

**THE IMPACT OF SOCIAL CAPITAL ON THE LABOUR MARKET OUTCOME:  
THE CASE OF TAMALE METROPOLIS**

**by**

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## DECLARATION

I hereby declare that this submission is my own work towards the CEMBA and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for the award of any other degree of the university, except where due acknowledgement has been made in the text.

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## ABSTRACT

This study is to assess the role of social networks in gaining access to the labour market. The aim was to explore the impact of Social Capital on the Labour Market of Tamale Metropolis. The data for the study was collected in two ways. Observation method was used in order to obtain first-hand experience of the employment situation of labour market. The scope of their opportunities was explored through job information located via impersonal sources such as newspapers and the national employment agency. This objective was realised by answering jobs advertisements and going through all the processes that a job seeker generally encounters in applying for a particular post. Secondly, a questionnaire was designed using structured questions to collect primary data from a target group in Tamale Metropolis. The findings of this study show that, 77.78% confirm the claim that inadequate jobs or lack of employment opportunities is virtually responsible for the increasing rate of social networking in the Tamale Metropolis. The survey revealed that few respondents agreed that the employers benefited. They gave the following examples as some of the benefits: gaining social recognition, recruiting competent staff, saving cost and bribery benefits. It was, therefore, contended that the idea of a labour market in which the actors sell and hire labour according to the objective, rational rules of supply and demand is rather open to doubt. Instead, it was suggested that the concept of the labour market could be more fruitfully studied as a socially and culturally constructed market rather than an undifferentiated and competitive space in which the rules of supply and demand are shaped by a particular socio-cultural reality.

## **DEDICATION**

I dedicate this work to Almighty God and loving family through whose efforts, inspirations, advice and encouragements I have come this far.

# KNUST



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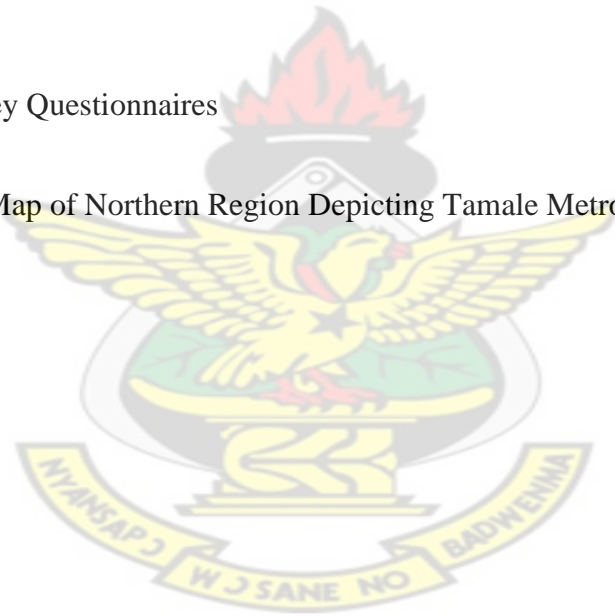
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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

In recent years, social capital has become a prominent concept in academic, research and influential in development discourse. The various efforts in assessing social capital have contributed to the understanding of social dimensions of development. Contemporary liberal societies are undergoing rapid social change and this is through social capital. Additionally, social capital enables governments to redistribute economic policies in favour of informal sector (Rosalind, 2006). Therefore, Social capital focuses on social relationships and networks, values, access to resources in families, communities, regions and even nations. Society in recent times have been relying upon kin relations, ethnic relations, friendships, old school mates and other regional and religious lineages to secure job opportunities. This makes social capital a great potential to secure employment in society. This situation usually goes with the saying that access to opportunity dependence on the ‘who you know’ principle. The implication is that people get opportunities to job over others because they have either build or have access to social capital in the form of strong ties and networks.

However, research has shown that dense networks with strong ties between managers and other relations are counterproductive to managerial performance (Burt, 2000; Gargiulo & Benassi, 2000; Gabbay & Leenders, 2001). That not withstanding, it is observed in practice that top managers continue to form small, tightly coupled cliques within larger network settings.

From an instrumental perspective, the reason behind the forming of these cliques is in anticipation that managers of organizations and their associates will profit from these groupings (Gro, 2005). The issue that is shrouded in the societal relations is how does the concept, with its focus on particular aspects of social life and thus the thrust of its influence on job seeking opportunities in Ghana?

### **1.2 Problem Statement**

The labour market in Ghana and for that matter Tamale Metropolis has become unreliable due to influences from socio-political and other networks. This has corrupted and hindered the objective recruitment processes in the job market. Preliminary field investigation revealed that about 90 per cent of job seekers perceived that, jobs are no longer gotten on merit but rather through networks and other influences. This is through political influence, influence from traditional authorities, influence from kin relations, and other tribal and religious tides. This is particularly pervasive in the public sector work places in the Metropolis. This has led to gross incompetence in job places and poor performance of employee recruited as a result of social capital. Anecdotal evidence suggests that most employees who gained employment through this process rely on other people outside the organization for assistance to enable them carry out their legitimate duties assigned to them by their superiors. Despite the fact that there has been an anti-corruption campaign launched in the country by anti-corruption agencies such the Commission on Human Rights and Administrative Justice (CHRAJ) against these acts of corruption, the situation still persists. These challenges and effects underscore an assessment of the role of social capital in job seeking in public and private organizations in the Tamale Metropolis.

### **1.3 Objectives of the study:**

The main objective of the study is to assess the impact of social capital on job seeking in organisations in the Tamale Metropolis (Northern Region of Ghana). The specific objectives are to:

1. Assess dimensions of social capital in the job market outcome in the Tamale Metropolis;
2. Examine the role social capital plays in the job recruitment processes in organizations in the Tamale Metropolis;
3. Determine the competence and output of employees employed through social capital in the Tamale Metropolis;
4. Analyse what employers stand to gain from by employing people as a result of social capital in the Tamale Metropolis;

### **1.4 Research Questions**

The research seeks to answer the following questions. These are:

1. What are the dimensions of social capital in the job market outcome in the Tamale Metropolis?
2. What role does social capital play in the job recruitment process in the Tamale Metropolis?
3. How does that ensure employee competence and output in job places in the Tamale Metropolis?
4. What do employers stand to gain from such relationship in the Tamale Metropolis?

### **1.5 Significance of the Study**

In the first place, the situation of social capital in job seeking shall be unearthed in order to inform policy for potential strategic policy interventions in the labour market in Ghana. Secondly, recommendations from this study would be important in giving public sector policy makers an insight into the general labour market with cognisance to the influences of the social networks. Also, the result of this research will serve as a basis for further research on the labour implications of social capital in Ghana.

More so, Human Resource practitioners will be strategically informed on the best recruitment practices in both public and private sectors in Ghana. Lastly, the study is expected to add new knowledge to existing literature on relevance of social capital and networks in seeking job opportunities in the Ghana.

### **1.6 Scope of the Study**

Geographically, the study will cover Tamale metropolis. Thus, both the public and private sectors will be incorporated into the sample units such that data gathered will reflect the situation of social capital in the Metropolis. Contextually, the study will focus on the role social capital plays in the job recruitment processes in organisations. This will include concept and dimensions of social capital vis-à-vis the labour market. The study will further assess networking as sources of job opportunities. The rest will include competence and output of employees employed through social capital.



### **1.7 Overview of Methodology**

The research would be a survey with the use of both quantitative and qualitative method of analysis. Primary and secondary data were used for the study and these emphasized on information collected through questionnaire and books/ journals respectively.

### **1.8 Limitations of the study**

A study of this nature should have covered the whole country so as to examine thoroughly the household and individual livelihood strategies of the urban poor. However, it was impossible because of financial and time constrains. Since the Northern Region share the same characteristics and problems, the study done in Tamale was applicable to the whole country and so, the findings of the study can be said to be for the whole country. The researcher limited this research to a case study on Tamale Metropolis in the Northern Region.

### **1.9 Organisation of the study**

The thesis report shall be organised into five chapters. First and foremost, chapter one will cover the introductory section of the study report. That is, research background, research problem, research questions and objectives, significance of the study and limitations of the study. Also, chapter two of the report will be centred on literature review. This will include concepts, conceptual framework and dimensions of social capital. The review will further elaborate on the role social capital plays in the labour market. Chapter three will deal with background of the study area and methodology of the study. Chapter four will analyse data gathered from the field and chapter five will summarise the key findings, recommendations and conclusion of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The prominence of social networks in human endeavour has been acknowledged in recent studies. There is a general perception of society over the relevance of human relations across political, social, economic, and other forms of life engagements. Social networks are a multifaceted phenomenon that connotes various definitions and applications. Therefore, in research study, the research questions and objectives of the study are usually informed by the existing gaps on the thematic areas of the study topic. In order to address the research problem under study, already existing works on the study topic are considered vital in order to gain an in-depth understanding and unearth the gaps for the subject matter. Thus, this chapter explores literature on definition of concepts, conceptual framework, dimensions, types and theoretical underpinnings of social capital. The chapter further explores literature on empirical evidences by various works carried out on the role that social capital plays in the labour market. The chapter concludes with summary and key lessons learnt from the review. Therefore, the next section defines the concept of social capital.

#### **2.2 Theoretical Framework**

The term social capital has been viewed and defined differently by various authors. According to Woollock and Narayan (2000), social capital is defined in terms of norms and networks that

enable people to act collectively and enjoy a remarkable rise to prominence across all the social science disciplines. The authors traced the evolution of social capital to economic development and identified four distinct features in relation to social capital which include communitarian, networks, institutional, and synergy. Their research suggests that out of the four features, the synergy view emphasises on incorporating different levels and dimensions of social capital and its recognition of the positive and negative outcomes that social capital can generate. The authors argue that a significant virtue of the idea of and discourse on social capital is that it helps to bridge orthodox divides among scholars, practitioners, and policymakers. Thus, they perceive social capital as “It’s not what you know, it’s who you know.” Further more, Fugate *et al* (2004) viewed social capital as the goodwill inherent in social networks. They further added that social capital gives people the opportunity to access information and influence in job seeking environment. Bourdieu (1993) also viewed social capital in a more comprehensive manner than Woodlock and Narayan (2000) and Fugate et al (1993). According to him, social capital is the networks of social relations that are characterized by norms of trust and reciprocity which culminate into outcomes of mutual benefit. Putnam (2000) also added that social capital for communities is an indicative of the people’s ability to cooperate, participate, organize and interact. Inferring from the various definitions, the concept of social capital include but not limited to person’s family relationships, kinship networks, friendships, acquaintances, civic attachments and institutional ties. This leads the discussion on the conceptual framework in the next section of the review.

### 2.3 Conceptual Framework

The conceptual framework in every study is important because it gives sharp and directing to the research work. Therefore in conceptualising social capital three main variables are taken into consideration. These are bonding, bridging and linking. These are the variables that influence social capital on the labour market. Therefore, Brook (2005) defines the following variables as follows. Bonding refers to the interaction between similar types of people such as family members and close personal friends. Bridging includes looser ties with casual friends, colleagues or associates and, while weaker and more diverse than bonding relationships, is more important in 'getting ahead'. Linking describes connections with organisations and institutions and assists in accruing support from people in authority.

