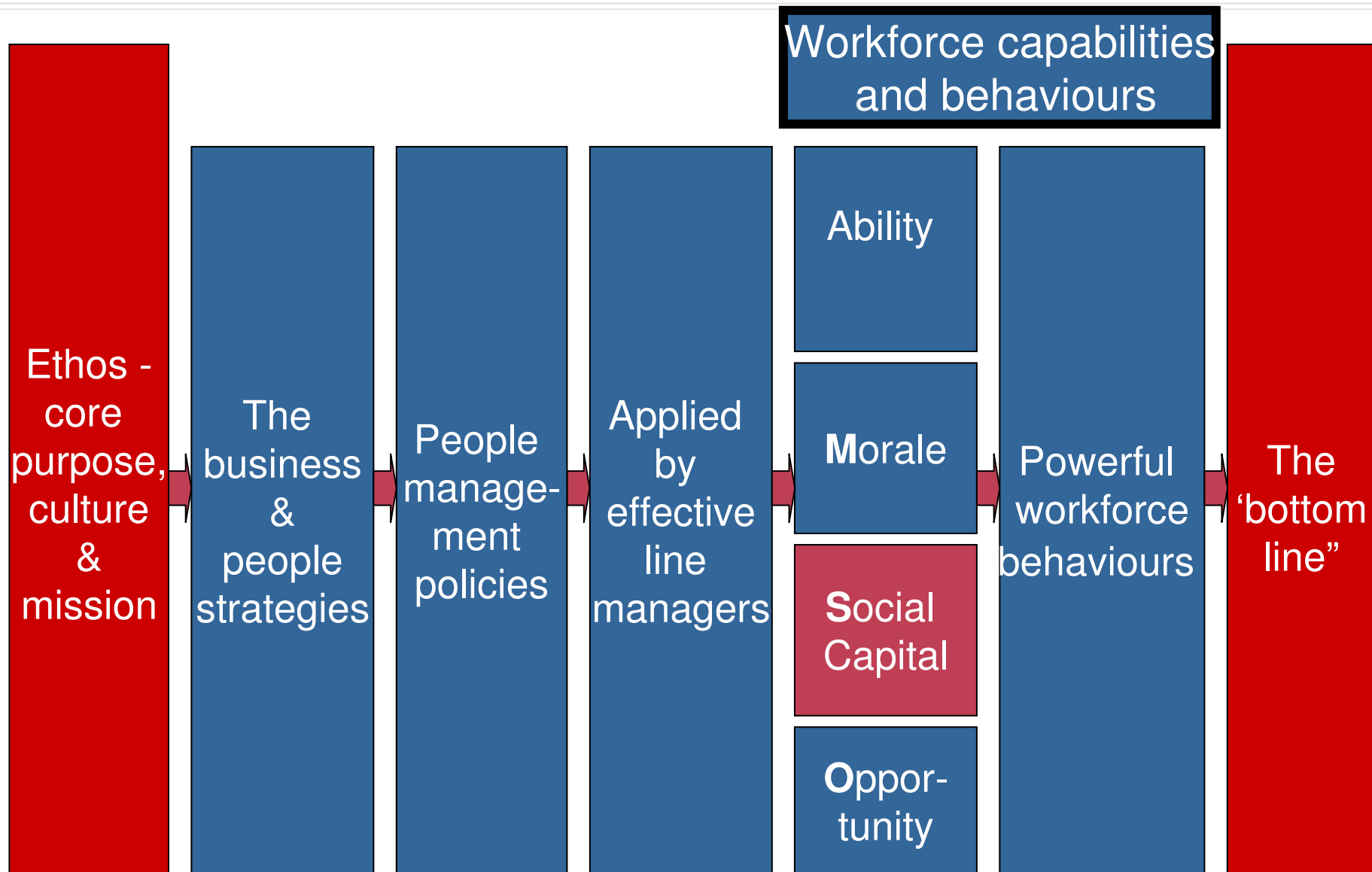


# Social capital and the bottom line: developing collaboration and community at work

*“Quite simply, none of us is as smart as all of us”* – Hank Paulson, ex Goldman Sachs CEO

