

Giving and Taking in Networking

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ABSTRACT

Networks can bring many material and immaterial benefits that enterprising individuals can use to achieve their goals. This article provides guidelines for networking activities. It is organized around the theme of *giving* in order to convey the idea that a person must invest and contribute before the benefits of having a network can be reaped. This article discusses the importance of giving, what to give, whom to give to, how to make it possible for others to give, where to give, and continuous giving.

Keywords: Networking, gifts, favors, enterprising behavior

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INTRODUCTION

The crime in the present case is the gesture of social exchange – providing a favor to a contact in the absence of direct payment or direct orders – which is, so to speak, a crime against both homo economicus and homo hierarchicus.

Adler and Kwon (2002), p.24

The achievement of enterprising goals is often dependent on the networks that an enterprising person possesses (Stam and Elfring, 2008). It is not difficult to see why. The enterprising situation is defined by such features as uncertainty, complexity, and resource scarcity (Baron, 1998, 2008; Gibb, 1993). Enterprising individuals find or create opportunities (Berglund, 2007), and must convince customers, suppliers, employees, financiers, and other stakeholders in order to be successful. Networks are vital under these circumstances because they provide access to benefits such as resources, information, support, and legitimacy, which are not under the direct control of the entrepreneur (Adler and Kwon, 2002). They also help to leverage the resources that an enterprising individual already controls (Florin, Lubatkin and Schulze, 2003). People in the networks are sometimes stakeholders themselves, but more often networks help to contact and even to convince stakeholders.

Networks can be important in all phases of the enterprising process: recognizing an opportunity, gathering the resources, finding first customers, growing the venture, and exiting the venture. Enterprising people can call on their networks to help them achieve in each of these phases. The entrepreneurial networking literature shows that those people with access to network resources and support are better able to establish new firms (network founding hypothesis) and, subsequently, be more successful with their firms (network success hypothesis) (Bosma, van

Praag, Thurik and De Wit, 2004; Bruderl and Preissendorfer, 1998; Davidsson and Honig, 2000; Florin, Lubatkin and Schulze, 2003; Hoang and Antoncic, 2003; Jack, 2010; Martinez and Aldricht, 2011; Slotte-Kock and Coviello, 2010; Watson, 2007). However, there are also several moderators and contingencies involved, such as task characteristics, industry characteristics, market uncertainty, degree of innovation, and complementary resources and capabilities (Adler and Kwon, 2002; Elfring and Hulsink, 2003; Maurer and Elber, 2006).

Possessing a network is not important only in the context of starting new ventures. Few people now work for the same organization throughout their working life, with many people shifting between employment modes and industries (Arthur & Rousseau, 1996; DeFilippi and Arthur, 1994). Individual work preferences increasingly favor self-reliance and self-direction (Gibb, 2002; Hall, 2002). At the same time, changes in the political and socio-economic environment have resulted in fewer opportunities for continuous organizational employment. In this employment environment, it is crucial to be able to build networks (De Janasz and Forret, 2008). Jobs and assignments are found not so much through the submission of resumes, applying for job postings, or utilizing executive search firms, but through one's networks, especially through the people that one knows less well (Granovetter, 1973). In the absence of job security, networks of people take care of each other so that each enjoys personal and professional success and has job security, but not for any particular employer (Forret and Sullivan, 2002).

The present article lays out some principles of effective networking. The most important one is "If you want to go north, head south", which means that if you want to enjoy the benefits a network can bring, you must first give, invest, and contribute to it. In many cases there is no instantaneous payback to networking.

NETWORKING: A MATTER OF GIVING FIRST (AND TAKING LATER)

We can distinguish conceptually among three types of relations: (1) market relations, in which products and services are exchanged for money or bartered; (2) hierarchical relations, in which labor and obedience to authority is exchanged for material and psychological security; and (3) social relations, in which favors and gifts are exchanged (Adler and Kwon, 2002). It is this third type of relationship that is pursued in networking, although the ultimate goal of networking may be exchange or power. Approaching someone to sell something, or giving someone in your organization a work assignment are not examples of networking. The nature of the relationship among these three types of relations has been greatly debated (Adler and Kwon, 2002). Market and hierarchical relations give rise to social relations and thus contribute indirectly to the formation of social networks (Adler and Kwon, 2002). Conversely, networks may be pursued with market or hierarchy ends in mind. Moreover, when a person and/or his or her ventures become more powerful, transactions and authority start to become mixed with pure favors. Still, a relationship that is purely authority- or transaction-based can cease suddenly (when resigning or switching), whereas a network relationship will have a history of giving and taking favors.

