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# THE ROLE OF SOCIAL CAPITAL IN BUILDING KNOWLEDGE SHARING AND INNOVATIVE WORK BEHAVIOR IN HOLDING COMPANY

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**Abstract:** *To compete in a dynamic environment, companies must continuously innovate. Therefore, companies need to encourage their employees to have innovative behavior. This study examined the effect of structural, cognitive, and relational social capital on innovative work behavior, using knowledge sharing as mediating variable. This study uses quantitative methods, by surveying 328 employees of holding companies. The data is processed using Partial Least Square. The results point out a positive and significant effect of cognitive and relational social capital on knowledge sharing and knowledge sharing on innovative work behavior.*

**Keywords:** Social capital, knowledge sharing, innovative work behavior

**Abstrak:** Agar dapat bersaing di lingkungan yang dinamis, perusahaan harus terus menerus berinovasi. Oleh sebab itu perusahaan perlu mendorong karyawannya untuk memiliki perilaku inovatif. Penelitian ini menguji pengaruh modal sosial struktural, kognitif, dan relasional terhadap knowledge sharing dan perilaku kerja inovatif. Penelitian ini menggunakan metode kuantitatif, dengan mensurvei 328 karyawan holding company. Data diolah dengan menggunakan Partial Least Square. Hasil yang didapat menunjukkan adanya pengaruh yang positif dan signifikan dari modal sosial kognitif, relasional terhadap knowledge sharing, dan knowledge sharing berpengaruh positif dan signifikan terhadap pada perilaku kerja yang inovatif.

**Kata kunci:** Modal sosial, knowledge sharing, perilaku kerja yang inovatif

## INTRODUCTION

A dynamic and increasingly competitive environment forces companies to improve their competitive advantages. One of the essential resources that can create a sustainable competitive advantage is exploring internal and external strengths to innovate (Anning-dorson, 2018). Previous research has explained that innovative work behavior plays a vital part in increasing the competitive advantage of a business (Shih & Susanto, 2011).

One way to improve innovative work behavior is by sharing knowledge (Noerchoidah & Harjanti, 2019). When sharing knowledge, individuals give and take knowledge from each other explicitly and implicitly. Then, they create new knowledge together (Van Den Hooff & Ridder, 2004). Nowadays, knowledge has been considered a more valuable resource than other resources (Sita, Kumaraswamy, & Chitale, 2012). Through knowledge sharing, organizations can improve the ability to create innovations, make decisions faster, form a better organizational culture and a

comfortable work environment, and increase effectiveness and efficiency in delivering information. From the viewpoint of the knowledge-based theory, knowledge is emphasized as vital to increasing the organization's competitive advantage. According to Yamklin and Igel (2012), sharing experiences and knowledge can augment competitive advantage more effectively and efficiently. Knowledge sharing can occur if both parties are willing to share the information they have (Mat, Yaacob, & Melhem, 2016).

Nahapiet & Ghoshal (1998), in their seminal paper, described social capital as a collection of actual and potential resources embedded in, existing through, and originating from the network of relations owned by individuals or social units. It facilitates an organization's learning process by allowing knowledge to flow through the network itself or by creating new knowledge (Díez-Vial & Montoro-Sánchez, 2014).

Nahapiet and Ghoshal (1998) distinguished social capital into structural, cognitive, and relational social capital. Structural social capital is the first stage for someone to do knowledge sharing. Structural social capital can facilitate accessibility conditions for various groups to exchange and deliver knowledge and augment exchange prospects (Ansari, Munir, & Gregg, 2012). Structural social capital shows the relationship of individuals with other individuals through their network and thus can simultaneously expand the network. Structural social capital focuses on the characteristics of the relationships that occur between individuals in a group through the network (Peyman, Hosseini, Abbasi, & Manteghi, 2015). Structural social capital can be a determinant of how the formation of cognitive and relational social capital. What we know affects what knowledge we will get (Nahapiet & Ghoshal, 1998).

The cognitive social capital relates to how someone can understand shared knowledge. Shared understanding in a group, organization, or community can be built by sharing experiences, using the same language or terms, and sharing shared values and beliefs. Relational social capital is a dimension related to the characteristics and quality of personal relationships, such as trust, obligation, respect, and even friendship. This dimension is an essential part of sharing knowledge. Without trust, someone is reluctant to open up. Eventually, it will hinder the knowledge-sharing process.

In holding companies, encouraging knowledge sharing is a challenge. The large organizational structure makes it difficult for employees in different divisions and subsidiaries to interact. In addition, branch offices spread across several regions make it difficult for employees to build quality relationships. The spread of employees makes them difficult to share knowledge with employees from different divisions and branch offices. Good relationships are more likely to occur in employees who work in the same division because they meet and discuss their work more often. Another obstacle experienced by holding companies is the difficulty to recognize the potential of employees to innovate and develop business.

This study intends to establish the effect of structural, relational, and cognitive social capital on knowledge sharing, leading to innovative work behavior for holding company employees.

### **Social Capital**

Nahapiet and Ghosal (1998) define social capital as a collection of actual and potential resources implanted in, available through, and originating from the network of relations owned by individuals or groups. Coleman (1990) defined social capital as a function. Social capital is not a solitary object that stands alone but is a combination of

diverse entities consisting of the same two characteristics, namely aspects of social structure and aspects that facilitate one's actions within the structure (obligations, expectations, trust, and information flow). In contrast to Fukuyama (1995) who defines it as much simpler. Social capital is defined as the ability of a person in the form of informal values or certain norms to be able to work together in a group. Bourdieu (1986) stated that social capital is part of a collection of potential resources that exist within a person, which is then related to long-term relationships, formal or informal relationships, knowing each other or not, and an acknowledgment as members of a group. According to Felício, Couto, and Caiado (2014), social capital is the result of a multi-complex network through a mixture of work and friendship. Many previous studies have used structural, cognitive, and relational social capital as variables in their research, not only as dimensions within variables (Filiéri & Alguezaui, 2014; Ortiz, Donate, & Guadamillas, 2017; Parra-requena, Molina-morales, & García-villaverde, 2010).

### **Knowledge Sharing**

Knowledge sharing is an activity where individuals who own knowledge make that knowledge available within the organization. Van den Hoof and De Ridder (2004) explained knowledge sharing as a course of action where individuals swap their knowledge explicitly and implicitly and generate different knowledge together. Knowledge sharing is divided into knowledge donating, namely knowledge supply, and knowledge collecting, namely the demand for new knowledge. Meanwhile, Ma, Huang, Wu, Dong, and Qi (2014) stated that knowledge sharing is a relationship between two persons. One party owns knowledge while the other party obtains knowledge. As a consequence, effective interaction occurs. Ma et al. (2014) believe that knowledge

sharing is the heart of network management. The network becomes a place for sharing knowledge that functions as a communication forum between the two parties. Knowledge sharing expects more than just routine communication to be effective. In it, there must be closeness and understanding to give and take. An organization must be able to create a conducive environment so that there is no distance between those who give and those who receive.

### **Innovative Work Behavior**

Jong and Hartog (2010) define innovative work behavior as individual behavior that aims to initiate and introduce (in work roles, groups, or organizations) new and valuable ideas, processes, products, or methods. Innovative work behavior is an interrelated process with various activities and individual behaviors required at each stage (Scott & Bruce, 1994). Carmeli et al. (2006) mentioned innovative work behavior as a multi-stage activity in which an individual acknowledges problems, delivers new solutions, strives to maintain them, then forms prototypes or models that apply to the use and benefit of their organization. In addition, Yuan & Woodman (2010) explained that innovative work behavior is a multifaceted action consisting of actions related to the creation or initiation of new ideas and the execution of these new ideas.

### **Structural social capital and Knowledge Sharing**

Structural social capital involves the whole pattern of relationships between individuals, namely the impersonal configuration of relationships between individuals in a network (Díez-Vial & Montoro-Sánchez, 2014). The social capital theory explains that a network can provide access to resources (Berggren & Silver, 2009). From the perspective of a resource-based view, knowledge is one part of the company's resources (Barney, 1991). In this case,

personal and organizational networks play a vital role in accessing knowledge which is the resource itself. Knowledge sharing is facilitated by several types of networks, either personal or virtual. Without a network, there is no opportunity for someone to access knowledge (Gharakhani & Mousakhani, 2012). Networks also facilitate the exchange and accumulation of information and facilitate the way for cooperation and interaction (Allameh, 2018). Other research explains that the balance in structural social capital allows a person to explore, access, and combine various types of knowledge gained (Filiari & Alguezaui, 2014). From the explanation above, this study suggests the following hypothesis:

H1: Structural social capital has a positive influence on the process of forming knowledge sharing

### **Cognitive Social Capital and Knowledge Sharing**

As the name suggests, cognitive social capital refers to an individual's understanding or grasping power in understanding something (Nahapiet & Ghoshal, 1998). This variable uses code or language as a means of conveying something. In the knowledge-sharing process, individuals cannot understand the shared knowledge if they do not have the same language and terms. Chang and Chuang (2011) explain that communicating through the same language can increase individual contributions to sharing knowledge.

H2: Cognitive social capital has a positive effect on the formation of knowledge sharing.

### **Relational Social Capital and Knowledge Sharing**

Relational social capital explains the quality of relationships formed between individuals through the process of structural social capital and cognitive social capital.

This quality can be formed through trust, obligation, awareness as a group member, and shared values. Several previous studies have explained that mutual trust can support knowledge sharing and enhance effective teamwork (Nooshinfard & Nemati-Anaraki, 2014; Razmerita, Kirchner, & Nielsen, 2016). Every individual who trusts will realize that he/she is responsible for the community to which he/she belongs. In addition to trust, consciousness as a group member drives individuals to contribute by providing their knowledge (Chang & Chuang, 2011).

H3: Relational social capital has a positive influence on the formation of knowledge sharing.

### **Structural Social Capital and Cognitive Social Capital**

Prior studies have proven a positive relationship between structural and cognitive social capital. Ortiz, Donate, & Guadamillas (2018) explained that cognitive social capital is the key driver of structural social capital. Besides that, Prieto-pastor, Martín-pérez, & Martín-cruz (2018) proved that solid structural social capital leads to sound cognitive social capital. Furthermore, Raymond and Lisa (2014) confirmed a relation between structural and cognitive social capital. Thus, this study proposes the next hypothesis.

H4: Structural social capital has a positive influence on the formation of cognitive social capital.

### **Cognitive Social Capital and Relational Social Capital**

According to research by Parra-requena, Molina-morales, & García-villaverde (2010), cognitive social capital can affect the creation of relational social capital. Bharati et al. (2015) added that the values shared through interpersonal relationships encourage mutual trust creation. A relationship with shared values can unite

each other and improve the quality of the relationship.

H5: Cognitive social capital influence the formation of relational social capital.

### **Knowledge Sharing with Innovative Work Behavior**

One of the dimensions of innovative work behavior is idea generation. According to Radaelli, Lettieri, Mura, & Spiller (2014), idea generation is a knowledge creation practice that requires reconfiguring internal and external knowledge into new forms. Each individual in the idea generation process not only sends data and information about the innovation to be made but must be able to explain it to other parties so that it is easy to understand (Widmann, Mulder, Widmann, and Mulder, 2018). The knowledge-sharing process has occurred indirectly at this stage. Thus, this research proposes the following hypothesis.

H6: knowledge sharing has a positive influence on the formation of innovative work behavior.

From the explanation of several hypotheses above, this study develops a research model, as shown in Figure 1.

