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Potchefstroomse Universiteit vir Christelike Hoër Onderwys



2003

Preface

Human behaviour refers back to the study field of organisational behaviour, where people with invisible alliances, interlink and interact, to create a supportive infrastructure that is known as "**people networking.**" These professional and social alliances assist individuals to build, throughout their life span, a supportive infrastructure to facilitate the upholding of an active flow of business and social information. This also provides a base of colleagues, family and friends with whom you can communicate and socialise. The better support you have within these alliances of diverse business and personal contacts, the better you can perform in today's fast-paced business and social environments; the essence of **people networking.**

Abstract

People networking forms an integral part in achieving the goals and objectives of an individual and / or the organisation and not only with entrepreneurial success, but in the implementation of effective management techniques. In the "New Economy" organisational structures, managers and their subordinates represent this networked formation, which are sustainable by hidden people networks in the organisation.

These people networks of hidden alliances, influences and relationships are not only based on a bureaucratic hierarchy, but information and knowledge concerning the individual's network. These networks assist the organisation to achieve goals and targets. These hidden networks within organisations, officially known as entrepreneurial networks and casually referred to as "Buddy systems" have enormous implications on not only the internal organisational relationships, but also depict how business is conducted externally to the organisation. Once personnel become aware of these "Buddy systems" which do not benefit them or treat certain individuals unfairly, negativity sets in. Eventually this causes internal havoc, but far worse, external badmouthing about organisational practices, which will eventually have a negative impact on revenue and if not addressed, could lead to the end of the organisation's existence.

External people networks, on the other hand, can be beneficial to the organisation, for the selling of goods and services, where excellent relationships can lead to an increase in revenue. It is very important to protect and be aware of these external organisational networks, as these networks can cultivate an organisation and stimulate its growth.

Strategies to identify internal and external people networks should embrace the impact of these alliances by measuring the financial impact on revenue generated versus spent. This will finally lead to shareholder's wealth. The implementation of an appropriate management information system (MIS), to measure and manage the organisational internal and external people networks, is possible. These management information systems will sooner, rather than later, highlight the "Buddy systems" and ensure early addressing of "Buddy" appointments. External networks can become an intangible asset to the organisation and must be nurtured and developed to maturity. The proposed networking strategy deals with how individuals can be grown to become exceptional "Networkers", which will finally assist the organisation to increase productivity and in turn will benefit the individuals economically.

The chosen topic "People Networking: Building a Competitive Advantage through the optimum utilisation of the informal Buddy System", illustrates the power of human networking. The slogan of the 21st Century: whom you know and how well one is connected, in-and-outside, the organisation is still true, as organisations and individuals utilise formal and informal networks to outsmart the competition.

Networking is about personal achievement, accomplishment and realisation of goals. However, the rapid changing of economic environments steer organisations towards effective execution and managing of informal networks. Not only is it perceived as individual's activity, but is also recognised as a critical feature in the pressure to obtain a competitive advantage. Key characteristics of effective networking entails many things, but the most important factor to consider is the process of networking. This will ensure that all parties involved, benefit from the relationship.

Two or more people in a relationship contribute to the spawning of social capital by donating their personal capital with the expectation that it will generate a return in the future. Human investment can only survive when it is built on unbiased and equitable foundations. When members perceive and distinguish individuals within a

network business relationship as being egocentric, operating purely for self-centredness, then greed, corruption and deception will destroy the alliance.

Self-adaptation or self-emergence of functions and formal structures is necessary. Consequently, organisations have elements by design, creating structures, management teams and the incorporation of reporting lines. Leaders tend to discard the non-designed self-organised groups in an organisation. These informal networks of people materialise in dissimilar divisions of the organisation. Daily "Buddy" linkages are connected by a common goal. Networking "Buddies" often aspire to achieve something that is not recorded as part of anybody's job description and branded as "communities of practices".

These interactions are usually undervalued and underestimated by senior management, since they assume that these conversations are business-goal related. The lack of an infrastructure to manage these hidden interrelationships is the greatest threat to organisations and those who acknowledge the existence and value of these alliances will reap the benefit of obtaining a competitive advantage through effective use of people networking.

Coming to the following conclusion: "Think about it . . . Knowledge is power, people networking provide one with knowledge and if these networks are based on trust and honesty . . . long-term relationships are inevitable".

Marinda Smith

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1 Introduction

1.1 Management Dilemma - Research Problem Statement

People networking are no longer the "Yuppie's" answer to the good "Old Boy's Club", but it provides a practical way to connect within the community. More importantly so, in the business environment by seeking solutions to challenge the "New Economy". The better connected you and your managers are, internally and externally, by an alliance of diverse business and personal contacts, the better the organisation will perform in today's fast-paced environment. Management will be better prepared, as a team, for future challenges and changes.

Landing new business opportunities do not only rely on successful sales and marketing teams; the acceptance often relies on total customer delivered value. However, building a successful customer value-delivery network requires lasting customer relationships, which points towards the relationships between the people of various organisations and their loyalty towards one another (Kotler & Armstrong, 2001:669).

These powerful business relationships are often based on the power of the networks. Previous research (Business buddies, 1998) proved that many programmes were implemented in schools, universities and even in the small business environment to provide guidance and assisted with the building of lasting relationships, to become successful socially, socio-economically and educationally.

Demarcation of the field of study, accentuates the question of how this powerful network can be optimised and measured in medium to large organisations. They are normally referred to as "**Buddy systems**" or "**people networks**" which definitely exists and can become powerful silent alliances. Unfortunately, it can also be detrimental to the organisation when not managed properly, or when there is a general unawareness of the existence of potential unethical alliances. For example, when people are promoted out of their depth, it might lead to bad management with managers hiding the real problem until it is too late.

The Career Journal Europe (2001), states that the professional alliances one builds throughout one's career not only maintains an active flow of business information, but also provides a base for colleagues with whom one can converse.

Other researchers place a lot of emphasis on how to build and maintain your network. Several research articles had titles such as: "The art of Networking: You making the difference" (Business dynamics, 2003), but few address the impact on the organisation (internally and externally), which can be seen as a **shortcoming** in this field of study.

The question that needs to be addressed originates from the fact that for too many people, networking connotes a negative means to an end and evokes images of people madly climbing over each other to establish contact with someone who have something they need.

In job-search related networking, many individuals hesitate to network during a job search, since they see it as asking their personal contacts for a job. This is far from the truth, as networking is the most successful method of securing a new position and well over half of executive placements happen through networking (Calvin College, 2000).

The approach this study will follow illustrates that managements need to question these networks, measure their validity and implement a methodology to turn it into a positive asset in preparation of the organisation's future challenges. The dilemma organisations face today, is to determine the strength of each team member's internal and external network, including their respective downstream networks into the organisation, to ensure effective people network management that will contribute to the success of the organisation.

1.2 Management and Research Questions being addressed

For organisations to be successful, wealth creation is dependent on the human factor, for without the study of people in organisations, their behaviour, the manner in which they conduct business, their management skills, entrepreneurial skills and their connections, the influence of people on such wealth creation is difficult to measure. These networks can be grouped as internal and external networks where internal networks refer to the internal organisational climate and culture and external networks represent the value chain.

The **balance** between the internal and external networks determines the power, strength and/or weakness of organisational networks, ultimately positioning them towards having a competitive advantage or disadvantage, or even being a threat to the mere existence of the organisation. The following research questions are being addressed:

Internal networks:

- Would it be possible to create a methodology to determine within the organisational structure how executives were appointed and who their networking agent was into the organisation or department?
- Determine how to manage the organisation's people networking, i.e. what type of information management system is needed and ultimately creating a networking knowledge-oriented culture?
- Can the validity of networks be verified by measuring subjective (own opinion of network) and objective (other's opinion of one's network) views, thus measuring what colleagues believe of the size and effectiveness of each other's network?

External networks:

- Would it be of any economical value to determine external organisational networks?
- Would it be of benefit to implement a knowledge-based management system, based on these virtual people alliances or networks?
- How can the intellectual property in relation to these powerful networks be captured and still be utilised when the employee leaves the organisation and is it possible to retain these networks and derive benefits (i.e. not to lose the customer with employee's resignation or termination of services)?
- Will it add to the economic growth within the organisation to have knowledge of these networks, or do these networks only lead to self-enrichment and prove to be detrimental to the organisation?
- Can the financial viability of networking be measured? If not, how can these networks be validated and measured?

Strengths and Weaknesses of the organisation's networks combined:

Networking can have a positive or negative impact on the organisation. Is it possible to determine the influence of each senior management member's (later middle and lower level management member's) networking on the organisation?

1.3 Defined Goals of the Study

The objective is to ensure accurate "**people network**" management of each individual employed within the organisation, especially the influential ones; to warrant the effectiveness of networking knowledge-based management, networking methods and techniques. It is, therefore, also important to continue with the implementation of a networking methodology.

The initial goal will be to determine whether utilisation of the existing networks and establishment of new networks can create a competitive advantage. These activities include the following:

- Differentiate between business and personal alliances, consequently indicating whether the alliance is for personal or business gain.
- To study the risk element of these networks and measuring the impact on wealth creation for the organisation and determining how networks can be validated.
- To identify the strengths, weaknesses, opportunities and threats of the existing network.
- To focus on creating a culture of positive networking and implement a methodology to create awareness within the organisation and invest in skills development to deploy effective networking to build long-term alliances, including:
 - ♣ Setting of organisation's networking goals
 - ♣ Forming a strategic plan to reach networking goals
 - ♣ Implementing a plan to manage existing networking and/or alliances
 - ♣ Identifying and developing potential contacts and alliances
 - ♣ Implementing a process to follow-up on leads and turn them into opportunities
 - ♣ Information management support and knowledge management systems
 - ♣ Determine how one can create or improve personal networking skills.

1.4 Plan of the study

The people network study will be conducted in the following manner:

- Conduct active research utilising the Internet, published books and communicate directly with authors who have conducted a study in human behaviour and people networking.
- Document research findings and submit for review.
- Identify organisations and request management to complete the questionnaire.
- Analyse questionnaire findings and document the obtained results.
- Submit findings for review.

1.5 Breakdown of sources, methods and procedures

The following sources have been utilised to complete the literature study:

- Internet
- Newspapers
- Magazines
- Books
- Email communications of authors
- Industry leaders

The primary method used to conduct this literature study was through utilisation of the Internet, as a researching agent. From the Internet, other sources such as books, other scripts and documents were identified, downloaded and purchased. Several interviews were conducted with market leaders to obtain their view regarding people networking. Research also included communication, via email, with some of the publishers. The latter provided advice concerning research and research material.

1.6 Definition of Terms

Definitions of terms are listed in alphabetical order as follows:

Aligned commitment:	Knowledge x Information x Empowerment x Rewards and Recognitions x Shared Goals and Values (Coetsee, 1996: 41)
Buddy systems:	Informal groups of friends within an organisation that is utilised for personal gain.
Entrepreneurial networks:	Also known as informal networks or buddy systems
External networking:	People who will help strengthen personal capital in the market, not a bunch of friends and colleagues with whom a person is trying to sell, using the excuse of giving them a great opportunity.
Groupthink:	Groupthink is where a group of skilled individuals devise a strategy to increase organisational gain.
Internal Locus of Control:	Refers to when a person assigns responsibility to his own actions and not blaming external factors such as: luck, coincidence, or influence of other people over one's well being or put the blame on external parties. Having an internal locus of control creates positive human behaviour. People become self-reliant, believing in themselves and are generally more satisfied.
Internal networking:	People who want to obtain internal organisational gain establish internal networks.
Nepotism:	Favouritism shown or patronage granted to relatives and close friends, as in business. Bestowal of patronage in consideration of relationship, rather than merit or of legal claim.
Networkers:	People within an organisation where their mission is to increase the "Buddy system's" numbers by meeting and establishing relationships with internal and external employees, managers and / or executive members. Building or strengthening a linkage into a specific organisation always offering services to attract new "Buddies."
New Economy:	The industrial "Old order" is being replaced by an old economy, driven by information technology and networked computing which is dynamic, innovative and driven by change. This emerging new economy represents a tectonic upheaval in our commonwealth. The new economy is often referred to as the information economy. (Metricnet, 2001).
Organisational Transformation:	Generally involves changing most features of the organisation and achieved a fit between them include the organisational strategy. It involves a systemic change process, are dynamic and iterated, facilitate organisational learning, involve multiple stakeholders and occur at multiple levels in the organisation (Cummings & Worley, 2001:511).
People networks:	Informal and formal groups of people, internal and external to the organisation, that is utilised for personal and organisational gain.
Personal Capital:	A person's own resources that are available to increase personal gain.
Self-fulfilling Prophecy:	People's expectations determine behaviour and performance.
SNA:	Social Network Analysis
Social Capital:	The resources that you have access to through your network. These resources include information, ideas, leads, business opportunities, financial capital, power and influence, emotional support, even goodwill, trust and cooperation.
Value chain:	The value chain is the value added by individual people and people networks to provide organisational gain.

2 Literature Study

This literature study initially captivates the positive and negative impact of the existing networks of an individual, but in the end, it measures the effects it has on the organisation. People networking with others can create a positive or a negative climate within an organisation. Positive networks grow revenue for an organisation where negative networks stifle growth. Organisations are oblivious to the danger by not being conscious of people networking as this has an effect on wealth maximisation for the individuals and the organisation.

To measure the financial benefits of internal people networks is a difficult task. For instance if individuals have benefited financially from its "internal people network", the information will not be displayed for everyone to see. Nor will the individual admit that he / she has benefited from its internal contacts to obtain a promotion, or salary increase; besides the fact that such information is being treated as confidential. The organisation can easily measure the benefit of external networks by computing who has made the most sales and then determine if the sales have been from cold sales or from networks that have been built for many years.

Research explores human behaviour to explain why people buy from their network connections or why an incompetent person is promoted because of his networking abilities. Furthermore, a high-level study is included on body language, which will assist an individual to read a situation and adapt accordingly to create trust. Body language will be one of the major tools utilised in the final strategy to assist an individual to establish, maintain and grow its network to benefit not only financially, but also on a personal level.

This literature study also includes the research of the implementation of a strategy and methodology to manage existing and new networking channels, including networking knowledge-based management and the benefits thereof.

2.1 History around People Networking

Human networks, although not always visible, have been a common occurrence since the beginning of time. The success of bartering and trading in previous centuries depended on the relationship between humans. For instance, when a ship arrived at a new country, the ship's crew normally establishes trade agreements between the local natives and the ship's crew. These agreements were purely based on trust and no written agreements existed. The ship's crew mostly benefited from the agreement whereby they could trade their household goods for the natives' food, minerals, or spices. Few specialised traders existed, such as trading in spices or silk. The infrastructure did not allow numerous traders to enter once a route has been claimed. Networks were seen as essential trading partnerships and relationships were regarded as serious business.

During the middle to later years in the 19th Century, organisations developed products, services and strategies to claim a larger portion of their specific market segment and in the process neglected human networks to an extent. Although it seems that networks were neglected they were actually still in existence, but were not visible. For example, technology companies attempt to grow business by applying new technology, instead of letting business drive technology.

Some of these organisations realised their mistakes and as competitiveness increased, product differentiation no longer, by design, grant organisations a competitive advantage. It was becoming increasingly difficult, to uphold a competitive position as the "leader of the pack", as markets became easily accessible over the globe. The competitiveness of organisations has moved the focus back to the importance of networking for the individual and the organisation.

Today, everybody knows about the existence and the importance of networks (Profnet Inc., 2003a). People have heard about it, they talk about it and then, in their own way attempt to become more involved in networks to stimulate and grow themselves to benefit from these silent alliances. Everyone wants to be able to network

effectively, some not even knowing the implications and what they as a person or as an organisation can accomplish.

A known fact in the 21st Century is that networking forms an integral part of the business environment; one reason being that jobs are becoming more complex. In today's constant changing environment, it is hard to keep abreast. The obvious solution to obtain knowledge and to complete tasks effectively is to make use of networks, thus multiplying productivity. Current research and studies concentrates on "how one as an individual" can build and maintain a network. Several guidelines and rules are available on the Internet and many books are published. For example "The Networking Survival Guide", written by Diane Darling (2003:36), discusses and advises on how to effectively grow a personal network to assist in either landing a better job or become better connected. Few of these types of articles such as "Are You a Star at Work" published by Fast Company on the Web and other published books avert their studies from the impact these networking capabilities have on organisations (Fast company, 1998).

Eureka Marketing Services (2002), reported that already in 1958 small networking groups, with fewer than twelve participants, identified three needs that are met by membership in small groups, no matter whether these groups are established from business or personal relationship:

- *Inclusion*; essential to establish identity with others;
- *Control*; necessary to exercise leadership and prove one's abilities, and
- *Affection*; required to develop relationships with people.

As mentioned earlier, during the middle to later years in the 19th Century, organisations developed products and services to obtain a larger portion of the market share. In the process, the organisations not only neglected human networks but also fail to remember to satisfy the above three basic needs required by humans to develop sound relationships.

An online career development website (Quint Essential Careers, 2003) featured an article written by Randall S. Hansen, whilst the title states "Networking seems mostly about using people". The article attempts to discuss the best networking methods to use when job-hunting. By studying the detailed article, it becomes apparent that the networking objective has been twisted, as it represents what networking does not engross.

Networking does not imply the using and abusing of other people. One needs to understand that networking is about using the power of people wanting to help others. Combined with sheer numbers to develop an extensive net of contacts, these contacts are all willing and able to help each other, for example, in the search for another job.

Hansen (Quint Essential Careers, 2003) further pronounces that effective networking includes the development of a broad list of personal contacts, established through various social and business functions and using them to an advantage when looking for a job. In the U.S.A, alone, it was reported that 20% of high profile positions were never advertised. These positions are known as the "hidden job market" (Calvin College, 2002); these jobs are not advertised, but instead they are filled through word-of-mouth. The main reason for the existence of the "hidden job market" is that many employers prefer to hire someone who has been referred to them by someone they know, like a trusted employee or business associate. These positions were filled through networking and the people in your network are in a position to provide one with job leads, offer advice, and supply information about a particular company or industry.

The Entrepreneur.com (2002) published an article titled: "Improving Your Networking Skills." Ennico (Entrepreneur.com, 2002) stated that when you do attend networking events, the best advice was given to his Dad when he was a junior bank officer in the late 1940s. He was told: "Hang around as much as you can with the people who are bigger than you and avoid the people who want to hang around you because you are bigger than they are." This networking study is definitely not referring to Ennico's (Entrepreneur.com, 2002) perception of networking.

During the 17th Century, the only way to conduct business successfully was to network and not just being part of a social network. Having the skills to seek systematically and becoming acquainted with new people in the service of professional goals were pivotal. Many people resist the idea of networking because they associate it with "playing the career game," "knowing the right people", "kissing up to the powerful", "cynicism", or "politics", or because networking supposedly takes time away from "getting real work done". Some people grew up being told the dangerous half-truth that "if you do good work then you will be rewarded," as if rewards magically appear, whether anybody knows about your good work or not. Others are allergic to the Machiavellian overtones of "How to Win Friends and Influence People." Indeed, people will accuse you of all sorts of terrible things if you admit having worked-out ideas about networking. This is all terribly unfortunate, because networking helps to structure the world of research and knowledge: networking is about community, not hierarchy. People who do not gain knowledge of networking are less likely to succeed. By having many valuable contacts, decisions can be taken based on knowledge obtained through these contacts, outmanoeuvring the competitor.

People networking is normally constructed through mutual trust and respect. (Nancy Roebke the Executive Director of Profnet, Inc). "Profnet's mission statement is to be a professional business leads generator. Profnet brings business professionals together in a non-competitive environment to help each other make more money" (Profnet Inc., 2003b).

Roebke's research includes published articles on the Internet such as "Networking Your Way to Business Success", "Why Network and Networking is a LEARNED Skill" and "The Truth about Belonging to Networking Groups" (Profnet Inc., 2003b). Mentioning and describing many important issues but the one statement that portrays the core functionality of networking as stated by Nancy Roebke: "Like the name implies, this is work! It is not called Net-sit, Net-talk, or Net-eat. It is Net-work! In order to make it productive for you, you need to learn the proper way to do it."

These studies do recognise the potential / opportunities for an individual who has a good network in place. Successful people become stars by cultivating relationships with people that can add value to their own existence, (UUA, 2001). They are always seeking new and interesting people, immediately placing a bitter taste in one's mouth, when considering the negative connotation to networking. However, nobody can deny the fact that these people clearly understand the economies of effective networking; it is however up to management to investigate, study and implement a methodology around people networking to allow the organisation to benefit from it.

2.2 Understanding Human Behaviour in people networking

That first ninety seconds of any encounter is not just a time for making a good first impression. In the first few moments of any gathering, you connect with a person's instincts and their human nature, their hardwired responses. In the opening seconds, our subconscious survival instincts kick in and our mind and body decide whether to run, to fight, or to interact: whether this person offers an opportunity or a threat, whether they are friend or foe.

Once past those first hurdles and after trust has been established, you can begin by connecting on a person-to-person, or to be more precise, unite on a personality-to-personality, level. There is a way, an order and a process to connect with others. First trust is established with the basic instincts and then rapport is established with the personality. What results is a relationship and every relationship holds almost infinite possibilities.

Research has indicated over the past quarter of a century of what makes people look good. In the international fashion and advertising world, you are taught how to make people look appealing. And it is not just about photographing professional models, its also about making business people, musicians, jet pilots and farmers all put their best face forward, but to imagine and feel as if they'd been confident and charismatic all their life.

Unfortunately, life is not about pictures. It is about the image you have of yourself and showing you how to connect with anyone and everyone in your working, personal or social life quickly, simply, easily. No matter what your line of business, social or personal event, you are first in the business of connecting with other people and those people are deciding whether that is going to happen or not, in about the same time it takes to glance at a photograph.

In life, whether you circle between major cities, or are in the bush with friends or colleagues, there are certain people one could get along with, the moment they are met. In addition, because of this ability, we are able to strike up instant relationships, boost / improve business reach and rapidly make way up the ladder of success. However, for everyone you met who could be making these fast connections, half a dozen could not. It is as if some people are always open for business, while others are closed. At least that is the impression with the first encounter. However, as you have to know these "closed" people better, you will see that first impressions can be deceiving. Most of those who seemed so remote are not actually like that at all.