With the exchange of gifts and favors taking central stage, the foremost principle of networking is that you must invest first without having any guarantee of return (Baker, 2000; Cope, 2003). Networks and networking are often thought of in terms of what a person stands to gain, such as material resources, legitimacy, reputation, information, and support. However, in order to have access to all these benefits it is imperative to give first. Asking for favors is not the best way to build relationships with people. It is often more effective to build up trust, appreciation, and credit first. This applies even, or perhaps especially, for someone who networks for “instrumental” reasons, having calculated self-interest in mind. Therefore, in most

cases, a network needs to be built long before it is called upon. Alternatively, if you need to solve a problem today, you are able to call on the networks that you have built up in the past.

Giving can mean many different things, including offering advice, information, or support. It can also be a smile, a positive attitude, small talk, or a good joke. It is often the provision of an opportunity to another person to participate, contribute, and experience, or even the opportunity to escape boredom and the routine. It can be your matchmaking ability if you are able to connect people. Whatever you offer, it is important to bring something to the table. People will want to network with you if they know you have something to put forward. On the other hand, it is important to maintain an abundance mentality as there is a lot that people can give even without having a lot of material or positional clout (Cope, 2003). For example, many people would like to be connected to a CEO or important government official, considering that this contact may be fruitful at a later stage. In these cases of networking upwards (networking with people more powerful, influential than yourself), you could easily believe that you have nothing to give that matches what you could potentially receive. However, the reality is that you can still give: you can be interested, friendly, have empathy, provide small talk or useful information, offer help on a mundane task, and so on. This will be appreciated by people further up the hierarchy as much as by peers. Conversely, if you currently hold a lot of resources and benefits, your gift – either willingly or not – involves an expectation of receiving at a later stage.

The main reason why giving is so important is that human societies are ruled by norms of reciprocity (Portes, 1998; Trivers, 1971). Unlike animals (with the exception of bats), humans can provide favors and gifts without actually losing them, as we can expect to be given in return. This also applies to generalized reciprocity norms in which people in a society help each other and expect to be helped in due course, but not necessarily by the same person. These norms are

deeply internalized, and engendered through socialization in childhood or through experience later in life (Adler and Kwon, 2002). If reciprocity norms are violated, this can generate both internal distress and external disapproval. For example, if you do not pay for a round of drinks at a bar, but everyone else in your group does, you will probably feel uncomfortable and the others may decide not to invite you again. The weight of obligation weighs heavily on people and if favors are reciprocated, trust is built. Alternatively, it is important not to be connected with negative people. If someone just takes and does not comply with reciprocity rules, it is often better to sever the relationship. Where this is not possible – with a family member, for example – then the challenge is to maintain the relationship with integrity (Cope, 2003).

WHAT IS RECEIVED (AND GIVEN): NETWORK BENEFITS

Networks are often referred to as social capital. Social capital is the asset that is contained in your network: the thoughts, feelings, and actions of other people that can be called upon to create value, their resources, information, contacts, and support (Cope, 2003). Adler and Kwon (2002) defined social capital as the goodwill that is engendered by the fabric of social relations and that can be mobilized to facilitate action. Just as someone can put their human capital (experience and education) or financial capital (money) to productive use, he or she can also exploit their social capital. However, networks cannot be equated to social capital. For example, if someone is widely known in her network for being selfish and damaging and for only taking without ever giving back, his or her social capital may be zero or even negative, in spite of having a network. Social capital is less about the people you know and more about the people who know you, and what you are known for.

Because of the social capital that networks represent, they can bring many benefits (Table 1). These can be material, such as when a network helps you to find financial capital, supplies, or a helping hand. Networks can provide leads and referrals, and in some cases even with orders and sales. Many network benefits are immaterial; a prime example is information and advice. Networks can help you to learn faster, when you are given access to the knowledge and experience of others and they can prevent you from making mistakes. Another immaterial benefit is reputation, when your network brings you reputational value or when networks spread positive messages about you. Thus, people in your network can provide low-cost access to new people and markets. Furthermore, networks can provide social or emotional support (Baker, 2000; Cope, 2004; Hoang and Antoncic, 2003).