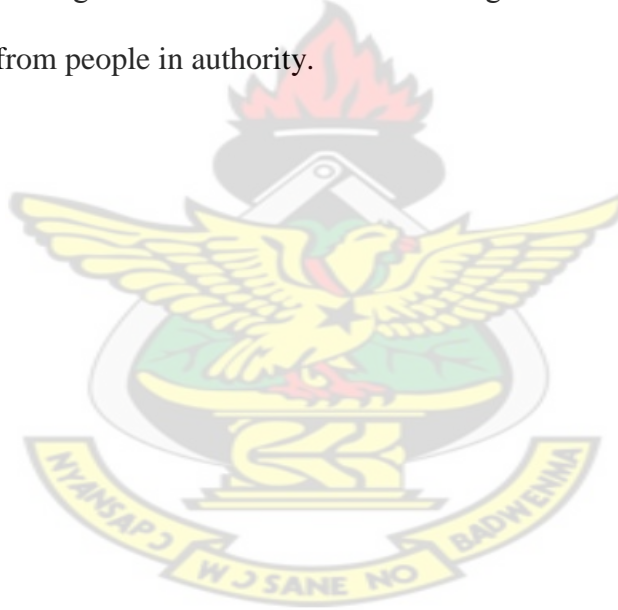
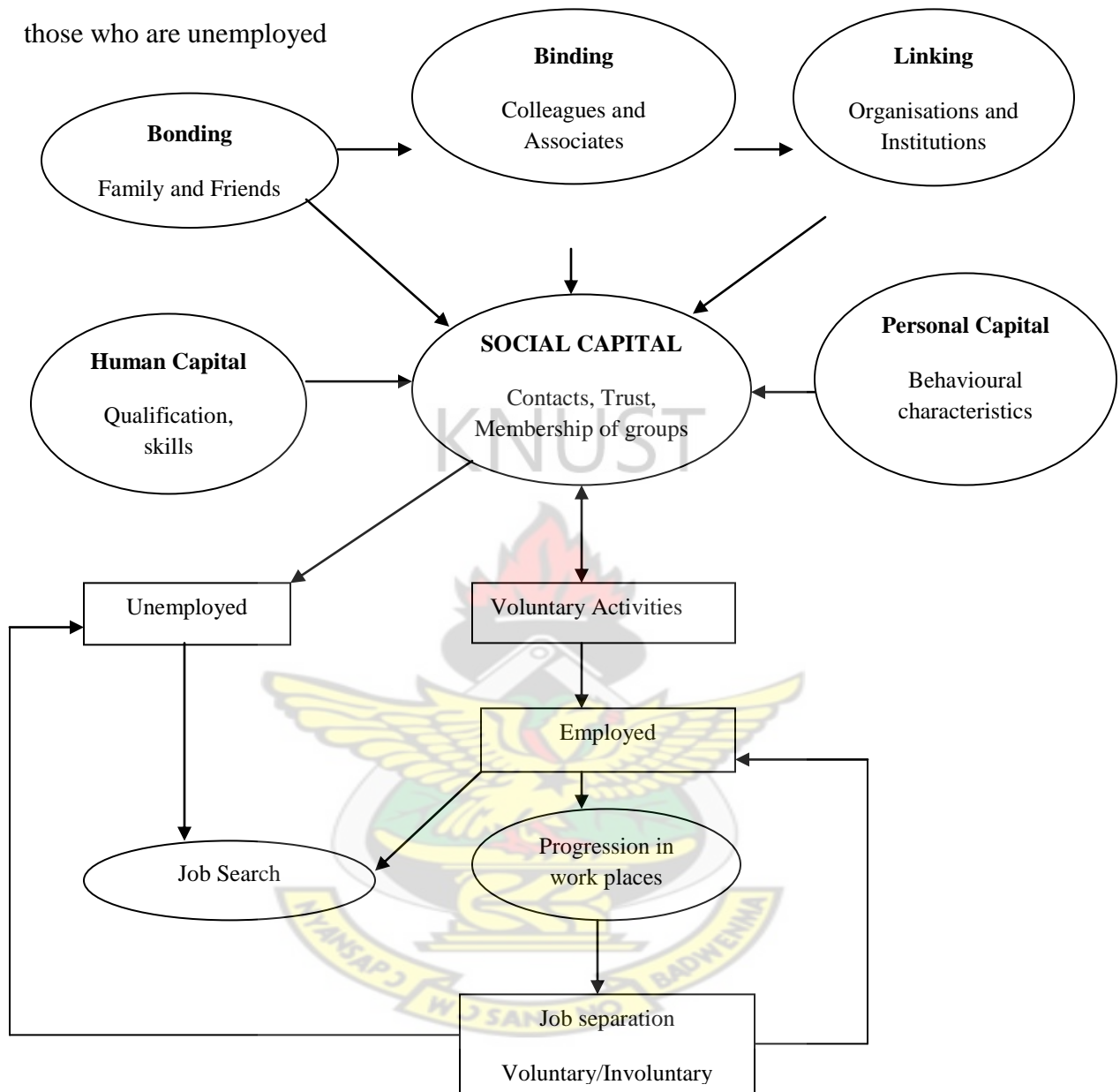


Figure 2.1 Below illustrates how these variables influence the acquisition of job particularly for those who are unemployed



**Source: Adopted from Brook (2005) and Modified by Author, May, 2011**

Figure 2.1 above shows how social capital, together with an individual's human and personal capital can influence and assist those who are unemployed or inactive to find a job or, if already employed to change jobs or progress within the work place. This may be through either bonding,

binding or linking. This is because there is a direct causal relation between bonding, bridging and linking as shown in the figure above. When looking for a job, social capital may be a positive asset in terms of networks which provide knowledge of available opportunities. For the employer, when existing employees recommend friends or acquaintances this can help to build trust in prospective candidates. This may be particularly relevant for low skilled jobs where a large number of applicants are considered to have equally suitable skills and experience. Recruiting those recommended by existing employees makes use of social capital in terms of networks and trust since they are unlikely to recommend someone whose performance could disadvantage their own position within the organisation. Having conceptualized what social capital is, the next section will elaborate on dimensions and types of social capital.

### **2.3.1 Communitarian Perspective**

According to them, the communitarian view equates social capital with local organisations such as clubs, associations, and civic groups. The view looks at the number and density of these groups in a given community and their positive effects on community welfare. Accordingly, this perspective has made an important contribution to poverty analysis by stressing the centrality of social ties in helping the poor manage risk and vulnerability. The communitarian perspective also assumes that communities are homogenous entities that automatically include and benefit all members. One of the proponents of this theory, Dordick (1997) cited in Woolcock and Narayan (2000) notes that the poor have “something left to lose” each other. However, this view has been criticised by Portes and Landolt (1996) cited in Woolcock and Narayan (2000). According to them Portes and Landolt (1996) have ignored its important downside. For example, where communities

are isolated, parochial, or working at cross-purposes to society's collective interests, productive social capital is replaced by what Rubio (1997) in discussing Colombia calls perverse social capital, which greatly hinders development. Portes and Landolt (1996) however added that there are many benefits associated with being a member of a highly integrated community. However, there are also significant costs, and for some, the costs may greatly outweigh the benefits.

### **2.3.2 Networks Perspective**

A second perspective on social capital attempts to account for its upside and downsides. It stresses the importance of vertical as well as horizontal associations between people and of relations within and among such organisational entities as well as community groups and firms. This perspective recognizes that strong intra-community ties give families and communities a sense of identity and common purpose (Woolcock & Narayan, 2000).

According to Woolcock and Narayan (2000) this perspective stresses that without weak intercommunity ties such as those that cross various social divides (based on religion, class, ethnicity, gender, and socioeconomic status) strong horizontal ties can become a basis for the pursuit of narrow sectarian interests. In literature, the former is called “bonding” and the latter “bridging” in social capital as discussed in the conceptual framework by Brook (2005).

The networks perspective of social capital is credited with Burt (1992, 1997, 1998); Fafchamps and Minten (1999); Massey (1998); Massey and Espinosa (1997); Portes (1995, 1997, 1998); and Portes and Sensenbrenner (1993) cited in Woolcock and Narayan (2000). According to the proponents it is characterized by two key propositions. Firstly, social capital is a double-edged



sword. It can provide a range of valuable services for community members, ranging from baby-sitting and house-minding to job referrals and emergency cash. But there are also costs in that those same ties can place considerable noneconomic claims on members' sense of obligation and commitment, with negative economic consequences. Secondly, the sources of social capital need to be distinguished from the consequences derived from them. Inputting only desirable outcomes to social capital, or equating them with it, ignore the possibility that these outcomes may be attained at another group's expense. Thereby given its outcomes may be sub-optimal, or that desirable outcomes attained today come at the price of significant costs tomorrow.

### **2.3.3 Institutional Perspective**

This perspective argues that the vitality of community networks and civil society is largely the product of the political, legal, and institutional environment. Where the communitarian and networks perspectives largely treat social capital as an independent variable giving rise to various outcomes, both good and bad, the institutional view instead views social capital as a dependent variable (Woodcock & Narayan, 2000).

This approach argues that the very capacity of social groups to act in their collective interest depends on the quality of the formal institutions under which they reside (Woolcock & Narayan, 2000). It further emphasises that the performance of states and firms themselves depends on their own internal coherence, credibility, and competence and on their external accountability to civil society.



Research from the institutional view has two variants, both of which have yielded remarkably complementary results (Woolcock & Narayan, 2000). The first approach, described by Skocpol (Woolcock & Narayan, 2000), encompasses case studies based on comparative history and contends that it is wrong to argue that firms and communities thrive to the extent that governments retreat. On the contrary, Skocpol shows that, civil society thrives to the extent that the state actively encourages it. A second, and increasingly influential, approach relies on quantitative cross-national studies of the effects of government performance and social divisions on economic performance. This approach was pioneered by Knack and Keefer (1995, 1997 cited in Woolcock & Narayan, 2000). They equate social capital to the quality of a society's political, legal, and economic institutions. Drawing on various indexes of institutional quality compiled by investment agencies and human rights groups, these studies show that items such as "generalized trust," "rule of law," "civil liberties," and "bureaucratic quality" are positively related.

#### **2.4 Role of Social Capital in the Labour Market**

A study conducted by Granovetter (1973 and 1982) noted the relevance of social cohesion cannot be over estimated. It creates job seeking opportunities exclusively for people with control over social capital. This supposes that the weak in society may be disadvantaged when it comes to job seeking given the impact of social capital in the labour market. Therefore, this section seeks to assess the impact of social capital on employment opportunities from works carried out by various authors.

Firstly, a research conducted by Gerry et al (2000) on "Social Networks, labour Market and Policy Impact in Santa Marta De Penaguião" in Portugal shows that families, friends, classmates and colleagues have influence on individuals in accessing jobs. In this study the tools employed

in collecting data were questionnaire and interview guide. The target group were the youth. However, the age cohort was not given in the methodology. How the sample size was determined was not also known (intuitively or mathematical). Additionally, sample size of approximately 46 was too small to make any generalisation on the subject matter given an estimated youth population of the study area (Santa Marta) as 5,000. The sampling techniques employed in selecting respondents were missing. In spite of all these lapses in the methodology, the study assessed social network based on primacy of the family, school as a networking opportunity and parental influence over employment.

#### **2.4.1 Primacy of the Family**

On primacy of family network on employment opportunities, the findings show that in Santa Marta among the local social networks to which youth had recourse, the immediate family was the foundation on which job-seekers depended for help and advice. The primacy of the family – both nuclear and extended – was reflected not only in the provision of general support (emotional, motivational, material) to youngsters, but also attempts to maximise the employment opportunities open to them by activating all available networks, or by mobilising what some authors, in a somewhat differing context, have variously referred to as “social capital”, “cultural capital”, “relational assets”, “powers of association”, or “untraded dependencies” (Amin & Thrift, 1995; Storper 1995 cited in Gerry et al, 2000). According to the study, rural families indulge in networking, deploying a complex web of relatives, close friends and even relatively casual acquaintances, with quite different socio-economic statuses, characteristics, assets and interests. Thus, parents and other adult relatives were the first and crucial collaborators in the search for employment and, not infrequently, their efforts meet with considerable success.

#### **2.4.2 School as a Networking Opportunity**

On school as a networking opportunity for employment, the study revealed that, there was strength of school-based friendships and classmate solidarity in Santa Marta in Portugal. According to them, the survey shows that there existed strong ties between many of the school mates regardless of the differences in their ages. This bond was based on their attendance at the same secondary school, the same place past or present residence or employment complemented by common experiences including the type of networking that already existed as one of the key sources of information in seeking and securing employment. According to them, as one interviewee explained: there was this girl I knew from school who was there on an IPJ [work experience] scheme with two others. One left and the girl asked me if I was interested in working there instead. I said I was, went to talk to the people at the Local Council, and there we are. If it hadn't been for her, I would never have known about the job (Gerry et al, 2000).

#### **2.4.3 Parental influence over Employment**

On parental influence over employment outcomes, the study shows that, continuing family support after sons and daughters have left school clearly raises questions about the extent to which sons and daughters are involved in family decision-making and the influence that parents and other adult relatives exert over youngsters' employment decisions. The extent to which young people themselves may participate in the deploying of connections and influence, in the discussion of options and the taking of decisions is likely to be highly variable. According to them, it was only in few cases that youth decisions had conflicted with parents' advice. Specific cases of disputes tended to involve leaving school against the parents' wishes. They however added that, in such instances parents may reluctantly accept their son's or daughter's decision, or try to reverse it by denying (or threatening to deny) access to family-based employment

opportunities, contacts or influence, as one of the respondents- Rosa experience indicates: my dad wanted me to carry on at school, and told me that if I wanted to start work, not to expect him to arrange it for me [When I found a potential opening myself] my dad said, “Look, you can either wait and see if something comes up at the Town Council, or I can talk to someone”. Anyway, not long afterwards, the Council offered me a job, but my dad had already starting talking about calling in some favours (Gerry et al, 2000).

Another study conducted by Stone et al (2003) demonstrates that social capital is indeed has impact on job opportunities in the labour market. Their study was on “Social Capital at Work: How family, friends and civic ties relate to labour market outcomes”. The main objective of the study was to assess to the impact of both the structure of social networks and the quality of social relationships on labour force status. In this study, their data was obtained from secondary source, which is much more detailed and scientific than the methods used by Gerry et al (2000) though secondary data do have some flaws. The analysis was based upon data from the Families, Social Capital and Citizenship (2001) survey, conducted by the Australian Institute of Family Studies. In that survey the data were collected for one- thousand, five-hundred and six (1,506) Australians using Computer Aided Telephone Interviewing (CATI). Respondents to the survey were selected using a national random sample of households (with at least one person aged 18 years and above) who were included in the residential phone books. Hence, the sampling frame comprises members of the population who had a telephone number listed in the Whitepages. Potential respondents who had moved recently were less likely to have their numbers in the electronic Whitepages. Thus this was under-represented in the survey. Similarly, respondents who “vet” calls via answering machines were also under-represented.