Clients, CEOs, models, hair and makeup artists, advertising executives, accountants, decision makers, jet pilots, farmers, musicians who more often than not had never met before, can come together at a shoot, a meeting or a lunch. Those who are open and able to connect easily and quickly with others will flourish, while those who are closed and kept to themselves seemed to miss out on opportunities. Surprisingly, brains, beauty and talent do not seem to have anything to do with it. Observing, influencing and portraying behaviour and mood make up a large part of a photographer's tool kit, a business lunch or meeting and after a time, you will begin to recognise patterns of behaviour that enable people to get along or not to get along with others. Some people play out patterns that work, while others are stuck in patterns that do not.

Drs. Richard Bandler and John Grinder (Boothman, 2002:20) developed a technique for studying and understanding "the structure behind human behaviour and how to use language to program others." It went by the unwieldy name of neurolinguistic programming, or NLP for short. NLP lets you see what is behind how we act and allows us to understand how those around us behave. In the business world, meeting and connecting with thousands of people, make people aware that connecting in business is different from connecting in your personal life. In your personal life, you get to choose your friends, but at work, you cannot walk away from relationships with your colleagues, employees, superiors and clients without walking away from your job / relationships.

Some experts estimate that 15 percent of your financial success comes from your skills and knowledge, while 85 percent comes from your ability to connect with other people and engender trust and respect. Today, whether you're interviewing for a job, trying to make a sale, or talking with your boss about a raise, the better you are at connecting with other people, the better your chances of success will be. In addition, you have to do it fast! People make that "like"/"don't like," "okay"/"no way" decision in ninety seconds or less.

Studying human behaviour, you will learn from one-on-one conversation skills about your ability to connect with and influence groups. You will read about real-life situations that show, rather than tell, you how to turn new and existing connections to your advantage, as well as a host of techniques and tactics that will help you make the connections you need to thrive in today's hyper competitive workplace.

2.2.1 Description of Personal Evolution (NLP)

Personal Evolution is learning new skills, changing outdated and limiting responses, beliefs and values, enhancing relationships, taking charge of our lives and increasing our range of choice to become more effective at living, according to our own standards. Personal evolution is essential and desirable to each of us. NLP provides the most effective methods yet developed for enabling continuing, effective personal evolution.

Our beliefs and values are so close to us that they operate outside our conscious awareness to influence our decisions, our relationships, our work and all the directions we take in life. The way we think about what is

possible for us, how the world works and how we think it should work has an effect on everything we do. NLP provides a methodology for exploring the way we think and how that shapes our lives.

In his "Personal Evolution" documentation, Dr John Grinder (Boothman, 2002:11) brings these values into consciousness, so that we can revise and update them to support us in living the life we choose. We shall discover (or re-discover) some of the qualities we wanted in life as children and the disparity between those dreams and our current situation. We shall find the dreams we hold for ourselves now, too and create direction and milestones to track our progress.

Many of the most pervasive influences on our lives come from our personal histories. They may be so familiar to us that we have not considered them consciously for years. In the "Personal Evolution" publication, one explores the patterns behind our lives and the beliefs and expectations that influence our everyday activity. Then, with this information, we can design our lives to build them into the futures we want to live.

Dr John Grinder (Boothman, 2002:40) provides a structure to help discover experiences and dreams that mean something important to all. Because we shall be using patterns of thinking, every participant will work with their own inclination and their own memories and imagination to form individually tailored results. All share a desire for a satisfying life that contains ingredients that please and produces a sense of continuing well-being and success. Everyone makes his / her own meaning and creates his / her own pictures, sounds and feelings in response to those words. Within the shared framework, everyone works with the individual qualities that mean something to all personally. While the next person could be working with something completely different that means something special to him / her.

When we have this information in our conscious thoughts, we can plan and dream the next stages of life with reference to it, which can enrich the quality of everything we do. We can set goals for the future and map out landmarks or milestones to aim for and to let us know if we are on track. This process produces an interesting effect. People who set their lives on track with their own inclinations and preferences often remark that they reach their goals in less time than they set for themselves. The unconscious part of our minds can help us reach our desires when they are defined like this. Knowing what we want, it draws our attention to opportunities in the outside world, which otherwise we would not have noticed or recognised (Boothman, 2002:55).

Applying NLP to this exploration in "Personal Evolution" allows us to discover, safely and respectfully, how we imagined our lives would be, how we planned and orchestrated them to date, how we would like our lives to become in the future and what will take us there.

2.2.2 Body Language Rapport and Influence

Body language communicates something, regardless of whether we wish to communicate or not. Living systems cannot communicate, for instance, plants cannot talk. Without wishing to push the bounds of credibility, plants are included as demonstrators of body language. They wilt when short of water, lose the green in their leaves when short of nutrients and turn brown at the edges when they get too cold. These events can be observed by anyone. Of course, in the botanical world there are many obscure bodily communications. Recognition of disease or predators, or the need for exotic growing conditions, is the realm of the trained plant body language expert, the horticulturist.

People and animals have a wider repertoire of nonverbal communication than plants; humans can move from place to place and make faster gestures that are more visible. As humans, we can modify our gestures consciously, making voluntary movements, as well as displaying unconscious breathing shifts, skin tone changes and micro-muscle movements. We use our bodies to convey interest or disinterest, to establish rapport with others or to stop them in their tracks. We learn cultural norms about appropriate body language for people of our gender, age and status in our daily lives and sometimes find our habitual presentations elicit markedly different responses in other parts of the world.

So, what can body language teach us about other people? With sufficient exposure to another culture we can learn to recognise its members by their body language, the way they move and gesture, how close they stand to other people and how much eye contact they make and with whom. We can learn to recognise how any individual, whatever their origin, thinks by watching their eye movements, the way they breathe and their posture as they interact. However, this will not tell us what they are thinking. The subject matter of someone's thoughts remains private until they describe it (Boothman, 2002: 122).

If we observe some interesting body language and ask the person what it means to them, we gain reliable information. If we observe the same person doing the same thing in a similar context in future, we can ask them if it means what they told us last time. This combination of observing a particular person and asking them for meaning for our future reference is called calibration. We calibrate an individual against himself or herself in a particular context. In this way, we can learn our employers' requirements, our partners' preferences and our pets' idiosyncrasies with some degree of accuracy (Boothman, 2002:140).

There is an urban myth, i.e. that we can attribute accurate meaning to body language without calibrating the particular person. This is not useful. Unfortunately, the myth has been enshrined in print with examples of body language. Did you know that if a woman points her toe at a man during a conversation, she is supposed to fancy him and what about the old chestnut of folded arms meaning that person is 'closed'? Does a lowered brow and pursed lips really mean someone is annoyed, or could they be thinking, straining, or doing something else?

Take sexual attraction, for example. People do dilate their pupils, flush and lean forward in conversation when they are attracted to someone. They also do it when they are passionately interested in the subject matter, so do not assume it is you; it may be something you are discussing. Of course, that level of interest is conducive to rapport. You may find friendship developing out of a common interest.

If one assumes another is annoyed with him or her when he or she go red or white and jump up and down waving their arms in the air, you may attract abuse from them. This is creating a self-fulfilling prophecy (Boothman, 2002: 202); it is of utmost importance to establish the reason for their behaviour instead of immediately making an assumption, thus stimulating conflict with reversed reaction. Until you know more from that person, you do not even know they are annoyed. They might be trying to dislodge an insect from down their front or be desperate to attend to another matter and even if they are angry, you might not be the subject of their wrath. Making assumptions about the meaning of people's behaviour is called mind reading. We all do it, but some of us have learned to recognise it and use our assumptions to create questions so we can calibrate for the future.

Self-fulfilling prophecy can be influenced and directed when management reinforces positive performance expectation through the effective building of a hierarchical framework. Encouraging people to work towards a common goal will enhance positive self-expectations and improve interpersonal relationships (Kreitner & Kinicki, 1998: 168).

Boothman (2002: 200) further states that individuals can use other people's body language to assist in creating rapport with individuals, groups and at parties. Instead of mind reading, by placing our attention on the other person or people, open our peripheral vision and quieten our internal comments, we will notice the rhythm of their whole body movements, speech and gestures. Matching these rhythms with our own bodies, people will find themselves being included in what is going on. This is not the same as literal mimicry. Accurate imitation often is noticed and objected to by other people. The intent is to match the rhythm by making some form of movement in the same rhythm without attracting conscious attention to it. When feeling included, test the level of rapport by doing something discreetly different and noticing whether the other or others change what they are doing in response. If they do, you can lead them into a different rhythm or influence the discussion more easily.

When entering groups or parties, by observing with open peripheral vision and internal quietness we may be able to spot the peer group leaders. They are the people with others around them, the ones whose movements may be slightly ahead of the others and change first. If one wants to influence the whole group, these are the people to match. One may want to establish rapport with each peer group leader individually, or simultaneously. Making connections simultaneously, by being in their visual fields, through matching their rhythm for a few minutes before engaging them, make it possible to change the direction of a large gathering.

Strictly speaking, nonverbal vocal patterns are not body language, but they can be used to establish or break rapport as readily as physical movement. Through matching the rate or speed of speech, the resonance, tonality and rhythm used by a person, creates rapport with that person. Again, out and out mimicry is not recommended. Most people will catch it happening. It is more comfortable to match voice patterns at the equivalent pitch in our own range than to attempt note for note matching and to match unfamiliar breathing rhythms with some other emphasis.

Suppose one is voice matching on the telephone and now want to finish the call. The level of rapport is such that it has become hard to disengage. One can change any of the elements that were matched but often the other party simply matches one and carries on. In extreme situations, no one minds an abrupt end to a telephone call. How often has one used "there's a call on the other line", "someone's at the door" or "the dog has been sick on the carpet" to end a call without breaking rapport? Then there is the last ditch stands. Cut off the call in the middle of your own speech, not theirs. That way they will assume it was an accident. In person, one can make a departure quite organisationally and with rapport by doing rapport, building with the body and departure with voice patterns or vice versa.

Using body language when connecting to others is the quickest and simplest way to execute a feeling of fascination, absorbing what is being discussed. All the nonverbal signals one could wish for will come on stream by themselves.

2.2.3 Who says that Life wasn't meant to be easy

Most people at some point in their lives have the feeling that they are 'stuck in a rut' (Boothman, 2002: 208).

It seems that no matter what one does, the situation never changes. It could be that in a relationship, every conversation ends in an argument. At work, one just seems to work harder and harder but simply cannot reach the goal, please the boss, or get things to happen the way they are supposed to. Individuals cannot seem to save any money, so one tightens the belts even more; there goes the social life! At this time, feelings of hopelessness or helplessness can lead to depression. Feeling as if "having the foot on the accelerator and having the handbrake on as well".

NLP Life Coaching recognises that these feelings could be in relationship to many areas. It could be in relating to our environment, the way we react to situations happening around us. It could be in relationship to our behaviour. We habitually behave in a certain way and it is contributing to the outcome we do not want. It is also possible that the issue will be related to doing something that is contrary to our beliefs or, possibly, also to our identity that is causing the conflict.

With NLP Life Coaching, one has the tools to explore these problems and find solutions in relationship to each of these areas of life. By gathering more information one can make an informed choice based on the knowledge of what one wants and what is holding one back. Many of the problems that come up turn out to be related to experiences from the past or our youth that are outdated.

When these issues have been addressed, one will be free to do what is desired, without conflict and find networking easier to deal with.

2.3 Influence and Power of People Networking

2.3.1 Supremacy of the Informal “Buddy System” and the Impact on the Organisation

In today's economy managing a successful business is no longer only dependent on excellent business knowledge, total quality management and value added services. Competition is tough and it has become a critical success factor to what extent you know someone, especially when influential. Creating a competitive and sustainable advantage depends on a combination of a few factors. These factors are not only limited to critical success factors such as intellectual capital, competitive intelligence and the practical application of knowledge and experience, but a crucial contributor to success is networking. Consequently it is not only a case of “what you know”, but supplementary a case of “who you know”. Even more importantly how well you know them, as the strength and potency of these buddy systems is what really determines the amount of business that will be generated through a contact (Profnet Inc., 2003:d).

Fritjof Capra (Hidden Connections, 2002), a renowned physicist whose books are primarily found on New Age shelves, latest book is based on the “hidden connections” and upholding the development of a “biological model” for the science for sustainable living, which he believes can be used to manage social capital in organisations more ingeniously. Capra also describes informal networking as a system that is not controlled by any individual person, organisation, or government. By acknowledging its existence and simply accepting that it is out of control, indeed creates dangerous implications for organisations as nonentity can validate where the profits are flowing.

Once again, it is a question of values; by having no control actually spawns immorality and unethical networks, thus the existing negative connotation towards buddy systems, informal alliances, or social networks. Adding to the negativity is that people in business reside from the mental perception that money is the measure of all things. Therefore, changing this value system becomes the focus of attention; it is exceedingly imperative to understand that networking is not nepotism and that many people are bamboozled, as they truly do not understand the meaning of the word networking.

Employees in organisations that are the victims of nepotism often refer to it as the influence and rulings of the buddy system, which results in creating negative ambience and disrupts the performance of employees, ultimately demolish any motivational climate, if it was in existence at all. Nepotism and favouritism as an observable fact truthfully create problems and are very much related to the culture of the organisation and particularly interrelated to the values of senior management (PPI Business NLP, 2003a).

Organisations are better understood as a living system, accentuating the difference between a mechanistic and a living system approach. According to Capra (Hidden Connections, 2002), machines can be controlled and living systems can only be disturbed. Employees react more positively by receiving impulses rather than instructions. Living systems has the ability to make a personal decision as to what to notice and how to react. Subsequently spawning a dilemma as these individuals act as super nodes, with many people seeking assistance from them to acquire, share, or transfer knowledge.

The dilemma broadens, as these people that form part of the hidden organisational structure are not typically part of the senior management structure. These networks are informal and constitute a sort of parallel organisation representing the “true” connections of daily life in the organisation.

Exemplifying the power and influence of established long-term networks, the Yale Daily News (Yalydailynews, 2003) published an article by Letitia Steyn, namely: “Old boy's network blamed in tenure denial”; during 1998 defending the decision not to grant occupancy to Diane Kunz, assistant professor, historian and co-founder of Yale's international studies program. Due to resurrected concerns of bias in a male-dominated promotion system, Yale attempts to improve the ratio between female and male counterparts by appointing more female professors.

Kunz, the author of three books and numerous articles, published more works than any other non-tenured professor in the history of her department did. Despite her excellent reputation and the fact that two-thirds of history department members voted in favour of approving Kunz's tenure application, the Tenure Appointments Committee for Humanities rejected the tenure twice as the Committee members ruled 7-2 and 8-2 against the bid and reported that "something was lacking" in the quality of Kunz's scholarship. The controversial decision emphasised accusations of a gender bias on the committee of nine men and two women and Kunz, a specialist in the traditionally male field of diplomatic history, also denounced the decision based on sexual discrimination. Yale's president, Levin, also refused to use his powers to appoint Kunz to a tenured position against the committee's wishes. This buddy system ruling by senior management resulted in the resignation of Kunz, unavoidably damaging the professional institution (Yalydailynews, 2003).

Another example embodied the positive effect of successful organisational networking and not only uses networking to increase personal wealth. It is the story of one entrepreneur Roger Abramson, CEO of office-furniture distributor, the Atlantic Group. Abramson observed networking not as an isolated event, but as a way of life and he does it effortlessly as part of his natural daily activity (Inc.com Online Article, 1999).

Abramson's calendar is filled with appointments he considers as potential networking opportunities. The following is a typical schedule for Abramson, who is out almost every evening of the week with clientele, real estate agents, architects, or designers:

- Monday night: took a customer to a Broadway show;
- Tuesday: invited an architect up at 6 to shoot pool, followed by dinner at 9 with another patron;
- Wednesday: went to a United Jewish Appeal charity event with a real estate broker;
- Thursday: another dinner scheduled with customers;
- Friday: having a "networking" barbecue for 30 people on the roof of his Upper West Side apartment building.

Abramson follows the strategy of contacting by calling everybody in his network at least once a week and schedules physical visits with him or her on a monthly basis, by hosting a monthly party where 150 people are invited to network with one another at the company.

Dan Johnson, director of office services at Arista Records and an Atlantic Group customer, stated that through these networking group events, Abramson opened up doors to meet people and ended up doing business with them. Furthermore, he claimed that Abramson has a gift of bringing people together through effective networking techniques; he not only keeps himself in everyone's subconscious, but also assists other organisations to do business as quickly and efficiently as he does his activity (Inc.com Online Article, 1999).

To demonstrate the impact of one single person's network and the enormity of the effect or impact on other individuals and their potential decisions, one simply needs to relax and determine the size of your own network. Prepare a list of people potentially in your network by starting with family members, friends, neighbours, former managers and co-workers, alliances and other people you know. Belonging to a community, religious, social, or professional groups increase the budding size of your network ... bigger than you thought. Imagine the impact a statement made by you to your "Buddy system" or network might have beyond your world, spreading and infiltrating into each of their networks, snowballing to size.

2.3.2 Why do People and Organisations Network?

Management structures in the "Old Economy" was characterised by span of control or hierarchical structure, which describes the number of employees that report to a manager in a vertically structured organisation. Times are changing and the economy is moving towards an era that is driven by short-lived organisations, horizontal management structures and an increasing sense of independence by the employees as they seek

self-control. This emphasises the fact that the business world is moving from an era of dependence to an era of interdependence, where the notion of effectiveness is derived from ability to 'work with' rather than 'work for'.

Nowadays people bypass formal span of control and manage instead through their connections. Subsequently, to manage people successfully, networking has become a serious concern to organisations. As an example, individuals as employees are submissively involved in networking as the pressure of being successful drives these employees to seek means to become competitive forces and become actively involved. Increasingly people come to terms that they need to:

- Breakdown existing social structures as in the constant changing environment more choices exist, of whom employees converse with and when they converse,
- Acknowledging the fact that one no longer conforms to a single occupation for life. The changing environment forces employees to become pro-active, connected and to become distinguished. They need to raise their profile and make the "right" connections, if they want to achieve personal and business success.

Roebke (Profnet Inc, 2003c) demonstrates that networking is essential for strong business development, as business deals cannot be accomplished without the people. People either form part of the upstream or downstream of their value chain, appealing to these valued networks to indulge in brainstorming activities in order to create a competitive advantage. Effective networking inevitably requires trust and teamwork where both parties must be willing to give something in return. Business professionals have the following goals in mind when networking:

- Exchange qualified business leads,
- Obtain top quality service,
- To get "out-of-reach" customers,
- Learn business development skills,
- Have the potential to increase revenues,
- Establish long-term relationships (Profnet Inc, 2003c).

Marketing for business people and networking facilitates the finding of valuable personal and business contacts. Networking helps to establish and build business relationships where the core rationale is to allow every involved business person to generate profits from business connections.

With the economy stalled, entrepreneurs and managers become increasingly frustrated with the sturdiness to generate new business and are concerned about the organisation's survival (PPI Business NLP, 2003b). More and more professionals come to realise the power of networking. Effective networking permits organisations to create an on-going flow of referrals, finding people who are still buying, but from the competition, trying to win their support and eventually generating a sound flow of business.

2.4 Transforming People Networking into Obtaining a Competitive Advantage

Networking viewed in organisational context allows employees to meet and establish relationships with internal and external members, employees, managers or executive members that want to establish, build or strengthen a linkage into a specific organisation, the main reason being to increase wealth maximisation.

A human trait is to mingle and make contact with others. The real skill people need to acquire is to turn these "contacting" moments into effective networking, through motivated employees willing to explore their relationship-building skills, almost by getting into "Networking Mode." For employees to be able to acquire these skills, organisations must create a learning environment where employees can learn how to be great listeners and assess the networking potential of these contact moments.

Habitual contact between people, in both an internal and external environment, will instinctively teach employees to develop a networking mindset when organisations geared their employees to think in “networking” terms; the brain will be searching its archives for people, places and things that can help the person being “networked.” Management can't expect their employees to get involved in networking *modus operandi* without the necessary training, as it is exasperating when one has a goal in mind for one's networking functions and the goal is unachievable.

By assisting other people in their quests to success, the human nature is to return a favour, leading to the first step in networking; as a result making contact that will make a lasting impression. The “know how” of networking is not a born characteristic, but more likely to be visible in entrepreneurs. Management must be aware that these relationship-building skills can be learned.

Unsuccessful networking creates an uncomfortable feeling as the organisation's market share is diminishing in favour of competitors who have implemented a successful networking strategy. It is a matter of adaptation to survive. New skills must be learned, especially marketing business people networking; getting out, meeting people, stimulating interest in your product or service, understanding their needs, closing the sale and getting referrals.

By empowering employees and management to establish professional relationships with particular people and involve them in fastidious professional communities, will change their outlook in both personal and organisational context. They will not only internalise interesting perspectives, but will also become more comfortable in communication skills as they are actively engaged in ongoing conversations with people they become acquainted with.

2.4.1 Managing Social Capital in the Quest to increased Competitiveness

Social capital can be described as the opinions, feelings and behaviours contained within a group of individuals that creates value with these interactions between people. Human capital, on the other hand refers to the quality of individuals (Cope, 2003: 17). Investments that fashion social capital are therefore different from the investments that create human capital. Human capital is without doubt indispensable to achieve success, but it is inadequate without the social capital of opportunities in which to apply it. Social capital can be distinguished in its etiology and consequences from human capital.

The power of social capital is reliant upon the value of the social interactions as negative relationships degrade the value of social capital, subsequently having a negative impact on the exploitation and expansion of intellectual capital. Sturdy and constructive social networks increase knowledge sharing and cultivate the expansion and application of intellectual capital. However, meagre sharing of information, such as through the Internet and documents, does not lead to social capital.

An excellent way to comprehend social capital is through the clarification of Social Network Analysis. This is to evaluate, monitor and measure the performance of informal networks. Social capital stipulates real life alliances of individuals conversing to or with each other. Discussions in both the factual and knowledge management intellect represent unspoken knowledge that is flowing from one individual to another.

