

## Social Capital

### What Is Social Capital?

The term social capital refers to a positive product of human interaction. The positive outcome may be tangible or intangible and may include useful information, innovative ideas, and future opportunities. It can be used to describe the contribution to an organization's success that can be attributed to personal relationships and networks, both within and outside an organization. It can also be used to describe the personal relationships within a company that help build trust and respect among employees, leading to enhanced company performance.

### Trust

In order to rebuild trust, we have to understand its component parts. The component parts of trust are well understood there's three things about trust - One; if you sense that I am being authentic you are much more likely to trust me Two; if you sense that I have real rigour in my logic you are far more likely to trust me and, three; if you believe that my empathy is directed towards you, you are far more likely to trust me. When all three of these things are working, we have great trust but if anyone of these three gets the wobbles trust is threatened.

### Wibble Wobble

The most common wobble is empathy, people just don't believe that we are mostly in it for them and they believe that we're too self-distracted. One of the easiest ways to demonstrate empathy is to put your phone away as it is the largest distraction magnet yet to be made and it is super difficult to create empathy and trust in its presence.

Logic wobbles can come in two forms it's either the quality of your logic or it's your ability to communicate it. It's often the case that our logic is sound but it's our ability to communicate the logic that is in jeopardy. Fortunately, there's a very easy fix to this. Harvard Business School Professors consider that there are two ways to communicate in the world and the first one is when you take us on a journey that has twists and turns and mystery and drama until you ultimately get to the point. Some of the best communicators in the world communicate just like this. But if you have a logic wobble this can be dangerous so instead you can start with your point in a synced half sentence and then use bullet points to set out your logic. Then even if you are interrupted halfway through your communication you can return to the main synced point you made at the start.

### Our Workforce Wobble

There are 3.3 billion working people on the planet, and only 40 percent of them report being happy at work (according to a study carried by Dropbox).

In organisations where employees are happy you find two things present Trust and Respect. Leaders often say we trust our employees, we empower employees, and then when an employee needs a laptop 15 people have to approve that laptop so for the employee all the words are right but 15 levels of approval for £1,500 laptop mean you actually spent more money than the laptop on the approval and the employee feels maybe they're really not trusted.

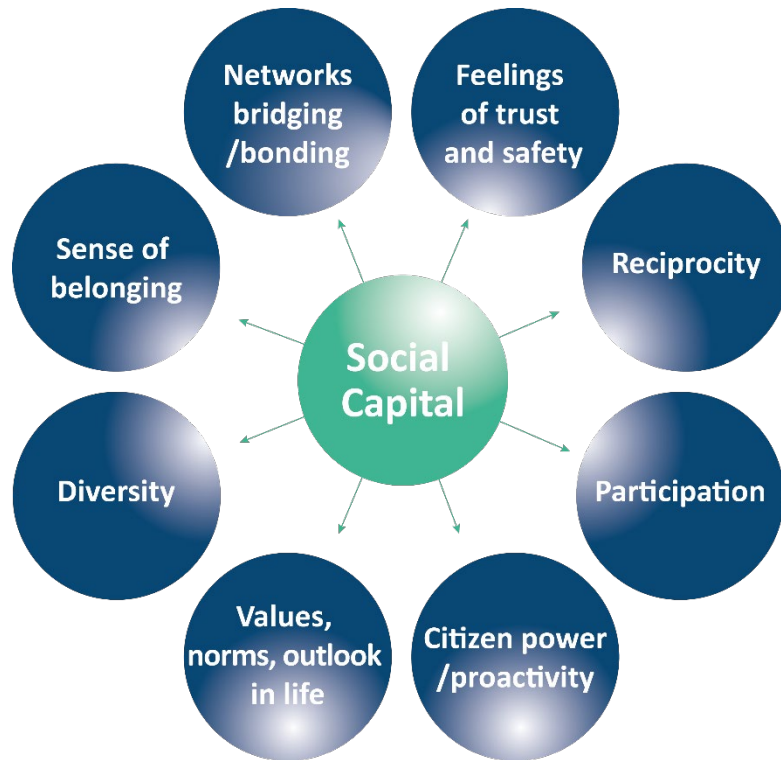
Fairness impacts trust in our organisations faster than anything else. If an employee feels that they're being treated unfairly everything else, they feel is great about the organisation diminishes. One organisation that got fairness right early on is Salesforce they found that men and women working in the same job with the same level of proficiency were making amounts of money so immediately they calculated the difference and they invested \$3 million to try and balance things out.

## The Listening Wobble

There are a few things we've all been taught about listening, actively listening, eye contact, intense stare and a compassionate look that's not listening. Furthermore, repeating what the person says that's not listening. Being humble and always hunting and searching for the best idea possible that's what listening is. An employee can feel whether you're doing that or not. They want to know when they talk to you and share an idea did you consider it when you made your decision? The one thing that everybody appreciates and wants when they're speaking is to know that what they say matters so much you might actually change your mind otherwise what's the point of the conversation. We all know the things we need to change the things that we need to do differently the way you behave the way you treat others the way you respond the way you support defines the work experience for everyone around you.

Fostering a culture of helpfulness is core to building successful teams and it routinely outperforms individual intelligence. Helpfulness does not mean the employee has to know everything they just have to be able to work alongside people who are good at getting and receive help. The Covid-19 pandemic and vast members of the workforce working remotely from home has made it even more important that we stop working and get to know each other (even virtually) if we want to help each other and create real momentum when things get tough (and boy! it's been pretty tough for many during the last 12 months) the thing people need is social support and who they ask for help. Companies do not have ideas, people do. What motives people are the bonds and loyalty and trust they build between each other.

A company culture in which expertise and ideas can easily be shared is crucial to fostering inventive and resourceful employees. Understanding and leveraging social capital is invaluable in creating it. Why? Check out the diagram below. Social Capital impacts our sense of belonging, proactivity, feelings of trust and safety, participation and more. Higher Social Capital also usually results in more access to the resources we need to feel supported, be productive and to have better flow in our work lives. In fact, many scholars believe that social capital is a strong predictor for work performance. Studies have shown that it helps with job searching, pay scales, promotion potential, and organisational influence.



When you have social collaboration platforms that encourage storytelling and relationship building, you create a shared history for your organization that forms a basis for shared Social Capital. You also create a map for workers and leaders alike to better visualize the structure and strength of the social ties within the organization.

When we went into lockdown on the 23<sup>rd</sup> March 2020 it seems incredible that in the 21<sup>st</sup> Century the only way to fight a respiratory disease was to stay at home and to shun so many of the patterns of behaviour that are most natural and obvious to all of us. People and helping really are our greatest strength in and outside of the workforce.

If you need any assistance, guidance or review of your Human Capital initiatives and workforce planning IHRS are here to help.

## About the Author

### LAURA FINDLAY

Laura is a HR professional with 18 years' experience with Financial Services, the majority of which has been within insurance.

In her role with UKGI Group, Laura works with Katherine Watkins, Head of HR Consultancy and provides objective support to firms on employment law and HR issues. She uses her interpersonal skills and knowledge to work with firms to help them develop strong and resilient HR strategies and establish healthy organisational cultures.

Laura is an Associate of the Chartered Institute of Personnel and Development (CIPD). She holds a Diploma Professional Development Scheme.

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