

WHY NETWORKING MATTERS?

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Abstract: *The business bureaucracy, in general, makes the majority of the managers (both top and middle management) neglect a key matter of success (both personal and businesslike): networking. The present paper wishes to raise a series of questions regarding Herminia Ibarra's theory referring to the networking styles of managers on the basis of her own research on a series of managers included in the „100 top young managers” catalogue of Business Magazin.*

Key words: *social-capital, networks, trust, success.*

1. Introduction

Both sociologists and economists recognize the validity of the social capital - wealth dependency [7, 11, 12, 16] which means that a manager's rich social-capital can bring along a more rapid development of the company he manages.

But the studies on managers (employees) show that the majority succeed in neither efficiently developing nor using the social-capital they possess [8].

Those who succeed are simply those who have internalised, rationalised (in Parson's terms, 1951) [10] the necessity of networking [1].

One great study on managers [8] has proved that, despite that social networks generate trust (as part of the social-capital) and function as a lubricant of the economy by generating small transaction costs, new forms of cooperation and business opportunities, prosperity in general [4], the majority of managers fail to make constant effort to "establish or reproduce social relationships that are utilisable in the long run" [2].

Ibarra and Hunter identify three types of social networks that managers can have: operational, personal and strategic.

For all managers, the operational networks represent the daily routine, this type of network being best represented in the social-capital framework. But the difference between the successful managers and the persons that remain stuck in the middle-management is made by the utilisation of the personal and strategic networks. [8].

The operational network is the one that helps them manage the daily activities of the company/ position; the personal type of network increases personal development and the third one, the strategic type "opens their eyes" towards new directions and business strategies both for the company and at the personal level.

While the managers studied by Ibarra differentiated themselves by the ways and the frequency in using the operational and personal networks, almost everybody used the strategic networks' much under their capacity; the real leaders learn to use the strategic networks for strategic goals. [8]

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Type	Operational	Personal	Strategic
Purpose	The efficient fulfilment of the working tasks; maintaining the functionality of the group	The consolidation of personal and professional growth, getting references about information and useful contacts	The fulfilment /imagining of future priorities and challenges, obtaining support from those interested.
Localisation and temporal orientation	The contacts are most of all internal, in direct relationship with the company and oriented on the daily requests.	The contacts are most of all external to the company and are oriented towards the fulfilment of some personal interests, present or potential.	The contacts are both internal and external and are oriented exclusively towards the future.
Contacts Actors	The key contacts are limited ,defined especially by the tasks to fulfil and the structure of the organization, the relevant contacts are very clear	The contacts are in general unlimited, the relevant contacts are not very clear.	Key contacts follow from the strategic context and the organizational environment, but specific membership is discretionary
Network attributes and key behaviors	Intense networks: built on very close working relationships	Large/generous networks: built on the contacts' ability of transmitting references /information	Leverage: powerful bilateral connections are being created

Fig. 1. *The main types of networking, [8]*

2. Why Managers Are (Not) Networking

2.1. Operational Networks

All managers must build good and lasting relationships in the company with all those that can help them in their work. The number and the broadness of such networks can be impressive - in such a network there are not included only those directly involved in the task and the superiors, but also those from the same department or even those from other departments, the other internal actors who have the power to delay, block or hurry the development of a project, or the suppliers. This is the “operational network” [8].

The purpose of this type of network is simple: to ensure the coordination and cooperation between people that must come to know each other and trust each other for satisfying immediate requests. It is not necessarily easy, but it is relatively simple and well-directed because the working tasks prefigures clear goals for each member of the network. One is either

necessary to the fulfilment of the tasks and contribute to its fulfilment or he is not.

One of the problems generated by only utilising “operational networks” is that they are generally orientated toward reaching immediate goals and objectives of the organization, not toward asking strategic questions like “What should we do?” At the same time, managers don’t exercise so much their personal choices in assembling operational relationships, as they would do in weaving personal and strategic networks, because to a large extent the “right” relationships are prescribed by the job and organizational structure. [8]

What Ibarra and Hunter underline is the fact that , due to a schedule that most of the times exceeds eight hours a day, managers ” fail” in developing a powerful network outside the company they belong.

