

SOCIAL CAPITAL AND COMMERCIAL ORGANIZATIONS*

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SOSYAL SERMAYE VE TİCARİ ÖRGÜTLER

ÖZET

Sosyal Sermaye bireyler arası ilişkilerde yer alan bir sermaye biçimi olarak kabul edilmektedir. Günümüzde örgütlerin hızla değişen çevresel şartları yöneticileri; çalışanlar arasındaki bağları kuvvetlendirme ve karşılıklı güveni ve anlayışı arttırma, insanları bir araya getiren ve işbirliğine dayalı faaliyetleri mümkün kılan ortak düşünce ve davranışları oluşturmanın yollarını aramaya yönelmektedir. Teknoloji, küreselleşme, bağımsız çalışma, sanal işyerlerinin artışı gibi etkiler bir anlamda saklı olan sosyal sermayeyi ön plana getirmektedir. Bu çalışmada genel olarak sosyal sermaye kavramı ve bahsedilen bozucu etkiler içinde yöneticilerin, güvene dayalı ilişkileri, iletişim ağını ve ortak hedefleri nasıl oluşturabileceği incelenmektedir.

ANAHTAR KELİMELER

Sosyal Sermaye, Sosyal Sermaye Biçimleri, Ticari Örgütler, Sosyal Sermayenin Olumsuz Etkileri.

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ABSTRACT

Social capital is a form of capital that exists within relationships among individuals. In today's rapidly changing environment, organizations still need to pay close attention to foster connections among people and develop the trust and mutual understanding, as well as shared values and behavior that bring people together and make the cooperative actions possible. Recently, factors like technology, globalization, and the rise of free agency as well as virtual workplaces are bringing another form of "hidden" capital to the forefront. In this paper, the general meaning of social capital and how the managers bind new employees to the organization, and how they maintain trust relationship, networks, and shared aims and understanding in the organization in the face of potentially disruptive change are described.

KEY WORDS

Social Capital, Type of Social Capital, Commercial Organizations, Negative Effects of Social Capital.

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INTRODUCTION

Being successful in today's knowledge-intensive economic environments, one cannot simply work in isolation. For one thing, the overwhelming volume and complexity of information available today makes it possible for any person to stay on top of leading developments and trends. Furthermore, competition across global markets forces managers to move beyond their spheres of local influence and effectively manage resource situated across multiple locations, time zones, and cultures. This situation calls for coordination that often stretches beyond formal boundaries of the organization, extending to a complex web suppliers, alliance partners and customers.

However, in today's rapidly changing environments, organizations still need to pay close attention to the development of personal knowledge, skills, and abilities (what is often referred to as human capital). At the same time, similar focus needs to foster connections among people and develop the trust, mutual understanding, and shared values and behaviors that bring people together and make cooperative action possible (Lesser 2003: 9).

Knowledge has always resided in organizations- but it wasn't until the Information Age put a premium on ideas that intellectual capital was recognized as a critical resource. Now, factors like technology, globalization, and the rise of free agency and virtual workplaces are bringing another form of "hidden" capital to the forefront.

During recent years, the concept of social capital has become one of the most popular exports from sociological theory. Despite its current popularity, the term does not embody any idea really new to sociologists (Portes 1998: 2). That involvement and participation in groups can have positive consequences for the individual and the community is an essential notion, dating back to Durkheim's and Marx's works. In this sense, the term social capital simply recaptures an insight present since the very beginnings of the discipline.

The novelty and heuristic power of social capital come from two sources: First, the concept focuses on the positive consequences of sociability while putting aside its less attractive features. Second, it places those positive consequences in the framework of a broader discussion of capital and calls attention to how such

non-monetary forms can be important sources of power and influence, like the size of one's stock holdings or bank account.

SOCIAL CAPITAL

Social capital is a form of capital that exists within relationships among individuals (Karner 2000 :2637). The notion of physical capital, as embodied in machines, tools, and equipment, has been extended by economists to include human capital. Just as physical capital is created by changes in materials to form tools that facilitate production, human capital is created by changes in persons that bring about skills and capabilities that make them able to act in novice ways. Social capital comes about through changes in the relations among persons that facilitate action. If physical capital is wholly tangible, being embodied in observable material form, and human capital is less tangible, being embodied in the skills and knowledge acquired by an individual, social capital is less tangible yet, for it exists in the interpersonal relationships. Just as both physical capital and human capital facilitate productive activity, social capital does as well (Coleman 1988:101).

