The strength of workplace social network ties in SMEs: a social exchange perspective

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Abstract

This research includes an examination about the impact of two organisational factors upon the strength of workplace social network ties in SMEs. More specifically, this research applies the dimensions of Social Exchange Theory (SET) as a lens to develop an understanding into the effect of sociability and organisational culture upon the development of workplace social network tie strength. This study applied mixed methods to examine the proposed model. The research method includes a survey in which one hundred and fifty engineering employees were randomly selected to participate. In addition, the survey data was supported by conducting interviews with senior management. The findings confirm the proposed model and provide full support for each hypothesis. Therefore, the findings confirm that the organisational factors tested (sociability and organisational culture) impact upon the development of workplace social network ties. This research adds to the current body of literature by providing insight into workplace social networks for transferring important work based information, knowledge or resources in SMEs. In addition, this research also contributes to current literature examining how organisational culture can impact and shape the development of workplace social network ties.

Key words: Social networks, Social Exchange Theory (SET), small-to-medium-sized enterprises (SMEs), tie strength, sociability, organisational culture

Introduction

It is well known that workplace social networks and network ties, whether at the individual or organisational level, can contribute to the development of efficient, effective and innovative business practices. Additionally, literature about social networks suggests that workplace social network ties can be used as a vehicle to transfer important work based information and knowledge throughout the organisation (Levin & Cross, 2004; Marouf, 2007; Sparrowe, Liden, Wayne, & Kraimer, 2001). Analysing the strength of the workplace network ties is an
accepted method for examining and measuring the structure of a workplace social network (Balkundi & Harrison, 2006). Tie strength can be referred to simply as the proximity of the relationship between two employees and can be measured by examining the intensity of the tie (Levin & Cross, 2004). More, specifically it is accepted that tie strength can be determined by the extent of time, emotional closeness, intimacy and reciprocity of the relationship (Balkundi & Harrison, 2006; Granovetter, 1973; Hansen, 1999).

The development of network ties can provide employees with new knowledge and are imperative for knowledge based Small-to-Medium sized Enterprises (SMEs) seeking a competitive advantage (Cole, Schaninger, & Harris, 2002; Marouf, 2007). Additionally, while there is an extensive body of literature about the advantages of developing effective workplace social networks (Sparrowe, et al., 2001; Totterdell, Holman, & Hukin, 2008), little is known about the organisational factors that impact upon the development of workplace social networks in small-to-medium sized enterprises (SMEs) (Wu & Leung, 2005). Therefore, this research will examine some organisational factors that impact upon the development of both strong and weak workplace social network ties. As such, this research will add to the body of literature about the development and strength of workplace social networks in SMEs. Additionally, implications will be outlined for management that want to develop the knowledge of their employees’ by facilitating the generation of effective workplace social networks.

Organisations that can facilitate the transfer of knowledge between employees will provide greater opportunities for employees to gain required information for daily tasks, problem solving and/or creativity. A social network within an organisation is developed upon the grounds that over time individuals form and dissolve ties connecting themselves to other individuals in the workplace (Marouf, 2007). A social network can be referred to as the actual group of links amongst individuals in the workplace (Balkundi & Harrison, 2006). Such links can include acquaintances, friends of friends, group obligations, and strong and weak ties which can provide access to new information, access to opportunities and enables workplace members to attain resources they otherwise would not have had access to. This research uses Social Exchange Theory (SET) as a lens for examining some of the organisational factors that affect the development of both strong and weak workplace social network ties.