The survey collected detailed information about respondents' social networks and the quality of relationships in those networks. Information was also collected about labour force status, including how jobs were found and a range of other demographic information. Given the focus of this study on labour market outcomes, the representativeness of the sample with respect to labour force status was important. The distribution of labour force status in the data was broadly consistent with estimates from the Australian Bureau of Statistics (ABS) Labour Force Survey. The main differences between the two sets of data according to them were the proportion of the sample unemployed was a little lower in the Institute data (3.9 per cent) than it was in the ABS data (4.7 per cent). Also, the proportion of that not-in-the-labour force was lower in the Institute data (32.4 per cent) compared with ABS data (36.2 per cent) and the proportion employed was higher in the Institute data (63.7 per cent) than the ABS data (59.1 per cent).

Therefore, the major data requirement for the survey captures the dimensions of social capital which included informal networks, generalised relationships, and institutional relationships. This approach was termed the “core measures” approach. The second approach was based upon the idea that individuals could be categorised into a discrete number of social capital types based upon the combination of the characteristics of their social networks (that is, the various dimensions of social capital). This approach was termed the “social capital type” approach.

In addition to this, Stone et al (2003) used quantitative model known as the multinomial logit model which sort to relationship between an individual's social capital and their labour force status which allows the dependent variable to take one of three mutually exclusive and exhaustive values,  $j=1, 2$ , and 3.

On the basis of the above methodological analysis, the research findings reviewed by Stone et al (2003) from the secondary data coupled with the multinomial logit model shows the following results in relation to the variables that were supposed to be measured. According to their findings there was no relationship between trust and reciprocity in informal networks and job search method or between the size of informal networks and search method used. According to them, interestingly, density of friendship network was not related to job search method.

However, the educational diversity of friendship networks was rather an important determinant. Having diversity in educational attainment of friendship networks was estimated to increase the probability of finding employment through family and friends and to reduce the probability of having found work via an advertisement. These findings lend support to the idea that network diversity acts to increase the resources a person can access by connecting them to a range of other network types. Their estimates revealed that there was no significant relationship between the extent of employment among one's friends and job search method used to find current job. This finding was a surprise to them because it was expected that having a job will increase a person's ability to help some one else secure employment. But that was not the case. According to them, the explanation may lie in that; friends being employed are not highly correlated with the labour force status of a person's broader network. This finding was consistent with the theory of the importance of "weak ties" in the job search process (Granovetter, 1973).

Accordingly, within the generalised realm, none of the dimensions of social capital were statistically significant. Within the institutional realm, an increase in breadth of institutional ties was estimated to increase the probability of having used professional contacts. Perhaps the most



significant finding was that trust and reciprocity in informal networks were not related to job search method used to find employment. Nor was trust and reciprocity in the generalised or formal realms related to job search method used to find employment. This finding was difficult for them to reconcile the views of a number of social capital theorists that trust and reciprocity are crucial elements of well functioning social networks. What matters more were the structural characteristics of networks, particularly having a network that is educationally diverse. There was some evidence that the density of friendship network was important. Although the effects were only significant at the 10 per cent confidence level and so caution was needed in interpreting the results. The point estimates show that more dense networks of friends associated with an increased likelihood of having used professional contacts and a decreased likelihood of having used direct contact with the employer or family or friends (Stone et al, 2000).

According to them, this finding was again consistent with the strength of weak ties theory developed by Granovetter (1973). In the light of these analyses, they concluded that social capital does have role to play in determining labour force status but perhaps not in ways that might be expected. Our second key finding is that whereas trust is often thought to be the aspect of social capital that is critical to achieving a range of outcomes, we find it is the characteristics of networks that are more important in predicting labour force status and job search method (Stone et al, 2000).

Further more, a survey conducted by Brook (2005) on “Labour Participation: The Influence of Social Capital” indicated that social capital did have some role to play in determining labour force status in terms of employment and that people with high levels of social capital are more likely to be in full-time employment than those who are not networked. The methodology

employed in gathering data and analysis was completely missing. This is because in every research work, the processes that are usually followed to arrive at findings and conclusions are very important particularly in the academia. However, in terms of job search, the study established that it was not based primarily on trust but networks. Another important finding was that, the effect of social capital was uneven among different groups of individuals and it may act to mirror or exacerbate existing inequalities or differences between people from higher and lower socio-economic backgrounds. This fact was also confirmed by Stone et al, 2003. According to Brook (2005), those who were not in employment were less likely to have ties to those who were in employment.

Additionally, the use of friends and family connections by those from low socio-economic backgrounds for job searching was less likely to result in high quality work than for those from higher socio-economic circumstances who may have access to professional contacts (Brook, 2005). According to him, this assertion, however, may be too simplistic since quality of work obtained was also strongly linked to human capital in terms of skills and experience which, in turn, was partly linked to socio-economic background. Hence, it was desirable that the influence of social capital on labour market outcomes was investigated in connection to human capital.

Mouw (2003) also conducted a research paper on “The use of Social Networks among Hispanic Workers” in the United States (US). That is Mexican migrant workers in the US. The main question posed by the paper was whether “workers with more social ties in the U.S. were more likely to utilize those ties with friends or relatives to find work?” (Mouw, 2003). Mouw obtained data from the 1994 Multi-City Study of Urban Inequality (MCSUI) and the 1987-1999 waves of



the Mexican Migration Project (MMP). The MCSUI data was a representative sample of households in 4 large urban areas which were Detroit, Boston, Atlanta, and Los Angeles. Data on the social networks of workers (demographic information on up to three friends) and detailed information on job contacts were collected in Boston, Atlanta, and Los Angeles. The paper used the MCSUI data from these three cities for all respondents who searched for work in the past five years. The sample size for the survey was one-thousand and four (1,004) Hispanic workers. Out of the 1,004 Hispanic workers in the sample, 17 were from Atlanta, 591 from Los Angeles, and 396 from Boston.

On the other hand, the population obtained by Mouw and sampling techniques employed in selecting respondents is questionable. This is because population changes with time and the population in 1994 will not be the same in 2003. Between the year 1994 and 2003 is a huge gap and therefore, population is likely to increase given a certain growth rate. Therefore, relying on such population data from MCSUI by Mouw (2003) might not be representative of the entire population of the study area and as such conclusion cannot be drawn from such findings. This is because it may not reflect the views of population in the study area. Thus, further investigations should have been done by Mouw to know the estimated number of Hispanic Workers that were in the selected states in the study country. Besides, how the sample size of 1,004 was obtained is not known. Whether, the sample size was obtained mathematically or intuitively. If the sample size was obtained mathematically, what was the margin of error?

That notwithstanding, the following findings were established by the research paper on the role that social capital plays in the labour market. The research findings revealed that Hispanic

workers are much more likely than other workers to use contacts. According to Mouw (2003) although the workers utilize a variety of other methods to find work, large proportion of them obtain their job through personal contacts. He therefore concluded that if there was any beneficial effect of social capital, then it was more likely to be found among Hispanic workers. Having exhausted the concept of social capital and empirical evidences of social capital on labour market, the next section of the review examines employment policy in Ghana.

## **2.5 Empirical studies and Types of Social Capital**

Intellectuals hold different views on dimensions of social capital. Thus, sociologists hold the view that human actions and reactions are governed by the social norms, rules and regulations as well as obligations. These orientations of the conception of social capital believe in the description of actions in social context and explain the manner in which human actions and inactions are influenced by the social context of human relation. Another dimension to the understanding of concept of social capital is that of the works emanating from the economists.

They hold the view that every actor has its goals independently arrive at without relying on the ties and acquaintances. Additionally, Brooks (2005) categorised the dimensions into: social participation, civic participation, social networks and support, reciprocity and trust as well as views of the local area.

He gives indicators to further explain each of the categories. These are tabulated in table 2.1 below.

**Table 2.1: Dimensions and Indicators of Social Capital**

No.	Dimension	Indicator
1.	Social participation	<ul style="list-style-type: none"> <li>▪ Number of cultural, leisure, social groups belonged to and frequency and intensity of involvement.</li> <li>▪ Volunteering, frequency and intensity of involvement.</li> <li>▪ Religious activity.</li> </ul>
2.	Civic participation	<ul style="list-style-type: none"> <li>▪ Perceptions of ability to influence events.</li> <li>▪ Contact with public officials or political representatives.</li> <li>▪ Involvement with local action groups.</li> <li>▪ Propensity to vote.</li> </ul>
3.	Social networks and support	<ul style="list-style-type: none"> <li>▪ Frequency of seeing or speaking to relatives or friends or neighbours.</li> <li>▪ Extent of virtual networks and frequency of contact.</li> <li>▪ Number of close friends/relatives who live nearby.</li> </ul>
4.	Reciprocity and trust	<ul style="list-style-type: none"> <li>▪ Trust in other people who are like you.</li> <li>▪ Trust in other people who are not like you.</li> <li>▪ Confidence in institutions at different levels.</li> <li>▪ Doing favours and vice versa.</li> <li>▪ Perception of shared values.</li> </ul>
5.	Views of the local area	<ul style="list-style-type: none"> <li>▪ Views on physical environment.</li> <li>▪ Facilities in the area.</li> <li>▪ Enjoyment of living in the area.</li> <li>▪ Fear of crime.</li> </ul>

**Source: Brook (2005): Labour Market Participation: The Influence of Social Capital**

Also, the concept of social networks can be broadly categorized into three types (Stone & Hughes, 2002). Thus, the first type of social capital is the informal ties that involve relationships with members of household, family and family in-law, friends, neighbours, and workmates. The second type of social capital is the “generalized relationships” which are community based and “societal relationship” that people have with other people they do not know personally, including local people, people in general and people in civic groups. Thirdly, “institutional relationships” refers to the ties individuals have with institutions including the legal system, the police, the media, unions, governments, political parties, universities, and the corporate world (stone & Hughes, 2002). The dimensions and types of social capital discussed above prompt further review on the theoretical underpinnings of social capital in the next section.

## **2.6 Theoretical Underpinnings of Social Capital**

In order to link the study to a theoretical underpinning, the theory of social capital is explored to the study context. The argument of the social capital theory is that the structure and networks that are built by people is an important asset. The structural analysis of the networks reflects the size of the network, the density of social ties within the network, and the diversity of the backgrounds and social situations of the network members (Coleman 1988). Therefore, Woolcock and Narayan (2000) put the theory of social capital in four perspectives. These are the communitarian, networks and institutional views. These perspectives are further discussed below.

## **2.7 Employment Policy in Ghana**

The National Employment Policy was a bold attempt by Government to provide the needed policy response to the precarious employment situation and to assist the poor and unemployed to take advantage of the opportunities to be gainfully employed and contribute their quota to the national development process (Ministry of Manpower, Youth and Employment, 2004). According to the Ministry, achieving the goal of full, freely chosen productive employment in the country was not an easy task. Government had, however, taken the first bold steps and was determined to overcome the structural impediments in the economy and make the ultimate development goal of full employment attainable through the effective implementation of this National Employment Policy. In every policy formulation, the policy background, objectives, principles and strategies are critical. This section therefore seeks to assess employment policy in Ghana in terms of:

- Labour force;

- Employment situation and
- Policy objectives, principles and strategies.

### **2.7.1 Labour Force in Ghana**

According to the Ministry of Manpower, Youth and Employment (2004), labour statistics in Ghana suffer from a great degree of under-coverage. Accordingly, the Ghana National Population censuses conducted by the Ghana Statistical Service, however, provided comprehensive data on population, labour force, employment and unemployment. According to the Ministry, the population of Ghana was estimated to be 18.9 million in 2000 and 21.13 million in 2005 with an annual growth rate of about 2.7 per cent. Thus, with an estimated growth rate of 2.7 per cent per annum, the correspondent supply of incremental labour to Ghana's labour market was expected to be about 350,000 per annum over the forecast period. It further added that, the demand for labour emanates from both the private and government sectors. Generally, the Economically Active Population (EAP) comprises the employed (those who work and those who had jobs but did not work) and the unemployed (those who are without work, are currently available for work and are seeking work during a defined period). The key source of demand for labour emanates from the productive sectors of the economy, namely, agriculture, industry and service, both public and private. But public sector employment had dwindled over the period due to its policies of retrenchment and redeployment. Formal private sector employment opportunities have also contracted and thus creating serious unemployment in the country particularly, Polytechnic and university graduates. Currently the bulk of employment comes from informal sector activities whose productivity and sustainability pose major developmental challenges to the country. This assessment however, was not able to give exactly how much of

the labour force in Ghana was employed and unemployed. If employed, how many are in the public and private sectors and how the employment was secured.

