

Foreword

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Though ubiquitous throughout the centuries and well-established in sociology and political science, social capital is still relatively new to the fields of management, organizational studies and entrepreneurship. Only in the last 10–15 years have we seen a proliferation of research applying the concept at various levels of business relationships ranging from regional agglomerations and interfirm networks to dyadic ties and entrepreneurs' and managers' personal networks. At the heart of this growing literature is the notion that business creation and growth are not isolated processes affected autonomously by a focal firm, but rather collective processes that take place within the interwoven social and economic structures of our increasingly global society.

In this book, Dr Francesca Masciarelli presents an engaging and multifaceted look into the nature and effects of social capital. As her starting point, she takes the basic premise of the social capital concept – the idea that social structure endows individuals (and firms) with goodwill and that this goodwill is appropriable and convertible into other forms of capital. That is, social ties can be leveraged into business/work settings, giving rise to important benefits such as access to information and resources. The key contribution of this book is to further our understanding of how these knowledge-based and resource advantages arising from social capital serve as a source of competitiveness for firms.

Rather than trying to fit into the existing silos of the social capital literature, the author enthusiastically embraces the multidimensional and multi-level nature of the phenomenon. On the one hand, she views social capital in Putnam's and Coleman's tradition as a collective good embedded in communities, facilitating cohesiveness and the pursuit of collective goals. On the other hand, she brings her focus down to the individual entrepreneur's/firm's level and builds on the conceptualization of social capital as a resource inherent in a focal actor's links to other actors in social networks (here drawing on the work of Bourdieu, Burt and others). Importantly, Masciarelli shows that the two levels of social capital interact jointly to influence outcomes for firms. She finds, for example, that

a region's level of social capital has important implications for firms' banking relationships and that regional social capital moderates the relationship between an entrepreneur's social capital and firm innovation. These results highlight the fact that the collective and individual views of social capital are not contradictory or mutually exclusive, but rather a matter of perspective and level of analysis considered. In integrating these views, as Masciarelli has done, enables us to better understand the nature of the relationship between social capital and firm competitiveness.

In the various research studies discussed in this book, Masciarelli has fearlessly confronted the empirical challenges of measuring social capital. In her analyses, she has utilized data from two large-scale databases, two separate primary surveys of Italian firms as well as in-depth case studies. She has thoughtfully and creatively developed approaches to operationalize multiple aspects of the social capital umbrella construct. In so doing, she has managed successfully to demonstrate the empirical and managerial relevance of the construct in a variety of empirical settings.

The findings of the book highlight a range of important influences and outcomes of social capital – in its different forms, social capital is shown to play a role in innovation, banking relationships, the internationalization of knowledge-based functions and even the succession process in family firms. Masciarelli's results and conclusions provide not merely interesting insights for management scholars, but also shine a guiding light for entrepreneurs, managers and policymakers working to build competitive businesses and regions.

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