Social exchange theorists suggest that social exchange involves a series of interactions that over a period of time generate obligations between workplace social network members (Cook & Whitmeyer, 1992; Cropanzano & Mitchell, 2005; Jonés, Hesterly, & Borgatti, 1997; Maurer, Pierce, & Shore, 2002). The social interactions tend to be mutually dependent and contingent upon the actions of another person. Additionally, these mutually dependent interactions under the right circumstances are able to generate high quality relationships in the workplace (Maurer, et al., 2002). Current literature about social exchange theory has examined exhaustively the exchanges between employees and the organisation, as well as, between employees and their supervisors (Cropanzano & Mitchell, 2005). However, there has been minimal research about the social interaction and exchange between colleagues or work based teams. Therefore, this research seeks to contribute to current literature by examining how two organisational factors (sociability, organisational culture) impact upon the strength of workplace social network ties in knowledge based SMEs. Accordingly, the strength of workplace social network ties can be effectively examined through a social exchange lens focusing on the interactions (social exchange) between workplace social network members.
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The value of this research and contribution to the theory is highlighted by a number of factors. Firstly, there is a lack of empirical research about the development of effective workplace social network ties in SMEs (Wincent, 2005; Wu & Leung, 2005). Additionally, there is a paucity of research regarding the management of workplace relationships in SMEs. Also while there are several studies that examine the impact of effective workplace social networks upon organisational performance and creativity, there is a lack of research about organisational factors that affect the strength of workplace social network ties (Levin & Cross, 2004). This research will therefore examine workplace social network tie strength by analysing the role of sociability and organisational culture in developing an effective workplace network that enhances members’ access to resources, knowledge and support. In summary, the main theoretical contribution of this research is to provide insight into the social exchange interactions between employees which form a platform for the development of workplace social network ties. For these reasons, the following primary research question is proposed to guide the direction of the study and in particular data collection.

"What is the impact of sociability and organisational culture upon the development of workplace social network ties in SMEs?"

Background

Social Exchange Theory and workplace social networks

One of the main views of SET suggests that relationships evolve over a period of time into trusting, loyal, and mutual commitments. However, whilst the effective development of workplace social network ties can be developed over a period of time, SET suggests that such relationships will only be fostered under ideal conditions (Cole, Schaninger, & Harris, 2007). What this means is that to facilitate an environment that fosters workplace relationships it is imperative that employees abide and follow the rules and norms of exchange, as guidelines to the exchange process. By abiding with the rules and norms of the exchange process employees are more likely to share in positive exchanges with other employees (Cook & Whitmeyer, 1992; Gefen & Ridings, 2002). Therefore, it is essential that employees have an appropriate amount of social skill to effectively manage and develop workplace social network ties (Nie, 2001). However, at this stage there is no organisational mechanism in place to promote and support the development and sustainability of workplace social network ties. Past literature suggests that an organisation’s culture is shaped by the organisation’s workplace social networks (Lizardo, 2006). However, there is no literature with the exception of Lizardo (2006) that examines the impact of an organisation’s culture upon the development of workplace social network ties.

Additionally, current literature suggests that an employee’s knowledge of the organisation’s culture will impact upon their ability to be able to form effective workplace social networks (Obstfeld, 2005). Therefore, it is important to determine which values, rules and norms will promote and support the development of effective workplace social network exchanges. SET suggests that interpersonal exchanges can be viewed from a cost-benefit perspective similar to an economic exchange, except a social exchange deals with the exchange of intangible social costs and benefits (respect, honour, friendship and caring) instead of monetary gains (Cropanzano & Mitchell, 2005). Similar to an economic exchange, a social exchange presumes that employees will enter into an exchange only when they expect that the benefit of the exchange will outweigh the cost. What sets apart social from economic exchange is that a social exchange gives no guarantee that the benefit provided in an
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Exchange will be reciprocated by the other party. What this means is there are no rules and norms or policies that manage or facilitate the social exchanges between employees. This factor highlights the importance of an organisational culture that clearly articulates the rules and norms for exchange and the development of workplace social network ties (Granitz, 2003). As a result, this should reduce the ambiguity associated with the expectations and common practice of social exchanges in the workplace.

**The strength of workplace social network ties**

There is currently no general consensus as to the structural and relational factors required to develop effective workplace social networks for transferring knowledge. Furthermore, there is considerable doubt in the literature about what constitutes a weak or strong tie (Bstieler & Hemmert, 2008). As a result, this study will seek to provide insight into the development of workplace social network ties within SMEs. As previously mentioned, Granovetter (1973) suggests that the strength of workplace ties can be measured by several components: interaction, emotional intensity, and reciprocity that takes place between a dyad. Therefore, put simply strong ties are relationships that contain a high level of each component. In contrast, weaker relationships involve less interaction, emotional attachment and are not always reciprocal. As an example, strong ties include relationships with family members, close friends or colleagues that have worked closely for some time. In contrast, weak ties include acquaintances, friends of friends and distant colleagues (Chung & Tsai, 2008). Distant colleagues can be characterised by infrequent exchanges and/or workplace proximity. In summary, the strength of workplace social network ties can be measured in a continuum from weak to strong.

