Strategic Resources
and Social Capital

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ABSTRACT

Strategic resources are often socially constructed, which implies human capital and social capital in action. Most scholars interested in social capital define it by the actual web of social networks within a community (or organisation) and by the norms, values, trust and expectations embedded in these networks, and its role in facilitating collective action.

Developing and leveraging social capital is critical for leaders, staff and volunteers in non-profit organisations. While NPO leaders are responsible for the strategic direction of the organisation, staff and volunteers play a key role in strategy implementation, so their social capital is important as well. An issue then is the process by which NPOs gather and use the social capital of both employees and volunteers as they create strategic resources and pursue their strategic goals. This paper integrates concepts from the literature on strategy and social capital with a non-profit organisation case study to understand the degree to which specific patterns of social capital may be used to achieve strategic goals. Such an examination should be useful for organisations that use both owned and accessed resources, whether non-profit or in one of the new network organisations.

In our case study of a large, national non-profit organisation with a significant volunteer membership, we found that staff rely

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primarily on the bridging type of social capital in achieving the competing strategic aims of expanding membership (a customer value goal) and achieving pluralism (an internal process goal). Further, they appear to leverage their social networks more for the customer value goal than for the internal process goal.

INTRODUCTION

Much of current strategy research calls for leaders to develop resources and competences that meet the criteria to provide long term competitive advantage (Barney, 1991; Black and Boal, 1994; Golden and Ma, 2003). Over the years various forms of intangible and tacit resources, which are socially constructed (Cappelli, 2004), have been identified as being valuable (Golden and Ma, 2003), ranging from organisational culture (Weber and Camerer, 2003) and organisational knowledge (Coleman, 1988) to social networks (Nahapiet and Ghoshal, 1998). It is through social capital, then, that collective action and strategic goals can be achieved.

Developing and leveraging social capital is critical for non-profit organisations (NPOs) (King, 2004). Leaders in non-profit organisations develop social capital to achieve a wide range of relevant activities, including recruitment and development of board members, fundraising, engaging in advocacy and creating a shared strategic vision and mission (King, 2004). However, in NPOs staff and volunteers play key roles in strategy implementation, so their social capital is important as well. Thus, the role of employees' and volunteers' social capital in creating strategic resources to pursue strategic goals is key. This paper pulls together the literature from strategy, social capital and non-profits, and a case study to understand this process. We begin the paper with a review of the literature. We follow this with a description of the site for our case study. The case study is presented, followed by conclusions regarding the use of social capital in the creation of strategic resources and/or in the furthering of strategic goals. We conclude with implications and future research.

LITERATURE REVIEW

The literature review begins by addressing strategic resource generation. This will be followed by sections on social capital and strategic goal categories. We will then make some preliminary conclusions about these areas and their implications for strategy implementation.

Strategic Resource Generation

Firm-level resources and competencies emerge from the directed activities of individuals from the organisation (Sanchez and Heene, 2004; Bergman-Lichtenstein, 2000). These management processes are themselves shaped by the strategic logic underlying the efforts to pursue strategic goals (Black and Fabian, 2000). Early researchers had called for the examination of the bundle of resources that were used in a strategic endeavor (Barney, 1991). However, others called for the inclusion of the sets of relationships between the resources involved in the creation of the strategic resource (Black and Boal, 1994) in that assessment. Recently, scholars have been noting that networks of organisations and their resources are sometimes needed to enable a strategic advantage (McGovern, 2006). Typically in the resource based view, the intangible strategic resource is seen as the most valued (Coff, Coff and Eastvold, 2006; Barney, 1991; Grant, 1996; McGaughey, 2002; Pike, Roos and Marr, 2005). Such intangible resources emerge across time from the interactions of the people involved with their associated knowledge bases (Dierickx and Cool, 1989; Knott, Bryce and Posen, 2003; Pike, Roos and Marr, 2005) or, in other words, these most valuable strategic resources are socially constructed (Baker and Nelson, 2005; Black, Oliver, Howell and King, 2006; Hall, 1992; Schoemaker and Jonker, 2005).

