

# Group Social Capital: Its Multilevel Natures and Effects on Group Effectiveness

Hongseok Oh (Yonsei Univ.)

Giuseppe Labianca (Emory Univ.)

Myung-Ho Chung (Hansung Univ.)

# Contributions to Social Network Research

- Examine the Micro-OB phenomena (group, leadership, cooperation, power) from a social network perspective (Krackhardt & Brass, 1994)
- Explore the evolution and change of social networks (Emirbayer & Goodwin, 1994; Mizruchi, 1994; Salancik, 1995; Suitor, Wellman, & Morgan, 1997).

# Current Research Agenda

- Group social capital
  - Theoretical model (Oh, Labianca, & Chung, 2005, AMR)
  - Partial empirical test (Oh, Chung, & Labianca, 2004, AMJ)
- Communal and linking social capital
  - Social personality origins (Oh, Kilduff, & Brass)
  - Performance implications (Oh, Kilduff, & Brass)
  - Self-monitoring and transitivity networks (Oh & Kilduff)
- Imprinting effects of interpersonal networks on power (Oh, Rhee, & Jang)
- Networks and cooperative behaviors (Oh, Chung, & Moon)
- Network inertia perspective (Kim, Oh, & Swaminathan, 2005, AMR)
- Intra-organizational political dynamics and deinstitutionalization (Kim, Shin, Oh, & Jeong)

# Nature of Groups

- Relational nature of group: a recurrent pattern of dynamic relationships among people within and outside of the group (Sherif, 1967)
- Multilevel nature of group: foci of interactions of individual actors, potential grounds for sub-group formation, embedded within a larger formal and informal organizational social structure (Manson, 1993)

# Why Group Social Capital ?

- Social capital: an aggregate of resources that inhere in the structure of relations of individual actors (Bourdieu, 1986, Burt, 1992, Coleman, 1988)
- Serve as a link between macro and micro perspectives on social phenomena (Coleman, 1988; Portes, 1998)
- Lack of multilevel perspective of previous group research: Focus on structural characteristics either within (Guzzo & Shea, 1992; Guzzo & Dickson, 1996) or across groups (Hackman, 1992)

# Contributions to Group Research

- Spur more multi-level research on groups focusing simultaneously on the social structure of the group and its relationship to the larger social structure within the organization beyond treating groups exclusively as a whole unit or as merely the sum of its individual parts (Firebaugh, 1980; Manson, 1993)
- Expand group boundary management research beyond the external relationships (Ancona, 1993, Ancona & Cakdwell, 1992; Gladstein, 1984)

