

What is social capital privilege?

*Social capital — the networks and links within and between social groups — can benefit us by increasing wellbeing and creating economic opportunities. For people and organisations, the problem comes when social bonds and bridges work to exclude others rather than include. **Henry Dowell** writes that social bridges between diverse groups of people are important for creativity and innovation. Firms and managers must help build these bridges.*

Privilege in the Workplace series - [The Inclusion Initiative](#) - #TIThursday

Being a member of a social group has been shown to have clear benefits for our sense of well-being ([Wakefield et al. 2016](#)). Whether it's in a book club, a sports team or going for a drink with friends, creating the space to enjoy activities and spend time with people we like is something many of us would like to do more of. In addition to our own sense of leisure, the simple act of bringing people together in an organised and non-obligatory setting also creates economic opportunities.

Social capital is broadly understood as the networks and links within and between groups – in other words, the quantity and quality of our social relationships. When we talk about financial capital or human capital, it is easier to bring to mind their value. They are assets with clear links to prosperity and privilege. Social capital, on the other hand, is a term that has been repeatedly defined and redefined, making it more difficult to conceptualise and measure.

[Robert Putnam](#) (2000) identified three types of social capital. Firstly, there are bonds between common identity groups. These are the people we know and share a common set of norms, virtues, and interests. Secondly, there are our bridges. These are the relationships between people from different identity groups. Thirdly, there are linkages, which are the pivots and connections that allow people to move up and down the mobility ladder. For labour market outcomes, bridges and linkages are especially important since there tends to be greater opportunities from people we *don't* know.

[Mark Granovetter](#) (1973) was influential in tracing the “strength of weak ties”. He understood weak ties as casual acquaintances rather than established and go-to contacts. He found that the broad range of social connections, no matter how fleeting the encounter may be, were economically enhancing. This, in many ways, makes intuitive sense: innovation and new ideas aren't always going to come from the places we are already familiar with. Being part of organisations, no matter how seemingly unrelated to work they are, can be a big help with this. [Xavier de Souza Briggs](#) (1998) suggests that social bonds help us get by but bridging bonds help us get ahead.

A good example of the strength of weak ties comes from the early days of Silicon Valley. Synonymous with high-tech industries, economic success stories and an individualistic culture – it is also known for its rapid demographic shifts ([Cohen and Fields 1999](#)). And compared to other sectors, capital barriers to entry are often quite low – (sometimes the only thing a business needs is a computer) which means it is an area where ideas can quickly become companies, colleagues can quickly become competitors and CEOs can suddenly become customers.

All these factors added together, the growth of Silicon Valley could have easily been hindered by too much stress and anxiety. However, the large array of socially bridging organisations, from computer clubs to homebrewing societies, created a buffer against this background by creating lots of opportunities for people to gather, meet and exchange opportunities ([Putnam 2000](#)). Importantly, these networks went beyond who knew who. They instilled a sense of trust and reciprocity with the entire ecosystem. [Saxenian](#) (2007) suggests that this social aspect of Silicon Valley life is what gave it such a big economic advantage over other high-tech industrial areas such as Boston.

The problem, however, comes when social bonds and bridges work to exclude rather than include. In [Putnam's](#) (2000) terms, inclusive bridges and linkages can turn into exclusive bonds – and, in more recent years, there is evidence that Silicon Valley may be heading in this direction ([Twine 2018](#)). Growing costs of living are now a huge deterrent, as rents, expenses, and transportation can make comparatively high salaries feel quite low ([Roose 2018](#)). In addition, gaining access to organisations high in social capital is becoming increasingly difficult.

Clubs can have substantial memberships fees, totalling several thousands of dollars a year, while others increasingly require specific levels of seniority and a specific skill set to join – a trend seen in the worlds of venture capitalists, start-up CEOs and lawyers ([Roose 2018](#); [Ford 2015](#); [Banjo and Bass 2020](#)). Many of the influential figures that dominate these groups also tend to promote a libertarian and fiercely competitive approach to work, which can be alienating to many, especially in a group environment where many influential people are from a similar educational and social background ([Ford 2015](#); [Twine 2018](#)). This kind of exclusionary social capital sets heterogenous bars that are either inaccessible or unwelcoming.

Why is social capital important?