Social construction of a strategic resource implies then a dynamic interaction of both human capital and social capital (Dierickx and Cool, 1989; Knott, Bryce and Posen, 2003). Human capital most simply defined refers to the 'changes in persons that bring about skills and capabilities that make them able to act in new ways' (Coleman, 1988: S100). Social capital has various definitions.

Social Capital Conceptualisations

Many scholars are interested in social capital as defined by the actual web of social networks within a community (or organisation) and by the 'norms, expectations, and benefits that derive from it' (Saxton and Benson, 2005). Other scholars have defined it differently. Nahapiet and Ghoshal refer to it as the 'sum of the actual and potential resources embedded within, available through, and derived from the network' (1998: 243). Simon and Hitt (2003) call for three dimensions of social capital: structural dimension (social networks involved), cognitive dimension (shared meaning) and

relational dimension (trust and norms). Lin (1999) emphasises the role of information and influence on the set of 'resources that are accessible through one's direct and indirect ties' (1999: 468). Adler and Kwon's (2002) extensive review of the social capital concept identifies the various social capital definitions that are currently employed in the research literature. They conclude that there are three components which must be present within social networks in order for social capital to exist: opportunity, motivation and ability. Adler and Kwon also note that for organisations, social networks can be based on market, hierarchical or social relations. Social capital, therefore, can be defined as the set of relationships between people or groups of people that can be used to develop, access and use resources. Furthermore, Coleman (1988) suggests that social capital influences the creation of human capital in subsequent generations.

Putnam (2000) discusses two types of social capital – bonding and bridging – that are particularly relevant to the strategic goals related to diversity and pluralism discussed in this paper. According to empirical research on social capital, bonding social capital is good for mobilising solidarity, while bridging social capital is good for linkage to external assets and information diffusion (Putnam, 2000). Bonding social capital reinforces 'exclusive identities and homogenous groups' (Putnam, 2000: 22). Examples provided by Putnam include ethnic fraternal organisations, church-based groups and country clubs. In non-profit organisations, bonding social capital can be used to increase the overall representation of members from underrepresented groups (Weisinger and Salipante, 2005); on the other hand, bridging social capital 'encompasses people across diverse cleavages', such as youth service groups, ecumenical organisations and the civil rights movement (Putnam, 2000: 22). In NPOs, bridging social capital can be used to enhance pluralism within the organisation – incorporating the diversity perspectives brought into the organisation through bonding social capital (Weisinger and Salipante, 2005).

Implications for the Network of Human and Social Capital
The social capital concept is particularly relevant in non-profit organisations that rely upon a significant volunteer force in carrying out the organisation's mission and strategic objectives. In such NPOs, it is the fostering of collective action through social networks

that allows this to occur. As per the previous discussion, different types of social capital might be used to pursue these different types of diversity in voluntary NPOs: bonding social capital using volunteers' strong ties will be most effective for increasing membership from underrepresented groups, while bridging social capital using weak social ties will be most effective for developing pluralism (Weisinger and Salipante, 2005).

Weisinger and Salipante (2005) propose a model of diversity for NPOs that relies upon the sequential steps of leveraging bonding social capital based upon strong social network ties to first increase representational diversity, followed by the development of bridging social capital among diverse groups within the organisation to increase pluralistic diversity. That model was developed using membership statistics and interviews with volunteers. It extends prior research that suggests that volunteers use their strong social ties (e.g. close friends and family members) to get others to help volunteer in non-profit organisations with which they are involved. It suggests that volunteers, due to both their explicit and tacit knowledge about the organisation and volunteering within it, are in the best position to attract new members. Thus, volunteers' (and staff members') human capital is also important in achieving strategic goals.

The premise underlying the use of bonding social capital for increasing representational diversity is based in part on the concept of homophily: the 'birds of a feather flock together' phenomenon (McPherson, Smith-Lovin and Cook, 2001). In fact, recent social network research has shown that African-Americans were more likely than whites to seek homophilous friendship ties, and that the salience of social identity group membership was positively related to homophily for African-Americans, Anglos and Hispanics in settings where participants were newcomers (Mollica, Gray and Trevino, 2003). Interestingly, a study by Emerson, Kimbro and Yancey (2002) found that people who experienced prior interracial contact in schools and neighbourhoods were more likely, as adults, to have more racially diverse social groups and friendship circles. This finding contradicts prior research suggesting that even in highly racially integrated US neighbourhoods and schools, membership group composition can be equally dominantly Anglo or dominantly African-American (Weisinger and Salipante, 2005).

