

Organizational social capital and the relations with quality of work and health – a new issue for research

**Peter Hasle, Tage Søndergaard Kristensen,
Niels Møller, Kristian Gylling Olesen**

Organisational social capital and performance

Several studies indicate a positive relation

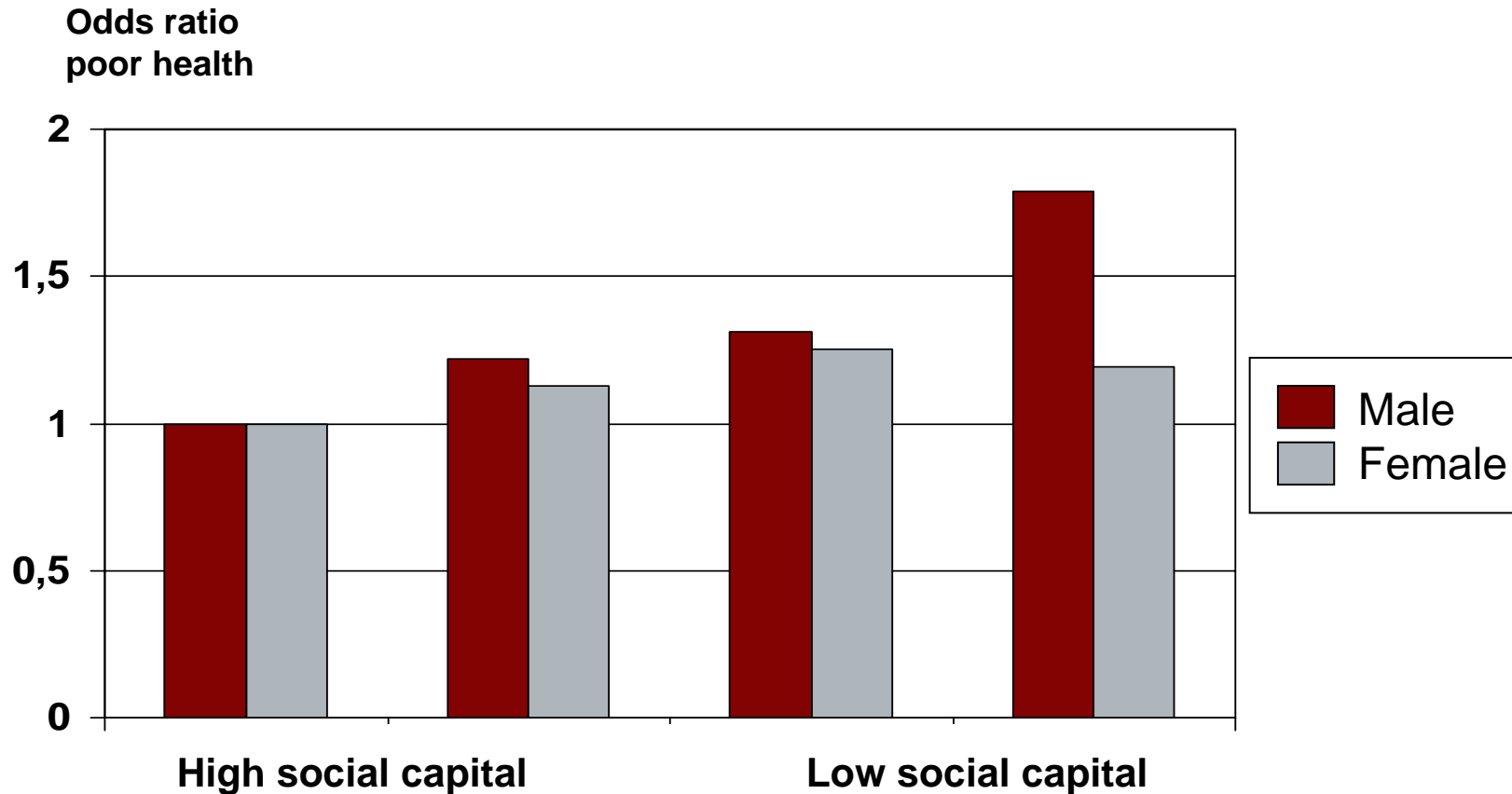
- Productivity
- Exchange of knowledge
- Innovation
- Team effectiveness
- Reduction of labour turn over
- More efficient learning at primary schools
- Higher job satisfaction
- Better health

