Social Capital – the strength of the work community in the future of work

Research-based knowledge and solutions

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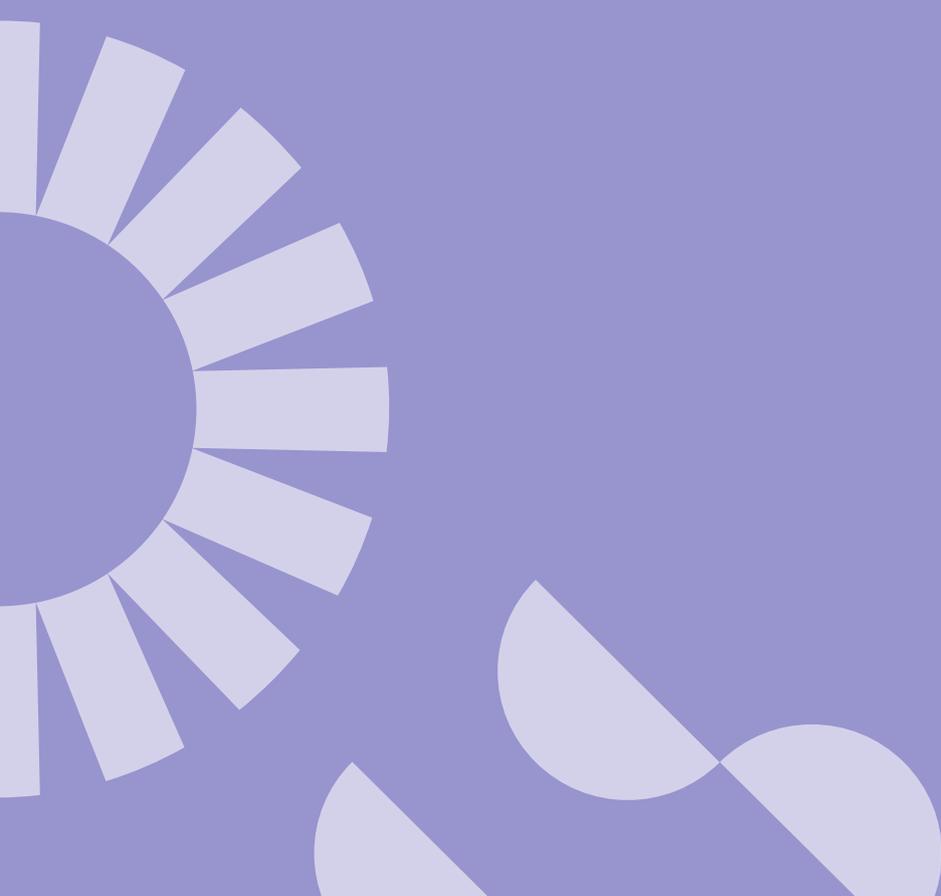
Social Capital
– the strength of the work community in the future of work

Working group

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Contents

Summary

The social capital of a work community is built above all on shared responsibility, trust, respectful inter-action, and a common will to achieve results. While social capital has long been recognized as a key success factor for companies, changes in working life are taking its importance to a new level.

This study examines social capital from the perspec-tive of employees and entrepreneurs. It provides new insights in two ways: 1. In Finland, there has been little research on the forms of support small business owners gain from their networks and how these relate to work ability. 2. No broad, cross-sec-toral study has previously been conducted on the links between social capital and employees' work ability and workflow.

The research utilized survey data collected from entrepreneurs. In addition, Elon's exceptionally extensive employee survey data was analyzed using machine learning methods, exploring the significance of social capital in employee experience within Finnish SMEs.
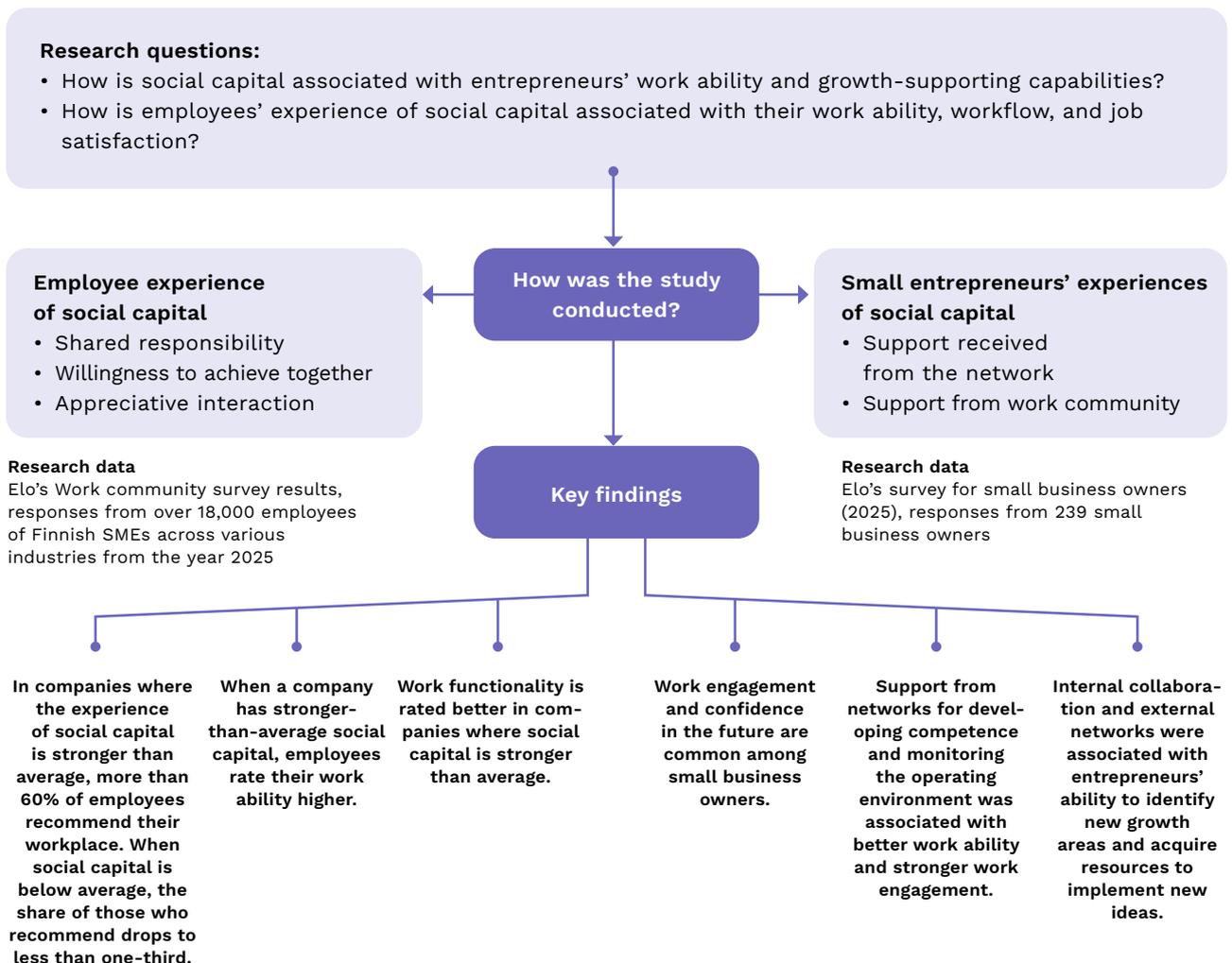
Findings from the entrepreneur survey highlight the importance of networks for maintaining work ability and supporting growth. The most valuable resources provided by networks were support for skills devel-opment and monitoring changes in the business environment.

A sample of more than 18,000 employees from SMEs shows that the social capital of the work community is reflected in employees' work ability, workflow, and willingness to recommend the workplace.

