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NETWORKING ON A BIGGER SCALE

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Abstract: *LinkedIn started in the living room of Reid Hoffman 10 years ago, was officially launched in May 5th 2003 and today operates the world largest professional network on the internet with more than 161 million members in over 200 countries and territories, with a rate of subscription of 2 new members per second. Twitter, the online microblogging social network was founded in 2006 in San Francisco and today is numbering more than 140 million members and is generating over 340 millions tweets per day. LinkedIn and Twitter are linked together so that users (members) can share their thoughts, ideas, information in both networks into the same time.*

The explanations of such a powerful bust can be founded into the theory of networks – subject of an explosion of interest over the past decade, the theory of networks offered explanation for a wide range of phenomenon from psychology to economics.

Into this paper we offer a short explanation on why networks such LinkedIn or instruments like Twitter and Blogs are so powerful into the day-to-day managers life, by analysing them in the frame of networking theories.

KeyWords: *Social-capital, networks, online-networks, trust, success.*

1. INTRODUCTION

Even that most of managers have not studied theories about networking they are all experiencing into the everyday life the power of networking (Burt, Ronald S. 1995, Uzzi, B, and Dunlap, S, 2005). Clubs, business clubs, country clubs – there are all meant to link managers from a wide variety of fields.

The explosion of online social networks has considerable potential for enhancing the way people connect with each other, the root of social capital.

Aware or not, people are using online networks like Facebook or LinkedIn as

instruments for maximizing their social capital. Social networks are not about IT, programming, technology or media; they are social construct, social phenomena of this years. Maybe one of the most important ways through which online social networks are shaping today's sociology of business is that it is facilitating the accumulation of social capital, which is 'the ability of actors to secure benefits by virtue of membership in social networks' (Portes, 1998, p. 6).

As individuals, managers have to ways of success in business: through human capital and through social capital.

Human capital, which includes talent,

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intellect, charisma, and formal authority, is necessary for success but often beyond our direct control. Social capital, on the other hand, derives from our relationships. Putnam defines social capital as the collective value of all social networks and the inclinations that arise from these networks to do things for each other (Putnam, 1993).

Individuals with greater social capital close more deals, are better respected, and get higher-ranking jobs. Online social networks offer access to social capital, empowering those who are well connected with private information, diverse skill sets, and others' energy and attention.

Recent studies even suggest that the creation of social capital through the Internet principally benefits those already privileged (Zinnbauer 2007). An interesting case it is offered by two very spread and appreciated online social networks among managers: Twitter and LinkedIn, as will further describe.

2. BRIEF NETWORKING THEORIES

Both sociologists and economists are recognising the dependency between social capital and wealth (Grootaert, 1998, Putnam, 1993, Robinson, 1999, Zak and Knack, 2001) which means that a rich social capital of a manager can attract a faster development of his/her personal career and/or company.

Studies about social capital, respectively social network as part of social capital, have been developed since the beginning of the 19th century, if we consider Comte or Durkheim, but it is Moreno (Moreno, 1934) who pinpointed a way of making this abstract tangible.

As the connection between social capital / networking and wealth is no longer questioned, studying the networking behaviour of managers is one hot topic, as there is a new question to answer due the (recent) economic challenges: how to raise the wealth through social capital?

Some studies conducted on managers (employed) are showing that the vast majority are succeeding neither to develop nor to successfully utilise their own social (Ibarra and Hunter, 2007).

Those doing it (developing and successfully using the social network) are those that have

rationalised (Parsons, 1951) the necessity of networking (Blau, 1972).

One of the studies conducted on managers (Ibarra and Hunter, 2007) revealed that social networks (that are generating trust – as in social capital) are working as a economic lubricant generating lower transactional costs, new ways of collaborating and business opportunities – prosperity, in general (Fukuyama, 1996), those (the managers) are failing in making a sustainable effort in order to “establish or reproducing social networks that are going to be used on long term” (Bourdieu, 1985).

Ibarra and Hunter identify 3 types of social networks that managers can have:

- Operational
- Personal
- Strategic

For all the managers, the operational networks represents daily routine, this type of network being the most present one's manager social capital. This particular type of network has a clearly defined role: getting the business tasks completed.

The “operational” networks are the one helping the manager to easily manage the daily routine from his/her company, the “personal” network is enhancing the personal potential, but the “strategic” network is the one “enlightening” one's future to new potential directions and strategies both for her/his company and her/his personal development.

What Ibarra and Hunter stated is that through the daily tasks that may take way more than 8 hours per day, managers are most likely to fail on developing their network outside the company in which they work.

If all the managers have a similar schedule, and they have, then it may look pretty obvious why they don't go out to network outside their own “operational” network. Yet, if one wants to have access to a better and more valuable information good both for business and for self, she/he must go out networking!

