

Why Social Capital should matter to you and your Organization

ODA Team



About ODA

We are passionate about supporting individuals and organizations that strive for continual growth and excellence. Our work is embedded in the philosophical foundations of being appreciative, holistic, and interconnected to the whole. These philosophical foundations are built into the DNA of everything we undertake, whether designing an intervention, writing in a publication, or doing a keynote speech.

To cite this article :

ODA Team., 2022. Why Social Capital should matter to you and your Organization. OD Quarterly, 3, pp.3-16

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Why Social Capital should matter to you and your organization

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*While we have heard so much about human capital, **social capital** relatively is an unknown concept for many.*

What is social capital?

The term social capital refers to a positive product of human interaction. Social capital is the potential of interpersonal relationships made through social networks giving rise to tangible or intangible positive outcomes that may include favors, useful information, innovative ideas, and future opportunities. It may be used to explain how interpersonal connections and networks both inside and outside of an organization contribute to the success of that company. It may also be used to define the interpersonal connections among employees inside a business, especially those pertaining to trust, respect, and engagement, that contribute to the development of trust and respect, which improves business performance. Social capital allows one to leverage information and resources. A widely cited definition (Adler & Kwon, 2002) of social capital is:

“Social capital is the goodwill available to individuals or groups. Its source lies in the structure and content of the actor’s social relations. Its effects flow from the information, influence, and solidarity it makes available to the actor.”

Social capital may be demonstrated by asking a friend to lend you their automobile in an emergency or by asking an old college classmate about a job opening!

Although the concept of social capital has been around for a while, sociologists James Coleman, Robert Putnam, Pierre Bourdieu, and Mark Granovetter are credited for formalizing it. Social capital is widely used in development economics (Hayami, 2009), medical sciences (Pitas & Ehmer, 2020), policy-making (Wu, 2021), and social media marketing (Gil de Zúñiga, et al., 2012) to name a few. There has also been a considerable

focus in organizational studies, such as on inter-organizational relationships, knowledge management, and entrepreneurship (Kwon & Adler, 2014). Past literature suggests that social capital can be measured by **trust** (Halpern, 2005). Putnam (1995) used the intensity of involvement in community and organizational life as indicators of social capital. Similarly, Coleman (1988) looked at the trustworthiness of the social environment since it promotes reciprocity, the creation of norms, and the fulfilment of effective sanctions that can protect an institution. Social capital also has consequences on the level of **employee engagement** in organizations (Clausen, et al., 2019).

Social capital primarily relies on goodwill and trust. It is not based merely on authority and compulsion. The networks, norms, connections, values, and informal sanctions that influence the quantity and cooperative nature of an institution’s social interactions make up social capital. We use the term “goodwill” to describe the compassion, belief, and pardon shown to us by friends and acquaintances (Adler & Kwon, 2002). Social capital’s impacts derive from the information, power, and solidarity that such goodwill makes available if goodwill is the essence of social capital. Social capital is found in their interpersonal connections (Claridge, 2018). It really depends on other people’s willingness and availability to be realized. As a result, it is distinct from the conventional idea of ownership. Regardless of the established duties, goodwill, or trust, a person has the discretion to offer or decline aid when needed. And this is why the subject of social capital is tricky and needs reflection.

Then we could say that social capital is

- A set of shared values or resources enabling individuals to work together in a group to effectively achieve a common purpose.

- The potential ability to obtain resources, favors, or information from one's personal connections.
- The glue that holds the members of an institution together by promoting harmony, a sense of shared values, and mutual respect.

Why is it called social CAPITAL?

The concept is commonly used to describe the relationships that help contribute to the success of businesses. Just like human capital and financial capital, social capital has been realized to be beneficial to organizations. Social capital consists of professionals forming networks and bonds inside their organization and with entities external to the organization. There has been considerable attention on networking and collaboration in professional practice. But social capital exceeds this understanding of relations beyond this premise. Capital in this sense can be metaphoric since it represents the tangible and intangible character of the resources. In this study, we will look into the aspects of social capital organizations and individuals can tap into to gain access to resources which can be favors, ideas, or information.

Characteristics of social capital

- Social capital is a long-lived asset into which other resources can be invested, with the expectation of a potential flow of benefits.
- Collective actors can strengthen their collective identity and augment their capacity for collective action.
- Social capital can be "constructible" through deliberate actions.
- Social capital is both "appropriable" (Coleman, 1988). Associations can be used for other purposes, such as information gathering or advice.
- Social capital can be "converted" to other kinds of capital: the benefits one receives from their social network status can be transformed into financial or other benefits (Bourdieu, 1986). Compared to economic capital, social capital may be less easily converted, but it is stickier.
- Social capital may either replace other resources or serve as a supplement. Actors occasionally use their better "connections"

to make up for a lack of resources (financial or human). It can also improve the efficiency of economic capital by reducing transaction costs.