Once the organisation has significantly diversified its membership representation through bonding social capital, the organisation can then turn to pluralism efforts within the organisation. Such efforts can be brought about through the development and leveraging of bridging social capital. For both processes staff and volunteers' human capital is also key. Thus, both human and social capital is important in the social construction of the strategic resources needed by non-profit organisations in meeting strategic goals.

Strategic Goals

Humans organise collective action to pursue goals. Strategic goals concern the set of goals that enable an organisation to develop for and face the future. Several authors have argued for a range of goals to be considered (Armitage and Scholey, 2004; Kaplan and Norton, 1992; Zimmermann and Stevens, 2006). These goals are often placed into four categories: financial goals, internal process goals, external customer goals and learning and change goals (Gagne, Hollister and Tully, 2006; Lipe and Salterio, 2000; Kaplan and Norton, 1992, 2001). Financial goals are familiar to most people. These goals include returns on investments for owners and typically are expressed in financial ratios although sometimes profits and/or equity figures are used. Internal process goals are typically related to employees and internal process issues. External customer goals are typically such things as perceived customer value, market share and market size. Learning and change goals relate to the internal investments the organisation makes today to be viable in the future. These include R&D expenditures and developing a culture that supports learning and change.

Recent work has suggested extending the scorecard to include inter-organisational processes with suppliers (Park, Lee and Yoo, 2005) or to include various internal and external scenarios (Fink, Marr, Sieve and Kuhie, 2005). While the original work suggests that organisations utilise unique measures customised to their firms, many firms fall back on using common measures (Lipe and Salterio, 2000). However, the recognition of the value of measures unique to an organisation is growing (Gagne, Hollister and Tully, 2006). In both for-profit and non-profit entities the value of

evaluating performance and providing feedback and accountability to stakeholders is recognised (Zimmermann and Stevens, 2006).

Increased need for accountability and thus performance measures has made the balanced scorecard popular in the non-profit arena (Zimmermann and Stevens, 2006). Since many valued strategic resources are the intangible ones that require the interaction of the human capital and the social capital, it makes sense to see just what social capital is in play as a non-profit organisation works to create its strategic resources.

Thus, given the centrality of social capital as a strategic resource in voluntary non-profit organisations, our focal research question is: How is social capital being used in the development of strategic resources that facilitate the achievement of one or more strategic goals of a non-profit organisation?

We now turn to identifying the strategic goal choices in organisations before outlining the methodology used in the study.

Strategic Goal Choices
For many voluntary NPOs, increasing membership (i.e. growth of market – the Customer Value goal) can prove challenging. In our focal organisation, membership goals involve both youth and adults and the organisation has demonstrated a firm commitment to diversity for several decades. Diversity means recruiting and retaining youth and adults from underrepresented groups (which in the United States most often refers to African-Americans, Hispanics, Native Americans, and Asians) and tracking this representation.

The organisation also espouses a commitment to pluralism, which moves beyond counting members from underrepresented groups, and towards integration of their diverse perspectives into the organisation. The pluralism goal represents an Internal Processes goal of the organisation.

Because the strategic goals can be developed to satisfy a particular stakeholder, these goals may be in conflict. Given this goal conflict, we would expect that the social capital used in the pursuit of such goals may also be in conflict as well. To examine this issue we will look at the social capital and associated strategic resources involved with two very differently focused strategic goals: External Customers (diversity) and Internal Processes (pluralism).

METHODOLOGY

Case studies are appropriate for certain types of research questions. Since the phenomenon of interest by definition needs to be relatively rare or unique to be strategic, the case study approach best suits the requirements. We will detail the description of the site, explain the specific strategic goals associated with the Internal Processes area and the Customer Value area (external goal), and then provide a rich description of the human and social capital involved in attempts to reach these strategic goals.

To explore the relationship between social networks, social capital and strategic competence, our case study is one local unit of a national non-profit organisation dedicated to youth development. The site is located in the southwest US.

