

Social Capital a Pillar for Building Holistic Human Capital

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Abstract: *In the contemporary, ever-evolving, and interconnected global landscape, the achievement of organizational success necessitates more than merely the accumulation of financial and human resources; it increasingly hinges on the establishment of resilient interpersonal networks and the cultivation of a supportive workplace milieu. This investigation undertakes an in-depth examination of the notion of social capital as a strategic asset that complements human capital in advancing comprehensive workforce development. Social capital, which encompasses networks characterized by trust, mutual support, and shared values, serves to enhance human capital by facilitating knowledge exchange, innovation, and collaborative efforts. A mutual relationship is observed between these two forms of capital, wherein social connections encourage the effective application of human competencies, and conversely, human capital reinforces social ties. This research scrutinizes the multifaceted role of social capital in augmenting job satisfaction, psychological well-being, employee engagement, and overall organizational performance, thereby contributing to an expanded social and economic value. Through an extensive literature review, the study additionally elucidates the Balanced Human Capital framework, which incorporates Psychological, Physical, and Social Capital. It proposes practical strategies such as cross-departmental collaboration, peer coaching, and technology-mediated networking to foster the development of social capital. The findings indicate that social capital is pivotal in the formation of resilient and high-performing workforces, promoting not only individual well-being but also organizational prosperity. The study concludes that a well-established social capital infrastructure within organizations is correlated with enhanced employee retention, increased engagement, and the promotion of an inclusive culture, ultimately yielding benefits for both individuals and the wider community.*

Keywords: Social capital, Human capital, Holistic workforce development, Organizational resilience, Knowledge-sharing, Psychological safety, Employee well-being, Balanced Human Capital framework, Strategic asset

I. INTRODUCTION

In today's rapidly evolving and interconnected world, organizations are increasingly recognizing that success goes beyond the simple accumulation of financial and human resources. The most successful companies are those that cultivate not just technical skills but also successfully develop social bond with their employees. Central to this shift is the concept of social capital, which is foundation stone for building holistic human capital. Nowadays, people think that if they will involve automated intelligence (AI) in their various daily task and processes that will solve their various problems. But due to the introduction of AI the need of social bond among the workforce has become more essential, as it will only add to the knowledge of humans but cannot overcome the human intelligence. Therefore, to ensure that employees should remain fully dedicated to their organizations as if employees feel that their works are not valued, they would be reluctant to contribute towards organization growth as well as their community. So, this social bond and interconnection between employees can be developed with the help of social capital. So, Social capital and holistic development of workforce go hand in hand. However, it is imperative to comprehend the precise definitions of human capital and social capital. Human capital denotes the competencies, expertise, experiences, and capabilities that employees hold, which are employed to generate value for organizations. It encompasses a broad spectrum of capabilities, including education, training, and expertise (Becker, 1993). Human capital is a measure of economic value

of human's skillset. Human capital is a collection of traits – all the knowledge, talents, skills, abilities, experience, intelligence, training, judgment, and wisdom possessed individually and collectively by individuals in a population. Social capital, conversely, denotes the intricate web of networks, interpersonal relationships, trust, normative behaviors, and shared values that enable cooperation and collaborative efforts among groups (Coleman, 1988). In the realm of occupational environments, social capital constitutes a communal asset, cultivated through robust interpersonal relationships, mutual trust, and collaborative engagement among individuals. Social capital can also be defined as bonds or connections and relationships which are built in the organization on the grounds of trust. These connections can foster to develop better communication networks and helps to overcome various problems and can prove to be very fruitful for various projects in the organization.

Social capital and human capital exhibit a reciprocal relationship. Social capital enables the development and effective utilization of human capital, while human capital helps strengthen social networks and foster greater collaboration. Collectively, these two varieties of capital constitute the foundation of a comprehensive workforce, in which the well-being, advancement, and productivity of employees are simultaneously cultivated.

