

## Exploring the Role of Social Capital in Designing a Social Entrepreneurship Model: The Case of Khorasan Razavi Welfare Organization

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### ABSTRACT

**Objective:** This study aimed to develop a social entrepreneurship model based on a social capital approach within the Khorasan Razavi Welfare Organization.

**Methods:** A mixed-methods design was employed. Data were collected from three groups—elites and faculty members, managers and assistants, and employees—through semi-structured interviews to capture diverse perspectives and deepen insights. Qualitative data were analyzed using Strauss and Corbin's (1998) three-stage coding process (open, axial, and selective coding). In the quantitative phase, a researcher-designed questionnaire was administered, and confirmatory factor analysis was conducted to validate the variables and related items.

**Results:** Findings revealed that causal, contextual, intervening, and strategic factors significantly influence social entrepreneurship when viewed through the lens of social capital.

**Conclusions:** The proposed model offers practical implications for developing strategies that strengthen social entrepreneurship in welfare organizations and similar institutions by leveraging social capital.

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## Introduction

In recent years, social entrepreneurship has increasingly emerged as a prevalent approach within development-oriented organizations that aim to address fundamental human needs—needs that are often unmet by the private sector or commercial enterprises ([Anh et al., 2022](#); [Saebi et al., 2019](#); [Stirzaker et al., 2021](#)). Viewing entrepreneurship through the lens of socially embedded structures offers a broader and more nuanced perspective, drawing attention to the often overlooked social dimensions of this socio-economic phenomenon. Social entrepreneurship thus bridges economic objectives with the pursuit of social justice and equity ([Certo & Miller, 2008](#); [Usman et al., 2022](#); [Vedula et al., 2022](#)).

One concept that has gained growing attention in this context is social capital. As noted by [Lochner et al. \(1999\)](#), social capital has inspired new theoretical frameworks that serve as foundations for numerous studies in the field of management. It is widely acknowledged as a complex, multidimensional, and interdisciplinary construct, recently becoming a focal point of inquiry across various branches of the humanities and social sciences ([Jafari Majd & Zarei Matin, 2022](#)). Social capital is increasingly perceived as a remedy for many of society's ailments, given its potential to foster cohesion, trust, and collective action ([Portes, 2024](#); [Rocca & Zielinski, 2022](#)). Although scholars offer different definitions, the underlying principles converge around key elements. For example, Putnam defines social capital as networks, mutual engagement, and trust that enhance societal efficiency. Coleman views it as a facilitator of individual and collective action, while Fukuyama emphasizes the capacity for collaborative effort toward shared goals. Broadly, social capital can be conceptualized across four dimensions: trust, participation, integrity, and the absence of social deviance ([Kazazi et al., 2022](#)).

At its core, social capital represents an investment in social relationships, emphasizing the accumulation and sharing of resources within networks to facilitate collective action and expand mutual trust and reciprocity ([Savari & Khaleghi, 2023](#); [Taherinia et al., 2024](#); [Xu et al., 2023](#)). It significantly influences economic and social development as well as public health ([Zolfaghari, 2024](#)), and is considered a determinant of well-being that can even affect mental health, stress levels, and mortality rates. Today, social capital plays a more critical role than both human and physical capital in organizational and societal development, as it enables optimal use of other

resources and serves as a pathway to success across various domains of life ([Mishchuk et al., 2023](#)).

Despite the recognized importance of social capital and its predictive role in promoting public health and social welfare, research in this area remains limited in developing countries. Meanwhile, existing studies from diverse disciplines—including sociology, economics, political science, public health, computer science, and leadership studies—consistently indicate a link between social capital and well-being. However, these studies often lack coordination and integration.

Social capital has also been proven to be a vital factor in the survival and success of organizations, contributing to information flow, collective learning, and collaboration ([Campante et al., 2022](#); [Chetty et al., 2022](#)). In Iran, the Welfare Organization is the primary governmental body responsible for supporting vulnerable groups and preventing social harm. Despite numerous agreements with civil society organizations and the breadth of services it offers, the Welfare Organization continues to face substantial challenges in achieving its goals—challenges that are exacerbated by the increasing rate of social problems.

Given these issues, evaluating and enhancing the performance management model of the Welfare Organization is both timely and necessary. There is growing interest in understanding how welfare centers might influence and benefit from social entrepreneurship and social capital. A socially oriented lens, focused on social capital, may provide insights into the potential relationship between social entrepreneurship initiatives and the development of social capital within these institutions.