Social scientists have offered a number definition of social capital. While these definitions are broadly similar, they express some significant nuances. These definitions vary depending on whether their focus is primarily on; the relationships an actor maintains with other actors, the structure of relationships among actors within a collectivity or both types of linkages. The definitions of social capital according to some writers are as follows;

Baker defines it as “a resource that actors derive from specific social structures and then use to pursue their interests, it is created by changes in the relationship among actors”.

Bourdieu, on the other hand, regards it as “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 or recognition”.

Burt considers it as “friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital”.

Portes defines it as “the ability of actors to secure benefits by virtue of membership in social networks or other social structures”.

These definitions focus on social capital as a resource that inheres in the social network relating a focal actor to other actors.

Coleman suggested that social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspect of social structure, and they facilitate certain actions of individuals who are within the structure.

Fukuyama argues that social capital can be defined simply as the existence of a certain set of informal values or norms shared among members of a group that permit cooperation among them.

Putnam explains social capital as “features of social organization such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit”.

These definitions focus on social capital as the linkages among individuals or groups within the collectivity in those features that give the collectivity cohesiveness and thereby facilitate the pursuit of collective goals.

Loury regards it as “naturally occurring social relationships among persons which promote or assist the acquisition of skills and traits valued in the marketplace”

Nahapiet & Ghosal define social capital as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationship possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through the network”.

Woolcock considers it as “the information, trust, and norms of reciprocity inhering in one’s social network”.

These definitions include both types of linkages. For example, the behavior of a collective actor such as a firm is influenced both by its external linkages to other firms and institutions and by the fabric of its internal linkages: its capacity for effective action is typically a function of both (Adler 2002:21).

Coleman (1988: 102-105) identifies six forms of social capital as follows:

Obligations and expectations: A social system that relies heavily on reciprocal actions creates obligations and expectations on the part of its participants. Each “favor” is expected to be repaid, and those who can provide “favors” are expected to do so when requested. This form of exchange engenders social capital for a group member who has done many favors in return. This form of social capital has two critical elements: the mutual trust within the social system

and the extent of outstanding obligations. Without trust that obligations will be reciprocated, there is no incentive to accrue social capital.

Information Potential: By interacting with informed members, individuals can increase their knowledge without having to obtain the information directly, whether by reading the newspaper or by interpreting research findings. A member also may become privy to specialized information-such as unadvertised business opportunities- through informal information exchange. Useful information can be the impetus for action that furthers the individuals on goals and can be a beneficial commodity.

Norms and Effective Sanctions: Within a social system, norms can support and provide rewards for specific behaviors. Norms that encourage the subjugation of self-interest to the needs of the community are an especially powerful form of social capital. By promoting certain activities, norms by nature constrain other activities.

Authority Relations: Within groups organized to address a specific issue, a leader often is chosen and given the right make decisions and speak for the group. Thus, the members of the group transfer the “rights of control” to one individual, who then has access to an extensive network of social capital that can be directed toward a specific goal. When the rights of control are located in one individual, the social capital of all the members is amplified. For example; political action groups, business cartels, grassroots organizations.

Appropriable Social Organizations: Social organizations usually are created to address a specific issue, and after that issue is resolved, the organization often continues to exist through a redefinition of its goals. Thus, an organization that was developed for one purpose can be appropriated for another purpose. This constitutes a form of social capital available for use.

Intentional Organizations: This form of social capital occurs when individuals join together to create an organization that will benefit them directly. For example; a business venture or a voluntary association that produces a public good.

Coleman also identifies factors that can increase or diminish social capital. A high degree of **closure** in a social network strengthens its ability to engender norms and effective sanctions. Closure is also important in achieving mutual trust among members. Conversely, lower closure reduces the effective norms and trust that would lesson the social capital engendered. The **stability** of a social structure

affects the development or destruction of social capital. Individual mobility can threaten the stability of an organization, which in turn threatens its social capital. Organizations and social relations that are dependent on specific individuals are less stable than those which rely on positions that can be filled by various individuals. **Ideology** can create social capital by influencing individuals to act in the interest of the whole rather than in their own interest. Religious ideologies are an example of this factor. Alternatively, ideologies of self-sufficiency or individualism can hinder the generation of social capital.

