

## **How Do South Koreans Perceive Corporate Social Capital and Its Benefits? An Application to Corporations and Community<sup>1</sup>**

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### **Abstract**

A recent public opinion survey found that the anti-corporate sentiment of South Korean citizens is primarily due to the misbehavior of Korean corporations. South Korean citizens' skepticism of corporations may hinder the democratic and economic development of the country. As a driving force for community development, social capital is considered to enable citizens to collaborate with one another to resolve a shared problem. Specifically, this study pays attention to the relationship among social capital, corporate capacity, and trust, which may perhaps contribute to developing a democratic environment in Korean society. The study aims to explore whether Korean citizens' perceived corporate bonding and bridging social capital affect corporate capacity for collaborative action and trust in corporations. A Web survey of 385 South Koreans was conducted. The findings show that perceived bonding social capital among employees is positively related to corporate capacity for collaboration action. Moreover, perceived bonding among employees and bridging social capital between employees and local residents are positively related to corporate capacity for collaboration action and trust in corporations. These findings suggest that researchers and practitioners for organizational development and community-building need to enhance corporate social capital.

Keywords: Social capital, corporate social responsibility, trust, corporate capacity, community relations

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## **Introduction**

A recent national public opinion survey conducted by the Korea Economic Research Institute found that the anti-corporate sentiment of South Korean citizens is primarily due to enterprises' misbehavior (Hwang & Song, 2014). Corporations should serve their community because anti-corporate sentiment may hinder the democratic and economic development of a country. Furthermore, corporations' violation of ethical and legal standards, such as malfeasance, embezzlement, and tax evasion, will be more likely to weaken cooperation, interactions, solidarity, and social ties among all the community members. Corporations' violation of ethical and legal standards can also foster a high level of distrust and skepticism of corporations, as well as social disharmony.

Notably, as a driving force for the democratic and economic development of a community, social capital enables citizens to collaborate with one another to resolve a joint problem (Putnam, 2000). That is, a high level of social capital can empower diverse social entities to achieve their shared goals through norms of trust and social connectedness. In particular, to build the blocks of civil society, corporations can also play a role in various ways to contribute to civic engagement. For example, they can offer direct or indirect benefits to the community via corporate social responsibility (CSR) or community outreach programs. Relevant literature (e.g., Burke, 1999; Jin & Lee, 2013) argues that corporate community relations programs, such as employee volunteerism, can result in an alliance and partnership with local communities.

Given those benefits, it may be useful to examine how corporate social capital and its benefits are perceived by citizens. Specifically, this study pays attention to corporate capacity and trust, which would perhaps contribute to establishing a democratic environment in South Korean society. In the study, corporate capacity means the capability of corporate members to manage, utilize, and enhance their resources to address their corporate issues. Also, South Korean citizens' high level of trust in corporations is assumed to play an important role in alleviating anti-corporate sentiment. That is, the study aims to

explore whether South Korean citizens' perceived corporate bonding and bridging social capital affect their belief in corporate capacity for collaborative action and trust in corporations. By doing so, the study offers theoretical and practical implications for corporate and government policy-makers for organizational development and community building.

### **Social Capital and Problem-Solving Capacity for Collaborative Action**

Although the concept of social capital has come into wide use over the past decades and has become an emerging paradigm for social scientists from a variety of disciplines, there is no undisputed and agreed-upon definition of social capital (Dolfsma & Dannreuther, 2003; Robison, Schmid, & Siles, 2002). Despite its many definitions, however, the central focus of social capital is on the value of social networks and relations among members of society. One often-cited definition (Putnam, 2000) holds that social capital is "connections among individuals—social networks and the norms of reciprocity and trustworthiness that arise from them" (p. 19). This definition implies that social capital provides certain building blocks for a democratic society through the process of embedding social norms and relations in the community to bring the prosperity of civic virtues. By bonding similar people within groups and building bridges between diverse groups in civil society, social capital helps facilitate cooperation for mutual benefit and shared goals (Fukuyama, 1995).