### **METHOD**

This research used a causal quantitative method. The research population is employees of the holding company. The sample was determined by the purposive sampling technique. The criteria used to limit the sample are holding company employees who have worked for at least one year. Data was collected by distributing questionnaires. The collected

data were processed by Structural Equation Modeling – Partial Least Square (SEM-PLS), which allows the researcher to include all the observed variables according to the theoretical model.

### **RESULTS**

This study distributed questionnaires to employees of holding companies and obtained 328 respondents. The following Table 1 describes the profile of respondents based on sex, age, length of work, and job level.

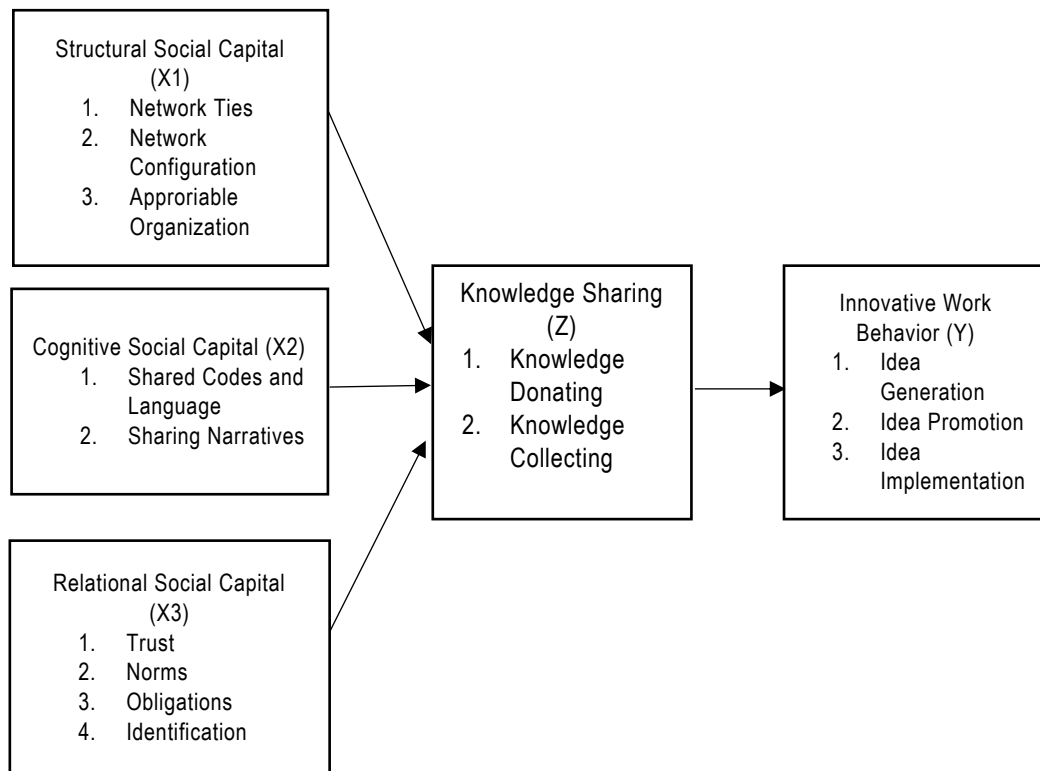
This research used composite reliability  $> 0.7$  and Average Variance Extracted  $> 0.5$  as benchmarks for testing reliability and validity. Table 2 displays that all variables have met the reliability and validity standards.

Hypotheses testing is useful to verify the causality developed in the model, i.e., the effect of exogenous variables on endogenous variables. The significance test can be seen through the t-statistic  $> 1.96$  in Table 4. Table 4 shows that all hypotheses are accepted with a t-statistic value  $> 1.96$ .

#### **Effect of Structural Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of structural social capital on knowledge sharing is 2,904, the t-statistic value is  $> 1.96$ , and the coefficient value is positive 0.093, meaning that the structural social capital has a significant and positive direct effect on knowledge sharing. Good structural social capital indicates good connections between employees. Good connections among employees make it easier for them to share knowledge. The organized structure of the holding company also makes it easier for employees to find out who has a specific knowledge, so they don't have to bother looking for outside information.





**Figure 1 Research Model**

**Table 1 Respondent's Profile**

<b>Respondent's Profile</b>		<b>Total</b>	<b>Percentage</b>
Sex	Male	166	50.6%
	Female	162	49.4%
	Total	328	100,0%
Age	Less than 21 years old	113	34.5%
	21-30 years old	144	43.9%
	31 – 40 years old	53	16.2%
	40 – 50 years old	18	5.5%
	Total	328	100%
Length of work	Less than 1 year	167	50.9%
	1 - 5 years	93	28.4%
	6 - 10 years	31	9.5%
	11- 15 years	16	4.9%
	16 - 20 years	15	4.6%
	> 20 years	6	1.8%
Job level	Top Management	30	9.1%
	Middle Management	40	12.2%
	Lower Management	258	78.7%

**Table 2 Result of Reliability and Validity Test**

	<b>Composite Reliability (CR)</b>	<b>Average Variance Extracted (AVE)</b>
X1 Structural Social Capital	0,947	0,624
X2 Cognitive Social Capital	0,933	0,563
X3 Relational Social Capital	0,937	0,576
Y Innovative Work Behavior	0,948	0,570
Z Knowledge Sharing	0,902	0,537

**Table 3 R-Square**

	<b>R Square</b>
X2 Cognitive Social Capital	0.527
X3 Relational Social Capital	0.879
Y Innovative Work Behavior	0.351
Z Knowledge Sharing	0.904

**Table 4 Path Coefficient**

<b>Hypotheses</b>	<b>Original Sample</b>	<b>Standard Deviation</b>	<b>T-Statistics</b>	<b>P Values</b>
X1 → X2	0.726	0.042	17.187	0.000
X1 → Z	0.093	0.032	2.904	0.004
X2 → X3	0.937	0.013	72.684	0.000
X2 → Z	0.300	0.080	3.770	0.000
X3 → Z	0.594	0.079	7.530	0.000
Z → Y	0.593	0.056	10.604	0.000

The results of this study are in accordance with Allameh's research (2018), where a network allows a person to easily exchange and collect knowledge, as well as pave the way for cooperation and interaction between others. On the other hand, Filieri and Alguezaui (2014) also say that structural social capital allows a person to explore, access, and combine the knowledge gained.

### **The Effect of Cognitive Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of cognitive social capital on knowledge sharing is 3.770. The results show that the t-statistic value is > 1.96, and the coefficient value is 0.300. These results indicate that cognitive social capital significantly and positively affects

knowledge sharing. Cognitive social capital shows employees have similar expectations, language, and values in work and knowledge sharing.

Shared expectations enable employees to act under shared expectations. Meanwhile, the shared language and values will make it easier for employees to understand each other. These shared expectations, understandings, and values will then build closeness between employees, which makes it easier for them to share knowledge. These results are following the research conducted by Chang and Chuang (2011), which explains that communicating through the same language can increase the contribution to knowledge sharing.

### **Effect of Relational Social Capital on Knowledge Sharing**

The test results in Table 4 show that the t-statistic value of relational social capital on knowledge sharing is 7.530. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.594. This result means that relational social capital has a significant and positive direct effect on knowledge sharing. Relational social capital explains the efforts of employees to respect each other. Employees feel responsible for maintaining good relationships within the work team. A good relationship influences knowledge sharing. A good quality relationship makes employees more willing to have their work known by their colleagues in the same division. These results are similar to research by Chang & Chuang (2011), where trust and awareness of being a group member can help someone contribute to providing knowledge.

### **Effect of Structural Social Capital on Cognitive Social Capital**

The test results in Table 4 show that the t-statistic value of structural social capital on cognitive social capital is 17.187. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.726. Structural social capital shows that employees and co-workers have a good working relationship. Concurrently cognitive social capital shows that employees have the same expectations as their co-workers in terms of work.

These results explain that the awareness to maintain good relationships makes employees understand their expectations and those of their co-workers at work. This can be interpreted that structural social capital has a significant and positive direct effect on cognitive social capital. These results support Prieto-pastor et al. (2018) and Ortiz et al. (2018), which explained that the greater the structural social capital, the stronger the cognitive social capital.

### **The Effect of Cognitive Social Capital on Relational Social Capital**

Table 4 shows that the t-statistic value of cognitive social capital on relational social capital is 72.684, the t-statistic value is  $> 1.96$ , and the coefficient value is 0.937. This result means that cognitive social capital has a significant and positive direct effect on relational social capital. Good cognitive social capital shows that employees have similar expectations as colleagues in terms of work. Concurrently, relational social capital indicates that employees do their best to respect each other. The employees feel responsible for maintaining good relationships in the work team. The similar expectations between employees can improve the quality of their relationships. This result supports Bharati et al. (2015) that the value created in cognitive social capital can encourage the creation of mutual trust between individuals, which represents relational social capital.

### **The Effect of Knowledge Sharing on Innovative Work Behavior**

Table 4 shows the t-statistic value of knowledge sharing on innovative work behavior of 10.604 (larger than 1.96) and the coefficient value of 0.593. Knowledge sharing influences innovative work behavior significantly and positively. The result of knowledge sharing is a comprehension of what co-workers are doing. This comprehension will increase innovative work behavior where employees look for solutions to their problems. The linkage of information provided between employees allows them to exchange creative ideas and find ways to solve problems together. These results align with Radaelli et al. (2014) and Widmann et al. (2018), which explain that employees re-combine knowledge into new configurations during the knowledge creation process. Therefore, the employee must share knowledge to form innovative work behavior.

During the knowledge-sharing process, a person will capture the knowledge needed to increase innovative work behavior (Peyman et al., 2015).

## CONCLUSION

This study confirms the relationship between structural, cognitive, and relational social capital in knowledge sharing. Structural social capital affects cognitive social capital. Furthermore, cognitive social capital affects relational social capital. Knowledge sharing itself

affects the innovative work behavior of employees. From all the relationships above, there is a weak correlation between structural social capital and knowledge sharing. The network built in holding companies has not been able to encourage knowledge sharing without the support of cognitive and relational social capital. Therefore, holding companies should continue to improve the quality of existing relationships, both work, and personal relationships. Companies can stimulate relationship quality improvement, for example, by holding team-building activities regularly.

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REVIEWERS' EVALUATION FORM

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1. Extent of contribution to the discipline in terms of:					
a. Abstract manifest the whole paper	5				
b. Objectives were drawn clearly	5				
c. the theoretical/conceptual framework.	5				
d. originality (e.g. how innovative, creative, or provocative is the idea/approach).		4			
e. methodology (sampling, design, instrumentation, statistical analysis, etc.).	5				
f. the data presented and results obtained.	5				
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b. writing style.		4			
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## THE ROLE OF SOCIAL CAPITAL IN BUILDING KNOWLEDGE SHARING AND INNOVATIVE WORK BEHAVIOR IN HOLDING COMPANY

**Abstract:** *To compete in a dynamic environment, companies must continuously innovate. Therefore, companies need to encourage their employees to have innovative behavior. This study examined the effect of structural, cognitive, and relational social capital on innovative work behavior, using knowledge sharing as mediating variable. This study uses quantitative methods, by surveying 328 employees of holding companies. The data is processed using Partial Least Square. The results point out a positive and significant effect of cognitive and relational social capital on knowledge sharing and knowledge sharing on innovative work behavior.*

**Keywords:** Social capital, knowledge sharing, innovative work behavior

**Abstrak:** Agar dapat bersaing di lingkungan yang dinamis, perusahaan harus terus menerus berinovasi. Oleh sebab itu perusahaan perlu mendorong karyawannya untuk memiliki perilaku inovatif. Penelitian ini menguji pengaruh modal sosial struktural, kognitif, dan relasional terhadap knowledge sharing dan perilaku kerja inovatif. Penelitian ini menggunakan metode kuantitatif, dengan mensurvei 328 karyawan holding company. Data diolah dengan menggunakan Partial Least Square. Hasil yang didapat menunjukkan adanya pengaruh yang positif dan signifikan dari modal sosial kognitif, relasional terhadap knowledge sharing, dan knowledge sharing berpengaruh positif dan signifikan terhadap pada perilaku kerja yang inovatif.