Disconnections between individuals are seen as holes in the network structure of the market, excluding sturdy potential individuals of the benefits they offer one another. By connecting these structural holes or gaps of communication, means that an individual is at the crossroads of important information, receiving it first and controlling its flow to the next source, thus permitting information and manage advantages between individuals otherwise disconnected in social structure. Structural holes are opportunities to individuals to manage the flow of information between people and control the process that connect these people from opposite sides of the holes.

The network that filters information through to management also directs, concentrates and legitimates information received by others about management. Consequently, referrals encourage management's interests. Networking management tools must also alert management when networking data represents historical, that is, obsolete and of no use, because the structure of a network tends to include the dismissal or redundancy of its information benefits.

There are two network indicators of redundancy: (Cope: 2003: 17)

- Cohesive contacts are strongly connected to each other and have similar information, thus providing redundant information benefits.
- Structural Equivalent contacts link managers to the same third parties, having the same sources of information, thus supplying redundant information benefits.

Managers who span the structural hole by having strong relations with contacts on both sides of the hole, has access to both information flows.

Coleman (1988) made use of a network metaphor to motivate his social capital explanation of why specific children perform better in school. It is a proven fact that they have a controlled network in which friends, teachers and parents are all powerfully connected to one another.

Organisations must gain knowledge of how to optimise the social capital that provides largely the talent and value within the business (Cope, 2003: 6). Relying on a single person's knowledge, will lead to disaster due to the constant changing environment and the swiftness with which business transactions are being dealt with.

Intellectual and pulsating organisations understand that human capital can only be fully optimised when people belong to networks where they can coordinate and amplify their necessarily limited knowledge, because:

- Important intellectual capital often resides between people the plus+" in the " $2 + 2$ " = equation.
- A single person often does not have the solution to a solemn market problem; the answer is more likely to be provided by a coalition of members' ideas. Consequently, knowledge is contained in the internal network rather than the knowledge-banks databases of organisations.
- One clearly needs to distinguish between intrinsic and extrinsic social capital. Intrinsic social capital refers to when an individual has achieved value, which is based upon personal capital that comes from within. It could be behavioural, the ideas of an inventor or the emotional compassion of a great gatekeeper. People are attracted to the network and one is welcomed into theirs because of one's character and has nothing to do with any position that you have in life or connections with other individuals. Extrinsic social capital is quite the opposite from the position in the living system or related to one's alliances and the supremacy they can add to the network.

It is important to establish whether an organisation is building or borrowing social capital, as it will bring to light whether the social capital preference is based on opportunity and legitimacy. Borrowing social capital can be a productive strategy (Burt, 1992), as every manager needs a sponsor at one time or another. Sponsorship can be in the form of entrepreneurial, hierarchical or clique networks. Company leaders do not have time to check into the credibility of everyone making a bid for broader responsibilities. They are looking for fast, reliable cues about people on whom they not already have information. Depending on the nature of collective capital of the organisation will bring them in contact with the desired alliance.

2.4.2 Measure and Validate Internal Buddy Systems

Knowledge of employees are considered to be the most valuable asset according to many annual organisational reports, even though the indisputable way they are treated and managed often contradicts this statement. Individual networks or informal buddy systems in the organisation are more powerful than individuals attempting to fight the system on their own.

Their prominent supremacy or power is not so much in terms of their position in the organisation's structural hierarchy but are located in their social capital, a true form of capital based upon the eminence and magnitude of those relationships. A sturdy social capital structure is beneficial to the organisation as the members are more able to solve problems and engage employees in daily company life.

The primary step for organisations towards managing these internal networks successfully is to acknowledge the existence of these social interactions or networks by creating an actual hidden organisation chart or employee network map. Secondly, it would be exceedingly enlightening if a method can be developed to represent and capture these buddy systems in a logical and useful manner to assist managers to administer their employees' social capital to the advantage of the individual and the organisation.

Herrero (2002) entitled the evaluation process of informal networks or buddy systems as Social Network Analysis (SNA). Social Network Analysis is not a novelty but has been restricted to the academic world, branded as social psychology and only newly applied in the attempt to improve the sustainability of organisational survival. Herrero (2002) further states that it was only recently that technology was developed to identify, map and measure these invisible networks and apply what has historically been a sociological methodology to organisational line of attack.

Leaders of today should therefore take note of these notions to understand and apply them, providing them with one predicament, thus how to develop and implement a methodology to determine, measure and validate these networks.

How an individual is positioned in the hidden structures of these exchanges or network interactions can be declared as an intangible asset and recognised as social capital. Being acknowledged as an intangible asset makes it difficult to measure the financial impact of these assets as they can easily turn into liabilities when malfunctioning, misused or mismanaged for personal gain. Measuring the effect of people networking on the bottom line requires organisations to implement a system that can measure their internal and external networks. Organisations, however, must guard here especially against execution of a climate of nepotism.

One dilemma senior management yields is that senior managers with well-heeled networks are more likely to be promoted prematurely, receive superior career reviews, serve on teams that are more successful and receive privileged compensation. Herrero (2002) reported that promotions occur faster for sales people with high entrée to structural holes.

Insecure leaders are a big liability to organisations. Promoting informal buddy systems might cause these leaders to become aggressively resistant to the changes, as it will most certainly expose their deficiencies. They will most certainly feel threatened since they have been aware of their talent inadequacies and have a hidden inferiority complex. They are defensive, tend to exaggerate their so-called good qualities and achievements and hide the deficiencies. When the favourites are in trouble, their patrons will be blind to their faults and will bend the rules to find excuses to release them. These acts will be branded as "Evil Networking" eventually destroying organisational cohesiveness and effectiveness (Burt, 1992).

Another problem facing organisations is that women who build entrepreneurial networks are significantly less likely to experience the career advantages enjoyed by their male counterparts for the following reasons:

- The gender difference attributes to women preferring the support and cohesion of cliques because men and women are equally likely to build clique networks. It is the way women are treated when they build certain kinds of networks. Women might build networks based on social status, rather than on the possible value delivered by the alliance.
- Women suffer because of "pink-collar" or low opportunity jobs
- Men more often build same-sex networks, rejecting the explanation that women with entrepreneurial networks do poorly because their networks are too often built around other women (Burt, 1992).

The reasons above are all part of a myth (Burt, 1992). The factual explanation is that it turns out women are being excluded from the informal communication networks among senior managers. Familiar with the rules of informal communication between men, established male managers have little experience with women as colleagues. Normal business involves conflict and complexity sufficient to make outcomes uncertain. Managers can avoid the added complexity of gender by focusing on projects proposed by male colleagues.

Using managers' remuneration as a function of strong ties is one method to measure the strength of a network or buddy system internally, as remuneration goes hand in hand with the strength of the employee's network with senior management (Burt, 1992).

Renovations of past networks centred around managers. It can be used to estimate an event-history model of how structural holes in yesterday's network affect the likelihood of promotion today. The results were astounding as they discovered that the teams composed of employees with more entrepreneurial networks, are considerably more likely to be recognised for their success.

According to University of Chicago Graduate School of Business professor of sociology and strategy Ronald S. Burt, not all networking structures are created equally. In 1992, Burt reported in "The Gender of Social Capital," that the entrepreneurial network structures associated with early promotion for senior-level men do not work for women (Burt, 1992).

Managers that use rigid command-and-control methods and manage their teams in an autocratic manner, find it difficult to acknowledge that employees might have powerful buddy systems that can contribute to success. They are often part of the "old boys club" themselves and use their networks to increase their own wealth and push their own "Buddies" into designated positions. It is extremely important to realise that what they are doing is not networking, but self-enrichment.

This autocratic management style presents a huge threat for organisations, not only resisting the change in management style about to happen, but view networking and the management thereof as nebulous, almost having a whimsical way of thinking.

2.4.3 Measure and Validate External Buddy Systems

The idea of building an external network of people, who are aware of each other's services in a specific market niche, is first priority today. The mission is to provide assistance to each other and in cooperation to increase wealth maximisation for every participant; primarily as an organisation and subsequently for the individuals within the organisation.

It is common knowledge that managers have to build strong networks of personal relationships to accomplish their business goals and that the general rule is to build for diversity. Individuals, who networked a selection of contacts in separate groups, have a competitive advantage given that the economic environment is supported by a bureaucratic system.

Buddy systems can be characterised by three types of networks, also illustrated in Table 1.

- Managers with entrepreneurial networks are able to move information faster and are exceedingly more mobile compared to a bureaucracy, thus creating solutions that are better adapted to the needs of the organisation.
- At the other extreme are clique networks in where contacts are few but strongly connected with one another. Clique networks cloister individuals in a social world of mutual friends isolated from other groups, also ensuring security, but at a cost to the manager's ability to add value (Burt, 1992).
- Hierarchical networks has a sparse, side-line structure and is of little use to entrepreneurs. Hierarchical networks relate to the manager that controls, rather than the leader that empowers. These networks allow

very little creativity and when it becomes known that employees are engaged in skip-level networking activities, they are to be eliminated from the hierarchical network (Burt, 1992).

Characteristics	Entrepreneurial Network	Clique Network	Hierarchical Network
Structure type	Sparse, flat structure	Dense, flat structure	Sparse, centre-periphery structure
Ties and sustainability	Ties sustained by manager	Ties sustain one another	Ties sustained jointly by manager and sponsor
Network Abundance	Abundant structural holes	No structural holes	Structural holes borrowed from sponsor mean second-hand information and control benefits
Redundancy	Low redundancy	High redundancy	Low redundancy
Benefits	Creates information and control benefits associated with successful managers	Creates social support, but minimal information and control benefits associated with unsuccessful manager	Associated with successful illegitimate managers (and unsuccessful legitimate managers)

Table 1: Comparison between the different types of social capital (Cope, 2003: 17)

It will be of little use for an organisation that has network abundance, when another organisation, where social capital is built based on clique networks, is trying to establish a relationship with them. Not only will it be difficult to communicate, but it will also provide no competitive advantage.

Clique network is focussed on a closed environment and minimal information and control benefits, also associated with unsuccessful managers; the latter is not the case when building social capital in an entrepreneurial network. In order to sustain a competitive environment, social capital and network abundance must be aligned to the way these employees within these organisations perceive networking (Cope, 2003:17).

External networks can also be referred to as professional networking; sets of close contacts or associates who will help deliver the organisation's value to the market (Cope, 2003:7). It is important to remember that these contacts can only assist in obtaining a competitive advantage in the market. It is client relationship management. Networking is about building long-term successful and sustainable relationships with other people.

The advantages of external networks are:

- Cost effective as it reduces expenses in finding new customers.
- Increase in financial control, as referrals are much less likely to be deadbeats.
- Reduce the effects of seasonal business slowdowns.
- Have stronger personal contacts in the business community, if the relationship is based on trust and honesty.
- Increase the organisations customer base, ultimately obtaining a competitive advantage (Darling, 2003: 36).

Business relationships are very important for home and small to medium size organisations as they depend much more on every single business relationship than a large organisation with many connections would. Each relationships or informal network or buddy system is equally important and valuable.

The Internet-world is part of reality and forms an integral part of the external network. The people related with the network have genuine lives, careers, habits and feelings of their own, thus it is of utmost importance to apply decent interpersonal relationships as they converse. Research in accounting organisations proved; the stronger the ties, the more secure the value chain or supply chain (UUA, 2001).

Coming to the conclusion that new genres constantly emerge as technologies evolves and new networking channels will surface but networking will always require human intervention, because it is about people and the value they contribute, together within technology and innovation.

Marinda Smith

2.4.4 Evaluation of Network Position and determine To Be Positioning

According to the proverb, "Perception is the truth", it does not matter whose perception is right - what does matter is that what we perceive, we believe (Keller Consulting Services, 2003), can really be warranted when people consider making use of personal contacts. Most often networking is perceived as an influence of underhand abuse, unfaithfulness, discreditable thus an unethical and unnatural process. Cope (2003: 12) disagrees with this statement and states that networking is a natural, ethical and enjoyable process and encourages humans to develop this trait in their offspring. The greatest challenge is to change the perception of the employees, also a pre-requisite before the introduction of change towards knowledgeable and willing employees.

Before changing the perception of the employees and the implementation of a networking strategy, managers must evaluate the organisation's network and determine their competitive networked position by evaluating existing networks at the hand of some distinguished techniques.

Organisations need to perform a Gap Analysis to distinguish between the methodologies implemented and subject to their networking goal, establish the most functional strategies to be integrated. Research also necessitates to demonstrate where the specific organisation materialises on the networking S-curve and finally provide top management with the perceptions of the employees and management; both internally and externally towards existing networks and the implemented networking practice. Consequently providing input into the strategic plan and since "Structure follows Strategy," the strategy can be developed with methodologies to support successful implementation of the networking solution (Skyrme, 2002).

The networking evaluation techniques as proposed and underwritten by Mick Cope, (Cope, 2003: 55) will assist organisations to derive to an accurate idea of the strengths, weaknesses, opportunities and threats of the connections of employees. Eventually to determine what is required to turn personal capital into social capital (Cope, 2003:76). By rating each criterion within these techniques as high, moderate or low, one will be able, to exemplify the following:

- The degree of closeness between people;
- Mapping of similar parameters against each network connection;
- Understand where the value will be derived in each of the network relationships;
- Build a topology that pulls a range of key factors into a single chart; and
- Include social abundance, into the networking topology.

To determine the networking position of organisations, it is necessary to plot all the connections or alliances on a chart. When the information is available on how and where the connections materialise, combined with their strengths and weaknesses, types of networks, similarity and abundance and the value these contacts have, organisations can position themselves and design a network strategy. The following critical evaluations are required:

2.4.4.1 Evaluate the Tie Strength of each Connection

When the entire network nodes consist of friends, networking becomes pleasurable and entertaining. Nevertheless, a sustainable living is sacrificed including wealth maximisation for both the individual and the employee. To measure the organisation's networking ties, management should appraise the ties, using the following nine criteria:

Critical Success Factors:

- Strong links are measured by the amount of regular contact intervals during a specific pre-defined period.
- Be able to depend on a contact any time and place.
- Thus, the creation of a heterogeneous network will probably offer a stronger social capital than the common homogeneous one that people often create for themselves.

Strengths:

- Strength of weak ties is crucial to the labour markets as job seekers are more likely to hear about the job they secure through people they do not know well.

Weaknesses:

- Large contact groups, but weak ties.

Constraints:

- Constraints of time, but the ties are not so strong when cancelling an engagement, distresses the contact's feelings.

Threats:

- Open up the organisation's exclusive market, allowing new entrants at the wrong time might end up in becoming socially redundant.

Opportunities:

- Weak ties act as boundary spanners; they normally are members of a number of networks and are able to assist in accessing social capital from networks other than these in existence.
- Seeking to obtain strength from the expansion of weak ties to develop links to contradictory social networks and their associated social capital, will increase boundaries and create the possibility to connect with dissimilar people, thus adding a more affluent collection of viewpoints into the network.

Risks Identified:

- Being dependant on boundary spanners as a resource to bring variety to the network, those being the organisations bridging agent is a serious concern when the link is disconnected blocking all the access to resources or contacts in the other networks.
- This gating process is critical, mainly in a career change or seeking human capital. The social value of a linkage is influential and the effort needed to replicate a disconnected linkage might be expensive and unsustainable.

Advantages:

- The essence with weak ties is that ideas can reach a generously proportioned amount of contacts, moving larger social distances when passed through weak ties rather than strong ties, thus they create opportunities across different and discrete collective and serviceable alliances.
- When the organisations value to a network is providing access to other groups of people. Being a weak tie in someone else's network create an advantage as the exclusivity heighten your extrinsic social value to the network.

Disadvantages:

- No proof that people who are weak ties in your network will always be boundary spanners who will help you bridge into other networks.

Many managers and employees believe to be successful at networking, one should increase the amount of alliances. It is not about quantity but quality, thus the smarter your connections, the healthier. Social connectivity that provides the utmost advantage will come from links to acquaintances the organisation does not currently possess, the goal being to become allied to individuals who are well connected.

2.4.4.2 Determine if a Similarity exist between Networks

Building external networks of similarity and resemblance increases the strength of the alliance and network associations (relationships). However, the opposite is also true: when relationships are weak, it creates network diversity. Measuring if a similarity exist between networks the following nine criteria can be used:

Critical Success Factors:

- Network optimisation comes from a blend of having similar and diverse external networks.

Strengths:

- Networking with alliances similar to the organisation, creates a unique bond. Being with people sharing the same interests makes the exchange of ideas an effortless task and therefore an uncomplicated networking process.

Weaknesses:

- Networks joined through similarity convey a limited amount of new ideas that can improve brainstorming techniques.

Constraints:

- Being part of a homogeneous assembly limits the members' innovative and creative thinking.
- Social capital is focused inwardly; back into the closed networks, as such, creates social separation.

Threats:

- Parallel or similar networks are inwardly focused networks and develop 'groupthink'.
- Closed decision-making activities enforce network to lose track with current and future business growth and development, which turns out to be a barricade for creating a competitive advantage.

Opportunities:

- Invest in frequent exposure to diverse connections to facilitate open-mindedness and development of alternative acquaintances to sustain and increase productivity.

Risks Identified:

- Closed networks in similarity develop a set of assured characteristics:
 - ♣ Members are not being critical of each other's ideas.
 - ♣ They do not seek external viewpoints.
 - ♣ They become exceedingly selective and discriminating when accepting information from people.
- Networks not being diverse eventually develop an unhealthy illusion of invulnerability.

Advantages:

- Similarity presents expertise in their networking meadow.

- Network diversity permits organisations to experience different perceptions and possibly generate a successful entry into other non-related associations.
- Diversity creates a flourishing array of contacts:
 - ♣ Ensuring viewpoints never getting excessively decayed,
 - ♣ Opening up an entire range of networking opportunities,
 - ♣ Accessing areas that might not have been considered previously.

Disadvantages:

- Networks that develop 'groupthink' do not consider all alternatives and develops a culture of aspiring unanimity at the expense of quality decisions.
- Closed networking groups, reinforce, supports and implement a set of beliefs.
- Creation of an unshakable cultural networks or "clicks," especially within organisations that focus on enhancement of personal needs.

Depending on the marketing strategy, whether the organisation wants to diverse or focus on a niche market, will guide the implementation of a similar or diverse networking strategy.

2.4.4.3 Authentication between Open and Dense Networks

Open networks represent networks where organisations are connected with people. These people are not connected with people who are acquainted with each other. Dense networks on the other hand consist of people who are well-connected and with strong ties with each other. To determine whether the organisation's network is open or dense, evaluation can be conducted by using the following nine criteria:

Critical Success Factors:

- Dense networks are branded by the fact that more than 70% of the group must know each other personally, to have strong ties.
- In favour of dense networks to succeed, these groups must have similar interests, assured normative rituals, proverbs, or concealed verbal communication.
- Inclusion of levels of 'similarity' on your network chart, expose gaps and opportunities, where networks are not dense and overcrowded.

Strengths:

- Dense networks create a compassionate and relaxing feeling.

Weaknesses:

- Congested networks do not offer a diversity of alliances, required to increase the bottom line and be successful over a long period.

Constraints:

- People that will not be able to network.

Threats:

- Employees being excluded in internal private associations generate envious behaviour and are often also distressed to experience this type of close-knit community, to help them feel respected; employee conflicts develop as a result of natural human behaviour.

Opportunities:

- Organisations can move into other unexplored networking areas to increase a diverse collection of ideas.

Risks Identified:

- The risk is that this person might have power (surface or shadow) over your career and will set out to exclude you from his/her power base as a form of retaliation.
- This is one of the big risks with the formation of dense professional networks and ironically is a major force that fights against the whole purpose of the community because it can limit your access to certain people or communities.

Advantages:

- Personal and organisational gain.

Disadvantages:

- People outside these closed networks undergo resentment, as they feel redundant and excluded.

The following steps are to assess the motivation why individuals are part of a network, and to determine the benefits for members of these networks and the effect on the organisation's goals.

2.4.4.4 Measure the Relational Value of Networks

Creating a competitive advantage entails many aspects, such as creating barriers, product differentiation and relationships. It is essential that these relationships must be of first-rate value and significant for both parties involved to enhance networking strength.

It is important to determine why particular people are required in the organisations networks; trying to establish whether it is based on their intrinsic value or their extrinsic value, or because of what they do. Measuring the relational value should be evaluated by using the following nine criteria:

Critical Success Factors:

- Determine key characteristics of networking that create value for the organisation in their network relationships.
- Generate an inventory of the reasons for existing alliances, measuring them against the key characteristics to determine if these reasons enhance value to the existing networks, thus determine the benefits for all parties involved.

Strengths:

- Relationships built on intrinsic social capital last over a long-term period; these networks enhance personal value to increase their social worth, also stimulating a reinforced network growth cycle.

Weaknesses:

- Relationships built on extrinsic social capital are only effective over a short term.

Constraints:

- It is difficult to determine whether relationships are built on intrinsic or extrinsic social capital.

Threats:

- Organisations building social capital by using only extrinsic value will eventually deplete their social capital and reduce network abundance.

Opportunities:

- Making use of alliances built on extrinsic social capital in turbulent, highly competitive markets where technology either is in a "market and growth segmentation stage" or have reached the "maturity stage", generates effortless business opportunities through finalisation of deals via high profiled and powerful alliances within the other organisation.

development of an internal locus of control and eventually assist in the quest to determine what they want to achieve.

- Charity in entrepreneurial networks' awareness is being created to amplify enhancement for others, whether deserved or not. Appreciation is not the objective, but further opportunities for appearance to assist in the achievement of success by everyone. It is about being open-minded enough to value the differing views and by trusting people enough to share new ideas with them.

Measuring the networking abundance should also be evaluated by using the following nine criteria:

Critical Success Factors:

- Incorporate small one that overflows with abundance.

Strengths:

- Network abundance is a fundamental tool that determines the long-term value and success of the network.

Weaknesses:

- It is no point in growing a network to find that it produces less than the sum of its potential value.

Constraints:

- A difficult task to create success for everyone without pushing one's own objectives.

Threats:

- Having a huge network that has little abundance is pointless.

Opportunities:

- Network abundance assists social capital to exceed the value contributed as individuals.