Given that social capital is grounded in relations among actors (Coleman, 1988; Lesser, 2000), the constant interaction of those actors offers direction for the processes of collaborative action and civic engagement so as to build civil society. Taylor (2009) characterized civil society as "the process of interactions that lead to relationships, build trust and create social capital" (p. 77). In such a civil society, social interactions among members of a community or organization entail communication, by which they are able to perceive needs, wants, and conditions in various settings. Furthermore, people can take collaborative action designed to meet these needs. Accordingly, in a dynamic process

involving such social actors as communities and corporations, interactions are a key to initiating and building a healthy society.

Through interaction, members of communities or corporations find opportunities to be more connected and to create dialogues about their problems, needs, and wants. Even in situations of conflict marked by division and self-interest, actors often need to make efforts to benefit all members. Once people recognize and share common interests and goals in their field, interactions grounded in relationships among the members emerge. By building relationships, members can increase their capacity for collaborative action in a certain process (Wilkinson, 1991). This process reflects the capacity of people to manage, utilize, and enhance the resources available to them so as to address community issues (Luloff & Bridger, 2003; Wilkinson, 1991). That is, this capacity is a driving force to manage risks, uncertainty, and power resources, create shared meaning and norms, and foster interdependency and trust for civil society.

This capacity for collaborative action requires the inclusion of the issues, agendas, and ideas of diverse entities (individual and corporate) to achieve shared goals and create shared norms. Uncertainty, risks, lack of safety, and deterred communication may weaken people's perception of the capacity to do so. Via civic engagement and decision-making aimed at fostering capacity in a community or corporation, people can widen their opportunities to construct a positive environment using the building blocks of civil society. Importantly, social capital based on this capacity comes in diverse forms (Putnam, 2000; Putnam & Feldstein, 2003). Among the many forms of social capital, Putnam (2000) attempted to categorize the two major types: bonding social capital and bridging social capital.

### **Two Types of Social Capital: Bonding vs. Bridging**

To explain bonding social capital, Putnam (2000) employed the metaphor of social capital being a kind of sociological "super glue." Bonding social capital tends to be inward-looking, reinforcing in-group identities and homogeneous groups (e.g., the same religion,

race, and deeply held values). Within a group or corporation, bonding social capital is formed to enhance reciprocity and mobilize interactions. When the group or a corporate member needs to resolve a problem with fellow members, bonding social capital serves as the “super glue” that helps facilitate problem-solving collaboration among those members.

Bonding social capital sometimes implies negative aspects by forestalling other desirable outcomes by mutual exclusion (Leonard, 2004). By reinforcing similar identities, sharing, and goals within a social network, bonding social capital can increase the social distance and difference between the members and non-members of a social network. This tendency toward division impedes social integration and diversity while increasing social conflicts and communal separation. Accordingly, given such negative aspects of bonding social capital as thin trust and weak ties with other groups or communities, public dialogue needs to occur under norms of reciprocity and interaction with external group members to maintain a pluralistic society. That is, constructing bridges with “outsiders” is necessary in building a civil society — there needs to be a supply of bridging social capital, so to speak.

Whereas bonding social capital focuses on given narrow social ties and identities, bridging social capital is “better for linkage to external assets and for information diffusion” (Putnam, 2000, p. 22). It provides a sociological “WD-40,” whereby group or corporate members can generate broader identity, interactions, and reciprocity. Socially heterogeneous groups can be linked via bridging social capital. However, increasing bridging social capital is not as easy as increasing bonding social capital because connecting social networks that bridge diverse splits requires more time and effort (Putnam & Feldstein, 2003).

Bridging social capital may be facilitated by certain kinds of organizational network structures. Corporate members often need to purposefully establish relations with others to provide or obtain benefits. When mutual benefits for a corporation and its publics are salient, both will be likely to continue horizontal relations, in which information and knowledge emerge and interaction ensues. However, when obstacles, gaps, or holes exist

between the corporation and its publics, these two groups will be less likely to be connected. Thus, the corporation needs critical actors, such as community relations program practitioners, to bridge the gap between the corporation and its publics (Kruckeberg & Starck, 1988; Kruckeberg, Starck, & Vujnovic, 2006).