# The people management value chain

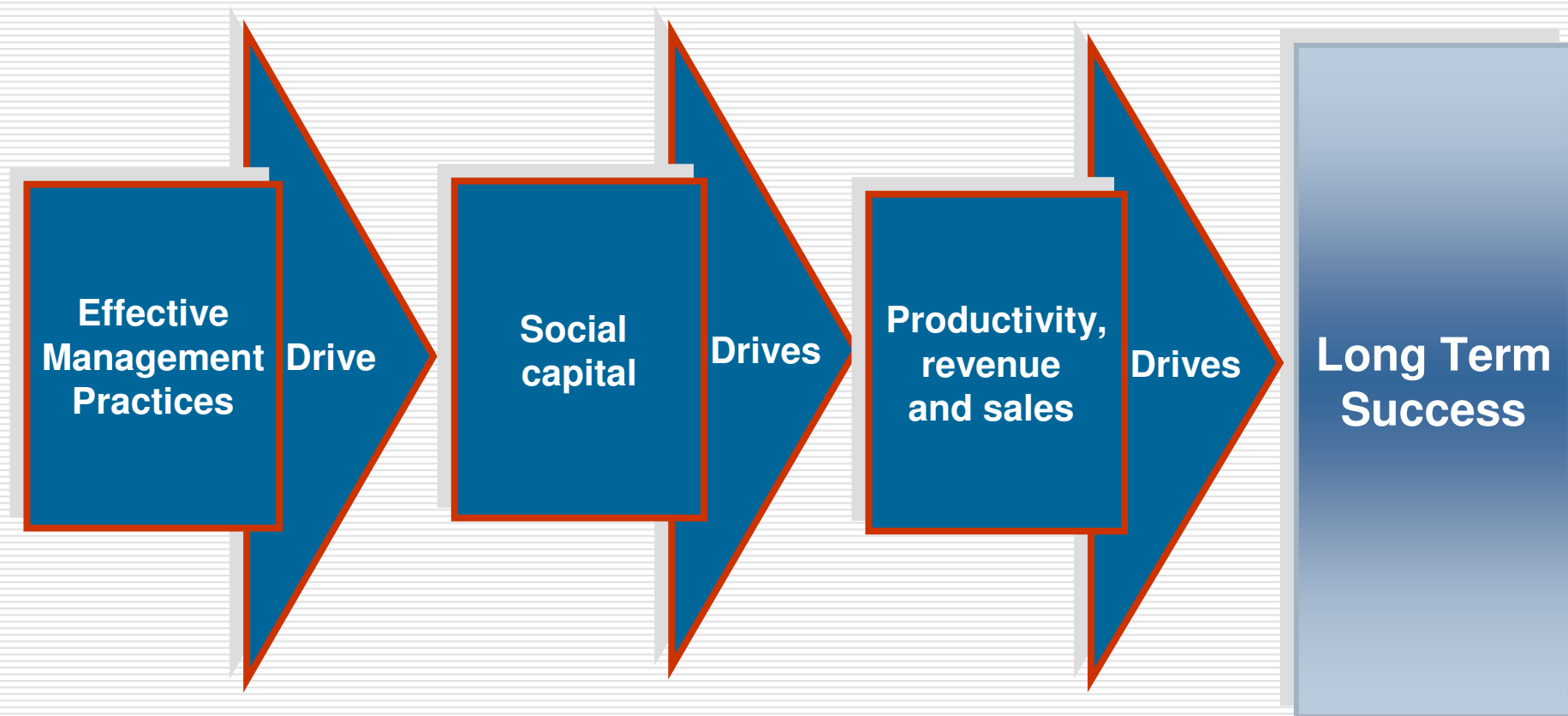


What is social capital,  
and why does it matter?

# What is social capital?

Social capital is the strength of relationships between people in an organisation. It is the extent to which the organisation operates as a vibrant community of people who work together for common purposes.