[Granovetter](#) (1974) made three observations about how social capital operates in the labour market: First, most employees find their jobs through informal mechanisms. Secondly, informal networks allow jobseekers to gather better information about the availability and characteristics of jobs. Thirdly, that labour market insights are more valuable coming from sources that are dissimilar and dispersed. [Granovetter](#) suggested in 1974 that over 50% of employment opportunities would be generated using informal links.

More recent research from [Asquith et al.](#) (2019) appears to support this trend nearly fifty years later, when they found that significant labour market gains were achieved for historically marginalised groups if their community had a thriving social capital ecosystem. They found that the more community clubs, sports teams, local societies, professional associations, and volunteer programmes there were, the greater the level of per capita employment. Systems that prioritise exclusive social bonds are creating a privileged barrier to these potential opportunities.

[Levine et al.](#) (2014) show how the problem of exclusionary social capital can go further than just missed opportunities. Their experiment created a simulated market system in which two groups were asked to trade and price fictional stocks. One group was comprised from a purely homogenous background and the other group was recruited from diverse backgrounds. The study found the diverse group improved the pricing accuracy of the stocks by more than 20% from the pre-experiment baseline. The homogenous group saw their accuracy decrease by over 30%. [Portes](#) (2014) linked the findings in the study to the development of real-world price bubbles. Increasing diversity is, therefore, not only a way to improve productivity and creativity but also to mitigate risk.

Technology has clearly expanded the labour market in ways [Granovetter](#) (1974) could not have anticipated. But despite the hope that its greater reach and scope would lead to greater diversity, data from LinkedIn suggests that 70% of recruitments now take place without advertisement, up from the 50% [Granovetter](#) (1974) originally observed. [Faucher](#) (2018) explains this trend by looking through the lens of social capital. He found online networks to be most useful if they originated offline since face-to-face meetings foster a greater level of impersonal trust and reciprocity. He argues that greater use of technology enhances the opportunities for those with privileged access to social capital.

For many, the COVID-19 pandemic had a knock-on effect for the amount of “weak ties” people were able to make. It therefore reduced the amount of diversity with many people’s social networks, the implication being that many instances of overconfidence observed by [Levine et al.](#) (2014) and [Portes](#) (2014) within homogenous groups could be more prevalent within society. The key question to ask is whether the points of entry to this social life are becoming increasingly exclusionary or whether there are more bridges capable of linking people together.

How can the problem of exclusionary social capital be addressed?

Generally speaking, the rule is, the more social connections the better ([Putnam 2000](#)). For example, the presence of a drinking club that goes well into the late hours is not an inherently exclusionary practice on its own, but this must be offset by creating more inclusive social bridges. The best answer is to simply join or create organisations that will bring diverse groups of people together. In particular, look for groups with low barriers to entry, with a strong social environment, which is active in recruiting new voices.

Firms and managers can play a role by fostering a culture of bridging social capital. The primary obstacle according to research from [DiNardi \(2017\)](#) for people pursuing a hobby is lack of time. Employers are, therefore, appropriately placed to help create this time. Giving employees the ability to work flexibly can allow greater freedom to structure their working week around fixed times. Going a step further, employers can offer paid time off to pursue an activity of their choice. This is already the ethos of companies like Patagonia, Netflix, and Google, which offer flexible working and paid time-off to pursue activities that cultivate new perspectives. Auto-enrolment can be a powerful behaviour change tool in this domain and companies can utilise it to get employees involved in a variety of social groups, with the option to opt-out if necessary. Finally, managers also have an important role in setting the tone: be open and proud about your hobbies and activities.

On an individual level, starting something new – like joining a social group – can be most effective when going through a big change to our environments since it can reset our normal patterns of behaviour ([Thomas et al. 2013](#)). As COVID-19 restrictions ease, now is as good a time as any to set in place an environment that extends the circle of “weak ties”. Setting a default time each week that is dedicated to some kind of social organisation — be it volunteering or a creative writing group — is also an effective way of ensuring that intentions like this stick. In addition, verbal commitments to friends and family can significantly help generate a feedback loop in which intentions turn into action.

Conclusion

Our stock in social capital is a precious commodity. Social bridges between diverse groups of people bring with them creative ideas and new ways of doing things. Organisations that are capable of promoting these activities are worth their stock-in-trade. However, bridges can easily become exclusive bonds based on privileged criteria. To avoid this, groups need to be easily accessible and open to a diverse group of people. In doing so, they have the potential to unlock the true value of social connections, especially the “weak” ties that can be so important for our own opportunities — and the opportunities of others.



Notes:

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