Past and current literature has converged upon the notion that weak ties are beneficial for fostering creativity in the workplace. However, there seems to still be some confusion about the value of strong ties in the workplace (Hansen, 1999; Levin & Cross, 2004). The criticism is that strong ties only provide redundant information to its members, as a result this infers that strong ties are not appropriate for transferring new knowledge in the workplace (Hansen, 1999). However, Levin and Cross (2004) suggest that while strong ties do not provide new information, it is presumable that dyads with strong ties will expend greater effort to ensure the knowledge seeker sufficiently understands and can put into use the knowledge transferred. Granovetter (1973) argued that effective networks will consist of both strong and weak ties. Although weak ties provide new information to aid creativity, strong ties are still vital, because they provide relationships that are beneficial for problem solving. In summary, it is important that organisations provide an appropriate organisational culture that functions as a support mechanism to facilitate the development of both weak and strong workplace social network ties. As well as ensuring employees have an appropriate level of sociability, to support the development and sustainability of workplace social network ties.

To effectively examine the role of workplace social network ties in transferring important work based information, it is important to determine how many contacts employees' within the organisation utilise. Therefore, the following secondary research questions have been developed to examine the number and strength of interpersonal linkages in the workplace.

**SRQ 1:** How many workplace social network contacts do employees' within the company utilise?

**SRQ 2:** Are the majority of workplace social network ties weak or strong?
Sociability
Current literature suggests that while organisations can facilitate social exchange, employees will also require an appropriate level of sociability (social skill) to develop and sustain the relationships. Sociability is a term used to refer to the social skill, ability, or competence required to foster effective social exchanges, providing a tool (skill) from which to develop workplace social network ties (Ferris, Witt, & Hochwarter, 2001; Lizardo, 2006). Each employee within the organisation will have a different level of social skill or competence. Therefore, some will be better than others with regards to social interaction and the facilitation of workplace social network ties. Current literature also suggests that an employee's ability to persuade other employees to share information and resources will be dependent upon their level of sociability (Ferris, et al., 2001; Nie, 2001). Employees that are socially skilled will be able to read and determine how certain members within their workplace social network perceive certain social situations, how roles within the network are perceived and the rules and norms associated with membership to the workplace social network.

Lin (2001) suggests that social resources such as information and resources can be obtained through workplace social networks; however, this is partially dependent upon the social skill of the employee. It is a well known fact that some people, in this case employees are better than others at facilitating useful social exchanges (Nie, 2001). As a result, some are better than others at inciting co-operation from their workplace social network ties. In addition, an employee that is socially skilled will be better equipped to sustain workplace social network relationships that contain both strong and weak ties. Furthermore, the organisation can assist in developing social networks, by outlining formal relationships in policies, job descriptions and organisational charts. Formal relationships provide the contact between employees, facilitating regular contact between employees (Al-Alwai, Al-Marzooqi, & Mohammed, 2007; Lazega, Lemercier, & Mounier, 2006). However, the facilitation of contact between employees will only provide opportunity for the development of workplace social network ties. Therefore, this study will examine the relationship between an employee's sociability and the development of workplace social network ties.

H1: The sociability of employees will be positively and significantly associated with the strength of workplace social network ties in SMEs

Organisational Culture
A basic and well known premise of organisational culture is that it forms the shared values, beliefs and practices of people within the organisation (Schien, 1990). McDermott and O’Dell (2001) suggest that an organisation’s culture which is intangible is reflected in the tangible aspects of the organisation, such as its mission and values statements. Such a view of culture is a simplified version of a complex factor. An organisation’s culture is said to be embedded in the way people within the organisation act and what they expect from colleagues and how they determine the meaning behind the actions of others. Furthermore, the development of organisational culture literature has reinforced that core values and assumptions are at the centre of organisational systems and structures (Dension, 1996). As such because of the complexity of organisational culture, employees often behave in a manner that is inconsistent with the organisation’s mission and value statements, but aligned with cultural norms and values. Additionally, the literature suggests that in fact the notion of organisational culture has several dimensions and usually will encompass several subcultures. For example, this means even in organisations that have a culture that supports knowledge sharing and the development of network ties, small sectors can be found that are far less
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supportive (McDermott & O'Dell, 2001). In summary, if an organisation's mission was to develop effective workplace social networks, literature about organisational culture suggests that cultural norms and values should be aligned to support the attainment of organisational goals.