### **2.7.2 Employment Situation**

According to the Ministry of Manpower, Youth and Employment (2004), since 1983 Ghana has implemented economic reforms with far reaching social consequences including redeployment of several thousands of workers from both the public and private sectors. The lack of structural transformation of the Ghanaian economy had further constrained the development of new and productive employment opportunities and a fuller utilization of the labour force. The bulk of employment opportunities continue to consist of low income agricultural and informal activities. Formal public and private sector jobs have declined. Persistent unemployment, underemployment and growth of precarious forms of employment remain central features of the economy. Accordingly, close to 68 per cent of employed population are self-employed with no employees. This means that the greater percentage of the working population work in their own small enterprises and had no other employees apart from themselves. With the economy dominated by the self-employed who do not have the capacity to employ others, the prospects for generating additional jobs or employment opportunities for a growing young population is very low and this calls for social networking in order to secure job in the labour market.

### **2.7.3 Policy Objectives**

According to the Ministry, the following were the main objectives of the National Employment Policy. These are enumerated below:



1. To Promote the goal of full employment in national economic and social policy, and to enable all men and women who are available and willing to work, to attain secured and sustainable livelihood through full productive and freely chosen employment and work;
2. To secure improvement in the productivity of the labour force to improve private sector competitiveness and enhance employability to the extent that labour is afforded quality and well-remunerated employment consistent with productivity;
3. To provide the fullest possible opportunity to each worker to qualify for, and to use his/her skills and endowments in a job for which he/she is well suited, irrespective of race, sex, religion, political opinion, national extraction, ethnic or social origin;
4. To safeguard the basic rights and interests of workers, and to that end, promote respect for relevant International Labour Standards, including those on Forced Labour, Freedom of Association, the Right to Organise and Bargain Collectively, the Principle of Non- Discrimination and Equality of Treatment and Opportunities and elimination of the most extreme forms of Child Labour;
5. To secure maximum cooperation from, and participation by, the Ghana Employers Association (GEA), the Trades Union Congress and other interested parties in decisions relating to national employment policy, so as to ensure industrial peace and harmony and minimise productivity and job losses through industrial unrest and;

6. To stimulate economic growth and development, eradicate poverty and improve the standards of living by minimising the rates of unemployment and underemployment, and optimising the utilisation of labour and human resources.

#### **2.7.4 Policy principles**

According to the Ministry, the following were some of the principles that guided the implementation of the policy. These are:

- The Employment will be coordinated and implemented within the framework of national economic and social policy underpinned by deepening good governance and civic responsibility. In this regard, this National Employment Policy was to be consistent with the overall development strategies as outlined in the 1992 Constitution of the Republic of Ghana, the Growth and Poverty Reduction Strategy II and the Sector-Wide development Programmes;
- Government policy on employment generation was to emphasis the provision of a favourable environment for private investment and job creation. Government was to continue to maintain stable and favourable macroeconomic policies, pursue vigorous human resource development, provide basic infrastructure and additional incentives to support a vibrant private sector as the engine of economic growth and job creation in Ghana;
- The private sector therefore, should take on the role of the major investor in the productive enterprises that will provide increased employment and generate incomes. This called for the promotion of enterprise culture that was to induce self-reliance, risk taking, and a national environment that rewards effort and initiative;



- Individuals groups and the community at large, including those at the grassroots level and in line with decentralisation and participatory development, also bear an important responsibility for employment creation;
- The principles of collective bargaining, workers education and adjustment wages linked to price and productivity changes will be promoted;
- While providing for a greater role for the private sector in employment and job creation, caution shall be taken to the well-known paradox that the operation of the market system may lead to the marginalisation of some sections of the population including women, in rural areas and the informal sector, the youth, elderly persons, those with disabilities and the unemployed. Since these people are vulnerable and must be provided for through adequate safety-nets, Government undertakes to protect and assist these groups with special compensatory and well-targeted programmes, including those envisaged under the Growth and Poverty Reduction Strategy and the National;

#### **2.7.5 Policy Strategies**

The strategies set for achieving the policy objectives in order to address the unemployment problem in Ghana included the following:

- Ensuring enabling macro and sectoral policies through prudent macroeconomic management, removal of constraints to growth of productive sectors, implementation of policy interventions to promote the private sector, transformation of the structure of the economy, and maximisation of productive employment opportunities.
- Integrating employment intensive growth strategies in the country's development plans and programmes including national development plans, sectoral development

programmes and the budget statement and financial policies, and introducing special employment intensive schemes.

- Ensuring supportive population, migration and regional development policies through improved population management, spatial distribution of population to promote balanced growth of the economy, dynamic human resource development strategy, structured arrangements for development of skills for export to take advantage of international migration and globalisation.
- Improving labour market information through reforms targeting the structures, systems, processes, human capacity and equipment and logistics which are critical to the effective functioning of institutions involved in the management of labour market information system.

It is important to note that the issue of policy formulation is not end in itself, but the implementation is central to its success. As to whether the policy was implemented to tackle the unemployment situation is a million dollar question to be answered by the ministry of Manpower, Youth and Employment now the Ministry of Employment and Social Welfare. Since the policy was drafted in 2006, there are still signs of serious unemployment in the formal sector especially among Polytechnic and University graduates.

## **2.8 Summary and Key Issues**

From the literature review above, the key elements of social capital are ‘networks’ and ‘relationships’. In the labour market these key elements play a crucial role in connecting job seekers to job opportunities. This may be through bonding, bridging or linking. Thus, trust and

reciprocity are essential in enhancing social capital though some authors disagreed with this conception. From the review, it has also been realized that, social capital is a double-edge sword which has both merits and demerits. Types of social capital include informal ties, generalized and institutional relationships. However, these types of social capital are imbedded in the dimensions which capture social participation, social networks and support, civic participation as well as reciprocity and trust.

Secondly, from the review various research findings have shown that indeed, social capital plays an important part in accessing job opportunities and securing jobs in the labour market. This is either based on bonding, bridging or linking. On the other hand, some authors disagreed with these findings as cited by Stone et al (2003) particularly bonding. It also important to note that, authors concentrated on the role that social capital plays in connecting relatives and friends to jobs but did not critically assess labour output in these circumstances. This is because in assessing social capital the issue of trust and reciprocity are paramount. In terms of reciprocity, what do employers stand to also gain from such relationships?

Despite the fact the National Employment Policy was drafted to deal with the unemployment situation in the country, its effectiveness is in doubt. This is because, unemployment is still perceived to be a greater challenge in the country particularly among Polytechnic and University graduates. This calls for building of social networks in recent times by potential job seekers as a strategy in securing employment. This is because most potential job seekers believe that securing job these days is based on 'who you know' principle. Additionally, there was limited literature in Africa and Ghana on the topic as most write ups were based in Europe. Therefore,

literature could not be gleaned in order to have an in-depth understanding of what is happening especially in Ghana and Tamale Metropolis. All these lapses in the review will guide the methodology that should employ to gather data to fill the gaps that have been realized.

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## **CHAPTER THREE**

### **BACKGROUND OF STUDY AREA AND RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter encompasses the profile of the study area and research methodology. The profile will indicate the location of the study area, population, ethnicity and cultural values and the economy of the Metropolis. The study design of the research will include the study type, variables, population, sample size and sampling techniques, methods of data collection and analysis as well as ethical considerations. The next sub-section elaborates on the background of the study area.

#### **3.2 Background of the Study Area**

The background of the study area encapsulates the location of the study area, population, ethnicity and cultural values. It also assesses the economic activities of the Metropolis. These variables are further elaborated below.

##### **3.2.1 Location and Size**

The Tamale Metropolitan Area is located at the centre of the Northern Region. It shares common boundaries with Savelugu/Nanton District to the north, Tolon / Kumbungu District to the west, Central Gonja District to the south-west, East Gonja District to the south and Yendi Municipal to

the east. The Tamale Metropolis occupies approximately 750 square kilometres which is 13 per cent of the total area of the Northern Region. Tamale became a district in 1988 by Legislative Instrument 1453. It was called West Dagomba District Assembly. It was then promoted to West Dagomba Municipal Assembly in 1994 and finally elevated to the status of a Metropolitan Assembly in 2004 by legislative instruments (LI) 1801 of the Local Government Act 1993, (Act 462).

### **3.2.2 Demographic Characteristics**

According to the Ghana Statistical Service (2000), the Tamale Metropolis has a population of 293,881. This figure shows an increase of 75 per cent over the 1984 population of 167,778 and represents an intercensal growth rate of 3.5 per cent. This is far higher than the regional and national rates of 2.8 per cent and 2.7 per cent respectively. Similarly, the population growth rate in TAMA is higher than that of the Accra Metropolitan Area (AMA) which is 3.2 per cent. This is because Tamale is a fast growing city and as result a lot of people move to the city to do businesses.

### **3.2.3 Ethnicity and Cultural Values**

The Dagombas who are the indigenous population constitute about 80 per cent of the total population in the Metropolis. Apart from Metropolitan centre where there is ethnic diversity almost all people in the surrounding villages are Dagombas. Before the advent of both Christianity and Islam religions, the Dagombas were mostly traditionalists. Their culture was deeply enshrined in their customs and beliefs. The result of this is still manifested in the numerous traditional festivals still practiced. These practices are no longer pronounced in

Metropolitan centre as a result of the ethnic diversity and the influence of both Islam and Christianity.

On the religious front, the people in the Metropolis are mostly Muslims since this was the first religion exposed to them by Arabs from the north. It is therefore not surprising that almost 90 per cent of ethnic Dagombas are Muslims. On the other hand, Christianity arrived later from the south and hence mostly practiced by non-Dagomba ethnic groups. Until recently, festivals were largely enshrined in the customs of the Dagombas. However, this is changing as a result of the practice of Islam. Festivals are not much celebrated especially in the Metropolis as compared to the villages. The most important festivals are Fire and Damba. The fire festival is celebrated to commemorate the occasion when the beloved son of a powerful chief got missing and the chief ordered his subjects to search for the boy. Torches were consequently lit in the night and the child was found. This marks the beginning of the fire festival as practiced today. On this day, a lot of grasses are lit in the night by people from all walks of life; children, women and men alike on almost all the streets and even in the metropolitan centre. In addition to this, the Damba festival is celebrated to commemorate the birthday of the holy Prophet of Islam, Muhammed. Damba is usually celebrated after the fire festival (Mohammed, 1994).

### **3.2.4 Economic Activities**

The economy of the Tamale Metropolis is dominated by agriculture and commerce including services and small-scale industries. The economy of the Metropolis until the 1980s was basically agricultural. During this period over 70 per cent of all indigenous people in the Metropolis were mainly small-scale farmers. Significant crops were rice, maize, sorghum,



groundnuts and beans. Shea nut harvesting was also a high revenue source particularly for women. Currently it is estimated that 60 per cent of the people are engaged in agriculture in the Metropolis. The major crops cultivate include maize, rice, sorghum, millet, cowpea, groundnuts, soya bean, yam and cassava. The total land area under cultivation is 38,352 hectares. Livestock is important in the northern region not only as capital investment but also as social capital. Animal husbandry however is characterised by free ranging for both small ruminants and cattle, appropriate housing and inadequate pasture and watering points especially during dry season (Ghana District, 2006).

Besides the agriculture, the labour force of the Metropolis is gradually turning to commerce. Commercial activities range from ware housing, bulk-breaking and retail for cereals and semi-processed agricultural produce to the sale of manufactures agricultural equipment and hardware and domestic goods. The significance of Tamale as the key commercial and service centre in the whole region and beyond cannot be over emphasised. Tamale market can be said to be the largest cereal market in the country after Kintampo and Atebubu, two commercial centres in the Brong Ahafo Region. The Aboabo market is the main market for cereals and subsequently benefited from Department for International Development (DfID) assistance to develop a fumigation centre.

The Tamale Metropolis and the whole region however lags behind in industrial development. The main industrial activities in the Metropolis include agro-processing such as rice milling, vegetable oil extraction, cotton ginning and textile or smock making. There are other small-scale

industries involved in vehicle repairs, pre-fabrication of spare parts, manufacturing of farm implements. The rest are cloth and leather works, pottery and carpentry.

The informal sector of industry in the Metropolis is predominantly made up of different types of artisans with micro enterprises in areas such as metal fabrication, fitting, handicrafts and vulcanizing. The number of people engaged in the informal sector is difficult to determine because many of them are casual workers, seasonal workers or combine these with their farming. Additionally, most of these people are not registered with the assembly or operate very small sizes businesses, which do not require registration.

Tamale is both a regional as well as a district capital. Several state, private and public corporate agencies have their offices in the Metropolis. Additionally the Ghana Air Force has a large force with its regiment in Tamale. In the 1990s to date the number of local and international NGOs in Tamale has increased considerably. Higher educational institutions are now being built in the Metropolis and these activities have greatly increased the labour force in formal employment (Ghana District, 2006). This leads to the outlined on the research design in the next section in this chapter.

### **3.3.0 Research Design**

A case study and questionnaires are the main research design of the study which will clearly indicate the systematic processes that will be followed to arrive at the findings and conclusion. The variables to analyse will include the type of study variables, population, sample size and sampling techniques, methods of data collection and analysis as well as ethical considerations. Therefore, the next section elaborates on the type of study adopted in the research.