Social capital is not only a resource for employees or companies but one of the key factors in strength-ening the competitiveness of Finnish working life. Its development should be elevated to a core goal of business and working life development.

The report includes practical solutions for strength-ening social capital in both on-site and hybrid work. In hybrid work, maintaining social capital requires special attention, as new demands have emerged for collaboration and leadership.

Research questions:
- How is social capital associated with entrepreneurs' work ability and growth-supporting capabilities?
- How is employees' experience of social capital associated with their work ability, workflow, and job satisfaction?

How was the study conducted?

Employee experience of social capital
- Shared responsibility
- Willingness to achieve together
- Appreciative interaction

Research data
Elo's Work community survey results, responses from over 18,000 employees of Finnish SMEs across various industries from the year 2025

Small entrepreneurs' experiences of social capital
- Support received from the network
- Support from work community

Research data
Elo's survey for small business owners (2025), responses from 239 small business owners

Key findings

In companies where the experience of social capital is stronger than average, more than 60% of employees recommend their workplace. When social capital is below average, the share of those who recommend drops to less than one-third.

When a company has stronger-than-average social capital, employees rate their work ability higher.

Work functionality is rated better in com-panies where social capital is stronger than average.

Work engagement and confidence in the future are common among small business owners.

Support from networks for devel-oping competence and monitoring the operating environment was associated with better work ability and stronger work engagement.

Internal collabora-tion and external networks were associated with entrepreneurs' ability to identify new growth areas and acquire resources to implement new ideas.

Introduction

Social capital has long been considered a key success factor for companies, but changes in working life are making it even more important. This trend is also visible in research: studies on workplace social capital have steadily increased in recent years (Carradore et al., 2022; Tsounis et al., 2023).

Workplace social capital is built primarily on shared responsibility, trust, respectful interaction, and a common will to achieve results. Social capital also develops through a company's external networks in the form of knowledge and resources that support business operations. In Elo's research report, social capital is examined from the perspectives of both employees and entrepreneurs.

Which trends in working life highlight the importance of social capital?

Skills development increasingly relies on workplace interaction
- The changing world of work and rapid technological progress highlight the importance of continuous learning. New skills are often acquired in everyday work through interaction with colleagues. Work communities need active knowledge sharing between employees at different career stages to ensure that tacit knowledge and experience are effectively transferred as demographics shift.

Hybrid and remote work create new demands for managing community and connection
- Hybrid work can offer significant benefits for both organizations and employees. However, with the rise of remote work, maintaining a sense of community, transferring tacit knowledge, and ensuring smooth collaboration have become even more critical. Digital tools enable new ways of sharing information and staying connected, but they also increase the need to consciously build community.

The importance of networks has grown in a changing business environment
- Companies operate in an environment of constant change. Networks help overcome organizational boundaries and tap into broader knowledge and expertise, which is essential for business renewal and identifying new opportunities. Networks provide access to information, skills, and resources that support business operations.

Research objective

This study examines social capital from the perspectives of both entrepreneurs and employee experience. The data includes 239 responses from small business owners collected in Elo's 2025 survey, as well as employee survey data from Finnish SMEs from the same year. The employee experience sample covers responses from more than 18,000 employees across Finnish SMEs.

The research provides new insights for developing work ability management in two ways:
- In Finland, there has been very little research on the different forms of support entrepreneurs receive from their networks and how these relate to well-being at work.

- No broad, cross-sectoral study has previously been conducted in Finland to examine the connections between social capital and employees' work ability, willingness to recommend their workplace, and workflow.

Research questions

1. **How is social capital associated with entrepreneurs' work ability and growth-supporting capabilities?**

2. **How is employees' experience of social capital associated with their work ability, workflow, and job satisfaction?**

Social capital from the entrepreneur's perspective

The study draws on a survey conducted by Elo in autumn 2025, which received responses from 239 entrepreneurs across various industries.

The survey targeted small businesses with fewer than 50 employees. Majority of respondents (around 70%) had more than ten years of experience as entrepreneurs, about 16% had 6–10 years of experience, and 13% had less than five years.

The main theme of the survey was small business owners' experiences of their company's work community and external networks. In addition, respondents were asked about their experiences related to well-being at work, work ability, their work, the business environment, and their assessment of the company's growth potential.

Perceived work ability and work engagement among surveyed entrepreneurs

Over half of the entrepreneurs rated their work ability as good

Small business owners answered the survey question: "*What score would you give your current work ability compared to the best possible?*" Respondents rated their work ability on a scale from 0 = Very poor to 10 = Excellent. Of the 239 small business owners who responded, half (51%) assessed their work ability as good.

Nearly 60% of small business owners who responded to the survey rated their work ability as being at least good.

Weak (0–5) — 16%
Moderate (6–7) — 26%
Good (8–9) — 51%
Excellent (10) — 7
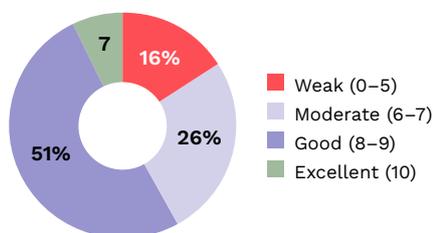
Entrepreneurs experience work engagement

Work engagement refers to a positive motivational and emotional state at work. It is characterized by feelings of vigor and dedication, as well as being deeply absorbed in one's work (Schaufeli, Bakker & Salanova, 2006). In this study, small business owners'

experience of work engagement was assessed using a scientifically validated survey method (Schaufeli et al., 2019). More than half of the small business owners who responded to Elo's survey reported feeling work engagement at least a few times a week. The prevalence of work engagement among small business owners is a positive sign for both their well-being and the productivity of small enterprises. Research shows that work engagement is linked to better health, a lower risk of work disability, and higher productivity (Hakanen et al., 2019).

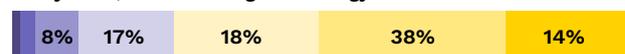**Work engagement is common among small business owners.**

I am enthusiastic about my job

| 7% | 15% | 23% | 31% | 20% |

I am immersed in my work

| 10% | 17% | 15% | 38% | 15% |
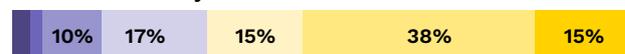
At my work, I feel bursting with energy

| 8% | 17% | 18% | 38% | 14% |

- Never
- Several times a year
- Once a month
- Several times a month
- Once a week
- Several times a week
- Daily

Entrepreneurs' experiences of work, business environment, and growth

The study explored small business owners' growth objectives with the following question: "*In this survey, growth refers generally to expanding operations and increasing turnover. Which of the following best describes your company's current growth objectives? Please select the most appropriate option.*"

According to the results, more than one-third of respondents estimated that their company is striving for growth to the extent possible. A similar share (31%) also reported that the number of employees had increased over the past three years. This indicates that a significant proportion of small business owners see growth as possible and actively pursue it.

A significant proportion of the companies that responded to the survey are striving for growth to the extent possible

- The company is strongly growth-oriented
- The company seeks to grow whenever opportunities arise
- The company primarily strives to maintain its current position (and this may require growth)
- The company has no growth targets
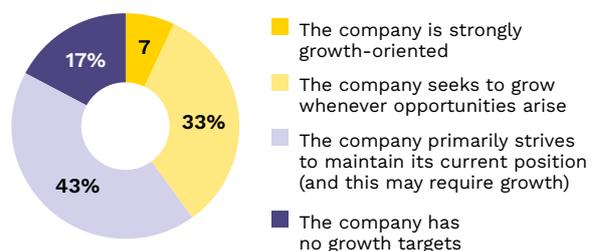
One-third of the entrepreneurs who responded to the survey reported that their workforce has grown over the past three years.

