



SOCIAL AWARENESS AND FIRM GROWTH

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Abstract

This study presents a treatise on the relationship between social awareness and firm growth. The theoretical paper conducted an extensive review of relevant literature establish the relationship between social awareness and firm growth. From both empirical and theoretical works of other researchers the study revealed social awareness enhances firm growth. It was therefore inherent on the researcher to infer and draw conclusions that the social relationships and understanding of the trend in the environment could assist organizations to achieve their own growth and produce goods and services that meet customers' satisfaction at profit. The study recommended that firm top managers should not only drive the bottom line but also drive organization wide social awareness and corporate responsibility across board. This can only be achieved by conscious and strategic policy formulation and drive.

Keywords: Social awareness, firm growth, strategic policy.

Introduction

Due to the exigencies of living in the 21st century which has thinned down social interactions, there is a new imperative to understand and consciously drive social awareness. Social awareness is not just ability but a skill and empathic disposition to understand and adequately react to problems and challenges of life whether they be broad-based, personal or interpersonal struggles. Impliedly, a socially conscious person or somebody that is socially aware will be aware of his/her environment, and interpret and react appropriately and correctly too to the emotions, actions and reactions of members of that immediate environment. There are certain norms, values and codes that socially aware organizations are supposed to abide by or exhibit. This is much so because there are about 10 dimensions of social awareness (Golemann, 2010). These dimensions of social awareness are required to ensure a safe and healthy working environment for employees. The concept of social awareness is fairly simple; it's a person's ability to consider the perspectives of other individuals, groups, or communities, and apply that understanding to interactions with them.

Although social awareness has a very simple definition, it is a delicate and complex talent that develops over the course of one's life. In fact, most people would agree that being 'socially aware' is something that we develop and continue to improve upon throughout our lives as we are exposed to new information and experiences that need us to appreciate and understand other people's perspectives. It helps everyone understand how they fit and contribute to any given system or environment they find themselves. In the long term however, which is the main interest of this work, social awareness skills being a basic part of team play and workplace collaboration, will help the worker understand professionalism in the work place and ultimately contribute to firm growth as it helps in growing the human related aspect of the firm (Kendra L et al., 2016).

Review of Related Literature

According to Zhoua H, and de Wit G (2009), amongst the three determinants of firm growth as classified by the researchers in their study viz -individual, organizational, and environmental determinants, they empirically found and concluded that though firm growth is measured by employment growth, environmental factors do not affect firm growth as environmental determinants do. They summed that individual ones do: Entrepreneurs with some of the intrinsic characteristics or indicators that make for the dimensions of social awareness were some of the indicators leading directly to growth of the firm. Since this work is biased towards Social awareness as a causal factor that can be engendered for firm growth, the researcher posits that growth of a firm is to a certain extent a matter of decisions made by an individual entrepreneur based on his/her social and emotional composition.

Previous studies have shown social awareness as a personality trait is an important trait that would determine the growth of a firm Baum et al., (2001); Delmar, (1996); Shane, Locke & Collins, (2003). Social awareness is primarily associated with how persons build and maintain organizational inter and intra relationships with active engagement with high energy levels, positive emotion and excitement (DeNeve & Cooper, 1998). Social awareness according to Barrick & Mount, 1991; Vinchur, Schippmann, Switzer & Roth, 1998 has been used originally as an indicator of job performance not just for entrepreneurs because of the role they play in management as well as profit oriented practices. The scholars Ciavarella, Buchholtz, Riordan, Gatewood & Stokes, (2004) Morrison, Breen and Ali (2003) noted the importance of sociability. Entrepreneurs with strong sociability are more likely to engage in developing social networks, ultimately resulting in stronger relationships with suppliers,

customers and partners (Barringer & Greening, 1998). Baron and Markman (2000) argue that the ability to establish and develop networks with suppliers, advisors and customers is crucial for effectively increasing the possibility of venture success and consequently the growth of firm. Thus their works summarily suggested a positive relationship between social awareness and firm growth.

Baseline Theory

Social Network Theory

For this study, the baseline theory is the Social network theory which has sought to explain social awareness as skill set that places an individual in a place of optimal or balanced feeling and harnessing interpersonal and intrapersonal relationship to achieve set goals or team cohesiveness. This skill set helps one and other members of the team to achieve or increase productivity (Atuma 2010). According to Greenspan (1981), “the term social awareness may be defined as the individual’s ability to understand people, social events, and the processes involved in regulating social events“. The social network is very useful construct in Management to study and understand the dynamics of people interaction in an organization.

