

Nurturing Renewable Human Capital *in the* Nonprofit Workplace

by Ruth McCambridge

IF WE WERE TO THINK OF THE HUMAN CAPITAL IN AND around our organizations as explicitly including social, intellectual, and cultural capital, what changes might it engender in our nonprofits' human resource practices? Such a shift, one could argue, would fundamentally change the employment contract in order to allow both parties to benefit optimally from the relationship. Additionally, these kinds of capital are grown through access to decision-making tables, relationships, networks, and the opportunities staff are provided to take risks, work collaboratively, and be a responsible "face" of the organization. And unless the resulting currency is squandered—which it certainly can be—we would do well to think not of *expending* but, rather, *expanding* it.

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In 2016, the median tenure at a job in the United States was a little over four years. This means that progressing from one level to another in one's career may just as likely entail an external move as an internal one. The employee, then, is taking her human capital (which consists of knowledge bases, tested skills, discernment capabilities, leadership capabilities, and built networks) while leaving behind some of what she may have contributed over her tenure. Thus, both parties get sustainable benefit beyond the immediate exchange of pay for work. This, I would argue, is the new employment contract; it is a construct that responds to:

- the expectation that we are in an employment environment that requires employees to be constantly learning and retraining; and
- the reality that nonprofits are as strong as their networks and deployed collective intelligence, and these can be far larger than a cash budget would indicate.

Social Capital, Cultural Capital, and Intellectual Capital

To shift to this framework, one would have to assume that each hire brings with it *social* (and *reputational*) *capital*; *cultural capital*; and *intellectual capital*.

Social capital is a set of resources rooted in relationships; as Janine Nahapiet and Sumantra Ghoshal describe it, "The central proposition of social capital theory is that networks constitute a valuable resource for the conduct of social affairs, providing their members with 'the collectivity-owned capital,'"¹ which both parties keep in whole even as they give it away and gain additional amounts. *Reputational capital*, as a subset of social capital, similarly flows both from the organization to the individual and from the individual to the organization. Both parties are enriched through the other's relationship resources, and, in all likelihood, the working networks of both are enlarged. Further, these networks, perhaps built for one purpose, can be used for other purposes over time, and no one has exclusive rights over them. In other words, the organization's assets are mixed with the individual's assets for a time, building the

asset bases of both. Given that the likelihood of a long-term contract is low, the individual with these assets wants to invest them in ways that not only advance the work of the organization but also advance the course of the individual's life's work. Alignment between the two entities, then, becomes critical.

Cultural capital is a term that needs a good refresh. It is generally understood to mean characteristics displayed that provide entrée into and credibility with "elite" circles, but if we were to broaden that definition to mean characteristics that provide entrée and credibility in cultural communities in which we do not currently have currency, the term begins to mean something different and to require something different from us. This is, of course, important in terms of nonprofits' ability to represent and serve, and be inclusive of non-dominant cultures. For social theorist Pierre Bourdieu, cultural capital describes such elements as dress, "tastes," mannerisms, education, activities, etc., that accord with those of others in one's social class. Such elements create a sense of collective identity, but they also contribute to social inequality:

Certain forms of cultural capital are valued over others, and can help or hinder one's social mobility just as much as income or wealth. . . . According to Bourdieu, cultural capital comes in three forms—embodied, objectified, and institutionalized. One's accent or dialect is an example of embodied cultural capital, while a luxury car or record collection are examples of cultural capital in its objectified state. In its institutionalized form, cultural capital refers to credentials and qualifications such as degrees or titles that symbolize cultural competence and authority.²

This ability of nonprofits to legitimate other than elite currencies of embodied knowledge and culture, then, is still an elected value (which is itself a threshold infused with privilege), but electing to be inclusive provides a nonprofit not only with a deeper knowledge base and analytical capacity but also, potentially, with access to

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support and advocacy networks. But inclusion with equity is an asset that must emerge from a core value in order to leave additional capital with both the organization and the individual.

Intellectual capital in this usage refers both to the knowledge and learning capacity, and it acts in much the same way that human capital does, in that both the employer and the employee bring something to the relationship that is built upon in combination, and both keep what they initially bring to the table as well as whatever is built in the relationship with the other. Additionally, whatever either party has learned readies them or creates what is called “absorptive capacity” for another level of knowledge development. For the organization, write Nahapiet and Ghoshal, this “absorptive capacity does not reside in any single individual but depends, crucially, on the links across a mosaic of individual capabilities.”³ Two conditions must be met to build intellectual capital:

- The opportunity must exist for people with different knowledge bases to exchange and build knowledge together.
- The parties expect that they will get value from the exchange even if they cannot predict a particular outcome.

