehicles may slow faster delivery of consignments and the staff may also get demotivated because they shall be handling many enquiries thus hindering faster delivery of service to customers. It is therefore important for the management of courier companies to purchase sound and modern fleet of vehicles to ensure faster movement of consignments to satisfy customers and also ensure employee retention and sustain their business.

FUTURE RESEARCH

Further research need to be undertaken in other institutions such as the public sector to establish the role of physical and social capital capabilities in enhancing employee performance.

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