Is there a tug of war between bridging and bonding social network structures when an organisation attempts to grow via diversity and to run via pluralism? We now turn to the case description at hand to determine this issue.

The Focal Case

The focal organisation is a local unit of national youth development organisation which we refer to here as the Southwest Youth Organisation (SYO). The organisation is largely volunteer-staffed, and includes both youth and adult members. The SYO serves more than 6,500 youth and nearly 2,700 adults, and has a paid staff that supports the volunteers and youth through a wide range of programmes, fundraising, and training, including leadership development. The functions that staff members typically perform involve membership and marketing (to increase the numbers of youth and adult members), programmes (development and delivery), and training and development (for staff and volunteers). Local units also have staff in fund development, public relations and communications, as well as other roles. According to its website, 88 per cent of the SYO's total membership is comprised of youth from diverse racial/ethnic populations (primarily Hispanic, a term we use here to be consistent with its usage at SYO). SYO covers a vast physical area spanning two states, comprising over 1,000 square miles. The national organisation has over 300 such local units, serving over 230,000 youth with nearly one million adult volunteers.

Typically, parents enroll their children in a small youth group that is run by adult volunteers, many of whom are the parents, though not always. SYO offers a wide array of year-round youth programmes, and each group decides which SYO programmes they would like to pursue. Many programmes have associated rewards and the accumulation of rewards is held in high regard by many youth and adults in the organisation. There is a structure of volunteers who support many of these youth groups in a particular geographic area, and who work closely with staff at SYO, though many staff also work directly with the groups themselves. SYO's focus is on inspiring youth with confidence, self-esteem, leadership opportunities, and with good citizenship and character.

In the 1980s the organisation initiated a nationwide commitment to pluralism, emphasising the development of youth from previ-ously underserved racioethnic and class populations. The effort was successful, resulting in a tripling of minority membership by 1989. Thereafter the increases leveled off in some regions and many local units continued to be plagued by the challenges in attracting minor-ity adult volunteers into the organisation. Local staff are measured on diversity goals, not on pluralism goals, though the national organisation has strongly emphasised both.

Currently, according to its CEO, the SYO meets the nationally-set diversity goals. This, in part, has been accomplished by the demo-graphics of the region. The metropolitan area where SYO is located has a population of nearly 800,000, with 78 per cent identified as Hispanic (Latino). There is also a strong base of 'traditional' volun-teers (who tend to be Anglo). The unit still faces many challenges in recruiting volunteers and youth in the desert Southwest. This includes reaching Hispanic (Mexican and Mexican-American) set-tlements that are in isolated areas, quite distant from the city, and reaching potential members in the many small towns that surround the metropolitan area. Staff members are also challenged by lan-guage issues, though an increasing number of the local staff are bilingual in English and Spanish. According to some interviewees, this change is recent. In fact, there are now more Hispanics on the staff, mirroring the surrounding community, and many are not only new to SYO, but also to its national organisation. (Others were

familiar with its programmes because of their own youth membership or as an adult volunteer before becoming paid staff. This is less true of the newer arrivals.)

In conclusion, SYO has strategic goals of growth through diversity and pluralism. The national organisation's pluralism initiative clearly differentiates between diversity and pluralism, with the former related to recruitment of new members and the latter related to inclusion. Remember that the diversity/growth goal is the SYO's Customer Value Strategic Goal and that the pluralism/inclusion goal is the SYO's Internal Process Strategic Goal.

Data and Analysis
We have presented the focal organisation, which has provided a sense of context within which diversity and pluralism activities are taking place. Also important in our case study is providing some perspectives from SYO participants. Thus, we sought to obtain their answers to specific questions regarding diversity and pluralism.

The data was obtained as part of a broader study on diversity in non-profit organisations. In that broader study, interviews (n=33) were conducted with staff members at SYO and at two other local units in the region. Because the broader study's interview questions only touched briefly upon social capital issues, we needed additional data beyond those staff interviews. Due to time and cost constraints, we were not able to collect this data in a face-to-face interview, which was desired. Thus, we conducted a brief structured e-mail survey with staff in those units. Because of the uneven number of responses from the three sites, we decided to focus on the local unit (SYO) for which we received the most responses (n=15). Thus, our data analysis here is derived in part from this sub-sample of 15 e-mail survey responses to questions on social capital and strategic goals, and in part from interview responses provided as part of the broader study. A copy of the e-mail questionnaire is in the Appendix.