**Kata kunci:** Modal sosial, knowledge sharing, perilaku kerja yang inovatif

### INTRODUCTION

A dynamic and increasingly competitive environment forces companies to improve their competitive advantages. One of the essential resources that can create a sustainable competitive advantage is exploring internal and external strengths to innovate (Anning-dorson, 2018). Previous research has explained that innovative work behavior plays a vital part in increasing the competitive advantage of a business (Shih & Susanto, 2011).

One way to improve innovative work behavior is by sharing knowledge (Noerchoidah & Harjanti, 2019). When sharing knowledge, individuals give and take

knowledge from each other explicitly and implicitly. Then, they create new knowledge together (Van Den Hooff & Ridder, 2004). Nowadays, knowledge has been considered a more valuable resource than other resources (Sita, Kumaraswamy, & Chitale, 2012). Through knowledge sharing, organizations can improve the ability to create innovations, make decisions faster, form a better organizational culture and a comfortable work environment, and increase effectiveness and efficiency in delivering information. From the viewpoint of the knowledge-based theory, knowledge is emphasized as vital to increasing the organization's competitive advantage. According to Yamklin and Igel (2012), sharing

experiences and knowledge can augment competitive advantage more effectively and efficiently. Knowledge sharing can occur if both parties are willing to share the information they have (Mat, Yaacob, & Melhem, 2016).

Nahapiet & Ghoshal (1998), in their seminal paper, described social capital as a pool of actual and potential resources inherent in the relationships of individuals.<sup>[RR1][DH2]</sup> From this relationship, there is the potential for various resources that can be utilized by everyone in the network. It facilitates an organization's learning process by allowing knowledge to flow through the network itself or by creating new knowledge (Díez-Vial & Montoro-Sánchez, 2014).

Nahapiet and Ghoshal (1998) distinguished social capital into structural, cognitive, and relational social capital. Structural social capital is the first stage for someone to do knowledge sharing. Structural social capital can facilitate accessibility conditions for various groups to exchange and deliver knowledge and augment exchange prospects (Ansari, Munir, & Gregg, 2012). Structural social capital shows the relationship of individuals with other individuals through their network and thus can simultaneously expand the network. Structural social capital focuses on the characteristics of the relationships that occur between individuals in a group through the network (Peyman, Hosseini, Abbasi, & Manteghi, 2015). Structural social capital can be a determinant of how the formation of cognitive and relational social capital. What we know affects what knowledge we will get (Nahapiet & Ghoshal, 1998).

Cognitive social capital relates to how someone can understand shared knowledge. Shared understanding in a group, organization, or community can be built by sharing experiences, using the same language or terms, and sharing shared

values and beliefs. Relational social capital is a dimension related to the characteristics and quality of personal relationships, such as trust, obligation, respect, and even friendship. This dimension is an essential part of sharing knowledge. Without trust, someone is reluctant to open up. Eventually, it will hinder the knowledge-sharing process.

In holding companies, encouraging knowledge sharing is a challenge. The large organizational structure makes it difficult for employees in different divisions and subsidiaries to interact. In addition, branch offices spread across several regions make it difficult for employees to build quality relationships. The spread of employees makes them difficult to share knowledge with employees from different divisions and branch offices. Good relationships are more likely to occur in employees who work in the same division because they meet and discuss their work more often. Another obstacle experienced by holding companies is the difficulty to recognize the potential of employees to innovate and develop business.

This study intends to establish the effect of structural, relational, and cognitive social capital on knowledge sharing, leading to innovative work behavior for holding company employees.<sup>[RR3][DH4]</sup> Most research on social capital, knowledge sharing, and innovative behavior is conducted on employees in a general context, while this research is conducted in a holding company setting. Holding companies consist of several subsidiaries that operate separately, but they support and complement each other to achieve the vision and mission of the parent company.

### Social Capital

Nahapiet and Ghosal (1998) define social capital as a collection of actual and potential resources implanted in, available through, and originating from the network of relations owned by individuals or groups.

Coleman (1990) defined social capital as a function. Social capital is not a solitary object that stands alone but is a combination of diverse entities consisting of the same two characteristics, namely aspects of social structure and aspects that facilitate one's actions within the structure (obligations, expectations, trust, and information flow). In contrast to Fukuyama (1995) who defines it as much simpler. Social capital is defined as the ability of a person in the form of informal values or certain norms to be able to work together in a group. Bourdieu (1986) stated that social capital is part of a collection of potential resources that exist within a person, which is then related to long-term relationships, formal or informal relationships, knowing each other or not, and an acknowledgment as members of a group. According to Felício, Couto, and Caiado (2014), social capital is the result of a multi-complex network through a mixture of work and friendship. Many previous studies have used structural, cognitive, and relational social capital as variables in their research, not only as dimensions within variables (Filieri & Algezau, 2014; Ortiz, Donate, & Guadamillas, 2017; Parra-requena, Molina-morales, & García-villaverde, 2010).

### **Knowledge Sharing**

Knowledge sharing is an activity where individuals who own knowledge make that knowledge available within the organization. Van den Hoof and De Ridder (2004) explained knowledge sharing as a course of action in which individuals swap their knowledge explicitly and implicitly and generate different knowledge. Knowledge sharing is divided into knowledge donating, namely knowledge supply, and knowledge collecting, namely the demand for new knowledge. Meanwhile, Ma, Huang, Wu, Dong, and Qi (2014) stated that knowledge sharing is a relationship between two persons. One party owns knowledge while

the other party obtains knowledge. As a consequence, effective interaction occurs. Ma et al. (2014) believe that knowledge sharing is the heart of network management. The network becomes a place for sharing knowledge that functions as a communication forum between the two parties. Knowledge sharing expects more than just routine communication to be effective. In it, there must be closeness and understanding to give and take. An organization must be able to create a conducive environment so that there is no distance between those who give and those who receive.

### **Innovative Work Behavior**

Jong and Hartog (2010) define innovative work behavior as individual behavior that aims to initiate and introduce (in work roles, groups, or organizations) new and valuable ideas, processes, products, or methods. Innovative work behavior is an interrelated process with various activities and individual behaviors required at each stage (Scott & Bruce, 1994). Carmeli et al. (2006) mentioned innovative work behavior as a multi-stage activity in which an individual acknowledges problems, delivers new solutions, strives to maintain them, then forms prototypes or models that apply to the use and benefit of their organization. In addition, Yuan & Woodman (2010) explained that innovative work behavior is a multifaceted action consisting of actions related to the creation or initiation of new ideas and the execution of these new ideas.

### **Structural social capital and Knowledge Sharing**

Structural social capital involves the whole pattern of relationships between individuals, namely the impersonal configuration of relationships between individuals in a network (Díez-Vial & Montoro-Sánchez, 2014). The social capital theory explains that a network can provide access to resources (Berggren & Silver, 2009). From

the perspective of a resource-based view, knowledge is one part of the company's resources (Barney, 1991). In this case, personal and organizational networks play a vital role in accessing knowledge which is the resource itself. Knowledge sharing is facilitated by several types of networks, either personal or virtual. Without a network, there is no opportunity for someone to access knowledge (Gharakhani & Mousakhani, 2012). Networks also facilitate the exchange and accumulation of information and facilitate the way for cooperation and interaction (Allameh, 2018). Other research explains that the balance in structural social capital allows a person to explore, access, and combine various types of knowledge gained (Filiari & Algezauai, 2014). From the explanation above, this study suggests the following hypothesis:

H1: Structural social capital has a positive influence on the process of forming knowledge sharing

### **Cognitive Social Capital and Knowledge Sharing**<sub>[RR5][DH6]</sub>

As the name suggests, cognitive social capital refers to an individual's understanding or grasping power in understanding something (Nahapiet & Ghoshal, 1998). This variable uses code or language as a means of conveying something. In the knowledge-sharing process, individuals cannot understand the shared knowledge if they do not have the same language and terms. Chang and Chuang (2011) explain that communicating through the same language can increase individual contributions to sharing knowledge.

H2: Cognitive social capital has a positive effect on the formation of knowledge sharing.

### **Relational Social Capital and Knowledge Sharing**

Relational social capital explains the quality of relationships formed between individuals through the process of structural social capital and cognitive social capital. This quality can be formed through trust, obligation, awareness as a group member, and shared values. Several previous studies have explained that mutual trust can support knowledge sharing and enhance effective teamwork (Nooshinfard & Nemati-Anaraki, 2014; Razmerita, Kirchner, & Nielsen, 2016). Every individual who trusts will realize that he/she is responsible for the community to which he/she belongs. In addition to trust, consciousness as a group member drives individuals to contribute by providing their knowledge (Chang & Chuang, 2011).

H3: Relational social capital has a positive influence on the formation of knowledge sharing.

### **Structural Social Capital and Cognitive Social Capital**<sub>[RR7][DH8]</sub>

Networks in structural social capital will open opportunities for individuals to interact. The high intensity of interaction between individuals in the network will form understanding in the form of shared codes and languages. The terms code and shared language in cognitive social capital not only include the use and mastery of language but also include technical terms, jargon, and codes used between individuals. Prior studies have proven a positive relationship between structural and cognitive social capital. Prieto-pastor, Martín-pérez, & Martín-cruz (2018) proved that solid structural social capital leads to sound cognitive social capital. Furthermore, Ortiz (2018) and Grzegorzczak (2019) strengthened the statement that a relationship between structural and cognitive social capital. Thus, this study proposes the next hypothesis.

H4: Structural social capital has a positive influence on the formation of cognitive social capital.

### **Cognitive Social Capital and Relational Social Capital**

According to research by Parra-requena, Molina-morales, & García-villaverde (2010), cognitive social capital can affect the creation of relational social capital. Bharati et al. (2015) added that the values shared through interpersonal relationships encourage mutual trust creation. A relationship with shared values can unite each other and improve the quality of the relationship.

H5: Cognitive social capital influence the formation of relational social capital.

### **Knowledge Sharing with Innovative Work Behavior**

One of the dimensions of innovative work behavior is idea generation. According to Radaelli, Lettieri, Mura, & Spiller (2014), idea generation is a knowledge creation practice that requires reconfiguring internal and external knowledge into new forms. Each individual in the idea generation process not only sends data and information about the innovation to be made but must be able to explain it to other parties so that it is easy to understand (Widmann, Mulder, Widmann, and Mulder, 2018). The knowledge-sharing process has occurred indirectly at this stage. Thus, this research proposes the following hypothesis.

H6: knowledge sharing has a positive influence on the formation of innovative work behavior.

From the explanation of several hypotheses above, this study develops a research model, as shown in Figure

1. [RR9][DH10]

### **METHOD**

This research used a causal quantitative method. The research population is employees

of the holding company. The sample was determined by the purposive sampling technique. The criteria used to limit the sample are holding company employees who have worked for at least one year. Data was collected by distributing questionnaires. The collected data were processed by Structural Equation Modeling – Partial Least Square (SEM-PLS), which allows the researcher to include all the observed variables according to the theoretical model.