# Research findings



# Employee behaviours

## Employees with high social capital:

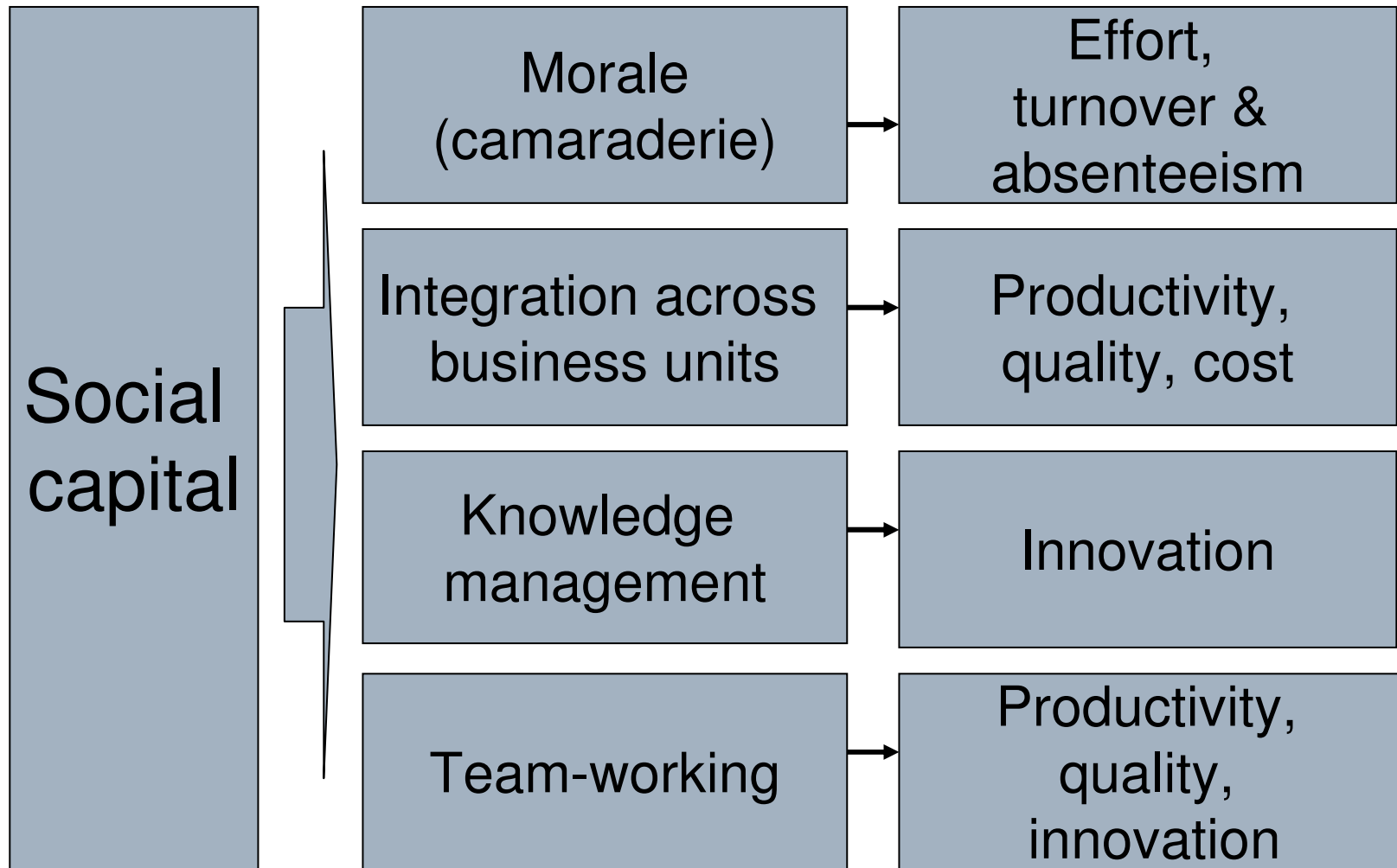
- communicate vigorously and openly with colleagues,
- actively help and support each other;
- collaborate enthusiastically.

in groups and across the organisation

## Employees with low social capital:

- work in relative isolation – they are ‘silod’;
- may be antagonistic to colleagues;
- may group in cliques and participate in destructive politics.

# How social capital drives performance



# The impact of social capital on performance: research findings

- ❑ In U.S. schools, better social capital improved student achievement in maths and reading. (Leana and Pil 2006)
- ❑ In U.S. hospitals, better social capital resulted in less post-operative pain and lower length of stay. (Gittell et al 2000)
- ❑ In U.S. call centres, sales representatives who worked in self directed teams had 9.3% better sales. (Batt 1999)
- ❑ In U.K. hospitals, widespread team working is associated with 5% lower patient mortality. (West 2006)

# The Drivers of Social Capital.

# The drivers of social capital

**Ethos:**

- core purpose,
- a strong culture which supports collaboration.

People management policies & processes

First line managers

**Social capital,** composed of:

- Networks of social ties (who knows who, and how well).
- Shared purpose, culture & goals.
- Trust.

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# The Policy Arrow

**Core purpose and values, culture and strategy.**

Leadership style.

Design of work and jobs.

Recruitment, selection, induction and probation.

Performance management.

Learning and development.

Recognition and reward.

Career and succession planning.

Employee communication.

Employee involvement in decision making.

Employee well being.