Our aim was to have participants describe how they approach the dual aims of diversity and pluralism in their organisation, and then to explore the role of social networks in these self-described approaches. Because this is an exploratory study and because we are interested in examining social interactions *in situ*, and because

we are including the data from SYO staff as part of a single case study, the survey sample of 15 is adequate for our exploratory analysis.

The questionnaire simply asked participants to provide a specific example of the most significant thing they have done to recruit (diversity) and to include (pluralism) members from underserved groups in their organisation, including youth, volunteers and staff. Each example was followed by a question asking respondents who was most instrumental in the accomplishment they cited. We also asked questions about their social relations with co-workers on task, during lunch and during non-work hours, as well as a number of demographic questions.

Responses were content-coded to explore whether diversity and pluralism efforts might be distinguished in some way by how respondents' leverage their social capital. Respondents were each asked to identify the most significant thing they have done to *recruit* (a) a youth member, (b) an adult volunteer member and (c) a staff member into the organisation. These activities represent SYO's growth through diversity efforts, a customer value goal. Then respondents were asked to identify the most significant thing they have done to *include* (a) a youth member, (b) an adult volunteer member and (c) a staff member in the organisation. These activities represent SYO's pluralism efforts, an internal process goal.

All of the examples provided by respondents were recorded. Next, each set (diversity and pluralism) was analysed separately to identify how social networks and social capital appeared to be used. For each set, we coded for the presence of using social capital for any example where the respondent's statement indicated that they relied upon the help of someone else or others in accomplishing the activity and, where they asked, conferred or consulted with someone who was in a position to help them complete their activity. Results and implications are discussed in the next section.

RESULTS AND DISCUSSION

In this section we present the results of our coding and our discussion about social networks, social capital and strategic competence within the context of our focal organisation. A summary of the examples provided (by respondent) is in Table 7.1.

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Table 7.1: Examples of Activities Supporting Strategic Goals of Diversity and Pluralism that Rely on Social Capital

	Youth	Adult Volunteers	Staff
Diversity (Customer Value Goal related to Membership Growth)	Call a volunteer (or e-mail them) if need help in placing a youth	Had a conversation with a stranger in a restaurant who saw t-shirt [with organisation's name on it]; this person used to be a member; she agreed to help out as a volunteer	Made a recommendation to the membership director to hire someone
	Used 'team recruitment' at a 'low presence' [underrepresented] school	Ask my friends if they would like to volunteer	
	Involve adult volunteers when go to parent-teacher association meetings; also bring youth members	Met with mayor of one of the local municipalities ('an outreach area'); told him about the organisation; he gave names of two adults who subsequently volunteered, and we got more youth members as result	
	Spread the word at every opportunity – 'with friends, family and strangers' [a former volunteer and staff member helped this respondent]	Had a phone conversation with a woman who had been a member of the organisation before; she agreed to volunteer in a programme in public housing	
	Rely on youth members to explain their own experiences – bring them along when going to recruit	Had three volunteers sit in on a strategic planning committee meeting: two later became board members	

(*Continued*)

Table 7.1: (*Continued*)

	Youth	Adult Volunteers	Staff
	Went with another staff member 'knocking door-to-door at [low income] housing projects' to get new members		
	Talked to a friend who wanted more information for his daughter		
Pluralism (Internal Process Goal related to Inclusion)	Put volunteers in touch with others in their areas	Introduce them to other volunteers when they have something in common	Invite person to participate in meetings, go to lunch, have conversation
	At training programme, took time to show around family of the man who was there to repair the computers – they were interested in their daughter joining (wife and daughter came to pick up the father)	Go to areas personally; train them, so they are confident; do this in Spanish	Invite them to lunch or go to an event in the field to get to know them better
	Use word of mouth; discussed different organisational topics with an African-American neighbour; he was really interested in the organisation for his daughter	Contacted a person at a social gathering who had been a member before; she agreed to volunteer with Spanish speakers in housing project	
		Include them in the decision-making process for area association meetings	