### **3.3.1 Study Type**

Case study approach will be used in assessing the impact of social capital in the labour market in the Tamale Metropolis. The rationale for using this method is to have an in-depth understanding of how people secure job using networks. This will serve as the basis for ascertaining the workability of the concept of social capital and generalization of findings.

### **3.3.2 Study Variables**

The study will collect data on the following variables in relation to social capital in accessing job opportunities in the Tamale Metropolis. These are:

- Networking-bonding (family and friends), bridging (colleagues and associates) and linking (organisations and institutions)
- Employee competence and output (Qualification, experience , skills and turn over)
- Reciprocity and trust (between employers and employees).

### **3.3.3 Study Population and institutions**

The study population will capture the following:

- Employees of selected organizations;

- The unemployed/Potential job seekers;
- Directors/Managers as well as human resource managers of selected organisations and
- Key informants.

Further more, ten (10) organizations and institutions will purposely be selected for the study. These will constitute both Governmental and Non-Governmental organizations. These organizations are classified in table 3.1 below.

**Table 3.1: Classifications of Sampled Organisations**

<b>Governmental Organisations</b>	<b>Non-Governmental Organisations</b>
Ghana Statistical Service	World Vision
Controller and Accountant General Department	Care International
Health Insurance Office	Rains
Community Water and Sanitation Agency (CWSA)	Action Aid Ghana
ZoomLion Ghana Limited	
Office of the Metropolitan Assembly	

**Source: Field survey, May, 2011.**

The above organizations are selected for the study because employees are more likely to have been employed through networking-bonding, bridging and linking and as such gathering data on the key variables of the study will be easier.

### **3.3.4 Sample Size and Sampling Techniques**

The sample size for the study will be determined intuitively. This is because it will be difficult to determine the total population of those who are employed in various organizations and those potential job seekers or the unemployed. The entire study population size was one-hundred and fifty (150). Out of the 150 population of the study, thirty six (36) was the sample size.

Secondly, sampling is a relevant activity in social research. “It is a process of selecting a portion of a population or universe as representative of that population or universe”. Also, sampling according to Osuala (2005) involves engaging a portion of a population or universe as representative of that population. Therefore, the main sampling technique that will be used in selecting organizations and respondents is non-probability. This will comprise of purposive and accidental sampling techniques. As already indicated above, purposive sampling will be used in selecting organisations for the study. As the name implies, in trying to adhere to the objectives of the study, study units that give the researcher the required information on the subject matter are selected. Therefore, the organizations selected above are where necessary data on the subject matter can be gathered. Accidental sampling technique will further be used in selecting respondents. This technique will be used because it will be difficult getting all employees at a time in organization at work to randomly select. In this case, any respondent who is available and ready will be interviewed. As indicated by Punch (2004), selecting a sample that adequately reflects the variation in a given population is quite challenging and calls for appropriate approach. Therefore, for the purpose of convenience, the non-probability sampling technique is preferred to the probability.

### **3.4 Methods of Data Collection**

Both primary and secondary methods of data collection were used in gathering the relevant information and related literature of this study. The primary data collection method that was employed in the data collection process for the study were interviewer administered questionnaires and checklist for face-to-face interviews. These are further discussed below.

### 3.4.1 Questionnaires

Questionnaires thus provide the method of collecting data by asking people questions or asking them to agree or disagree with statements representing different points of views. Inferring from Cannell and Kahn (1968), good questionnaires are based on the clarity of questions that will facilitate communication between the interviewer and the interviewee. These questions could be open-ended and/or closed-ended. The open-ended questions gave respondents the opportunity to provide their own answers to the questions. The result of which would be coded before they can be processed for computer analysis. The closed-ended questions on the other hand restricted respondents to a given set of answers from which they could select their responses. It was however popular because they provided a greater uniformity of responses as opposed to open-ended questions. Under this method, questionnaires were administered to employees of organizations in the Tamale metropolis. Thus, both open-ended and close-ended questions were used in the process.

### 3.4.2 Interviews

Interviews are conversations with a purpose, specifically the purpose of information-getting (Smith, 1975). Face-to-face interviews were used to interview human resource personnel. Semi-structured interviews were specifically adopted in the study to conduct the face-to-face interviews. For the purpose of this survey, efficiency, reliability, and validity of data collection were ensured by asking questions which were appropriately a measure of the objectives of the study problem. The following were taken into consideration in order to make sure that the use of face-to-face interview was effective with minimal biases:

- The interviewer followed question wordings exactly.

- Responses to open-ended questions were recorded exactly as given by the respondents, without any attempt of summary, paraphrase, or correct bad grammar.
- Interviewer's had knowledge in the topic area of the study.

All these were aimed at reducing interviewer biases and other influences of the interviewer, be it speech, or dress that might risk the validity of the data generated.

### **3.5 Methods of Data Analysis**

Quantitative data generated was analyzed by means of elementary statistical analysis. In this case, data was cleaned with the aim of checking accuracy and consistency of information on each questionnaire in relation to the set objectives. A coding manual was designed after knowing the nature of responses. Both open and closed-ended questions were coded. Data analysis was done by the use of Statistical Package for Social Sciences (SPSS); a computer software programme. Besides, the qualitative data generated from interviews was analysed by coding the data generated into thematic areas that was relevant to the study. Data cleaned was categorized into similarities and dissimilarities. The output was then screened and synthesized to support data analysis and presentation.

### **3.6 Ethical Considerations**

The ethical considerations in taking data included the following:

- The purpose of the survey was first explained to respondents so that they had an insight into the survey.



- In gathering data, respondents were assured of confidentiality of what information that was given out.
- Respondents' names were not requested to give them further assurance of confidentiality.

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## CHAPTER FOUR

### DATA ANALYSIS AND DISCUSSION OF RESULTS

#### 4.0 Introduction

This part of the research presents the results of the findings obtained from respondents and also the discussions resulting from the findings. The results and discussions were based on responses from thirty six (36) respondents. The presentation is divided in various sections including the background of respondents.

##### 4.1.1 Gender of the Respondents

**Table 4.1 Gender of the Respondents**

	Frequency	Percent (%)
Male	29	81
Female	7	19
<b>Total</b>	<b>36</b>	<b>100</b>

**Source: Field survey, 2011**

As indicate in the above Table 4.1, 81% of the top management of the Polytechnic are male 19% of them are female. This means the respondents were dominated by males.

#### 4.1.2 Age of the Respondents

**Table 4.2 Age of the Respondents**

Age	Frequency	Percent (%)
25-35	9	25
36-46	18	50
47-57	5	14
58-65	4	11
<b>Total</b>	<b>36</b>	<b>100</b>

**Source: Field survey, 2011**

As indicated on the Table 4.2 above, 75% of the respondents are within the age range of 25 to 46 years. 25% of them are above the years of 47 years. This means that the respondents were relatively younger.

#### 4.1.3 The Marital status of the Respondents

**Table 4.3 Marital status of Respondents**

	Frequency	Percent (%)
Single	13	36
Married	20	56
Divorced	2	6
Widowed	1	3
<b>Total</b>	<b>36</b>	<b>100</b>

**Source: Field survey, 2011**

With reference to Table 4.3 above, 36% of the respondents are single and 56% are married and are living with their spouses. 6% of the respondents are divorces their spouses and one (1) of the respondents representing 3% has lost his spouse.

#### 4.1.4 The Educational Background of the Respondents

**Table 4.4 Educational background of the Respondents**

	<b>Frequency</b>	<b>Percent (%)</b>
SSCE/ A' Level & O' Level	3	8
Diploma/ HND	8	22
1 <sup>st</sup> Degree	14	39
Masters	9	25
PhD/Doctorate	2	6
<b>Total</b>	<b>36</b>	<b>100</b>

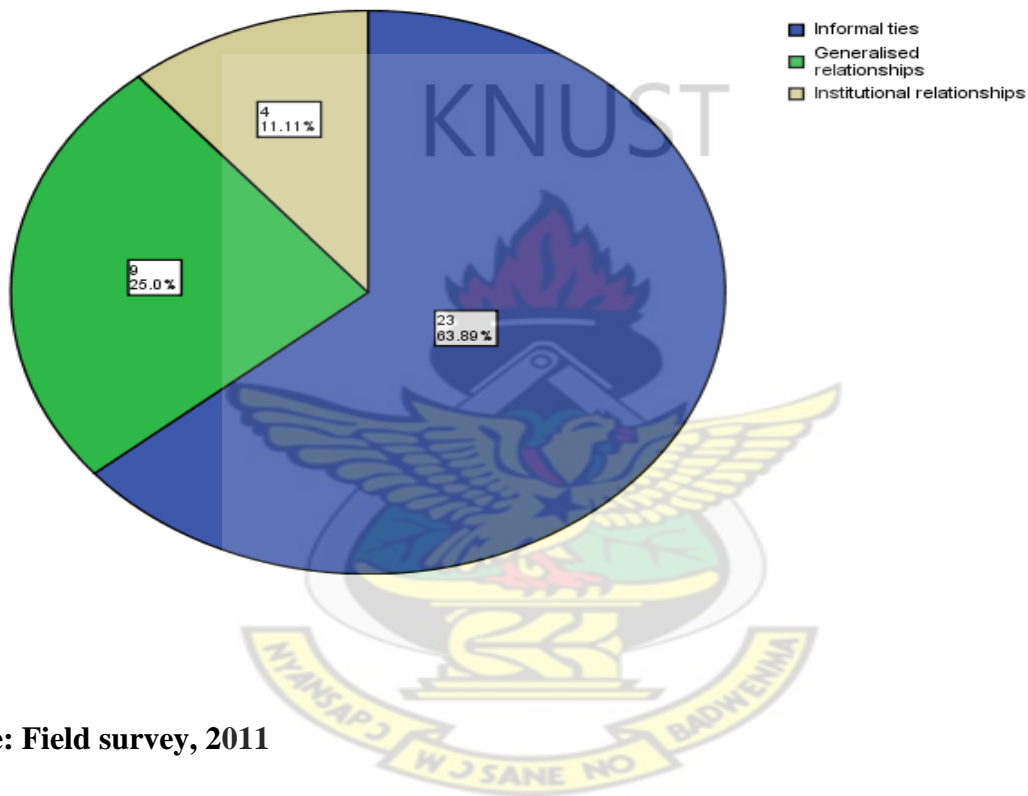
**Source: Field survey, 2011**

As indicated on the Table 4.4 above, 30% of the respondents have between SSCE and HND certificates. 39% are 1<sup>st</sup> Degree holders and 25% have their Masters. The rest, 6% of them are holders of PhDs. This means that majority of the respondents are holders of 1<sup>nd</sup> Degree.

## 4.2 Assessing Dimensions of Social Capital

**Figure 4.1 Assessing Dimensions of Social Capital**

**Which of the following type of social capital(social networks) is common in the Tamale metropolis**



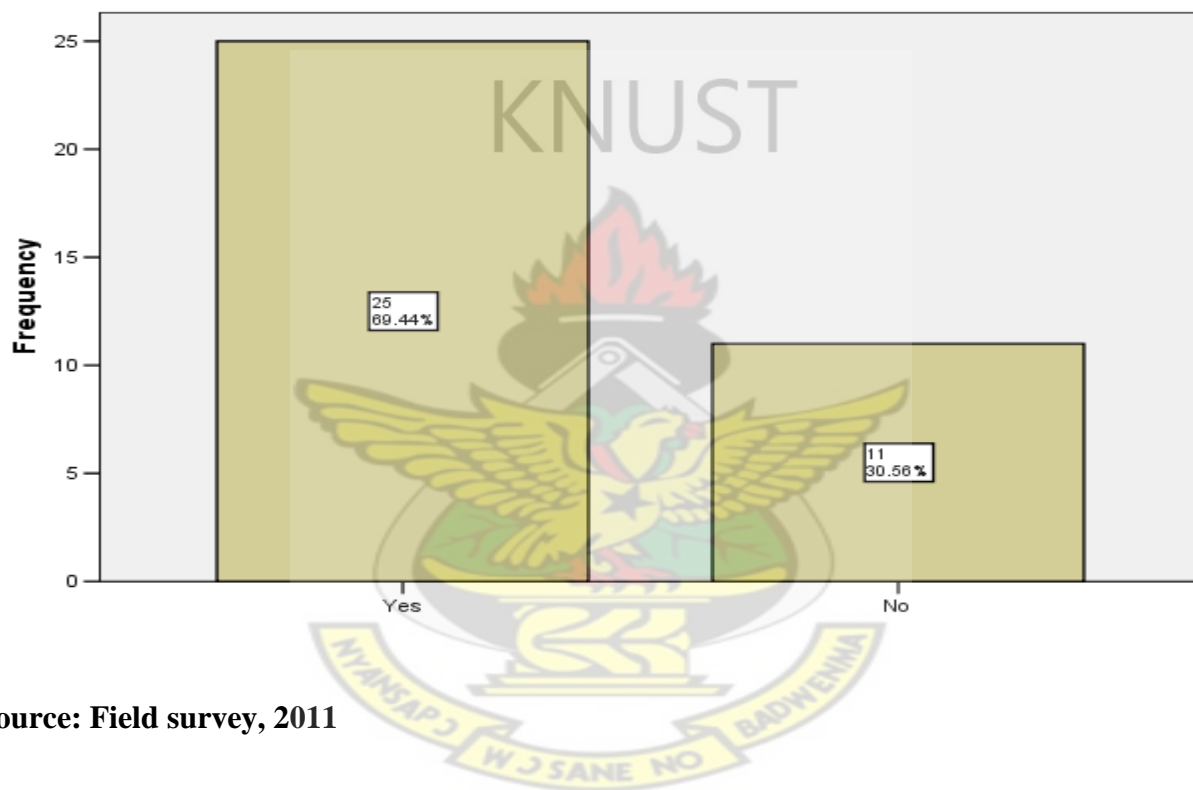
**Source: Field survey, 2011**

From Figure 4.1 above, the dimensions of social capital in the job market are presented. The results showed that a significant number of people i.e. 63.89% of the respondents viewed informal ties - a category of social capital – as the most common social network in the Tamale metropolis. From the figure, 25% of the respondents viewed generalised relationships as the next common, while institutional relationships was the least common with 11.11%.