# Contributions to Social Capital Research

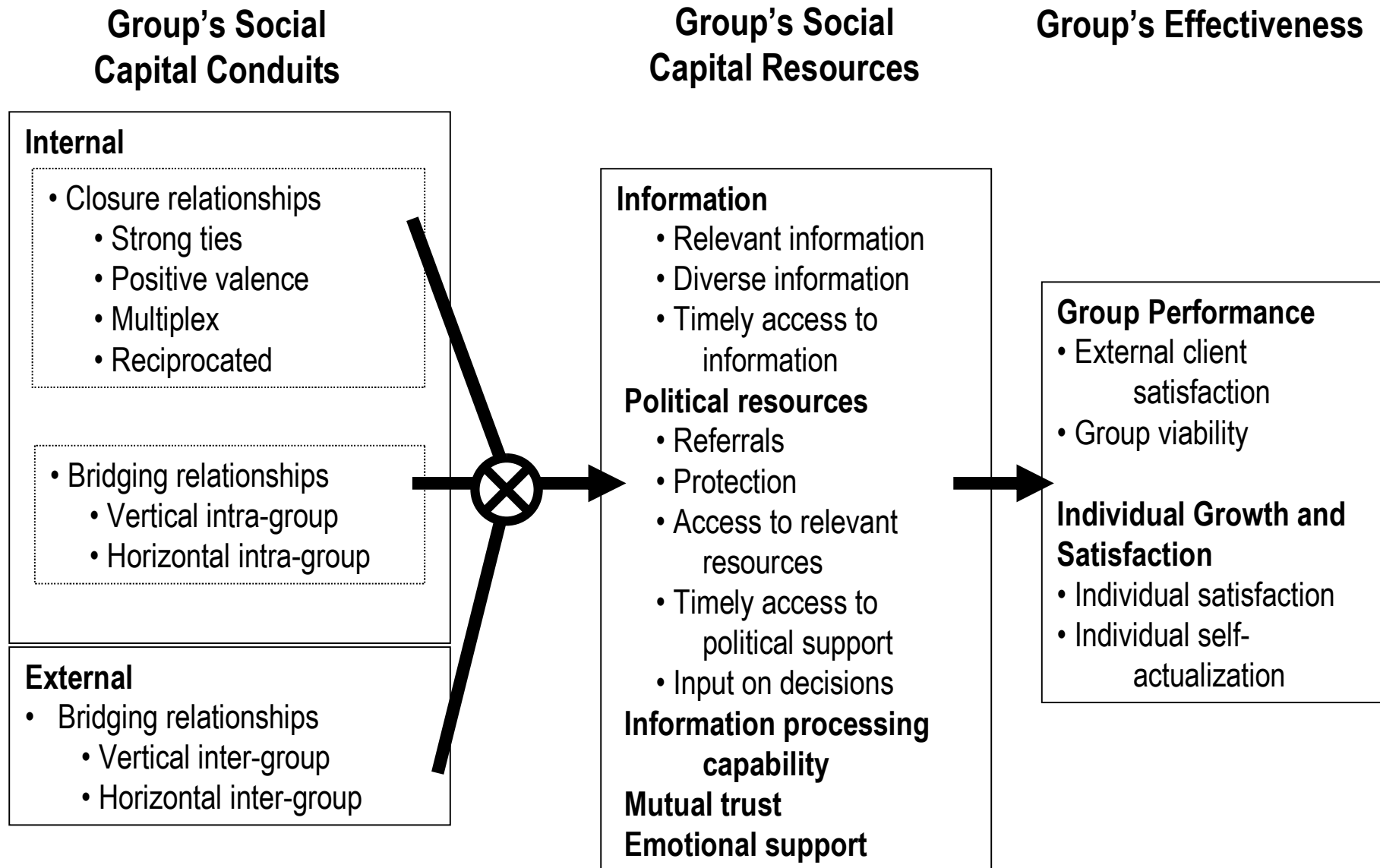
- Spur more multilevel research on social capital by integrating different levels of social capital research: individuals (Burt, 1992), organizations (Leana & Van Buren, 1999), communities (Putnam, 1993), industries (Walker, Kogut, & Shan, 1997), and nations (Fukuyama, 1995)
- Resolve the debate on the scope of social capital:
  - (1) structural network characteristics (Burt, 2000);
  - (2) social resources derived from network structures (e.g., information access or trust) (Nahapiet & Ghosal, 1998)

# Group Social Capital

- The set of resources made available to a group through group members' social relationships within the social structure of the group itself, as well as through the group's position in the broader formal and informal structure of the organization
- A meta construct: (1) the set of resources flowing through relationship conduits and (2) the configuration of the conduits themselves (cf., Seibert, Kraimer, & Liden, 2001)