Diversity (Growth) through Recruitment: Customer Value Strategic Goal

Depending upon the staff member's position, responses varied regarding the most significant activities done to get youth, volunteers and staff to join their organisation. For youth recruitment, nearly half of respondents (seven out of fifteen or 46.67%) indicated some reliance on existing social capital, and/or on *building* social capital, in their efforts to attract members from underrepresented groups into the organisation. Examples included: calling or e-mailing a volunteer for help in placing a child; asking volunteers and youth members to help 'pitch' the organisation's programmes at the parent-teacher association meeting; similarly, asking a youth member to explain *their* experiences to potential members; 'spreading the word at every opportunity' with friends, family and strangers; using 'team recruitment' (versus one person) to tackle recruiting in a largely underserved area; 'knocking door-to-door at housing projects' to familiarise people with the programme and get them enrolled; and talking to a friend who wanted more information for his child to join. In sum, these examples reflect youth recruitment activities that rely more on bridging social capital, or the building of it, rather than on bonding social capital.

With regards to volunteer recruitment, a bit more than one-quarter (four out of fifteen or 26.67%) provided examples of efforts that reflect the leveraging of social capital: a conversation with a passer-by in a restaurant; meeting with the mayor of a nearby town about SYO, which resulted in the mayor providing two names of adults who later joined the organisation and brought in many youths; a phone conversation that led to an adult joining; and having three volunteers sit in on a strategic planning committee, which then led to two of them joining the board. Again, to the extent that social capital is being leveraged in these examples, it reflects more bridging than bonding. In this sample, two observations might be made at this point: (1) SYO staff were more likely to leverage social capital (bridging) to recruit youth than adult volunteers; and (2) bridging social capital is more prevalent than bonding social capital in the recruitment (growth) examples provided.

Only one of the few responses received with regards to staff recruitment related to leveraging social capital: recommending a person to

the membership director. We took this to mean that the respondent was using her relationship with the director to potentially help someone to join the staff.

Pluralism through Inclusion: Internal Process
Strategic Goal

When asked what was the most significant activity done to make youth, volunteers and staff feel *included* in their organisation, there were, overall, fewer examples of leveraging social networks and social capital. Only three staff members (20%) gave examples of making youth feel included which appear to use social capital, again primarily bridging: putting volunteers in touch with others in their area; discussing the organisation with a neighbour who was interested in having his child join; and giving an impromptu personal tour and explanation of the organisation and its programme to the family of a man who was simply there that day to fix computers.

When looking at the inclusion of volunteers only four examples (26.67%) were provided: introducing them to other volunteers with whom they have something in common; going to areas personally (e.g. the remote settlements) to train them so that they are confident to assume their role as volunteer; contacting a prior member at a social gathering, who later agreed to volunteer with Spanish-speaking youth in a housing project; and including volunteers in decision-making processes for area meetings. Again, leveraging and building bridging social capital appears to be more prominent here.

As with staff recruitment, staff inclusion yielded few results and both relevant examples mentioned inviting the new staff member to lunch, for conversation or to a field event to get to know them better.

Building Bridging Social Capital?

What is noticeable in these examples is the degree to which SYO staff members continually build social networks in their efforts to address customer value (growth through recruitment) goals. A distinction can be made between leveraging existing social capital (e.g. soliciting the help of volunteers or youth whom they know to help with recruitment efforts, or gaining the help of other staff in overcoming particular recruitment issues) and the development of bridging social capital, including such happenstance encounters as the example of the

restaurant passer-by, the phone conversation and the computer repairman. To some extent, it is premature to say that bridging social capital is built in these chance encounters – we only truly know this if that contact is leveraged at some point in the future.

Bonding vs. Bridging

At the outset, we cited previous work suggesting that *volunteers* can rely on bonding social capital to meet growth goals, while relying on bridging social capital to meet pluralism goals. Here, SYO *staff* members appear to rely less on bonding than on bridging. In part, this is due to the nature of their work – many staff members (especially those in 'membership and marketing') are always involved with volunteers, potential members and other staff, including those of other organisations. Such activities will naturally provide many opportunities for building bridging social capital. Interestingly, in the interview questions on their socialising at work, almost no staff indicated that they socialised with other staff outside of work time (which might represent potential bonding social capital). Inside of the workplace (e.g. at lunchtime), a lot of the social connections appeared to be with others in the same functional area, with some exceptions.