### **Corporate Social Capital and Its Benefits**

Both bonding and bridging social capital can be extended to the organizational level in the creation and maintenance of interactions among members within and/or outside organizations (Jin, 2009; Luoma-Aho, 2009). From the corporate perspective, social capital refers to “the ability that organizations have of creating, maintaining, and using relationships to achieve desirable organizational goals” (Kennan & Hazleton, 2006, p. 322). Kennan and Hazleton argued that social capital’s focal function of relational concerns produces certain organizational behaviors and outcomes. In particular, as its positive outcomes, corporate social capital enables entrepreneurial behavior within corporations by providing such benefits as better knowledge sharing, lower transaction costs and turnover rates, and greater coherence of action (Cohen & Prusak, 2001) as well as by fueling the capacity of corporations for survival and dissolution (Pennings, Lee, & van Witteloostuijn, 1998).

Corporate social capital also offers benefits to both corporations and their communities. When corporate employees communicate, cooperate, and create connections with their communities, their capacity for extending their internal social capital to communities becomes important in its potential to benefit both corporations and their communities (Jin & Lee, 2013). In other words, corporations’ social capital does not remain merely in their employees (i.e., via bonding social capital). Furthermore, social capital within corporations is also extended to the community (i.e., bridging social capital) through the establishment of norms of interactions and reciprocity. By virtue of social capital, corporations and their employees, as parts of a society, can work together with their communities within and between corporations and communities. To this end, CSR

practitioners can serve as agents constructing a bridge between a corporation and its publics, thus creating social capital outside a corporation.

Herein, this study argues that corporate social capital can offer another benefit to corporations by affecting people's perception of corporations positively. Through CSR or community relations programs, corporations can foster bridging social capital for community-building, as well as bonding social capital within corporations (Jin, 2009). The CSR practice influences corporations and communities through the creation, negotiation, and management of relationships (e.g., by cocreating shared meaning, managing risks, resolving conflicts, etc.) (Heath, 2006). This means that people may positively perceive corporations' CSR efforts to contribute to communities in the process of making interactions and creating dialogues with community members. In particular, people will be more likely to believe that corporations have the capacity to manage their issues, bring order to uncertainty, and collaborate with others. Moreover, people will also place their trust in such corporations that perform the CSR practices to develop their communities.

Along with perceived corporate capacity, trust in corporations can overcome anti-corporate sentiment. Trust in organizations is defined as "[o]ne party's level of confidence in and willingness to open oneself to the other party" (Hon & J. Grunig, 1999, p. 3). This means that trust toward a company is based on people's confidence and willingness to open themselves to the company. Trust can create critical value and relationship in the process of collaboration with other people. Furthermore, it engenders supportive behaviors, such as favorable legislation, sales, donations, and high performance among employees, toward the organization, while preventing unsupportive behaviors, such as boycotts, picketing, and government regulation among publics (Ki & Hon, 2012). Therefore, from the corporate perspective it is essential to enhance trust.

The following section reviews a South Korean case of CSR campaign for community building, which reflects people's perception of corporations positively.

A Way to Enhance the Social Capital of Corporations and Communities: A South

## Korean Case

The community relations program for this study is the “1 Company – 1 Village Campaign.” This nationwide CSR program has been operative in South Korea since 2004, having the mission of sustaining rural communities in a spirit of partnership and solidarity between corporations and rural towns. Originally initiated by a governmental agency, the campaign was developed by the National Agricultural Cooperative Federation and the Federation of Korean Industries. The purpose of these intermediary organizations includes creating a national network of corporations committed to supporting rural areas, providing free advice and skills for the sustainable development of rural businesses, protecting the rural environment and culture, and ensuring healthier lives for rural residents. From 2004, the number of partnerships between corporations and rural towns increased from 2,019 to a peak of 14,500 in 2006 to 8,979 in 2010., (Kim, Chang, & Lee, 2011). A number of cases and stories from the campaign have been regularly published in a national newspaper to inform the public of its importance and value.

The main CSR activities of the campaign have included instituting farmers’ markets; volunteering to work for rural residents; experiencing local culture, celebrations, sports, festivals, and products; helping seniors in need; and donating funds for community development. By opening these activities to the entire community and corporations, diverse people were brought to a social venue in which the local culture and identity were prominent. This process of interaction and exchange was able to give both employees and rural residents more capacity for collaboration under norms of relations and trust for a positive working environment, in addition to fostering economic prosperity.