Moreover, identifying factors that influence the performance of welfare centers could help protect these organizations from external social challenges, enabling them to respond more effectively to the complexities of contemporary life and ultimately improve individual and community outcomes. Social capital, in this regard, plays a critical role in addressing inequalities within vulnerable populations by highlighting relevant realities and promoting participation and trust.

One of the most pressing concerns for individuals supported by welfare centers is employment and the motivation for innovation and entrepreneurship. To address this, various governmental and non-governmental organizations deliver entrepreneurship training programs aimed at enhancing the capabilities of these individuals. Among these, entrepreneurial education has been identified

as a potential means to elevate social capital ([Rahimi et al., 2022](#); [Shahvand et al., 2022](#)). However, whether such training effectively enhances social capital remains an open question that necessitates empirical investigation. Accordingly, the present study seeks to answer the following question:

How can a social entrepreneurship model based on social capital be designed for the Welfare Centers of Khorasan Razavi Province?

### **Material and Methods**

The research adopted a survey-based methodology, combining both documentary/library research and fieldwork, specifically through the use of structured questionnaires. The unit of observation in this study is the individual, while the unit of analysis consists of the employees of the Welfare Organization of Khorasan Razavi Province. Temporally, the study is cross-sectional, as the data were collected at a specific point in time (the year 2018).

The target population for this study included all male and female permanent employees of the Welfare Organization in Khorasan Razavi. In the qualitative phase, the population comprised experts and scholars in the field of management with relevant academic and practical experience, along with managers and specialists within the Welfare Organization. A total of 16 individuals were purposively selected for interviews.

The interview protocol was a structured form that included dimensions, models, and indicators relevant to social entrepreneurship and social capital. After expert validation, indicators were weighted and applied to a randomly selected sample. To validate the model and its components, confirmatory factor analysis (CFA) was conducted. The reliability of the questionnaire was tested using Cronbach's alpha, and validity was assessed through concurrent validity.

In terms of sampling, purposive sampling was used in the qualitative phase, with 16 participants selected for interviews. For the quantitative phase, Cochran's formula was applied to determine the appropriate sample size. Additionally, stratified random sampling was used, taking into account the varying sizes of the statistical population in different departments of the Welfare Organization. This ensured proportional representation and minimized sampling bias. The minimum sample size was calculated to be 262 individuals.

## Instruments

The primary tool for data collection was a structured questionnaire, designed based on the study's variables and their operationalization. The questionnaire consisted of two sections:

1. Demographic Information – including variables such as gender, marital status, age, educational level, and work experience.
2. Research Variables – comprised of: Questions related to factors influencing social entrepreneurship with a social capital approach, based on various theoretical frameworks and empirical research and questions assessing the level of social entrepreneurship with a social capital approach among the employees.

Responses were measured using a five-point Likert scale, ranging from “Very High” to “Very Low”. In addition to the questionnaire, interviews were conducted to delve deeper into subcategories, and checklists were used to examine existing educational services and documentation within the Welfare Organization.

The questionnaires were directly distributed by the researcher among participants to ensure accurate data collection for analysis. Following a systematic coding process, the researcher organized categories, characteristics, and dimensions identified during the open coding phase to construct a coherent framework of relationships. The content validity of the instrument was established through expert consultation and comparative review of existing literature. Construct validity was assessed using exploratory and confirmatory factor analysis. The Kaiser-Meyer-Olkin (KMO) measure yielded a value of 0.85, indicating sampling adequacy. The significance level of the Bartlett's test was less than 0.05, confirming the appropriateness of factor analysis. All factor loadings in CFA were above 0.5, confirming convergent validity. Reliability was tested through Cronbach's alpha, and all items scored above 0.7, indicating high internal consistency of the measurement instrument.

Quantitative data were analyzed using SPSS software. The analytical process included both descriptive and inferential statistics. Descriptive analysis included frequency tables and percentage distributions, with bar charts used to present demographic data. For inferential analysis, factor analysis (both exploratory and confirmatory) was applied to identify and validate the dimensions and indicators of social entrepreneurship with a social capital perspective.

Ultimately, this rigorous analytical process led to the development of a validated model of social entrepreneurship informed by social capital theory, tailored to the operational context of the Welfare Organization of Khorasan Razavi.

## Results

Table 1 presents the main and sub-categories of the research.

