



Corporate Social Capital: A Briefing Paper on Organisational Health

By Dr. Leigh Kibby

The financial bottom-line is increasingly effected by performance efficiency, especially when fewer are doing more with the leveraging that is achieved through IT. Business sustainability and success is therefore becoming increasingly linked with invisible soft skills that deliver tangible cost savings. Accountants today must become familiar with these links and the underlying antecedents for organisational performance. To do less, is to fail for themselves and their clients as soft skills become a factor in the business risk equation.

Current research is discovering the importance of social capital for executive performance and organisational success. This is achieved by increasing corporate social capital (CSC). Social capital in corporations allows for the positive social cohesion that precludes politicking, collusive behaviour and low morale that eventuate in higher turnover, absenteeism and lower productivity. Without adequate social capital, the spiral of workplace stress and its negative effects will only accelerate in an organisation.

Social capital is comprised of:

- *norms* such as company visions and values that allow employees the opportunity to experience and express themselves as significant people capable of creative engagement in the social, political and economic realities that confront them
- *networks* of support and encouragement that provide access to the resources required to resolve the problems and exploit the opportunities that face them
- *trust* that allows each employee to influence the processes that shape their own working and personal environments and those of others for whom they are accountable

Low CSC is indicative of low organisational health which, in turn, is indicative of low health for those in the organisation. The indicators of low CSC can be seen in workplace performance, absenteeism, anti-organisational behaviours and SOS (Satisfaction Out-Sourcing) behaviours by those in the organisation. Conversely, it is now possible to measure CSC (previously hard to determine) and then make direct changes to increase CSC which can be a significant long term cost saving – treating the cause not the effect – one step beyond the band-aid solution. This is the approach used by leading organisations although, albeit they have been wrestling with cultural change which is an effect rather than a cause and more difficult to shift than is increasing CSC.

The costs of low CSC can be seen and/or measured as can the cost which is high. In the case of turnover, it ranges between 100% to 150% of the gross salary. In some organisations, this averages at \$50 000 per year whereas in service based organisations based around professional and academic qualifications, the cost can be as much as \$100 000. With turnover ranging between 20% - 30%, the overall losses are significant. Additionally, the impact of disgruntled alumni is not added into this equation.

Measuring CSC was previously a challenging task but has been greatly simplified through the creation of the SOCIAL CAPITAL EQUATION – a tool for measuring social capital.....



Our research is suggesting a powerful link between health at both the individual and organisational levels and that strategies to improve each can be cost-effective. In particular, increasing CSC can decrease other costs both to the organisation's bottom line and to the individual in terms of health and well-being.



BACKGROUNDER

Dr. Leigh Kibby, PhD; Grad Dip GW; B Ed; DipT

Dr. Kibby, known as "Dr. Leigh," is one of the world's truly innovative thought leaders having founded the Noetic Psychology movement and developed numerous new paradigms such as the:

- 9 Happiness Habits
- the Sustainability Triangle (Psychology-Sociology-Ecology)
- L.E.T. (Language-Emotion-Thought) framework
- Affective-Cognitive Integration Model (the NEW Emotional Intelligence)
- "Intelligence of Emotions" and
- Psychological Genome.

Dr. Kibby is also one of Australia's leading trainers having taught Noetic techniques to over 2500 people including General Practitioners (Family Physicians), Police, teachers, youth workers and the corporate sector. Dr. Leigh also devised some of the most successful development programs for the unemployed - Empower Plan and Making the Change. His Paradigm Shift seminar has been described by senior executives as the most personally profound and professionally uplifting programs they have attended in their entire careers.

Qualifications

- PhD Thesis – Emotional Intelligence, Emotions Management and Ethical Behaviour, successfully completed 2005, Deakin University, Victoria
- Graduate Diploma in Group Work and Counselling, 1989, University, South Australia
- Bachelor of Education (double major), 1986, Deakin University, Victoria
- Diploma of Teaching, 1979, RMIT University, Victoria

Awards / Publications / Presentations

- Joint Winner of the Best Paper Award at the 2002 International Emotions In Organisations Conference.
- Two papers titled "Servant-leadership" and "Noetic Leadership" presented at the 2003 British Academy of Management Conference.
- Presented two papers titled "Servant-leadership Skills" and "Noetic Leadership Skills" at the 2004 Gallup Leadership Institute Conference.
- Co-author of "Intelligent Emotions Management" for the internationally released book "Key Issues in Organisational Communication".

Other achievements include:



- Executive Manager of a team of 35 people (plus additional contractors) responsible for over \$30million in redevelopment and business projects including full service delivery and customer engagement.
- Creation and successful delivery of “The Empowerment Program” which doubled the then current best outcome rates for long-term unemployed
- Consultant – re-engineering (performance and culture) for a back-office/middle office financial services team processing \$trillion daily.
- Redesigned SLAs, performance metrics and measures for customer service teams (including incoming and outgoing call centres) in multi-million dollar operations in the financial services sector.
- Consultant for organisation wide CRM project (\$10 million) – strategy and implementation.
- Managed and lead the re-engineering of a multi-million dollar performance and quality service team in order to produce savings of \$3.5 million and improvements of approximately \$8-10 million year on year.
- Saving of over \$500 000.00 in staff turnover costs for consulting division of international firm.
- Staff satisfaction increases from 51% to 89%.
- Cultural change program assessed as best in the world by Director of centre for business research in leading Australian University.
- \$500 000.00 income stream achieved for entirely new business within 18 months of launch.
- Designed and sold at profit 4 robust, industry specific Customer Service quality systems.
- A 100% increase in sales revenues for a division of a finance company.
- 50% performance improvement in Federal Government funded business training program.
- Played key coaching role in the launch of a new consulting service unit for an international firm which won projects valued at \$3 million dollars.