The sustained popularity of organisational culture literature has been driven by recommendations and theories that suggest that culturally based strategies enable an organisation’s culture to produce positive economic consequences such as increased employee commitment, greater efficiency, improved performance, and greater information and resources for decision making. However, in reality the effective development and implementation of cultural interventions and strategies has manifested as a major organisational challenge (Langan-Fox & Tan, 1997). The unsuccessful reputation of cultural interventions and strategies has been associated with ambiguous strategies, poor communication and ineffective leadership. Therefore, due to the inability of most organisations to successfully align cultural norms and values with organisational goals and practices, it is important to examine the impact of an organisation's culture upon the tie strength of workplace social network members. Therefore, this study seeks to examine through a social exchange lens the role of an organisation's culture in shaping and supporting the structure of a workplace social network.

The effective development of workplace social networks requires an encouraging organisational culture. A supportive culture should provide a reciprocation of information, benefits and rewards for employees that use their workplace social network ties to gain important information and resources. Additionally, as social networks essentially involve a dyadic relationship within an organisation, effective collaboration and trust is vital to the success of the workplace social network (Das & Teng, 1998). An Organisational culture aligned with organisational goals can impact positively on organisational functions; however, a poor organisational culture can have the opposite effect and severely reduce the effectiveness of the organisation (Martins & Treblanche, 2003). Therefore, to effectively facilitate knowledge sharing and the development of positive social exchanges, the organisation must form a culture of trust between members of the workplace social network (Casson, 1997). In addition, to encourage the continuous transfer of knowledge, it is important that employees are rewarded for developing and using workplace social network ties to gain access to resources, information and solve work based problems.

H2: Organisational culture will be positively and significantly correlated to the strength of workplace social network ties in SMEs.

H3: Sociability will be positively and significantly associated with the organisational culture within an SME.

H4: Sociability and organisational culture will impact positively and significantly upon the strength of workplace social network ties.

Methods

Context of study
An SME was chosen for the context of this study to add to the current understanding of workplace social networks within SMEs. In Australia an SME is considered to be an organisation employing more than 20 but less than 200 people (Australian Bureau of Statistics, 2001). In addition, SMEs make a significant contribution to and represent the
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majority of firms in the Australian economy (Nelson, Brunetto, Farr-Wharton & Ramsay, 2007). Also the number of SMEs in Australia has tripled over the past thirty years and now contributes to almost fifty percent of employment within the private sector. However, currently most SMEs are struggling to compete with larger organisations and therefore focus on survival rather than growth (Cassell, Nadin, Gray, & Clegg, 2002). SMEs are struggling to compete because they are said to be "time poor" and as a result tend to focus more on operations than strategy (Garengo, Biazzo, & Bittitci, 2005). In addition, larger organisations also hold a formidable advantage over the development and attainment of resources. Therefore, it is critical to examine if the SME chosen for this study can facilitate an internal mechanism to support the development of social ties that transfer information and resources throughout the organisation.

Sampling
The justification for selecting and examining a single organisation is based upon the theory of typicality. There are two main types of typicality, industry and employee. An SME was chosen for this study because they are typical of an organisation that requires the development of knowledge using workplace social networks (Brunetto & Farr-Wharton, 2007). In addition, engineering employees were selected because they are typical of employees that require the development of workplace social networks to transfer important information and knowledge. Engineering firms can be classified as Knowledge Based Firms (KBFs) which are able to use the generation and leveraging of knowledge to gain a competitive edge (Buchen, 2003). In addition, Alvesson (2000) considers a KBF to be an organisation where knowledge is related to individuals/employees rather than the organisation, machines and technologies and where the majority of the workforce is well educated. In summary, a knowledge based SME is an appropriate organisation to examine two organisational factors that impact upon the development of workplace social network ties. This is due to the fact that the organisation selected adds value to their projects by developing the knowledge of their employees.