According to Asawo (2016), the social man concept is the underlying assumption of the social network theory. He opined that the man exists with a complex network of interactions and relationships and the analysis and study of this is an interdisciplinary study that has its roots in other disciplines such as Anthropology, Psychology, sociology organizational management and political science- Malinowski (2000). This interdisciplinary connection explains how social awareness can lead to firm growth. Stemming from the above, people work better in a in work web of purpose driven, effective and efficient people. Sapru (2013) posited that hermits and recluses are not productive because human were not created to function in isolation but by interdependency one on the other. This interrelation and interdependency laced with goal oriented cross fertilization of ideas that engenders better work environment etc and ultimately achieve firm growth.

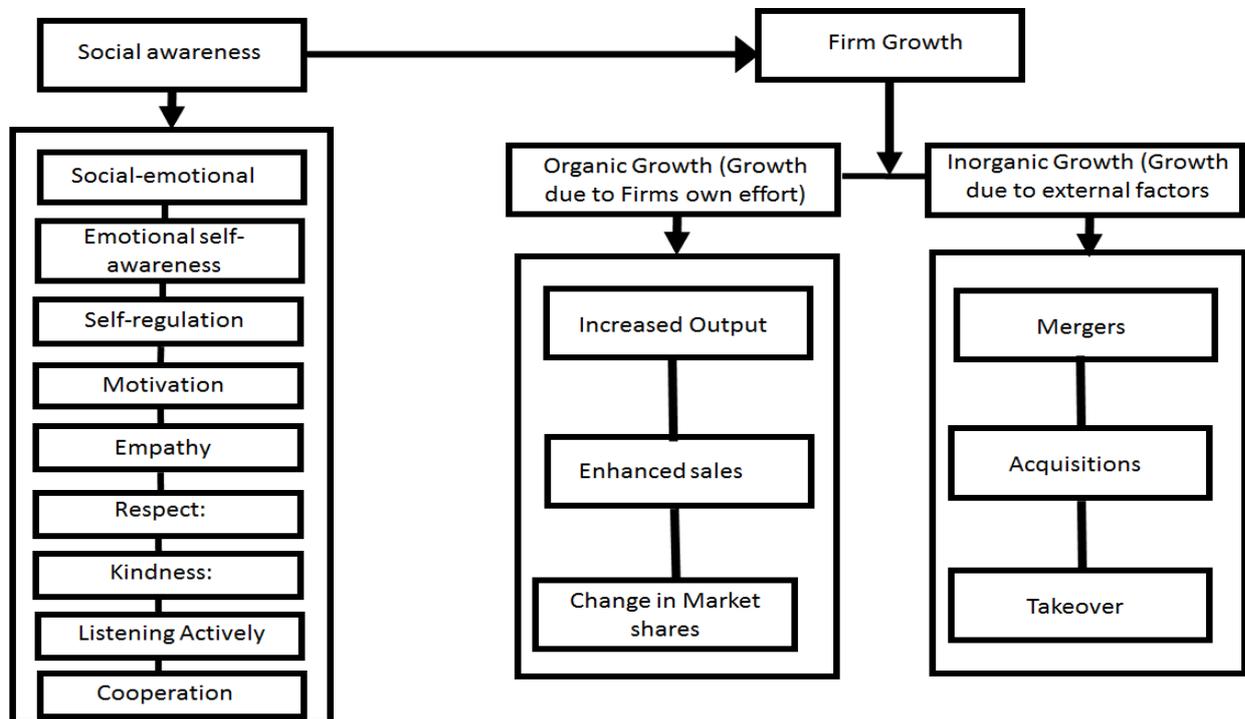
Control Theory - As a baseline theory for social awareness, Control theory has the main thrust of the on the hypothesis that an individual can only be successful to the extent they feel they have control over a situation (Eccles, et al., 2002). Connell, et al., (1991); have also integrated control beliefs into a broader framework that includes 3 basic psychological needs: competence, autonomy, and relatedness. This theory posits a link between control beliefs and competence needs—individuals who believe they are in control of their achievement outcomes will feel more competent. According to the dictates of this theory, strong system without strong bond will lead to deviant behavior: employees not interested in running with the vision or organizational or team goal.

Self-worth Theory - Self-worth theory seeks to link motivational behavior to ability-related and valued-related constructs, as well as focusing on mental health “as a key determinant of the relation of expectancies and values to achievement behaviors” (Eccles & Wigfield, 2002). Covington (1992, 1998) hypothesized that establishing and maintaining a positive self- image (i.e., a positive view of self-worth) is a primary human motive.