### **RESULTS**

This study distributed questionnaires to employees of holding companies and obtained 328 respondents. The following Table 1 describes the profile of respondents based on sex, age, length of work, and job level.

This research used composite reliability > 0.7 and Average Variance Extracted > 0.5 as benchmarks for testing reliability and validity. Table 2 displays that all variables have met the reliability and validity standards.

Hypotheses testing is useful to verify the causality developed in the model, i.e., the effect of exogenous variables on endogenous variables. The significance test can be seen through the t-statistic > 1.96 in Table 4. Table 4 shows that all hypotheses are accepted with a t-statistic value > 1.96.

#### **Effect of Structural Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of structural social capital on knowledge sharing is 2,904, the t-statistic value is > 1.96, and the coefficient value is positive 0.093, meaning that the structural social capital has a significant and positive direct effect on knowledge sharing. Good structural social capital indicates good connections between employees. Good connections among employees make it easier for them to share knowledge. The organized structure of the holding company also makes it easier for employees to find out who has specific knowledge, so they don't have to bother looking for outside information.

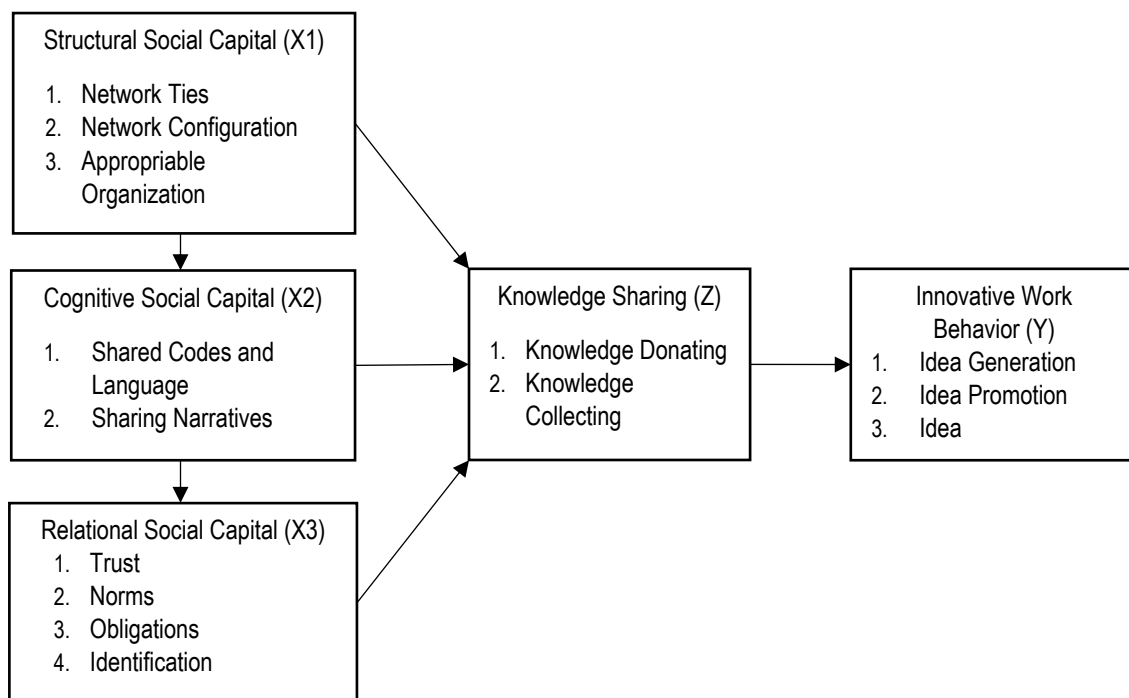


Figure 1 Research Model

Table 1 Respondent's Profile

Respondent's Profile		Total	Percentage
Sex	Male	166	50.6%
	Female	162	49.4%
	Total	328	100,0%
Age	Less than 21 years old	113	34.5%
	21-30 years old	144	43.9%
	31 – 40 years old	53	16.2%
	40 – 50 years old	18	5.5%
	Total	328	100%
Length of work	Less than 1 year	167	50.9%
	1 - 5 years	93	28.4%
	6 - 10 years	31	9.5%
	11- 15 years	16	4.9%
	16 - 20 years	15	4.6%
	> 20 years	6 <sub>[RR11]</sub> <sub>[DH12]</sub>	1.8%
	Total	328	100,0%
Job level	Top Management	30	9.1%
	Middle Management	40	12.2%
	Lower Management	258 <sub>[RR13]</sub> <sub>[DH14]</sub>	78.7%

Respondent's Profile	Total	Percentage
Total	328	100,0%

**Table 2 Result of Reliability and Validity Test**

	Composite Reliability (CR)	Average Variance Extracted (AVE)
X1 Structural Social Capital	0,947	0,624
X2 Cognitive Social Capital	0,933	0,563
X3 Relational Social Capital	0,937	0,576
Y Innovative Work Behavior	0,948	0,570
Z Knowledge Sharing	0,902	0,537

**Table 3 R-Square**

	R Square
X2 Cognitive Social Capital	0.527
X3 Relational Social Capital	0.879
Y Innovative Work Behavior	0.351
Z Knowledge Sharing	0.904

**Table 4 Path Coefficient**

Hypotheses	Original Sample	Standard Deviation	T-Statistics	P Values
X1 → X2	0.726	0.042	17.187	0.000
X1 → Z	0.093	0.032	2.904	0.004
X2 → X3	0.937	0.013	72.684	0.000
X2 → Z	0.300	0.080	3.770	0.000
X3 → Z	0.594	0.079	7.530	0.000
Z → Y	0.593	0.056	10.604	0.000

The results of this study are following Allameh's research (2018), where a network allows a person to easily exchange and collect knowledge, as well as pave the way for cooperation and interaction between others. On the other hand, Filieri and Alguezaui (2014) also say that structural social capital allows a person to explore, access, and combine the knowledge gained.

### **The Effect of Cognitive Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of cognitive social capital on knowledge sharing is 3.770. The results show that the t-statistic value is > 1.96, and the coefficient value is

0.300. These results indicate that cognitive social capital significantly and positively affects knowledge sharing. Cognitive social capital shows employees have similar expectations, language, and values in work and knowledge sharing.

Shared expectations enable employees to act under shared expectations. Meanwhile, the shared language and values will make it easier for employees to understand each other. These shared expectations, understandings, and values will then build closeness between employees, which makes it easier for them to share knowledge. These results are following the research conducted by Chang and Chuang (2011) and Grzegorzczak



(2019), which explains that communicating through the same language can increase the contribution to knowledge sharing.

### **Effect of Relational Social Capital on Knowledge Sharing**

The test results in Table 4 show that the t-statistic value of relational social capital on knowledge sharing is 7.530. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.594. This result means that relational social capital has a significant and positive direct effect on knowledge sharing. Relational social capital explains the efforts of employees to respect each other. Employees feel responsible for maintaining good relationships within the work team. A good relationship influences knowledge sharing. A good quality relationship makes employees more willing to have their work known by their colleagues in the same division. These results are similar to research by Chang and Chuang (2011), where trust and awareness of being a group member can help someone contribute to providing knowledge. Yu and Takahashi (2021) proved that mutual trust among employees enhances the possibility of sharing knowledge.

### **Effect of Structural Social Capital on Cognitive Social Capital**

The test results in Table 4 show that the t-statistic value of structural social capital on cognitive social capital is 17.187. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.726. Structural social capital shows that employees and co-workers have a good working relationship. Concurrently cognitive social capital shows that employees have the same expectations as their co-workers in terms of work.

These results explain that the awareness to maintain good relationships makes employees understand their expectations and those of their co-workers at

work. This can be interpreted that structural social capital has a significant and positive direct effect on cognitive social capital. These results support Prieto-pastor et al. (2018) and Ortiz et al. (2018), which explained that the greater the structural social capital, the stronger the cognitive social capital.

### **The Effect of Cognitive Social Capital on Relational Social Capital**

Table 4 shows that the t-statistic value of cognitive social capital on relational social capital is 72.684, the t-statistic value is  $> 1.96$ , and the coefficient value is 0.937. This result means that cognitive social capital has a significant and positive direct effect on relational social capital. Good cognitive social capital shows that employees have similar expectations as colleagues in terms of work. Concurrently, relational social capital indicates that employees do their best to respect each other. The employees feel responsible for maintaining good relationships in the work team. Similar expectations between employees can improve the quality of their relationships. This result supports Bharati et al. (2015) that the value created in cognitive social capital can encourage the creation of mutual trust between individuals, which represents relational social capital.

### **The Effect of Knowledge Sharing on Innovative Work Behavior**

Table 4 shows the t-statistic value of knowledge sharing on innovative work behavior of 10.604 (larger than 1.96) and the coefficient value of 0.593. Knowledge sharing influences innovative work behavior significantly and positively. The result of knowledge sharing is a comprehension of what co-workers are doing. This comprehension will increase innovative work behavior where employees look for solutions to their problems. The linkage of information provided between employees allows them to exchange creative ideas and

find ways to solve problems together. These results align with Radaelli et al. (2014) and Widmann et al. (2018), which explain that employees re-combine knowledge into new configurations during the knowledge creation process. Therefore, the employee must share knowledge to form innovative work behavior. During the knowledge-sharing process, a person will capture the knowledge needed to increase innovative work behavior (Peyman et al., 2015).

## CONCLUSION<sup>[RR15][DH16]</sup>

This research provides conceptual and managerial implications. To begin with, this study confirms the relationship between structural, cognitive, and relational social capital in knowledge sharing. Structural social capital affects cognitive social capital. Furthermore, cognitive social capital affects relational social capital. Knowledge sharing itself affects the innovative work behavior of employees. From all the relationships above, there is a weak correlation between structural social capital and knowledge sharing. The network built in holding companies has not been able to encourage knowledge sharing without the support of cognitive and relational social capital. Therefore,

as a managerial implication, holding companies should continue to improve the quality of existing relationships, both work, and personal relationships. Companies can stimulate relationship quality improvement, for example, by holding team-building activities regularly.

This study reveals that most employees have good social capital and knowledge sharing. Employees could continue improving the quality of existing relationships both outside work and personally. Activities that can be carried out, for example, are spending time together or actively participating in every team-building activity organized by the company.

The results of this study found a positive relationship between each variable. However, the value of innovative work behavior was relatively lower compared to other variables. This relatively lower value can be used by companies to evaluate and improve their innovative work behavior. The parent company can encourage the innovative work behavior of its subsidiaries by holding regular meetings to discuss possible innovations. That way, employees will get used to being motivated to create innovations for the company.

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## THE ROLE OF SOCIAL CAPITAL IN BUILDING KNOWLEDGE SHARING AND INNOVATIVE WORK BEHAVIOR IN HOLDING COMPANY

**Abstract:** *To compete in a dynamic environment, companies must continuously innovate. Therefore, companies need to encourage their employees to have innovative behavior. This study examined the effect of structural, cognitive, and relational social capital on innovative work behavior, using knowledge sharing as mediating variable. This study uses quantitative methods, by surveying 328 employees of holding companies. The data is processed using Partial Least Square. The results point out a positive and significant effect of cognitive and relational social capital on knowledge sharing and knowledge sharing on innovative work behavior.*

**Keywords:** Social capital, knowledge sharing, innovative work behavior

**Abstrak:** Agar dapat bersaing di lingkungan yang dinamis, perusahaan harus terus menerus berinovasi. Oleh sebab itu perusahaan perlu mendorong karyawannya untuk memiliki perilaku inovatif. Penelitian ini menguji pengaruh modal sosial struktural, kognitif, dan relasional terhadap knowledge sharing dan perilaku kerja inovatif. Penelitian ini menggunakan metode kuantitatif, dengan mensurvei 328 karyawan holding company. Data diolah dengan menggunakan Partial Least Square. Hasil yang didapat menunjukkan adanya pengaruh yang positif dan signifikan dari modal sosial kognitif, relasional terhadap knowledge sharing, dan knowledge sharing berpengaruh positif dan signifikan terhadap pada perilaku kerja yang inovatif.