Given the importance and the potential benefits of networks, it is imperative to understand the processes involved in actively building and maintaining networks. A prerequisite for this understanding is knowledge of the characteristics of a network. It is to this topic that we turn next.

Table 1 Networking benefits

(Access to) Material Benefits:	(Access to) Immaterial Benefits
Finance	Information
Raw Materials	Advice and guidance
Employees	Learning
Supplies	Reputation
Equipment	Coordination opportunities
(Office) space	Legitimacy
Leads, referrals	Emotional support
Orders, Sales	Influence

NETWORK CHARACTERISTICS

Networks can be measured and assessed in terms of size, structure, and composition (Baker, 2000). As we will see in the next section, the general advice is to strive for a balanced network as every characteristic has its benefits and liabilities (see Table 2) (Stam and Elfring, 2008; Uzzi, 1996; 1997). The first and obvious characteristic of a network is its *size*, simply refers to the number of people that a person knows. Generally, a large network may be better than a small one, but large networks also take more time, energy, and attention to maintain (Adler and Kwon, 2002), and are more likely to include people whose actions turn out to be harmful. If the ability to access resources through both direct and indirect links is included (that is, the ability of actors to “reach” other actors in their network through intermediaries), then we arrive at a measure of network *centrality*. Centrality is a measure of how quickly (that is, through how many links) someone is able to access others in the network.

Table 2 Network characteristics

Characteristic	Meaning	Advantage	Disadvantage
size (large/small)	number of contacts	more benefits	takes more time and energy to build up and maintain
centrality	first and second degree contacts	more benefits	takes more time and energy to build up and maintain
weak ties	acquaintances	new/other resources	less trust, less obliging
strong ties	best friends and family	unconditional	can be demanding
similarity	people like yourself	trust, familiar	benefits recirculate
diversity	people unlike yourself	new/other resources	misunderstandings, unfamiliar
density	connected network	trust, familiar	few bridging opportunities
structural holes	unconnected network	bridge/exploit holes	lack of synergy

powerful	many resources held	access to resources	may be difficult to balance
regular	few resources held	resource scarcity	easy to invest/return favors
extrinsic	instrumental purposes	access to resources	after move resources lost
intrinsic	interest in person	unconditional	may offer limited benefits
formal	organization manages	continuity, rules	must still invest in contacts
informal	informally managed	autonomy	contacts easily disbanded

A well-known network characteristic is the distinction between *weak* and *strong* ties. Strong ties are those people who can be called upon relatively unconditionally, such as family members and best friends. Weak ties are all people whom a person knows less well, which can include acquaintances, colleagues, or neighbors. Strong ties are important for the survival of new businesses, probably because these people can be turned to for help in times of duress (Bruderl and Preissendorfer, 1998). Strong ties are also useful in the very earliest stages of a venture as they provide an instant basis of trust and familiarity. The rule of ‘giving first’ may not apply to strong family ties: they may help you regardless. Weak ties, especially when they are diverse, have been shown to be able to come up with information that is new to you (Granovetter, 1973; 1985). Weak ties may also be able to provide complementary skills and knowledge. Strong ties such as family and best friends are often around and although a lot of information is shared, the information sources are also often shared. Another disadvantage of strong ties is that they sometimes bring high reciprocity commitments, requiring economic or emotional repayment (Martinez and Aldrich, 2011).

Thus, networks can be further classified as to their *diversity*. This concerns the variety of a network in terms of any conceivable characteristic, such as age, ethnicity, and socio-economic background. The diversity of a network can also be shown by analyzing whether networks span multiple domains: personal and professional, informal and formal, domestic and international, or

a single or multiple industries. For many people, the largest part of a network consists of people who are rather similar in one or more respects, thus demonstrating homogeneity. They may have a similar background, live in the same area, and work in the same industry. The obvious advantage of this is that there is immediate common ground and mutual understanding. However, having people in your network who are very different to you also brings many advantages, in the form of different, rather than similar, resources, information, and viewpoints. Diversity brings advantages at all stages of the venturing process, but particularly in the later ones, when expanding the venture, as there is a limit to how many strong ties can be maintained (Martinez and Aldrich, 2011). The similarity-versus-diversity debate also rages when it comes to enterprising teams (Van Gelderen, 2014f).

