

ABSTRACT

Social networks are increasingly seen as playing an important role on many levels of analysis from individual to societal. There are various streams of social network analysis that have been used to study organizational processes. Social capital is one such stream that has been developed in the last two decades. It has found increasing application in organization theory. However, the impact of environment on social capital, specifically its network structure is under-researched. This work attempts to study the impact of environmental uncertainty on social capital structure. The nature of work in the IT industry, which involves collaborative problem solving, makes social capital, particularly its structural aspect, an important determinant of team performance.

A set of hypotheses examining the interplay of environmental uncertainty and network characteristics and its effect on team performance are presented. The hypotheses were tested using team network data from IT companies based in Bangalore. The results indicate that the network structure is indeed sensitive to the environment. In teams dealing with high uncertainty tie strength is positively related to team performance. While in low uncertainty situation tie strength is negatively related to team performance. An interaction analysis of environment uncertainty and network characteristics was carried out as well. Interaction was detected between environmental uncertainty and network range and tie strength. In low uncertainty environments, tie strength has a negative impact and network range has a positive impact on team performance, and the relationships are reversed in the case of high

uncertainty environments, with negligible impact in moderately uncertain environments. Research and managerial implications of the findings are discussed.

Keywords:

Social capital structure, environmental uncertainty, team performance