**Table 1.** Main Category and sub-categories

Category	Subcategories
Social value creation	Developing the process of creativity and innovation
	Shared and collaborative learning among all individuals
	Socialization of teaching and learning
	Ethics from problem-finding to problem-solving
Social capital	Structural capital
	Communicative and interactive capital
	Cognitive capitalism
	Feeling of security and social trust
Entrepreneurship Organizational Orientation	Challenging and risk-taking
	Using potential scientific and practical capacities
	Identifying opportunities for creating ideas and applying them
	Having a spirit of perseverance and invincibility
Social customizability	Identifying and meeting hidden and hidden social needs
	Commitment to providing social services
	Social mobility and new attitudes of individuals in society
	The importance of human and social capital
Social culture	Establishing a culture of research, exploration and innovation
	Promoting a culture of experimentation and experience
	Promoting a supportive entrepreneurial culture
Delegation of organizational authority	Administrative decentralization
	Designing organizational structures appropriate to new missions
	Creating correct entrepreneurial beliefs and habits in the organization
	Creating a learning and learning environment in the organization
Entrepreneurial strategic planning	Applying active approaches to the teaching-learning process
	Formulating the organization's mission and vision based on experiences Novin
	Providing executive and logistical support
Human resource empowerment	Encouraging individuals to provide unique and creative solutions
	Using up-to-date technological equipment
	Employee training needs assessment
	Developing creative and innovative thinking skills in the organization
Civil society development	Strengthening human resource skills and expertise
	Transferring and distributing entrepreneurial knowledge
	Increasing public and service activities
	Promoting cultural and citizenship diversity
Social entrepreneurship	Achieving sustainable development
	Developing competence in the organization and society
	Expanding the spirit of charitable activities
	Human resource productivity
	Increasing equal social opportunities
	Developing innovative managers and planners
	Meeting social expectations

After ensuring the validity and reliability of the research tool by analyzing the questionnaire data, the structural equation model was analyzed. The research model shows the relationships between the paradigms of the model analyzed in the qualitative section. In this model, the causes paradigm, including the two categories of organizational entrepreneurship and social customization, affects the central category, namely social value creation. Social value creation, along with the governing context, namely social capital and social culture, and the intervening conditions, namely the delegation of organizational authority, affect the paradigm of strategies and actions, which includes entrepreneurial strategic planning and human resource empowerment. Finally, the two categories of entrepreneurial strategic planning and human resource empowerment affect the two categories of consequences, namely social entrepreneurship and civil society development.

Table 2 shows the results of examining the effects between the categories extracted in the qualitative section. As the results in table 2 show, the relationships between the extracted categories in the qualitative section are also significant in the quantitative section, which indicates the appropriate fit of the statistical model and the relationships considered in the model.

**Table 2.** Summary of the results of the relationship test between the identified categories

Path	$\beta$	T Value	P	Result
Organizational entrepreneurship to Social value creation	0.329	4.82	0.001	Significant
Social customization to Social value creation	0.805	8.25	0.001	Significant
Social value creation to Human resource empowerment	0.595	5.33	0.001	Significant
Social value creation to Entrepreneurial strategic planning	0.454	4.24	0.001	Significant
Social capital to Human resource empowerment	0.634	6.33	0.001	Significant
Social capital to Entrepreneurial strategic planning	0.687	6.71	0.001	Significant
Social culture to Human resource empowerment	0.470	5.09	0.001	Significant
Social culture to Entrepreneurial strategic planning	0.488	5.18	0.001	Significant
Organizational empowerment to Human resource empowerment	0.461	4.54	0.001	Significant
Organizational empowerment to Entrepreneurial strategic planning	0.274	3.84	0.001	Significant
Human resource empowerment to Civil society development	0.841	8.65	0.001	Significant
Entrepreneurial strategic planning to Civil society development	0.638	6.17	0.001	Significant
Human resource empowerment to Social entrepreneurship	0.795	7.89	0.001	Significant
Entrepreneurial strategic planning to Social entrepreneurship	0.253	3.52	0.001	Significant

As the results of Table 2 show, the significance number and significance level for all the relationships considered are greater than 1.96 and less than 0.05, respectively, which indicates the significance of the said relationships.

Friedman's test was used to examine the priority of the extracted categories. As the results of Table 3 also show, the assumption of the same priorities is rejected due to the significance level being less than 0.05. Accordingly, the average of the ranks shows that entrepreneurial strategic planning

has the highest importance and social culture has the lowest importance. Civil society development, organizational entrepreneurship, organizational delegation, social customization, social capital, empowerment, social value creation, and social culture are in the second to ninth priority.

**Table 3.** Descriptive results of Friedman test

Indices	Value
N	206
Chi Square	88.56
DF	5
P	0.001

**Table 4.** Prioritization of main extracted categories

Main category	Rank mean	Priority
Organizational Entrepreneurship	7.16	3
Social Customization	6.34	5
Social Value Creation	5.31	8
Entrepreneurial Strategic Planning	2.57	10
Human Resource Empowerment	5.05	7
Social Capital	5.60	6
Social Culture	3.68	9
Organizational Delegation	6.45	4
Civil Society Development	7.45	2
Social Entrepreneurship	7.63	1

## Discussion

The findings of this study indicate that causal factors have a significant impact on social entrepreneurship through the lens of social capital. The more favorable these causal factors are, the more effective and successful the implementation of social entrepreneurship becomes.