### 4.3 Role of Social Capital in Job Recruitment

Figure 4.2 Role of Social Capital in Job Recruitment

Do you agree with the assertion that job recruitments are no longer gotten on merit but rather on who you know



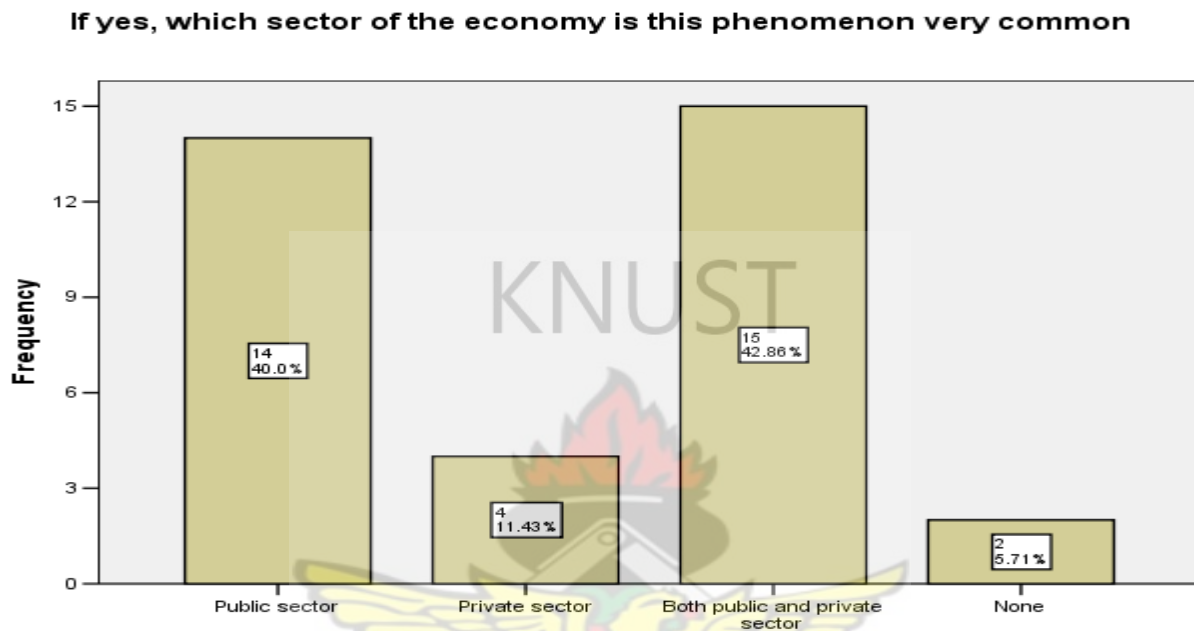
Source: Field survey, 2011

From Figure 4.2 above, the results show that 69.44% of the respondents are of the notion that job recruitments are invariably dependent on social capital while 30.56% think otherwise. Public perception on the influence wielded by social networks in job recruitment is widespread in the Tamale metropolis as the majority of the respondents hold the view that job recruitment is no longer on merit but on social capital.



### 4.3.1 Sectors of the Economy Where Phenomenon Is Common

Figure 4.3 Sectors of the Economy Where Phenomenon Is Common



Source: Field survey, 2011

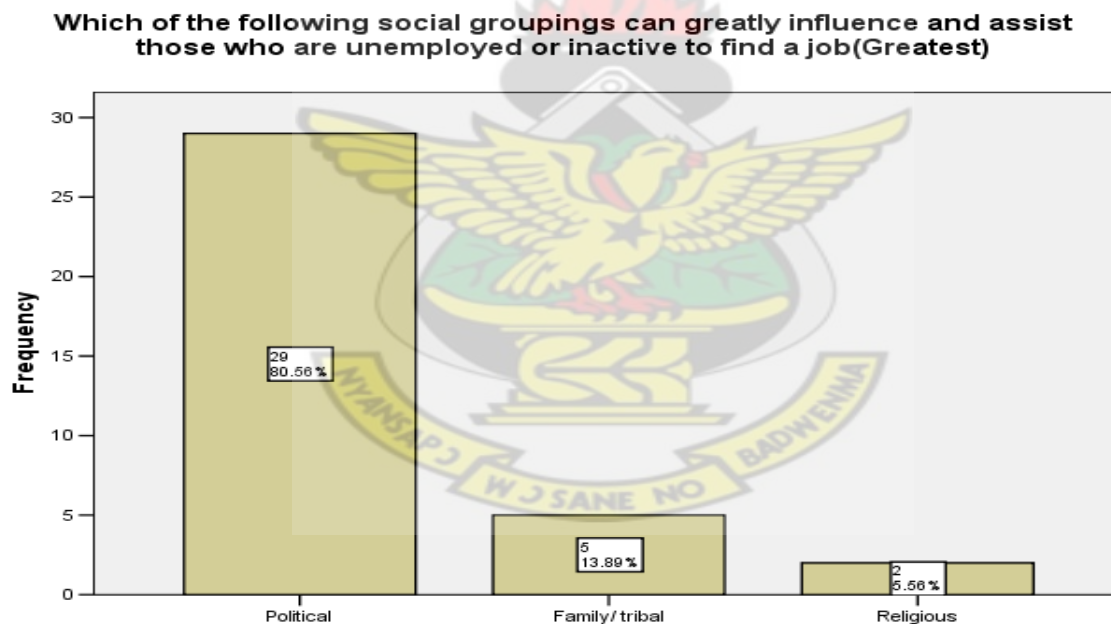
From the Figure 4.3 above, 42.8% of the respondents cited both the public and private sectors of the economy as places where the phenomenon is common. However 40% of the respondents point to the public sector as the most commonplace for the phenomenon in comparison to the private sectors 11.43%. And the rest, of the respondents said none.

Many of the respondents gave incidents to support their claim of social networking in job recruitment. The incidents range from admissions into the training colleges, reservation of positions for family members who are not qualified, and recruitment based on tribe, rewarding of party faithful etc.

### 4.3.2 Rating the Power Exerted By Categories of Social Capital in Job Recruitment

The respondents rated in order of influence exerted by the categories of social networking in securing a job for an unemployed or inactive person. The rating was in order of the greatest to the least influence exerted by the following: political, family/tribal, religious and traditional ties. Rated first was the influence exerted by political ties — as shown in the figure below for the greatest influence — followed by family/tribal ties. Religion placed third while traditional background wielded no influence according to the respondents.

**Figure 4.4 Rating the Power Exerted By Categories of Social Capital in Job Recruitment**

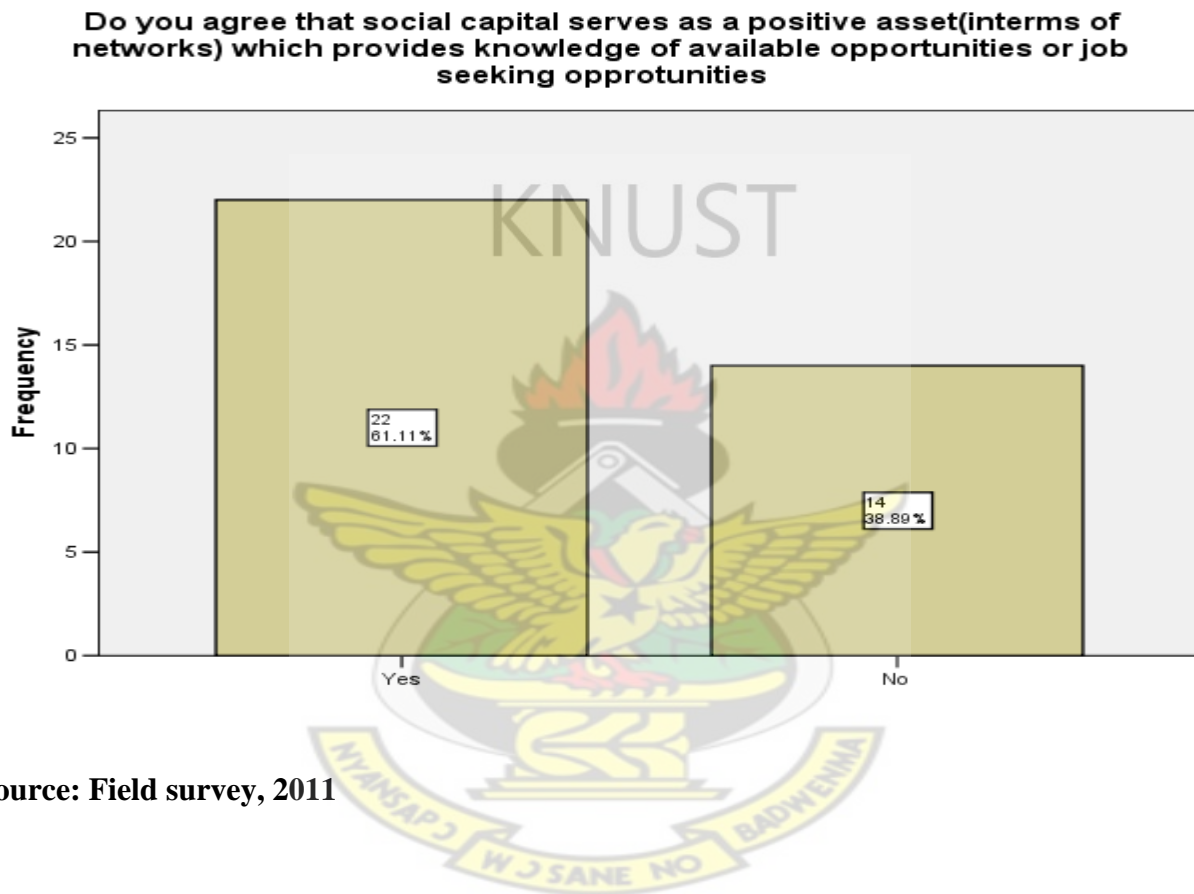


**Source: Field survey, 2011**

The same ratings were recorded for social groupings that greatly influence and assist those already employed to change jobs or progress within the work place.

### 4.3.3 Importance of Social Network

Figure 4.5 Importance of Social Network



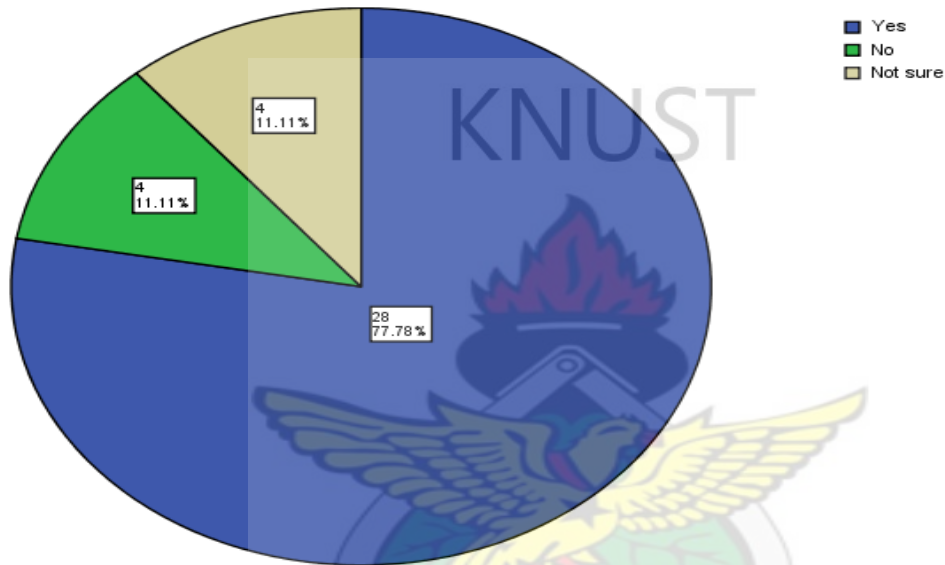
Source: Field survey, 2011

From the Figure 4.5 above, 61.11% hold a positive view of social networking in the provision of information of job opportunities. However 38.89% reason otherwise. The respondents whose answer was affirmative considered social capital as an asset and attributed its continuous growth in the Tamale metropolis to an array of reasons including: indebtedness, increased chances of securing a job or a desired job, information on vacancies etcetera.