Social Cognitive Theories of Self-Regulation, Volition, & Motivation - in general terms, social cognitive theories of self-regulation focus on “how motivation gets translated into regulated behavior, and how motivation and cognition are linked” (Eccles & Wigfield, 2002). A self-regulated student would be described as an individual who is “meta-cognitively, motivationally, and behaviorally active in their own learning processes and in achieving their

own goals” (Eccles & Wigfield, 2002). Multiple determinants of self-regulation have been suggested and include environmental, personal, and behavioral components, as well as context. The primary processes hypothesized to occur during self-regulation include self-observation, self-judgment, and self-reactions (Eccles & Wigfield, 2002).

Conceptual Framework



Source: Researcher, 2021

Concept of Social Awareness

Social awareness which encompasses the skill of deploying the skill and competency of empathy, respect, kindness, cooperation, motivation, self-regulation, social-emotional and emotional awareness and listen actively, read verbal and nonverbal cues for negative emotions, particularly anger and fear and to judge the trustworthiness of others and harness this into achieving set objectives. “This is the ability to sense, understand and react to others emotions while comprehending on social networks” (Goleman 1998). This concept entails understanding the feeling of other without experiencing them (Garner, 2009). Social awareness accentuates on an individual’s ability to identify, perceive and react to other’s emotions while being a part of the social network circuitry. Social-awareness is the ability to understand and be compassionate to the feelings, views, opinions and challenges of other people. Social-awareness cannot only be equated with understanding people’s need but as well as caring for them (Goleman, 2006). It also entails understanding social circumstances that influence people’s behaviors and performance. A boss that is socially aware can envisage office politics and its related connecting dots and impacts in the organization. The components of social awareness competence are primal empathy, service orientation and organization awareness (Goleman, 2001). However, Goleman (2006) added more components to social awareness which is social cognition and Attunement. They are important factors that enhance performance in the organization. Social-emotional learning theory is underpinned by the work of Daniel Goleman, who builds the idea of social and

emotional intelligence (EQ) around a number of key social awareness components, they include:

Emotional self-awareness: Understanding what one is experiencing and comprehending how different moods might affect people around us is known as emotional awareness. This skill enable better team play as it helps the person get in and out of emotion intentionally to achieve a particular aim without upsetting any existing balance or tilting it to a more desirable direction.

Self-regulation: Self-regulation like emotional awareness is the art of managing one's emotional response by anticipating results in order to avoid becoming emotional and irrational in personal, professional and social contexts.

Motivation: Understanding how to harness emotional aspects to learn and achieve any goal at all is part of motivation. Motivation is core dimension of social awareness as it is one indicator that keeps a person committed to achieving a set goal even if it means consciously working on being better or working on a better relationship with other.

Empathy: Empathy is the ability to understand and consider the feelings and circumstances of another. It's worth noting that negative emotions play a big part in impulse control, empathy, and conscience. Lower levels of empathy may contribute to social conflict and, as a result, increase the intensity of unpleasant emotions felt by employee, coworkers and colleague.

Respect: Respect is described as having concern for the experiences, emotions, wishes, or rights of another individual or group. It is a vital ingredient in healthy and group or team that is socially aware that will ensure greater better inter and intra relationships and foster productivity.

Kindness: Kindness refers to the act of being kind and considerate to others, and it is particularly vital even if you disagree with their viewpoint. These are all related concepts with very thin line of demarcation albeit with one functional relationship with the other indicators (respect, empathy, self-awareness) and this can lead to better and more productive teams.

Listening Actively: Garner (2009) has defined active listening as the ability to actually listen - to pay attention and take the time to comprehend what is being said. An active listener is able to decode all kinds of cues and nuances as well as listen without emotional interferences.

Cooperation: Cooperation is a vital component of coming up with a solution or a way to collaborate with other people or groups. It frequently necessitates compromise, yet it aids in the achievement of common objectives. Most often than not, positive social awareness or depth of social awareness manifests more readily in the propensity to cooperate. A more socially aware person is more likely to cooperate either within a team or firm than the opposite (Goleman, 2006).

Concept of firm growth

One of the most important issues of interest to business and economic researchers is firm growth. The study of firm growth provides essential explanations of one of the most important markers of business performance. One of the most important issues of interest to business and economic researchers is firm growth. The study of firm growth provides essential understandings of one of the most important markers of business performance as