- Social capital, unlike financial capital, requires upkeep. Social ties must be frequently reaffirmed in order to maintain their effectiveness. Social capital does not depreciate at a predictable rate like most other forms of capital.
- The use of social capital is non-rivalrous, meaning that one person's use of it does not reduce its availability to others. However, unlike the use of pure public goods, its usage is excludable, meaning that other people can be left out of a particular network of links.
- Social capital is not "located" in the actors per se but in their relations with other actors.

How can we look at social capital? Exploring the basic approaches

According to some scholars, social capital is not the exclusive property of any one individual. It can extend to all the members of the community or the said institution such as an organization. According to Coleman (1988), social capital exists in different forms including trust, reciprocity, norms, sanctions, and social networks. Here, norms frequently allude to forms of social support and group efficacy. This approach highlights the social cohesion perspective. Hence, it may be considered a public good (Coleman, 1988). Similarly, Putnam (1995) defined social capital as

"Features of social life networks, norms, and trust that enable participants to act together more effectively to pursue shared objectives".

Contrary to viewing it as a public good, Bourdieu (1986) viewed social capital through the lens of a private good. In this approach, individuals own their social capital, thus it is advantageous for them to be familiar with the norms, or game rules. According to Bourdieu (1986),

"Social capital is the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition—or in other words, to membership in a group—which provides each of its members with the backing of the collectively owned capital,

a “credential” which entitles them to credit, in the various senses of the word”.

As one experiences a sense of belonging to one’s family, community, career, nation, etc. at the same time, social capital exists at different levels and these levels overlap and interact. Bourdieu had a network approach since he was concerned about the resources that lay in the social networks. He recognized that inequalities may occur in a society given access to social capital, or a lack thereof. Some networks are more powerful than others. The widely talked about PayPal Mafia is a classic example of a powerful network in current times. Within powerful networks, Bourdieu posited that there lie material and symbolic resources. This view enables us to explore the “dark side” of social capital since it informs us about the haves and have-nots of social capital. As a private good, social capital has the potential to produce both positive and negative consequences.

Since social capital may be thought of as belonging to both individuals and communities, it can be studied from both an individual and a contextual perspective (Wu, 2021). As evident, social capital occurs at macro, meso, and micro levels. At a micro level, generalized trust, networks, and ties are investigated to understand social capital. At a meso level, social capital is concerned with institutions such as organizations, civic participation, clubs, etc. Group-level corruption happens at this level. At a macro level, social capital looks at the relations with the government, economic freedom, and decentralization, to name a few.

Hence, it is beneficial for both organizations and their employees to be aware of the processes and consequences of social capital since the study of social capital involves the knowledge of unlocking resources in one’s social environment.

Types of social capital

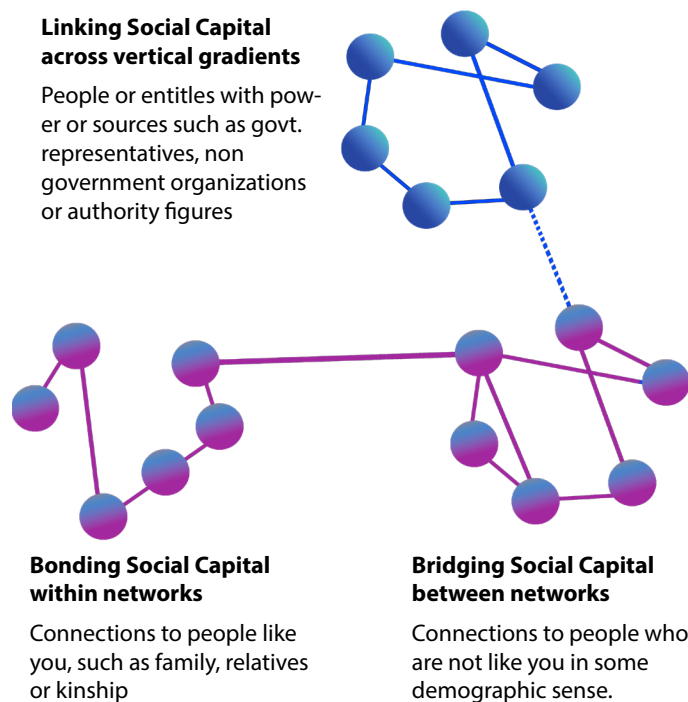
There are three primary functions of social capital: bridging, bonding and linking (Halpern, 2005). A community or a person may be high on one and low on others. The entity can also be high on all or low on all. This is not apparent and quick judgements without analyzing the entity’s network could be very misleading.