2.2. Personal networks

If all managers have a similar schedule, and most of the time they do, then it

appears very clearly why they don't "go out" networking outside their "operational" network.

However, if somebody wishes to have access to more and more valuable pieces of information both for business and for himself, then that person must "go out networking".

The same rule of the "weak connections" [6] that Granovetter has developed so as to explain how people find work also applies to managers when they must perform better, fulfil a task quicker, gain a superior status in their career, etc.

As in Granovetter's research the members of the family and close friends who have proved that they have not been so valuable in finding a job, the same happens in a company in which the manager tries to solve an urgent or sensitive issue only by means of internal connections (the operational network). The persons close to us have, generally, the same set of values, skills and information as we do (relations known as "strong connections"), while the persons with whom we interact less frequently and who are, generally, from different environments (loose knots/ connections) possess newer and more varied pieces of information.

As a consequence, if we analyse the proven positive result of using the "weak connections", we can wonder if what was seen at Granovetter as a lack of applying the rational choice principle [13] is not in fact a non-rational application of the rational choice principle.

Even if a person can assert at a certain moment in time that a certain piece of information has been "found accidentally", by analysing the theory of the "loose connections" we can discover that- the fact that has been also proved by the research of Hunter and Ibarra- that person has built in time either a very strong personal network or a very large strategic network.

A "personal network", the way described by Ibarra and Hunter, is made up of professional associations, alumna, clubs/ (non-professional) organizations or other communities of personal interest. By personal networks the managers get new outlooks/perspectives and evolve in their career.

The study made by the staff working at INSEAD [8] shows that, although these seem obvious, most managers don't succeed in answering the question: "why using precious time to get myself involved in occasional activities when I don't have enough time for the urgent jobs?"

The answer is in the power of the relational system [15]. The networks can deliver three unique advantages: a private piece of information, access to different sets of skills and Power. Even if managers see this set of advantages at work in their daily activity, they do not always have the capacity of internalizing the way they are influenced by networks.

When we make a decision we use two types of information: public and private. As the public information is more and more accessible to everyone, it offers smaller and smaller competitional advantages. The private information, instead, being selected from sources that are not available to the public in general (or to the competition) can offer an extremely competitive advantage. From the fact that the new and relevant piece of information is collected especially from the contacts that are not in our direct circle, this fact being pointed firmly to, [6], it is clear why managers (people in general) should "spend precious time" for networking.

The private piece of information is, at the same time, much more subjective than the public piece of information that has already been checked by an external source, which means that the value of private information is closely related to the

level of trust present in a network of connections/ friends [15].

„Trust” allows the partners to focus on the fulfilment of the tasks because it functions as a “screening-off device in relation to the risk and dangers in the surrounding settings of action and interaction”, such as “a protective cocoon”. [5]

Trust is not in the information itself or in the technology through which it is delivered, but in the person it delivers. [4, 14].

The networks offer access to other types of skills, that belong to connections.

As the expertise is more and more specialized it is becoming more likely that a professional will be, at a certain point, limited in skills.

The success is almost guaranteed to those that succeed to overcome such limitations by making use of the skills of their connections. This advantage offered by networks turns them into extraordinary resources.

The power is a major advantage offered by a correct development of the network. While in the past the manager was vertically organized- from the general manager towards the basis- nowadays we more and more encounter the vertical manager. A cluster type network is less valuable than a network made up of more clusters [9].

A person found in a limited number of clusters or, on the contrary, in a single cluster, finds himself in an “operational” type of network (according to the perspective developed by Ibarra) or in a “familial” type of network (according to the Granovetter’s perspective).

The personal networks are in general developed outside companies and are made up of preferential connections with fellows with whom we share common sets of values. As a result, a personal network is a powerful network because it can offer references.