Adler & Kwon 2002, Flap & Völker 2001, Leana & Pil 2006, Kouvonen et al 2006, Gant et al 2002

Psychosocial factors at work

- Usually tied to job functions such as:
 - job demands
 - decision latitude
 - social support
 - reward
 - meaning
 - predictability
- But general organisational characteristics are also expected to predict job satisfaction and health
- Social capital is a construct which can tie these characteristics together

Collective social capital and self rated health (department level)



A general definition of social capital

- *“Features of social organisation such as networks, norms, and social trust that facilitate coordination and cooperation for mutual benefit”*

Putnam, 1995

- Three distinct dimensions:
 - networks
 - norms
 - trust

Social capital in organisations

- How to work for the common good of the organisation with:
 - power disparity?
 - partly conflicting interests?
 - unclear definition of the common good?

Integration of justice in organisational social capital



- A fair execution of power
- Recognition and consideration of differences in interest
- Participation in the development of common goals

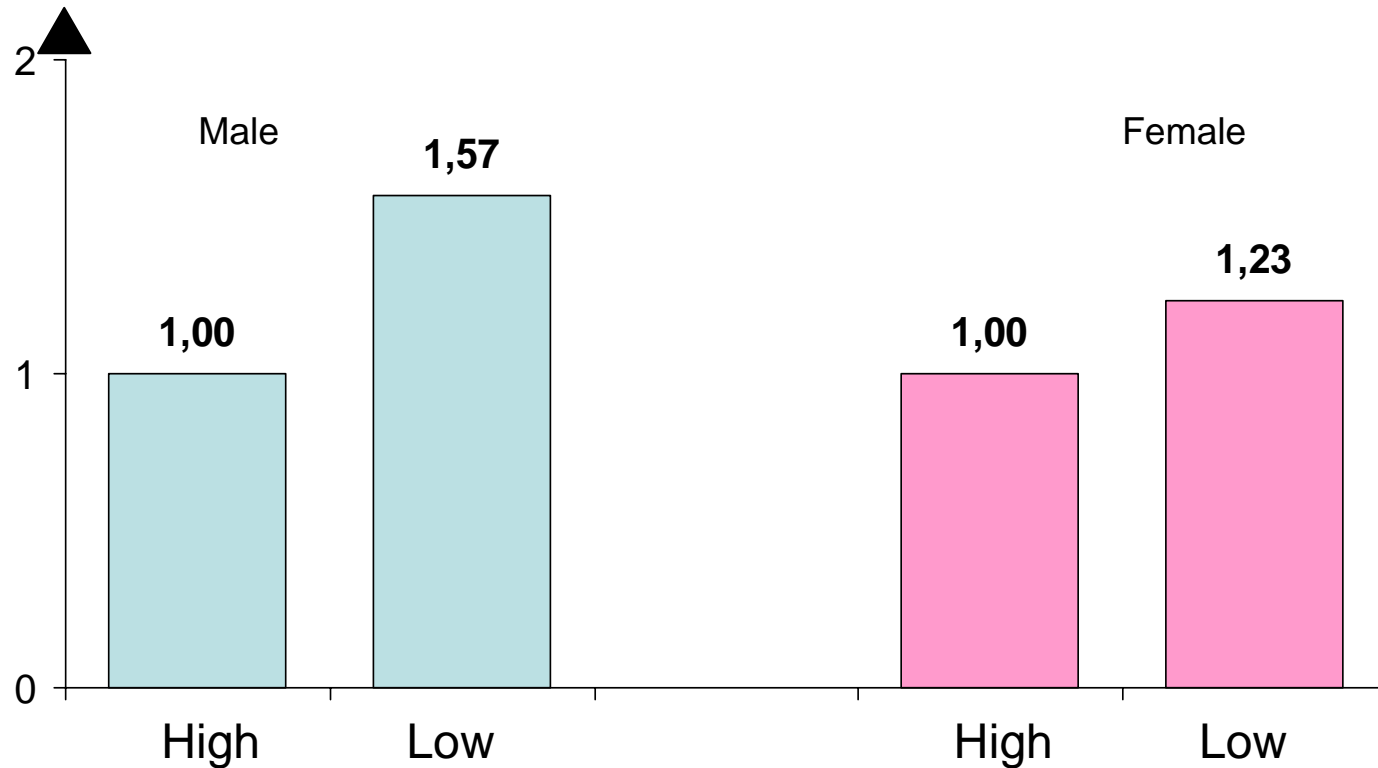
Organizational justice

- Distributive justice (the outcome)
- Procedural justice (the proces)
- Interactional justice (the treatment of employees)
 - interpersonal justice (respect and dignity)
 - informational justice

Justice and absenteeism

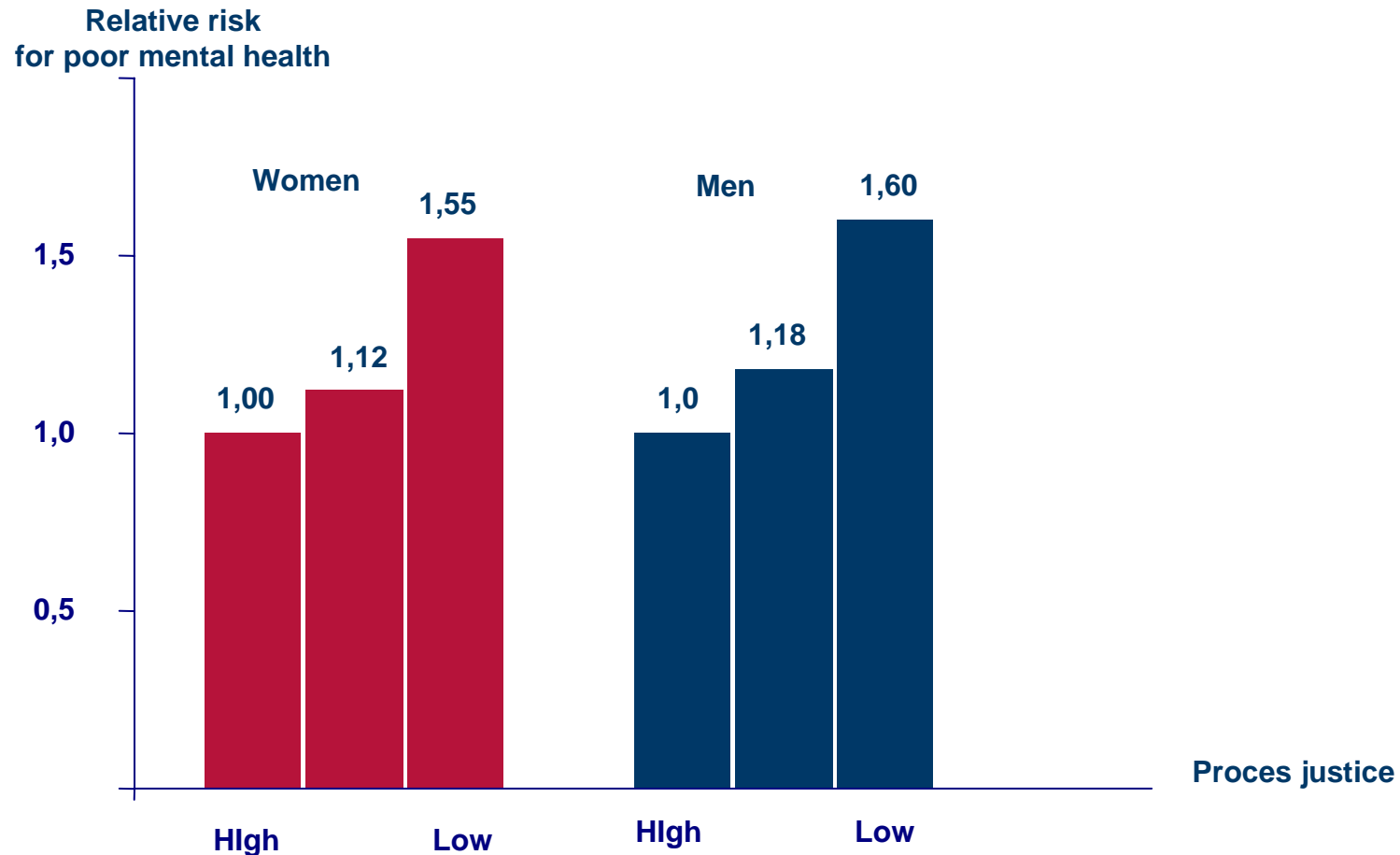
Results from a Finnish study of 31,000 public employees

