

## **What Holds Firms Together Social Capital in Organizations**

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### **Abstract**

This paper is an attempt to explain the cohesion of firms through social capital. It gives a description of the benefits and costs of social capital for individual and organization, based partly on the author's ethnographic work, partly on the literature. Social capital, on this account, builds in face-to-face interactions and gets utilized, that is, expended, in non-reciprocal transactions and in transactions over distance. If one were to map the social capital for a firm or agent, one would get a picture of the existing links and the pathways that embed the agent or firm in a network of other firms or agents. These social capital pathways form the medium along which organizational and cross-organizational communication, learning and knowledge-sharing proceed.