Density refers to the degree to which the people in a network know each other. If all people in your network know each other, the network is considered dense; if they do not, the network has what Burt calls ‘*structural holes*’ (Burt, 1992). Structural holes are important to entrepreneurship, particularly with regard to opportunity recognition and exploration, as these holes can sometimes be exploited (Burt, 2004; Hallen, 2008). Establishing exclusive relationships with exchange partners can help a business to create competitive advantage (Friar and Eddleston, 2007). For example, if an entrepreneur has separate networks in both the Netherlands and Columbia, the concept of structural holes demonstrates how the entrepreneur may create opportunities for an import/export or a consultancy business. Closing structural holes in a network also brings opportunities; for example, by bringing people together in the service of an entrepreneurial goal or venture. Networkers can link people with complementary needs and abilities and create work outcomes from these connections (Anand and Conger, 2006).

The value of density and structural holes often depends on the level of analysis: the collective or the individual. It is often beneficial for communities and organizations if their members know each other. A dense network structure ('bonding social capital') facilitates the emergence of effective norms and maintains the trustworthiness of others, thereby strengthening social capital (Coleman, 1988). However, high density – especially if accompanied by strong solidarity norms – may backfire if it reduces the flow of new ideas (Lazer and Friedman, 2007; Maurer and Elber, 2006) or if it dictates the sharing of resources to the point where enterprising initiatives become relief organizations (Uzzi, 1997).

From the individual perspective of enterprising action (which we have taken in this paper), structural holes (or 'bridging social capital') may be more beneficial (Adler and Kwon, 2002; Burt, 1992, Maurer and Elber, 2006), although – depending on the task and the goals involved – both density and holes can be effective for reaching enterprising goals (Burt, 2000; Cross and Cummings, 2004; Elfrink and Hulsink, 2003). People who have many structural holes in their networks are referred to as *bridges*, *linchpins*, *brokers*, *boundary spanners*, or *gatekeepers* (Adler and Kwon, 2002; Baker, 2000; Cross and Cummings, 2004; Cross and Thomas, 2008). Whereas most people tend to have networks that are relatively homogeneous – that is, they mostly spend time with people from similar backgrounds – these linchpins or bridges span different worlds. Thus, the bridges, linchpins, brokers, boundary-spanners, and gatekeepers do not have a single network, but many unconnected ones.

They are responsible for a phenomenon called the 'small world principle' (Six Degrees of Separation, 2009). According to this principle, every person in the world is separated from every other person by a maximum of six other people. To illustrate, taking two people, A and B, chosen randomly from the world population, Person A knows somebody, who knows somebody,

who knows somebody, etc. who knows Person B, and there will be no more than five people in between. That everybody is not connected by more than six degrees of separation is thanks to the linchpins or bridges. If there would be more linchpins, the degree of separation would likely be even smaller.

There are still more ways to characterize a network. One important distinction is the kind and quantity of *power* that people in your professional network hold. Having high-status contacts is often very important for enterprising initiatives in order to obtain legitimacy (Hallen, 2008, Zott and Huy, 2007). Whereas networking with important people carries obvious advantages, it may also be more difficult to bring such people into your network. Firstly, other people will also vie for their attention. Secondly, as we have already proposed, the underlying principle of networking is that you give to or invest in others first. People in positions of power, influence and authority not only have many people competing for their favors, they may also be wary of what you offer, as they suspect that you will be mostly pursuing your own self-interest. In some cases, however, you might serve their interests. In that sense, connections with people who do not hold a great deal of power and influence today, but may do so in the future, could have more promise. However, there is a risk that they will be less interested in you once they have attained their lofty position.