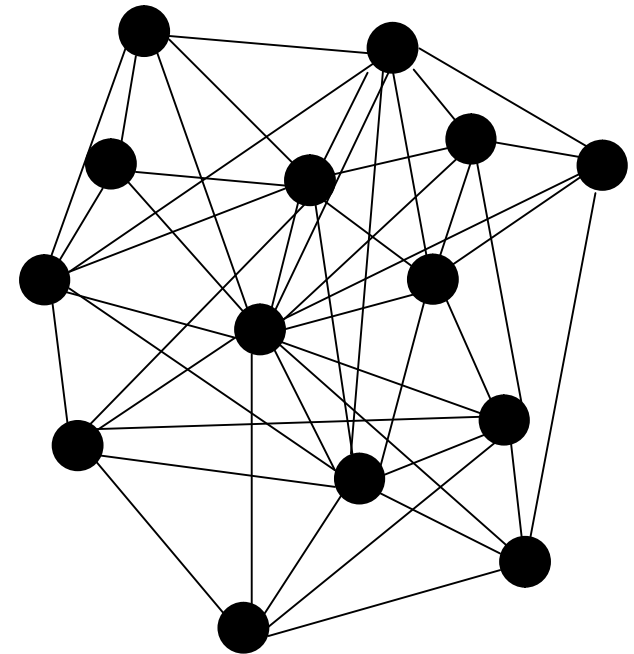


# Model of Group Social Capital



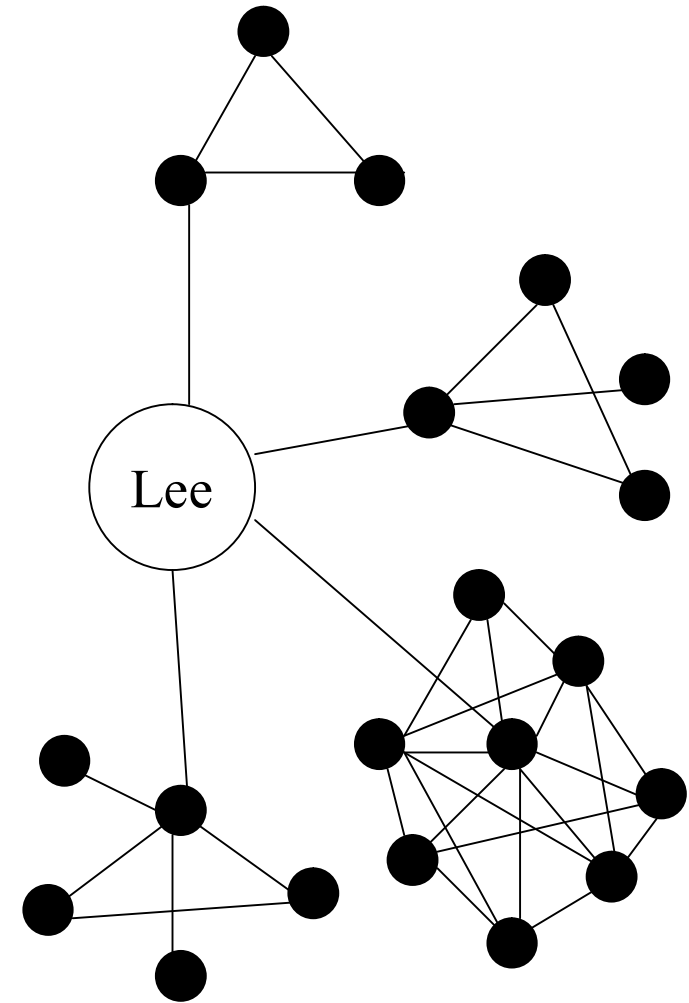
# Closure Conduits

- Embedded in a closed network (Coleman, 1988; Granovetter, 1985)
- Connected by strong relationships
- Bounded solidarity, norms of reciprocity, and enforceable trust



# Bridging Conduits

- Differentiation: structural holes (Burt, 1992)
- Diverse and timely information benefits
- (1) access to non-redundant information flows (2) control of information flow



# Closure Conduits: Intra-Group

- Reduce the probability of opportunism, the need for costly monitoring, and transaction costs (Uzzi, 1996)
- Simple positive linear relationships suggested (Sparrowe, Liden, Wayne, & Kraimer, 2001)
- However, similar and redundant information, restrict the contacts with outside and thus diverse and innovative information (cf., Kenis & Knoke, 2002)
- **P 1:** Group closure will have an inverted U-shaped relationships with group social capital resources, which are maximized at a moderate-to-high level of closure

# Typology of Bridging Conduits

	Intra-group	Inter-group
Vertical	<i>Relationships between formal and informal leader</i>	
Horizontal		