The Role of Social Capital in Developing Holistic Human Capital

Building a holistic human capital strategy requires a multi-dimensional approach that considers both the individual and collective needs of the workforce. Social capital plays a very crucial role in increasing the levels of job satisfaction when employees are satisfied in their jobs and workplace social capital has always improved the overall financial performance of organization and the organizations with higher social capital has always added to the economy of their nations, since existence of workplace social capital ensures higher productivity and higher job performance among employees. There are various factors in which social capital proves fruitful in developing holistic workforce and some of them are mentioned below-

1. Stimulate to build a Culture of Trust and Utmost Safety

At its core, trust is an essential ingredient for good social capital within an organization, free exchange of ideas, and willingness to take risks are possible through trust in leadership, colleagues, and organization systems. According to Edmondson (1999), psychological safety build on the basis of trust is very essential for the team to perform in highways. Employees can freely give their best thoughts without any fear and can also put their questions in front of their superiors. An employee will dare to reveal mistakes without even fearing punishment. Upon the establishment of trust, employees exhibit a greater propensity to cultivate significant relationships characterized by mutual support. Subsequently, this phenomenon enhances collaboration, the exchange of knowledge, and the resolution of problems—all of which are essential elements in the development of human capital. Furthermore, an environment of trust reduces stress and burnout, positively influencing employees' mental health and productivity. Also, the organizations where social capital is well established the psychological stress among workforce is less as compared to other workplaces as the support from the leaders and easy access to information and knowledge can help the employees realize their actual worth and helps them to gain more self- confidence which will help them overcome their work- stress. Due to social capital a self- control will be developed among the individuals which will reduce their stress for psychological and situational demands. Overall, it will work in the direction of achievement of work- life pleasure which will help the employees to work for the society.(Moore & Recker, 2015)

When the trust among employees, colleagues and management is established this will improve job satisfaction level among employees which will be shown in their results as productivity will be improved and the overall financial performance will also be improved.

2. Developing the Habit of knowledge Sharing which make Learning easier

Social capital, in the form of interpersonal networks, allows for the flow of knowledge across organizational boundaries. Granovetter (1973) highlights the concept of the "strength of weak ties," emphasizing that strong connections can often provide more valuable information than s weak ones because they bridge disparate networks. In the workplace, this translates into employees from different departments or levels of seniority exchanging knowledge

and learning from each other. So, we can conclude that it will help to overcome the problem of knowledge hiding which may finally lead to quiet quitting in the organizations.

Through informal interactions and knowledge-sharing channels, employees can access new insights, broaden their skill sets, and improve their capabilities—ultimately enhancing the human capital pool within the organization. A workplace that values social capital fosters continuous learning and ensures that individuals have access to the resources and support needed to grow. They develop a cohesion for their workplaces and workgroups as with the help of cohesive teamwork the goals can be achieved faster and in better way.

Furthermore, the exchange of concepts among personnel hailing from varied backgrounds and experiences has the potential to foster innovative resolutions and enhance the adaptability of the organization (Burt, 2004). Social capital, thus, not only strengthens human capital but also contributes to a culture of innovation and continuous improvement.

3. Promoting Employee Well-being and Engagement

A holistic approach to human capital goes beyond just skills development to encompass well-being—both mental and physical. Social capital plays a pivotal role in the improvement of employee well-being by facilitating social support mechanisms and fostering a communal atmosphere. Empirical investigations undertaken by Kahn (1990) reveal that employees who perceive a sense of affiliation with their colleagues are more predisposed to display elevated degrees of engagement and dedication to their occupational duties. Social networks within organizations have the potential to offer emotional sustenance during periods of adversity, mitigate feelings of seclusion, and promote collaborative efforts. Leaders who actively cultivate elevated levels of social capital can also engender a profound sense of belonging, which serves as a fundamental catalyst for employee engagement and job satisfaction (Harter, Schmidt, & Keyes, 2002). Furthermore, organizations that advocate for robust interpersonal relationships contribute to the establishment of a workplace environment where employees are more inclined to prosper both personally and professionally.

The Interlinkage between Social Capital and Holistic Development of Human Capital

Building holistic human capital requires a comprehensive strategy that integrates technical skills, interpersonal skills, and emotional intelligence. Social capital functions as the cohesive force that integrates these components, thereby augmenting not only the performance of employees but also their comprehensive growth and development. When employees possess access to robust networks and supportive interpersonal relationships, they are able to leverage resources that assist them in surmounting challenges, acquiring novel knowledge, and evolving both personally and professionally. A study by Nahapiet and Ghoshal (1998) demonstrated that organizations with high levels of social capital benefit from greater collaboration, higher levels of innovation, and more effective knowledge management practices. These determinants play a crucial role in the cultivation of comprehensive human capital by guaranteeing that personnel are provided with the essential resources, psychological assistance, and avenues for advancement.