A related distinction is whether you maintain contacts with people for *intrinsic* or *extrinsic* reasons. For example, you have invested a lot of time and energy into becoming well connected with Harry, the CEO of your company. Harry decides to retire and Julia becomes his successor. If you were merely interested in networking with a particular position (the CEO), then you may completely shift your attention to Julia. If you have become interested in Harry for intrinsic reasons, regardless of the job that he holds, you will continue to devote energy to your

relationship with Harry. So, if you network for extrinsic reasons, it is because of the power, influence, position, or any other characteristic that the person possesses. Should that person lose their power, influence, or position, you would be interested in the next person taking over. Here you have positions in your network, rather than people. It is often very useful for enterprising individuals to have certain positions or knowledge bases (such as lawyers, accountants) in their network in order to complement their own abilities (Maurer and Elber, 2006; Stam and Elfring, 2008).

Yet another way to describe a network is by the degree of *formality*. Becoming a member of an organization or any other type of network connects you to these people (of the same church, sports club, company, trade association, etc.). You can build up your informal network by investing time and energy into a formal network. For example, volunteering to become the chairman of a trade association will help you to connect to various people, both within and outside of the association. Sometimes you can contact people simply by dint of being a member of the same organization. In some cases, this can be done even long after you have left the organization (for example, certain student associations, and Ivy League schools). Formal and informal networks differ in how they are governed. Formal networks will typically be supported by an organization and will have instituted certain rules and practices. Table 2 lists the network characteristics, their meaning, advantages, and disadvantages.

WHOM TO GIVE TO: NETWORK DEVELOPMENT

The network characteristics can be used as a basis for network development. Networking is costly: it requires investments of time, energy, attention, and other resources. Even within a budget of time and energy, a choice needs to be made regarding whom to network with. Cope

(2003) translated financial investment criteria into social capital investment criteria (Table 3). Although intended to provoke thinking, Cope makes the point that professional networking, unlike personal networking, is not just done for amusement and is not necessarily based on mutual liking. However, this does not take away from the fact that it is much easier to be connected to people you actually like and with whom you have fun.

Several issues need to be taken into account when deciding with whom to network. An obvious consideration is the nature of your goals and ambitions. What network benefits will help you to achieve your goals and which people would be able to provide those? One point of departure is to analyze your networks and to see where they are well developed and where they are lacking. Network characteristics are useful to analyze your own networks and see where they need to be strengthened. Every network characteristic has its advantages and disadvantages (Table 2). In order to have access to all the different benefits that a network can bring, it is optimal to have a variety of contacts (weak and strong ties, similar and different people, etc.).

Table 3 Financial capital and social capital investment criteria

To optimize financial return	To get the best out of the relationship
To reject investments to do not give a good return	Don't create connections with negative people
Identify investments that will take time to grow	Don't rush a relationship – give it time
Find opportunities and spot potential for synergies in the portfolio mix	Find opportunities and spot potential for synergies between different people and networks
Provide limited seed capital for startup investment as there may be large future returns	Spend a little time with people even IF you do not currently see a connection
Identify 'rising star' candidates in emerging markets	Link up with good people early in their careers

Look for companies that have entrepreneurial vision	Connect with people who know where they are going and who have a sense of purpose
Look for proven skills in functional areas and relevant market or industry experience	Connect with people who are skilled at what they do

Adapted from: Cope (2003)

One reason for having an unbalanced network is the preference for certain networking directions over others. For example, some people only network ‘down’, because it is more comfortable to be the one with the knowledge and information. Others always network ‘up’, looking at what power-holders can bring them. Still others network laterally, preferring to deal with peers, although peers may just be accommodating and not challenging their thinking. Another reason for network imbalance is that most people like to deal with people like themselves, resulting in a homogeneous network. If you network in a different direction, you may receive feedback that is quite different from your expectations. It requires effort to fight off insularity in a network (Cross and Thomas, 2008). This runs contrary to most work situations, as formal structure, incentive schemes, physical layout, cultural values, and other forces tend to encourage more insular networks. Rather than fall into a comfortable trap of connecting with people who are themselves heavily interconnected, you may attempt to forge ties across important subgroups.