# Intra-Group Vertical Bridging Conduits

- Formal leader: formal power, resources, and organizational goals (Etzioni, 1965)
- Informal leader: informal resources and acquiescence, and informal goals and needs of followers within the group (Fernandez, 1991)
- **P 2a:** The stronger the dyadic relationships between the group's formal leader and its informal leader, the greater the group's social capital resources
- **P 2b:** If the formal leader is also the informal leader, the group social capital resources will be greater

# Typology of Bridging Conduits

	Intra-group	Inter-group
Vertical	<i>Relationships between formal and informal leader</i>	
Horizontal	<i>Relationships between the formal leader and sub-groups and cliques</i>	

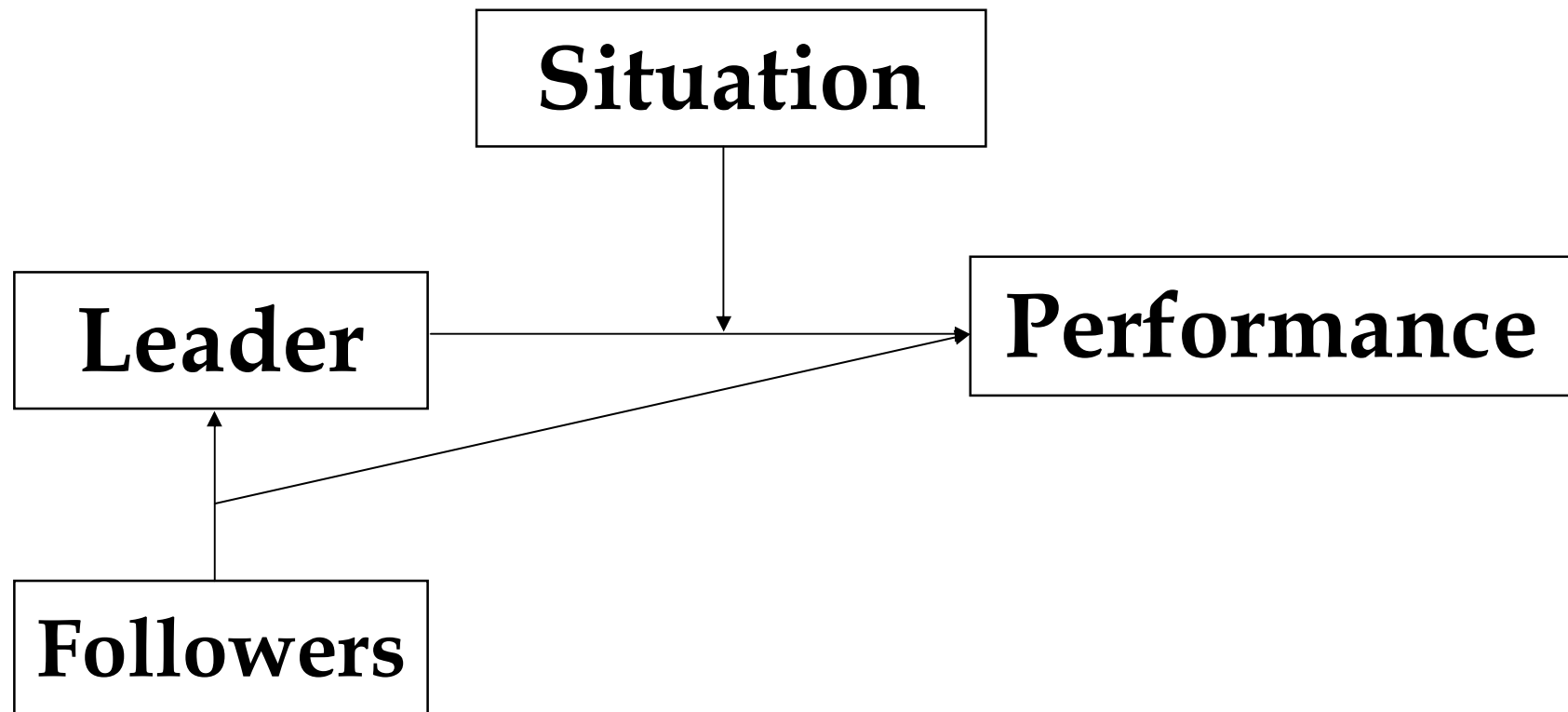
# Intra-Group Horizontal Bridging Conduits