Instruments used
This study uses instruments derived from current literature to measure each variable. The sociability instrument included four questions about the propensity to make friends, acquaintances, to join others and to belong to a group. The sociability instrument was derived from Totterdell, Holman and Hukin (2008). The organisational culture instrument was used to examine the support function of an organisation's culture in relation to the development of workplace social network ties. The organisational culture instrument was derived from Koeberg and Chusmir (1987) which was developed by Wallach (1983). The tie strength instrument was used to examine the strength of workplace social network ties within the organisation. The tie strength instrument was derived from Levin and Cross (2004).

Analysis
Survey data were analysed using SPSS software. A standard regression analysis was conducted to examine the impact of the independent variables upon the development of the strength of workplace social network ties. The independent variables are therefore sociability and organisational culture and were derived from past literature. Interview transcripts were analysed using a content analysis. Content analysis is a "systematic reduction of text or other symbols to a generalised set of statistically manipulable symbols representing the presence, intensity, or frequency of some characteristics relevant to social science" (Roberts, 1997, P.14). As a result, the text is interpreted into meaningful data for analysis.
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Results

Demographics

Table One. Survey Demographics

<table>
<thead>
<tr>
<th>Surveys</th>
<th>Engineering Employees (N=59)</th>
<th>Drafts Employees (N=26)</th>
<th>Total (N=85)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>45</td>
<td>21</td>
<td>59</td>
<td>69.4</td>
</tr>
<tr>
<td>Female</td>
<td>14</td>
<td>5</td>
<td>26</td>
<td>30.6</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-23</td>
<td>13</td>
<td>13</td>
<td>26</td>
<td>30.6</td>
</tr>
<tr>
<td>24-30</td>
<td>21</td>
<td>7</td>
<td>28</td>
<td>32.9</td>
</tr>
<tr>
<td>30-50</td>
<td>17</td>
<td>6</td>
<td>23</td>
<td>27.1</td>
</tr>
<tr>
<td>50+</td>
<td>8</td>
<td>0</td>
<td>8</td>
<td>9.4</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>1</td>
<td>8</td>
<td>9</td>
<td>10.6</td>
</tr>
<tr>
<td>TAFE</td>
<td>1</td>
<td>18</td>
<td>19</td>
<td>18.8</td>
</tr>
<tr>
<td>Undergraduate</td>
<td>42</td>
<td>0</td>
<td>42</td>
<td>52.9</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>15</td>
<td>0</td>
<td>15</td>
<td>17.6</td>
</tr>
</tbody>
</table>

Addressing the hypotheses

The means, standard deviations, Cronbach’s alphas and inter-correlations for all variables including tie strength, organisational culture and sociability are presented in Table Two.

Table Two. Means, Standard Deviations and Correlations of the organisational factors tested

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
<th>Tie Strength</th>
<th>Organisational culture</th>
<th>Sociability</th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tie Strength</td>
<td>2.77</td>
<td>.97</td>
<td>(.913)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational culture</td>
<td>3.10</td>
<td>1.04</td>
<td>.409**</td>
<td>(.831)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sociability</td>
<td>4.06</td>
<td>.92</td>
<td>.531**</td>
<td>.642**</td>
<td>(.827)</td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>2.15</td>
<td>.97</td>
<td>-.068</td>
<td>-.010</td>
<td>-.065</td>
<td>1</td>
</tr>
</tbody>
</table>

N= 85. Numbers in parentheses on the diagonal are the Cronbach's Alpha in coefficients of the composite scales

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Secondary Research Question 1

SRQ 1 aimed to examine the number of interpersonal linkages between employees'. In addition, only 22% of engineers had 2 or more network contacts that they could approach with work based problems and 8% approached no contacts when faced with a frustrating work based problem (see table three). Therefore, the findings depict that the majority of engineer’s posses’ minimal network contacts, which consequently is likely to impact negatively upon their ability to source necessary information, knowledge or resources.