The same rule of the “weak ties” that Granovetter (Granovetter, 1973) developed to explain how people find a job applies to managers when came to perform better, solve a task faster, evolve in career, and so on.



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As in Granovetter's research the close family members and friends prove to be not too valuable in finding a job, the same happened into a company if you try to solve a sensitive or big task just using the internal connections (the operational network). The persons to whom you are in close connection will usually possess the same sets of information and skills as the one you have (people known also as the "strong ties") while the persons to whom one have less frequently contacts and are (generally) from totally different backgrounds ("the weak ties") possess newer and various information.

A "personal network", as seen by Ibarra and Hunter, is made up of professional associations, alumni, clubs (as in non-professional associations or free time associations) and other personal interest communities. Through the personal networks managers can get new perspectives and evolve in their career. Even that, most of the managers studied fail answering the question: "why should I use precious time in activities so less related to my usual job/tasks?". Most of them questioned themselves "why should I lose valuable time and get involved in occasional activities while I don't have time even for urgent ones?" (Ibarra, 2007)

The answer stays in the power of the network system (Uzzi and Dunlap, 2005). Networks seem to deliver three unique advantages: private information, access to diverse skill sets and power. Even if managers can see these advantages working into their every-day life, they usually don't realize how network regulate them.

When taking a decision we are using two different type of information: public and private. As public information is at a click

away from everyone – meaning that it is easily available from various sources – it gives, precisely because of its easiness to get character, significantly less competitive advantages in today's "battlefields" than the private information.

Private information, instead, is offered by a select source: personal contacts. Personal contacts can offer him/her truly valuable and unique information that cannot be found from public sources. So, it is private information the one offering managers (people in general) a competitive advantage into the competition with others.

Knowing this facts about information and knowing also that usually newer and different information are held by the contacts that are not in ours near circle of connections (Granovetter, 1973) it is clear why managers (as well as every other persons) should spend "precious time" networking.

Private information is, in the same time, more subjective than the public information because it is not verified, validated by an independent party. This means that the value of private information is in close connection with the amount of trust existing in the network of relationship. (Uzzi and Dunlap, 2005) Trust allow partners to concentrate on getting tasks done because it acts as a "screening-off device in relation to the risk and dangers in the surrounding settings of action and interaction", a sort of "protective cocoon". (Giddens, 1991) Trust it is not in information itself or into the technology that it delivers it, but it is into the individual that is delivering it. (Fukuyama, 1996, Sztompka, 1999)

Networks give access to the other connections set of skills. The expertise is

nowadays more and more specialized in almost all domains, so it is most likely that one's set of skills will be, at a certain point, limited. Success is close to be granted to those having the ability to transcend this limitation through others. This advantage offered by a network is in fact an exceptionally valuable resource.

Power is huge advantage offered by a correct developed network. While in the past the management use to be vertically organize – from top management to bottom – nowadays it is wider and wider meet the horizontal management, given the fact that organization are rather flatter than pyramidal. A strongly clustered network is less valuable than a network made up from a wide range of clusters, due the strong relation between the individuals (Ilut, 1997). When an individual is linked in a limited or, extremely, only one cluster, he/she is in fact into an “operational network” in Ibarra’s perspective or a “family network” in Granovetter’s perspective.

Personal networks are usually developed outside the company/organization and are formed by preferential connections with individuals with whom are sharing a common value. As a result, a personal network is a strong network because it can offer references.

According to the “Six Degree of Separation” principle (Milgram, 1967) everyone’s contacts are as valuable as it can help him/her to reach an individual outside his/her network in as less possible steps. So, executives focusing mostly on outside the operational networks are acting wisely.

Developing a strategic network it takes far more time and effort than grooving the personal network; while the operational network is mainly predefined. An individual developing his strategic network gets to accept his dependence from others and search to enlarge his personal influence to.

A skilled networker will utilise a strategic network like leverage: it uses one/more connection(s) from inside the network to get individuals from outside the network to do what he need or want; they will use the connections from one side of the network to get information, support and resources from another part of the network. Even more,

skilled networkers will use strategic networks not just to control the environment, but to transform it according to his/her personals vision. It involves a big amount of generating trust and a great capacity of crossing through a big number of clustered networks (Blau, 1972, Grootaert, 1998, Putnam, 1993, Zak, 2001).

3. ONLINE NETWORKING

Researchers have recently underline the importance of Internet-based linkages for the formation of weak ties (Granovetter, 1973), which serve as the foundation of bridging social capital (Putnam, 1993). Online relationships are supported by technologies like distribution lists, photo directories, and search capabilities (Vieweg, 2008), so it is possible that new forms of social capital and relationship building will occur in online social network sites.