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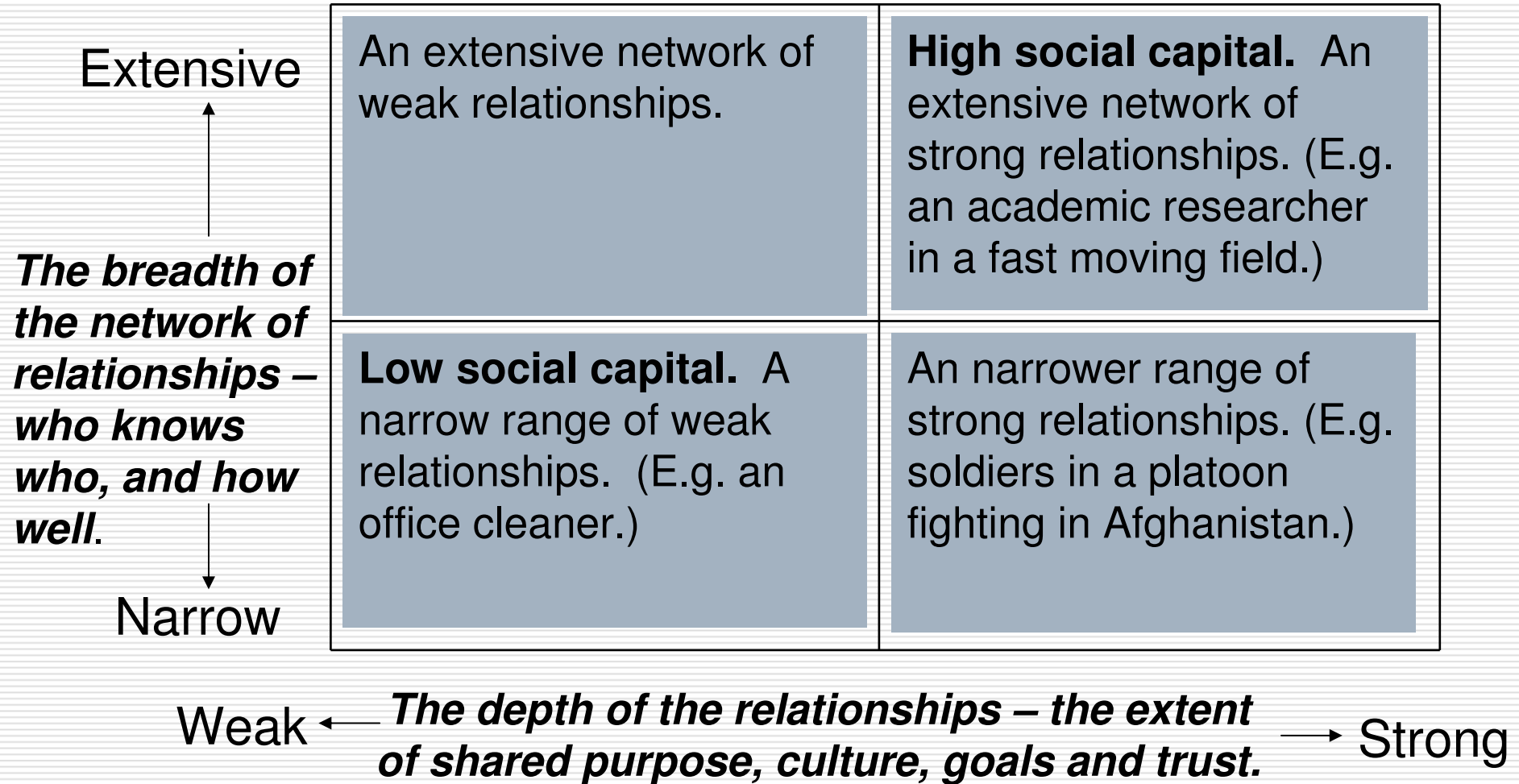
# Managing Social Capital

Anthony Stanton Ltd

## How strong should an organisation's social capital be?

- Building and maintaining social capital involves considerable investment - in the right culture, people management policies and systems, social networks and relationships.
- It's a return on investment issue – too much or too little investment in social capital can damage the organisation.

# The strength of social capital



# Use of Web 2.0 technology

Anthony Stanton Ltd

# Web 2.0 and its benefits

- Web 2.0 technologies are those that involve high levels of user interactivity, including:
  - Social networking sites such as Facebook
  - Wikis such as Wikipedia
  - Virtual worlds such as Second Life
  - Blogs, podcasts and RSS feeds.
  
- They enable participation, encouraging people to share ideas and knowledge, network and discuss issues, and voice their concerns.

# Ways in which organisations use Web 2.0

- For recruitment ... over to Anne.
- On line discussion boards e.g. IBM's online employee 'jams', Westminster Council.
- Live forums for vertical communication e.g. Cambridgeshire Police, Infosys.
- For knowledge sharing – company wikis such as Pfizer's Pfizerpedia.
- Second Life at IBM and Cisco.

See my website for ...

- A fact sheet with case studies and research evidence.
- This presentation

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