Bonding social capital: internally focused with a propensity to strengthen exclusive identities and homogeneous groups

Bridging social capital: outward looking and inclusive of individuals from all social strata

Bridges are the only route of ideas, favors, or information that connect 2 collectives of people.

Linking social capital: links people vertically across asymmetric power relations and can be perceived as a type of bridging social capital where asymmetric power and resources are concerned



Linking Social Capital across vertical gradients

People or entities with power or sources such as gov. representatives, non government organizations or authority figures

Bonding Social Capital within networks

Connections to people like you, such as family, relatives or kinship

Bridging Social Capital between networks

Connections to people who are not like you in some demographic sense.

Bonding, Bridging and Linking Social Capital figure from Aidrich 2012

Ties and structural holes

As we have seen, social capital can happen at a macro, meso, or micro level. Ties investigate the micro-level relationships which are interpersonal in the social environment (Granovetter, 1973). The seminal paper by Granovetter (1973) looks into ties which are positive and symmetric. His study on ties has been found useful for career progress, such as in job search (Brown & Konrad, 2001). According to Granovetter (1973), ties can primarily be of two types – strong and weak, depending on the frequency of the social interactions.

a) Strong and weak ties

Strong ties are the connections we regularly return to— those friends and coworkers with whom we feel at ease because we like, trust, and know

(Burkus, 2018). There is a high likelihood of knowing the friends and acquaintances of our strong ties (Brown & Konrad, 2001). Strength of a tie as defined by Granovetter (1973),

“is a (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterize the tie”.

Weak ties are the ones with whom we have a lesser frequency of interaction. However, they are the ones that can provide us with new ideas, opportunities, and connections. They open to us a whole new world. Hence, they are likely to be more useful (Burkus, 2018; Granovetter, 1973).

b) Dormant ties

Dormant ties are a form of weak ties. They consist of those connections that have not been maintained over time but can be revived upon attention (Burkus, 2018). Dormant ties could have been strong ties once upon a time. They are also known as latent ties.

c) Potential and mobilized ties

Access to ties does not guarantee mobilization. Having social capital does not mean using social capital. Recent research suggests the assumption of social capital is beneficial fails if the networks are not activated or utilized actively. These are potential ties, which means they are present and active, but not utilized for the purpose of acquiring resources.

Hence access does not mean mobilization. It has been found that ties can be activated to generate informal support and the structures of an individual's core networks influenced its extent (Hurlbert, et al., 2000). High-density core networks activated ties to a greater degree. This type of core network is marked by a high number of individuals connected within the network. Individuals with low-density networks have been found to have more difficulty in generating informal networks. Networks can be activated by business owners to gain legal, financial, and technical advice and they are likely to connect with high-status individuals for the same (Renzulli & Aldrich, 2005). Over time, potential ties can be mobilized and vice versa.

Research suggests that potential ties can help identify new ideas and latent or dormant ties can help maintain relationships. Sometimes, latent ties are preferred over new ties if the individuals have previously displayed expertise and high reliability in terms of the desired objective (Kwon & Adler, 2014). Latent ties can prove to be a quicker and smoother option to get work done due to an already established equation, albeit not so desirable, and there is less uncertainty associated since these are not new equations with emerging problems. Incidentally, it has also been studied that latent ties formed during university years can prove to be useful over the years to come!

d) Structural holes

An “empty space” between contacts in a person's network is referred to as a structural hole. It indicates a lack of interaction between these connections (though they may be aware of one another). Different informational streams are available to the actors on either side of the structural gap. People with networks that bridge structural gaps have early access to a variety of interpretations and information that are frequently in conflict, which offers them a competitive advantage in spotting outstanding ideas (Burt, 2004). These individuals form the bridges and hence have bridging social capital.

e) Brokers

Brokers span the gap or the structural holes between clusters and have the ability to leverage the situation to get paid more, get promoted more often, and produce innovative ideas (Burt, 2004). And as Burt wrote,

“People who stand near the holes in a social structure are at higher risk of having good ideas.”