The general advice is to aim for a balanced network (Stam and Elfring, 2008; Uzzi, 1996; 1997), but even this is not an end in itself and should not be taken to extremes. For example, although diversity is not an end in itself, it is good to aim to include people in your network who have complementary skills, abilities, and information flows. This often means seeking out people who are different from you. Networking with those who are different from us requires a high level of social skills. It involves stepping out of comfort zones and showing social astuteness in

our perceptions of others (perceiving others correctly and fairly). It requires being open-minded and non-judgmental. It also requires seeking the proximity of those who are different; for instance, by sitting at a dinner table with unknown people. It may mean going to a function or event in a totally different industry. These strategies will enable you to become a bridge or linchpin yourself, a position that can potentially offer many network benefits (Cross and Cummings, 2004).

An even quicker way to expand a network is to seek out the linchpins (Baker, 2000); because these people have bridging positions, you will be indirectly connected to those different worlds as well. It is important to be able to discern who is central in a network. The person who is best connected is not always the top figure in a hierarchy; it may be someone a few layers lower. Technology has facilitated the activity (and leveraging, Kaplan and Haenlein 2011) of networking thanks to websites such as LinkedIn and Facebook. People you know in real life can now be connected online, which also means that you will keep in touch. Conversely, LinkedIn and Facebook make it possible for you to study and connect to your network's networks. Those people you have first contacted online may now be met in person.

Some goals need to be achieved immediately, and there is no time to build a network first. Alternatively, the current network may be inadequate to achieve the goal, even if the help of linchpins and the second-order network is enlisted. In those cases, boldness may help, such as simply approaching strangers with a request (van Gelderen, 2014c). Even in those cases, gifts can be given, such as a smile, and trust and liking can be built in the process of convincing the other to comply (Van Gelderen, 2014g).

Once you start working on your enterprising goals and decide that you are going to involve others, you will find that your network will change. Venture experience brings with it

many new connections (Greve and Salaff, 2003; Hallen, 2008). Your network will become more multiplex (Hoang and Antoncic, 2008), meaning that the lines between the personal and professional networks will blur. Business contacts may become friends and friends may become involved in business activities. Depending on the needs of your venture, it may be beneficial to add several people to your network in order to have access to their information, expertise, and resources (Elfring and Hulsink, 2007, Maurer and Elber, 2006).

It may seem naïve to give without being certain of a return. When deciding which people to invest in, it is very important to be wary of those who do not give back. Networking only works if mutual interests are furthered and if there is a flow of benefits in both directions. It is also important to aim for quality relationships. Simply adding to your growing collections of business cards will not get you far if the people in your network do not feel they have a relationship with you. To that end, it is important to contribute to the relationship, whether in terms of information, contacts, or any other type of resource. Conversely, it may seem manipulative or calculating to look at other people as investment objects. However, relationships can only thrive when there is a sincere mutual interest, and when both parties help each other in furthering their goals. In order to build these relationships, you need to be able to provide the other person with something that person needs, and you usually need to give or invest before you can ask for returns.

WHAT TO GIVE: FINDING OUT WHAT OTHER PEOPLE NEED

In order to be able to give, it is essential to find out what other people need. Just assuming that you know what another person will need or appreciate may be ineffective and you run the risk of giving something that the receiving party does not perceive as a gift. In order to know what you

can do to genuinely benefit other people, it is important to enquire, rather than assume. By asking questions and showing empathy and a genuine interest in other people, you can start to find out how you may be able to help someone. *Cognitive perspective taking* and *social adaptability* (Baron and Markman, 2003; see also a discussion of these skills in the paper on persuasion, Van Gelderen, 2014g) are additional important skills in networking.

Perceiving others accurately requires not only an enquiring approach, but also great listening skills. Curiously, listening skills are typically not taught in business education. Listening comprises a subset of a variety of communication skills. *Empathy* is an essential part of effective listening as it makes the speaker feel at ease and shows them that you are willing to listen to their ideas. Listening empathetically means having a receptive attitude to the emotions behind the words and paying careful attention to verbal and non-verbal communication.

Active listening involves listening with your whole body. Making eye contact with the speaker shows that you are focused on them and not what is going on around you. Other techniques include nodding your head or sounding an “uh huh”, which sends the non-verbal message that you are listening and paying attention to what is being said. Another technique is *paraphrasing*, which is very effective in determining what was said and ensuring that you correctly understand what was intended. This is done by listening carefully and observing what the speaker is trying to tell you and then, in your own words, repeating what you understood, back to the speaker. The speaker can then see that you are paying attention and will expand on what they are trying to say or correct you if you are going down the wrong path.

