UDC 330.4+330.1+330.16

# A CONSULTING SERVICE FOR THE SOCIAL CAPITAL INSTITUTIONS IN ORGANIZATIONS OF THE EURASIAN ECONOMIC UNION

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The article presents a methodology for determining the characteristic rules of social capital institutions at meso-level in organizations of the Eurasian Economic Union. According to author, the measurement of the environment of social capital institutions in organizations is a kind of consulting service.

Under free market conditions of the Eurasian Economic Union (EAEU), main work in organizations always aims at profit, but in times of crisis social tension is growing because of inability to reduce a transaction costs, arising in interactions between actor and organization [1, p. 36-40]. A decrease of transaction costs depends on the factors that are rules of social capital institutions (SCI) that regulate behavior of actors in organizations. It forms environment of organization, which is responsible for effective interaction, an atmosphere of benevolence, understanding and mutual assistance [2, p. 16]. Studies have shown that organizations are not able to measure the rules of social capital institutions independently. This possibility can be realized only in form of consulting services and after receiving methodical recommendations: increasing effect of some rules and reducing effect of others.

The rules of social capital institutions are continuation of the research on aspects of social capital in organizations. Almost all researchers see in social capital not only the basic elements (networks, norms, trust) [3, p. 333-337, 4, p. 30], but also other characteristic components. Nowadays, 34 elements of social capital have been known: some constitute the core of it, they are trust, networks and norms; others are adjacent to the core, but all of them, as a result, form the rules of social capital institutions [5, p. 6-8]. According to the author's definition, the social capital institutions, within framework of institutional economy, are the social capital elements, expressed through the rules of behavior of actors in achieving profits or benefits [6, p. 36-41]. The difference is that social capital forms links between actors but the social capital institutions form relationships between actors based on rules, but in both cases, actors tend to profit. The rules are produced by any social institution that economists can use to generate profit or benefit. For example, the institution of "trust" can be represented in form of rules: trust to actors, trust to solidarity in organization, etc., – thus, we see the synthesis of economic and social institutions [3, p. 333-338].

The study of social capital of organization [4, p. 29-39], according to established rules, involves measurement and identification of indicators [7, p. 23]: charity, volunteerism and membership in public organizations, etc. [8, p. 243-244]. For example, the measurement of social capital in organizations led by the World Bank, through the SOCAT (Social Capital Assessment Toolkit) questionnaires, affects various aspects of interactions of actors in organization [9, p. 116-117; 10, p. 59-71]. The task of measurement hence is to define a correlation link of an indicator (or a set of indicators) of social capital with an indicator of value, benefit or profit, and to reveal the strength of it mutual influence. Further, the values of social capital indicators have been used as forecast indicators (predictors) of its effectiveness in organizations [7, p, 9-13, 23]. These studies are often point-based, considering a small number of indicators, and do not represent a systematic approach in development of methods for its construction and classification [11, p. 24-31]. For organizations, it is necessary to adapt indicators, for example, "volunteerism" is expressed in the form of a question by actor's participation in non-working activities in organization, "charity" is in form of investing by actor's time or benefit to set links in organization, etc. [8, p. 243-244]. Thus, the indicators of social capital are transformed into the rules of its institutions in organization.

In an organization, you can measure two levels of social capital institutions: micro-level and meso-level. At the micro-level, the rules of SCI functioning between actors in organization (actor-actor) are measured, at the meso-level – a relationship between actor and organization (actor-organization). Thus, actor is the starting point: his attitude to actors (individual) and organization (group, association) is measured and studied [12, p. 86].

In 2017, the norms of social capital institutions have been measured at the meso-level in three organizations with the form of ownership "Open Joint-Stock Company", the total number of over 600 actors in the average index. The matrix of the questionnaire consisted of 34 social capital elements (SCE), with 3

conceptual directions: the column "norms" defined the idealized representation of actors about the rule of the of social capital institution and ascertained a positive or negative attitude towards it; column "networks" showed practical interaction between actor and organization, actor's involvement in network activities in organization on basis of rule; column "trust" determined trust of actor to the rule, which is in effect in practice. The questionnaire, thus, is a tool in form of a 34 x 3 matrix - 34 SCE blocks with three questions in each (total 102 questions) (Table 1).

Table 1 – Fragment of the questionnaire

ESC blocks	Column "norms"	Column "networks"	Column "trust"
1	Are you positive about the fact that your organization is focused on making a profit?	Are you focused on making profits in your organization?	Do you trust the focus of your organization on making a profit?
2	Are you positive about the fact that there is solidarity in your organization?	Do you show solidarity in your organization?	Do you trust solidarity in your organization?

Source: author's development.

The sum of the marks of all the questionnaires allowed us to construct a diagram with the dynamics of the columns. We construct it from an increasing row "networks" (Fig. 1).