But here is the surprising thing. Brokers were found to be “organizational misfits”. They were typically the ones who instead of pursuing the slow and steady ladder-climbing in their organization, followed an atypical career having jumped across different functions and done various things. This locates them in their social structure in a unique place near the structural holes where they can connect various clusters with each other.

f) Silos

According to research, getting overly isolated can hurt one's career, while not being sufficiently segregated can also be detrimental to progress (Burkus, 2018). The most successful people understand the need of finding groups or siloes of like-minded people who can support their growth and development, but they also understand that they cannot spend all of their time in these groups. They alternate between interacting with other silos and the larger network.

Relevance of social capital in organizations

Social capital has been studied in the organizational context and the findings have been promising. In this section, we see how social capital has influenced organizations. As past research suggests, social capital positively influences the following (Adler & Kwon, 2002):

- Career success
- Executive compensation
- Job search
- Pool of talent for recruitment
- Interunit resource exchange
- Product innovation
- Cross-functional team effectiveness
- Creation of intellectual capital
- Mobilization of human capital
- Entrepreneurship
- Formation of startup organizations
- Relations with suppliers
- Regional production networks
- Interorganizational learning

Social capital also decreases turnover rates and organizational dissolution rates. While due to Covid-19 traditional forms of social capital might be at a low, social capital has found its new manifestation over social media and technological tools (Wu, 2021). Social capital has not only been found to positively impact aspects of organizational success but it has been found to impact individuals' well-being and learning as well (Halpern, 2005).

Why it matters for you

By now you must have realized that the constituent elements of social capital are trust, norms, and networks. And we know that trust is developed over time as individuals gain confidence in the reliability of others in a series of interactions.

Newcomers take some time to trust their colleagues and that's natural. Another interesting thing to note is that it is not just about trust between two individuals. We can see that Suresh trusts Kamal because Santosh trusts Kamal and Suresh trusts Santhosh. Thus, relatively large networks may exhibit generalized trust without close personal contact among all members. These norms of appropriate behavior develop within a system – something that is very important for organizations that are interested in creating a unique culture. We all know that the norm of reciprocity is fundamental to productive relationships. This norm can be also known as the “favor bank.” Remember the famous opening scene in the movie Godfather? The undertaker Bonasera seeks help from Don Corleone only when he found he could not get justice from the courts and police.

After Corleone agrees to have some men beaten at Bonasera's request, he tells Bonasera with no small degree of menace: “Someday, and that day may never come, I'll call upon you to do a service for me.”

Closely linked to reciprocity is a norm that actors will forego their immediate self-interest to act not only in the interest of the group but in their own long-term self-interest. Something extremely important for organizations that would like to increase engagement and collective identity.

“Your ability to build relationships with people around you is a lead indicator of your success in life. It's not just at work, because it's that relationship that you leverage in so many situations. So that becomes a critical indicator of people who will succeed with people and in life.”

Animesh Kumar
President – HR and Transformation
Zee Entertainment Enterprises Limited

Innovation

Innovation also thrives when there is a safe environment which can be created with the help of social capital.

“Social capital has a huge impact on innovation. This is because, psychological safety is the bedrock of building innovative organizations. If I don't have the ability to comfortably say what comes to my

mind without thinking of what the consequence of that statement will be, which is at one level psychological safety, you're never going to get all the ideas that are churning in my head because I'm already, self-selecting what is going to be acceptable to this group of people. But when I have social and relational capital, my willingness to say things as they come to my mind to ideate with you to share my thoughts is a lot higher. I will feel a lot safer psychologically ideating with somebody whom I relate with and I know that I will not be judged."

Animesh Kumar
President – HR and Transformation
Zee Entertainment Enterprises Limited

Hiring, retention, and boomerangs

We have heard many instances of boomerang employees. Both the employees and the organization stand to benefit since there is already trust and understanding between the two parties. The connections in the organizations might be the strong ties that the employee had left behind. If dormant, the ex-employee can reactivate the tie and mobilize it. All this comes under the scope of social capital. This can save costs for the organization since the ex-employee would need less time to get adjusted and yet may come back with fresh aspirations and determination due to revised life choices.

According to both research and our findings, it was observed both strong ties and weak ties can be useful when we seek information.

"The best way to hire good talent is through good word of mouth. Employees are our brand ambassadors, whether they are existing or past employees. An alumni portal helps to reach out to past employees to get referrals and references. Having a connection with them and engaging them with the organization helps in rehiring some of them through mutual interest."

Nandini Mehta
Chief Human Resource Officer
Metro Brands Limited

Social capital within the organization creates stickiness and extending it to the other ties of the individual may create loyalty.