**Kata kunci:** Modal sosial, knowledge sharing, perilaku kerja yang inovatif

### INTRODUCTION

A dynamic and increasingly competitive environment forces companies to improve their competitive advantages. One of the essential resources that can create a sustainable competitive advantage is exploring internal and external strengths to innovate (Anning-dorson, 2018). Previous research has explained that innovative work behavior plays a vital part in increasing the competitive advantage of a business (Shih & Susanto, 2011).

One way to improve innovative work behavior is by sharing knowledge (Noerchoidah & Harjanti, 2019). When sharing knowledge, individuals give and take

knowledge from each other explicitly and implicitly. Then, they create new knowledge together (Van Den Hooff & Ridder, 2004). Nowadays, knowledge has been considered a more valuable resource than other resources (Sita, Kumaraswamy, & Chitale, 2012). Through knowledge sharing, organizations can improve the ability to create innovations, make decisions faster, form a better organizational culture and a comfortable work environment, and increase effectiveness and efficiency in delivering information. From the viewpoint of the knowledge-based theory, knowledge is emphasized as vital to increasing the organization's competitive advantage. According to Yamklin and Igel (2012), sharing

experiences and knowledge can augment competitive advantage more effectively and efficiently. Knowledge sharing can occur if both parties are willing to share the information they have (Mat, Yaacob, & Melhem, 2016).

Nahapiet & Ghoshal (1998), in their seminal paper, described social capital as a pool of actual and potential resources inherent in the relationships of individuals. From this relationship, there is the potential for various resources that can be utilized by everyone in the network. It facilitates an organization's learning process by allowing knowledge to flow through the network itself or by creating new knowledge (Díez-Vial & Montoro-Sánchez, 2014).

Nahapiet and Ghoshal (1998) distinguished social capital into structural, cognitive, and relational social capital. Structural social capital is the first stage for someone to do knowledge sharing. Structural social capital can facilitate accessibility conditions for various groups to exchange and deliver knowledge and augment exchange prospects (Ansari, Munir, & Gregg, 2012). Structural social capital shows the relationship of individuals with other individuals through their network and thus can simultaneously expand the network. Structural social capital focuses on the characteristics of the relationships that occur between individuals in a group through the network (Peyman, Hosseini, Abbasi, & Manteghi, 2015). Structural social capital can be a determinant of how the formation of cognitive and relational social capital. What we know affects what knowledge we will get (Nahapiet & Ghoshal, 1998).

Cognitive social capital relates to how someone can understand shared knowledge. Shared understanding in a group, organization, or community can be built by sharing experiences, using the same language or terms, and sharing shared values and beliefs. Relational social capital is

a dimension related to the characteristics and quality of personal relationships, such as trust, obligation, respect, and even friendship. This dimension is an essential part of sharing knowledge. Without trust, someone is reluctant to open up. Eventually, it will hinder the knowledge-sharing process.

In holding companies, encouraging knowledge sharing is a challenge. The large organizational structure makes it difficult for employees in different divisions and subsidiaries to interact. In addition, branch offices spread across several regions make it difficult for employees to build quality relationships. The spread of employees makes them difficult to share knowledge with employees from different divisions and branch offices. Good relationships are more likely to occur in employees who work in the same division because they meet and discuss their work more often. Another obstacle experienced by holding companies is the difficulty to recognize the potential of employees to innovate and develop business.

This study intends to establish the effect of structural, relational, and cognitive social capital on knowledge sharing, leading to innovative work behavior for holding company employees. Most research on social capital, knowledge sharing, and innovative behavior is conducted on employees in a general context, while this research is conducted in a holding company setting. Holding companies consist of several subsidiaries that operate separately, but they support and complement each other to achieve the vision and mission of the parent company.

### **Social Capital**

Nahapiet and Ghosal (1998) define social capital as a collection of actual and potential resources implanted in, available through, and originating from the network of relations owned by individuals or groups. Coleman (1990) defined social capital as a



function. Social capital is not a solitary object that stands alone but is a combination of diverse entities consisting of the same two characteristics, namely aspects of social structure and aspects that facilitate one's actions within the structure (obligations, expectations, trust, and information flow). In contrast to Fukuyama (1995) who defines it as much simpler. Social capital is defined as the ability of a person in the form of informal values or certain norms to be able to work together in a group. Bourdieu (1986) stated that social capital is part of a collection of potential resources that exist within a person, which is then related to long-term relationships, formal or informal relationships, knowing each other or not, and an acknowledgment as members of a group. According to Felício, Couto, and Caiado (2014), social capital is the result of a multi-complex network through a mixture of work and friendship. Many previous studies have used structural, cognitive, and relational social capital as variables in their research, not only as dimensions within variables (Filieri & Alguezaui, 2014; Ortiz, Donate, & Guadamillas, 2017; Parra-requena, Molina-morales, & García-villaverde, 2010).

### **Knowledge Sharing**

Knowledge sharing is an activity where individuals who own knowledge make that knowledge available within the organization. Van den Hoof and De Ridder (2004) explained knowledge sharing as a course of action in which individuals swap their knowledge explicitly and implicitly and generate different knowledge. Knowledge sharing is divided into knowledge donating, namely knowledge supply, and knowledge collecting, namely the demand for new knowledge. Meanwhile, Ma, Huang, Wu, Dong, and Qi (2014) stated that knowledge sharing is a relationship between two persons. One party owns knowledge while the other party obtains knowledge. As a

consequence, effective interaction occurs. Ma et al. (2014) believe that knowledge sharing is the heart of network management. The network becomes a place for sharing knowledge that functions as a communication forum between the two parties. Knowledge sharing expects more than just routine communication to be effective. In it, there must be closeness and understanding to give and take. An organization must be able to create a conducive environment so that there is no distance between those who give and those who receive.

### **Innovative Work Behavior**

Jong and Hartog (2010) define innovative work behavior as individual behavior that aims to initiate and introduce (in work roles, groups, or organizations) new and valuable ideas, processes, products, or methods. Innovative work behavior is an interrelated process with various activities and individual behaviors required at each stage (Scott & Bruce, 1994). Carmeli et al. (2006) mentioned innovative work behavior as a multi-stage activity in which an individual acknowledges problems, delivers new solutions, strives to maintain them, then forms prototypes or models that apply to the use and benefit of their organization. In addition, Yuan & Woodman (2010) explained that innovative work behavior is a multifaceted action consisting of actions related to the creation or initiation of new ideas and the execution of these new ideas.

### **Structural social capital and Knowledge Sharing**

Structural social capital involves the whole pattern of relationships between individuals, namely the impersonal configuration of relationships between individuals in a network (Díez-Vial & Montoro-Sánchez, 2014). The social capital theory explains that a network can provide access to resources (Berggren & Silver, 2009). From the perspective of a resource-based view,

knowledge is one part of the company's resources (Barney, 1991). In this case, personal and organizational networks play a vital role in accessing knowledge which is the resource itself. Knowledge sharing is facilitated by several types of networks, either personal or virtual. Without a network, there is no opportunity for someone to access knowledge (Gharakhani & Mousakhani, 2012). Networks also facilitate the exchange and accumulation of information and facilitate the way for cooperation and interaction (Allameh, 2018). Other research explains that the balance in structural social capital allows a person to explore, access, and combine various types of knowledge gained (Filiari & Alguezaui, 2014). From the explanation above, this study suggests the following hypothesis:

H1: Structural social capital has a positive influence on the process of forming knowledge sharing

### **Cognitive Social Capital and Knowledge Sharing**

As the name suggests, cognitive social capital refers to an individual's understanding or grasping power in understanding something (Nahapiet & Ghoshal, 1998). This variable uses code or language as a means of conveying something. In the knowledge-sharing process, individuals cannot understand the shared knowledge if they do not have the same language and terms. Chang and Chuang (2011) explain that communicating through the same language can increase individual contributions to sharing knowledge.

H2: Cognitive social capital has a positive effect on the formation of knowledge sharing.

### **Relational Social Capital and Knowledge Sharing**

Relational social capital explains the quality of relationships formed between

individuals through the process of structural social capital and cognitive social capital. This quality can be formed through trust, obligation, awareness as a group member, and shared values. Several previous studies have explained that mutual trust can support knowledge sharing and enhance effective teamwork (Nooshinfard & Nemati-Anaraki, 2014; Razmerita, Kirchner, & Nielsen, 2016). Every individual who trusts will realize that he/she is responsible for the community to which he/she belongs. In addition to trust, consciousness as a group member drives individuals to contribute by providing their knowledge (Chang & Chuang, 2011).

H3: Relational social capital has a positive influence on the formation of knowledge sharing.

### **Structural Social Capital and Cognitive Social Capital**

Networks in structural social capital will open opportunities for individuals to interact. The high intensity of interaction between individuals in the network will form understanding in the form of shared codes and languages. The terms coded and shared language in cognitive social capital not only include the use and mastery of language but also include technical terms, jargon, and codes used between individuals. Prior studies have proven a positive relationship between structural and cognitive social capital. Prieto-pastor, Martín-pérez, & Martín-cruz (2018) proved that solid structural social capital leads to sound cognitive social capital. Furthermore, Ortiz (2018) and Grzegorzczak (2019) strengthened the statement that a relationship between structural and cognitive social capital. Thus, this study proposes the next hypothesis.

H4: Structural social capital has a positive influence on the formation of cognitive social capital.

### **Cognitive Social Capital and Relational Social Capital**

According to research by Parra-requena, Molina-morales, & García-villaverde (2010), cognitive social capital can affect the creation of relational social capital. Bharati et al. (2015) added that the values shared through interpersonal relationships encourage mutual trust creation. A relationship with shared values can unite each other and improve the quality of the relationship.

H5: Cognitive social capital influence the formation of relational social capital.

### **Knowledge Sharing with Innovative Work Behavior**

One of the dimensions of innovative work behavior is idea generation. According to Radaelli, Lettieri, Mura, & Spiller (2014), idea generation is a knowledge creation practice that requires reconfiguring internal and external knowledge into new forms. Each individual in the idea generation process not only sends data and information about the innovation to be made but must be able to explain it to other parties so that it is easy to understand (Widmann, Mulder, Widmann, and Mulder, 2018). The knowledge-sharing process has occurred indirectly at this stage. Thus, this research proposes the following hypothesis.

H6: knowledge sharing has a positive influence on the formation of innovative work behavior.<sup>[RR1]</sup>

From the explanation of several hypotheses above, this study develops a research model, as shown in Figure 1.

### **METHOD**

This research used a causal quantitative method. The research population is employees of the holding company. The sample was

determined by the purposive sampling technique. The criteria used to limit the sample are holding company employees who have worked for at least one year. Data was collected by distributing questionnaires. The collected data were processed by Structural Equation Modeling – Partial Least Square (SEM-PLS), which allows the researcher to include all the observed variables according to the theoretical model.

