Chapter 6.7
A Social Capital Perspective on Collaboration and Web 2.0

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ABSTRACT

Social interaction technologies can successfully employ the previously untapped power of the Web to utilize the collaborative creation of information and user-driven content. In this chapter, the social capital framework is applied to illustrate how Web 2.0 tools and techniques can support effective information and knowledge management in organizations. Interactions within and between organizations generate important practices that underscore the role of social capital. Managing social capital for effective knowledge sharing is a complex process, and Web 2.0 lends some support for organizations by creating a new culture of voluntary, contributive, and collaborative participation. The argument is made that Web 2.0 technologies can be seen as important tools that can bridge the creation and sharing of knowledge in diverse organizational contexts.

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INTRODUCTION

During the last decade the processes of globalization and development of virtual tools for knowledge management has profoundly influenced many organizations. Groups and individuals must manage different social and cultural environments, dissimilar modes of communication and information processing, and various Internet-based technologies. This gives rise to new challenges and possibilities for managing information and knowledge in organizations. The introduction of a service-oriented web which becomes increasingly social and interactive,

defined by Tim O'Reilly (2005) as *Web 2.0*, raises the issue of computer self-efficacy or information competence that yields a higher performance-related outcome and a greater use of computers in organizations. The social nature of Web 2.0 emphasizes the importance of user skills termed *electronic literacy* (Godwin-Jones, 2006).

To draw a deeper picture of the benefits and challenges associated with Web 2.0, we will apply the social capital framework to illuminate how Web 2.0 tools and techniques can support effective knowledge sharing in organizations. As argued (Audunson, Vårheim, Aabø & Holm, 2007; Johnson, 2004; Tötterman, in press; Tötterman & Widén-Wulff, 2007; Widén-Wulff, 2007; Widén-Wulff et al., 2008; Widén-Wulff & Ginman, 2004), social capital can provide a suitable theoretical framework for understanding knowledge management processes in organizations.

BACKGROUND

Research on social capital has been carried out in different disciplines and at different levels depending on the chosen perspective (e.g., Fukuyama, 1995; Putnam, 2000). At the organizational level, social capital has been connected, for example, to interunit resource exchange (Tsai & Ghoshal, 1998) and to individual gains in terms of status and career opportunities (Burt, 1997; Lin, 1999). There exists no unified definition of social capital, however. In this chapter, we use a definition of *social capital* by Nahapiet and Ghoshal (1998, p. 243) that includes the individual and the social aspects: "The sum of actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit. Social capital thus comprises both the network and the assets that may be mobilized through that network."

Social capital is also often described in three dimensions: a *structural* dimension (network character), a *relational* dimension (trust and social identity), and a *content* dimension (communication to facilitate social capital). The structural dimension includes the network structure and the nature of the network ties between the actors. Networks are viewed as the cornerstone for resource exchange and the ties can be described as information channels (Adler & Kwon, 2002). The relational dimension embraces social identity and trust. The notion of trust is a crucial aspect of social capital (Fukuyama, 1995). An atmosphere of trust among the members of an organization has been suggested as an important factor facilitating information and knowledge sharing, cooperation, and other forms of collective actions within and outside the social unit (Huotari & Iivonen, 2004). Identification is also viewed as an important part of relational social capital (Nahapiet & Ghoshal, 1998). Cognitive identification can be described as the process by which individuals view themselves as part of a social unit and define themselves by the group (Nahapiet & Ghoshal, 1998; Tyler & Blader, 2001).

Communication is seen as a critical aspect of social capital. It is considered a foundation for social capital and a key mechanism in generating further organizational goals: namely, intellectual capital and reduced transaction costs (Hazleton & Kennan, 2000). By communication, a common knowledge base can be created which facilitates further communication and information sharing. The communication content within the network structure can also be seen as an essential motivation to information practices (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). Further, versatile communicative ability is crucial in creating the communicative mechanism that creates in organizations further advantages with fruitful social capital (Hazleton & Kennan, 2000).

It has been shown that the social capital framework is a usable navigation tool in picturing the information and knowledge sharing processes. Although social capital is inherent to every organization and group, it has not always received attention it deserves. Social capital is a context of