Risks Identified:

- Unless the value of the social capital is greater than the sum of the personal capital, the energy being expended in managing the network might be better deployed in another place.
- Collective network abundance is a difficult thing to manage, but a necessity, as it is a fundamental tool that determines the long-term value and success of the network.

Advantages:

- Networkers with an abundance (large quantity) approach believe there are sufficient resources available to achieve their goals.
- The more successful they are, the more others are affected in a positive way, regarding success as something that emerges when they and their connections are successful.

Disadvantages:

- Low network abundance limits organisational network growth and capacity.

By adding the network abundance to the network map, provides a view of the current and potential value of social capital.

The final step in the evaluation process of existing networks is to compile a process map, which will be the creation of a networking methodology to achieve strategic people networking goals.

2.4.5 The value of Trust and Entrustment in Informal Buddy Systems

Successful networking is based on entrustment, as members are delegating their personal and professional brand to each other. Thus, trusting each other not to abuse the knowledge they have about each other, but

rather develop to it to maximise wealth creation (Cope, 2003:115). Consequently one can assign each other's personal capital to achieve an elevated social capital.

Trust plays an important role in the development of buddy systems; it is expected that the higher the level of trust the greater the level of cooperation and support from each other. However, when mistrust sets in the opposite is true and networks will dissolve. Trust is also inclined to the immediate circle of very close contacts the reason being that humans are not always trustworthy and the risk of allowing untrusting people into the network makes the network vulnerable to failure.

The main threat to organisations is when employees flagrantly abuse the network. Managing these dire network invasions is a difficult task as networks are decentralised and open systems, have no single controller and can invade the same way a computer virus enters a computer network, wiping out the system in the blink of an eye (Cope, 2003: 118). The development and implementation of a knowledge management system will make it easier to identify and reject people who will abuse the system.

Trust is not only a mere blind belief in the obvious. Various factors have an impact on the type of trust between humans. There are four different types of trust; explicit, unspoken, cognitive (head) and emotional (heart), as illustrated by Figure 1.

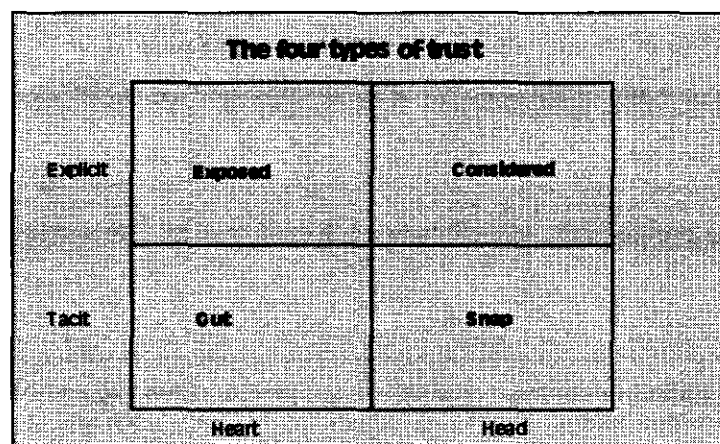


Figure 1: The four types of trust (Cope, 2003: 120)

With the development and maintenance of networks, the trust measurement is applied by means of one's gut feeling or the use of mental snaps of historical events, or only after serious factual consideration and judgement and finally trying to emotionally uncover the truth about the relationship about to be emerged in.

In networking context, trust can be used to measure truthfulness, responsiveness, uniformity, loyalty and aptitude. Trust creates a feeling of reciprocity; the sense of future indebtedness outlines the basis for continuing relationships and plays an important role to when entrusting people in order to grow social capital.

2.4.6 Networking as an Open System

Networking can be distinguished as being an open system and serves as an interaction and communication between various closed systems in the business world. A set of management rules need to be defined to reduce obstructions caused by relationship problems and to optimise efficiency and productivity of social capital.

2.4.6.1 The Networking S-curve

Organisations often feel ambushed when vibrant networks suddenly reach a point of completeness and growth stagnates. The reason being managers tend to forget that networking functions as an open system and when

the external influences are not being directed properly, decay sets in and people shift their interest to more competitive and vibrant networks with opportunities for growth.

Organisations consist of a collection of separate individuals rather than a community that centre on a belief or set of values. Subsequently it necessitates rules, procedures and governance processes to prevent the process of decay and to increase the feeling of collaboration. To foster a collaborative climate, organisations must create a motivational climate that underwrites positive building of alliances, inevitably moving towards a cultural change regarding networking.

To activate the successful execution of a cultural change, network management processes must be evaluated in the fuelling of the flow of abundance through the network. Determining the positioning point of the organisation on the respective networking S-curves, can only support decision-making and enhanced implementation of relevant strategies at the correct time, as it may well collapse if networks are being penetrated, expanded, reduced, or exited at the wrong time. The flow of abundance can be illustrated in Figure 2, by what is referred to as the Networking S-curve. The rapid rise and decay can be seen in the classical S-curve, driving collective and technological change; slow birth, steep growth and slow decline, thus sharing the general characteristics of pure growth (Cope, 2003:141)

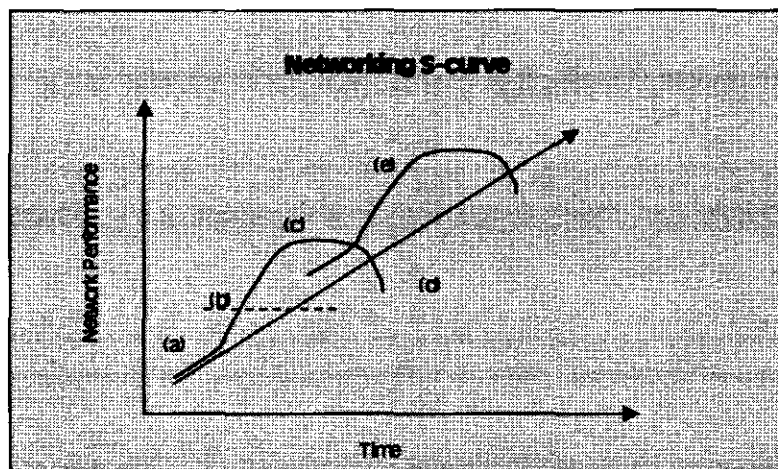


Figure 2: The Networking S-Curve (Cope, 2003: 141)

The dynamics of a network 'S'-curve can be explained as such:

- In the beginning (a), expansion is slow because the people are adapting to each other and the environment.
- When the relationships mature, the growth increases (b). The velocity of growth leads contacts to an innovative humanity, which has new operating principles, goals and distributed leadership. Although the factors aid the growth process in the early days, reaching maturity is characterised by a decline in the growth rate.
- The skills and knowledge that led to the growth (b) becomes inappropriate for continued growth (c). However, resistance to change is in existence as it might be difficult to let go of the old ways of thinking which facilitated in the creation of the initial success (b). To adapt and transform according to the changes in the environment, the network may have to give up some of its old ways of thinking, feeling and behaving in order to succeed and expand further.
- Failure to adapt to changes leads to decline (d).
- The ultimate goal is to choose interventions that ensure that the network follows a series of repeating S-curves. The actual interventions and management will be by managing employees' individual S-curves (e).

Upon identification of the organisation's networking growth and competitive position in the specific networked area, managers can pilot the way performance is maintained and enhanced. Growth and development of alliances cannot happen through reconstruction of the current activities, but by re-assessment of the situation and the creation of a new S-curve to take the network function to a higher level, in the same way that BMW will update a range of vehicles for a specific period to sustain market currency and performance. However, at some stage in the future a redesign and release of a very new concept is inevitable.

2.4.6.2 Knowledge Socialisation and Networking Life Cycle

The motivation and recognition of new networking ideas can be mapped against time, thus constructing a profile that specifies the total rate of distribution across the organisation. The diffusion process can be described as the social change that transpires as information circulates through the network, and this information are accepted and analysed by the members of the network. This rule relates to both internal and external entrepreneurial networks (Cope, 2003: 154).

Humans demonstrate explicit behavioural characteristics to innovation and change and these personalities can be categorised into the five standard types such as: Innovators, Early Adopters, Early Majority, Late Majority and Laggards as illustrated in Figure 3. Organisations are required to classify and measure the behaviour of employees that are involved in the socialisation of knowledge within the organisational entrepreneurial networks. The rationale being to be able to determine the workforce's current human qualities to apply them successfully in the deployment of a networking strategy but also to predict the traits that would be required in human capital to implement future networking strategies.

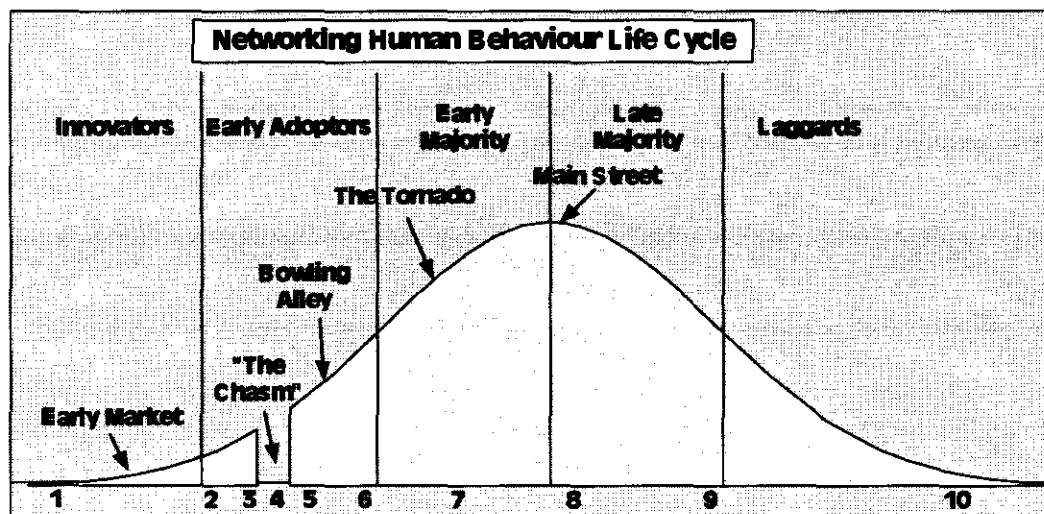


Figure 3: Networking human behaviour life cycle (Moore, 1995:17)

The Networking Human Behaviour life cycle can be explained as such:

During the life cycle of an organisation, different marketing techniques are required to penetrate, either explore or exit the life cycle depending on where the organisation materialises. Human interaction and activities play a critical role with the successful implementation of a networking strategy (Moore, 1995: 17). Networking can be evaluated in the same manner when evaluating the industry life cycle:

- Innovators; Adventurous and act beyond the ideas of their peer group considering new ideas and experiences and have a nature to act as the entry point, or for new ideas to enter into their social group.
- Early adopters; Act as missionaries for change, helping to lead the change and diffusion process through the organisation. They are risk takers, however have enough influence in the critical mass groups to help

to facilitate change across the business. These individuals also have the ability to identify "The Chasm" and can generate innovative thinking on crossing the chasm (Moore, 1995: 17).

- Early majority accept innovative ideas curtly before the average people in the organisation. They also have the ability to interact regularly with their peers but are not normally opinion formers within the business. However, they are taking their time before adopting a new framework, probably because they take longer to make the decision to accept the change.
- Late majority only accepts ideas after the average are sceptical about new ideas and will only accept change after pressure for acceptance by leaders.
- Laggards are not easily adaptive to change, will show resistance and base their decision-making on historic reasoning, subsequently only accept change when it is forced upon them. (Moore, 1995: 18)

Employees must take responsibility for their roles as networking agents, and together with management, identify each individual's behaviour towards change and utilise them appropriately. Dominant opinion leaders placed strategically incorrectly can either have a positive or negative effect on networking adaptation. For example, having a person as a gatekeeper, which is grouped in the late majority or laggard category, thus being prejudiced to change and innovative networking alliances, will either act as a bridge to another hostile network or act as a blocker, not allowing anyone inside. Individuals or an individual acting as a gatekeeper has a serious responsibility towards growing in terms of strengthening and sustaining the accurate networking ties and must almost be exclusively selected by networking strategists.

Experiencing a passive gatekeeper at the network, a desire to be entered by the network can be conquered through the generation of satisfactory critical mass (Cope 2003: 157). When enough people in the network accepted the new idea, further adoption becomes self-sustaining. Therefore, a critical success factor is to share knowledge across the network and to identify the connections whose approval will stimulate and motivate other individuals to pursue and to bond in the sharing process. Cope also suggests some possible strategies that might be used to expand critical mass around an idea that is being shared:

- Target the key people in favour of the initial adoption of a new idea or knowledge. Adoption by this group will send the appropriate signal to people that the idea is desirable.
- Create a positive aura around the idea by implying that the result is inevitable and that the market will accept it.
- Introduce the idea to network subgroups where there is a good chance that the members are likely to adopt the idea at once. Taking a whole group at one time increases the ability to reach critical mass early on in the diffusion process.
- Provide incentives for the early adoption of the idea until mass is achieved.

2.4.6.3 Porter's Five Forces and the added benefit of Networking

The value chain of an organisation reflects all the activities that are performed to design, produce, market, deliver and support its product or service (Porter,1985:36), gaining a competitive advantage by performing these operations effectively, by reducing costs and increasing of revenue and also providing a value delivered services. Porter's five forces model examines the competitive environment of organisations, industries and technologies. A networking strategy will enhance the proposed five forces model of Porter to obtain a competitive edge.

- By finding the competitors, determine the extent of competitive rivalry: informal networks will prove the information about other alliances: one can infiltrate the competitor's network, without them being aware of it. This can be achieved by having a sound relationship with external contacts such as buyers.
- Identify and evaluate the power of buyers and suppliers in the marketplace: long-term relationships based on trust and honesty (effective networking) will provide the organisation with a privileged view of the buying

supremacy. Supplier-vendor relationships can be explored and be networked to form alliances where both parties reap the benefits.

- Analyse the threat of substitute products or services in the market place: By having an open network, alliances will be built into various industries. Knowledge about one industry often surfaces in another industry and organisations will be aware of emerging substitutes in that manner.
- Evaluate the state of the marketplace and identify potential new entrants: by having a sound relationship with networking partners they will notify the organisations as soon as new entrants emerge, because they also want to continue the relationship and fear the service of these new entrants.
- Industry and competitors analysis: Organisations normally become aware of potential entrants to the market when they are queried on issues such as pricing, service delivery and sales opportunities. Contacts in the marketplace will inform the organisation of activities in the industry by the means of plain conversation at informal functions.

These hidden connections in the market provide the required information in an informal manner to the organisation to be able to apply Porter's five forces model, when evaluating the competitive environment.

2.4.7 Knowledge Management and Management Information Systems for Networks

It is of the utmost importance to have a knowledge bank that shares information about the organisation and the individual's existing networks. These knowledge banks should capture the internal and external networks, formal and informal buddy systems and relationships on a management information system.

These networks cannot be formally mapped. Supporting management information systems must therefore be informal but resourceful. Managing the organisation's knowledge more effectively and exploiting it in the marketplace, is the latest quest of those seeking a competitive advantage. Knowledge and many forms of "intellectual capital" are "hidden assets" in organisations, even more so is networking; established, hidden, and unknown.. These so-called "evil" networks, such as Osama bin Laden's network, serve as a perfect example of how essential knowledge is, in the quest to achieve a competitive advantage or in the prevention of a possible disaster (Skyrme, 2002).

Social Capital (Networks) does not appear on the balance sheet and in annual reports, yet they strengthen value creation and future earnings potential. For example, information intensive organisations like Microsoft and Glaxo Wellcome, market values exceed the value of their physical assets by at least 10 times (Skyrme, 2002).

Initially organisations are inclined to make better use of the knowledge that already exists within the organisation and secondly are focussed on strategies to create and enhance innovation; turning ideas into valuable products and services. However, in the 21st century, constant and rapid change, increased global competitiveness and in an information technology driven economy, it is no longer a viable and sustainable solution to rely on product innovation and product differentiation.

Technology equalises competitors, as it grants the same competitive edge and advantage. By not being the innovator or able to leapfrog the competitor, organisations' market share will surely diminish, leaving management with one alternative: use your connections, even those of the employees. Many managers mistakenly ignore the networking knowledge of their employees, as they do not manage it or do not even care about it. However, these networks can be vital to obtain a competitive advantage and knowledge management can capture this intangible asset for exploration.

Networking knowledge must be measured, as "what is not measured is not managed" and technology increases the effectiveness of knowledge management issues.

2.5 Networking Strategies

Mick Cope (Cope, 2003: 5) stated, "As people make their connections count they begin to unshackle themselves from the chains of corporate slavery" and realise they have the freedom to choose. Also, they discover how to bypass the corporate control system and bond with friends, colleagues and classmates.

This new span of control is not only redefining the business rules and facilitates the emerging of a networking culture and knocking on organisations doors, it is also affecting the future layout of the organisational structure, where a strategy should be put into place to achieve a competitive edge, not even ready to obtain an advantage as of yet.

However, a networking strategy should not discount the value of personal knowledge as the prime capital base. No matter how knowledgeable and intellectual individuals are, at some juncture, success will be dependent on their aptitude and skill to access and gain support from the "right" people: the origin of networking (Cope, 2003:1). The strategic goals of networking include two key issues when designing a strategy:

- Develop a wide span of connections across areas wishing to exert influence: and
- Develop a methodology on how to make these connections count.

Networking as a job-search technique or as business professionals seeking a solution in a non-competitive environment to help each other towards wealth maximisation, involves liaising with people and is generally supported by the fact that people are seeking others' advice.

Upon developing a networking strategy it is fundamental to be conscious of what the individuals within an organisation have to offer a beleaguered contact. It could range from industry knowledge to the awareness of other organisations or insights from other people within their own network.

In the networking process it is not the primary contacts (the people who know you) who assist in getting placed at a new job or initiating a new deal, but it could also be three to five interactions down the path, the third party interaction. These networking interactions can take the form of recognised alliances or casual "Buddies."

Some people network actively, i.e. initiating contact by addressing other people first, whereas others network passively by giving the impression of being open and people are naturally drawn to them.

Due to the fact that building a robust and sustainable supporting structure might even take up to four or five years (PPI Business NLP, 2003b), networking strategies should be planned two or three years ahead.

The principal cost involved in the development of robust alliances is time. Adequate time needs to be allocated to the development of employees' networking skills to ensure they adopt the organisation's mannerism and pay forward with people they network with. Consequential, the social capital of the individual's buddy systems and their "Buddy's" buddy system accrue on a compounding basis. The benefit to the organisation will eventually be mirrored on the bottom line.

The proposed network strategy must include ideas around ways and means to get business professionals together in the same place at the same time, consequently developing a program that allows employees to build relationships with others. Meetings could be scheduled at the same time and similar venue, having habitual intervals to encourage the explicit, pre-defined relationship-building initiative. Human relationship studies revealed that with the more exposure a person has to another person, the rate of the relationship about to be built, accelerates (Profnet Inc. 2003d).

The entrepreneurial networks or buddy systems related to early promotion for senior men do not work for women. Solving the gender conundrum is an opportunity to see how network models of social capital can be used to identify individuals not accepted as rightful members, also to describe how these employees get access to social capital by borrowing the network of a strategic partner.

When creating a networking or social investment strategy, an organisation must identify some networking critical success factors (PPI Business NLP, 2003b). These critical success factors are:

- Identification of the key elements of effective people Networkers;
- Identification of the current networking style, including the strengths and weaknesses of the individual employees and organisation as an entity;
- Design, implement and practice some new networking techniques;
- Set achievable networking goals for the organisation, also at individual employee level; and
- Organisations must reinvest any gains back into the network by giving time and energy back to fuel the flow of contacts and goodwill. To keep draining the social capital pool leads to exhaustion.

Social capital strategies can either be built through the establishment of strong ties to external disconnected groups, or individuals, that find it difficult to be successful following the direct approach. Due to organisational politics, another option will be to use the strategic partner approach. Women and new employees who have entrepreneurial networks are promoted late forcing them to borrow the social capital of another; thus a "sponsoring" strategic partner that is already connected to external disconnected groups.

Some serious concerns in organisations that need to be addressed when creating a networking strategy are:

- Often women are not promoted when they build their own social capital and only move ahead when they borrow social capital, implying a legitimacy problem in the organisation.
- Diminishing of social capital due to lack of self-abundance by employees as selfish managers work towards their personal advantage; little existence of mutual benefits and shared success through networking in the organisation (Cope, 2003:33)

Being confronted to build an alliance that has much value to offer, but the individuals experience personality difficulties, effective networking does not include any person to compromise their personal values and ethics. Figure 4 illustrates the choices that can be made in such a difficult position.

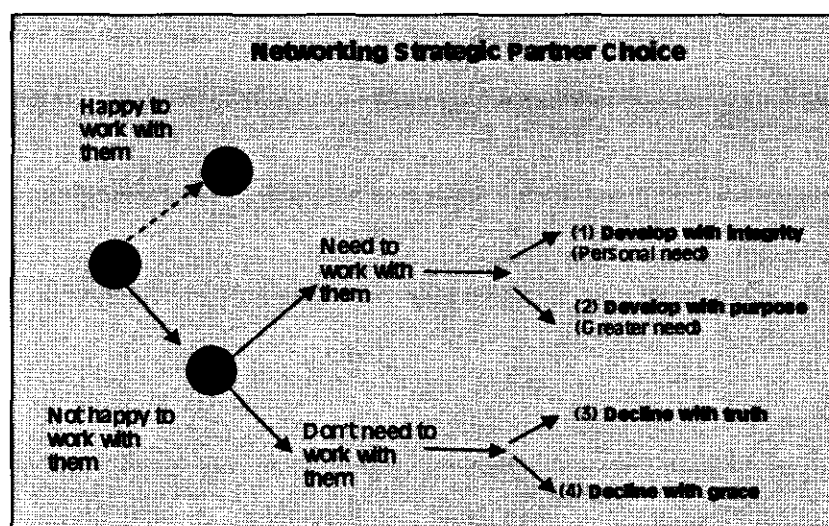


Figure 4: Networking Strategic Partner Choices (Cope, 2003:33)

An immense risk many organisations take when enhancing and supporting the development of a networking culture and strategy is often with the loss of key employees that had a strong customers network. The lack of a networking culture that supports the correct strategic choice, permit employees to choose a strategic partner based on their own agenda, which might not be what the organisation is trying to achieve. For example, the

employee establishes an alliance with someone that the organisation does not need to become acquainted with. This alliance could be purely created for the employee and his "Buddy's" self-enrichment.