Relative risk of absenteeism
(three or more days)



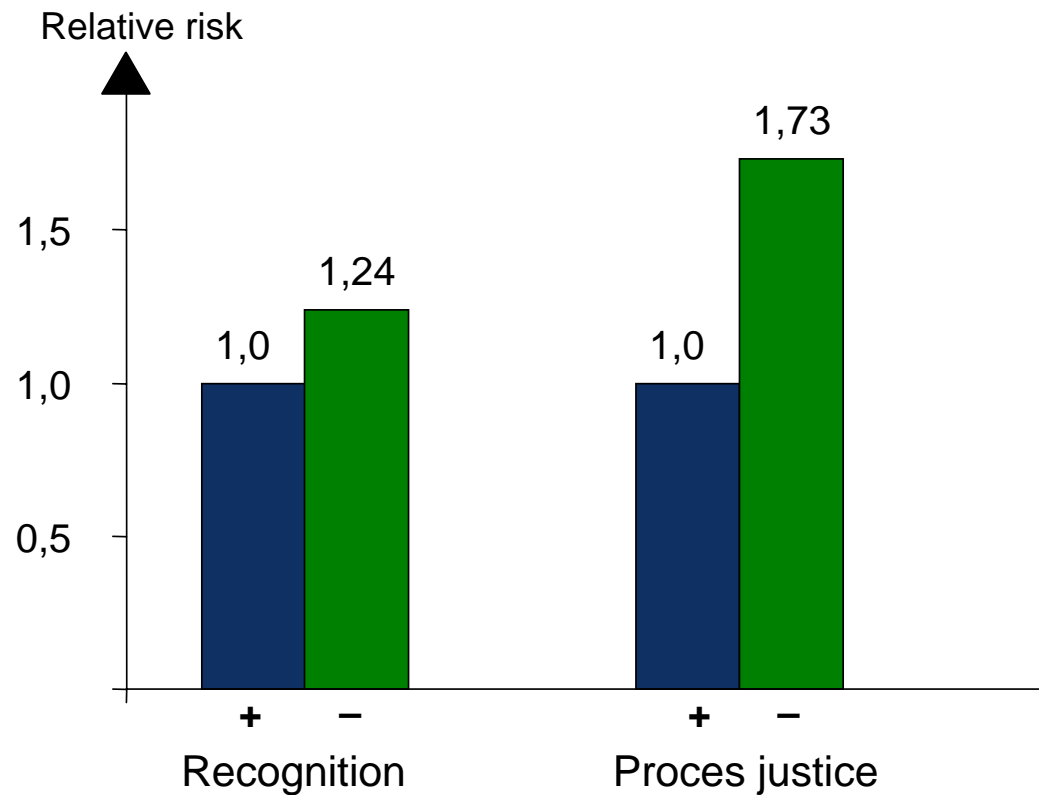
Justice and mental health

A six years prospective study of 10,308 British white collar workers



Ferrie et al. Occup Environ Med 2006; 63:443-450.