- Fragmented group: lack of communication and increasing conflict
- Given limited time and resource, how does a leader connect various sub-groups (cliques) together?  
(Krackhardt & Brass, 1994)
- **P 3:** Groups in which the formal leaders have strong relationships with at least one member of each sub-group will have greater group social capital resources



# Leadership Theories

(Graen & Uhl-Bien, 1995)



# Typology of Bridging Conduits

	Intra-group	Inter-group
Vertical	<i>Relationships between formal and informal leader</i>	
Horizontal	<i>Relationships between the formal leader and sub-groups and cliques</i>	<i>The group's diverse ties to other groups in the organization</i>

# Inter-Group Horizontal Bridging Conduits

- Boundary spanning to access timely information, diverse ideas, and political and emotional resources from other groups in the organization (Ancona, 1993; Milliken & Martins, 1996; Tsai, 2001)
- **P 4a:** Groups with a broader range of non-redundant relationships to other groups will have greater groups social capital resources
- **P 4b:** Groups whose external ties are distributed among more members will have greater group social capital resources

# Typology of Bridging Conduits

	Intra-group	Inter-group
Vertical	<i>Relationships between formal and informal leader</i>	<i>The group's ties to powerful people in the organization's dominant coalition</i>
Horizontal	<i>Relationships between the formal leader and sub-groups and cliques</i>	<i>The group's diverse ties to other groups in the organization</i>

# Inter-Group Vertical Bridging Conduits

- Access to dominant coalition of powerful actors (Thompson, 1967)
- Upwardly influence, needed resources, absorbing pressure, protecting, coordinating and negotiating (Ancona & Caldwell, 1992)
- **P 5a,b:** Groups with more relationships with formal higher-ups (P 5a) or informal leaders in other groups (P 5b) will have greater group social capital resources
- **P 5c:** Groups whose ties to powerful actors are distributed among more members will have greater group social capital resources

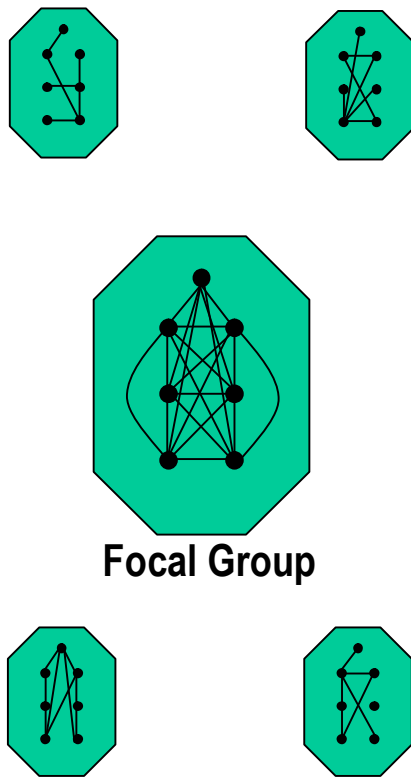
# Past Relationships as Group Social Capital Conduits

- Importance of past relationships held by former members: Group social capital is a property of the group
- Cognitive and cultural aspect of social capital
- **P 6:** Groups with access to important bridging relationships through former members will have greater group social capital resources

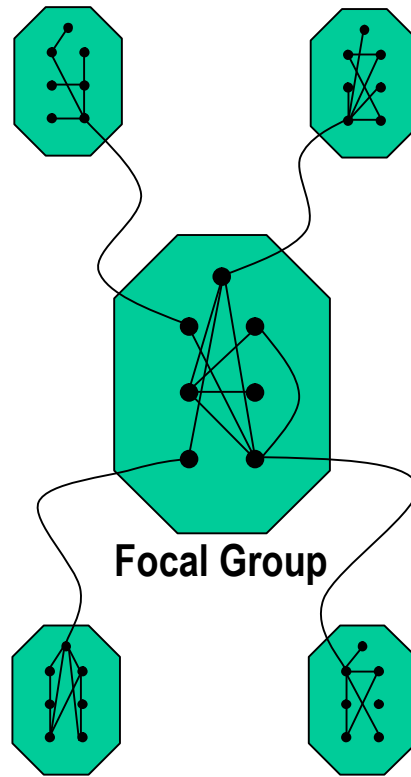
# Optimal Configuration of Closure and Bridging Conduits