- 17% Growth more than 20%
- 14% Growth at most 20%
- 45% No change
- 24% Decreased workforce
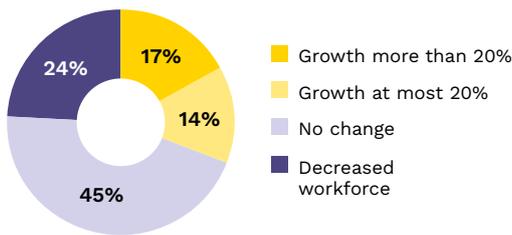
Most entrepreneurs trusted their ability to identify new areas for growth. The results showed that majority of respondents (69%) also had confidence in their ability to secure resources for implementing new ideas. One-fifth took a neutral stance, while one in ten viewed the situation critically.

The small business owners who responded to the survey expressed confidence in their ability to identify new areas for growth.

I trust my ability to acquire the necessary resources to implement new ideas in my work

8	21%	41%	28%

I trust my ability to identify new potential growth areas for my company
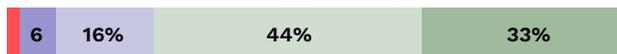
8	21%	46%	23%

- ■ Completely disagree
- ■ Somewhat disagree
- ■ I don't agree or disagree
- ■ Somewhat agree
- ■ Completely agree

Most respondents agreed or strongly agreed that their work has become more demanding in recent years. Nevertheless, over 80% of respondents expressed confidence in their ability to solve problems and achieve their goals despite these increased demands.

The small business owners who responded to the survey expressed confidence in their ability to achieve goals and solve problems in their work.

I believe that I can achieve my goals despite obstacles

6	16%	44%	33%

I trust my ability to solve problems that arise in my work

		45%	46%

My work has become more demanding in recent years

5	15%	30%	49%

- ■ Completely disagree
- ■ Somewhat disagree
- ■ I don't agree or disagree
- ■ Somewhat agree
- ■ Completely agree

Entrepreneurs' experiences of community and networks

The respondents felt that their own company fosters trust and a sense of appreciation. More than 80% also rated the company's team spirit as strong. Nearly 70% of respondents indicated that the company actively collaborates to develop new ideas and promote their implementation. This reflects an open innovation culture and a willingness to grow. About one quarter of respondents were neutral on this matter, which may suggest that internal responsibility sharing and employee involvement in business development vary from one company to another.

A strong sense of community within one's own company supports small business owners. One quarter of survey respondents gave a neutral assessment regarding collaboration on developing new ideas.

The company collaborates to develop and implement new ideas

	25%	40%	28%

My company has a strong team spirit

10%	44%	43%

We value and trust one another

10%	38%	51%

- ■ Completely disagree
- ■ Somewhat disagree
- ■ I don't agree or disagree
- ■ Somewhat agree
- ■ Completely agree

Majority of small business owners (64%) trusted their ability to strengthen external networks. However, one quarter (25%) expressed a neutral stance regarding their own networking skills, while one in ten respondents viewed their ability to network critically. Similarly, more than half (61%) felt they already had sufficiently strong networks outside their company. One third assessed the situation neutrally, and about 10% regarded it critically.

Majority of survey respondents among small business owners trusted their ability to network.

I trust my ability to strengthen my networks outside my company

10%	25%	41%	23%

I feel that I have sufficiently strong networks outside my organization

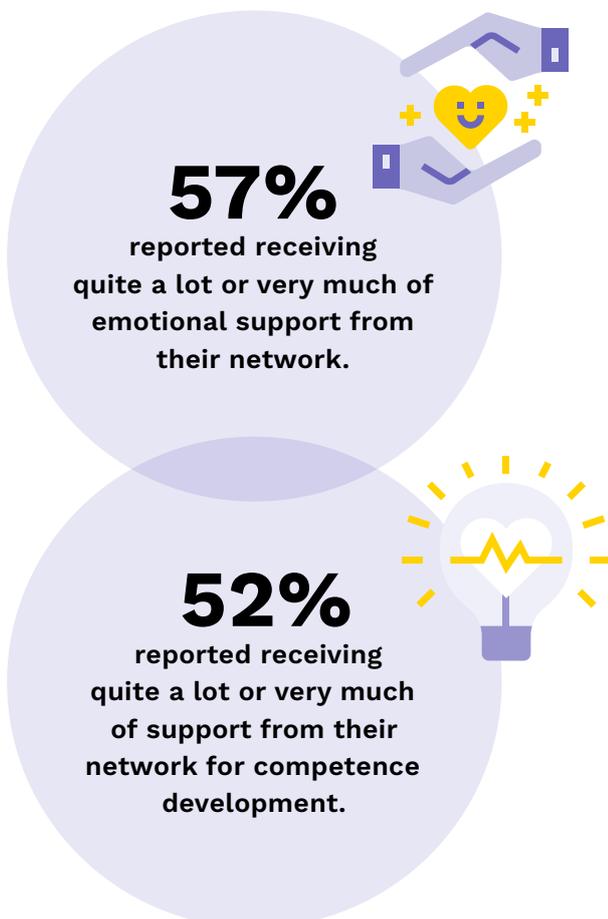| 11%	28%	40%	21%

- ■ Completely disagree
- ■ Somewhat disagree
- ■ I don't agree or disagree
- ■ Somewhat agree
- ■ Completely agree

Networks provide support particularly for competence development and monitoring the operating environment

Small business owners were asked what kind of support or benefits they feel their current network offers them. The support provided by the network was explored with the question: "*People often discuss work-related matters with others. In this survey, a network refers to those individuals with whom you interact. These individuals may include colleagues, customers, partners, or other contacts with whom you share information, ideas, or support. What kind of support or benefits do you feel your current network offers you? Please assess the amount of benefits and support based on your experiences.*"
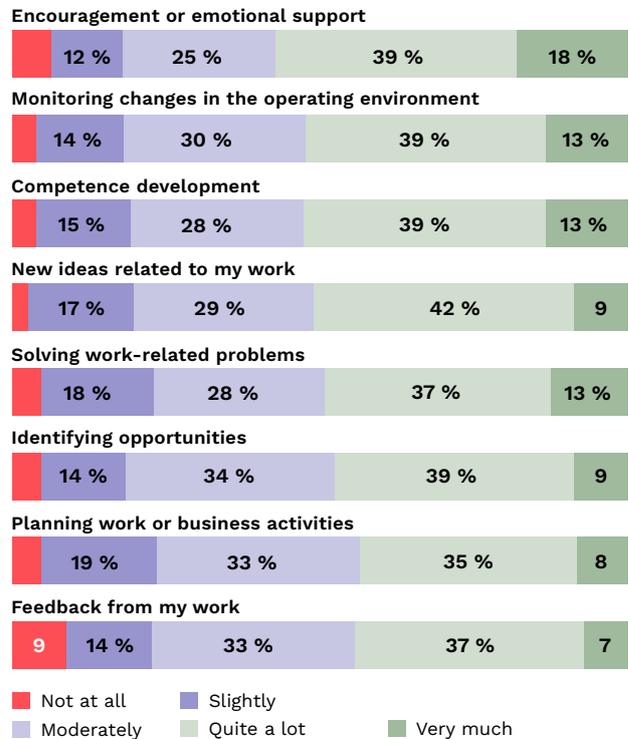
Respondents were asked to evaluate the support offered by their network from eight different perspectives. Networks primarily provide small business owners with encouragement, support for competence development, and assistance in monitoring the operating environment. However, the level of support offered by networks varied among respondents.

More than half of the small business owners who responded to the survey felt they received substantial emotional support and assistance in developing competence from their network.

57%
reported receiving quite a lot or very much of emotional support from their network.

52%
reported receiving quite a lot or very much of support from their network for competence development.