"Mid-career employees may make the choice thinking it's better to stay back because it's keeping their family happy. It's keeping them engaged very often. We've even had young people, who've come back to us and told us that this aspect attracts them. Their family appeals to them from the heart. I'm not saying we do it consciously, but we found it's a significant stickiness factor. As far as people are concerned, it's almost like leaving your family."

Amit Chincholikar
Global Chief Human Resources Officer
Tata Consumer Products

Collaboration

Organizations have superordinate goals but with competing objectives, the superordinate goals may get compromised. Social capital may play a crucial role in realizing the higher order goals by creating more understanding within the employees.

"In the kind of company that we are in, which is FMCG, the dependencies are very high. In situations where there are always conflicting priorities between the marketing, sales, and operations employees, priorities inherently are in conflict. For the sales guys, it's about maximizing revenue. For operations guys, it's about minimizing costs and for the marketing guys, it's about the forecast. But, when you are in a social setup you understand where the other person is coming from, and you're able to focus on larger organizational goals.

When you are aware of the individual's personal background, individual likes and dislikes, it just helps calibrate and make things happen more effectively. This means you are saying that I, you know and may not agree with everything professionally, but I respect what you're saying. So, when I say, I respect your point of view, it means I'm respecting you as an individual."

Amit Chincholikar
Global Chief Human Resources Officer
Tata Consumer Products

Efficiency

Our findings suggest that social capital helps in getting work done smoothly since there is already an established understanding.

"Informal relations help. Formally, we are very used to sending emails to get things done and if it has

not happened but if you're connected well with people, you just have to speak to them. Otherwise, there are so many follow-ups. If you're really not connected to people, you have to do multiple follow-ups. You have to keep reminding them that you might have to escalate."

Nandini Mehta
Chief Human Resource Officer
Metro Brands Limited

"Social capital is going to help in productivity in the long run. In the short run, it might take away from productivity. For example, when you and I first meet, we might want to shake hands. We might want to ask about each other's families. Maybe if there's a small child in the home, maybe there's a bit of advice I might have for you, etc.

And then we get into a proper discussion and get to work. We might have wasted the first 10 minutes of a one-hour meeting. But the next time we meet and maybe we work together on some very big projects, then I'm going to be far more productive and you're going to be far more productive because we invested the first 10 minutes of our meeting to get to know each other. That way I know your strengths better, you know my strengths better when I work with you. I would know that you don't like B, C, and D. So, I can decide not to go to B, C, and D because you will not enjoy doing that work. I'll get that B, C, and D done somewhere else. but to do E and F I will go to you because that is where your strengths lie and you enjoy it. I know that because I've invested the first 10 minutes with you. So, in the long run, productivity will be positively impacted by social capital but maybe in the short run, it could see that we've lost some time."

Ravi Kumar
Senior President & Chief People Officer
Page Industries Limited

Wellbeing

Being connected with people also has a positive impact on mental well-being. There are forums that people use to stay connected with others and these may not be the people one encounters every day. They might be people doing other types of jobs but they still can be a great source of ideas, comfort, and information.

"A forum is such a fundamental thing. It is a group

of women (who call themselves Power Women), from different walks of life, professions, and are doing path-breaking work. If I were to really even talk about the college admission of my son, or, how do I become an executive member of a company board, or if I were to start a startup, I can resort to my forum. We also discuss women-specific issues such as health. We are all connected without any agenda over a period of time. It's now two to three years and we keep broadening our base and we get to know so much more just by the discussions because different people are talking about different topics. It just broadens your perspective. This contributes to your emotional well-being because you feel connected. Therefore, social capital contributes to emotional well-being, and psychological safety and you would feel you're not alone. And you feel much more equipped at the end of the day that if there is something that comes up your way, you have a place to go."

Rachna Kumar
Head – HR Asia
Whirlpool Corporation

"I have benefited a lot of times from reaching out to colleagues, and this was true for me, especially during the pandemic. A lot of people in our broader circle were affected. Their families and their extended families were impacted, and I had to rely on my network - people I hadn't spoken to for 10 years, to reach out to them and call in a favor. Most of my batchmates, juniors, and seniors are in positions of influence today and I was able to reach out to them just on the basis of being an alumnus or having met them at a conference to support colleagues and acquaintance's during the pandemic."

Santana Ramakrishnan
Chief Human Resources Officer
DealShare

Ideation

Past research has amply suggested how ties can help in the exchange of new ideas especially when one is situated near a structural hole. Our findings too supported the same.