- Previous research: horse race between closure and bridging conduits
- The optimal mix: neither too much closure nor too much bridging conduits
- **P 7:** Groups with the optimal configuration of closure conduits and the bridging conduits will have the greatest group social capital resources and ultimately the maximum group effectiveness

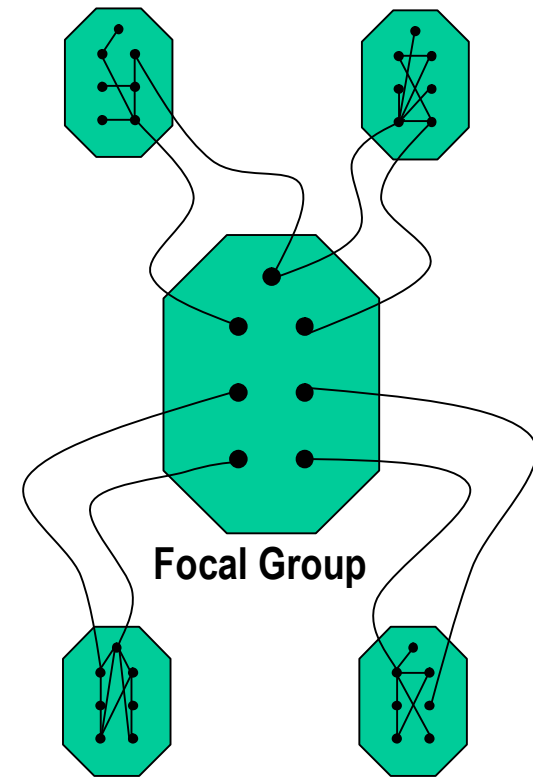
# Optimal Balance of Group Social Capital Conduits