There was variation in the amount of support entrepreneurs received from their networks: half of the entrepreneurs reported receiving substantial support, while the other half reported receiving at most moderate support.

What kind of support or benefits do you feel your current network offers you?

Encouragement or emotional support

| | 12 % | 25 % | 39 % | 18 % |

Monitoring changes in the operating environment

| | 14 % | 30 % | 39 % | 13 % |

Competence development

| | 15 % | 28 % | 39 % | 13 % |

New ideas related to my work

| | 17 % | 29 % | 42 % | 9 |

Solving work-related problems

| | 18 % | 28 % | 37 % | 13 % |

Identifying opportunities

| | 14 % | 34 % | 39 % | 9 |

Planning work or business activities

| | 19 % | 33 % | 35 % | 8 |

Feedback from my work

| 9 | 14 % | 33 % | 37 % | 7 |

■ Not at all   ■ Slightly
■ Moderately   ■ Quite a lot   ■ Very much

How networks relate to entrepreneurs' work ability and work engagement?

The study examined which forms of support provided by networks were most strongly associated with work ability and work engagement.

The analysis was conducted using logistic regression. For the analysis, the work ability scale (0–10) was categorized into two classes (0 = weakened work ability and 1 = good work ability), with good work ability defined as scores of 8–10 and moderate or lower work ability as scores of 0–7.
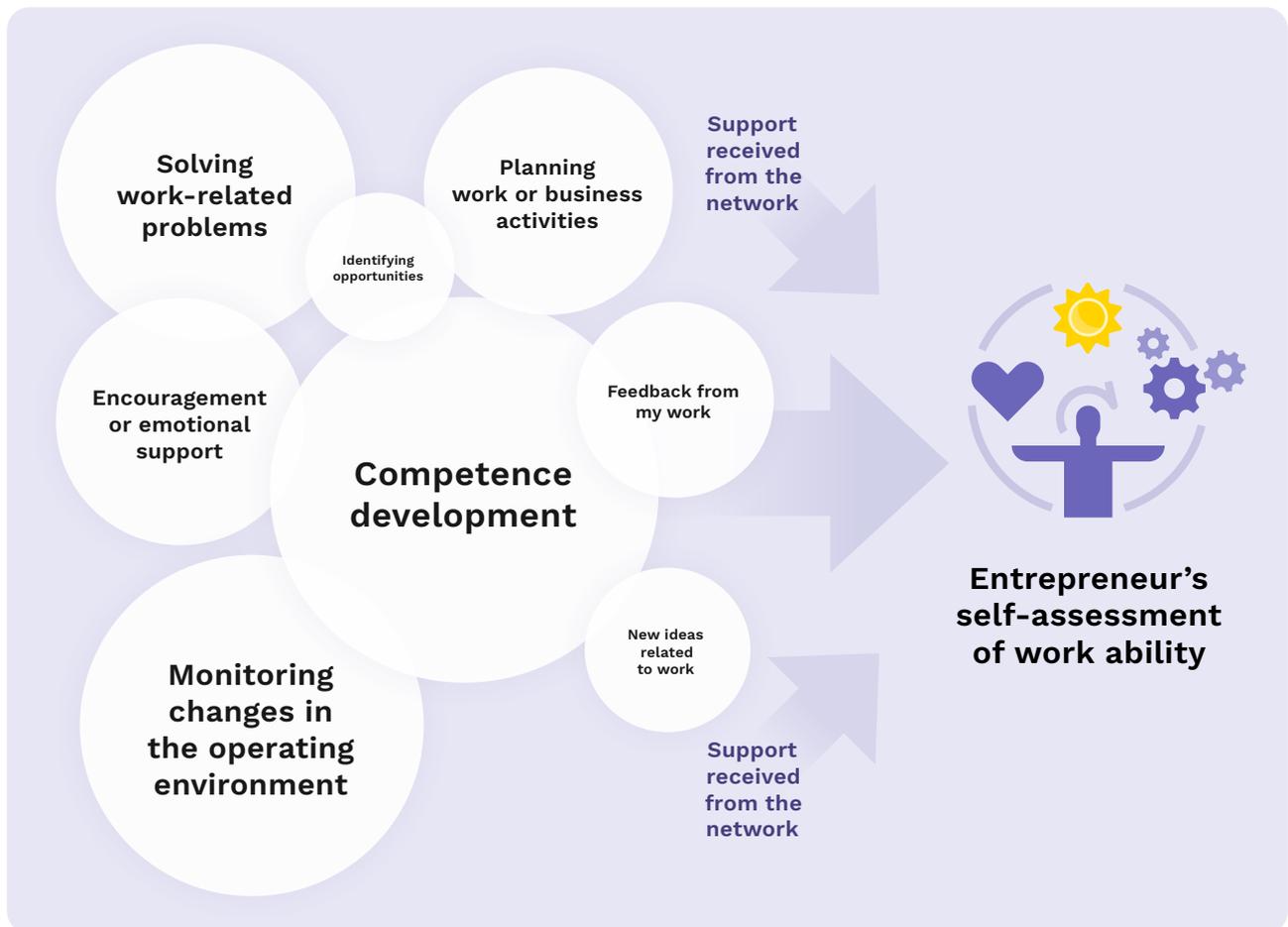
Since there is no validated cut-off for the short work engagement scale, the data was divided into two groups based on the median: lower than average (≤4.3 points) and higher than average work engagement (≥4.3 points). The relationship between network support and work engagement was also examined using correlation analysis without categorizing the variable.

Network support is associated with stronger work ability

All forms of support provided by networks measured in the survey were statistically significantly associated with work ability. The more support a small business owner felt they received, the more likely they were to rate their work ability as good. In particular, support from network for competence development (OR 1.58; 95% confidence interval 1.22–2.10) and for monitoring changes in the operating environment (OR 1.51; 95% confidence interval 1.16–1.99) were linked to perceived work ability.

The size of the figures illustrates the strength of the association between different forms of support and the entrepreneur's self-assessed work ability. Network support for competence development showed the strongest connection to good work ability.

Solving work-related problems

Planning work or business activities

Identifying opportunities

Support received from the network

Encouragement or emotional support

Feedback from my work

Competence development

Monitoring changes in the operating environment

New ideas related to work

Support received from the network

Entrepreneur's self-assessment of work ability

Network support for competence development was particularly associated with good work ability. Small business owners who perceive their work ability as good report receiving more support for competence development from their network.

Weak or moderate work ability (n=100)

| 62% | 38% |

Good or excellent work ability (n=139)

| 37% | 63% |

Network support for competence development
- Not at all – Moderately
- Quite a lot – Very much

The results illustrate the importance of networks in supporting small business owners' work ability. In a changing work environment, networks are a key resource as they provide support, information, and opportunities for competence development, helping entrepreneurs meet new job demands.

It is important to note that this was a one-time survey, so the findings cannot be used to draw strong conclusions about causality. However, previous research supports the observation that support for competence development is linked to better work ability and coping at work. Work strain can increase when job demands exceed current skills. Support from networks for competence development and monitoring changes in the operating environment

helps entrepreneurs respond to evolving competence requirements and makes everyday work smoother.