"There were points in time when in my decision making when something was required from an organizational perspective, but I wasn't too sure if this was the right thing to do. I was just thinking,

who can I reach out to, to give me a different perspective, and analyze how I was looking at it? I was getting a little sad about the situation. So, I remember I called up two people, both of them, after many years. And I don't think it just really felt that I was connecting with them after so many years. We just exchanged how our lives were. And then got the point though. Though my intention was more professional, I did not feel uncomfortable with the discussion. And I guess she was more than useful to be able to give the advice that she thought was her point of view."

Rachna Kumar
Head – HR Asia
Whirlpool Corporation

Disadvantages

There is a dark side to social capital. The detrimental impact on social capital might come from negative behaviors, especially those that amount to abuse or betrayal of trust.

Generation of warring factions which end up ignoring the superordinate goal

Strong in-groups in an organization can also jeopardize the functioning of other employees in the organization. Established strong ties can also come at a cost.

"This is the yin and yang of life, for every good there is a negative side. In any organization, community, household, or country there will be a tendency for people of similar or common likes/backgrounds to conform with each other. While intentions maybe right for organizations to get people together, it definitely could lead to groupthink and conformity. While we cannot stop it, we can reduce its impact if organizations communicate more regularly and strongly, drive the common goals, and convey what is in it for the employees."

Nandini Mehta
Chief Human Resource Officer
Metro Brands Limited

"Human beings are social animals. Social capital would always generate a bit of pull and push politics, which basically means you are vying for the resources. You will do everything to get your share of the pie. As long as it's a constructive conflict and it really remains above board, it is

absolutely a smart way of working. But when it goes beyond that and creates skepticism, internal conflicts, and mistrust between people, then it is harmful."

Yuvaraj Srivastava
Group Chief Human Resource Officer
MakeMyTrip

Costs of building and maintaining social capital

While social capital aid people, their access to resources can hinder others' opportunities. Additionally, the process of building social capital comes with its costs (Adler & Kwon, 2002). Investing in social capital would require the individual to

- Invest time in growing and maintaining relationships and fulfilling obligations
- Take out time from engaging in other tasks to hold on to the strong ties leading to increased time in completing tasks

The costs attached may not always be favorable given the context. Hence, many a time, weak ties are more effective since they are less time-consuming and they open individuals to new ideas and possibilities.

What enables social capital? How do we grow social capital?

The built environment, our family, history, education, and culture are all likely to have an impact on our social capital. We exist in societies with economic inequalities and social class. This makes us have unique vantage points which can weave into our values, purpose, and personality. The question is, can we consciously and intentionally expand our social capital? We have discussed some key concepts on social capital previously in this study. One can ask himself or herself the following questions to understand this phenomenon better:

- Where is your location in the structure of social relations?
- Which type of social capital do you associate yourself most with? Bridging, bonding, or linking?
- How diverse are your networks?
- Do you think you are in a silo in your organization?
- How many people reach out to you and how often? Is it always about work?

- Do you think people find it easy to reach out to you? Are you approachable?
- Do you think you can easily reach out to people if you need any resources (advice, ideas, information)?
- Do you think you extend favors only to receive gain something one day?

Social relations can be market relations, network relations, or hierarchical relations (Kwon & Adler, 2014). Market relations are those in which products and services are exchanged for money or other items. Hierarchical relations pertain to exchanges that occur due to obedience to authority and in social relations, favors and gifts are exchanged based on goodwill, trust, and other intangible factors. One might need to be cognizant of the types of relations and the limitations of each. A market relation can turn into a social relation just like a hierarchical one. And these relations reserve the potential for future exchanges that were not conducted in the past.

However, as discussed earlier, building and maintaining social capital can be exhausting. Some people are more at ease in establishing new relations and reviving older ones. They are at ease in engaging with multiple people. However, that may not be the case for everyone. In that case, it can be useful for the individual to have ties with an actor who has strong ties with multiple people. This actor may be acting as a bridge but can be very useful. This way, the time consumed to access social capital might reduce for the individual.

Build trust and goodwill!

Social capital is based on trust and goodwill. As past research suggests, this concept is solely based on these elusive concepts. Once trust is breached, relations may not result in other forms of resources.

“Social capital, not just in professional terms, but also in personal terms very often has a significant impact. Now the whole point is that it delivers maximum value in my experience when you build a social relationship with an expectation of nothing in return.”