The fact is that organisations position is often inextricably enclosed in the relationships between employees and the customers they serve. As an example, many executives' importance determines the value perceived by the customers rather than the organisation being presented. People have more of an affinity for a cooperative sales representative than for the products or services of the organisation.

The reason why customers follow their leads is that they often feel abandoned. Numerous customers become more inclined to the playing field of the opposition. One method to retain customers is to bind them by contracts, thus postponing the impact over a short term. Generally, these strategies focus on retaining key contact employees, using legal defences such as penalty clauses for cancellation of contracts and act as custodians for the knowledge held by key contact employees after they have left. However, the need of the customer outgrows the strategic success of these techniques.

Bendapudi and Leone (2001) reported four proven strategies that could stop the migration of customers:

- Develop a sustainable bond with the customer that supersedes the power of one employee. Determine their needs and what they valued the most with their relationships with key contact employees.
- Building of an effective customer-employee relationship that will sustain star performers' turnover through the establishment of a communication flow that will elevate the quality of all the employees.
- Sponsors "no-strings-attached" network nights, when employees and customers socialise and exchange ideas.
- Ensure customer interaction with an assortment of employees, at unrelated levels, consequently reducing the probability that customers will perceive any one employee as indispensable. Notify customers of employee turnover and execute a transition period including the development of sustainable performers alongside superstars. Michael Porter (1985:36) established that expansion intensifies of services being provided, increases switching costs. This approach makes it complicated for competitors to invasion.

The emphasis is to focus on all the strategies, as focusing on only one or two areas of customer concern may actually do more harm than good when it comes to retaining customers. By keeping a record of key contact employee turnover and measuring the strength and possible threats of these relations when it ends, will prevent customer departure together with key employee departure. This can be achieved by designing a "Customer Relationship Scorecard."

Optimisation of personal capital being referred to as the slingshot approach; can be achieved by partaking and socialising what you have with other people so that they can in turn share and socialise your capital with their network. The goal is to bridge from where the organisation is to where it is heading to achieve their networking goals, gaining advantage in the market using these cross connections, as illustrated in Figure 5, below.

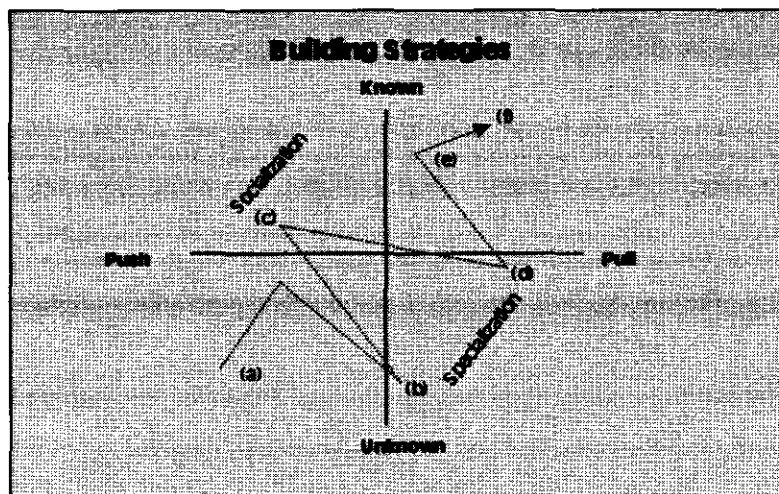


Figure 5: Building strategies (Cope, 2003:60)

Results orientated organisations must develop strategies to manage the emotions that form part of the human mind. These strategies form the backbone of the networking structure. The building of strategies, taking into account the push, pull, known and unknown factors (Cope, 2003:60).

The idea is to determine to what extent the person being networked is known, identifying the type of relationship as it will have an effect on which line of attack to follow. The type of relationships can be identified by:

- The "Push and Unknown" quadrant is characterised by a cold chill, as the person being networked is unknown and the idea is to sell yourself: essentially being a push function.
- The "Push and Known" quadrant that is represented by a warm feeling as the "known" refers to the existence of some sort of a relationship and the "push" characterised by the fact that the other person realises he/she is being pushed into a possible deal.
- The "Pull and Unknown" quadrant refers to the existence of a warm front as the person being networked is enthusiastic about the relationship as he or she is aware of the benefits, represented by the "pull" activity. However the relationships is not yet operating on personal level, making it difficult as the individuals must still get to know one another, thus the "unknown".
- Finally, the "Pull and Known" quadrant is the hot spot, as this is where every networker should focus their goal. The relationships are characterised by being loyal and in existence for a long term, both networkers have experienced the power of networking and are willing to continue the relationship.

There is no right entry, mainly because human behaviour is unpredictable, therefore when building strategies it is important to obtain the ability to switch between strategies, moving from point (a) to point (f) as swiftly and efficiently as possible. The move from the cold chill (a) to the hot spot (e) is difficult, but the framework will assist to demystify the networking strategy every human being is following without even being aware of it.

For example, the initial move is to socialise (a), upon revealing the reason for the relationship about to happen (b), if the other individual is impressed, communication of ideas can be exchanged and one start to converse in the field of specialization (d). Upon gaining mutual acceptance of the idea and knowledge is being shared (e), finally the point where both agree to cross-promote each other's ideas, products, or services in the market is

reached. This is the operational goal of networking and contacts functioning at this level trust each other and have sustainable long-term relationships.

Having assessed those acquaintances it follows that when utilising various strategies it is of greater value than relationships built on a single networking strategy as the relationship cultivates together with the evolving strategy.

However, it is also important to realise that by applying this methodology, one must still work towards gaining access to entrepreneurial networks, as there will be little value-add by staying within the closed networked environment such as clique networks. The dilemma with clique-networks is that all the alliances are from the same group and have restricted access to knowledge, also utilising only one building strategy, namely socialization. Promoting diverse entrepreneurial networks will allow access to two distinct packages of knowledge, one's own knowledge that one has in common with one's friends and the knowledge that is common to all one's acquaintances. The diversity of an entrepreneur's network is a good indicator of its usefulness in the process of collecting information.

An entrepreneurial network's assortment of contacts may stretch beyond the bounds of the related industry. The reason is that it is not only other entrepreneurs that are useful, as contacts, bankers, government officials and politicians provide information.

2.5.1 Characteristics of an Effective Networking Strategy

Upon designing a network strategy, the strategic goal must focus on mutual benefits for the organisation and their potential alliances, thus spawning shared success through networking. An effective network relationship develops where various individuals share ideas, collaborate to develop them and collectively create solutions to each other's dilemmas. The consequence is a multifaceted or synergistic affiliation, when the sum of the parts is greater than the whole (Cope, 2003:83). Effective networks exhibit the following characteristics:

- The strategic plan encloses an elevated degree of stability; a sustainable general network structure provides the foundation for successful changes in methodologies as the organisation's networks extend and cultivate. The intrinsic design of the strategic structure is based upon adaptability and self-regulation to prevent incidents that could be disruptive.
- The system endures constant reproduction of the networking process in order to meet strategic goals; the general structure of organisations resides, nonetheless the components, such as the employees, alliances and area to be networked will frequently change and reproduce itself to infiltrate attractive networks and buddy systems.
- Networks are intrinsically managed and every member's contribution to the group is considered to be of value. Intrinsic regulation in the network has its own capacity to regulate its operation including the output. Extrinsic regulation is where the control comes from outside the natural system.
- Networks are self-organising and intuitively self-regulated patterns that centre on a common point of interest (Cope, 2003: 89).

Key characteristics of an effective networking strategy include:

- An opening strategy; to have a good opening gambit
- An exit strategy; to have a good exit strategy if it doesn't work out
- Exceptional communication skills; to have the ability to cheer people up, always obtain at least two names from new contacts and feel free to interact with anybody.
- Positive motivational thinkers have something in common with everybody and it is fun to discover what it is; whatever happens they believe that they will learn something. Know what you're good at, something to offer the majority of people, there are lots of interesting people out there; if it doesn't work out, move on, if you don't get rejected occasionally you aren't not trying hard enough; be focused on what you want to

achieve and always help people who want to help you. Enjoy trying out new approaches, sometimes 'difficult' people are more fun and finally, effective networkers are able to use limited data to rapidly map and understand how other people see the world (Profnet Inc. 2003e).

Critical success factors for maximising the organisation's social capital must include:

- Creation of alliances and linkages with people who can make things happen
- Ensure that people the employees want to get acquainted with, are aware of their existence
- Network structure must allow fast and efficient access to resources when they are required
- Augment personal weaknesses of employees with strength from others, i.e. strategic partners
- Creating a low cost strategy to network new people and entering markets
- Develop career planning and security for individuals based on who they know rather on what they know; however intellectual knowledge is still required to be successful
- Obtaining insight into hidden knowledge that adds value to the organisation
- Create a culture of networking, where all the contributors are willing to offer support and guidance and the recipient is willing to return the favour
- The building blocks for social capital are sound relationships and trust, or rather entrustment (Profnet Inc. 2003e).

The key to a triumphant choice in a networking strategy is to focus on mutual benefit and the cohort of collective accomplishment. The most valuable network relationships are when a group of people desire the sharing of ideas, collaborate in development of these ideas and jointly find the solutions.

Functional execution of the strategic plan requires human intervention. Human behaviour exploits three dissimilar aspects when engaging into networking-mode, also illustrated by Figure 6:

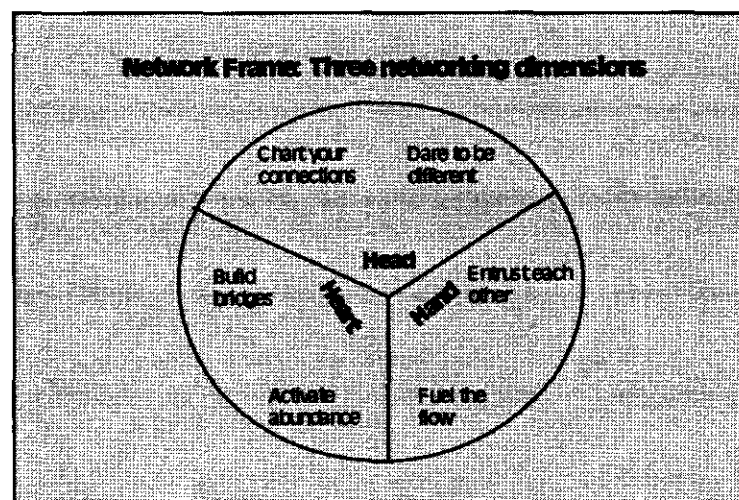


Figure 6: The three networking dimensions (Cope, 2003: 101)

- Affective (heart) dimension: the emotional epicentre provides inner strength, also portraying the internal locus of control to deliver a win for both parties and institute authentic relationships.
- Activate abundance: recognition that both parties can offer value to each other, irrespective of job title, flash car or position. By distinguishing the abundant value that can be created in any relationship a greater chance exists for mutual socialisation.
- Building relationship bridges: moving from a cold relationship to create a valuable connection in a limited amount of time. Utilisation of social skills to move from a distant or inactive relationship to one that is social and highly interactive is a fundamental skill for anyone who desires to develop a professional network.

- Cognitive (head) dimension: Cognitive resides over the emotional needs to assist in the formulation of plans and decision-making. Ultimately, ensure Networkers to be flexible and adapt easily to changes in networking techniques as the environment transforms. The two key attributes in the head dimension of the model are:
- Chart the connections: Of vital importance is to have knowledge about the network structure or position. As the network expands to demarcate a strategy, it is of vital importance to identify existing strong and weak alliances, alliances to be disposed of and those to be newly acquired. The entire network must be completely and unambiguously charted for the past, current and future scenario.
- Make an impression: the intention being to create personal stickiness, have the knowledge and power to remain a focal point to others in the network. Clearly highlight one's different characteristics and level of rich variety can be added to their personal capital.
- Behavioural (hand) dimension: The accomplishment of strategies Networkers display the behaviour of not being egocentric but having faith in them to allow their network colleagues to participate with their trademark in the marketplace. They also have the aptitude and aspiration to sustain and replenish the network once it has been established. The two key attributes in the hand dimension of the model are:
 - ♣ Entrust each other: By creating a network link you are entrusting to that person your brand and personal reputation. However, realisation of the extent to which you are lending your brand to others and vice versa are imperative, as failure to comprehend the vulnerability of trust in a network can cause it to subside suddenly.
 - ♣ Current stimulation: network preservation is necessary to prevent the natural tendency to entropy or decay (Cope, 2003: 101).

2.5.2 Relationship Bridge-building Strategies

Developing networking skills create great controversy, as most articles and books published focus on the development of networking skills only to benefit the individual and exceptionally diminutive exposure exist within an organisational perspective. No formal internal or external training is available to organisations in networking. A group of compatible individuals meet with common goals in mind, with the result in mind to increase business revenue.

Organisations comprises of living human systems and thus of vital importance is to acknowledge that buddy system development has a delicate linkage to the fact that employees must develop the ability to communicate lucratively to unfamiliar people represented by different walks of life. Cope (2003:48) furthers engage strategies to build relationship bridges within network members' needs. Cautious consideration of the following aspects, which the strategies need to be noticed:

- How do you define the best personal promotion strategy?
- How do you bring to the surface and manage the hidden blocks that prevent a network relationship from developing?
- How can you use language as a tool to understand the underlying nature of a relationship, and from this, build a robust bridge?
- What opening strategies can you use that will help people warm to you in the first 15 minutes?

The networking strategic goals must include three key issues for training and development purposes:

- Developing the skill to attain a wide span of connections;
- Developing knowledgeable employees on how to make these connections count; and
- Effective networkers are able to use limited data to rapidly map and understand how other people see the world (Skyrme, 2002).

The networking model is built around two core elements, namely (Cope, 2003: 155):

- The first is that all effective networking is based on three human dimensions: behavioural, having to do with activity and doing; the affective, having to do with feelings, emotions, values and motivation; and the cognitive, having to do with thinking and believing. All are interdependent and no part can change without the other parts also changing.
- The second element considers the factors seen as being important by both practitioners and academics in the formation of social capital and the management of professional networks. They are:
 - ♣ Sustainable relationships are founded on a win/win mentality.
 - ♣ The ability to build an effective social relationship is at the heart of any networking process.
 - ♣ As the size of a network increases in size and complexity, it will need careful management to maintain its currency and coherence.
 - ♣ Any professional community is a marketplace where people need to promote themselves and their services.
 - ♣ Trust is the oil that lubricates the network. Without this, knowledge and goodwill will cease to flow.
 - ♣ All social systems are subjected to the second law of thermodynamics, which argues that there can never be a perpetual motion machine, so all networks will try to decay once constructed.

It is important to stress that management of these six factors, as mentioned above, does not guarantee the formation of an effective professional network. However, there is a good chance that a failure to address these issues will lead to a network that is difficult to manage and does not help realise the value it might have for all members. (Cope, 2003:24)

When planning to increase the organisation's capacity to generate social abundance, the following difficulties should be considered (Cope, 2003: 25):

- Does one understand the value one has and can offer to the network?
- How can we use the abundance idea to treat all people with an abundant mindset and not just those from whom we need something in return?
- How can we measure and understand the level of abundance in any of our relationships?
- How do we create abundance with people we do not want to be associated with?
- How do we create abundance by tapping into areas beyond our immediate network?
- We are all born with at least one unique gift: the first trick is to believe it, the second to find it and the third to use it.
- Let yourself wallow in your own abundance.
- Many people have a niggling lack of confidence. As a result, we hold back from really exposing ourselves to other people.

At its very heart, networking is founded on the desire to share your value with other people: to be bountiful and offer others an insight into how you think, feel and behave. PPI Business NLP (2003b), states that high-quality networkers tend to have the following capabilities:

They:

- Have clear aims and objectives
- Know who they want to meet
- Know what they want from each encounter
- Know the best places to network
- Know their best state for networking
- Have positive beliefs about networking
- Know how to engage people
- Know the key questions to ask
- Know you are one minute message
- Know how to keep in touch

- Know how to disengage with people

Finally, to construct effective relationship bridge-building strategies and the development of a personal "Referral Tree" for each member of the network, requires careful consideration of the following aspects, in order to ensure that a steady flow of business is required (Profnet Inc, 2003e):

- Ensure that you get the best from the social relationship.
- Ensure that you do not create connections with negative people.
- Do not rush a relationship.
- Find opportunities to derive synergies across your different networks.
- Spot potential to create synergies between people within the current community.
- Always be prepared to spend a little time with people even if you do not see a potential for connection now.
- Look out for good people and link up with them early on in their careers.
- Try to connect with people who know where they are going and have a clear sense of purpose.
- Try to connect with people who are skilled at what they do.
- If individuals interact with each other repeatedly over time, they develop a stake in a reputation for honesty and reliability; however, these relationships must be based on trust.

Bridging strategies that assist to understand their world and exploit behaviours, which encourage these to-be "Buddies" to experience tranquillity right through the bridging progression and on a continuous basis.

Roebke (Profnet Inc, 2003e) states that in an ideal networking relationship, both parties are concerned with learning from each other so they can best help the other. Organisations who empower their employees through the development of a networking aptitude only equip them with the accurate tools that will amplify wealth maximisation.

2.5.3 Action Steps to follow upon Implementation of a Successful Networking Strategy

Many theories (Profnet, Inc. 2003e) are available that argues towards successful Networking Steps in the process of achieving a victorious Networking Strategy. By comparing these theories, a blueprint can be developed in the quest to determine the critical success factors needed to be incorporated in these action steps.

An acknowledged and accredited networking advocate, Nancy Roebke (Profnet, Inc. 2003e) promotes the following essential action steps for an organisation in need of implementing an external networking strategy:

- Choosing the correct functions to attend: Business people enjoy associating with each other based on mutual interest. It is important to ensure that the purpose of these functions is to promote business and not only to socialise. Many business discussions at social functions dampen the atmosphere and could impair a networking strategy rather than boosting it. Excellent sources of business leads and networking opportunities are the Chambers of Commerce gatherings, trade shows and networking organisations.
- Always be prepared through dressing appropriately: First impressions, in fact within the first 90 seconds (Boothman, 2002:98) have a lasting impression and can lead to either wealth maximisation or self destruction. Negative networking is the single most expensive advertising an organisation will ever invest in; it causes organisations huge market losses in what other wisely could have business opportunities.
- Delivering a first-class presentation: Skilled, well-informed employees and managers know more about the organisation than any prospective client, particularly at the initial encounter. The emphasis is to guide these new acquaintances towards thoughts surrounding the ideas of how the organisation can assist in solving their problems or attending to their needs that is fair, efficient and cost effective. In the process of informing them about the organisation's possible solutions to their problems it is important not to engage in in-depth discussions of the product or service the organisation is offering, but rather a high-level solution, the only reason being not to overwhelm them with information.

- Mining for recommendations: Referrals from customers serve as a reflection of their judgement as well as a compliment to the organisation and the product or services being offered. It is thus imperative to send out "Thank You" notes to people who recommend the organisation or individual they had dealings with.

Agre (2003:3) argues and Cambron (Career Journal Europe, 2001) confirms that there are some of the fundamentals to adhere to within the professional networking steps:

- Know your goals.
- Identify some relevant people.
- Write to these people individually.
- Meet each person face-to-face at a professional meeting.
- Exchange drafts.
- Follow up.

Roebke (Profnet Inc, 2003e) stresses the idea of thanking these newly acquired associates for the opportunity to assist with their problem solving state of affairs, to always offer services to their connections as well and to indicate clearly it's all about an act of goodwill in the future, in return.

2.5.4 Networking Modus Operandi

Networking modus operandi refers to the actual surroundings and environment where networking techniques can be executed. The single most valuable attribute of networking is that its modus operandi boundaries are extensive and include venues such as meetings, trade shows, social occasions, even in a bank, shops, movies or any line-up providing excellent sources of business leads. Networking opportunities are endless, though occasionally some tact and diplomacy are required. It cannot be all about business, to a certain extent people busy networking must show the willingness to assist others, at the same time enlightening people who you are and what you do.

McGuckin (2002:195) suggests that ideally people should join at least one or two specific networking groups and these range in structure from women's networks, to leads contacts, to morning gatherings. The local chamber of commerce is usually aware of any well-established groups within the community. Important criteria to meet are that these networking groups identified and must meet the need and time commitments of the organisation.

Herewith, networking techniques to assess before implementation of a networking strategy:

Networking Groups:

The concept of networking groups is not a new one, as some established groups have been in existence between 20 (Eureka Marketing Services, 2002) and 50 years (Profnet Inc, 2003a). Networking groups assist business professionals to achieve their organisational goals and in the development of relationship-building skills that can be applied in any formal or informal situation. Networking groups are one of the most effective types of work that can be done for personal and organisational development.

The key characteristics of networking groups are found in their composition:

- Not one networking group is similar to another and embrace any business professional from any chosen field, thus eliminating competition within the group for specific business leads.
- Some groups place boundaries on length of time of the involvement in the business world, or level of responsibility in the organisation when deciding on the acceptance of specific members, while others have no restrictions at all. Restrictions that are placed on the membership of a group often aid in ensuring that the members consist of business professionals with a common goal at hand, also eliminating conflict within a group to ensure an uncomplicated relationship-building environment.

- The cost of involvement has no resemblance to another group. By collecting a membership fee in any form such as donations, monthly or annual contributions ensures that the prospective member is committed to the group. Membership fees are mainly to prevent individuals to simply breeze in, take what they can get and breeze out without their contribution to the group.
- Membership fees can be applied in any manner the group see fit but are normally used for marketing purposes of the group. Groups that have corporate sponsorship must recover on their behalf. Corporate sponsors are assumed to provide benefits for being publicised at these group meetings, i.e. the corporate grants a representative to the group who is accountable for the marketing of the networking group, thus permitting the members to focus on promoting their own organisations.
- Networking groups have diverse structures and goals, some of them can be extremely rigid and structured and others are more spontaneous. Members must experience a sense of belonging in order to benefit from the comfort level with the group dynamics (Profnet Inc, 2003e).