Thus far, this study has reviewed the values and aspects of social capital, as well as its principal types and extension to corporations. Furthermore, the role of CSR in fostering social capital to enhance the capacity of corporations has been reviewed. Community relations and CSR programs, for instance, can contribute to creating and reinforcing bonding and bridging social capital for local residents and employees. Social capital is a

process and an outcome that works toward the success of people, organizations, and communities (Sommerfeldt & Taylor, 2011). Likewise, bonding and bridging social capital also follows a process and generates outcomes, so that trust, unity, collaboration, and collective belief in the ability to resolve common problems will be more likely to occur. This study works from the assumption that the two types of social capital are reflected in the togetherness, closeness, and unity among internal members and/or external members of a corporation. This sense of community is formed through a process of social interactions and norms of relations. In particular, divisions, differences, exclusion, or conflicts within/between local residents and a corporation are decreased.

Accordingly, this study hypothesizes that the perceived bonding and bridging social capital of corporations built through CSR programs may affect individuals' belief in the problem-solving capacity of members of corporations to control and address shared issues and concerns. This corporate capacity may also ensure sustainable development by creating opportunities for corporations' members to collectively share knowledge, skills, and experience. In the present study, this capacity is considered in terms of the perceived capability to resolve their problems and accomplish their shared goals with relevant publics based on a desire to strengthen solidarity and construct a positive environment for civil society. If individuals perceive that CSR programs for the sustainable development of rural areas bring bonding social capital to both corporations and rural communities, they are likely to believe that the problem-solving capacity of corporate employees has emerged from such CSR programs. Moreover, individuals' perceptions of strong bridging social capital between these two partners may also shape their belief in community and organizational capacity. Therefore, the following hypotheses are posited:

**H1a:** The high level of perceived bonding social capital within corporations will strengthen the perceived problem-solving capacity of those corporations.

**H1b:** The high level of perceived bridging social capital between rural communities and corporations will strengthen the perceived problem-solving capacity of those corporations.

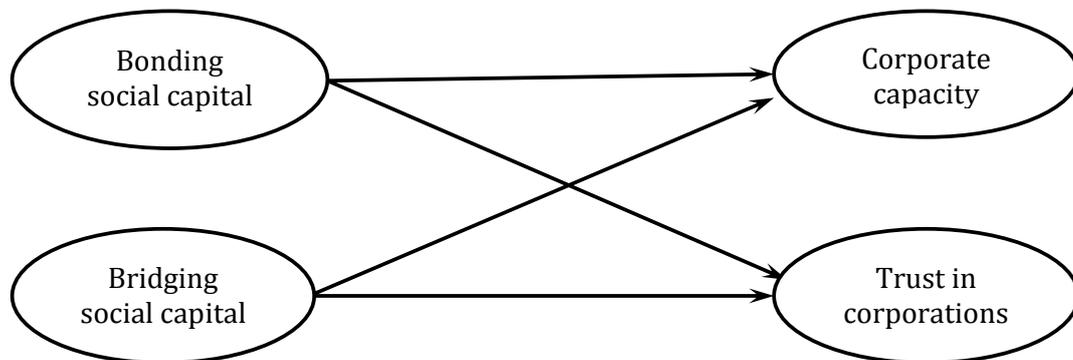
Furthermore, this study also hypothesizes that perceived bonding and bridging social capital of corporations may affect individuals' trust in those corporations. As argued before, social capital as a process and outcome can bring benefits to communities, such as trust and unity, through social interactions and norms of relations. By observing the partnership between communities and corporations, individuals will be more likely to place trust in corporations. Thus, the following hypotheses are proposed:

**H2a:** The high level of perceived bonding social capital within corporations will strengthen the perceived trust in those corporations.

**H2b:** The high level of perceived bridging social capital between rural communities and corporations will strengthen the perceived trust in those corporations.

Based on the proposed hypotheses, a conceptual framework of this study is summarized in the following figure.