### **RESULTS**

This study distributed questionnaires to employees of holding companies and obtained 328 respondents. The following Table 1 describes the profile of respondents based on sex, age, length of work, and job level.

This research used composite reliability > 0.7 and Average Variance Extracted > 0.5 as benchmarks for testing reliability and validity. Table 2 displays that all variables have met the reliability and validity standards.

Hypotheses testing is useful to verify the causality developed in the model, i.e., the effect of exogenous variables on endogenous variables. The significance test can be seen through the t-statistic > 1.96 in Table 4. Table 4 shows that all hypotheses are accepted with a t-statistic value > 1.96.

#### **Effect of Structural Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of structural social capital on knowledge sharing is 2,904, the t-statistic value is > 1.96, and the coefficient value is positive 0.093, meaning that the structural social capital has a significant and positive direct effect on knowledge sharing. Good structural social capital indicates good connections between employees. Good connections among employees make it easier for them to share knowledge. The organized structure of the holding company also makes it easier for employees to find out who has specific knowledge, so they don't have to bother looking for outside information.

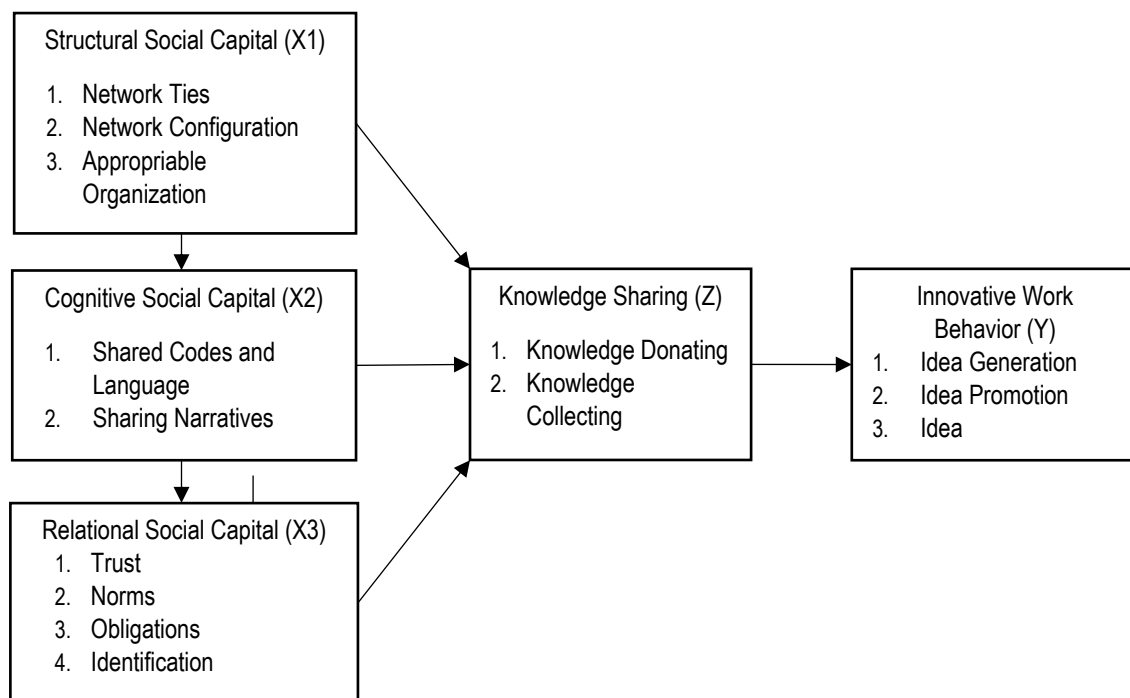


Figure 1 Research Model

Table 1 Respondent's Profile

Respondent's Profile		Total	Percentage
Sex	Male	166	50.6%
	Female	162	49.4%
	Total	328	100,0%
Age	Less than 21 years old	113	34.5%
	21-30 years old	144	43.9%
	31 – 40 years old	53	16.2%
	40 – 50 years old	18	5.5%
	Total	328	100%
Length of work	Less than 1 year	167	50.9%
	1 - 5 years	93	28.4%
	6 - 10 years	31	9.5%
	11- 15 years	16	4.9%
	16 - 20 years	15	4.6%
	> 20 years	6	1.8%
	Total	328	100,0%
Job level	Top Management	30	9.1%
	Middle Management	40	12.2%
	Lower Management	258	78.7%
	Total	328	100,0%

**Table 2 Result of Reliability and Validity Test**

	<b>Composite Reliability (CR)</b>	<b>Average Variance Extracted (AVE)</b>
X1 Structural Social Capital	0,947	0,624
X2 Cognitive Social Capital	0,933	0,563
X3 Relational Social Capital	0,937	0,576
Y Innovative Work Behavior	0,948	0,570
Z Knowledge Sharing	0,902	0,537

**Table 3 R-Square**

	<b>R Square</b>
X2 Cognitive Social Capital	0.527
X3 Relational Social Capital	0.879
Y Innovative Work Behavior	0.351
Z Knowledge Sharing	0.904

**Table 4 Path Coefficient**

<b>Hypotheses</b>	<b>Original Sample</b>	<b>Standard Deviation</b>	<b>T-Statistics</b>	<b>P Values</b>
X1 → X2	0.726	0.042	17.187	0.000
X1 → Z	0.093	0.032	2.904	0.004
X2 → X3	0.937	0.013	72.684	0.000
X2 → Z	0.300	0.080	3.770	0.000
X3 → Z	0.594	0.079	7.530	0.000
Z → Y	0.593	0.056	10.604	0.000

The results of this study are following Allameh's research (2018), where a network allows a person to easily exchange and collect knowledge, as well as pave the way for cooperation and interaction between others. On the other hand, Filieri and Alguezaui (2014) also say that structural social capital allows a person to explore, access, and combine the knowledge gained.

#### **The Effect of Cognitive Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of cognitive social capital on knowledge sharing is 3.770. The results show that the t-statistic value is > 1.96, and the coefficient value is 0.300. These results indicate that cognitive social capital significantly and positively affects knowledge sharing. Cognitive social capital

shows employees have similar expectations, language, and values in work and knowledge sharing.

Shared expectations enable employees to act under shared expectations. Meanwhile, the shared language and values will make it easier for employees to understand each other. These shared expectations, understandings, and values will then build closeness between employees, which makes it easier for them to share knowledge. These results are following the research conducted by Chang and Chuang (2011) and Grzegorzczuk (2019), which explains that communicating through the same language can increase the contribution to knowledge sharing.

#### **Effect of Relational Social Capital on Knowledge Sharing**

The test results in Table 4 show that the t-statistic value of relational social capital on knowledge sharing is 7.530. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.594. This result means that relational social capital has a significant and positive direct effect on knowledge sharing. Relational social capital explains the efforts of employees to respect each other. Employees feel responsible for maintaining good relationships within the work team. A good relationship influences knowledge sharing. A good quality relationship makes employees more willing to have their work known by their colleagues in the same division. These results are similar to research by Chang and Chuang (2011), where trust and awareness of being a group member can help someone contribute to providing knowledge. Yu and Takahashi (2021) proved that mutual trust among employees enhances the possibility of sharing knowledge.

#### **Effect of Structural Social Capital on Cognitive Social Capital**

The test results in Table 4 show that the t-statistic value of structural social capital on cognitive social capital is 17.187. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.726. Structural social capital shows that employees and co-workers have a good working relationship. Concurrently cognitive social capital shows that employees have the same expectations as their co-workers in terms of work.

These results explain that the awareness to maintain good relationships makes employees understand their expectations and those of their co-workers at work. This can be interpreted that structural social capital has a significant and positive direct effect on cognitive social capital. These results support Prieto-pastor et al. (2018) and Ortiz et al. (2018), which explained that the

greater the structural social capital, the stronger the cognitive social capital.

#### **The Effect of Cognitive Social Capital on Relational Social Capital**

Table 4 shows that the t-statistic value of cognitive social capital on relational social capital is 72.684, the t-statistic value is  $> 1.96$ , and the coefficient value is 0.937. This result means that cognitive social capital has a significant and positive direct effect on relational social capital. Good cognitive social capital shows that employees have similar expectations as colleagues in terms of work. Concurrently, relational social capital indicates that employees do their best to respect each other. The employees feel responsible for maintaining good relationships in the work team. Similar expectations between employees can improve the quality of their relationships. This result supports Bharati et al. (2015) that the value created in cognitive social capital can encourage the creation of mutual trust between individuals, which represents relational social capital.

#### **The Effect of Knowledge Sharing on Innovative Work Behavior**

Table 4 shows the t-statistic value of knowledge sharing on innovative work behavior of 10.604 (larger than 1.96) and the coefficient value of 0.593. Knowledge sharing influences innovative work behavior significantly and positively. The result of knowledge sharing is a comprehension of what co-workers are doing. This comprehension will increase innovative work behavior where employees look for solutions to their problems. The linkage of information provided between employees allows them to exchange creative ideas and find ways to solve problems together. These results align with Radaelli et al. (2014) and Widmann et al. (2018), which explain that employees re-combine knowledge into new configurations during the knowledge creation

process. Therefore, the employee must share knowledge to form innovative work behavior. During the knowledge-sharing process, a person will capture the knowledge needed to increase innovative work behavior (Peyman et al., 2015).

## CONCLUSION

This research provides conceptual and managerial implications. To begin with, this study confirms the relationship between structural, cognitive, and relational social capital in knowledge sharing. Structural social capital affects cognitive social capital. Furthermore, cognitive social capital affects relational social capital. Knowledge sharing itself affects the innovative work behavior of employees. From all the relationships above, there is a weak correlation between structural social capital and knowledge sharing. The network built in holding companies has not been able to encourage knowledge sharing without the support of cognitive and relational social capital. Therefore, as a managerial implication, holding companies should continue to improve the quality of existing relationships, both work, and personal

relationships. Companies can stimulate relationship quality improvement, for example, by holding team-building activities regularly.

This study reveals that most employees have good social capital and knowledge sharing. Employees could continue improving the quality of existing relationships both outside work and personally. Activities that can be carried out, for example, are spending time together or actively participating in every team-building activity organized by the company.

The results of this study found a positive relationship between each variable. However, the value of innovative work behavior was relatively lower compared to other variables. This relatively lower value can be used by companies to evaluate and improve their innovative work behavior. The parent company can encourage the innovative work behavior of its subsidiaries by holding regular meetings to discuss possible innovations. That way, employees will get used to being motivated to create innovations for the company.

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## THE ROLE OF SOCIAL CAPITAL IN BUILDING KNOWLEDGE SHARING AND INNOVATIVE WORK BEHAVIOR IN HOLDING COMPANY

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**Abstract:** *To compete in a dynamic environment, companies must continuously innovate. Therefore, companies need to encourage their employees to have innovative behavior. This study examined the effect of structural, cognitive, and relational social capital on innovative work behavior, using knowledge sharing as mediating variable. This study uses quantitative methods, by surveying 328 employees of holding companies. The data is processed using Partial Least Square. The results point out a positive and significant effect of cognitive and relational social capital on knowledge sharing and knowledge sharing on innovative work behavior.*

**Keywords:** social capital, knowledge sharing, innovative work behavior

**Abstrak:** Agar dapat bersaing di lingkungan yang dinamis, perusahaan harus terus menerus berinovasi. Oleh sebab itu perusahaan perlu mendorong karyawannya untuk memiliki perilaku inovatif. Penelitian ini menguji pengaruh modal sosial struktural, kognitif, dan relasional terhadap knowledge sharing dan perilaku kerja inovatif. Penelitian ini menggunakan metode kuantitatif, dengan mensurvei 328 karyawan holding company. Data diolah dengan menggunakan Partial Least Square. Hasil yang didapat menunjukkan adanya pengaruh yang positif dan signifikan dari modal sosial kognitif, relasional terhadap knowledge sharing, dan knowledge sharing berpengaruh positif dan signifikan terhadap pada perilaku kerja yang inovatif.