Networking groups necessitate some critical success factors, which all relate to the human factor. Human participations are essential to the success of effective networking. These critical success factors are:

- Attend functions and scheduled group meetings habitually.
- Inviting guests to the group who are equivalent to the lifestyle of membership in the group.
- Having an obligation to learn how to best help each member of the group.
- Getting in a networking frame of mind so that, when business for a group member presents itself, it can be passed on to that member.
- Serving on a committee or Board of Directors.
- Developing loyalties and credibility within a group (Profnet Inc, 2003e).

A few disadvantages when an organisation wants to get involved in network groups are:

- Not every community has chapters of this type of group.
- Not everyone can or wants to fit the meetings into their weekly schedule (Profnet Inc, 2003e).

The only negative element is that some organisations do not fit the traditional types that benefit most from these groups, i.e. organisations that are primarily online, or those that cover a wider geographic area.

Effectiveness in a group is enhanced when the members have that "feels right" feeling, where the personalities and the group's dynamics suit the personality and dynamics of the individual members, gathering as professionals exchanging information beneficial to not only to one on one relationships, but all the parties involved.

Joining the chamber of commerce:

The chamber of commerce features as the voice of business and the community. Membership allows organisations to attain some benefits and concessions within the competitive market environment.

Unfortunately, many people join and expect that their contribution is complete: members, however must be actively involved by attending dinners, special events, seminars of interest and special speaker events by offering the organisation's services to one of their committees. Then the networking process is kicked off.

Through expansion of your knowledge, meeting many people and feeling satisfied with your organisation's contribution to the community, they will remember the services provided to them and support the organisation in return, thus increasing the customer base of the organisation, upstream or downstream whichever area was targeted.

Discussion forums:

Discussion forums within the specific industries are excellent for effectively networking with associated professionals. They provide high quality, up to date information and facilitate if required. Having a discussion

forum on the Internet provides exposure and is internationally accessible. Global markets are remote and instead of creating rivalries, global networks create collaborators, new networking opportunities and are an additional source of information in the quests to gain sophisticated knowledge in the industry.

Trade shows and events:

Trade shows and similar events assist in engendering some business and to facilitate the meeting of people functioning in related dealings. Visitors to these events gain knowledge of the actions and strategies of competitors. Exchanging of business cards can lead to additional sales and business partnerships, as there is no better way to promote your business than displaying it at a trade show.

Many people have incorrect expectations of these events as they anticipate it as a trading place rather than an exhibition. Trade shows offer tremendous opportunities to engage with potential customers personally and the beginning of new relationships.

Networking on the Internet:

The prominent Internet represents last, but most certainly not the least networking modus operandi. However, great controversy exists whether the Internet can actually be of any valuable assistance to the establishment of networks, frequently being put forth as a medium of communication for similar small, medium and large organisations.

The Internet can be defined as an open forum where millions of prospects can be reached. However, often the concept of the Internet is marketed by organisations that on common grounds usually do not supply the tools to deliver on it. Subsequently the initial problem arise where people do not have the knowledge to reach the "right" customers and secondly, most people aren't looking for millions of customers or a new, high tech business. They only want to promote their organisations and enhance wealth maximisation.

Doing business online, such as, can raise many areas of concern:

- Advertising incorrectly and on the wrong Website might generate a reputation as a being a "spammer."
- Without an e-business strategy and accurate exploration, web posting will lead to nothing, wasting time.
- Surfing the Web incorrectly and linking to unnecessary information, is time consuming and not productive.
- Websites can be immensely costly with some service providers require regular updates and promoting to drive accurate transfers.
- Many Internet networking specialists claim that they can eliminate these problems by being the interface and single point of networking contact between various online organisations. Making use of these networking specialists, that are well established and famous by operating as a network interface, hold some advantages such as:
 - Minimise barriers and obstruction that hinders networking communication.
 - Provide opportunities to the Internet to make contacts, get leads and exchange ideas with other business professionals.
 - Find and direct the people and resources required to obtain a competitive advantage.
 - Internet networking modus operandi also requires members to function in an honest and ethical fashion (Profnet Inc, 2003e).

2.5.5 Networking Challenges and Ideas on how to Achieve these Challenges

Development of an organisational networking strategy provides several challenges, the greatest challenge being to determine where to start networking. Urging the employees to join Toastmasters, will rapidly introduce them into a networked environment and the most effortless approach for beginners. The starting point being to develop a 20-second "infomercial" about yourself and the organisation, presented to the listener in an interesting manner (Profnet Inc, 2003e).

Often the major hurdle to effective networking is a fear of rejection, being at discomfort is comprehensible as it is one of the greatest human reservations.

Challenges during networking action steps in order to obtain access into another organisation are:

- Cannot get past the gatekeepers: A very common way to get past gatekeepers is through a referral from someone the gatekeeper knows and respects. Without strong networking skills, a business professional will be unable to generate such referrals.
- Getting appointments with the decision-makers without strong listening skills and precise presentation techniques, the busy decision-maker finds it easy to end a conversation before it is started.
- Difficulty communicating features and benefits to your prospect: People relate to different styles of communication in different ways. Usually, someone likes to be related to in the same manner that they relate to others. To use a different style cannot only cause a delay in the presentation process, but can actually lead to the termination of an otherwise mutually beneficial business relationship just because the STYLE was offensive to the recipient. (Profnet Inc, 2003e)

2.5.6 Common Mistakes when Executing a Networking Strategy

Many people presume that some of their interactions will be of little value to them. To a greater extent they expressed fear that these contacts are of no worth to the organisation, especially when these alliances are operational in different industries.

Individuals as employees far too easily discard their own networking potential and largely their "Buddies" networking value because they cannot imagine whom their "Buddies" might have alliances with.

Upon setting the objective of the target to be approached, many people consider that as the final step in networking and the expectation is that the conversation will automatically lead towards the objective. This is not true. A potential contact needs to be studied and the person networking must be prepared for the situation to follow. One needs to prepare various questions and possible answers in order to have the knowledge to converse intellectually to unknown individuals.

Networking is not only restricted to daily scheduled meetings, after hours business functions and late night social gatherings, but can be done at any time of day, by anyone and take any form of appearance.

Eureka Marketing Services, 2002 reported that larger networks functioned in a positive manner for participants, but smaller networks were of modest use since the probability of finding another member with whom to transact is a function of network size, thus recruiting of new members are of vital importance.

Many believe that networking is not brain surgery or rocket science, leading to the common misconception that people should "know" how to network (Profnet Inc, 2003e). The lack of regular exposure to innovative relationship-building ideas, diverse people, communication techniques and education in the field of networking, leads to business professionals that endure sombre business growth challenges.

Others feel that one has to know the "right people" to network effectively. This is a myth as networking is a very simple step-by-step process and employees, managers and any human can learn how to acquire these skills. Networking is the vehicle to gain access to the so-called "right people". Networking has a ripple effect as the contacts increase, circling wider and wider.

Therefore not having immediate access to the "right" contact should not conclude the networking process. It should rather encourage individuals to be more imaginative and more tolerant in establishing effective networking partners, entrepreneurial networks and informal buddy systems as they are based on trust and do take a period of time to develop, each network uniquely on its own.

Upon being introduced to strangers, a 90 percent chance exists that the first question either party will ask is, "What do you do?" Most humans do not know how to respond to such a question and the undertaking is to

have an informative answer ready, in view of the fact that if the entry strategy staggers the networking task increases in impenetrability (Profnet Inc, 2003e).

In conclusion, the major threat and dilemma is when network members abuse social capital. Managers should be aware of these pitfalls, as it will surely have a negative impact on the organisation and eventually destroy prevailing and influential alliances.

2.5.7 Advantages and Disadvantages of a Networking Strategy

There are many advantages for individuals in organisations to become networking partners. The most obvious one is simply more business and new opportunities to increase wealth maximisation. Table 2 depicts the advantages and disadvantages of informal buddy systems in an organisational context and represents a self-assessment based on knowledge and experience gained during the assemblage of the study.

Creating and developing personal contacts for mutual benefit	Buddies meeting more often grow stronger faster than those meeting monthly
Developing a personal reputation by starting the process of getting to know people leads to better business opportunities.	Members of Business Networking Group who gain a majority of his or her revenue from that group have an "economic dependence" on the group, provides problems.
Making new lasting friendships while pursuing common goals.	Individuals networking relationship that is out of self-interest, greed, corruption and deceit will eventually destroy the trading system.
Information benefits are access, timing and referrals in time span and offer rapid access to resource when you most need it.	Social business networks might not exchange enough leads and tended to fall apart over time and building these strong relationships to ensure business referrals is time consuming.
It is like having a sales force out there working for the organisation without having them on the payroll, built through mutual trust and respect.	Neglecting the network can erode it, as networks require much attention and constant pampering, looking after and is time consuming.
Good networkers are always looking for ways to help other people as well as themselves; what goes around, comes around.	If you network for purely selfish reasons, it will show and the results will be far less effective and people react against the idea of networking because they associate it with the dodgy.
Create a low-cost way to access new people and markets and provides advance warning of market disruption.	The investment process takes a long time and the gap between re-accumulation of the social capital and the current situation can leave you very exposed to the political and commercial whims of your masters and markets.
Investing in social capital will enhance your market appeal. The person who knows the right people will always be attractive to others.	Effective and positive social capital in one situation or market can be quite the opposite in another.
Abundance networking provides access to deep and tacit knowledge across a range of areas that was previously unavailable.	The accumulation of social capital gives you social rights. This automatically confers social responsibility and many business people do not adhere to social responsibilities.
Associating with the right people: people who understand what really goes on and what makes the organisation tick are the people to network with and they are the people you need to develop a successful relationship with.	Often people try to achieve a shared outcome, but the trouble is that they do not take the time to understand what the other person wants to achieve.
A close community offers a support network and a collaborative advantage through social capital is created.	
Quality of Business: by using people who gave referrals and are much less likely to end up as bad accounts. Saving time, advertising cost and obtaining higher profits.	By sharing joint accountability with fellow network members to ensure that, this responsibility is discharged with fairness and integrity. Failure to do this will seed the process of well-deserved self-destruction.
Increased Efficiency: by reducing the time and money required to gain new customers, you can focus more of your time on doing business and increasing profits.	Regardless of the percentages, researchers generally agree the majority of available job opportunities are not advertised.
Increased Stability: even if you have more business than you can handle now, the additional access to new customers helps to insure that you continue to keep work coming in and reduces the inevitable slow periods.	In addition to network building, you will need to learn to do cold calls to employers who are not advertising. This is hard work and especially difficult for individuals who cannot market themselves.
Networking organisations can provide a good way to start to pick up the pace for new entrants.	

People tend to make their appreciation for new business shown in tangible ways.	
Helping others to grow their businesses as well provides a tremendous source of satisfaction, especially when helping someone who is new in business.	
The networking skills you will be taught and the habits that you will form through active networking will be valuable assets for you in all your dealings, both professional and personal.	

Table 2: Networking advantages and disadvantages (Self assessment)

Illustrated by the comparison between the advantages and disadvantages of networking, networking can be expressed as the strategically most significant resource of the organisation, especially when organisations are in their start-up and growth phases due to their typical lack of structure, size and meagre access to resources such as capital, information and personnel. This is when these personal contacts through social networks prove to be most effective in providing information in relation to technical developments, operational improvements and market and capital opportunities.

Networking also permits entrepreneurs and organisations to succeed because they can identify opportunities, reduce uncertainty, and obtain limited resources. These opportunities and limited resources can be described as the various individuals who have skills, information, or control over material or capital that are indispensable to achieve a competitive advantage. Due to network abundance, these resources are obtained at a minimal cost, using social transactions and interaction with members of their social networks, including friends, acquaintances and business associates, rather than through traditional economic exchanges. This process can be referred to as bootstrapping, horse-trading, or back scratching (Hansen, 1995).

2.5.8 Creation of Methodologies (line of attack) to manage Informal Networks

The balance/synergy between the internal and external networks determine the power, strength and/or weakness of organisational networks. Networking can position organisations towards obtaining a competitive advantage or disadvantage, and networking limitation can become a threat to the mere existence of the organisation. Thus, developing a methodology to manage this dilemma will be a critical success factor in managing networking efficiently.

Capra (1997) states that entrepreneurs do not need to squander a lot of energy to move organisations. There is no need to push, pull, or bully the organisation to transform and make a change. Force and energy will not instigate change; however giving the change meaning will activate the change process. Meaningful turbulence will create organisational awareness and subsequently activate structural changes.

Methodologies should be the foundation supporting the underlying problem, organisational leadership should not be autocratic, but modern-management leadership must include a framework that sets direction rather than commanding action. Leadership in networking methodologies is about creating an environment for necessary dialogue. Traditional managers are apprehensive of premeditated components of the organisation: structures, systems, reporting lines and organisational chart. Subsequently this management style does not address emergent, self-managed and innovation within organisations (Capra, 1997).

Networking structures also serve as a guideline when formulating the networking methodology. These structures are represented by a social/horizontal or social/vertical alignment as illustrated in Figure 7, below:

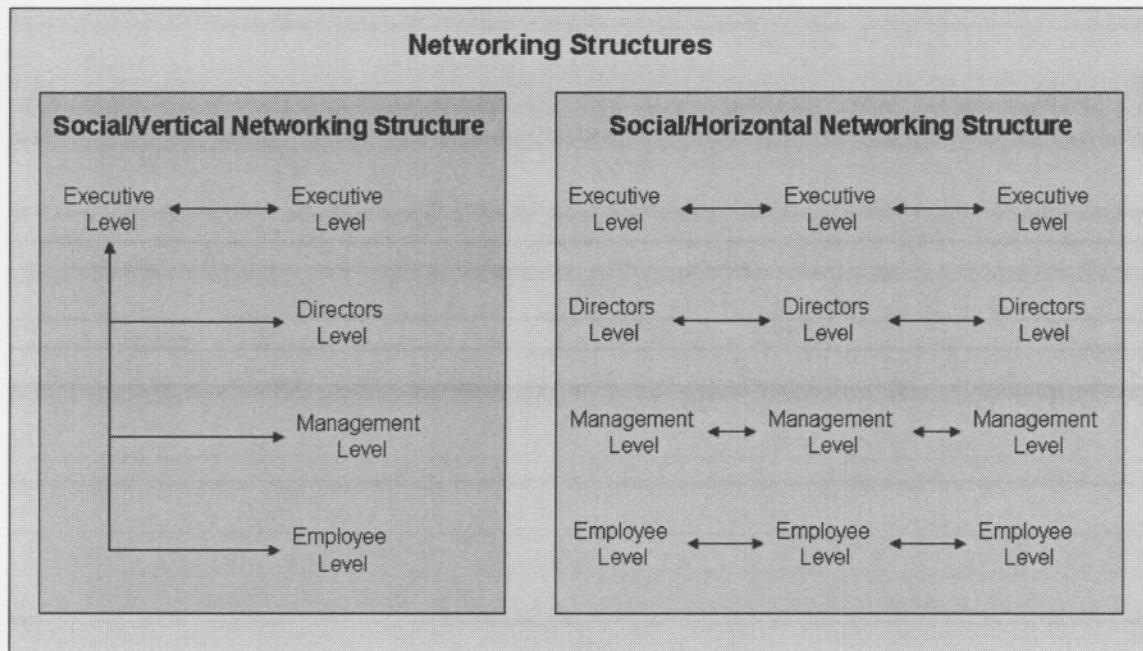


Figure 7: Networking Structures (Burt, 1992: 5)

When networks are characterized by having social/vertical structures, the organisation supports the interaction of individuals across the hierarchical structure. Executive members interact with directors, managers and employees and vice versa. These networks are highly entrepreneurial and value the input of all the individuals in the organisation. Social/horizontal networking structures are characterized by being more formal and when building alliances the organisational hierarchy is taken into account. Executive members prefer to liaise with other executives rather than with directors, managers or employees, this is the case at all levels in the organisation. These organisations normally has a strong hierarchical structure and it is not tolerated when one overstep their boundaries, making it difficult to execute an entrepreneurial network (Burt, 1992: 4).

An increasing amount of women are entering the business world and demand empowerment and acknowledgement. An article in the Business Report: "Hey man, it's now a woman's world" by John Shea (Business Report, 2003:23) featured a humorous inspiration about women in the workplace and the development of a gender gap. John Shea accused women in group meetings of conversing in a weird manner, they actually listen to each other instead of interrupting and talking, like men do. The writer did not realise how hard he hit the truth. These listening skills are essential when operating in networking-mode to build sustainable relationships.

Organisations are filled with women and new employees, but the gender gap has existed ever since the beginning of time. Women trading as merchants were prohibited, not in a legal manner, but most certainly business men had the perception that woman didn't belong in business, subsequently signing their own death warrant. To survive and grow their careers in the organisation, women silently signed up with a "strategic partner." Burt's study population (Burt, 1992), included women involved in a strong relationship with a strategic partner with an entrepreneurial network. Strategic partners guarantee doubtful colleagues of women's capabilities and include women's names to lists of candidates being considered for key project assignments.

When determining the line of attack as regards to building network alliances with women or new employees, it is of utmost importance to realise that the strategic partner's value does not come from enlightening women and

new employees on the development skills of a manager or sending them on management training courses. The true value derives from persuading influential colleagues to give them the opportunities to develop as managers.

The existence of strategic partners in a manager's network can without doubt be measured by the means of social capital models and turns out to be the key factor distinguishing successful women from the unsuccessful. Thus, successful internal networking requires outsiders to side with a strategic partner to permit entry into the networks for informal communication. Managers must therefore be aware of the distinction between insiders and outsiders in the organisation and build networks for the kind of social capital that creates a competitive advantage for the organisation. Social capital models identify managers that require a strategic partner, recognise senior managers most appropriate to be a strategic partner and determine the consequences of having a strategic partner.

A segment of the value managers add to an organisation is related to their ability to coordinate individuals' activities. Managers must have the ability to identify opportunities that add value to an organisation and cluster the relevant individuals together to develop these opportunities. To accentuate, *human capital* refers to individual ability, *social capital* refers to the opportunity and these opportunities can be exploited by managers when they are knowledgeable of who, when and how to coordinate the employees and manager's network of contacts within and beyond the organisation (Burt, 1992). The network structures can enhance the team's success by accurately mapping, identifying and developing of opportunities, therefore managers with added social capital acquires higher returns to their human capital as they are strategically positioned and the team is aligned to identify and develop more rewarding opportunities.

When formulating the networking strategy or methodology (plan of attack), critical success factors can be grouped in the following order (Darling, 2003:44):

- In order to empower employees in networking, the setting of achievable goals is required.
- Provide employees with relevant training.
- Achievable strategic plan to reach networking goals: will require possible cultural changes, as the creation of a knowledge orientated networking force will take the form of a transformational change.
- Identify and develop potential contacts: differentiate between passive and active networkers
- Follow up on leads and turn them into opportunities: very much dependant on strength and bond of the networks.
- Implement a reward system for successful opportunities based on individuals' informal networks; recognising employees for their contribution will have a positive effect on motivational climate.
- Empower employees to become resources for fellow members of their network; aligned commitment of the organisation and employees to create a motivational climate.

Creating strategic advantage through networking knowledge includes active management of the organisation's intellectual property (Skyrme, 2002).

2.6 Required Culture Changes to Enhance Positive Networking

For an organisation to enhance positive people networking, a network measuring system needs to be implemented first, which will measure internal and external people networking. Once the management system has been implemented, organisations execute a cultural change, to support internal and external networking to enhance both personal and organisational gain.

The people networking management system must be a Human Resource driven system, which will firstly review and ensure that appointments and executive and management decisions regarding the organisation is measured in terms of financial and organisational benefits. The system will ensure that the internal

organisation ethics are adhered to and will not tolerate unfair compensation. If the internal ethic of an organisation is healthy, it will be portrayed with the organisation external suppliers and clients.

The second portion of the people networking measurement system will be to measure networking of internal, with external clients. This system will measure the business generated by the organisation sales team. Once the organisation has identified the successful candidates, their networking techniques can be studied and applied to the rest of the organisation.

The ultimate goal is to focus on creating a culture of positive networking. This requires the implementation of a networking methodology that creates awareness within the organisation that also consents to the investment in skills development to deploy effective networking, in order to build long-term alliances. These actions include:

- Setting of organisation's networking goals
- Forming a strategic plan to reach networking goals
- Implementing a plan to manage existing networking and/or alliances
- Identifying and developing potential contacts and alliances
- Implementing a process to follow-up on leads and turn them into opportunities
- Information management support and knowledge management systems
- Determine how one can create or improve your personal networking (Skyrme, 2002).

2.6.1 Organisational climate and culture and changing organisations' climates and culture

There is no question that organisational culture plays a major role in organisational change, especially in major change efforts, also known as organisational transformation. Organisational transformation can be defined as the fundamental change to the external form or inner nature of the organisation. Organisational change involves managers to become leaders and empower employees rather than be commanders and controllers. Not only to behave in a new way, but also to behave in ways that contradict the way they have been taught to behave. Consequently, organisational change involves the changing of more than a single behaviour (Lancourt, 1996).

Transformation is about making multiple, discontinuous behavioural changes to a whole organism, it is about changing systems of behaviours. Socialization takes place, in seven ways, in which people are taught how to behave. These seven methods constitute a re-socialization strategy. Changing the way people socialise includes influencing of the following items:

- Persuasive communication,
- Participation,
- Role modelling,
- Expectancy,
- Structural rearrangement,
- Extrinsic rewards, and
- Coercion (Lancourt, 1996).

Each of these methods carries behavioural messages to people, whether or not anyone is consciously constructing the messages. Creating a networking culture is a transformational change and the challenge is to gain knowledge of how to cycle through the phases more quickly and easily. Management must determine how to incorporate a networking re-socialization strategy to implement and manage this transformational change.

Twenty-three years ago Deal and Kennedy (Deal & Kennedy, 1982), commented the following about the power of organisational culture:

"In time we came to recognise that culture is the barrier to change. The stronger the culture, the harder it is to change. Culture causes organisational inertia, it's the brake that resists change because this is precisely what culture should do - protect the organisation from willy-nilly responses to fads and short - term fluctuations."