Figure 1 *Conceptual Framework of This Study*



## Method

### Procedures

To recruit participants from various demographic backgrounds, a Web survey was conducted through a South Korean national research company called Metrix. Because 97%

of South Korean households have Internet access and 65% of citizens aged 16 to 74 use the Internet at least once a day (SK & ES, 2012), it was reasonable to perform a Web survey. Sampling was done via a nonprobability quota sampling method, which included four age groups, gender, and regions. This kind of sampling design, taking age, gender, and region into account, could enhance the representativeness of the sample. Based on the quotas that the research company had, e-mail solicitations were sent to the company's panel of about 110,000 potential Korean participants, who met the criteria, from seven metropolitan areas and all the nine regional provinces of South Korea. The survey website was closed once each subgroup reached its quota on a first come, first served basis in exchange for monetary compensation. Participants were instructed that the Web survey was confidential. They were also assured that their participation was voluntary and that their information and responses would be kept confidential.

## **Measures**

Measurement items were adapted and modified from the existing literature. All study variables were measured with multiple items, except for the control variables. Specifically, survey items with a seven-point Likert scale from strongly disagree (1) to strongly agree (7) were used to measure all independent and dependent variables.

Perceived bonding social capital within corporations was measured by adopting and modifying items from previous research (Grootaert, Narayan, Jones, & Woolcock, 2004; Jones & Woolcock, 2007) via three items: "I think employees feel togetherness or closeness in the company because of the CSR activity to support the rural community," "I think employees will get together better because of the CSR activity," and "I think the employees experience less self-interest or differences in characteristics because of the CSR activity." The reliability of the three-item scale was high ( $\alpha = .91$ ). The mean score on the three-item scale was 5.20, SD = .97.

Perceived bridging social capital between rural communities and corporations was also gauged using three items: "I think residents and employees feel more togetherness or

closeness because of the CSR activity to support the rural community,” “I think the residents and the employees get together better because of the CSR activity,” and “I think the residents and the employees experience less self-interest or differences in characteristics because of the CSR activity.” The reliability of the three-item scale was also high ( $\alpha = .90$ ). The mean score on the three-item scale was 5.10, SD = .98.

The first dependent variable, perceived problem-solving capacity of corporations, was developed and modified based on the relevant literature and research (Bandura 1997; Jin, 2014; Jin & Lubbers, 2006). This variable is defined as the perceived collective capacity of employees to manage, utilize, and enhance the resources available to them to address corporate problems or issues. Participants were asked to report their opinions concerning three statements: “Employees are better able to create a positive community environment for resolving company problems because of the CSR activity,” “Employees have better control over resolving company problems since they stick together better because of the CSR activity,” and “Employees are better able to share their interest in company problems since they are more capable of resolving them because of the CSR activity.” The reliability of the three-item scale was also high ( $\alpha = .92$ ). The mean score on the three-item scale was 5.13, SD = .97.

The second dependent variable, trust in corporations, refers to the willingness to rely on corporations in whom individuals have confidence (Hon & Grunig, 1999) and consists of three dimensions, “integrity, dependability, and competence.” The following six statements adopted from Hon & Gruning (1999) were used: “This company with the CSR activity treats its employees fairly and justly,” “Whenever this company with the CSR activity makes an important decision, I know it will be concerned about its employees,” “This company with the CSR activity can be relied on to keep its promises to employees,” “I believe that this company takes the opinions of its employees into account when making decision,” “I feel very confident about this company’s skills,” and “This company has the ability to accomplish what it says it will do.” The reliability of the six-item scale was also high ( $\alpha = .94$ ). The mean score on the three-item scale was 4.82, SD = .98.

For control variables, respondents were asked to provide their gender, education level, and age, as well as their awareness of the CSR activity.

### Results

The respondents (N = 385) consisted of 51.6% males and were distributed by age as follows: 20-29 (24.2%), 30-39 (24.4%), 40-49 (25.5%) and over 50 (25.7%), and by education level as follows: high school diploma or less (18.2%) and college attendance or higher (81.8%). The composition of respondents' awareness of the CSR programs, such as partnerships with rural areas, was no (7.5%) and yes (92.5%).

Moreover, as presented in Table 1, all correlations among the observed key variables were significant at a p-value of .01 (two-tailed).