Support received from networks is reflected as stronger work engagement
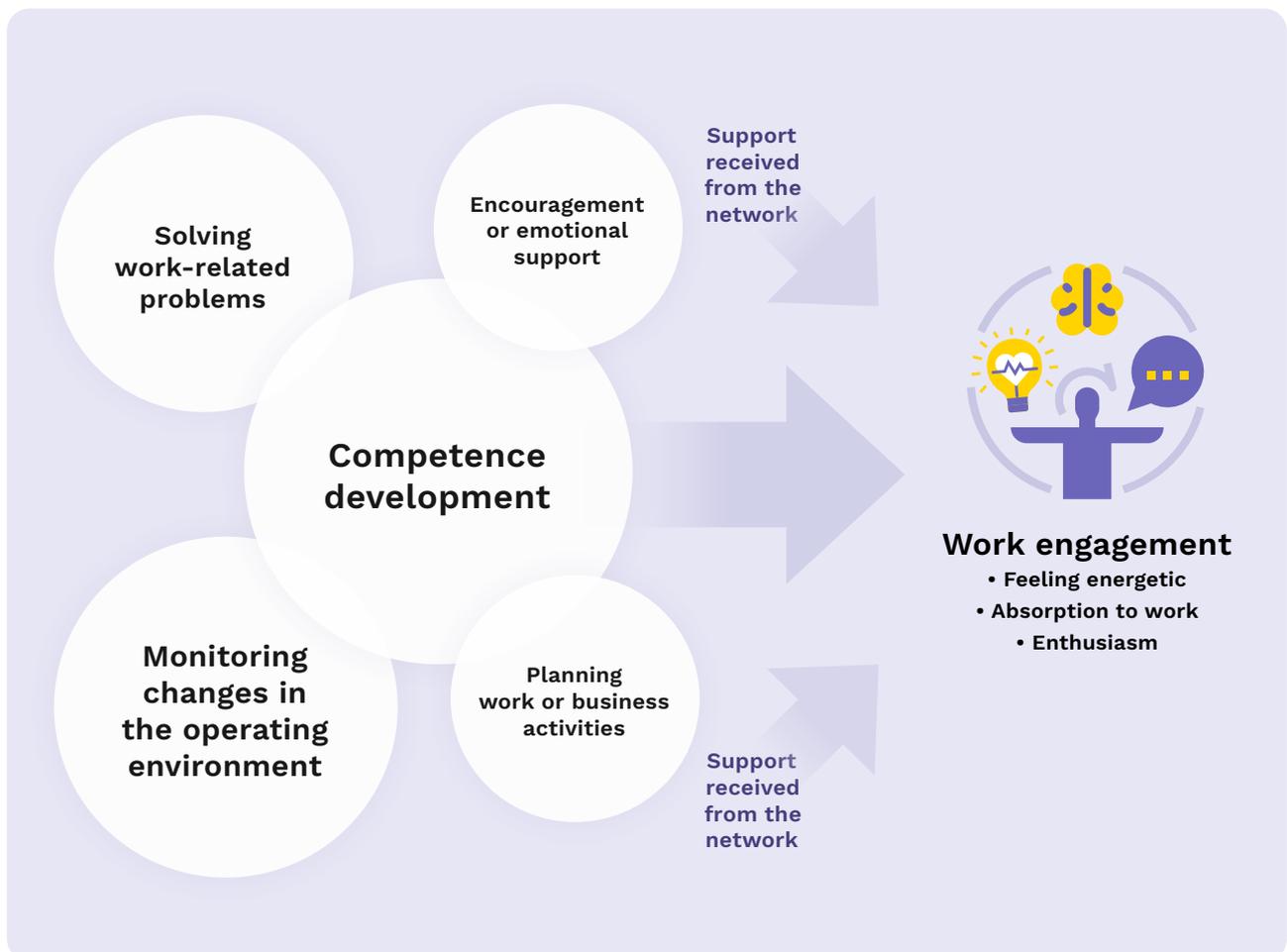
The forms of support received from a small business owners network were statistically significantly associated with higher work engagement. The strongest associations were observed in support provided by the network for competence development (OR 1.64; 95% confidence interval 1.26–2.16), monitoring changes in the operating environment (OR 1.49; 95% confidence interval 1.14–1.95), and solving work-related problems (OR 1.46; 95% confidence interval 1.13–1.88). Correlation analyses were consistent with the results of the logistic regression analysis. Detailed results are presented in the appendices of the report.

The more the small business owners felt they received these forms of support from their network,
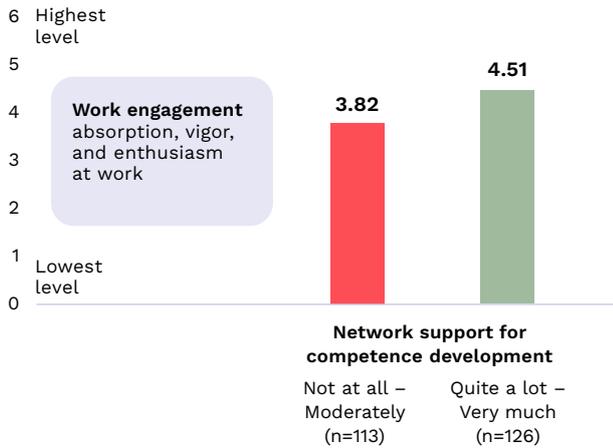
the more likely they were to experience stronger work engagement. Support offered by networks for monitoring changes in the operating environment helps entrepreneurs stay up to date with developments in working life, discover new perspectives for business operations, and develop innovative solutions for everyday business challenges.

Collaboration and knowledge sharing within networks also help entrepreneurs follow trends in working life and develop themselves. Previous studies have emphasized that support for skills development is a key factor for work engagement. The analysis illustrates that entrepreneurs' networks are an essential resource that channels work engagement.

The size of the circles illustrates the strength of the association between different forms of support and the entrepreneur's work engagement. Network support for competence development shows the strongest link to work engagement among small business owners.

Solving work-related problems

Encouragement or emotional support

Support received from the network

Competence development

Monitoring changes in the operating environment

Planning work or business activities

Support received from the network

Work engagement
• Feeling energetic
• Absorption to work
• Enthusiasm

Work engagement is, on average, higher particularly when the entrepreneur's network supports competence development.

Work engagement absorption, vigor, and enthusiasm at work

3.82
4.51

Network support for competence development

Not at all – Moderately (n=113)

Quite a lot – Very much (n=126)

Company's internal social capital and external networks are reflected in entrepreneurs' perceptions of growth.

3.6 **3.6** **3.8** **4.0** **4.1** **4.2**

Network support for competence development

Not at all – Moderately (n=113)

Quite a lot – Very much (n=126)

■ Confidence in the ability to identify new potential growth areas for the company
■ Confidence in the ability to acquire the necessary resources to implement new ideas at work
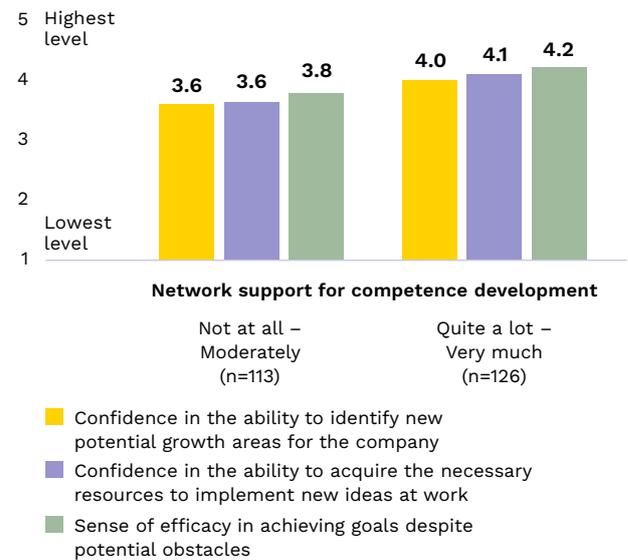■ Sense of efficacy in achieving goals despite potential obstacles

Associations between social capital, growth-related ideas, and sense of self-efficacy

The results illustrate that networks are linked to business growth and development. Entrepreneurs who perceive strong support from their networks for developing their competencies assess their ability to identify new growth opportunities and acquire the necessary resources for implementing new ideas more positively. Support provided by networks is also reflected in stronger confidence in achieving goals.