#### 4.3.4 Rise of Social Capital

Figure 4.6 Rise of Social Capital

Do you agree to the assertion that inadequate jobs or employment opportunities for the growing young population has given rise to increasing rate of social networking in the labour market



Source: Field survey, 2011

From the Figure 4.6 above, 77.78% confirm the claim that inadequate jobs or lack of employment opportunities is virtually responsible for the increasing rate of social networking in the Tamale metropolis. Thus social networking provides the avenue for them to jostle for the few jobs available. Only 11.11% disagreed with that position while another 11.11% did not have a definite stand on the issue.

In order to mitigate the effects of social networking on individuals who had weak or nonexistent social networking ties, the respondents were of the view that the expansion of the economy could lead to more job creation reducing the incidence of social networking in the labour market.

#### 4.4 Competence and Output of Employees Employed Through Social Capital

**Table 4.5 How will you evaluate the competence of employees who find their way into the organization through social networks?**

	<b>Rating</b>	<b>Frequency</b>	<b>Percent (%)</b>
Valid	Excellent	3	8.3
	Very good	5	13.9
	Good	10	27.8
	Average	15	41.7
	Bad	3	8.3
	<b>Total</b>	<b>36</b>	<b>100.0</b>

Source: Field survey, 2011

From Table 4.5 above, 50% of the respondents said the competence of employee who got their through social networks is okay while 41.7% are average. Only 8.3% of the respondents indicated that they are bad. Employees who have strong social networks are also likely to have better social skills which are usually deemed more important than mere technical skills, especially for those kinds of jobs that require their incumbents to have good ‘people skills’.

#### 4.4.1 Attitude of Employees Employed Through Social Capital

**Table 4.6 Do workers employed through social networking involve themselves actively in the day to day operations of the organization?**

		Frequency	Percent (%)
Valid	Yes	18	50.0
	No	18	50.0
	<b>Total</b>	<b>36</b>	<b>100.0</b>

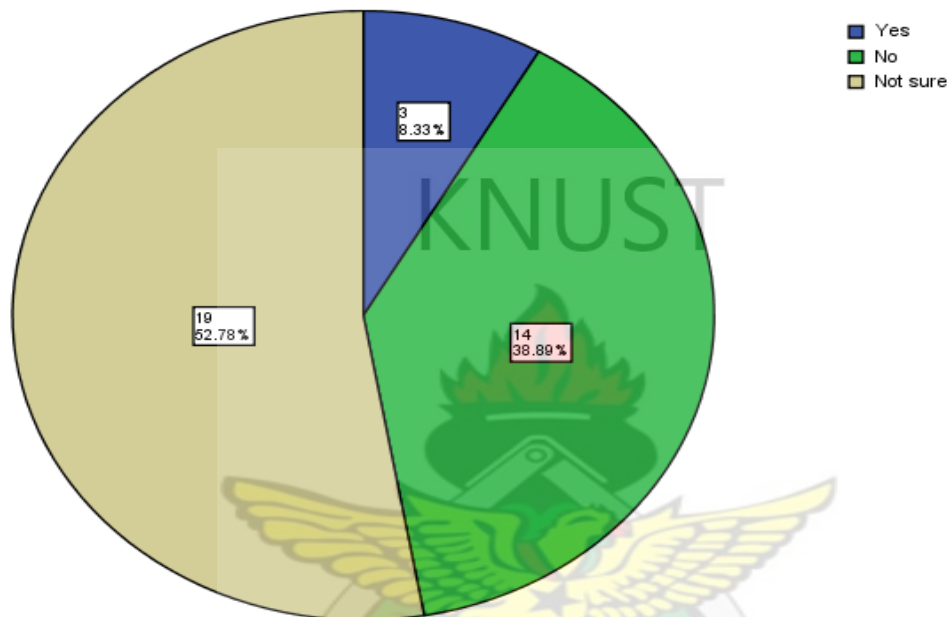
**Source: Field survey, 2011**

From Tables 4.6 above shows the views of respondents concerning workers employed through social capital. Their interaction with others as well as participation in the day to day activities of their respective organizations is quite fairly balanced. Indeed 50% of the respondents indicate that employees employed through social capital are interactive with others in the organization as opposed to 50% respondents who disagree.

#### 4.5 Benefit to Employers for Recruiting Through Social Networking

**Figure 4.7 Benefits to Employers for Recruiting Through Social Networking**

**Would you say that employers stand to gain by employing people through social relations**



**Source: Field survey, 2011**

From figure 4.7 shown above, the respondents expressed mixed views with regard to benefit employers stand to gain by employing through social networking that over half of the respondents i.e. 52.78% were uncertain if any benefits accrued to the employer while 38.89% were of the view that the employer did not benefit. Only 8.33% believed the employers profited.

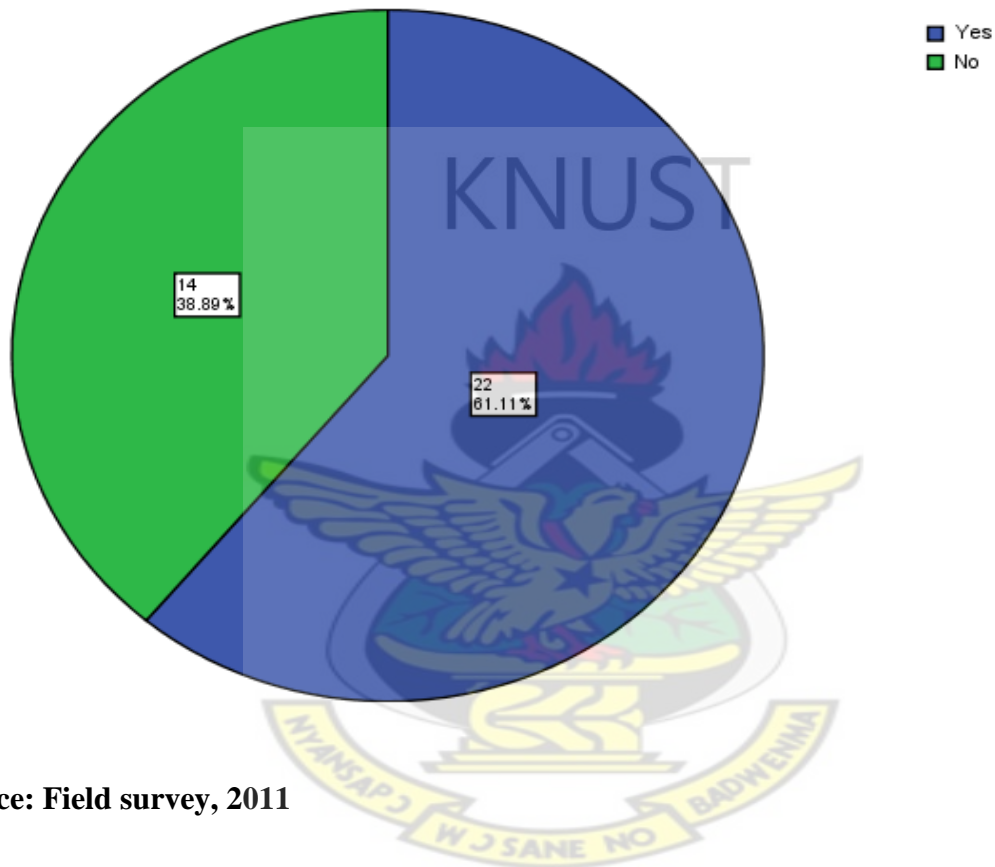
The few respondents who agreed that the employers benefited, gave the following as the examples of some benefits: gaining social recognition, recruiting competent staff, saving cost and bribery benefits.



#### 4.5.1 Challenges Faced By Employing Through Social Networking

Figure 4.8 Challenges Faced By Employing Through Social Networking

Do you share in the view that social capital is a double-edged sword and that desirable outcomes attained today come at a price of significant cost tomorrow



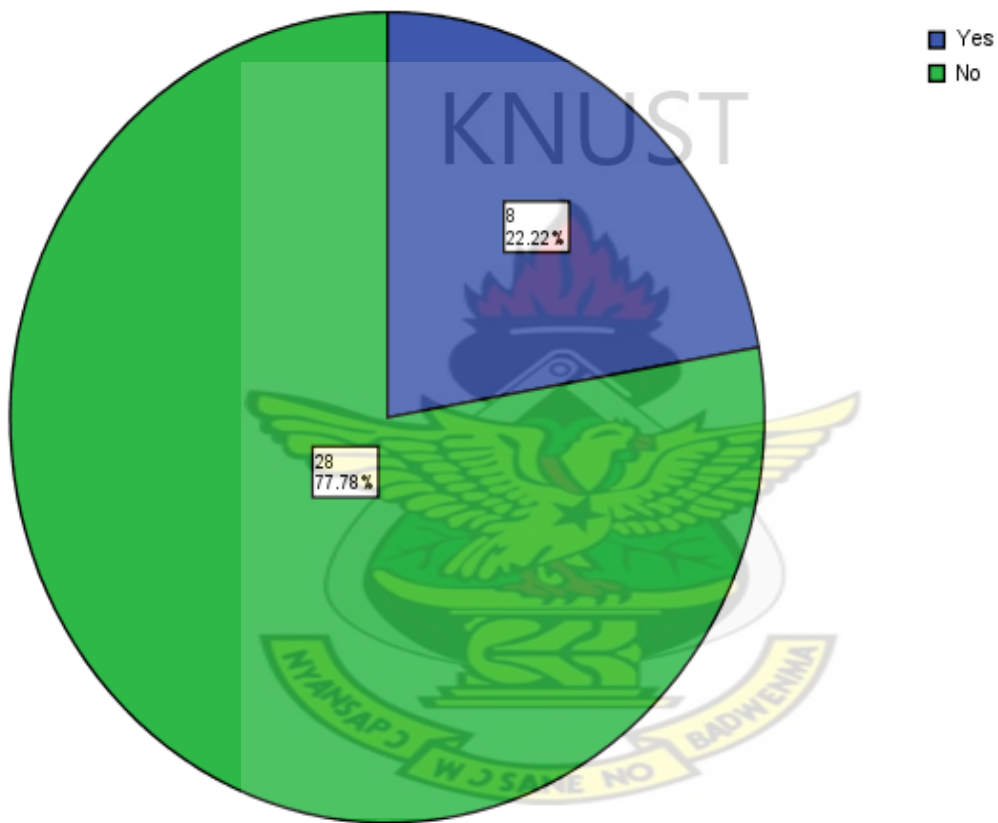
Source: Field survey, 2011

From Figure 4.8 above, although social capital may seem appealing to its beneficiaries, 61.11% of the respondents share the view that there would be a price to pay eventually as shown in the figure below. However for 38.89% of the respondents, it is a win-win situation with no grim prospects for the future. To support their assertion that social capital is a double-edged sword, respondents mentioned several consequences that may arise in the future.

#### 4.5.2 Social Networking and Productivity

**Figure 4.9 Social Networking and Productivity**

**Do you share in the view that social relations can boost productivity at the same time as it can improve the psychosocial work environment**



**Source: Field survey, 2011**

From the Figure 4.9 above, 77.78% of the respondents do not see any relationship between social networking and productivity; while for the remaining 22.22% social networking can boost productivity. Reasons assigned to the positive impact of social networking on prod

#### 4.6 Best Practices Recommended For Recruitment

**Table 4.7 Best Practices Recommended For Recruitment**

		<b>Frequency</b>	<b>Percent (%)</b>
<b>Valid</b>	<b>Advertisement in the dailies to sort the right caliber of employees</b>	4	11.11
	<b>Applicants should be employed based on merit</b>	10	27.78
	<b>base on qualification and practical knowledge in course of study</b>	16	44.44
	<b>Base on their qualification</b>	4	11.11
	<b>Based on who you know</b>	2	5.56
	<b>Total</b>	36	100.0

**Source: Field survey, 2011**

The Table 4.7 above showed a number of suggestions proposed by the respondents as to the best practices that can be adopted in labour recruitment to enable a level playing field for all the actors in the labour market.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This part of the survey provides the summary of key findings, recommendations and conclusions of the study.

#### **5.1 Summary of Findings**

As is evident from the analysis of the survey results in Chapter 4, 77.78% confirm the claim that inadequate jobs or lack of employment opportunities is virtually responsible for the increasing rate of social networking in the Tamale metropolis. Thus social networking provides the avenue for them to jostle for the few jobs available. In order to mitigate the effects of social networking on individuals who had weak or nonexistent social networking ties, the respondents were of the view that the expansion of the economy could lead to more job creation reducing the incidence of social networking in the labour market.

It came out of the survey that few respondents who agreed that the employers benefited, gave the following as the examples of some benefits: gaining social recognition, recruiting competent staff, saving cost and bribery benefits.