**Table 1** *Correlation Coefficients and Descriptive Statistics for the Observed Key Variables*

	1	2	3	4	5
1. Awareness	-				
2. Bonding social capital	.14**	-			
3. Bridging social capital	.15**	.79**	-		
4. Corporate capacity	.11**	.85**	.81**	-	
5. Trust in corporations	.12**	.56**	.66**	.59**	-
<i>M</i>	n.a.	5.20	5.10	5.13	4.82
<i>S.D.</i>	n.a.	.97	.98	.97	.98
<i>N</i> = 385					

*Note:* All the correlations are significant at the .01 of p-value (two-tailed).

The first set of hypotheses (H1a-b) of this study predicted that perceived bonding and bridging social capital would affect individuals' levels of the perceived problem-solving capacity of corporations. To examine the relationships between the two independent variables and the perception of corporate capacity, a hierarchical multiple regression analysis was performed (Table 2). The variables were entered from block one to block two

to eliminate the effects of control variables (i.e., demographics and awareness). As Table 2 shows, the first regression model accounted for 67.6% of the total variance in perceived corporate capacity, as indicated by its total R<sup>2</sup>. The first block, containing sex ( $\beta = .08$ ,  $p > .088$ ), age ( $\beta = .30$ ,  $p < .001$ ), education ( $\beta = .04$ ,  $p > .368$ ), and awareness ( $\beta = .08$ ,  $p > .105$ ) variables, contributed 10.4% of the explanatory power [ $F(4, 380) = 11.04$ ,  $p < .001$ ]. The second block of bonding social capital among employees ( $\beta = .55$ ,  $p < .01$ ) and bridging social capital ( $\beta = .38$ ,  $p < .001$ ) explained 67.6% of perceived corporate capacity [ $F(2, 378) = 581.20$ ,  $p < .001$ ]. These findings indicate that when controlling for the unique effect of the demographic variables and the awareness, 1) higher perceived levels of bonding social capital among employees and 2) higher perceived levels of bridging social capital between rural residents and employees were positively associated with individuals' perception of corporate capacity. Additionally, older participants tended to evince a greater belief in corporate capacity. Thus, all the H1's were supported.

The second set of hypotheses (H2a-b) predicted that perceived bonding and bridging social capital would affect individuals' trust in corporations with the CSR program. An additional hierarchical multiple regression analysis was run to test these hypotheses. As shown in Table 2, the order of variables entered from the first block to the second was congruent with that of the previous model. The second model accounted for 44.8% of the total variance in trust in those corporations. The first block was significantly associated with perceived trust, as indicated by its R<sup>2</sup> of 5.6% [ $F(4, 380) = 5.670$ ,  $p < .001$ ]. Only the education variable ( $\beta = .06$ ,  $p > .282$ ) of the first block had no significant impact on the dependent variable; the other variables were significant (sex:  $\beta = .12$ ,  $p < .05$ ; age:  $\beta = .17$ ,  $p < .01$ ; awareness:  $\beta = .11$ ,  $p < .05$ ). This result indicates that women, older participants, and those who were aware of the CSR program tended to report a higher level of trust in those corporations. Moreover, the second block showed a significant R<sup>2</sup> of 39.2% [ $F(2, 378) = 134.10$ ,  $p < .001$ ]. Inconsistently with the results of the first model, only bridging social capital was found to significantly affect individuals' trust in those corporations. This result suggests that after controlling for demographic variables and prior awareness, higher

perceived levels of bridging social capital between rural residents and employees ( $\beta = .59, p < .001$ ) was likely to be associated with a greater trust in those corporations. Thus, H2b was supported; however, H2a was not supported.

Table 2 *Hierarchical regression on corporate capacity and trust*

Predictors	Corporate Capacity		Trust	
	$\beta$ (SE)	$R^2$	$\beta$ (SE)	$R^2$
Block 1	Sex	.08 (.10)	.12 (.10)*	
	Age	.30 (.04)***	.17 (.04)**	
	Education	.04 (.12)	.06 (.13)	
	Awareness	.08 (.18)	.11 (.19)*	
			.10***	.06***
	Employees Bonding SC	.55 (.04)***	.09 (.06)	
Block 2	Bridging SC	.38 (.04)***	.59 (.06)***	
			.78***	.45***

*Notes.* Values are standardized regression coefficients with standard error in parentheses. Sex was coded as 0 (male) and 1 (female); Education was coded as 0 (lower than college attending) and 1 (college attending or higher); Awareness was coded as 0 (no) and 1 (yes). \*  $p < .05$ , \*\*  $p < .01$ , \*\*\*  $p < .001$ .