Justice and depression (diagnosed by a medical doctor)



Trust

- *"The mutual confidence that the other party to an exchange will not exploit one's vulnerabilities"*

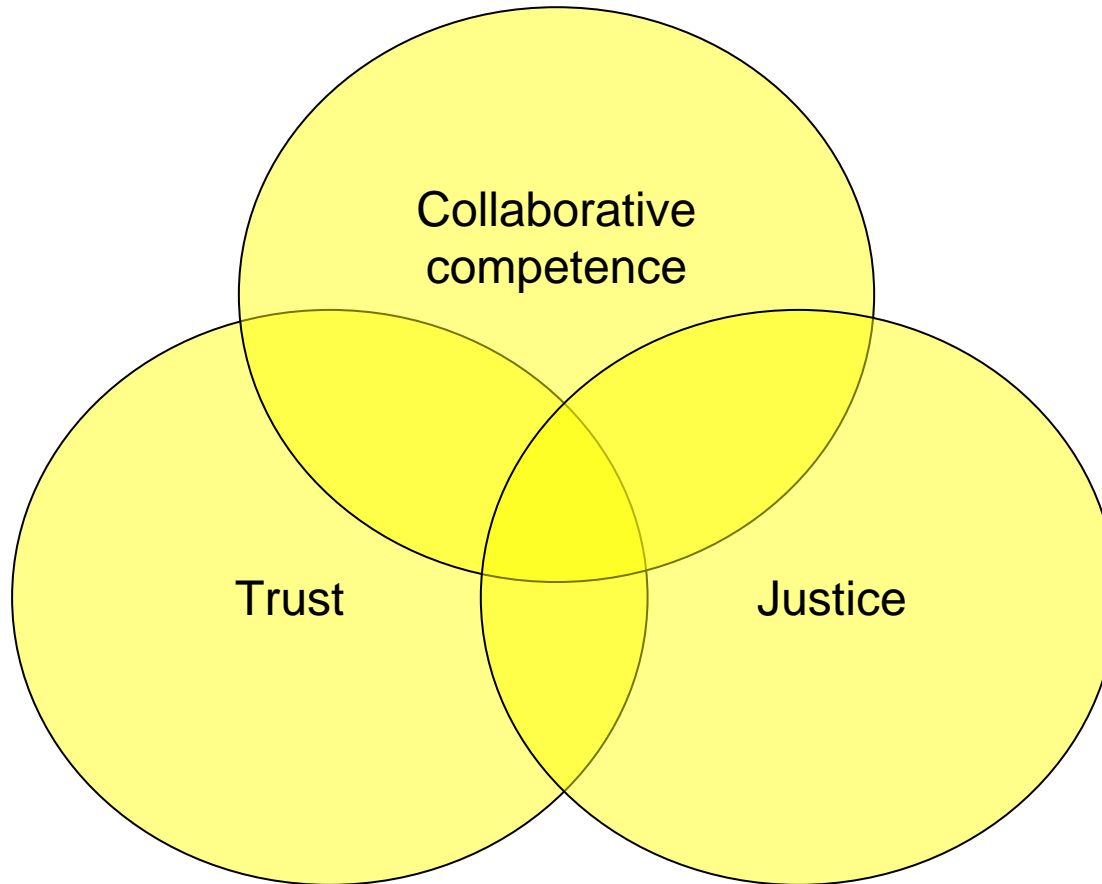
Sabel, 1992

- Less need to be alert towards exploitation
- Expectation of reciprocity
- All parties perform as expected
- Reduction in the need for control

Collaborative competence

- Networks (both internal and external relations)
- Norms
- Shared values
- Communication
- Participation
- Sense of belonging
- Decision-making capacity
- Ability for empathy
- Ability to swap perspective

A model for organisational social capital



Possible negative effects

- Too strong bonding:
 - exclusion of outsiders
 - bullying of deviants
 - resistance to change
- Too much bridging
 - lack of coherence
 - low social support

Propositions:

- Collaborative competence, a high level of trust, and a high experience of justice are key dimensions of organisational social capital
- Organisational social capital has a positive effect on performance of the company and on health and well-being of the employees
 - provided a balance between bonding and bridging

A challenge

- What happens to organisational social capital when organisations move towards more and more production in networks with more open organisational boundaries and more free agents?

Some future research issues

- Theoretical development of the concept of organisational social capital
- Measurement methodology
- Differences between organisations
- Effects of organisational social capital
- Possibilities for influencing organisational social capital
- Relations between organisational social capital and other characteristics of an organisation such as ownership, technology, core activities, organisational forms