According to the principle of the “six degrees of separation” [17] a person’s contacts are the more valuable the more they help that person to get to fellows outside his direct network. All the executives that focus on the development of the personal network act wisely.

2.3. Strategic networks

A manager is daily dealing with general, wider business issues which may challenge even the strongest operational and personal networks.

This is the moment in which a different type of network is supplying the manager with all the necessary set of connections, skills and information to fulfil his/her task: the strategic networks.

What differentiates a leader from a manager is his ability to know what he wants to achieve and the force to capacitate people and groups to get there. Recruiting interested persons, aligning the allied and the sympathizers, diagnosing the political landscape and mediating arguments between disconnected elements, all this is part of a leader’s work. As they make the transition to the status of leaders, some managers accept the growth of their dependence on others and try to turn it into mutual influence. [8].

It is the moment in which the usage of mere “strong connections” is no longer enough! [6].

The development of the strategic network can be difficult for the leaders in the making because it absorbs a significant quantity of time and energy that the managers, usually, dedicate to the fulfilment of many operational tasks. This is one of the reasons why managers fail in developing strategic networks at exactly the moment they need them most: when the organization is in danger and only external resources might help.

The key towards successfully using the strategic type of network is the ability to translate: the ability to obtain information, support and resources from one part of the network so as to obtain results in another part. The capable leaders with a powerful strategic network use the indirect influence: they persuade a person in their network to determine another person, who is not in his network, to undertake a certain action necessary to them.

More than that, the experienced leaders in using the strategic networks not only influence their relational environment, but they also transform it according to their own view, by transferring or hiring their subordinates, changing the suppliers and the financing sources, making lobby for the positioning of their allies in key positions or even restructuring management teams so as to benefit from a favourable network in reaching their goals.

All this implies a great capacity of generating trust and managing a great network of clusters. [1, 7, 11, 12, 16].

3. Criticism of Herminia Ibarra's Theory

In our ongoing research, through interviewing managers that have been awarded by Business Magazin the "100 top young managers" project, we constantly came across the information that "networking" is one task to fulfil required by the "job description" at the top management level.

What is different appears to be the attitude of the interviewed subjects regarding "networking", those adopting different styles of networking that appear to come from the attitude towards the job.

Being asked whether they are "connected" to their job even after the working hours have come to an end we have received answers that vary from "Yes, absolutely" to "No, no way".

We selected two illustrative examples:

T.D., CEO of an IT company: "I am a family man (...). I tried and I succeeded. (total detachment from work after finishing working hours). (...) if you don't succeed to adapt after twenty years of experience you cannot hope to ever succeed. It was one of my goals! (...) The thoughts (...about work) haunted me even during night time, but that was once, it's no longer the case."

Ștefan Rădulescu, Head of Sales Division, Mobexpert Office: "The proper sale has a clear space of entering the time, that is from nine to six (...), but there is that part of sale work that is not found necessary in this schedule, but it is a permanent activity you develop: meeting the clients, networking with them, going to events, going even on holidays or going together on vacations or taking part in different common activities."

Without making value judgements, we can easily notice that there are two types of assumed approaches.

What we believe is lacking from the INSEAD team results is the explanation about how, if this is happening, the attitude toward networking of its manager is influencing the financial results of that company.

And, are those companies studied by them equally from the perspective of the types of business or of the financial power?

We think that the research run by Ibarra and Hunter misses one key element in the approach: managers assume networking because it is in the "job description", but it seems that they have different assumed attitudes towards work in relation to the private space, the fact that influences the networking styles.

4. Conclusions

The operational, personal and strategic networks do not exclude one another.

Managers can use their personal hobbies, no matter if those mean chess or fishing, in order to meet people from the most diverse professions. Neither of those in the personal network might be in the same business field, but listening to their problems and the practical situations they have faced, one can have a general idea on the business milieu in which one acts.

The added value of the networks is that of helping people to cover their “structural gaps” [3], which offer them competitive advantages.

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