The term "inertia" used above is borrowed from physics and means the inclination of a body to keep on moving in the same direction.

Since Deal and Kennedy's observation, many Organisational Development (OD) Practitioners have been confronted with the power of an organisational culture and the difficulty of changing it.

Cultural change is regarded as of central importance in all Transformational Changes because, without a supporting cultural change, Transformational Change has very little chance of succeeding. To understand Cultural Change Interventions it is necessary to comprehend the following:

- The concept of culture and to distinguish that from the concept of climate
- The relationship between organisational culture and climate and organisational effectiveness
- Cultural dynamics: how is culture created
- How organisational culture can be diagnosed
- The way an organisation's culture can be changed (UUA, 2001).

Entrepreneurs do not follow a reactive approach when making decisions, as this approach focus on the rectification of problems, where the proactive approach centre's of attention is on the future and strategic solutions. The most important differences between the reactive approach and proactive approach to change and development are depicted in Table 3 (Change Management, 2003: 11):

Based on intuition (intuitive approach)	Based on knowledge and information (diagnostic approach)
Limited view and understanding of situation	Broader view and understanding of situation
Apply problem-solving methodologies to all situations	Choice of intervention based on knowledge of situation and of available OD techniques.
Focussed on solving existing "problems"	Focussed on increasing organisational effectiveness and quality of work life.
Focussed on the past (Past-driven)	Focussed on the future (Future driven)
Crisis or event orientation	Strategic orientation

Table 3: Reactive vs. Proactive (Change Management, 2003:11)

To implement a networking cultural change, a pro-active approach is required, as leaders is the driving force of change. Manager-leaders should anticipate the necessity of change before it is forced upon the employees, even more so when it relates to something as personal as each other's alliances and personal network.

Following a pro-active approach will minimize the resistance to change, allowing employees to understand and express their view about a networking culture, considering it as an opportunity to enhance personal growth, and allow the organisation to become more effective.

The reactive approach will be practical when management realise during the transformation process that some employees are still perceiving networking as "clique-networks" and threatening to their existence. This provides the organisation with a dilemma, hindering successful implementation of the networking change process.

Although a networking cultural change is future driven, the past and current obstacles cannot be ignored. Therefore, a well-balanced strategy is required, and should inevitably include some reactive actions (Change Management, 2003:11).

2.6.2 The Roles of Leaders in Change

The full understanding of the role of leaders in organisational change is essential to understand organisational culture, how it originates, what functions it serve, how culture changes and why it is difficult to change the culture of an organisation.

2.6.2.1 Differences between leaders and managers

Leaders create organisational cultures and leaders play an integral role in the creation and sometimes the destruction of culture. These changes will need to be implemented if the organisation's network culture is not what is required for the continuous growth and existence of the company.

Leaders use two types of mechanisms to get their proposed ideas implemented.

- Firstly through "primary embedding mechanisms" which include:
 - ♣ What leaders pay attention to, measure and control,
 - ♣ Leader reactions to critical incidents and organisational crises,
 - ♣ Deliberate remodelling, teaching and coaching,
 - ♣ Criteria for allocation of rewards and status,
 - ♣ Criteria for recruitment, selection, promotion, retirement and excommunication.
- Secondly, through "secondary articulation and reinforcement mechanisms", including :
 - ♣ Organisation design and structure,
 - ♣ Organisational systems and procedures,
 - ♣ Design of physical space, facades and buildings,
 - ♣ Stories, legends, myths and parables about important, events and people,
 - ♣ Formal statements of organisational philosophy, creeds and charters (Stewart, 1997).

2.6.2.2 A new culture's dependency on the intentions of leaders

Change is initiated and driven by leaders. Successful implementation of a networking culture thus depends on the intentions of the leader. These intentions and decisions are driven by two criteria (Stewart, 1997):

- External issues, being concerned with the definition of the environment, how to survive in it and which is partly beyond the control of group members.
- Secondly, the internal issues, which concerns the leader and members' definition of how to organise relationships among group members, to permit survival in the defined environment through effective performance and the creation of internal comfort.
- Stewart (1997) identified five dimensions of the cultural process, each pertaining to a different aspect of emerging culture and each requiring a different kind of leadership. Hammonds (2001) feels that leadership is a collective, not an individual activity. This highlights the importance of effective networking in a company as leaders need to share and work towards a common goal. These five dimensions are:
- An aesthetic dimension: The leader as the bringer of new meaning: early stages of cultural transformation. The aesthetic leader assists in the creation, expression and communication of a new idea or system of ideas.
- A political dimension: The leader as the bringer of common sense. Culture is made and changed by the sharing of the idea through putting the idea into words and fitting them into existing frames of reference.
- An ethical dimension: This stage is considered as the transport of enlightening.

- An action dimension: This stage is considered as the conveyance of reality.
 - ♣ Aligned commitment, as a prerequisite for successful change, means that an organisation must have a vision and value system to which employees are committed and that are instrumental in empowering them.
 - ♣ Transformational leadership, in contrast to management control, is a process directed at creating aligned commitment.
 - ♣ Resistance to change must be pro-actively managed throughout the change process and this calls for strong leadership.
- A formative dimension: This dimension of leadership is viewed as the bringing of order during the final stages of transformation

2.6.3 Transformation: Primarily lead by Leaders and Secondarily by Managers

Traditional managers have a disadvantage when building social capital, as they do not have the ability to tap a very rich organisational vein: the hidden connections between people, the networks of common interest. In these networks of commitments, there are individuals who act as super nodes, many people going to them or through them to acquire, share or transfer knowledge.

The challenge concerning management styles performed in organisations is when deciding on the networking line of attack; it must initially focus on the conversion of traditional manager style to leadership style, requires a cultural change to foster a climate and/or culture for entrepreneurial networks.

Capra (1997) goes on to say that "offering impulses and guiding principles rather than strict instructions evidently amounts to significant changes in power relationships, from domination and control to co-operation and partnerships. This too is a fundamental implication of the new understanding of life; in recent years biologists and ecologists have begun to shift their metaphors from hierarchies to networks and have come to realise that partnership - the tendency to associate, establish links, co-operate and maintain symbiotic relationships, is one of the hallmarks of life."

In the 21st century innovative networking management requires specific managerial and structural characteristics to operate effectively, stressing the need for a new form of psychological contract between the organisation and the network of empowered 'Collaborative Individuals' providing the critical generative elements into the planned dynamic.

Being distinguished from conventional organisations, the new, post-corporate, network organisation has advanced to deal with a new era of change; reflects broader patterns of social change; has a radically dissimilar blueprint of functionality and a subtly different corporate culture thus requiring an innovative strategic mindset; and is participant focused, not manager focused. Organisations that have these characteristics also have new management structures. Organisations will inevitably move towards a cultural change to incorporate the 'Collaborative Individual' and the appropriate psycho-dynamics of leadership (Capra, 1997).

The internal dynamics of organisations can be viewed as moving towards a more interactive and emergent style requiring collaborative, rather than directive, approaches to the construction of meaning, leadership and change. Often a list is provided of behavioural or personal characteristics to capture the essence of the 'new employee' or the 'new leader'. However, reference to new mindsets aside, there seems to have been only limited consideration of the specific underlying mental or cognitive dynamics that will need to change. If we are to reach a positive and confident adjustment to the new post-industrial world, both within individuals and across the polity, the informal buddy systems will be forming a crucial part in the race to become competitively superior (McAdam, 2002: 15).

To understand how manager-leaders operate and successfully transform them into networking leaders the four managerial blueprints, namely Classical, Human, Systems and Collaborative organisations need to be discussed, as illustrated in Table 4.

	<i>First Blueprint</i> <i>Classical</i>	<i>Second Blueprint</i> <i>Human</i>	<i>Third Blueprint</i> <i>Systems</i>	<i>Fourth Blueprint</i> <i>The Collaborative Organisation</i>
<i>Organisational forms</i>	Functional Mechanistic Organic	Interlocking Matrix	Contingency Divisional	Loosely Coupled Networks and Alliances
<i>Management principles</i>	Hierarchy	Supportive Relationship	Differentiation	Empowerment & Collaborative Individualism
<i>Managerial processes/form</i>	Management functions	Democratic leadership	Open systems analysis	Management of meaning
<i>Managerial Skills</i>	Person – to – person control	Goal setting Facilitation	Rational/ Diagnostic	Empathetic Proactive
<i>Managerial Values</i>	Efficiency Productivity	Self actualisation Social Support	Self-regulation	Social sustainability Ecological balance

Table 4: The four managerial blueprints (McAdam, 2002: 15)

Leadership styles supporting the new networking era are empowered and collaborative. Their networking actions are mature, reflective and empowered in performance of independent individuals. These networks do not represent the pre-designed coherence of bureaucratic compliance or the socially orchestrated harmonics of the cultural clan. They articulated the essential elements of this emerging culture. The fourth and final blueprint for an organisation is to move towards the essential elements which behaviour includes:

- Discontinuity,
- Loosely coupled systems,
- Synergies and alliances,
- Collaborative individualism,
- Social sustainability,
- Holism,
- Leadership diversity and
- Participant centered.

Illustrated in Appendix A is a list of characteristics depicting the factors that indicate whether it is an incremental or transformational change. Depending on the networking strategy, management will be able to assess whether the change will be a climate or a culture change, subsequently determining the networking methodologies that will be most effective (Change Management, 2003: 18).

The model as presented in Figure 8 below, maps leadership behaviour across two areas, namely the leader's level of 'task activity' and contribution with the 'reshaping of relationships'. On the lower left of the figure, both of the leadership behaviours are high. At the upper right, both are low. According to Nicholls' analysis (McAdam, 2002), the process to group maturity and effectiveness is from lower left to upper right. The 'Visionary Enabler's role is at the top right, together with a high degree of trust, is a compulsory precondition within functional teams for any networking, loosely coupled relationship to be able to extend. The two thinner arrows represent the approach to address imbalances in ability and willingness. Leadership should be characterised by sturdy increase in both ability and willingness.

However, Nicholls recognised that situations might arise at various times to intercept this orderly progress. The deviation up and to the left towards the 'Instructor' role indicates a path leaders must follow when not

adequately skilled, thus represent the development of new skills, while the detour down and to the right signifies the perceived need to actively recreate and renegotiate team roles and relationships.

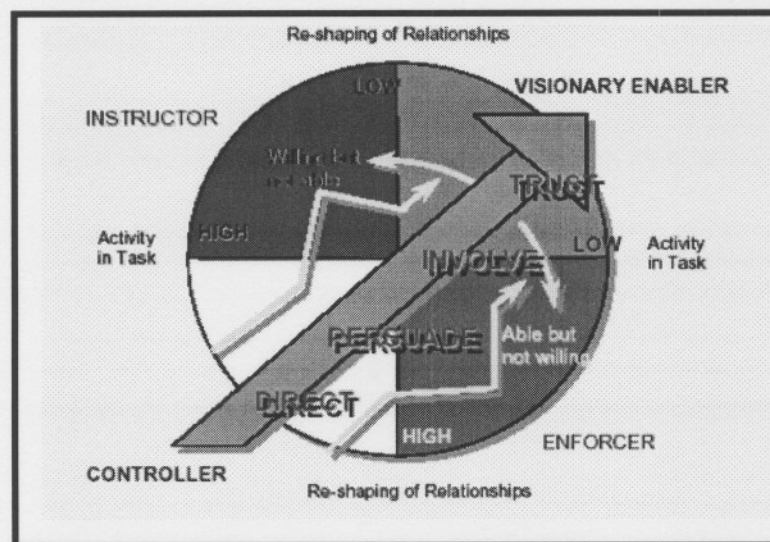


Figure 8: Re-shaping of relationships (McAdam, 2002: 16)

The second level of investigation focuses on the demands of transformational leadership and, in particular, the content and role of the Visionary Enabler. This role demands the leader to set the target at the transactional level and forms the foundation at the transformational level. The Visionary Enabler is concerned to create a collaborated vision that increase job satisfaction and motivate employees to contribute and make them feel valued.

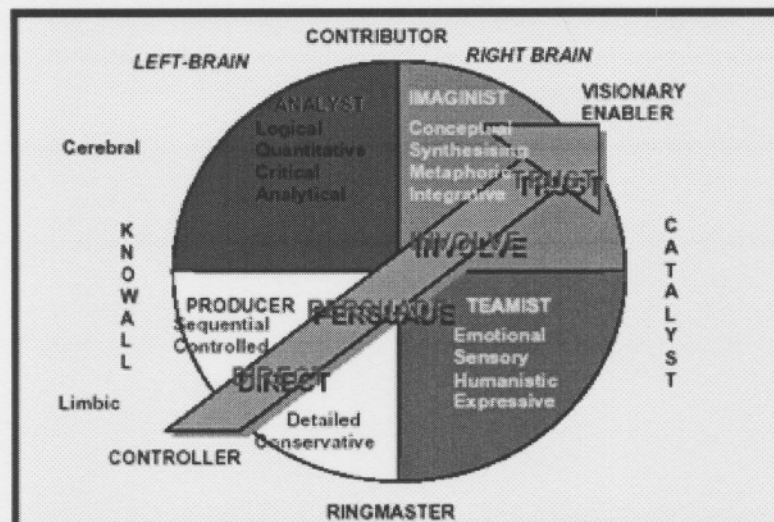


Figure 9: Brain styles and transformational leadership roles (McAdam, 2002: 17)

As the organisation's network expands and becomes ever more complex, as illustrated in Figure 9, managers will need a certain set of management routines that will ensure that the flow of social capital is not stymied by relationship problems. Network management in the social capital context can be defined as a process of controlling your social network to optimise its efficiency and productivity; hence, a climate and/or cultural change will be unavoidable to ensure success.

2.7 Conclusion

Although we might talk about 'the network', it does not actually exist. It is not a unitary or solid asset; it simply is a contrived act between groups of people, who meet for mutual benefit. To view the network as a separate asset would essentially give it a life and suggest that it can operate as a closed system or separate unit. In reality, the network is an open system. It is always part of a wider environment and cannot be dissociated from the world in which it sits for a personal convenience.

As an open system, it survives because of the interaction with its surrounding world. External stimuli can come from meeting new people, generating audacious ideas, identifying new market opportunities. This is often the easy and fun part in setting up the network. The hard part comes in trying to hold it together. The ongoing management needed to maintain this continuous source of external stimuli could be quite draining.

The base (espoused) assumption is that business decisions are based on logic and sensible decision-making processes. The reality is that they are often driven by personal ambition, greed and fear as much as for the good of the business.

Not to be eliminated, network structure strongly relates to the theory of the power of weak ties, where acquaintances are of importance, because of their inclination to provide non-redundant information. It also relates to Burt's (1992) theory of structural holes, where it is advantageous to be the agent who has the bridging link between one's own clique and another clique, the emphasis being on maximising the diversity of a network.

However, there is little chance that a fully functional professional network could ever operate on such constructs. Should one even attempt to tie a group of network agents together in such a fashion it would probably kill the community at birth. Instead, the network has to be founded upon an entirely different set of operating principles. It has to be founded around the idea of a community that can spontaneously self-organise itself and adapt to changing market conditions. This can be seen as the ability of a group of people to manage himself or herself without any intervention or control from an external agent.

One of the significant factors with the mechanistic organisation is that emphasis is placed upon the cogs in the system. This means that people have defined roles, objectives and their place in a robust hierarchy. With the self-organisation model, the emphasis is placed more upon the nature of connectivity within the system, namely, the interconnections, the configuration and the map of the relationship between the components as well as the role of the people.

The increasing use of alliances is regarded as being so essential, that networking is becoming a core element of today's business strategies. Alliances, whether they are formal, informal, entrepreneurial, or social bring organisations together from all over the globe, adding value internally and externally, contributing to entrepreneurial success for both the individual and the organisation associated.

3 Empirical Study

3.1 Preface

The Empirical Research was done by requesting global organisations to complete a People Networking Questionnaire; using the Internet as the medium. Organisations selected to interview were the leaders and laggards as displayed on <http://finance.yahoo.com/mt?u> financial sector that track financial performance of global organisations and service providers. Out of each sector, three to five leaders and laggards were chosen. See Appendix B for a list of organisations that was targeted. The questionnaire was mailed to the published email address supplied on the organisations' web links and the Executive Committee of the various industry leaders and laggards were invited to complete the survey. The questionnaire (see Appendix C for a hard copy) that is available online can be viewed at <http://hanju.netorganisations.com/networking/networking.htm>.

Two hundred surveys were distributed with only 92 responses returned. This represents a response rate of roughly 46 percent. The reasons why there was such a low questionnaire return, is that most organisations and executives still believe that their "internal networks" are a hidden asset, which should not be exposed. Although the response was low, the responses received are a high-quality general representation of what the market view is on personal networking as people, especially high-profile entrepreneurs are reluctant to provide information about their networks. They still perceive "networking" as highly personal and people do not willingly offer their alliances to others, mainly out of fear of the unknown objective.

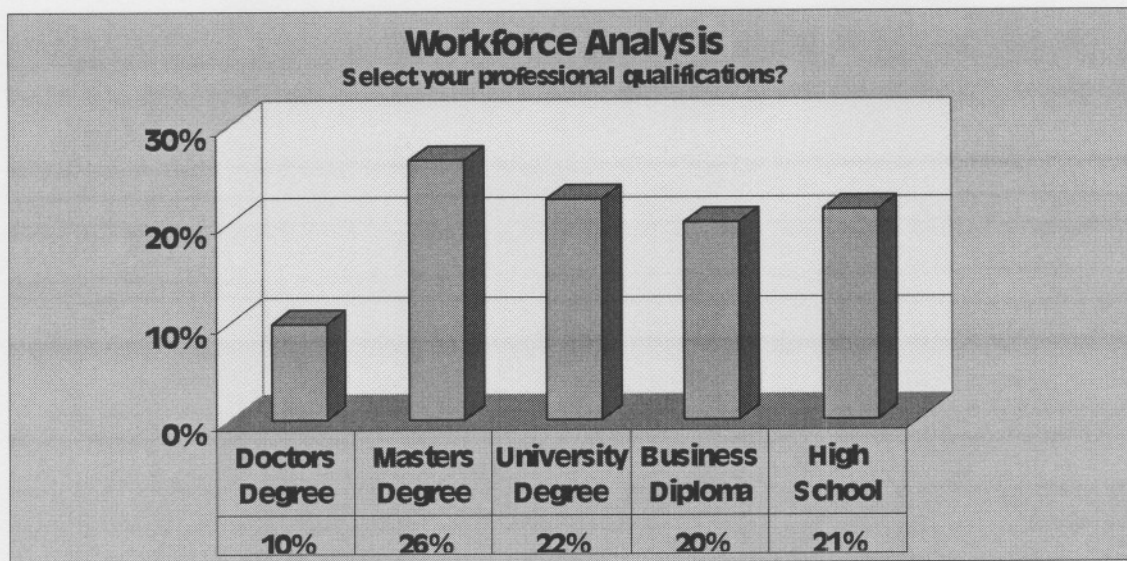
59 percent of the respondents were male and 41percent female. The largest average age of the respondents was between 40 and 60 years old. 51 percent of the respondents were Caucasian and 19 percent represented Africans. 48 percent stayed in the same managerial position for the period ranging between 6 to 10 years, while 17 percent had the same role for the period ranging between 11 and 20 years and 30 percent for the period between 5 and 2 years. Appendix D contains graphical representation of the results.

Age	Older than	Between 49 and	Between 39 and	Between 32 and	Younger than
	46%	44%	11%	0%	0%
Gender	Male	Female			
	59%	41%			
Race	Caucasia	Africa	Asian	Europea	Other
	51%	19%	14%	14%	2%
Current	Manageme	Senior	Executive	Directo	Board
	6%	17%	28%	27%	22%
Members at Level	> 21	16 - 20	11 - 15	5 - 10	1 - 4
	43%	22%	12%	15%	8%
Years in positio	> 21	11 - 20	6 - 10	2 - 5	1
	3%	17%	48%	30%	2%
Views on Networkin	Mutually business	Using each other each own	Utilised to people	Personal maximisatio	Favouritis
	50%	4%	7%	7%	32%
Understanding entrepreneuria network	Sustainable long-relationships built	Personal between	Entrepreneuria development	Seeking of entrepreneuria	No
	8%	9%	14%	11%	58%

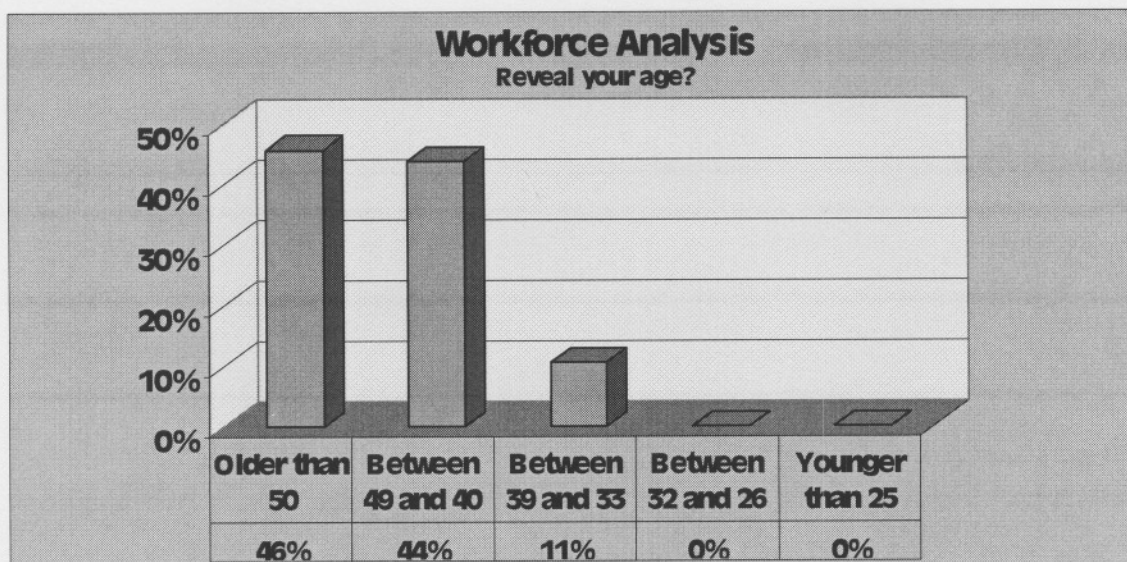
Table 5: Results obtained from the Questionnaires

The results have been subdivided into three categories namely, workforce related questions, internal networking and external networking capabilities. Table 5 above portrays the results.