Moreover, organizations that prioritize social capital are better positioned to adapt to change. The interconnectedness of employees across various social networks creates a dynamic flow of information that allows for more effective responses to market shifts, technological advancements, and organizational challenges. Workplace social capital provides numerous benefits, including employee engagement, innovation, and organizational resilience. Robust relationships and networks provide seamless access to sources of expertise, information, and various resources that are essential for the promotion of innovation, problem-solving, and productivity. Ideas exchange, collaboration, and experimentation come through social capital that can help make new products, services, and processes, and that's why companies can have a competitive edge. Social capital, in other words, improves the performance and competitiveness of the organization (Moore & Recker, 2015). Not only this the relationships and networks that social capital develops among various employees will help them to make their better career prospectus which will again become a motivation for employees as the feeling of psychological satisfaction will be developed in their minds. Once this feeling of psychological satisfaction is achieved this is the point where employees can contribute towards the society as a whole and not only focusing on their growth. This satisfaction level will encourage employees to work for the betterment of community rather than focusing just on their personal growth.

Furthermore, the interrelationship between human capital and social capital can be elucidated more effectively through the framework of Balanced Human Capital, which encompasses three integral components, Psychological Capital

(PsyCap), Physical Capital (PhyCap), and Social Capital (SocCap). So, workers can become balanced only by having social groups and bonds which is explained in best way by these components of balanced framework of human capital. This framework suggested that these elements will combine their unique capabilities to work in concert to improve both organizational performance and individual well-being. PsyCap stands for the psychological assets that support both individual and group achievement. These consist of Hope (the will and means to attain objectives), Efficacy (assurance in one's capacity to accomplish goals), Resilience (the capacity to overcome obstacles) and Optimism (the realistic expectation of success). The paradigm highlights how these "HERO" resources are interactive and cumulative. Higher PsyCap levels have been linked to increased resilience, productivity, and goal-orientedness in both individuals and teams. These psychological tools combine to provide better organizational and personal results because their combined impact is more than the sum of their separate parts. Since stress and ill health may greatly reduce an organization's production, PhyCap emphasizes the value of physical health and well-being. Among the essential components of physical capital are Exercise, Mindfulness, and Nutrition and Breathing deeply (MEND).

Such practices contribute to the enhancement of physical health through the reduction of stress, the augmentation of sleep quality, the decrease of blood pressure, and the elevation of overall vitality, while concurrently fostering improvements in mental and emotional well-being. Enhanced productivity, diminished healthcare costs, and decreased absenteeism are all consequences of a more robust workforce. Improved psychological capital can lead to better physical health, and vice versa, thanks to the MEND strategy in particular. And last component is SocCap, or social capital which is the networks and connections that support efficient operation, wellbeing, and job satisfaction within a company are referred to as social capital. Among the crucial social capital resources are: Networks and Faith Relationships, Empathy in Organizational Culture, Communities/Teams Employee commitment and engagement are increased by companies that cultivate high social capital by fostering relationships and creating a favorable culture. Individuals exhibit enhanced performance and increased levels of satisfaction when they perceive a sense of support, connection, and alignment with the objectives of the organization. In pursuit of developing a more resilient, efficient, and fruitful human capital, the Balanced Human Capital framework posits that Psychological Capital (PsyCap), Physical Capital (PhyCap), and Social Capital (SocCap). Instead of existing in isolation, these resources combine to produce a comprehensive, favorable effect on both organizational and individual results. Organizations may increase employee skills, boost productivity, lower stress levels, and create a more encouraging, engaged work environment by addressing and fostering these aspects.

PsyCap, PhyCap, and SocCap work together to create a holistic approach to human capital development that enhances organizational effectiveness, productivity, and well-being. So. This framework well explain about the interconnection of holistic development of human capital and social capital. (Luthans et al., 2024)

Practical Strategies for Building Social Capital in the Workforce

Businesses that want have a overall development that is with the growth of employees they need to contribute to the development of society should follow the following tactics-

1. Promote Cooperation among various Departments and among various Levels-

Collaboration between different departments can be fostered by creating a trusting atmosphere for employees, ensuring they feel safe in their work environments. Organizations can implement health policies that benefit both employees and their families, which will build trust and encourage open sharing of knowledge and skills. This openness can enhance the overall performance of all functional departments.

Generally, all organizations and sectors that apply humane paradigms enhance not only social support systems but productivity, creativity, and fulfillment among their human capital too.