Further, in the broader study of the three local units, several inter-viewees mentioned that socialisation appeared to occur more along the lines of age and maternity. Younger (or newer) staff members tended to hang out together, and likewise for older employees. Those with children tended to socialise more because of their common interests. Specifically at SYO, it was difficult to discern a social pattern (outside of work) of any sort.

Other Approaches to Strategic Goals

The SYO responses also indicated other ways (than directly leverag-ing the value in social networks) to accomplish customer value (growth) and internal process (pluralism) strategic goals, specifically special programme development and training. Several examples were provided where staff members developed a programme to reach out to an underserved area (e.g. taking the programme and its training to a rural, isolated settlement) or to make an underserved group feel more included (e.g. developing a disability awareness programme and providing financial incentives for groups who include youth with disabilities). Thus, leveraging social capital may

be one avenue for achieving these strategic goals, unless one argues that even such programmes constitute the opportunity to build bridging social capital. In this case, such events might be viewed on a bridging continuum, along with the other examples of building and existing social capital referred to earlier.

What do these Strategic Goals Mean in a Diverse Region?
Several staff responses in the interviews raise the issue of what a diversity goal means in a region that is already considered to be diverse, at least in its population of what the national organisation considers an underserved demographic group (Hispanics). A few respondents insisted that they do not view members (youth or adult volunteers) in terms of their demography, or, when asked about inclusion, stated that they try to make *everyone* feel included in the organisation.

These comments do beg the question as to the meaning of a customer value strategic goal at SYO. While continued emphasis on growing membership is clearly desirable from the organisation's standpoint, continuing to emphasise the underserved nature of the group may not be. Rather, it might be more instructive to emphasise the diversity *within* the group. In SYO's region, 'Hispanic' can mean many things: people whose ancestors are from Spain, many of whom consider themselves 'Spanish' not 'Hispanic'; people who are recent immigrants from Mexico, many of whom consider themselves 'Mexican' or 'Mexican-American'; and a variety of identifications in between, often generational. This discussion is beyond the scope of this paper, but is an important issue to consider as it may have a definite impact on the success of diversity and pluralism goals.

Further, while the national organisation, in its training publications, specifically emphasises the difference between diversity and pluralism, only three field staff members across all three sites could similarly make this distinction when asked in interviews. Thus, even though both diversity and pluralism goals are stated by the organisation, staff members at SYO and the other local sites worked more actively on implementing the diversity goal rather than the pluralism goal. This is due in part to the fact that the national organisation measures each local unit's performance on diversity by their attainment of membership growth among underrepresented groups. However, there is no corresponding metric for pluralism.

Our research question in this study was: How is social capital being used in the development of strategic resources in the achievement of strategic goals? One of our premises was that strategic resource generation involves both human and social capital. At SYO, our focal case, achieving diversity (an external goal) and pluralism (an internal goal) means that staff members must possess many relevant skills and knowledge (marketing, fundraising, communication, etc.), reflecting human capital.

But further, given that SYO is essentially recruiting not only youth members but also adult volunteers who are a critical resource for the organisation, social networking and social capital are also very important in successfully attracting diverse members and including them in the organisation. In this case, examples of staff efforts at diversity (a growth/customer value goal) and pluralism (an internal process goal) reflect more of an emphasis on bridging rather than bonding social capital, with more staff emphasis being placed on recruitment activities related to diversity rather than the inclusion activities related to pluralism.

CONCLUSION

The degree to which specific patterns of social capital may be used in achieving strategic goals is in question. We turned to a case study as a preliminary exploratory look on the patterns of social capital in use for strategic resource generation. In our case study of a local unit of a large NPO with a significant volunteer membership, we found staff members relying more on their social capital to attain growth through diversity (customer value goal) than they did for pluralism (internal process goal). Further, staff appeared to rely more on the bridging type of social capital, or on building it, than they did on bonding social capital, which we attribute in part to the nature of the work done at the staff location. This can be contrasted with volunteers' reliance on bonding social capital for growth goals, as we cited earlier in the paper.