The ability to engage in small talk is also important. The networking process often starts with the exchange of mundane niceties (Knapp and Vangelisti, 2000). The ability to have a conversation about just about anything at any given moment is very helpful in building contacts.

Making a sincere effort to understand the other person is harder if that person is very different from you, whether in demographic background, hierarchical position, or work environment. It will require you to be in enquiry mode, rather than assuming that you know all there is to know. The ability to step out of your comfort zone and to be able to move in different circles than your own is invaluable in networking (Cope, 2003; Cross and Thomas, 2008).

In sum, inquisitiveness is a moral duty for the effective networker.

ALLOWING OTHERS TO GIVE:

MAKING CLEAR WHO YOU ARE AND WHAT YOU NEED

When networking is a matter of giving and investing first, it also implies that you must communicate to others what you need. Otherwise, they will be hindered in their ability to give. Going to a networking event and merely saying “Hi, I am Tim and I work in IT” will not give people any clues of how to participate in your life. Moreover, they are more likely to forget about you and instead remember other people who made a more interesting impression. Generally, a high profile works better than a low profile. By providing a lot of information about yourself, you allow other people, who work by the same principle of giving, to build a relationship with you. Standing out may require some courage and you may alienate a few people who do not like what you represent. However, networking is about gaining access to other people and it is better to increase that access at the cost of alienating a few than to have no increase in access at all.

Two social skills are necessary to make clear to others what you need: expressiveness (the ability to express feelings and reactions clearly and openly), and the ability to disclose yourself. Showing yourself to others can seem intimidating to more introverted people, but is

essential to build effective relationships. Only listening and letting the other person talk will create an unbalanced relationship. By disclosing yourself you can follow two routes and alternate between them: talking about yourself, your life, your activities, your aims in general, and talking about specific needs that you have with regard to the goals that you currently pursue. The same strategies apply to enquiring about others. There are rules for disclosure; for example, researchers have explored what is appropriate and inappropriate to disclose in the first 30 seconds, after one minute, five minutes, 10 minutes, etc. of a real-life first encounter (Knapp and Vangelisti, 2000). One technique that helps to stand out is providing non-standard answers to standard questions such as “what work do you do?” or “where do you live?” so you can prepare an interesting answer to those questions beforehand.

The notion of the ‘elevator pitch’ where you explain your business idea to an investor who happens to step into the same elevator as you, also expresses the idea that you want to express your ideas concisely yet in an interesting and memorable way (Baron and Markman, 2003; Friar and Eddleston, 2007). It is important to remember that investors are looking for entrepreneurial ideas as much as the other way around. The implication of taking a high profile is that you need to have a clear idea about what you like to present about yourself, which may require a high degree of self-knowledge. Finding out what makes you and your ventures different sounds simple, but may not be so easy to establish in reality. Knowing someone is less important than someone knowing you, and it may require some soul searching to establish what you stand for. Communicate a clear profile for others to remember and to relate to. A network is not so much about who you know, but more about who knows you and what you are known for.

Authenticity and sincerity are crucial in positioning yourself in a network. Informal networks are essentially governed by trust (Hoang and Antoncic, 2003; Levin and Cross, 2004).

If you ask your contact for the name of a reliable and competent lawyer, you trust your contact to make a sound recommendation, and you will trust the lawyer on that basis. Your contact will trust the lawyer to do a good job for you, and will trust you to be a good client to his or her lawyer. In turn, the lawyer will trust your contact that you will be a good client. If everything works out well, the level of trust in the network has increased. However, if one of you breaks the trust (for example, if you never pay the lawyer), the network will deteriorate very quickly. Not only will the lawyer not want to work with you, your contact is unlikely to give you any more information and will have to repair his or her relationship with the lawyer.

One reason why giving or investing first is conducive to building networks is that it breeds trust. By giving without immediately asking for something in return, you show that you trust other people. You can ask for favors at a later stage, or even try to directly sell to your network, after trust has been built. Even then, you need to continue to invest in the relationship. Trust is not only built by giving, but also by conveying a sense of integrity. Behaving at a high moral standard, and by showing signals that will do so, you can gain a reputation as a trustworthy and reliable person.