*Total closure,  
no bridging ties*



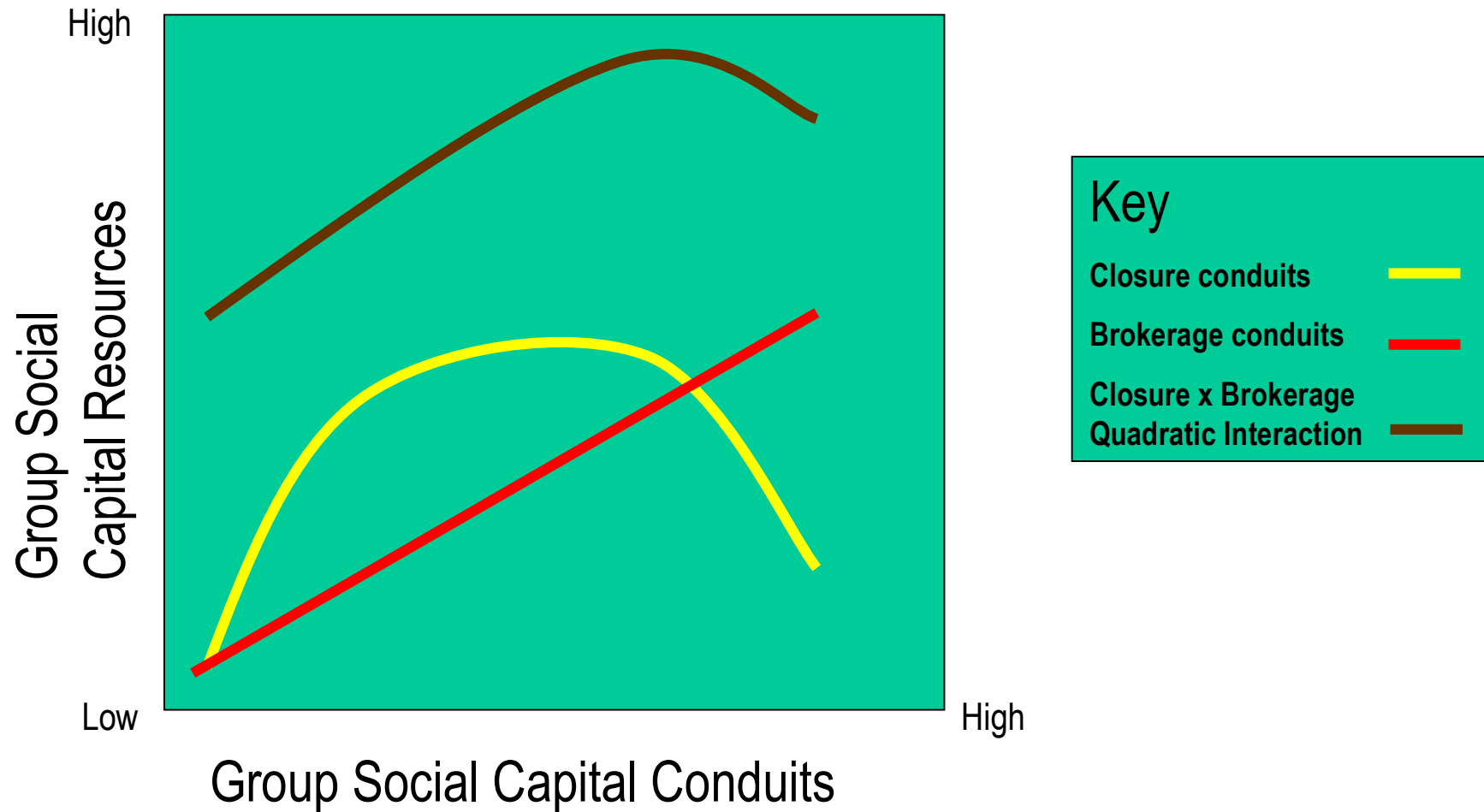
*Moderate-to-high closure,  
diverse bridging ties*



*No closure,  
diverse bridging ties*



# Predicted Relationships Between Social Capital Conduits and Resources



# Empirical Model of Group Social Capital

## Group's Social Capital Conduits

Internal

- Closure conduits (H 1)