**Kata kunci:** modal sosial, knowledge sharing, perilaku kerja yang inovatif

### INTRODUCTION

A dynamic and increasingly competitive environment forces companies to improve their competitive advantages. One of the essential resources that can create a sustainable competitive advantage is exploring internal and external strengths to innovate (Anning-dorson, 2018). Previous research has explained that innovative work

behavior plays a vital part in increasing the competitive advantage of a business (Shih & Susanto, 2011).

One way to improve innovative work behavior is by sharing knowledge (Noerchoidah & Harjanti, 2019). When sharing knowledge, individuals give and take knowledge from each other explicitly and implicitly. Then, they create new knowledge together (Van Den Hooff & Ridder, 2004).

Nowadays, knowledge has been considered a more valuable resource than other resources (Sita, Kumaraswamy, & Chitale, 2012). Through knowledge sharing, organizations can improve the ability to create innovations, make decisions faster, form a better organizational culture and a comfortable work environment, and increase effectiveness and efficiency in delivering information. From the viewpoint of the knowledge-based theory, knowledge is emphasized as vital to increasing the organization's competitive advantage. According to Yamklin and Igel (2012), sharing experiences and knowledge can augment competitive advantage more effectively and efficiently. Knowledge sharing can occur if both parties are willing to share the information they have (Mat, Yaacob, & Melhem, 2016).

Nahapiet & Ghoshal (1998), in their seminal paper, described social capital as a pool of actual and potential resources inherent in the relationships of individuals. From this relationship, there is the potential for various resources that can be utilized by everyone in the network. It facilitates an organization's learning process by allowing knowledge to flow through the network itself or by creating new knowledge (Díez-Vial & Montoro-Sánchez, 2014).

Nahapiet and Ghoshal (1998) distinguished social capital into structural, cognitive, and relational social capital. Structural social capital is the first stage for someone to do knowledge sharing. Structural social capital can facilitate accessibility conditions for various groups to exchange and deliver knowledge and augment exchange prospects (Ansari, Munir, & Gregg, 2012). Structural social capital shows the relationship of individuals with other individuals through their network and thus can simultaneously expand the network.

Structural social capital focuses on the characteristics of the relationships that occur between individuals in a group through the network (Peyman, Hosseini, Abbasi, & Manteghi, 2015). Structural social capital can be a determinant of how the formation of cognitive and relational social capital. What we know affects what knowledge we will get (Nahapiet & Ghoshal, 1998).

Cognitive social capital relates to how someone can understand shared knowledge. Shared understanding in a group, organization, or community can be built by sharing experiences, using the same language or terms, and sharing shared values and beliefs. Relational social capital is a dimension related to the characteristics and quality of personal relationships, such as trust, obligation, respect, and even friendship. This dimension is an essential part of sharing knowledge. Without trust, someone is reluctant to open up. Eventually, it will hinder the knowledge-sharing process.

In holding companies, encouraging knowledge sharing is a challenge. The large organizational structure makes it difficult for employees in different divisions and subsidiaries to interact. In addition, branch offices spread across several regions make it difficult for employees to build quality relationships. The spread of employees makes them difficult to share knowledge with employees from different divisions and branch offices. Good relationships are more likely to occur in employees who work in the same division because they meet and discuss their work more often. Another obstacle experienced by holding companies is the difficulty to recognize the potential of employees to innovate and develop business.

This study intends to establish the effect of structural, relational, and cognitive social capital on knowledge sharing, leading to innovative work behavior for holding

company employees. Most research on social capital, knowledge sharing, and innovative behavior is conducted on employees in a general context, while this research is conducted in a holding company setting. Holding companies consist of several subsidiaries that operate separately, but they support and complement each other to achieve the vision and mission of the parent company.

### **Social Capital**

Nahapiet and Ghosal (1998) define social capital as a collection of actual and potential resources implanted in, available through, and originating from the network of relations owned by individuals or groups. Coleman (1990) defined social capital as a function. Social capital is not a solitary object that stands alone but is a combination of diverse entities consisting of the same two characteristics, namely aspects of social structure and aspects that facilitate one's actions within the structure (obligations, expectations, trust, and information flow). In contrast to Fukuyama (1995) who defines it as much simpler. Social capital is defined as the ability of a person in the form of informal values or certain norms to be able to work together in a group. Bourdieu (1986) stated that social capital is part of a collection of potential resources that exist within a person, which is then related to long-term relationships, formal or informal relationships, knowing each other or not, and an acknowledgment as members of a group. According to Felício, Couto, and Caiado (2014), social capital is the result of a multi-complex network through a mixture of work and friendship. Many previous studies have used structural, cognitive, and relational social capital as variables in their research, not only as dimensions within variables (Filiari & Alguezaui, 2014; Ortiz, Donate, &

Guadamillas, 2017; Parra-requena, Molina-morales, & García-villaverde, 2010).

### **Knowledge Sharing**

Knowledge sharing is an activity where individuals who own knowledge make that knowledge available within the organization. Van den Hoof and De Ridder (2004) explained knowledge sharing as a course of action in which individuals swap their knowledge explicitly and implicitly and generate different knowledge. Knowledge sharing is divided into knowledge donating, namely knowledge supply, and knowledge collecting, namely the demand for new knowledge. Meanwhile, Ma, Huang, Wu, Dong, and Qi (2014) stated that knowledge sharing is a relationship between two persons. One party owns knowledge while the other party obtains knowledge. As a consequence, effective interaction occurs. Ma et al. (2014) believe that knowledge sharing is the heart of network management. The network becomes a place for sharing knowledge that functions as a communication forum between the two parties. Knowledge sharing expects more than just routine communication to be effective. In it, there must be closeness and understanding to give and take. An organization must be able to create a conducive environment so that there is no distance between those who give and those who receive.

### **Innovative Work Behavior**

Jong and Hartog (2010) define innovative work behavior as individual behavior that aims to initiate and introduce (in work roles, groups, or organizations) new and valuable ideas, processes, products, or methods. Innovative work behavior is an interrelated process with various activities and individual behaviors required at each stage (Scott & Bruce, 1994). Carmeli et al. (2006) mentioned innovative work behavior

as a multi-stage activity in which an individual acknowledges problems, delivers new solutions, strives to maintain them, then forms prototypes or models that apply to the use and benefit of their organization. In addition, Yuan & Woodman (2010) explained that innovative work behavior is a multifaceted action consisting of actions related to the creation or initiation of new ideas and the execution of these new ideas.

### **Structural social capital and Knowledge Sharing**

Structural social capital involves the whole pattern of relationships between individuals, namely the impersonal configuration of relationships between individuals in a network (Díez-Vial & Montoro-Sánchez, 2014). The social capital theory explains that a network can provide access to resources (Berggren & Silver, 2009). From the perspective of a resource-based view, knowledge is one part of the company's resources (Barney, 1991). In this case, personal and organizational networks play a vital role in accessing knowledge, which is the resource itself. Several types of networks, either personal or virtual, facilitate knowledge sharing. Without a network, there is no opportunity for someone to access knowledge (Gharakhani & Mousakhani, 2012). Networks also facilitate the exchange and accumulation of information and facilitate the way for cooperation and interaction (Allameh, 2018). Other research explains that the balance in structural social capital allows a person to explore, access, and combine various types of knowledge gained (Filiari & Alguezaui, 2014). From the explanation above, this study suggests the following hypothesis:

H1: Structural social capital has a positive influence on the process of forming knowledge sharing

### **Cognitive Social Capital and Knowledge Sharing**

As the name suggests, cognitive social capital refers to an individual's understanding or grasping power in understanding something (Nahapiet & Ghoshal, 1998). This variable uses code or language as a means of conveying something. In the knowledge-sharing process, individuals cannot understand the shared knowledge if they do not have the same language and terms. Chang and Chuang (2011) explain that communicating through the same language can increase individual contributions to sharing knowledge.

H2: Cognitive social capital has a positive effect on the formation of knowledge sharing.

### **Relational Social Capital and Knowledge Sharing**

Relational social capital explains the quality of relationships formed between individuals through the process of structural social capital and cognitive social capital. This quality can be formed through trust, obligation, awareness as a group member, and shared values. Several previous studies have explained that mutual trust can support knowledge sharing and enhance effective teamwork (Nooshinfard & Nemati-Anaraki, 2014; Razmerita, Kirchner, & Nielsen, 2016). Every individual who trusts will realize that he/she is responsible for the community to which he/she belongs. In addition to trust, consciousness as a group member drives individuals to contribute by providing their knowledge (Chang & Chuang, 2011).

H3: Relational social capital has a positive influence on the formation of knowledge sharing.

### **Structural Social Capital and Cognitive Social Capital**

Networks in structural social capital will open opportunities for individuals to interact. The high intensity of interaction between individuals in the network will form understanding in the form of shared codes and languages. The terms coded and shared language in cognitive social capital not only include the use and mastery of language but also include technical terms, jargon, and codes used between individuals. Prior studies have proven a positive relationship between structural and cognitive social capital. Prieto-pastor, Martín-pérez, & Martín-cruz (2018) proved that solid structural social capital leads to sound cognitive social capital. Furthermore, Ortiz (2018) and Grzegorzczak (2019) strengthened the statement that a relationship between structural and cognitive social capital. Thus, this study proposes the next hypothesis.

H4: Structural social capital has a positive influence on the formation of cognitive social capital.

### **Cognitive Social Capital and Relational Social Capital**

Cognitive social capital describes the understanding between individuals in a group. This understanding can be in the form of a shared language, experience, perception, and belief (Nahapiet & Ghoshal, 1998). Cognitive social capital is essential in a relationship because understanding can minimize the possibility of miscommunication or misunderstanding between individuals. With a common language, experiences, perceptions, and beliefs, the individuals in the group will also find it easier to build mutual trust. Understanding makes it easier for them to identify themselves as part of the group, establish norms and obligations that govern their behavior in the group, and build trust among group members. These

identifications, norms, obligations, and trust are relational social capital (Claridge, 2018).

According to research by Parra-requena, Molina-morales, & García-villaverde (2010), cognitive social capital can affect the creation of relational social capital. Bharati et al. (2015) added that the values shared through interpersonal relationships encourage mutual trust creation. A relationship with shared values can unite each other and improve the quality of the relationship.

H5: Cognitive social capital influence the formation of relational social capital.

