Leveraging Your Social Capital for Influence and Engagement

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Executive Summary

- In this session, we will explore how compliance executives can optimize their personal networks to create paths for influencing their corporate culture and gathering new insights into their operations.
- We will also discuss positive networking behaviors that can increase energy and foster employee engagement and satisfaction.
- As part of this session, participants will have the opportunity to assess their own networking strengths and areas for improvement.
Understanding social networks

- **Social networks** are the patterns of relationships created by information sharing and emotional ties rather than formal reporting hierarchies.

- Social networks develop at many levels:
  - Informal industry networks
  - Informal organizational networks
  - Informal personal networks (ego networks)
Formal vs. informal networks

Lukas holds the most senior position in the formal hierarchy, and Josh is at the bottom of the pyramid.

Source: Battilana & Casciaro, 2013

Formal vs. informal networks

Josh’s centrality in the informal network reveals his power and influence.

Source: Battilana & Casciaro, 2013
Understanding social networks (cont.)

- Networks vary according to the types of relationships that develop
  - **instrumental ties**: information, advice, resources
  - **expressive ties**: trust, support, friendship, energy
- Networks also vary in both their size and density
  - **cohesive networks**: most people are connected to one another
  - **bridging networks**: most people are not interconnected

Cohesive network example
Social capital and how it helps you
Understanding social capital

- The term **social capital** describes the resources a person gains through their connections and their position in a social network:
  - access to information
  - power and influence
  - emotional support
  - sense of identity and belonging

Assessing your social capital

- How would you rate your social capital today?
  - Do you have connections to subject matter experts and advisors?
  - Do you work with people you trust and who support you?
  - Do you have connections both above and below you in the formal hierarchy?
  - Do you interact with people outside of your area and even your organization to gain a novel perspective?
Why social capital matters

- Social capital is *more important than expertise* for managerial effectiveness (Burt et al., 2000; Casciaro & Lobo, 2008).

- Employees with high-quality social networks also report higher levels of well-being and satisfaction (Cross & Thomas, 2011).

Where does social capital come from?

- People naturally vary in their *propensity to connect* with others. This trait affects both the size of your personal network, the types of connections you are more likely to build, and your organizational influence (Totterdell et al., 2008).

- Your social capital is also affected by tenure, physical proximity to other workers, cultural norms around relationship building, language, and gender (Fishman et al., 2013).
### Networking pitfalls

- Relying on the formal hierarchy to affect change
- Building bigger networks rather than better ones
- Becoming a bottleneck
- Getting trapped in “the flock”
- Making too many political connections
- Failing to demonstrate positive networking behaviors

Source: Cross, Nohria, & Parker, 2002

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### Trust is the key to positive relationships

- Act with discretion and maintain confidences
- Match words and deeds
- Communicate often and well (face to face is best!)
- Establish a shared vision and language
- Clarify what is not known
- Discover personal commonalities apart from work
- Give away something of value
- Encourage inquiry
- Make decisions fair and transparent
- Hold people accountable for trustworthy behavior

Source: Cross & Parker, 2003
Networking to build ethical cultures

Networking and ethics

- Research reveals the importance of social networks for organizational ethics...
  - Both ethical and unethical behaviors can spread through networks (Aven, 2011; Bommer et al., 2003; Chiu et al., 2010; Pearsall & Ellis, 2011; Zagenczyk et al., 2008)
  - Networks foster similar ethical perceptions and judgments (Schminke & Wells, 1999; Umphress et al., 2003)
  - Network brokers tend to overestimate group consensus about ethical issues (Flynn & Wiltermuth, 2010).
  - High-trust networks foster employee confidence about taking moral action but inhibit peer reporting intentions (Hess et al., 2014)
Networking and ethics (cont.)

- Important questions still to be answered!
  - How does social capital benefit ethics and compliance officers?
    - *Note: Sign up to participate in an ongoing study on this topic and get a free social capital diagnostic report from Dr. Hess
  - How do ethical leaders leverage their networks to foster ethical employee behavior?
  - How can we stop unethical practices from spreading through networks?

Networking to encourage ethics

- What you can do to encourage ethical behavior in your organizations
  1. Develop and leverage your social capital to gain insights into your culture and influence positive change
  2. Seek employees with high social capital to be your ethics champions/ombudspersons and your ethics programs will have more power and credibility
  3. Form communities of practice to strengthen the social capital of your ethical leaders and to help them to be more engaged in the organization
Summary

- You don’t need a formal position to affect change: employees can influence their organizations by using their social capital.
- Increase your social capital by developing high-quality relationships and by exhibiting positive networking behaviors.
- Help ethical leaders in your organization improve their social capital to increase the power and credibility of your ethics program.

Q&A

Thank you for your attention!
If you have questions or would like more information about any of the tools or research discussed in this presentation, please email me hessm@wlu.edu.
Additional Resources

- "The Hidden Workplace", *Fortune* magazine, July 18, 2007
- http://www.robcross.org/index.htm