In addition, internal collaboration within the company in developing and implementing new ideas is associated with entrepreneurs' stronger belief in their own ability to identify growth areas and achieve objectives. Thus, networks do not merely offer encouragement and support for competence development; they act as a concrete enabler of growth by helping entrepreneurs recognize new opportunities and leverage resources for implementing new ideas.

3.4 **3.5** **3.6** **4.0** **4.1** **4.2**

The company collaborates to develop and implement new ideas

Critical or neutral assessment (n=77)

Positive assessment (n=162)

■ Confidence in the ability to identify new potential growth areas for the company
■ Confidence in the ability to acquire the necessary resources to implement new ideas at work
■ Self-efficacy in achieving goals despite potential obstacles

Social capital as a resource for personnel

Elo's Work community survey is a personnel questionnaire that provides a comprehensive view of employee experience, job satisfaction, work ability, and the resources that support work ability. The tool, available to Elo's customer companies, also includes sections measuring social capital, three of which formed the social capital scale used in the study.

Measuring employee experience

The study utilized a 2025 sample from Elo's Work community survey data and SMEs (fewer than 250 employees). Social capital was measured through employees' perceptions of appreciative interaction within the work community, shared responsibility, and the collective will to achieve results. The social capital scale used in the study is similar to those used in earlier studies related to social capital (Kouvonen et al., 2006; Tsounis et al., 2023).

Social capital scale used in the study

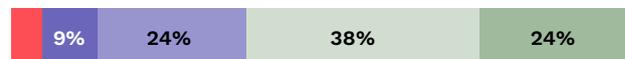| Appreciative interaction in the work community | Shared responsibility | Willingness to achieve together |

There is high level social capital in Finnish SMEs

The latest Elo's data from 2025 (over 18,000 responses) illustrates that Finnish SMEs have social capital to support well-being and growth.

More than half of employees in Finnish SMEs feel that their work community demonstrates shared responsibility, a collective will to achieve results, and appreciative interaction. Variation in employee experience was also observed. For example, 62% assessed shared responsibility positively, while more than two-thirds evaluated appreciative interaction positively. Differences between workplaces were evident in experiences of social capital.

SMEs report high levels of shared responsibility, smooth collaboration, and appreciative interaction interaction. Some variation in social capital experience was observed between companies.

Employee experience of social capital in SMEs

Shared responsibility

| 9% | 24% | 38% | 24% |

Appreciative interaction

| 6 | 17% | 39% | 35% |

Willingness to achieve together

| 8 | 19% | 38% | 30% |

< Most critical assessment | Neutral assesment | Most positive assessment >

Utilizing machine learning in studying social capital in companies

The study examined the associations between social capital in Finnish SMEs and employees' work ability, workflow, and willingness to recommend the workplace.

Employee experience of social capital was analyzed at the work community level, using the average of responses. This approach avoids situations where individual response styles disproportionately influence results. Measuring social capital at the community level allows for a more reliable assessment of its relationship to employee well-being.

The analysis employed a machine learning-based cluster analysis*. Cluster analysis is a statistical technique that groups workplaces so that those within the same cluster are as similar as possible in terms of the examined indicators, while those in different clusters are as distinct as possible. The algorithm identifies natural structures in the data. In this study, workplaces were grouped based on employees' perceptions of their social capital.

A three-cluster solution proved most distinct: workplaces were categorized as having social capital levels above average, average, or below average. Differences between categories in the dimensions of social capital are presented in the appendices.

* K-means clustering was applied in the cluster analysis. The number of clusters was determined based on their separability and internal variance. This approach ensured a balance between cluster compactness and interpretability.

Workplaces with above average social capital included 4,101 employees, those at average level 10,304 employees, and those below average 3,932 employees. The study also assessed whether these categories differed by company size or survey response rate. The analysis showed no significant differences.

Average employee numbers varied slightly between categories (stronger social capital: 43 employees; average: 65; lower: 54), as did average response rates (80%, 76%, and 71%), but these differences were minor. Therefore, the examination of social capital's significance is not distorted by these background factors.

Social capital is associated with work ability, work functionality, and willingness to recommend the workplace

Next, the analysis examined whether employees' assessments of their own work ability, work functionality, and willingness to recommend the workplace differ depending on whether they work in communities with stronger or weaker social capital.
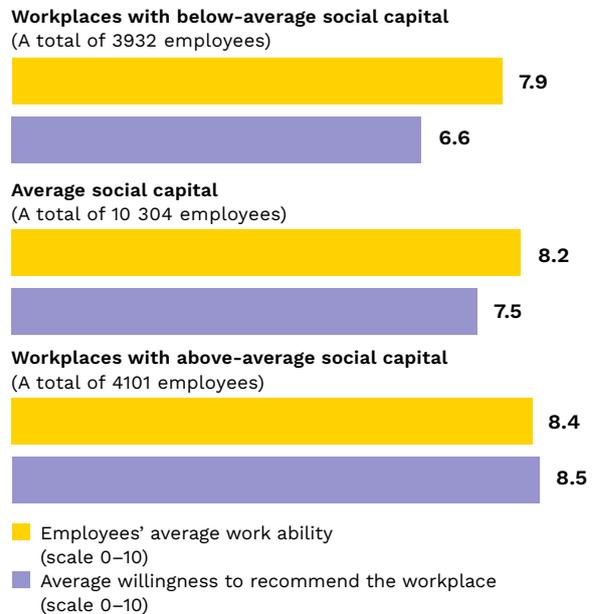
Work ability was assessed using a validated single-item measure: "*What score would you give your current work ability compared to your best possible?*" Respondents rated this on a scale from 0 to 10. In more detailed analyses, the proportion of those who rated their work ability as poor (0–5) was examined across different social capital categories. This approach was based on identifying the work ability risk group, as poor work ability has been shown to predict future sickness absences (Kinnunen & Nätti, 2018).

Work functionality was measured using an indicator included in Elo's Work community survey tool. This indicator reflects whether the respondent perceives clear development needs in work functionality or considers the situation sufficiently good.

Workplace recommendation willingness was measured using the eNPS metric. eNPS is based on the question: "*How likely are you to recommend your workplace?*" Respondents provide a score from 0 to 10, and those giving a score of 9–10 are classified as promoters.

The results indicated that the strength of social capital was associated with three key aspects of employee experience: work ability, work functionality, and willingness to recommend the workplace.
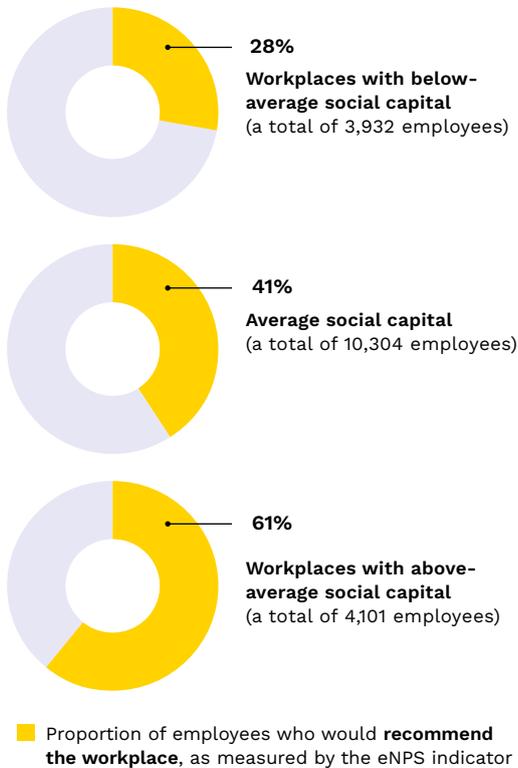
Employees' assessments of their own work ability and willingness to recommend their workplace are, on average, more positive in workplaces with above average social capital.
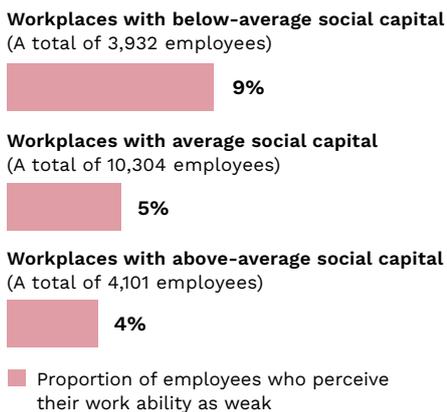
Workplaces with below-average social capital
(A total of 3932 employees)

7.9

6.6

Average social capital
(A total of 10 304 employees)

8.2

7.5

Workplaces with above-average social capital
(A total of 4101 employees)

8.4

8.5

■ Employees' average work ability
(scale 0–10)
■ Average willingness to recommend the workplace
(scale 0–10)

Detailed analyses revealed three key findings:

1. Needs for improving work functionality were reported less frequently in workplaces where employees experienced above average social capital.