Table Three. Network Content

<table>
<thead>
<tr>
<th>Number of contacts</th>
<th>Amount of employee's</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>7/85</td>
<td>8.24%</td>
</tr>
<tr>
<td>1</td>
<td>23/85</td>
<td>27.06%</td>
</tr>
<tr>
<td>2</td>
<td>36/85</td>
<td>42.35</td>
</tr>
<tr>
<td>3</td>
<td>10/85</td>
<td>11.76%</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>4</th>
<th>6/85</th>
<th>7.06%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>3/85</td>
<td>3.53%</td>
</tr>
</tbody>
</table>

**Secondary Research Question 2**

SRQ 2 aimed to examine whether the majority of ties within the workplace network were weak or strong. The mean of the tie strength scale was 2.77 (.97) suggesting that on average workplace social network members perceive themselves to be close to other employees within their social network. What this means is that the majority of relationships within this workplace social network could be considered as strong ties. As a result, the findings suggest that the majority of workplace social network ties used to transfer information, knowledge and resources can be mainly classified as strong ties.

**Hypothesis 1:** Hypothesis one stated that the sociability of employees would be positively and significantly associated with the strength of workplace social network ties in SMEs. The coefficient value (.913) suggests that the tie strength variable is a reliable measure of the strength of workplace social network ties. The findings from this study support H1 because the linear regression indicated that the sociability of employees is positively and significantly associated with the strength of workplace social network ties ($F = 32.66, R^2 = 28.2\%, p < .000$). In addition, the $R^2$ value implies that sociability contributes to 28.2 percent of the variance related to the strength of workplace social network ties.

**Hypothesis 2:** Hypothesis two proposed that organisational culture would be positively and significantly correlated to the strength of workplace social network ties. The coefficient value of .813 suggests that the organisational culture variable has a high reliability rating. The findings from this study support H2 because the linear regression indicated organisational culture is positively and significantly associated with the strength of workplace social network ties ($F = 16.70, R^2 = 16.7\%, p < .000$). Additionally, the $R^2$ value suggests that organisational culture contributes to 16.7% of the variance related to the strength of workplace social network ties.

**Hypothesis 3:** Hypothesis three proposed that sociability would be positively and significantly associated with the organisational culture within the organisation. The findings from this study provide full support for H3 because sociability is positively and significantly associated with organisational culture ($F= 58.06, R^2 = 41.2\%, P <.000$). The $R^2$ value suggests that an employee's sociability contributes to 41.2% of the variance related to organisational culture. What this means is that the greater an employee's social skill the better equipped they are to gain an understanding of social and cultural rules and norms. Furthermore, more information about social exchange will ensure employees' know how to act and react in different social situations.

**Hypothesis 4:** Hypothesis four suggested that a combination of sociability and organisational culture would impact positively and significantly upon the strength of workplace social network ties. The results from this study suggest that H4 should be accepted because sociability and organisational culture as a combination are positively and significantly correlated with the strength of workplace social network ties ($F = 16.77, R^2 = 29\%. P <.000$). In addition, the $R^2$ value suggests that together sociability and organisational culture contribute to 29 percent of the variance related to the strength of workplace social network ties. What this implies is that an organisation’s culture can function as a support mechanism, while sociability is the social mechanism or tool used to develop and maintain effective workplace social network ties.

**Testing the proposed model**
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Following a review of current literature and theory it was expected that with an organisational culture that supports and rewards employees for developing and using workplace social networks; as well as, having socially skilled employees that these two factors would contribute to the development of the strength of workplace social network ties. The results confirm the findings from this study and identify the positive and significant relationships between the organisational factors proposed for testing and the strength of workplace social network ties. In summary, all hypotheses received full support from the findings and therefore were all accepted.

Discussion and Conclusion

This study used a social exchange lens to examine the dependency of the strength of workplace social network ties upon some organisational factors within an SME. SET argues that when employees develop effective workplace social network relationships, a reciprocal understanding develops that benefits both the employees involved and the organisation (Cole, et al., 2007; Cropanzano & Mitchell, 2005; Maurer, et al., 2002). Furthermore, as previously mentioned a KBF requires the development or attainment of knowledge to gain a competitive advantage (Alvesson, 2000). However, SMEs are at a serious disadvantage when competing with larger firms for resources and knowledge (Nelson, Brunetto, Farr-Wharton, & Ramsay, 2007). Additionally, past literature suggests that an organisation benefits from the development of workplace social networks because a reciprocal culture is develop that supports the transfer of important worked based information and resources throughout the organisation, therefore, leveraging the knowledge of the organisation (Cole, et al., 2007; Levin & Cross, 2004; Marouf, 2007).