The findings also indicated that significant number of people i.e. 63.89% of the respondents

viewed informal ties - a category of social capital – as the most common social network in the Tamale metropolis.

## **5.2 Conclusions**

The aim of this study was to assess the impact of social capital on job seeking in organisations in the Tamale Metropolis of Northern Region of Ghana. Acknowledging Mouw`s (2003) warning that finding a job via social networks might be endogenous, we also analyse the effect of a search through networks in general instead of focusing on the effect of how the accepted job was found. In contrast to our theoretical expectations, social networks do not seem to transmit more or faster information than a formal job search. Because employment agencies also deliver placement services and inform the unemployed about job vacancies, more and faster information might flow via this formal channel. If we assume the existence of unobserved heterogeneity with a small or medium influence, then the positive effects disappear. In addition, we took into account the potential endogeneity of job finding method by replacing it with job search method. However, scholars are discussing other advantages of networks in addition to information flow. For example, in addition to information, influence is discussed as a potentially important mechanism by which networks might be helpful in a job search (Lin 1999). There is no evidence for either the effects of information or the effects of influence, at least for the information/influence indicators they used. Another mechanism might be connected to social solidarity or social enrichment. No evidence for informational benefits, similar to the results presented here. However, the recruitment via social contacts leads to social enrichment in the work place. Employers benefit from their employee`s social networks because the pool of

applicants is enriched. Using referrals significantly reduces screening costs because referrals were more appropriate for the job at application.

This finding draws attention to the fact that the benefits from searches via social networks are not restricted to job seekers alone, but might also, or even primarily, exist for the employing firms. Indeed, one way to look at the results is that job search via social networks mainly measures potential effects of networks on information flow. In contrast, job finding via social networks measures information flow as well as other mechanisms, for example social enrichment. Here benefits from social networks can only be realized, if a job seeker actually accepts the job found via her network, explaining positive and significant effects from job finding via networks that disappear when we switch to job search via social networks.

Another conclusion – that was not the main focus of this study, but still worth mentioning – is that measures of individual and collective social capital are largely independent of each other. Lin (2000) has argued that dense networks should be a barrier for access to a wide diversity of resources. Individual social capital theory suggests that participation in voluntary associations, especially instrumental participation, increases access to a greater diversity of resources. The desire to broaden the scope of the network may even be a salient motive to join voluntary associations.

It is likely that a substantial part of the relation between participation access to resources through friends and acquaintances is the result of participation. However, access through family ties can

only be the result of participation if these family ties still exist because of co-membership in the same voluntary associations, and would have been broken without co-membership.

### **5.3 Recommendations**

It is recommended that there should be attention on concept of social capital which focuses on social relations and structures as resources that can facilitate a well-functioning society through trust networks, shared norms and mutual obligations.

Secondly there should be more emphasis on personal qualifications including command of the local language, work experience and professional skills are self-evidently essential for better integration into the labour & job market.

Furthermore there should be promotion of advancement in careers in terms of obtaining jobs that are somewhat commensurate with their education and skills would therefore require job seekers to expand their networks beyond the restricted context of their ethnic relationships. On the theoretical level, the findings of the study also draw attention to the need to consider jobs as social rather than natural phenomena, whose acquisition may require more than the possession of human-capital attributes. They appear to question the notions according to which labour markets are arenas in which actors sell and hire labour according to the objective and universalistic rules of supply and demand. Instead, they suggest that a more fruitful conceptualisation would be to perceive the market as a socially and culturally constructed, rather than an undifferentiated and competitive, space in which the rules of supply and demand are shaped by a particular socio-cultural reality.



Moreover, the concept is often viewed as a tool which can improve one's chance of successful educational outcomes. As education is a pre-requisite for entering the labor market, and thus stimulating social integration.

People with strong social networks are also likely to have better social skills which are usually deemed more important than mere technical skills, especially for those kinds of jobs that require their incumbents to have good 'people skills'.



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## **Appendix (A)**

(Survey Questionnaires)

### **KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY INSTITUTE FOR DISTANCE LEARNING**

#### **CONSENT FORM**

##### **QUESTIONNAIRE FOR COLLECTING DATA**

**SHAIBU HAKEEM** is my name, a postgraduate student of the above mentioned institution. My thesis is on, The Impact of Social Capital on the Labour Market: The Case of the Tamale Metropolis. This also, is in partial fulfillment for the award of the Commonwealth Executive Masters of Business Administration degree. Therefore, in my quest to obtain relevant information for writing this thesis, I found it crucial to source for information from you.

You are assured that information provided will be used exclusively for academic purposes hence all information and opinions given will be treated as such.

##### **QUESTIONNAIRE FOR EMPLOYEES OF SELECTED ORGANISATIONS AND THE UNEMPLOYED/POTENTIAL JOB SEEKERS**

Questionnaire  
ID.....

#### **SECTION A: RESPONDENT'S BIO DATA**

1. Age:    a. 18-35{ }    b. 36-43{ }    c. 44-51{ }    d. 52-59{ }    e. 60 and above{ }
2. Gender:    a. Male { }    b. Female { }
3. Marital status:    a. Single { }    b. Married { }    c. Divorced { }    d. Separated { }  
   e. Widowed { }
4. Educational Background:    a. SSCE/ A' Level/ O' Level { }    b. Diploma/ HND{ }  
   c. 1<sup>st</sup> Degree{ }    d. Masters{ }    e. PhD { }
5. Name of organization:.....

6. What is your position in the organization?.....

#### SECTION B:

NB: Questions 1 to 6 must be answered by employees of the selected organizations only

1. How long have you been working in this organization?  
a). Less than a year b). 1-3 Years c). 4-6 years d). 7-9 years e). More than 10 years
2. Do you believe in the existence of social capital in the labour market? a). Yes b). No
3. Were you connected to your organization by somebody? a). Yes b). No
4. If yes, what is your relationship with the person who connected you?.....
5. Do you know anybody who was/has been employed through social relations? a). Yes  
b). No
6. Do workers employed through social networking involve themselves actively in the day to day operations of the organization? a). Yes b). No
7. Do such workers freely interact with the people in the organization? a). Yes b). No
8. How will you evaluate the competence of employees who find their way into the organization through social networks?  
a). Excellent b). Very Good c). Good d). Average e). Bad
9. Generally, it is perceived that by helping others you help yourself in the long run. Do you agree? a). Yes b). No
10. If yes, to what extend do you agree? a) Very Strongly b). Strongly c). Somehow
11. Generally speaking, when it comes to job search, would you say that most employers can be trusted? a). Yes b). No c). It depends on people/circumstances d). Don't know
12. Do you agree with the assertion that job recruitments are no longer gotten on merit but rather on who you know? a). Yes b). No
13. If yes, give instances to support your answer.....

14. If yes, which sector of the economy is this phenomenon very common?  
 a). Public sector   b). Private sector   c). Both public and private sectors   d). None
15. Which of the following social groupings can greatly influence and assist those who are unemployed or inactive to find a job? Rank as: 1=Greatest 2=Greater 3=Great and 4=No influence
- a). Political  
 b). Traditional  
 c). Family/Tribal  
 d). Religious  
 e). others (e.g. school/classmates, clubs etc)
16. Which of the following social groupings can greatly influence and assist those already employed to change jobs or progress within the work place? Rank as: 1=Greatest 2=Greater 3=Great and 4=No influence
- a). Political  
 b). Traditional  
 c). Family/Tribal  
 d). Religious  
 e). others (e.g. school/classmates, clubs etc)
17. Do you agree that social capital serves as a positive asset (in terms of networks) which provides knowledge of available opportunities or job seeking opportunities?  
 a). Yes   b). No
18. If yes, what makes you say so?.....
19. Which of the following type of social capital (social networks) is common in the Tamale Metropolis?
- a). Informal ties (relationships with household members, family, friends and workmates)  
 b). Generalized relationships (community or societal relationship)  
 c). Institutional relationships (ties individuals have with institutions e.g. police, unions)
20. Do you share in the view that social capital is a double-edged sword and that desirable outcomes obtained today comes at a price of significant cost tomorrow?



a). Yes b). No

21. If yes, what in your view is/are some of the cost society could pay tomorrow?.....

22. Which of the following dimension(s) of social capital is commonly practiced in the Tamale Metropolis?

a). Social participation

b). Civic participation

c). Social networks and support

d). Reciprocity and trust

e). Views of local area

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23. Do you share in the view that social relations can boost productivity at the same time as it can improve the psychosocial work environment? a). Yes b). No

24. If yes, why do you say so?.....

25. Would you say that employers stand to gain by employing people through social relations? a). Yes b). No c). Not sure

26. If yes, what are some of the benefits that go to them?.....

27. Do you agree to the assertion that inadequate jobs or employment opportunities for the growing young population has given rise to the increasing rate of social networking in the labour market? a). Yes b). No c). Not sure

28. If yes, do you think the expansion of the economy by government can help reduce the incidence of the social networking in the labour market? a). Yes b). No c). Not sure

29. How do you think the issue of social capital affects the growth of the economy?

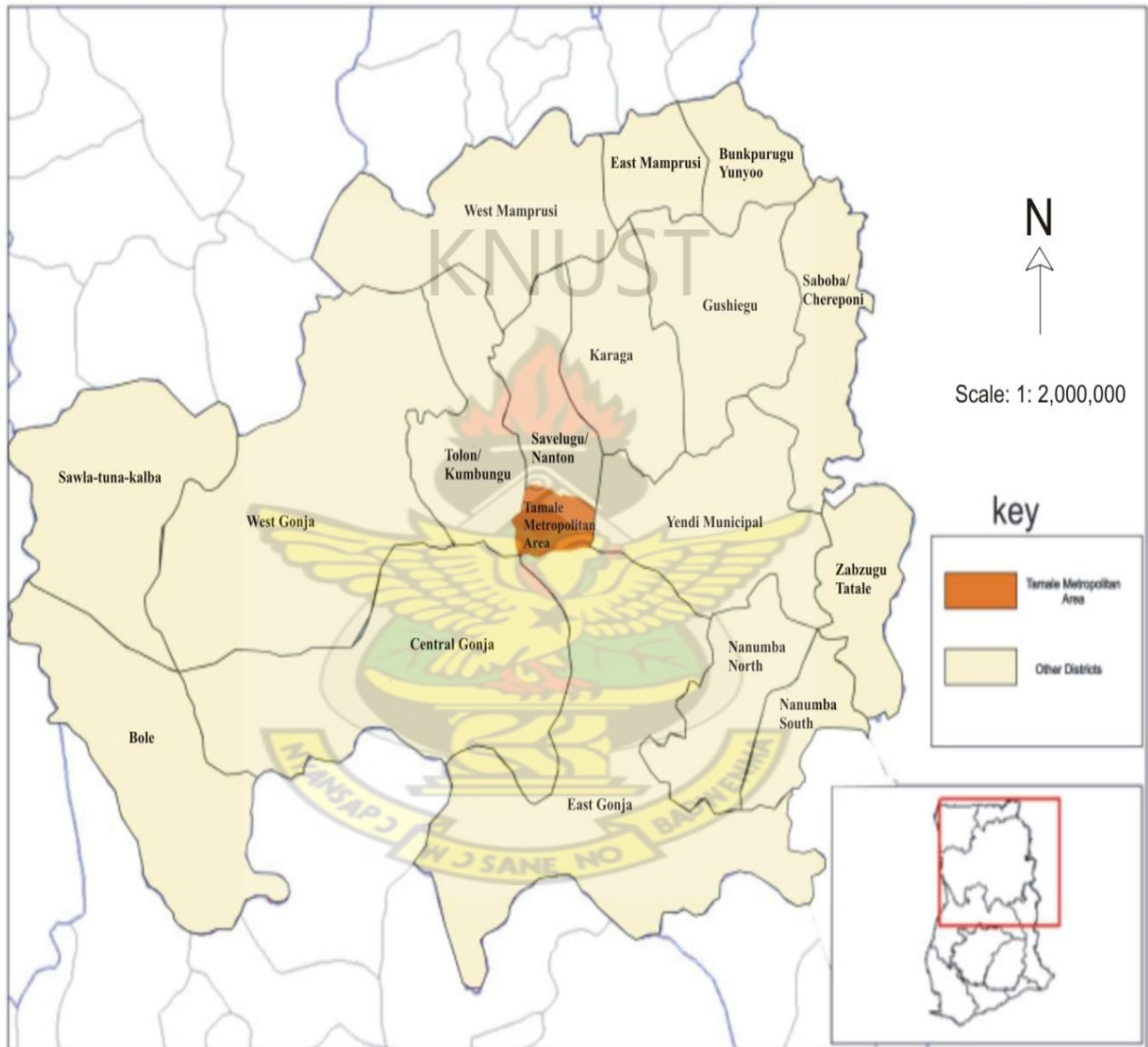
a). Positively b). Negatively c). Not sure

30. What in your view will be the best practices to be adopted in recruiting labour within the labour market?.....

## Appendix (B)

Below is the map of Northern Region depicting Tamale Metropolis.

Figure 1.1: Map Of Northern Region showing TAMA



Source: G-stars Design, May, 2010