Such a social network is LinkedIn, a project that started in 2003 and today operates the world largest professional network on the internet with more than 161 million members in over 200 countries and territories, with a rate of subscription of 2 new members per second. (Fig. 1)

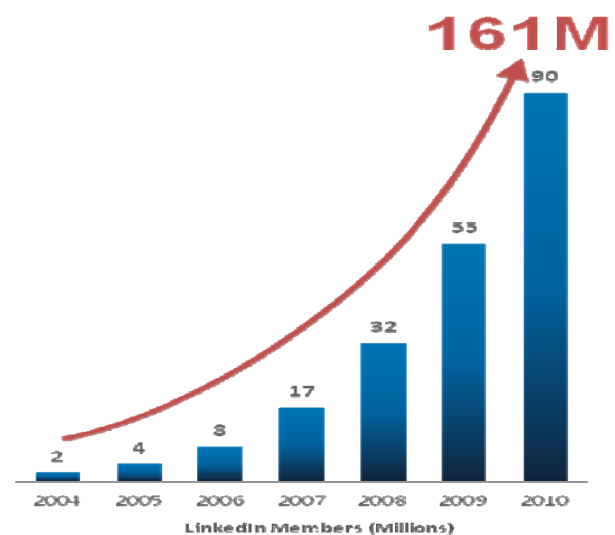


Fig. 1. LinkedIn growth graphic.

LinkedIn is fully applying all the theories of networking doing a sustained work on enlarging users (online) social capital by highlighting connections, offering detailed information about their social network such as



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degree of separation from one potential connection, offering statistics about how many times ones appeared in searches and even offering suggestions for how to enlarge their social networks.

By creating a smart and easy to use application they facilitate LinkedIn users to visualize how their LinkedIn network looks like, in term of cluster distribution (Fig. 2):

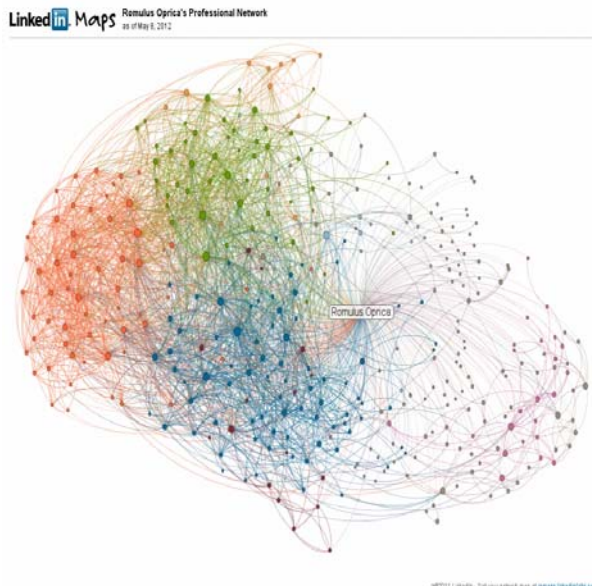


Fig. 2. Cluster distribution of a LinkedIn user.

The LinkedIn cluster network is different by the "traditional" cluster network (Ilut, 1997) due the fact that are composed by loose ties. Even so, LinkedIn show users different colours on the network map and is suggesting users to enlarge area that are weaker represented in the map.

Unlike Facebook, which focuses on friends networks and generating strong ties, LinkedIn focuses on people that are emotionally distant and it is generating bridging and linking connections (Woolcook 1998), which can

provide access to wide informational support (Granovetter 1982).

Bridging and linking social capital can eliminate poorness from communities (Szreter & Woolcook 2004), being strong social empowerment instruments (Woolcook 2001).

Studies are suggesting that the development of social capital into the online principally benefits those already privileged (Zinnbauer 2007), which may be the case of Twitter – the bigger social capital one's have, the bigger the chances are to have more followers.

Twitter is an online microblogging social network that was founded in 2006 in San Francisco and today is numbering more than 140 million members and is generating over 340 millions tweets per day. LinkedIn and Twitter are linked together so that users (members) can share their thoughts, ideas, information in both networks into the same time.

4. CONCLUSIONS

Operational networks, personal networks and strategic networks do not exclude each other. Individuals can and they may use their personal hobbies, regardless if these are chess or fishing, in order to meet other individuals from as many as possible different backgrounds.

It might be that none of the individuals one will meet with a certain occasion will not activate into the same area, but information they will share will be even more valuable this way. (Granovetter, 1973, Uzzi, 2005)

The added value of networking is that through networks individuals are covering their own structural holes (Burt, 1995) which offer them competitive advantages.

Competitive advantages, by increasing the bridging social capital, might be offered by online social network like LinkedIn and Twitter which allow users generate and maintain larger network of connections (weak ties) from which they can get resources. (Sunnafrank, 1986).

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