

The Business Connector

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Valuing Our Network

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How much social capital do we have? That is an interesting question – one that many of us have never heard before.

Perhaps a better first question is, “What is social capital?” Social capital is the end result of our networking efforts. In short, our social capital is an approximate valuation (not necessarily in dollars and cents) as to how those we interact with enhance our lives, both personally and professionally. It is our ability to use our network to get information, new clients or another job.

So how much social capital do we have? Does it really matter? After all, our network is what it is. Knowing its value would not change that. Besides, determining the value of our social capital would be a complicated task.

So does knowing how much social capital we have matter? Certainly it does. After all, we have undertaken a careful accounting of other aspects of our self-worth, namely our physical capital and human capital.

We carefully account for our physical capital. These are the things we own, such as money, stocks, bonds, houses and cars. We have deeds to our homes and title to our cars. We carefully track our investments. And some of us religiously balance our bank statements.

We also account for our human capital. This is our ability to produce for our clients, our employers, or ourselves, which is directly related to our education, accreditations and experiences. Our résumé carefully details where we have been and what we have been doing. Our office walls are lined with diplomas and

certificates that serve as proof of our accomplishments. And we take every reasonable opportunity in promoting ourselves to reiterate all the wonderful things we have done.

Thus, it only stands to reason that we carefully assess our social capital and the potential it has for us.

Social capital is unique in relation to any other form of capital we possess. Our physical capital is composed of things we directly own. Put another way, the physical capital we possess is not dependent on anyone else.

Social capital is unique in relation to any other form of capital we possess.

Our human capital is composed of things that we have achieved. Again, the human capital we possess is not dependent on anyone else.

Our social capital, however, is entirely dependent on other people. We cannot have social capital without others. Thus, the stronger and more diverse our network, the more social capital we have.

Over the years, social scientists have developed and refined methods for determining how much social capital we have. Wayne Baker, in his book, *Achieving Success Through Social Capital* (2000, Jossey-Bass), provides some insight into these.

To get a general understanding of how much social capital we have, however, we do not necessarily need to be so scientifically precise. We can do this simply by reviewing our network.

Who do we know? And which of these people know each other? If most everyone we know has a connection with everyone else we know, our network is dense and our social capital is limited. We, however, can have an abundance of social capital if we have a diverse network, i.e., individuals who are relatively independent of one another.

Of the people with whom we network, whom do they know that we might not? If our network is composed of individuals with few useful contacts, our network must be tremendously broad to provide us with any meaningful social capital. On the other hand, we only need to know a handful of highly networked people to provide us with a wealth of social capital.

Does our network have the desire and ability to work for us? A diverse network is great. Having highly connected people in it is even better. It, however, generates little to no social capital if the network neither desires nor is able to help us.

Does our network provide us with the ability to help others? Any social capital we might be able to accumulate will quickly disperse if we cannot tap into our network to reciprocate.

In summary, we need to view our network as more than just people with whom we interact. We need to view it for what it is – an asset.

As our various assets contribute to our total financial balance sheet, every contact we have contributes to our total social capital. The first step to truly appreciating this asset, however, is having a basic understanding of how much value it provides us. ▼