Social entrepreneurship is emblematic of initiative, innovation, and success in business. Entrepreneurs are often pioneers in creating successful ventures within society and play a vital role in leadership, management, innovation, efficiency, job creation, competition, productivity, and the establishment of new enterprises. These contributions make entrepreneurs a key driver of economic growth, aligning with previous studies by [Rahimi et al. \(2022\)](#) and [Vedula et al. \(2022\)](#), which emphasize the economic and social value generated by social entrepreneurs.

Examining social entrepreneurship within social structures paves the way for a broader understanding of its dynamics. It also brings to light underexplored dimensions of entrepreneurship, particularly the social aspects of social capital, which include trust, networks, and shared values that are often overlooked in traditional entrepreneurial models.



The study also emphasizes that organizational culture rapidly forms at the onset of a social venture and is shaped by several factors, such as the organization's mission, its social standing, and critical success factors—e.g., efficiency, quality of service delivery, innovation, hard work, and organizational loyalty. This aligns with the cultural development model proposed by [Sakalauskas et al. \(2021\)](#), which posits that shared assumptions and leadership behavior critically shape the early culture of an organization.

As systems of rewards, policies, and procedures are established, they profoundly influence the development of the organization's foundational culture. Among these, delegation of authority emerges as a crucial determinant of empowerment, leading to a sense of competence, autonomy, significance, and meaningfulness among employees. This is consistent with Thomas and [Velthouse \(1990\)](#) cognitive model of empowerment, which emphasizes intrinsic motivation and perceived control.

Empowerment has a direct influence on employees' decision-making abilities, suggesting that senior managers can foster a sense of agency and confidence among staff by providing meaningful choices and enabling participatory decision-making environments. When delegation is effective—through clear goals, open communication, motivation, monitoring, and evaluation—decision quality improves significantly.

Furthermore, empowerment equips employees to make better decisions even in challenging circumstances. The findings support [Conger et al. \(2000\)](#) assertion that empowerment enhances an individual's belief in their capacity to perform tasks successfully, which ultimately improves organizational effectiveness.

Another critical finding of this study is that communication within social institutions is a key factor in the identification and creation of entrepreneurial opportunities. The exchange of information within these institutions increases the likelihood of recognizing new possibilities. The social capital embedded in these institutions acts as a catalyst for fostering participation and attracting resources, contributing to both organizational and societal development. In line with [Putnam \(2000\)](#) work, the study confirms that high levels of social capital are linked to enhanced institutional performance and accelerated progress toward social justice.

Accordingly, enhancing social capital in civil society organizations (CSOs) is of paramount importance. Strengthening networks, building trust, and promoting civic engagement can significantly boost the effectiveness of nonprofit and grassroots initiatives.

Despite the promising findings, this research faced several limitations. These include a lack of scholarly resources and theoretical frameworks, particularly in Persian literature, pertaining to critical success factors in human resource training. Additionally, some participants were reluctant or delayed in completing the electronic questionnaires, impacting the data collection process.

Given these findings, the following suggestions are proposed for future studies:

1. Investigate the role of social entrepreneurial activities in employee empowerment across different organizational contexts, particularly in public and nonprofit sectors.
2. Universities should take the initiative to create entrepreneurial ecosystems that integrate social values into business practices and academic programs. This includes: Developing strategic roadmaps for social entrepreneurship, establishing interdisciplinary incubators and accelerators that support social ventures and encouraging community-engaged research that bridges academic knowledge with societal impact.
3. Future studies may also compare the effects of empowerment via delegation in public versus private sector organizations, to understand how sectoral differences shape employee autonomy and innovation.
4. Moreover, cross-cultural research could provide insight into how various dimensions of social capital (bonding, bridging, and linking) influence social entrepreneurship differently in diverse sociopolitical environments.

### Data availability statement

The original contributions presented in the study are included in the article/supplementary material, further inquiries can be directed to the corresponding author.

### Ethics statement

The studies involving human participants were reviewed and approved by the ethics committee of Islamic Azad University. The patients/participants provided their written informed consent to participate in this study.

### Author contributions

All authors contributed to the study conception and design, material preparation, data collection, and analysis. All authors contributed to the article and approved the submitted version.

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### Conflict of interest

The authors declare that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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