Portes and Sensenbrenner (cited in Karner 2000:2640) criticize Coleman's theory of social capital because of call for a more defined discussion of the forms of social capital and then they outline four different types of social capital. **Value introjection** is the first source of social capital because it promotes behavior based on morals and values rather than on self-interest. From Durkheim's work, they conceive of economic transactions as reflections of an underlying moral order and contracts as reframing existing norms or values rather than creating new rules. **Reciprocity transactions** are the obligation and expectation, backed by norms of reciprocity, that emerge through social networks of exchange. This term comes from the work of Simmel and focuses on the dynamics of group membership. **Bounded solidarity** is created when individuals join together in response for an adverse situation. This term comes from Marx's writings on situational circumstances that lead to group action. **Enforceable trust** is the term which comes from Weber's distinction between formal and substantive rationality in market transactions. This term refers to the different mechanisms that formal institutions and particularistic group use to engender memberships' compliance with group norms and expectations.

Portes and Sensenbrenner also point out the negative effects of social capital in contrast to Coleman's positive position. The same social structures "that give rise to appropriable resources for individual use can also constrain action or even derail it from its original goals". The costs of solidarity can be obligations and interconnections within the community. The costs of community conformity can constrain individual freedom. Obligations to the community can inhibit attempts to succeed in a broader network with a richer array of rewards (Karner 2000:2640).

There is another definition about the negative effects of social capital (Nahapiet 1998: 245). A given form of social capital that is useful for facilitating certain actions may be useless or harmful for others. For example, the strong norms

and mutual identification that may exert a powerful positive influence on group performance can, at the same time, limit its openness to information and to alternative ways of doing things, producing forms of collective blindness that sometimes have disastrous consequences.

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Social capital has been investigated in the studies on families, youth behavior problems, schooling and education, public health, community life, democracy and governance, economic development, and general problems of collective action. In organization studies, too, the concept of social capital is becoming a popular topic. It proves to be a powerful factor in explaining actors' relative success in a number of arenas of central concern to organizational researchers; social capital influences career success; helps workers find jobs and creates a richer pool of recruits for firms; facilitates interunit resource exchange and product innovation, the creation of intellectual capital and cross-functional team effectiveness; reduces turnover rates and organizational dissolution rates and it facilitates entrepreneurship and the formation of start-up companies; strengthens supplier relation, regional production networks and inter-firm learning (Adler 2002: 17).

Every manager knows that business runs better when people within an organization know and trust one another –deals move faster and more smoothly, teams are more productive, people learn more quickly and perform with more creativity. Strong relationships seem like the grease of an organization. In that case, managers need only to get their people connected with one another and wait for the payback but it is not so easy because today most organizations are under assault rising volatility and virtuality that erode relationships (Prusak 2003: 13).

These are volatile times because disruptive technologies spawn new products and markets daily and organizations respond with constantly changing structures. At the same time, volatility spawns opportunity: for every company crushed by new technology, a new one is born (Prusak 2003:14). There are two elements of volatility. One is the volatility of talent when the battle of retain good workers as important a part of the "war for talent" as the battle to attract outstanding people in the first place. The other is organization volatility: the changing practices and policies, the mergers and acquisitions and hiring and firing that organizations

undertake to master changing competitive environments (Cohen 2001:136). Organizations trying to solve the problem of volatility must deal with two related but different questions:

How do they bind new employees to the organization and how do they maintain trust relationship, networks, and shared aims and understanding in the organization in the face of potentially disruptive change? The first question asks how organizations turn newcomers into committed members of the group; the second, how that sense of membership survives when some of the rules of group change.

Most people are used to work at the office from 9 a.m. (or 8 a.m.) to 5 p.m. every weekday. These are virtual times because of technology, nowadays work happens in every imaginable configuration of time and space. Virtual work as any work done over distance, with connections made by e-mail, intranets, videoconferencing, cellphones, and other new communications technology (Cohen 2001:156). Most of it is work that was traditionally done in the immediate vicinity of other workers located in the same office or laboratory: product development, research, developing plans and proposals, organizing and carrying out client engagement. Whether virtual communication does not implicate gestures, facial expression, feelings, and tones of voice on the other hand it gives employees and organization flexibility and fastness. There are a few questions about virtual work: To what extent can people develop and maintain social capital by electronic means? Can the trust-building, network-building meeting and conversation occur virtually? Does virtual work increase or diminish social capital?

The capacity that advances in computing provided us to send information quickly and cheaply over distance has helped drive globalization, and globalization has increased the need to coordinate and collaborate over distance. The pursuit of efficiency, the desire to save time and money, and the belief that global companies need to bring their resources of knowledge, judgment and creativity together regardless of distance have led to the creation of global teams and virtual communities, to the elevation of e-mail to a central place in the workday, and to the widespread use of teleconferencing and videoconferencing (Cohen 2001:157).