A development process that tracks the employee’s progress toward his or her own goals in terms of mastery is helpful in building both types of capital. Psychologist K. Anders Ericsson generally refers to the process for this as “deliberate practice”⁴—a practice whereby the practitioner is continuously kept between the zone of bored (because the material being worked on is fully known) and the zone of being completely in over one’s head. The trick to mastery is to stay in the realm where one is challenged by what is not yet known but has enough basic knowledge to work further into that unknown space through coaching and study and informed experimental practice.

If an employer expects too little development, the employee may be less engaged (if looking at advancing his or her own future). If the employer pays no attention to the development needs of the employee (and the program on which he or she is working), the employee may become frustrated

and discouraged with his or her own lack of efficacy. It is the organization’s job (through coaching, training and encouragement of risk taking) to help employees accurately judge what they and the organization need, and the next frontiers for mastery.

The job, then, is to keep employees in the middle zone, always heading for the goal of increasing what has already been mastered, and always identifying and touching that which is mostly foreign to them.

This requires an investment in the development of the individual, which requires tailored attention that responds directly to the individual’s development arc. Thus, the track record built at the organization accrues to the individual as well as the organization.

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Hiring, Engaging, and Managing on the Trajectory

In “Intellectual Capital, Accountability and Sustainability in Non-profit Organizations,” Roshayani Arshad et al. describe one of the barriers that nonprofits may face in building these ideas into hiring and engagement practices as difficulty in determining which capital is relevant to the organization.⁵ Hiring and managing in this way requires that leaders are constantly scanning the landscape and horizon to determine what questions the organization must answer within the next few years and with what kinds of human resources (coming, as they do, with embodied intellectual, social, and cultural capital).

But the structural practices embedded within the enterprise—the organizational routines, procedures, culture, and databases—are another barrier or facilitator to making this kind of orientation work. These can support, extend, and sustain—or squander—the human capital brought into the organization over time. For more on this, turn to Jeanne Bell’s in-depth look at how to develop human capital in an inclusive and regenerative way.

The Role of Vision and the Primacy of Purpose

In “Metanoic organizations in the transition to a sustainable society,” Charles Kiefer and Peter Senge discuss what makes an organization with actively deployed intelligence at every level excel rather than collapse from its own chaos—and the glue is a relatively simple one: the organization must be intensely focused on its purpose or vision.⁶ But that vision cannot be a fixed point that becomes stale over time; instead, it is itself developmental, in that the change process of a thing alters our understanding of what we hope the outcome will be. So, it is not just the vision that must be maintained as an aspirational point toward which we strive as an organization—it is also the learning we acquire in doing the work that informs how the vision we originally created may fall short of the possibilities, and even of what is just. Since that learning should be occurring continuously if all staff see themselves as active agents of the vision, cross-pollinating within the organization is also essential.

The fixation on the vision, by the way, is a tension held inside of the organization that keeps questioning alive among engaged stakeholders of all kinds. It must be present to create a system of this sort.

The Spoiler of Race and Class

Finally and crucially, nothing can make all of this new, reciprocal way of working with human capital more nonsensical and unworkable than unacknowledged dynamics set up by a tradition of race- or class-based exclusion from power in an organization. This often sits heavily as an undiscussable barrier in organizations that badly need all of the capital they have on hand—including the generative innovation that comes from true inclusion. For more on this topic, readers might turn to Cyndi Suarez’s excellent profile of an organization that wrestled successfully with its own lack of inclusion to transformative effect.

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Most of these ideas are not new; organizational specialists have for years been advancing an alternative management model that can act as a

good foundation for this kind of organizational approach to human capital. But it is almost as if we have been growing into what our operating environment requires while kicking and screaming to stay in a more hierarchical and “controllable” form. But this hierarchical form is not the future. Honoring our staff, volunteers, and board members means that we must invest more creatively in them, staying more involved in their development as it connects to that of our organizations, organized by a vision and values, and with a structure that emphasizes development, adaptability, and resilience all around.

NOTES

1. Janine Nahapiet and Sumantra Ghoshal, “Social Capital, Intellectual Capital, and the Organizational Advantage,” in *The Strategic Management of Intellectual Capital and Organizational Knowledge*, ed. Chun Wei Choo and Nick Bontis (New York: Oxford University Press, 2002), 674.
2. “Cultural Capital,” *Social Theory Re-Wired*, accessed August 21, 2018, routledgesoc.com/category/profile-tags/cultural-capital.
3. Nahapiet and Ghoshal, “Social Capital, Intellectual Capital, and the Organizational Advantage,” 680.
4. See, for example, K. Anders Ericsson and Robert Pool, *Peak: Secrets from the New Science of Expertise* (New York: Houghton Mifflin Harcourt, 2016).
5. Roshayani Arshad et al., “Intellectual Capital, Accountability and Sustainability in Non-profit Organizations,” *Asian Journal of Scientific Research* 9, no. 2 (March 2016): 62–70.
6. Charles F. Kiefer and Peter M. Senge, “Metanoic organizations in the transition to a sustainable society,” *Technological Forecasting and Social Change* 22, no. 2 (October 1982): 109–22.

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