In summary, this study contributes several key points to the strategy literature. First, when examining the role of social networks within the context of organisational strategy, we find that (1) organisations may have unintentionally competing strategic aims that (2) require the different types of social capital. Second, the challenge for

organisational leadership is to either (1) reframe their strategy or (2) find the nexus of these competing aims and competing types of social capital that will allow the organisation to achieve its objectives.

This exploratory study leads us to identify some fertile areas for future research. For example, a larger scale study across multiple organisations could examine the various patterns of social capital being used in achieving strategic goals. This research could also explore the nature of particular strategic goals and the implications for the leveraging of various types of social capital. Also, future research might investigate the nature of social capital and strategic resource generation within the context of voluntary non-profit organisations. Finally, the role of bonding versus bridging social capital in organisational diversity efforts can be further explored as a way to better understand how organisations can more effectively deal with issues of diversity and pluralism.

APPENDIX

To find out about staffs' use of social networks and the role of social capital in pursuing growth and pluralism goals in three local units of a national voluntary NPO, we asked the following questions via e-mail. Note that any references to the name of the national organisation have been removed (referred to as 'the organisation' in most of the questions below). Also, when referring to the local site, we have used SYO here.

Strategic Competence & Social Capital
Social Network Questions
21 June 2005

A. *Generally* **speaking, how do you get others to join the organization**? *Identify as many specific things that you do as possible for the three groups below*. (Feel free to expand the spaces provided for each question in the survey.)

   1. I try to get youths to join the organization by…
   2. I try to get adults to volunteer in the organization by…
   3. I try to get adults hired into the organization by…

   Comments?

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B. **Give an example of the most important/significant/ instrumental thing that you have done within SYO in the past year to**

1. Get a youth to join the organization

2. Get an adult to volunteer in the organization

3. Get an adult a staff position in the organization

Comments?

C. In *each* of the three situations described in B. above, **who, specifically, was *most* helpful in your efforts (you can name more than one person)**?

1. The person(s) who was(were) **most helpful** to me in the example given above to get a youth to join the organization was(were) _____. (Please write below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)

2. The person(s) who was(were) most helpful to me in the example given above to get an adult volunteer to join the organization was(were) _____. (Please write below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)

3. The person(s) who was(were) most helpful to me in the example given above to get an adult hired as a staff member in the organization was(were) _____. (Please write below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)

Comments?

D. *Now, think about your efforts to make others feel included in the organization, particularly those from underrepresented groups*. **Give an example of the most important, significant,**

or instrumental thing that you have done within SYO in the past year to

1. Make a youth from an underrepresented group feel included in the organization
2. Make an adult volunteer from an underrepresented group feel included in the organization
3. Make a staff member from an underrepresented group feel included in the organization

Comments?

E. In *each* of the three examples described in D. above, **who, specifically, was *most* helpful in your efforts (you can name more than one person)**?

1. The person(s) who was(were) **most helpful** to me in the example given above to make a youth from an underrepresented group feel more included in the organization was(were) _____. (Please indicate below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)
2. The person(s) who was(were) most helpful to me in the example given above to make an adult volunteer from an underrepresented group feel more included in the organization was(were) _____. (Please indicate below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)
3. The person(s) who was(were) most helpful to me in the example given above to make a staff member from an underrepresented group feel more included in the organization was(were) _____. (Please indicate below each person's job/position in the organization, or outside of the organization if relevant, describe how you know each person, and indicate their race/ethnicity.)

Comments?

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Please complete the following information about yourself:

Your current position at the SYO_____

Number of years you have worked in your current job at the SYO_____

Total number of years that you have worked at the SYO overall
_____

Total number of years that you have been affiliated with the national organization (including as a staff member, volunteer, and/or as a youth member) _____

Do you work with other nonprofit organizations (e.g., as a volunteer, board member, etc.)? If so, please describe the type(s) of organization(s) and your role(s):

Your age _____

Please identify your race/ethnicity _____

_____

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