Amit Chincholikar
Global Chief Human Resources Officer
Tata Consumer Products

“If you meet for an agenda, you can be very well and open about what you want out of it. That’s the starting point of any conversation. Subsequently, when there is no agenda, it provides you with that platform of psychological safety, because you’re not judging anybody else. Then people connect at a more human level and they’re more open.”

Rachna Kumar
Head – HR Asia
Whirlpool Corporation

Capitalize on the power of shared activities

Maybe, parties are not that great at building social capital (Burkus, 2018). Most people stick to similar people they see at parties. They might want to avoid dissimilar people. Also, they may not form meaningful memories with them that would keep them engaged with each other even after the party ends. However, when one engages in shared activities with others, despite dissimilarities, they will keep on engaging. That will be love for that particular activity! They may not become too close, but they are likely to accept each other and create bonds and memories over the shared activities. However, some activities do not last. There are many a time, organizations try to create clubs. Due to the inertia of a few people, the group sustains for some time. But after their departure, the group collapses.

Be intentional!

There is only limited energy and some people find it extremely strenuous to maintain bonds. Maintaining multiple strong ties over a period of time can be exhausting and distracting for some. However, a few may do it with utmost ease. Now, what happens when one finds it exhausting even though that individual might want to invest in relationships? Weak ties come to the rescue. Form as many weak ties across diverse functions! And also, be intentional about the functions lest you find yourself spread too thin. In order to be mindful of the relations might want to have, one can ask himself or herself the following questions:

- What is your purpose?
- Where are you situated and where do you want to go?
- Who are the relevant people and what are the relevant circles for you which will help you to grow? Who are those who will enrich you, give

you ideas, cheer for you, and give you access to intangible resources that align with your purpose?

- Can you be a possible resource for others who have a similar purpose?

But, beware! The intention should be to have goodwill. If it is only transactional, it may actually backfire by creating mistrust. The aim is to be there for others and ask yourself how you can make a difference.

What can organizations do to enable social capital?

Create programs and opportunities to interact

Organizations can have various opportunities, programs, and initiatives to facilitate interactions with employees across different functions and geographies. These can prove to be very helpful for employees as they see and appreciate the wider organization and its context within which they work helping inculcate a sense of purpose and develop loyalty to the organization. These can give the employees the platform to seek advice, exchange new ideas, and get exposed to other facets of the organization.

“One of the most critical organizational level initiatives would be to build a culture of open and transparent communication. There are forums which are more formal, strategic and business focused. Some of the initiatives for such forums that we have done have been conducting quarterly Town Halls where management communicates the key initiatives, achievements, and plans for the quarter and employees are free to ask any questions or give any feedback. We have an Annual Strategy Meet to plan the coming year and review the year gone by. We do this at an organizational level, regional level, and departmental level. We also have structured goal-setting, feedback, and appraisal conversations that help employees develop themselves.

There are also get-togethers that bring teams together in a more informal way and help them bond and get to know each other more and also see how we can extend them to families as well.

Some of these initiatives that we have are Family

Fiesta and People Icon Rewards and Recognition where employees and teams are recognized for their achievements, and Sports and Cultural events. Then there are interventions that help in growth and development. Some such initiatives were a program on career progression, learning journeys, and assessments with IDPs. All these initiatives help employees not just bond with each other but to connect well with the organization. It makes them feel like they are in an extended family. They not only are loyal and satisfied but also very productively engaged and this helps the organization build a strong culture with a high sense of ownership.”

Nandini Mehta
Chief Human Resource Officer
Metro Brands Limited

Creating social capital helps employees to gain recognition. Organizations can facilitate opportunities for employees who want to further their growth and career opportunities and help close in on structural gaps.

“When you connect with anyone in the organization, you are connecting with them as an individual. It is important to try and strike a chord at a personal level as human beings and understand what binds us and what separates us. I have always been curious about the “person” I am interacting with and that has certainly helped me to build better relationships. We must also realize that organizations are not ideal places for personal conversations and I have always relied on cues that I get from others on how much they are willing to open up and be led by that.

As a senior leader, I made it a point to meet with everybody who came there, either business or HR. And, you know, continue to establish that relationship and grow it. That is one thing that I would say helped build my global network.

I had an opportunity to meet leaders from the entire cross-section of the company because every time they came to India as part of their business travels, I had time to spend with them and use the opportunity to build a relationship. And I also, in many cases, continued to keep that relationship going. So, every time they had an issue, many of them would say reach out to me because they were able to connect my name to this place. It's very

important in a global organization to have these networks because you should be able to reach out to them for any help that you may require. They should, at some point, reach out to you, in case they have a question or they have a problem, or they need some kind of support.”