Emerging trends in the business world have pushed social capital to the forefront of management thinking. As knowledge begins to supplant land, labor and capital as the primary source of competitive advantage in the marketplace, the ability to create new knowledge, and apply organizational knowledge to new

situations becomes critical. The presence (or absence) of social capital can affect organizational capacity to replicate best practices, develop and maintain explicit knowledge repositories, or simply provide guidance and mentoring to less experienced staff. Social capital also plays a critical role in an environment that is increasingly marked by mergers, strategic alliances, and joint ventures. As more and more resources that are critical to success lie outside organizational boundaries, establishing right connection and relationship between relevant parties becomes both more important and more difficult. In the absence of social capital between alliance members, the likelihood knowledge mismanagement increases. When knowledge critical to the success of the alliance becomes misused, misappropriated, misinterpreted, or is just plain missing, huge investments in resources, physical capital, and brand image may be jeopardized (Lesser 2003:25).

Nahapiet and Goshal (1998: 243-244) define social capital as having three dimensions;

- Individuals must perceive themselves to be part of a network (the structural dimension).
- A sense of trust and mutual obligation must be developed across this network (the relational dimension).
- The members of the network must have a common interest or share a common understanding of issues facing the organization (the cognitive dimension).

How to invest social capital in the work organizations? According to Prusak and Cohen (2003: 14-22) there are three group practices:

Making Connections:

- A real commitment to retention; when people know one another relationship can happen and trust flourish. They interact with one another in ways that deepen their relationships and strong sense of community in some places such as; company's sports and recreation facility, health care center, child care center. There will be a food plan, available as a negligible payroll deduction, encourages people to break for lunch with colleagues; lay out a snack at work place; build up a company choir etc.
- Promoting from within; at this stage organization have earned membership in durable corporate networks and communities where trust is developed and knowledge shared.

- Giving people time and space to bond in person; social capital grows when team members meet face-to-face and work side by side.
- Facilitate personal conversations; cafés, chat room, libraries, kitchens, and other social spaces are important. They promote knowledge exchange, but they also spur the discovery of mutual interests that support communities.
- Fostering durable networks; most of the networks come about naturally in organizations. Members are drawn together by their involvement and interest in a particular work domain. They engage with one another to share what they know, help one another accomplish tasks, and enjoy the satisfactions of membership in a group.

Enabling Trust:

- Create a common understanding of how the business work; such as shared language and goals, a shared view of how work gets accomplished, how it is measured and ultimately rewarded. Creating this common understanding can make it easier for employees to focus on mutually held goals and values, and reduce the amount of time and effort spend on individual issues and motivations.
- Demonstrate trust-building behaviors; such as receptivity and discretion. Employing active listening skills and encouraging employees to air their concerns in an atmosphere where their issues will not be improperly disclosed can build trust between managers and employees.
- Bring people together; managers need to consider how they can create both physical and virtual spaces where people easily interact with one another. While it may be impossible for team members who are located in different sites to work together consistently in the same room. Managers should think about ways to bring people together, especially early in the project lifecycle, and then periodically in the future to recharge the relationships and maintain their connections (Levin 2003:40-41).

- Trust respond to reward; when trustworthy individuals are promoted, the organization proves that trust succeeds. When untrustworthy individuals promoted, every one absorbs a noxious lesson: crime pays, and good citizens finish last.

Fostering Cooperation

- Give people a common sense of purpose; noble goals and inspirational leadership can draw people together and give their work meaning beyond the need to earn a living.
- Reward cooperation with cash; the bonus which is inclusive of significant percentage of employees' remuneration are dependent on group and corporate performance and less dependent on individual performance .
- Establishing some rules for get people in the habit of cooperating; such as governing outside conference attendance: an attendee is reimbursed for a trip only if he or she shares what he has learned.

CONCLUSION

In this article, I have attempted to explain the theoretical research on social capital undertaken in various disciplines. As a theoretical concept, social capital holds great promise for improving the sociological understanding of social action (Karner 2000:2641). There is still much to learn; the perspective needs to be grounded in established bodies of empirical research before it can be translated into optimistic public policies. Social capital may be seen as a common theoretical language that can allow historians, political scientist, anthropologists, economists, sociologists and policymakers to work together in a constructive manner.

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