2. In companies with above average social capital, 61% of employees rated their workplace's recommendability at 9 or 10 (on a 0–10 scale). When social capital was perceived as below average, the share of promoters dropped to less than one-third.

3. The proportion of employees who assessed their work ability as poor was more than twice as high in workplaces with below average social capital
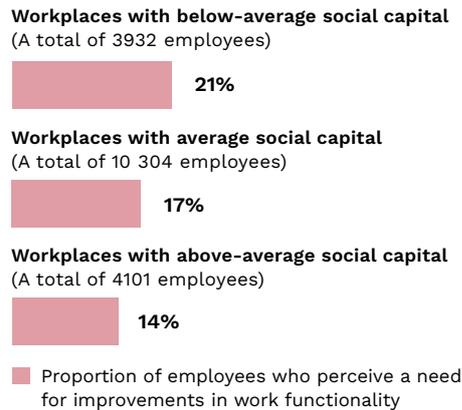
In companies where social capital is perceived as strong, 61% of employees rate the workplace's recommendability at 9 or 10 based on the eNPS question. When employees' experience of social capital is below average, the share of promoters drops to less than one-third.

28%
Workplaces with below-average social capital
(a total of 3,932 employees)

41%
Average social capital
(a total of 10,304 employees)

61%
Workplaces with above-average social capital
(a total of 4,101 employees)

■ Proportion of employees who would **recommend the workplace**, as measured by the eNPS indicator

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The proportion of employees who rated their work ability as weak is more than twice as high in workplaces where social capital is below average.

Workplaces with below-average social capital
(A total of 3,932 employees)

9%

Workplaces with average social capital
(A total of 10,304 employees)

5%

Workplaces with above-average social capital
(A total of 4,101 employees)

4%

■ Proportion of employees who perceive their work ability as weak

Needs for improving work functionality are reported less frequently when employees experience strong social capital.

Workplaces with below-average social capital
(A total of 3932 employees)

21%

Workplaces with average social capital
(A total of 10 304 employees)

17%

Workplaces with above-average social capital
(A total of 4101 employees)

14%

■ Proportion of employees who perceive a need for improvements in work functionality

The social capital metric used in the study was composed of three elements: shared responsibility, appreciative interaction, and a collective will to achieve results.

Shared responsibility creates conditions for an equitable distribution of workload and support in problem-solving, helping to reduce work-related strain. It also fosters the sharing of advice and information, which facilitates smoother workflows.

When a work community strives to achieve together, it builds the foundation for team empowerment and collective capability. At the same time, it strengthens the sense that work is meaningful and that joint contribution has impact.

Appreciative interaction, in turn, often brings mutual respect, care, and attention to well-being among members of the work community. This serves as a protective factor, especially when challenges to work ability arise.

Future research should examine causality between social capital, well-being at work, and work functionality using longitudinal data. However, previous research supports the findings of this study. A follow-up study of municipal sector employees (Oksanen 2009) showed that low social capital in a work community was associated with a higher likelihood of developing depression during a four-year follow-up. International studies have demonstrated that strengthening a company's social capital predicts better job performance and well-being in industrial workplaces (Clausen et al., 2019).

Summary of findings

Key findings of the study

1. **Work engagement and confidence in the future** are common among small business owners.

2. **Support provided by the network** for competence development is associated with small business owners' work ability, work engagement, and capabilities that support business growth.

3. In SMEs where **social capital is perceived as strong**, 61% of employees rate their workplace's recommendability at 9 or 10. When social capital is perceived as below average, the share of promoters drops to less than one-third.

4. The proportion of employees who **assess their work ability as poor** is more than twice as high in workplaces with below-average social capital.

5. **Work functionality** is rated better in companies where social capital is stronger than average.

Strengthening social capital is a way to promote employee work ability

The study illustrates that a company's social capital is reflected in employees' work ability and work functionality. The significance of this finding is reinforced by previous research showing that weak self-assessed work ability is associated with a threefold risk of sickness absence (Kinnunen & Nätti, 2018).

The study also demonstrated that social capital influences job satisfaction. Measured by the eNPS metric, the proportion of promoters was twice as high in organizations where social capital was perceived as strong. Thus, workplace social capital provides a foundation for job satisfaction. Previous studies have shown that low job satisfaction is a strong prediction of employees considering leaving or changing jobs (Talebi et al., 2025).

- **The key message of the study is that strengthening social capital should be elevated as a core objective in the development of Finnish companies and working life.** Social capital supports employee work ability and job satisfaction, helps reduce sickness absences, promotes productivity, and lowers staff turnover.

Entrepreneurs' networks create conditions for well-being and growth

The results show that support provided by networks is reflected in the well-being of small business owners. In particular, support for competence development was associated with better work ability and higher work engagement. A diverse network broadens an entrepreneur's knowledge base, perspectives, and experiences, supporting learning and the generation of new ideas. Networks are not merely encouragers but concrete enablers of growth: they help entrepreneurs stay up to date, identify new opportunities, acquire resources, and respond to changes. Furthermore, network support strengthens confidence in achieving personal goals even amid uncertainty.

Solutions for strength-ening social capital in on-site and hybrid work

For the competitiveness of Finnish working life and the work ability of employees, it is essential to adopt measures that strengthen social capital within work communities. The development perspectives presented in this report are designed to support the work of supervisors and HR professionals.

These solutions can be applied to both on-site and hybrid work. In remote work, the same methods that strengthen community spirit in on-site work generally promote well-being. However, in hybrid work, the importance of managing team spirit, information flow, and interaction becomes more pronounced. There is no single universal model for managing hybrid and remote work, but the solutions in this report can be adapted to the company's strategy, culture, and operating environment.

Shared situational overview of responsibilities

Shared understanding of work responsibilities and collaboration interfaces builds the foundation for social capital. It is important to create a clear overall picture of how different work roles are connected and to strengthen the division of work and collaboration interfaces between teams and units. The goal is to support work functionality, reduce misunderstandings, and build trust between teams.

How to do this in practice?
- **Document** responsibilities and job descriptions to support shared accountability. Make collaboration interfaces visible.
- **Review** roles and responsibilities with teams so everyone knows whom to contact for everyday work needs.
- **Engage** in dialogue within the work community about where responsibilities intersect and how collaboration between different areas can be improved.
- **Regularly review responsibilities** together and update them as needed.
- **Establish** forums for discussion, such as cross-representation in other teams' monthly meetings and a shared "collaboration" agenda item where development needs are raised early and solutions agreed upon.
- **Allocate time** to monitor the current state of collaboration.