Gangapriya Chakraverti
India Site Head and Managing Director
Formerly Director -Human Resources
Ford Motor Company

Understand your organization's social networks

You could do a social network analysis to understand the current way work flows, the trust levels, engagement and inclusion in your organization. Once you have this network map, you could figure out how to increase social capital. You can also try using the network diagram/graph to understand the silos in the organization. Silos tend to isolate employees and disrupt the flow of information and ideas. This might also hinder the career progress of the employees in the silos. While silos may be effective to a great degree to focus on work, they may create a myopic result. To find out if you have silos in your organization, you may want to feel the pulse of all the employees. If that is a tall task, you may want to invest in organizational network analysis. Silos may hamper employee engagement which can affect your organization's overall performance.

“We have the concept of culture ambassadors wherein we have a set of team members in the organization who are aware of the company's culture. They are also leveraged for the selection processes to ascertain the culture fitment of the prospective candidates. These Go-Trippers are also our speakers and assessment panel members on various campuses for hiring drives and other forums.

Opinion makers are those who basically influence others for the right things and also build the right perspectives on various issues. They are not for driving individual agendas but to help the organization build its culture. These opinion makers reach that stage only because of certain demonstrated traits and value-based behaviors. They have walked the talk. They have been very, very upright. They have had successful careers.

They're the ones who have been very positive in their attitude. They're respected by people, they're high performers.”

Yuvaraj Srivastava
Group Chief Human Resource Officer
MakeMyTrip

According to the Head of Human Resources in a leading pharmaceutical organization,

“The balance of decision making that you'll create out of relationship analytics is by continuously looking at how people are engaging and facilitating at how proactively you can engage rather than reactively.” Think about your leadership

Leadership can make a difference in how a team interacts internally and with other teams. Organizations can focus on training their leadership to inculcate group norms that encourage the exchange of ideas and support of those ideas. Leaders should be able to question themselves and their assumptions and have the mindset to take risks. Failure of an idea should not discourage the leader to be receptive to other ideas.

“It always starts with leadership because when leaders speak, people watch their feet. So how demonstratively open a leader is to either receive feedback and then change their point of view based on what they hear. I think it is also about the connection that you are able to build with the frontline of your organization because that's the place where money gets made or money gets lost. I think what happens is, a lot of organizations tend to focus on what I like to call a twenty-four forty-eight principle – which is, you sit in a cabin where the temperature is 24 degrees making a decision without knowing what's happening on the ground, where the temperature is 48 degrees. So, one demonstratively strong way of doing this is to adequately spend a lot more time with the frontline on the ground, be it at a plan, be it at a factory, be it, you know, with your distributor, because then what happens is people really get a sense to see the human side of a leader, right?”

Amit Chincholikar
Global Chief Human Resources Officer
Tata Consumer Products

Understand the role of family and friends

According to our findings, extended ties of the employees, such as family and friends, played a role in the employee's loyalty to the organization. This also helps employees to know each other in other capacities and grow their social capital.

"We work very closely with communities. When initiatives of such nature come, we found that employees and their kids are more than happy to kind of come over and spend time.

There's no doubt a lot more of this actually happens when we allow people to engage, not because they have to, but because they want to. We believe in the power of the collective, that's what we've been trying to do as a company. It is a very simple principle."

Amit Chincholikar
Global Chief Human Resources Officer
Tata Consumer Products

"Employees come to work in order to support themselves and their families. When an organization involves the families of employees it definitely helps build a stronger bond and loyalty. When families meet each other, it helps them settle well and there is extended support that they get from each other. These bonds do take place informally. However, organizations can organize events that involve families where they meet and bond with each other. We have organized a day event where families spend time with each other and have loads of fun, followed by a cultural evening and dinner and this is for the entire corporate office. We have also organized a Senior Management dinner with family which has helped create a good social network."

Nandini Mehta
Chief Human Resource Officer
Metro Brands Limited

Conclusion

In this study, we covered the salient aspects of social capital and how it can benefit us. We described how one can fit in one's social structure. The underlying phenomenon of goodwill and trust cannot be more emphasized. Shared activities are powerful to create bonds with dissimilar people. And lastly, it is wise to be intentional when one has a purpose to adhere to.

Organizations stand to benefit from social capital in numerous ways. While social capital will happen without us consciously thinking about it, a purposeful approach can only harness the true potential lurking within the organization.

***But as it is said,
social capital
is the glue that
holds societies
together, social
capital is also the
glue that holds
the organization
together.***

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