## Discussion

This study aims to examine how South Korean citizens evaluate corporations' bonding and bridging social capital, which can produce positive outcomes for both communities and corporations. Specifically, it explores whether perceived corporate social capital could affect individuals' assessment of corporate problem-solving capacity and trust. The findings reveal that South Korean citizens tend to perceive that the strong bonding social capital of

corporations can impact citizen's belief in the problem-solving capacity of corporations to address shared issues. Moreover, the strong bridging social capital will be more likely to heighten the citizens' perception of the capacity and trust in corporations. These findings offer crucial implications for organizational development and community-building in South Korea.

As this study showed, perceived bonding social capital within corporations tends to influence citizens' opinion about the problem-solving capacity of corporations with CSR activities for rural community development. In other words, citizens are more likely to believe that such a corporation that integrates beneficial CSR practices for rural areas into its business can be empowered to address and resolve its shared problems. From the point of organizational view, corporations can increase their ability to control their company issues more easily by bonding and engaging their members in good CSR programs. Corporate members can also strengthen their confidence and motivation to create a positive work environment for resolving their problems together with other members. Citizens, including consumers, may be skeptical of corporate capacity of problem-solving when a company does not show the sufficient level of bonding social capital among employees.

The present study also showed that perceived bridging social capital between employees and local residents is more likely to affect citizens' belief in corporate problem-solving capacity. To build a fully functional democratic society, sound citizenship roles are needed (Heath, 2006). Corporations can also play such a role by participating in community-building via CSR activities. When employees of corporations interact and collaborate with local residents in rural areas, they can find opportunities to be connected, cocreate shared social meaning, manage risks, or resolve conflicts. This implies that corporations as a community member can be perceived to empower themselves to address their organizational issues and problems because of CSR activities.

According to the findings, citizens' trust in corporations could be positively affected

by bridging social capital between employees and local residents. This finding buttresses the previous study (Jin & Lee, 2013), which argues that if citizens often observe corporations trying to establish a communal relationship with their local communities, citizens will place higher levels of trust in those corporations. This implies that “thick” trust in corporations will also contribute to enhance a sense of community, such as cooperation, closeness, and unity, among all the members of a pluralistic society. However, this study also reveals that the high level of perceived bonding social capital among employees in corporations is not likely to strengthen the perceived trust in those corporations. This result may suggest that bonding social capital among employees does not play a critical role in building trust in corporations compared to bridging social capital. Citizens may consider that such bonding social capital simply reinforces in-group identities and ties. Accordingly, perceived bridging social capital tends to more significantly enhance trust than bonding social capital. This implies that bridging social capital can generate broader identity and reciprocity (Putnam, 2000).

On the grounds of those theoretical implications, corporate practitioners and government policy-makers need to develop effective CSR activities or support community policies for collaborative values. As noted in the introduction, the anti-corporate sentiment of South Korean citizens results primarily from corporations’ misbehavior. Given that citizens’ inference from a philanthropic motive for corporate giving may lead to their positive image toward corporations (Bae & Cameron, 2006), corporations should be able to show their sincere intent to create collaborative values, rather than self-interested for CSR activities. Moreover, corporate communication practitioners can implement diverse programs for employees and/or local residents. Specifically, employee and/or community relations programs need to establish norms of reciprocity, trust, and networks whereby corporate members will achieve their goals and create collaborations, alliances, or partnerships. Furthermore, government policy-makers can also attempt to arrange a range of systems and rules to construct cohesive trust among community members, including corporate employees and local residents.

In spite of its critical implications, this study has a few limitations. First, its cross-sectional analyses may preclude insight into the causal direction of the effects of perceived levels of bonding and bridging social capital. A longitudinal panel-based approach would be of benefit in this regard. Also, a more balanced random sample would broaden the generalizability of similar inquiries. In the future, researchers may wish to specify and evaluate other dimensions of corporate capacity that reflect the building blocks of civil society in addition to the belief in control over issues and problems. For these reasons, future research is called for which uses other datasets and measures as points of comparison with the results of this study.

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