The results from the quantitative data suggests that while a workplace social network is present within the organisation, the number of ties between employees is low and the strength of ties are predominantly strong. While past literature does stipulate that strong ties infer employees are spending more time ensuring that an effective understanding is gained by the recipient of the knowledge, they do not provide the recipients with a diverse range of perspectives for creativity and problem solving (Balkundi & Harrison, 2006; Bstieler & Hemmert, 2008). In addition, the development of a mixture of weak and strong ties is imperative to an SME seeking to compete in a competitive environment. This is because the internal development of knowledge requires strong ties for tacit knowledge that is difficult to explain and weak ties to provide a diverse perspective (Perounce, 2007). However, SET suggests that positive social exchanges will only occur where the conditions are ideal (Maurer, et al., 2002). In addition, the findings from this study suggest that the strength of workplace social network ties is dependent upon both sociability and organisational culture. Therefore, based on the theory and the findings from this research, increasing the number of both weak and strong workplace social network ties that engineers’ use to transfer important work based information and resources should improve the overall efficiency and effectiveness of the organisation.

In addition, it is imperative to current theory and an implication for management that insight is provided into the development of interpersonal linkages within SMEs. Past literature suggests that the development of a sufficient amount of workplace contacts are required to effectively transfer important work based knowledge and resources to aid problem solving and foster innovative behaviour. However, based on the findings from this study 1-2 workplace social network contacts is not a sufficient amount of either strong or weak ties to support problem solving or innovative behaviour. In addition, while the lack of workplace social network ties is associated with the sociability of employees, it is also dependent upon
an organisational culture that seeks information, knowledge and resources through workplace social network ties. Therefore, the implication for management is that to support problem solving and foster innovative behaviour through the development of workplace social network ties, a culture that utilises both strong and weak workplace social network ties is required. In summary, effective organisations' will embed appropriate mechanisms in place that facilitate, support and sustain the use of workplace social network ties to transfer important work based information, knowledge and resources.

Past research has focused on the formal structures embedded within an organisation that promotes the development of informal workplace ties. However, SET suggests that for positive social exchange relationships to develop, network members must abide by the rules and norms of exchange (Cook & Whitmeyer, 1992; Gefen & Ridings, 2002). Furthermore, past literature suggests that workplace social network members with an appropriate amount of social skill will be better equipped to develop an understanding of social rules and norms (Ferris, et al., 2001; Nie, 2001). Consequently, the results from this study support current literature that suggests that the sociability of network members will contribute to the development and sustainability of workplace social network ties, as well as contributing to their understanding of social rules and norms. Additionally, while most participants in the study suggested that their level of sociability exceeded the requirements to develop both strong and weak workplace social network ties. The results suggest that employees' on average possess' one-two workplace social network contacts that they regularly approach for information, resources or some form of support. Furthermore, the majority of these ties or contacts work very closely with one another and would be considered as strong ties. The problem with such a network is that it does not provide employees' with a diverse perspective on certain issues. As well it may distort an employees' perception of the rules and norms of exchange. Such a distortion can take place because the employee is only interacting with a small group who may very well have their own rules and norms of exchange.

As previously mentioned, past literature about organisational culture has focused on the impact of workplace social networks in shaping organisational culture (Al-Alwai, et al., 2007; McDermott & O'Dell, 2001). However, past literature also converges that an organisational culture that is aligned with organisational goals can act as support mechanism for attainment of such goals (Martins & Treblanche, 2003). Therefore, the results from this study provide a contrasting view about the impact of organisational culture upon the strength and development of workplace social network ties. There are two important points derived from current literature that need to be considered with relation to the association between organisational culture and workplace social network tie strength. Firstly, that employees should have an appropriate level of skill required to develop an understanding of the rules and norms of exchange and how to act during different exchanges (Cook & Whitmeyer, 1992; Gefen & Ridings, 2002). Secondly, employees’ should perceive that organisational culture supports the reciprocation information, resources, time, respect and rewards (Granitz, 2003). However, the quantitative results suggests that employees' on average perceive that the organisation does not currently support or reward employees' who use workplace social network ties to gather information, knowledge or resources. Therefore, the organisation has no appropriately created a culture that facilitates and supports the development of workplace social network ties.
The strength of workplace social network ties in SMEs: A Social Exchange Perspective


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