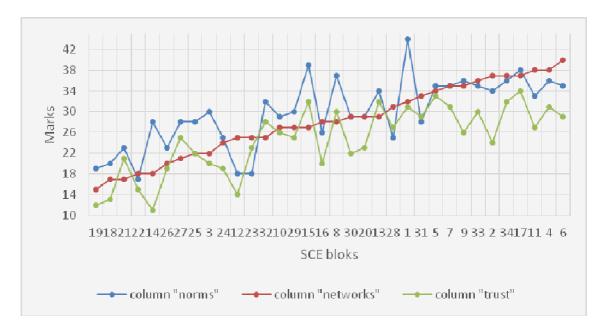


Fig. 1. Dynamics of the rows of the questionnaire

Source: Design Author.

Let's list the blocks of social capital elements from a decreasing column "networks" (from right to left): 6. Contact, 4. Transmitting, 11. Actor, 17. Norms (formal), 34. Communication, 2. Solidarity, 33. Resource (network), 9. Authoritarianism, 7. Trust, 5. Values (universal), 31. Social structure, 1. Purposefulness (for benefit), 28. Institute, 13. Public good, 20. Interaction or cooperation, 30. Social networks, 8 Opportunity, 16. Sanctions, 15. Social capital of the actor, 29. Information channels, 10. Participation, 32. Social organization, 23. Expectations and obligations, 12. Investment, 24. Contract or secret agreement, 3. Persuasion, 25. Opportunistic behavior, 27. Transaction costs, 26. Behavioral aspect, 14. Credit, 22. Risk, 21. Capital, 18. Rules (informal), 19 Exchange.

Now let's define 10 blocks of social capital elements of the "network" column with high indicators for each of these 3 organizations (org. 1, 2, 3) and also one general column (the sum of the "network" marks of all organizations) (Table 2).

Table 2 –SCE blocks with high indicators in column "networks"

Nº position	column "networks" org. №1	column "networks" org. №2	column "networks" org. №3	column "networks" org. general
10	5	34	10	5
9	8	5	17	7
8	33	7	6	9
7	30	4	4	33
6	34	33	9	2
5	1	9	33	34
4	17	17	2	17
3	2	31	7	11
2	4	11	34	4
1	6	6	11	6

Source: Design Author.

Comparative analysis shows that in all organizations in the top ten (with high marks) of the "networks" column there are similar SCE blocks: 6, 4, 17, 34, 33. After summing up the "networks" column (organizations), in the general column we observe similar SCE blocks that are even closer to the topmost positions. We can state, that these rules of social capital institutions are actively used by actors to generate profits or benefits in organization. Let's describe the observed blocks, according to the positions in the general column.

- **6. CONTACT** actors actively contact in organizations. Contacts in organizations determine effectiveness of its activities. If actors form organization, then benefits of actors depend on contacts. Correctly organized structure of contacts or its system can increase profitability for actors and the organization. Contacts hold together and hold a social capital of organization. Social capital is manifested in contacts.
- **4. TRANSMITTING** actors actively transmit information and knowledge to organization. The transfer of information and knowledge to organization is necessary to generate benefits. The transfer and acquisition of knowledge and information contributes to effectiveness of interactions, and regulates the behavior of actors. Social capital is expressed in the transmission information and knowledge in organization.
- 17. NORMS (formal) actors in organization highly appreciate legal and normative documentations. It defines networks of their functioning in organization. The effectiveness of rules of social capital institutions depends on normative legal documentations. Formation of normative and legal documentations is able to regulate behavior of actors. Social capital is expressed in the implementation of formal norms.
- **34. COMMUNICATION** actors are good at distinguishing good connections from bad ones. Actors emphasize this norm, show its necessity. Good connections help actors to generate benefit. Bad connections are not good. Social capital is expressed in possession of good ties.
- **33. RESOURCE** (network) actors actively get to know each other. The increase in social capital in organization is carried out through the establishment of acquaintances between actors. During the acquaintance of actors, there is always a harmonization and unification of the rules of social capital institutions: the importance of some and secondary importance of others is determined. Social capital is expressed in establishment of new contacts, acquaintances between actors are welcomed (see up, Table 2).

Thus, we have identified the characteristic rules of social capital institutions at the meso-level in organizations that promote profit or benefit by actors.

Under the conditions of the EAEU, market institutions, in comparison with the Western countries, have gone a little way. Borrowing of economic institutions in advanced countries does not guarantee its effective application in the Post-Soviet space: adaptation is not easy, which is even more difficult for studying the rules of social capital institutions in organizations. As it is known, the theory of social capital has being formed in the conditions of Western models of a market economy, when rules of institutions are supported by majority of actors and are backed by normative acts. While, for the EAEU countries, the measurement of the rules of social capital institutions in organizations is at an early stage.

The presented method allows with help of consulting services to define characteristic rules and its indicators in organizations in order to apply methods to improve quality of environment of social capital institutions. In organizations of the EAEU member countries, and Belarus in particular, it is necessary to improve quality of relationship between actor and organization, through consulting services of the rules of social capital institutions.

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