well as one of the most important aspects of any economy (B. H. Hall, 1988). Firm growth is of significant concern to policymakers because of its importance for employment creation (Birch, 1979, 1987; Coad & Hözl, 2012) and productivity growth (Birch, 1979, 1987; Coad & Hözl, 2012). (Bartelsman, Haltiwanger, & Scarpetta, 2009). Firm growth is a key indicator of a healthy economy. Despite the fact that the factors of the concept have been examined in numerous fields, there is still a need for a comprehensive examination (Wennekers & Thurik, 1999). Employee-centered regulatory policy programs are frequently meant to assist firm growth in the hopes of resulting in net job creation (Storey, 1994b). Furthermore, business growth is frequently viewed as a business's performance indicator (Davidsson, Steffens, & Fitzsimmons, 2009) and is a top objective for top management executives (Brush, Bromiley, & Hendrickx, 2000; Gartner, 2014). Firm growth has consistently been a crucial factor in financial investors' decision-making (De Jong, Mertens, Van der Poel, & Van Dijk, 2012). Furthermore, firm expansion is a hotly discussed topic in the business media. Annual editions celebrating fast-growing businesses are published by a number of prominent business print publications. Delmar, Davidsson, & Gartner, 2003; D. Shepherd & Wiklund, 2009) attribute this ambiguity of performance repercussions to a very modest theoretical progress in the field of firm growth research. The slow progress of theory in the field of firm growth is evidenced by the fact that the most popular and comprehensive study work on the subject to date. The work revealed that firm growth was a consequence of firms' policy implementation and follow-up.

As a result, a detailed investigation of diverse business development patterns and their corresponding performance repercussions is required to get an understanding of the diverging performance implications of firm growth which presented a broad categorization of firm growth as Organic and inorganic growth (McKelvie & Wiklund, 2010).

Analyzing the various modalities of a company's growth is one way to investigate the performance consequences of business expansion in greater depth. Organic growth, defined as growth based on existing assets and resources, and inorganic growth, defined as growth based on acquisitions of other companies (Hess & Kazanjian, 2006). Sales, assets, workers, and profits are just a few examples of indicators that can be used to gauge a company's size and consequently growth. Inorganic growth, i.e., firm growth through mergers and acquisitions (M&A), and organic growth, i.e., growth based on the firm's existing resources, are the two major growth mechanisms. Growth from market momentum and growth from changes in market share are two types of organic growth. Market momentum growth is the weighted growth rate of the markets in which a company operates. Organic growth from changes in market share occurs when a company outperforms or underperforms the market in terms of growth. Firm growth is explored as the key dependent parameter of this paper, in addition to social awareness as the central independent construct. Both objective and subjective metrics are used to assess a firm's growth. Accounting-based, market-based, growth, hybrid, survival, and operational measurements are all considered objective indicators because they are independent and externally validated. Subjective measures are based on an individual's personal assessment.

Since organic growth has been defined the measures of organic growth in this paper such as increases in firm resources via increasing output and enhancing sales, and overall appreciation market shares. Inorganic growth which in contrast to organic growth is the firm growth in response to external factors such factors are Merger, (where the firm fuses its assets and operation with a similar firm with a view to achieve synergy or increase output), Acquisition (where another firm is acquired with under specific terms and conditions) and takeover (act of assuming control of something, especially the buying out of one firm by

another especially by assuming control via buying of major shares). All of these are external factors or indicators of Inorganic growth. So firm growth is either internally or externally resonated. As can be seen on the conceptual framework diagram above.

Conclusion

The concept of social awareness as presented above and its consequent impact on firm growth, is one of the very important and contemporary topic of discussion and interest of new economy. Either of the variables hold very strategic position among the committee of contemporary topics. As it follows, social awareness as a very seemingly simple but complex construct is a very important aspect of human endeavor. We will state that strong workplace social ties and relationships often impact human performance on all levels, from personal to professional, as well as firm growth. Purposeful workplace interactions bring out the best in employees, resulting in a productive organization. It will be simpler for innovativeness to grow in the organization when managers understand the environment, the social spectrum of human needs, and their skill set, and then develop purposeful interactions. There is a substantial and favorable link between social awareness and company growth. From review and examination of texts and empirical works of other scholars and researchers one can safely conclude that a socially aware or intelligent organization can use or encourage the use of social emotional-self-awareness, self-regulation motivation, empathy, respect kindness, active listening skills and above all cooperation. Fubara, S. (2020) summed that Purposeful workplace interactions bring out the best in employees, resulting in a productive organization. Since humans are social animals, any effort to over quantify decisions without resources to the vagaries of human interactions and its attendant consequences will lead to unprecedented inaccuracies and error. It essentially germane that firms have embedded in the corporate culture provisions for appreciating and understanding people and the mechanism of their interaction and intentionally hone ways to beneficially harness them for the greater good and growth of the firm as It will be simpler for firms to grow in the organization when managers understand the environment, and are sensitive to the social spectrum of human needs, and their skill set, and then develop purposeful interactions (Eleodor, 2012). The researcher drawing inference from the positions of other brilliant scholars and researchers concluded that there is a substantial and favorable link between social awareness and firm growth and recommended that firms should intentional and actively pursue constructs that favor social awareness towards engendering firm growth even as more knowledge continues to emerge.

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