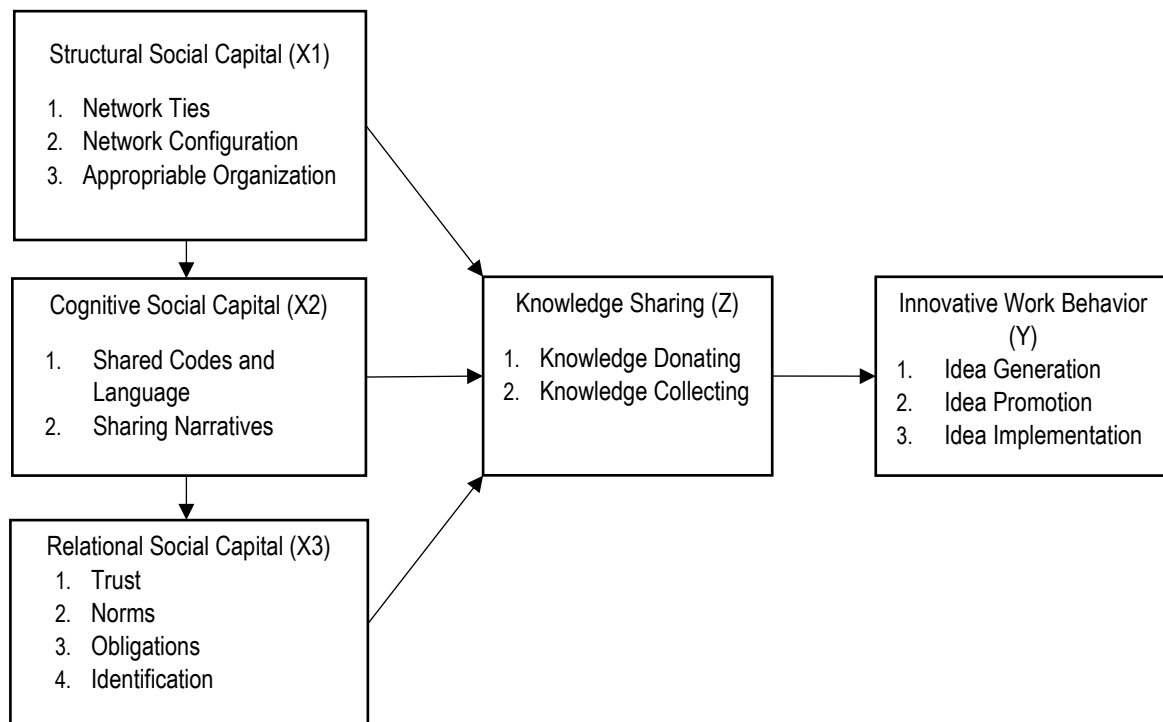
### **Knowledge Sharing with Innovative Work Behavior**

Knowledge sharing is an interaction of knowledge exchange between individuals (Ma et al., 2014). In sharing knowledge, there is knowledge donating and knowledge collecting. When an individual receives new knowledge from another person, then the individual will have a better opportunity to assimilate and transform that knowledge into innovative ideas, including in his workplace behavior.

One of the dimensions of innovative work behavior is idea generation. According to Radaelli, Lettieri, Mura, & Spiller (2014), idea generation is a knowledge creation practice that requires reconfiguring internal and external knowledge into new forms. Each individual in the idea generation process not only sends data and information about the innovation to be made but must be able to explain it to other parties so that it is easy to understand (Widmann, Mulder, Widmann, and Mulder, 2018). The knowledge-sharing process has occurred indirectly at this stage. Thus, this research proposes the following hypothesis.

H6: knowledge sharing has a positive influence on the formation of innovative work behavior.





**Figure 1 Research Model**

From the explanation of several hypotheses above, this study develops a research model, as shown in Figure 1.

## METHOD

This research used a causal quantitative method. The research population is employees of the holding company. The sample was determined by the purposive sampling technique. The criteria used to limit the sample are holding company employees who have worked for at least one year. Data was collected

by distributing questionnaires. The collected data were processed by Structural Equation Modeling – Partial Least Square (SEM-PLS), which allows the researcher to include all the observed variables according to the theoretical model.

## RESULTS

This study distributed questionnaires to employees of holding companies and obtained 328 respondents. The following Table 1 describes the profile of respondents based on sex, age, length of work, and job level.

**Table 1 Respondent's Profile**

<b>Respondent's Profile</b>		<b>Total</b>	<b>Percentage</b>
Sex	Male	166	50.6%
	Female	162	49.4%
	Total	328	100,0%
Age	Less than 21 years old	113	34.5%
	21-30 years old	144	43.9%
	31 – 40 years old	53	16.2%
	40 – 50 years old	18	5.5%
	Total	328	100%
Length of work	Less than 1 year	167	50.9%
	1 - 5 years	93	28.4%
	6 - 10 years	31	9.5%
	11- 15 years	16	4.9%
	16 - 20 years	15	4.6%
	> 20 years	6	1.8%
	Total	328	100,0%
Job level	Top Management	30	9.1%
	Middle Management	40	12.2%
	Lower Management	258	78.7%
	Total	328	100,0%

**Table 2 Result of Reliability and Validity Test**

	<b>Composite Reliability (CR)</b>	<b>Average Variance Extracted (AVE)</b>
X1 Structural Social Capital	0,947	0,624
X2 Cognitive Social Capital	0,933	0,563
X3 Relational Social Capital	0,937	0,576
Y Innovative Work Behavior	0,948	0,570
Z Knowledge Sharing	0,902	0,537

**Table 3 R-Square**

	<b>R Square</b>
X2 Cognitive Social Capital	0.527
X3 Relational Social Capital	0.879
Y Innovative Work Behavior	0.351
Z Knowledge Sharing	0.904

**Table 4 Path Coefficient**

<b>Hypotheses</b>	<b>Original Sample</b>	<b>Standard Deviation</b>	<b>T-Statistics</b>	<b>P Values</b>
X1 → X2	0.726	0.042	17.187	0.000
X1 → Z	0.093	0.032	2.904	0.004
X2 → X3	0.937	0.013	72.684	0.000
X2 → Z	0.300	0.080	3.770	0.000
X3 → Z	0.594	0.079	7.530	0.000
Z → Y	0.593	0.056	10.604	0.000

This research used composite reliability > 0.7 and Average Variance Extracted > 0.5 as benchmarks for testing reliability and validity. Table 2 displays that all variables have met the reliability and validity standards.

Hypotheses testing is useful to verify the causality developed in the model, i.e., the effect of exogenous variables on endogenous variables. The significance test can be seen through the t-statistic > 1.96 in Table 4. Table 4 shows that all hypotheses are accepted with a t-statistic value > 1.96.

### **Effect of Structural Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of structural social capital on knowledge sharing is 2,904, the t-statistic value is > 1.96, and the coefficient value is positive 0.093, meaning that the structural social capital has a significant and positive direct effect on knowledge sharing. Good structural social capital indicates good connections between employees. Good connections among employees make it easier for them to share knowledge. The organized structure of the holding company also makes it easier for employees to find out who has specific knowledge, so they don't have to bother looking for outside information.

The results of this study are following Allameh's research (2018), where a network allows a person to easily exchange and collect knowledge, as well as pave the way for

cooperation and interaction between others. On the other hand, Filieri and Alguezaui (2014) also say that structural social capital allows a person to explore, access, and combine the knowledge gained.

### **The Effect of Cognitive Social Capital on Knowledge Sharing**

Table 4 shows that the t-statistic value of cognitive social capital on knowledge sharing is 3.770. The results show that the t-statistic value is > 1.96, and the coefficient value is 0.300. These results indicate that cognitive social capital significantly and positively affects knowledge sharing. Cognitive social capital shows employees have similar expectations, language, and values in work and knowledge sharing.

Shared expectations enable employees to act under shared expectations. Meanwhile, the shared language and values will make it easier for employees to understand each other. These shared expectations, understandings, and values will then build closeness between employees, which makes it easier for them to share knowledge. These results are following the research conducted by Chang and Chuang (2011) and Grzegorzczuk (2019), which explains that communicating through the same language can increase the contribution to knowledge sharing.

### **Effect of Relational Social Capital on Knowledge Sharing**

The test results in Table 4 show that the t-statistic value of relational social capital on knowledge sharing is 7.530. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.594. This result means that relational social capital has a significant and positive direct effect on knowledge sharing. Relational social capital explains the efforts of employees to respect each other. Employees feel responsible for maintaining good relationships within the work team. A good relationship influences knowledge sharing. A good quality relationship makes employees more willing to have their work known by their colleagues in the same division. These results are similar to research by Chang and Chuang (2011), where trust and awareness of being a group member can help someone contribute to providing knowledge. Yu and Takahashi (2021) proved that mutual trust among employees enhances the possibility of sharing knowledge.

### **Effect of Structural Social Capital on Cognitive Social Capital**

The test results in Table 4 show that the t-statistic value of structural social capital on cognitive social capital is 17.187. The test results show that the t-statistic value is  $> 1.96$ , and the coefficient value is 0.726. Structural social capital shows that employees and co-workers have a good working relationship. Concurrently cognitive social capital shows that employees have the same expectations as their co-workers in terms of work.

These results explain that the awareness to maintain good relationships makes employees understand their expectations and those of their co-workers at work. This can be interpreted that structural social capital has a significant and positive direct effect on cognitive social capital. These results support Prieto-pastor et al. (2018) and

Ortiz et al. (2018), which explained that the greater the structural social capital, the stronger the cognitive social capital.

### **The Effect of Cognitive Social Capital on Relational Social Capital**

Table 4 shows that the t-statistic value of cognitive social capital on relational social capital is 72.684, the t-statistic value is  $> 1.96$ , and the coefficient value is 0.937. This result means that cognitive social capital has a significant and positive direct effect on relational social capital. Good cognitive social capital shows that employees have similar expectations as colleagues in terms of work. Concurrently, relational social capital indicates that employees do their best to respect each other. The employees feel responsible for maintaining good relationships in the work team. Similar expectations between employees can improve the quality of their relationships. This result supports Bharati et al. (2015) that the value created in cognitive social capital can encourage the creation of mutual trust between individuals, which represents relational social capital.

### **The Effect of Knowledge Sharing on Innovative Work Behavior**

Table 4 shows the t-statistic value of knowledge sharing on innovative work behavior of 10.604 (larger than 1.96) and the coefficient value of 0.593. Knowledge sharing influences innovative work behavior significantly and positively. The result of knowledge sharing is a comprehension of what co-workers are doing. This comprehension will increase innovative work behavior where employees look for solutions to their problems. The linkage of information provided between employees allows them to exchange creative ideas and find ways to solve problems together. These results align with Radaelli et al. (2014) and Widmann et al. (2018), which explain that employees re-combine knowledge into new

configurations during the knowledge creation process. Therefore, the employee must share knowledge to form innovative work behavior. During the knowledge-sharing process, a person will capture the knowledge needed to increase innovative work behavior (Peyman et al., 2015).

## CONCLUSION

This research provides conceptual and managerial implications. To begin with, this study confirms the relationship between structural, cognitive, and relational social capital in knowledge sharing. Structural social capital affects cognitive social capital. Furthermore, cognitive social capital affects relational social capital. Knowledge sharing itself affects the innovative work behavior of employees. From all the relationships above, there is a weak correlation between structural social capital and knowledge sharing. The network built in holding companies has not been able to encourage knowledge sharing without the support of cognitive and relational social capital. Therefore, as a managerial implication, holding companies should continue to improve the quality of existing

relationships, both work, and personal relationships. Companies can stimulate relationship quality improvement, for example, by holding team-building activities regularly.

This study reveals that most employees have good social capital and knowledge sharing. Employees could continue improving the quality of existing relationships both outside work and personally. Activities that can be carried out, for example, are spending time together or actively participating in every team-building activity organized by the company.

The results of this study found a positive relationship between each variable. However, the value of innovative work behavior was relatively lower compared to other variables. This relatively lower value can be used by companies to evaluate and improve their innovative work behavior. The parent company can encourage the innovative work behavior of its subsidiaries by holding regular meetings to discuss possible innovations. That way, employees will get used to being motivated to create innovations for the company.

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