Giving not only builds trust, but also liking. People like to be given to, and an important gift is showing empathy and interest. An interested and emphatic communication style adds to being liked (just as it adds to the ability to give). Liking is also influenced by one's appearance: attractive-looking people are better liked, which is no wonder, as they are assigned such favorable traits as kindness, honesty, talent, and intelligence (Eagly et al., 1991). What is seen as an attractive appearance, however, will differ between different industries. Cooperation is another factor that contributes to liking and trust. People like people with whom they have successfully worked cooperatively on a task. Liking is also a function of similarity. This applies

in an outward sense, in that we trust and feel positive about people who look like us. It also applies to inner similarity. Being with people with similar attitudes validates our own beliefs and gives us the pleasant feeling that we are right. Even more importantly, we feel connected with those who share our values, have similar opinions on issues, and find the same things important (Byrne, 1997). Trusting and feeling attracted to those who are similar also has a risk, from a networking perspective, in that we end up with a network that lacks in diversity.

The roles of trust and liking should not be overstated: if there is a transaction to be made, or a clear mutual interest to be furthered, then trust can be replaced by contracts and liking by the prospect of the beneficial outcomes. Still, in most situations, trust and liking will be important. Impression management skills – that is, the capacity to make a good initial impression on others – are important here and have often been viewed as involving two distinct components: ingratiation (efforts to induce high degrees of liking in acceptance in others) and self-promotion (presenting one's skills and past accomplishments in a positive light) (Baron and Tang, 2009).

WHERE TO GIVE: SEEKING PROXIMITY

In order to network, it is essential to be in the proximity of those with whom you want to network. This proximity can take many forms. Similar firms often locate close together to attain network benefits. Virtual proximity is provided by networking sites such as LinkedIn and Facebook. At a party, it means that you should stand next to the person you want to network with, rather than in another part of the room. In order to attain network diversity, you may have to visit places where you perhaps not normally would not go. Baker (2000) offered a variety of strategies for people to develop their network such as becoming active in associations, doing voluntary work, or starting a blog.

CONTINUOUS GIVING: NETWORK MAINTENANCE

Like physical capital and human capital, but unlike financial capital, social capital needs maintenance. This applies especially when a network becomes large and complex. It can be an advantage to have a formal or informal system to keep track of your networks. Furthermore, continuous investment often takes the form of a gift. Internet tools such as Facebook and LinkedIn are especially suitable as people can be easily reached and provided with some information, an update, a birthday card, a list of enjoyed books or music, etc. It should also be noted that not only is it unnecessary to be in touch all the time, it can also be beneficial to reduce investments into some people or some parts of your networks in order to prevent network overload (Elfring and Hulsink, 2007). Investments in social capital are not reversible or convertible; therefore, unbalanced investment or overinvestment in social capital can transform a potentially productive asset into a constraint and a liability (Adler and Kwon, 2002).

CONCLUSION

Anand and Conger (2007) listed a number of networking myths that they, like the present article, refute. The first one is that the best networkers are “born networkers”. While it helps to be outgoing and gregarious, it is certainly possible for anyone to study and practice the networking principles laid out in this article. A second misconception is that networkers are self-interested individuals. In fact, the theme of giving has been the main thread throughout this article and if there is anything the networking literature agrees on, whether academic or practitioner, it is that good networkers are generally aware of the expectations that other people bring with them and they build relationships around reciprocation. Manipulative, self-serving networkers are not

effective networkers. A third myth discussed by Anand and Conger (2007) is that networkers carefully guard the network they have built. Whereas it can sometimes be profitable to maintain exclusive relationships to exploit structural holes, generally networkers do not think of their networks as precious personal assets that need to be guarded. Rather, they connect and coordinate people in order to further their enterprising goals. They also focus on building the networks of those around them and their generosity is repaid as those they have helped more willingly share their own networks. Finally, a fourth myth cited by Anand and Conger (2007) is that networkers constantly keep in touch with all the people they know. Like many people, networkers are pressed for time. By keeping very simple informal or formal systems, it is possible to maintain contact without having to spend a lot of time and energy.

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