2. Encourage Peer Coaching and Mentoring: The leaders should set an example among their coworkers of unity and they should remain empathetic to them so that they can develop a strong bond with each other. This act on the part of leaders will help in establishing social capital in the organization and which will develop holistic workforce as a strong bond will help every employee to work for themselves as well as for their community.

3. Encourage the Values of Reciprocity and Trust within the Organization:

When workers feel that their efforts and hard work is valued rightly and also they get the appropriate appropriation for their work then this will definitely serve as a foundation stone for establishing social capital in the organization. If the workers get both monetary and non- monetary rewards for their extraordinary efforts than they will go beyond their job responsibilities limits and feel happy which will reduce work- stress and increase engagement at their workplaces. So, if organization work in the direction for corporate social responsibility then the employees will also make efforts in that direction which will help them to gain goodwill in the market and will pay the company in the long run . Example – Tata

It would be possible for communities with high levels of bridging social capital to connect with one another and pool resources and public service spending that means if employees have more social capital in them then they can contribute for the welfare of the society and such organizations get success in future.(Chen et al., 2015)

4. Usage of Technology in Building Networks and Connections:

As, we know that Generation Z are techno savvy, and now the employees of such generation consider social media platforms as a convenient mode to connect with people across nation and crossing all geographical boundaries. So, therefore the improvement in technology will help in developing a strong bonds and groups which will open opportunities for sharing relevant knowledge and skills, and this will create a culture of openness in organization and the feeling of trust and accountability will be developed among employees. They can do their works in best efficient manner as knowledge sharing will provide them with the ways in which they can perform their work in best efficient manner without any wastage of resources as holistic workforce focus on sustainable development in which they will try to protect the environment as well along with the development of the organization.

Individuals who develop better networking often enjoy best mentorship across the world which will help them to develop better career prospectus. As a result, job satisfaction level among employees will be improved since they have got the working environment in which organizational goals and indivial goals are move simultaneously in the same direction.

In this way, technological advancement is a great boon for the modern workforce and will help in achieving the goal of sustainable development in which needs of each and every individual is not compromised and the resources of the organization is used in best manner without causing any harm to the community or the stakeholders connected with the organization

Social Capital as a Strategic Asset

All things considered; social capital is a crucial foundation for developing comprehensive human capital in the contemporary workforce. Organizations have the potential to augment both the technical proficiencies and emotional intelligence of their personnel by nurturing substantial interpersonal networks, fostering trust, and establishing an environment that is conducive to collaborative efforts. In a business milieu marked by increasing complexity, social capital surfaces as a strategic resource that empowers organizations to optimally leverage the capabilities of their workforce, consequently facilitating innovation, resilience, and enduring success. In today's world of automated intelligence which has added to human intelligence, the importance of social capital has become more important to develop a culture of inclusion so that problems of low retention, disengagement at the workplaces and not ready to contribute in growth of the organization as a whole should not fade away. If the employees feel more attached to their workplaces, then the dedication in their efforts would be more which would be fruitful for both the organization and employees and help them to flourish. Also, there will be overall development of the human capital and such organizations can work for the betterment of society also. So, social capital unites each employee which not only work for their betterment, but they work for betterment of the whole community, and this can be achieved only by creating a positive work environment. The establishment of a favorable environment can be facilitated through the utilization of social capital. Employees who have high levels of digital social capital report higher financial success, rise further in the professional hierarchy, and have a more fulfilling career overall.

II. FINDINGS OF THE STUDY

Social capital is essential for nurturing an organizational culture characterized by trust, thereby facilitating collaboration and psychological safety, which consequently enhances both productivity and job satisfaction among employees. By fostering knowledge-sharing through social networks, social capital underpins innovation and adaptability within the professional environment, enabling employees to exchange insights, surmount obstacles, and augment their collective competencies. Moreover, social capital plays a pivotal role in enhancing employee well-being and engagement by fostering a supportive atmosphere that is conducive to both personal and professional development. The Balanced Human Capital framework exemplifies the potent synergy among Psychological, Physical, and Social Capital, delineating how these components interact to cultivate a resilient and high-performing workforce. Implementing practical strategies aimed at enhancing social capital, such as promoting interdepartmental collaboration, instituting mentorship initiatives, and utilizing technology to facilitate networking, has been shown to be effective in improving workplace relationships. Organizations exhibiting elevated levels of social capital consistently demonstrate superior financial performance, enhanced employee retention rates, and a more robust culture of inclusivity and sustainable development, yielding benefits for both the organization and the wider community.

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