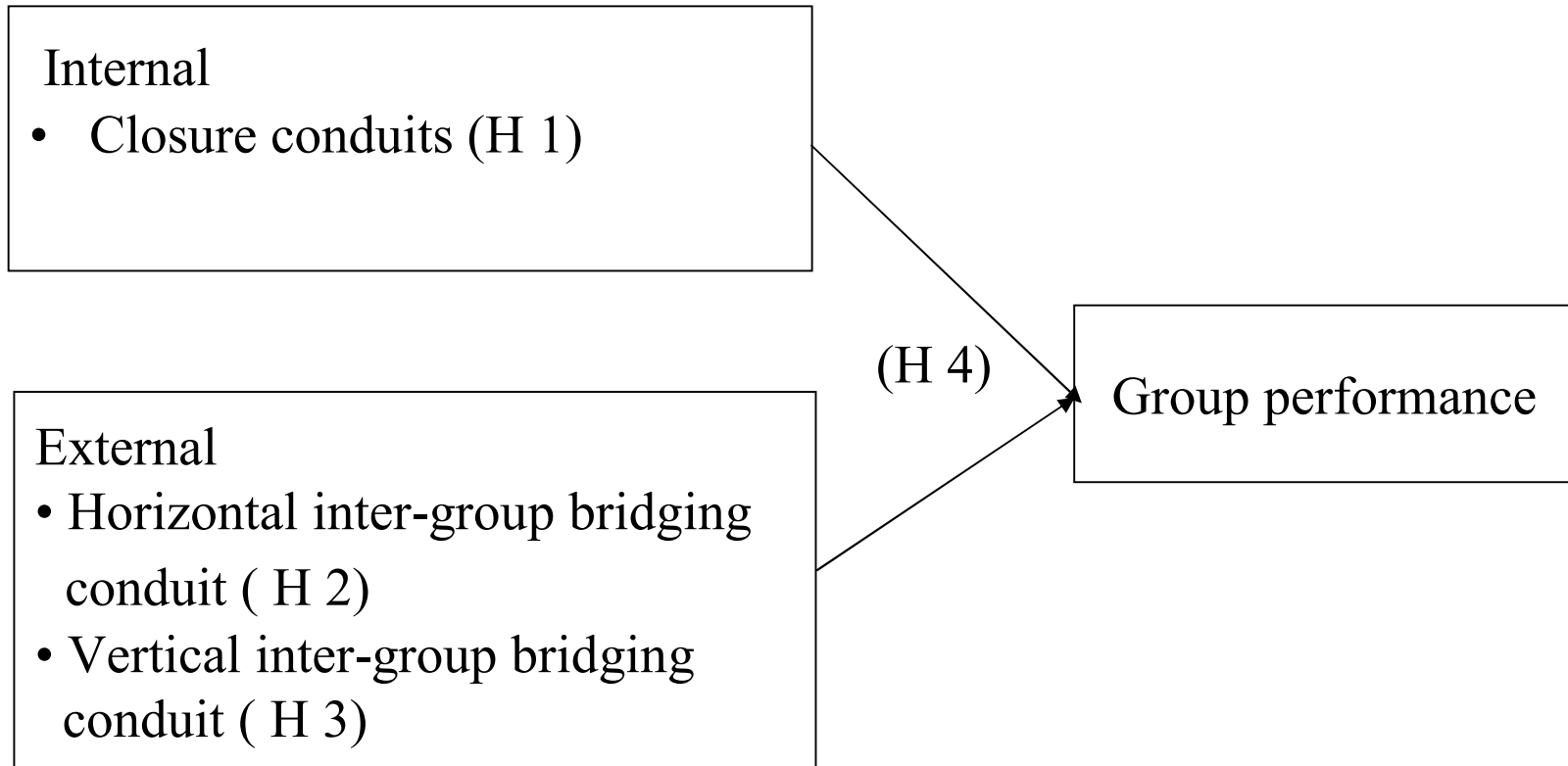
External

- Horizontal inter-group bridging conduit ( H 2)
- Vertical inter-group bridging conduit ( H 3)

## Group's Effectiveness

Group performance

(H 4)



# Data Collection

- 60 work groups ranging in size from 3 to 20 members drawn from 11 organizations in Korea: 2 mature, 9 entrepreneurial companies
- Exclude groups with less than 80 percent response rate for intragroup ties or with less than three reported intergroup ties (cf., Sparrowe et al., 2001)
- Questionnaire survey, in-depth interviews, and archives

# Network Questionnaire

- Whole network approach for intragroup ties (roster method – Marsden, 1990)
- Egocentric network approach for intergroup ties (name generator method – Campbell, & Lee, 1991)
- Friendship relations: “to what extent did you go out with this person for social activities outside work such as going out to informal lunch, dinner or drinks (cf., Burt, 1992)”

# Measures

- **Closure conduits:** the group's friendship network density (Burt, 2000)
- **Inter-group horizontal bridging conduits:** Blau's (1977) index of heterogeneity
- **Inter-group vertical bridging conduits:** the standardized number of the group's external relations with formal leaders of different groups
- **Optimal configuration of closure and bridging conduits:** geometric mean of standardized scores of closure and bridging conduits

# Measures

- **Group effectiveness:** evaluated by the director (CEO) or high-level manager
- **Two mature organizations** (Sparrowe et al., 2001)
- **Group size:** the number of group members
- **Total number of ties:** both intra-group and inter-group ties

# Discussion

- Introducing the multilevel concept of Group Social Capital
- New perspective on group effectiveness research:
  - Multilevel approach
  - Relational aspect: direct examination of interactions and communication in group process research (Marks, Mathieu, & Zaccaro, 2001; Weingart, 1997)
- Open the black box by examining group social capital resources