Engaging the work community and sharing expertise

Engaging employees in developing work and sharing knowledge are ways to channel the social capital of the work community into a shared resource. Social capital grows when employees' tacit knowledge, skills, and everyday observations are made visible and shared for everyone's benefit.

How to do this in practice?

Create structures that support participation
- **Make participation part of everyday work:** Use daily work situations where employees can share observations, ideas, and development suggestions – for example, in team meetings, joint workshops, and informal discussions.
- **Recognize different ways of participating:** Provide opportunities both face-to-face and digitally, verbally and in writing. Use technology and surveys to ensure as many people as possible can join in.
- **Enable knowledge sharing:** Support mentoring by experienced employees and the transfer of expertise through collaborative work.
- **Identify and utilize tacit knowledge:** Encourage employees to share everyday observations and experiences that may not surface in formal discussions.
- **New and younger employees** often need in-person meetings, which help them connect with the community and gain tacit knowledge to make work smoother.

Provide opportunities and remove barriers to participation
- **Regularly review and improve practices:** Opportunities and needs for participation may change over time.
- **Identify obstacles and lower the threshold for participation:** Be aware of potential barriers (e.g., time pressure, uncertainty about how to contribute) and actively work to remove them so participation is possible.

Show the impact of participation
- **Make the effects of participation visible:** Show how the perspectives and development ideas of the work community have influenced planning and decision-making.
- **Highlight the importance of every role and contribution:** Give feedback on participation and make it clear how joint development moves the work community forward.

Strengthening team spirit

Team spirit is the driving force behind social capital. In leadership that strengthens team spirit, managers and employees work together to create a shared experience that the work community is united by common goals, values, and ways of working. The aim is for everyone to feel they belong to the same team.

In hybrid work, building team spirit requires special attention because face-to-face encounters are less frequent. This can, for example, raise the threshold for asking for support or advice. Strengthening the team spirit of the work community is not only the leader's task but a shared responsibility of the entire team. However, the leader acts as a guide and enabler.

According to a study by the Finnish Institute of Occupational Health (Kaltiainen, Suutela & Hakanen, 2024), leadership that reinforces a shared identity within the work community is linked to better cohesion and smoother team interaction.

How to do this in practice?

Influence the atmosphere

- **Clarify** shared values, practices, and goals that employees can identify with.
- **Guide** discussions toward what benefits the whole work community.
- **Build** a shared narrative about the goals the team members share and how everyone's contribution helps achieve them.
- **Allow** space for different backgrounds and perspectives but emphasize the common purpose.
- **Act** as an advocate for the team and resolve conflicts to achieve shared goals.
- **Lead** by example in living the company's values and practices.
- **Encourage** employees to stay connected, especially when working remotely, as remote work can make interaction harder.
- **Identify** together which tasks work best remotely (e.g., focused or routine work) and which require face-to-face collaboration (e.g., brainstorming).
- **Address issues** when needed and foster psychological safety.

Embed Community Building in Everyday Work

- **Create** structures, events, and practices that make shared values and goals visible and tangible.
- **Organize** activities that bring team members together.
- **Agree** within the team which tasks can be handled remotely and which require in-person meetings.
- **Arrange** regular team meetings, coffee breaks, team days, and informal gatherings (including virtual ones) to strengthen belonging.
- **Establish** shared traditions, such as celebrating team successes, weekly updates, or virtual coffee breaks.
- **Regularly assess** how well community spirit and collaboration work in on-site or hybrid settings and how they can be improved.

Utilizing social capital from networks

Social capital in networks should be included in decision-making and idea generation. A company's network consists of both strong and weak ties. Strong ties (such as close colleagues or long-term partners) are built on trust and often provide deep insights for business development. Weak ties include occasional customers, suppliers, and people met at events, or casual contacts on social media. These weak ties function as bridges to expand the network and open doors to new knowledge, ideas, and opportunities (Jokisaari, 2016). Leveraging networks is not just about finding resources but also about combining and applying them in new ways.

How to do this in practice?

Identify key partnerships

- **List** existing relationships that provide important information, resources, and support (e.g., close partnerships, customers, suppliers, mentors).
- **Invest in maintaining these relationships:** schedule meetings, exchange experiences, and offer advice and support in return.

Build new connections purposefully

- **Consider** what types of relationships complement your current network: do you need more expert knowledge, new market channels, or peer support from other entrepreneurs?

- **Use** existing contacts to expand your network. Often, new connections come through current ones.

- **Ask** for insights and share your own expertise in return.

- **Allocate time** for networking and relationship building.

Leverage weak ties for knowledge and opportunities

- **Stay in touch** with more casual contacts through social media or shared events.

- **Ask** for advice or recommendations — a weak tie can open the door to a new market or valuable information.

- **Remember** that weak ties create bridges to a broader, more diverse network, often leading to fresh perspectives and ideas.

Engage key people in networking

- **Encourage** employees to network and share what they learn with the team.

- **Organize** internal sessions to exchange insights and experiences gained from outside.

- **Make** networking a shared responsibility across the organization.

Combine knowledge from different contacts

- **Identify** how to integrate information, feedback, or expertise from various contacts to develop new products, services, or solutions.

- **Explore new ways to use network connections:** a customer can become a development partner, and a supplier can help with marketing.

- **Experiment** with small-scale collaborations — these often lead to stronger networks.

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Attachments

A.
Employee experience of social capital – comparison by category

1 = lowest level 5 = highest level	Shared responsibility (median of employee experience)	Appreciative interaction (median of employee experience)	Willingness to achieve together ((median of employee experience)
Companies with above average social capital	4.09	4.40	4.27
Moderate level of social capital	3.66	3.94	3.82
Companies with below average social capital	3.22	3.47	3.31

B.
Results of logistic regression analysis: The relationship between support received from the small business owners' network and good work ability
(good work ability = work ability score 8–10; reference category: weakened work ability = score 0–7)

Support received from the network	B	OR	95% CI	p -value
Competence development	0.46	1.58	1.22–2.07	p < .01
Monitoring changes in the operating environment	0.41	1.51	1.16–1.98	p < .01
Solving work-related problems	0.38	1.46	1.14–1.89	p < .01
Planning work or business activities	0.36	1.44	1.11–1.89	p < .01
Feedback from my work	0.35	1.42	1.11–1.83	p < .01
Encouragement or emotional support	0.34	1.41	1.11–1.8	p < .01
New ideas related to work	0.30	1.35	1.03–1.79	p < .05
Identifying business opportunities	0.28	1.33	1.02–1.74	p < .05

C.

Results of the logistic regression analysis: The association between support received from the small business owners' network and work engagement. Work engagement is categorized as low or high based on the median value (4.3)

Support received from the network	B	OR	95% CI	p -value
Competence development	0.5	1.64	1.26–2.17	p < .01
Monitoring changes in the operating environment	0.4	1.49	1.15–1.95	p < .01
Solving work-related problems	0.38	1.46	1.14–1.88	p < .01
Planning work or business activities	0.33	1.39	1.07–1.81	p < .05
Encouragement or emotional support	0.30	1.35	1.07–1.73	p < .05
Identifying business opportunities	0.24	1.27	0.97–1.66	0.08
Feedback from my work	0.22	1.25	0.98–1.6	0.08
New ideas related to work	0.03	1.03	0.79–1.34	0.84

D.

Results of the Spearman correlation analysis:
The association between support received from the small business owners' network and work engagement.

Support received from the network	r	p -level
Competence development	0.30	p < .01
Monitoring changes in the operating environment	0.21	p < .01
Encouragement or emotional support	0.20	p < .01
Solving work-related problems	0.19	p < .01
Feedback from my work	0.17	p < .05
Planning work or business activities	0.15	p < .05
Identifying business opportunities	0.15	p < .05
New ideas related to work	0.04	0.50