

ABSTRACT

The underutilization of social capital to maintain growth rates of exploratory innovation activities has been noticed within some countries in the world. The previous studies have argued that there is a relationship between social capital and exploratory innovation. However, there is ambiguity in identifying the factors which will enhance the effectiveness of the relationship at the individual level. In response, drawing on the social capital theory, social network theory and theory of basic human values the present study attempts to examine the effect of social capital on exploratory innovation activities by explaining the moderating impact of personal values of the individuals. The survey was conducted among 360 employees at managerial level in the IT sector in Sri Lanka. The network perspective of social capital (bonding, bridging and linking social capital), exploratory innovation activities and the personal values (openness to change, conservation and self enhancement values) were measured through a self administered questionnaire. The data was analyzed through structured equation modeling (SEM) using AMOS 21.

The empirical data supported stating the relationship between network perspective of social capital with exploratory innovation activities is significant. Amongst the significant relationships of network perspectives of social capital, the influence of bridging social capital is high. The personal values (openness to change, conservation and self enhancement values) were found as a significant moderator. Moreover, the openness to change and self enhancement values were found to be having a significant effect over exploratory innovation activities whilst the conservation value effect found to be insignificant. In conclusion, it could be stated though there is a relationship between social capital and exploratory innovation activities the individuals could maximize the influences based on the personal values which is within them. The study makes major theoretical contribution through addressing the inadequacy of social capital theory in identifying the individual factors which could enhance the relationship between social capital and exploratory innovation activities. Moreover, the study recommends that managers must pay attention on getting the soft factors right first rather than paying attention on the technological perspectives to enhance the effectiveness of the relationship between social capital and exploratory innovation activities.

Key words: Social capital, Exploratory innovation activities, Personal values