Illustrated below are some examples of the results in graphical format Graphs 1 and 2.



Graph 1: Example 1 of the results as obtained



Graph 2: Example 2 of the results as obtained

3.2 Obtained Results and Interpretation of Data

The foundation for the analysis was based on information collected to provide the following outcomes:

- Initially to determine the representation of the interrelationships between the network partners and;
- Secondly the size of their personal networks and finally, the influence of these networks whether positively or negatively on both the individual networker as well as the organisation.

Following, are some of the arguments and empirical findings in a proposed model of how personal networks may contribute over the entrepreneurial venture.

50 percent of the organisations reported that by having personal networks, it is perceived as being the strategically most significant resource; however, 32 percent view people networking as favouritism, which is detrimental to the growth of the organisation and its personnel.

89 percent revealed that as fast growing organisations, they are focussing more on doing business based on the relationship strength of external individuals who are able to channel resources for product development and marketing, whereas managers of slower growing organisations did not regard external networking as being essential.

It is found that 28 percent of entrepreneurial networks are perceived as being very important in determining economic outcomes and, in accordance with the theories of economic sociologists, the diversity of the entrepreneurial networks has a greater impact than their size.

The analysis further provided limited support for the theory of endogenous growth, where the structure of the network determines the rate of economic growth. However, it was measured that at entry level or maturity, social/vertical and social/horizontal structures fulfilled various roles and do stimulate growth.

The results could not measure empirically whether a connection exists between the effective distribution of information, knowledge and the degree to which entrepreneurs are networked. Reasons have been that entrepreneurs grow people and are not always in it for personal gain, but also to lift other people. Executives with close networks normally are only in it for personal gain. Nevertheless, the analysis provided some evidence to support the hypothesis that entrepreneurial networks are a productive input, thus the origin of this efficiency, note that the mechanism by which a larger network leads to more output, is left empirically undefined.

Analysis of the primary data clearly indicated that there are positive externalities to networking irrespective of whether those externalities relate to knowledge. It also provided some insights into what determines the structure of the network and positioning of the individual entrepreneurs within that structure.

Research also recorded a positive relationship between new venture survival and the average number of times per week the entrepreneurs had contacted the members of their personal or social contact network. It was also evident that within the group of entrepreneurs, at least one distinct clique-network was identified.

Furthermore, the survey proved that women entrepreneurs, especially in the direct selling business such as jewellery, cosmetic and plastic-ware (i.e. Tupperware), suggested that social networks played an immense role in new business development.

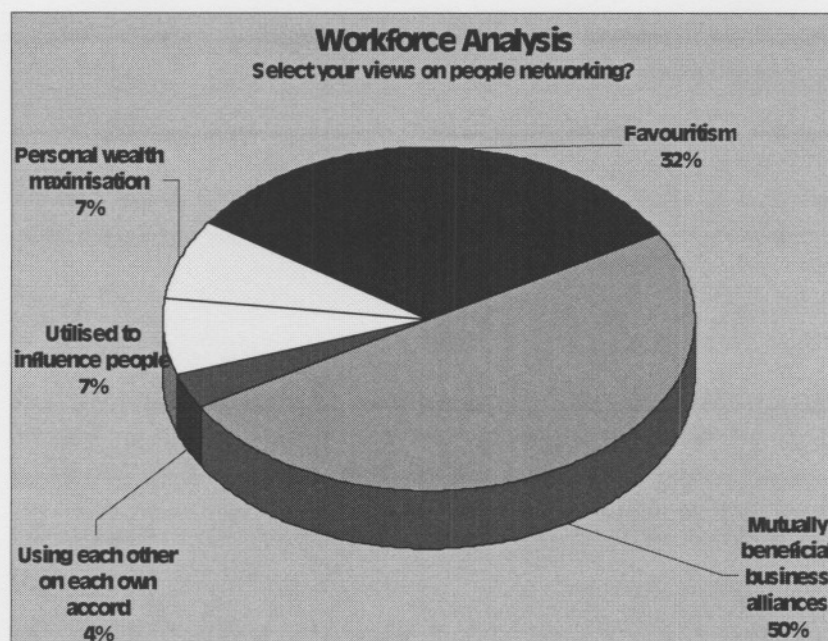
It appears that entrepreneurial managers perceived value in engaging in social networking activities, because they tend to spend a considerable amount of time establishing, nurturing, maintaining and developing of these networks. It also appears that independent venture managers, during the resource acquisition phase, are spending more time than administrative managers on building, nurturing and maintaining networks.

In addition, it is of importance to place the employees' networking principles and convictions in their managerial capacity into perspective; it clearly indicates the existence of a gap between the goals and objectives being part of the Executive Committee versus his/her personal networking goals. Business professionals have the following goals in mind when networking. See Table 6.

As Business Professional		In Personal Capacity	
Goal and Objective	%	Goal and Objective	%
Exchange qualified business leads	48%	Increased personal responsibility to create the life you want, wealth creation for themselves and sometimes at the expense of the organisation	32%
Get "out-of-reach" customers	11%		
Get top quality service	23%		
Learn business development skills	90%	No longer conform to a single occupation for life, the changing environment force employees to become pro-active and connected, to become distinguished they need to raise their profile and make the "right" connections	10%
Have the potential to increase revenues	40%		
Establish long-term friendships	29%	Breakdown existing social structures as in the constant changing environment more choices exists of whom employees converse with and when they converse.	8%

Table 6: Executive Committee in opposition to his/her Personal Networking Goals

Subsequently, managing people networking became a serious concern to organisations, as exemplified by the Graph 3, below. The fact is that individuals as employees are submissively involved in networking, as the pressure of being successful drives these employees to seek means to become competitive forces and get actively involved. However, a large percentage still view networking as favouritism, as illustrated in Table 6.



Graph 3: Workforce Analysis

Another objective of the study was to classify and cluster networks in their social, vertical and horizontal capacity, determining their tie strengths, performance related to network similarity, growth and abundance and finally, the value of these relationships. Table 7 below represents a combination of the results versus the analysis on people networking as reported by the organisations that completed the survey:

Results and Analysis of Researched Networking Activities	
Networking and Organisational Growth	
Results	Analysis
Multiple regression analysis failed to uncover statistically significant associations between venture growth and the use of social networking relationships among the sample of chosen Industries. However, these "informal" networks proved to be useful when they are connected with many personal relations of trust and affiliation between the network members by expanding these social networks (diversify) or gain a more central position in a network (specialise), additional resources and opportunities will be uncovered and lead to facilitate business expansion and growth.	It is important to elaborate on the entrepreneurial phenomenon in the context of networking in order to save entrepreneurship from becoming just another word for economic growth and saving networks/networking from becoming a cliché. This means that in order to deal with the network concept we have to reflect on paradigmatic issues such as the use of an (naturalistic) objectivist platform vs. a (social) constructionist perspective. The network approach then remains as a way of organising different entrepreneurial phenomena. As most of the results indicated that through networking, these executives most definitely identify opportunities and subsequently reduce uncertainty, through the acquisition of scarce resources from their environments. Furthermore, since research proved that younger high tech ventures have comparatively less internal resources in which to obtain and synthesise information compared to more established organisations it is expected that the benefits of numerous contacts with external network members will be mainly evident in the new high tech ventures. The regularity of external networking activities will be positively associated with performance in new ventures.
Performance and Collective Networking Activities	
Results	Analysis
A Comparison of the Return on Equity (ROE) of the various organisations based on whether they are industry leaders or laggards proved that a direct relationship exists between performance and collective networking activities.	Accumulation or stock of networking alliances cannot be quantified, but given the body of evidence supporting the hypothesis that the networks are an input into rather than a by-product of the marketing process, therefore closing with some certainty that networks are important for business success measured in terms of value-added ROI.
Networking Tie Strength	
Results	Analysis
There are strong "invisible ties between satisfied customers and investors; having a positive effect on ROE.	Strong networking links to external organisations are the key to most successful organisations because; although people networking links are mostly known as customer relationship management, it is actually people networking. It is not what you know, but 90% of the time it is who you know that will close orders.

External Network Strength													
Results	Analysis												
85% values their external networks as being crucial for business success.	Entrepreneurs that experience excellent performance tend to be more externally oriented and maintain richer, broader and more complex networks of ongoing relationships with people outside the organisation and are prepared to accept the advice of outsiders above their internal contact's ideas. This is particularly true when entrepreneurs engage in high technology businesses, as many strongly believe and follow the latest trends. The entrepreneur might not recognise the external link as a network connection, but the entrepreneur would never have started to develop the idea if the person did not recognise a market for the idea, which can be sold to the networking partners.												
External Networking Analysis What do you feel is the biggest advantage of external networking alliances for you? <table border="1"> <thead> <tr> <th>Advantage</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Sound business</td> <td>6%</td> </tr> <tr> <td>Long-term friendship</td> <td>29%</td> </tr> <tr> <td>Building a customer network</td> <td>32%</td> </tr> <tr> <td>Easy to use</td> <td>24%</td> </tr> <tr> <td>Using it to find a job</td> <td>8%</td> </tr> </tbody> </table>		Advantage	Percentage	Sound business	6%	Long-term friendship	29%	Building a customer network	32%	Easy to use	24%	Using it to find a job	8%
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Graph 4: Example 2 of the results as obtained													
Network Similarity													
Results	Analysis												
Most organisations in today's environment are moving towards specialising in their core business and outsourcing the remainder of activities. For instance, a mining organisation will specialise in mining and outsource their information technology or procurement book.	Analysis has indicated that especially technology organisations started to rise because organisations needed to focus on their core business to survive. The questionnaire did focus on a wide range of organisations, which has proven that all types of organisations need to have strong networking links to survive. There are different networking views. For example, a managing director (MD) of an organisation will network with the MD or an organisation of similar business type. One of the MD's might unknowingly be part of a service provider-networking group.												
Relational Value													
Results	Analysis												
The results indicate a 50/50 percent split in personal versus organisational wide networking ability. 43% women entrepreneurs indicated general preference for accessing personal, business and professional development via contacts formed at women's business networks rather than via mainstream business agencies.	Analysing the data received indicated that 50 percent of the respondents recognise the fact that their customers will not move with them if they leave the organisation, where 50 percent indicated that their customer base would follow if they jump ship. Women pose to be a puzzle to men as social capital structures often refer to women as "Pink Collars." The truth is that women decide to build their own networks since men do not include them following two reasons: a) Men still perceive women as not being man enough and b) men are becoming obsolete and fear for losing their positions.												
Entrepreneur-supplier relationship value													
Results	Analysis												
50 percent of the respondents indicated that they would not take their customers with them when they leave the organisation.	The results indicate that people are divided between their own networking skills, strengths and abilities. The task of management is to empower their employees but together with a methodology that supports intrinsic value, to prevent clients to depart with their key employees.												
Network Abundance													
Results	Analysis												
61 percent of the respondents indicated that they have regular social interactions and informal meetings with their networking associates.	This ensures that they sustain and even improve their personal and organisational relationship. This will positively affect and grow organisational revenues and improve personal status.												

Table 7: Results and Analysis of Researched Networking Activities

The obtained results proved that networking is essential for strong business development as businesses need people to do business with, either forming part of the upstream or downstream of their value chain, finally requesting these valued networks to indulge in brainstorming activities in order to create a competitive advantage. Effective networking inevitably requires trust and teamwork where both parties must be willing to give something in return.

The empirical study deliberately investigated whether networking activities are somehow associated with performance. This study provided a clear indication of the effectiveness of networks in terms of new development and organisational growth as participating organisations' financial results, which engaged in horizontal or competitor-based networks reported higher averages in sales growth.

4 Recommendations

In the 21st century, it only seems appropriate to recommend that organisations have a choice to invest in fostering a People Networking climate, even pioneering a change towards the development of a Networking Culture. The primary driving force for such a radical declaration is that most organisations have already exploited various networking training techniques and most of the employees are somehow connected.

With technology being the driving force in the new economy, including rapid technological advances, accelerated globalisation and greater competitive intensity, the general level of uncertainty facing these enterprises is amplified. Many entrepreneurs are reaping the benefits of operating in networking-mode and creating networking abundance, which might be the one and only solution that can possibly prevent the market from becoming a competitive pandemonium.

The difficulty entrepreneurs and members of the executive team are facing is that organisations naturally lack the infrastructure necessary to adequately address dynamic, highly uncertain environmental issues. Intensifying the dilemma, are the fact that the top management team must possess the ability to formulate and implement strategic initiatives. This is critical for organisational performance as business relationships are built on trust and honesty.

4.1 Networking Strategic Plan

When formulating an organisational Networking Strategic Plan, the argument arises whether the need exists to consider building people networks, especially in the context of partner contact exchange. As people perceive networking as personal and do not take well to the sharing of information and contacts, reasoning in this manner will evolve into a network revolution.

A networking strategy does not only necessitate the building of a "useful" friendship base, it facilitates the introducing of a social "buddy" network representing the first phase in the development of more critical strategic ties. It is programmed to promote and finance the creation, use and maintenance of personal networks.

Management must take into consideration that the undertaking and objective of establishing a networking is not to secure one's own position in the organisation but to exploit every employee's contacts and alliances efficiently that will guide the organisation towards obtaining a competitive advantage. Networking strategy forms an integral part of the organisation's competitive marketing strategy.

Research indicated that a modest amount of information is available when constructing a network strategy for organisations, viewed in organisational context and the fact that networking is a new concept. The following approach is proposed and will provide guidance:

4.1.1 Step 1: Evaluation Stage

During the evaluation phase, management should determine where the organisation materialises on the Networking S-curve, gathering information about the current networking activities and alliances both internally and externally.

The most effective manner of collecting networking information is to schedule interviews with senior management and requesting the remainder of the employees to complete a survey or questionnaire in the compilation of primary data.

The majority of organisations will discover that depending on when they materialise on their organisation's lifecycle that networking ties will relate in correspondence. However, the strength of these ties or relationships depends on whether it is a dense or open network or similarity. Table 8 illustrates when to facilitate networking positioning in an organisation's lifecycle and highlights the desired roles associated with becoming a networking competitor.

Phase	Conceptualisation	Market Introduction	Growth	Maturity	End of life
Role of initiator	Inventor/ Creator	Innovator	Entrepreneur	Manager	Renovator/ Undertaker
Role of network	Provide role models	Social and technical support	Resource provider	Social arena	Social and creative support

Table 8: Stages in an Organisational Life Cycle

The situation analysis and evaluation of current networks illustrates the organisation's position in terms of possible networking failure, survival, or growth. The evaluation includes the following activities:

- *Current networking styles such as hierarchical, clique or entrepreneurial styles:* The extracted information will allow management to determine which line of attack to follow, i.e. if the networks consist mainly of clique-networks, management will realise that a culture change is required towards entrepreneurial networks.
- *Identify the networking strengths and weaknesses:* Being aware of each individual's network allows an organisation to evaluate the personal values and ethics of employees and either making these connections count by investing in them or declaring the dishonourable networks as redundant.
- *Whether the networking strategic goals and organisation's objectives are aligned:* To correct the strategy based on where they are and what they want to achieve, redefining of the strategic focus is required and alternative strategies can be adopted depending on the alignment and the desired outcome. Evaluation of the networking culture and/or climate is also a requirement before reclassifying the strategic focus.

4.1.2 Step 2: Redefine Strategic Focus

Redefining the strategic focus incorporates the selection of the correct strategic partner both internally and externally. The roles of these partners are to enhance and support the strategic intent. Separation of strategic partners between being effective and redundant or dishonourable partners allows organisations to direct the methodology to further exploration of effective partners and discarding the weak connections.

The networking strategic goals and organisational objectives must also be in alignment, otherwise conflicts will arise, for example, when management believe in building networks based on cliques and focus on the external values, the implementation of a strategy based on entrepreneurial networks and internal values such as trust and honesty will not suffice. Neither will employees support the implementation as the culture envisages differently. In the same token, it is of diminutive use to shift the strategic objective but there is no networking methodology to support the change or implementation, thus by not taking into account the outcome of information during the evaluation stage.

4.1.3 Step 3: Networking Turnaround Strategic Implementation

A Networking turnaround can only be implemented via the creation of a networking methodology change and must be in alignment to the strategic intent. Once the strategic focus is formulated, agreed, and validated upon

that the goals are achievable, even despite the fact that the organisation might need some changes, the strategic plan can be executed.

Managers should not feel defeated when experiencing a total mismatch between the networking strategy and organisational behaviour, as this is quite normal, because networking is a concept that has never been managed before and are still being perceived hidden alliances. Implementation also entails activation of the networking methodology. Ensuring effective implementation, the networking methodology must include the following:

- Training and development of employees to become skilled Networkers,
- Building of relationships with external organisations,
- Implement a management and measurement system and structure,
- Implement a rewards and recognition system.

By focussing on the process change of vertical and horizontal networks, both, in a social environment, will require a cultural or climate change depending on the existing culture of the organisation. Once again, as unravelled by the empirical study, an organisational networking strategic implementation will require a cultural change since people experience networking as a personal issue and the approach is to transform and group individual employees' networks into a collaborated effort, that can be managed and developed to create a competitive advantage.

4.1.4 Step 4: Networking stabilisation and Networking-Growth Stage

This stage includes the cultural change about to happen. Being aware of the networking activities will not ensure growth; it will only be sufficient to manage the networks and allow management to put a networking knowledge-management structure into place. To ensure strengthening of networking ties, increased networking growth in market share and the creation of active abundance, a cultural change is required.

Network growth is a fine balance between having the right skills, motivated staff, a network management system and a rewards and recognition system. These four mentioned factors will not only assist with the establishment of new networks, but it will also assist with the maintenance and growth of current networks. The four factors will also prevent the organisation from losing customers when key resources resign.

Finally, of utmost importance to remember is that networking also automatically enriches networkers. Employees receive value either by the establishment of long-term friendships and/or by increasing his/her own wealth. Important to note is that personal wealth maximising does not mean going about "sneaky" business, but the organisation's human resources policies should include appropriate remuneration packages (creating a motivational climate) for networking to support the Networking Methodology.

4.2 Proposed Methodology to Manage Networks Efficiently

Different types of networks require development in a more proactive manner as the functional and strategic needs of organisations expand.

The methodology or plan of attack should include a "model for network development" that illustrates how networks evolve from primarily consisting of personal or social contacts during a venture's start-up phase to one predominated by professional contacts during an organisation's growth phase.

New ventures, specifically “patented and focused production innovation-based organisations” require extensive networks focussed on customers, market information, distribution channels, word-of-mouth advertising and product development ideas. These networks show signs of both vertical and horizontal relationships.

When implementing the Networking Strategic Plan, forceful innovation and marketing-based organisations should focus on obtaining and maintaining of contacts, especially in relation to investors and suppliers.

Product offering based organisations and organisations providing a service often focus mostly on customer relations, which are more than often being mistaken as “networking”; however customer relationship management encloses strong vertical relation element. Management should be aware that is not networking. The networking element only comes into perspective when these relationships are of mutual benefit and has been built on trust and honesty that can be sustained.

4.2.1 Chart the Network Connection and Relationship Abundance

The final step in the evaluation process of existing networks is to map it out, thus creating a networking methodology or plan of attack to achieve the strategic goals. See Figure 9 for a graphical layout of the network connection and relationship abundance.

The connection chart draws attention to holes and clusters in the organisation's network. The network connection chart offers a structural map representing the profile and structure of the network. This chart structure allows managers to consider all the employees and their alliances in their professional network and map them against six different categories:

- Strong/weak ties,
- Alike/different areas of interest,
- Intrinsic/extrinsic value (Cope, 2003: 88).

Most importantly with the network connections chart is that it does not seek to say what is right or wrong. It does not assert that one network topology is more effective than another or what your particular network configuration should be.

The network map provides a foundation of the robust intellectual analysis of the status of the organisation's network, allowing managers to commence with the design process to anticipate the future to achieve success. The map also identifies the gaps in the network and importantly, what future action needs to be undertaken to optimise and grow the level and value of the social capital.

Charting the network has the following advantages:

- The process adds value and increases the probability to achieve success,
- Increased swiftness in the anticipation of the future,
- Be alert to changes in the market,
- Identification of people who are not in your network but who might be included some time in the future,
- Mapping provides a cohesive picture of the territory of the organisation's social capital, identifying the strong areas that offer network strength.
- Finally, the chart also presents a means to classify the diverse individuals in the networks. The aim is to aid understanding of the individuals being represented in the networks and not to secure the type of relationship in a restrictive manner.

Certain concerns were also identified when mapping the network:

- Figure 10 identifies only those people who are current members of the network and the future cannot be predicted easily. However, the network types identified by the connection chart shown consist of three core network factors:

- Nature of the tie; (First letter)
- Similarity; (Second letter)
- Value of the relationship. (Third letter)

Cope (2003: 84) states: "So someone you have categorised as 'SAE' (strong, alike, extrinsic) would be a person with whom you have a close link and share similar interests and the relationship is based on what the individual does rather than on who he/she is". For example, this might be the middle manager in a large global organisation that has a link with a manager in another country. Maybe they met at a conference, found they share similar interests and have similar jobs. As a result, they decided to keep in touch and so "hopefully" help each other keep up to date with the latest corporate gossip. It is important to emphasise that the process of categorising a relationship is second to the relationship itself. What the categorisation does is to help the people step back and look at their network objectivity. If, for example, they were to step back and realise that all of their relationships were SAE, then they might be totally in touch with the politics of the company, but only at their level and functional group. They would not be getting information from other functional groups and, importantly, might be missing political data from other companies in the industry. To this end it might help to step back and understand the value in consciously and proactively developing casual relationships with people who work in other organisations.

Charting of the organisation's connections: The following steps provide a clear understanding of how a network should be charted. Figure 10 provides a glimpse of an organisational network that is mapped.

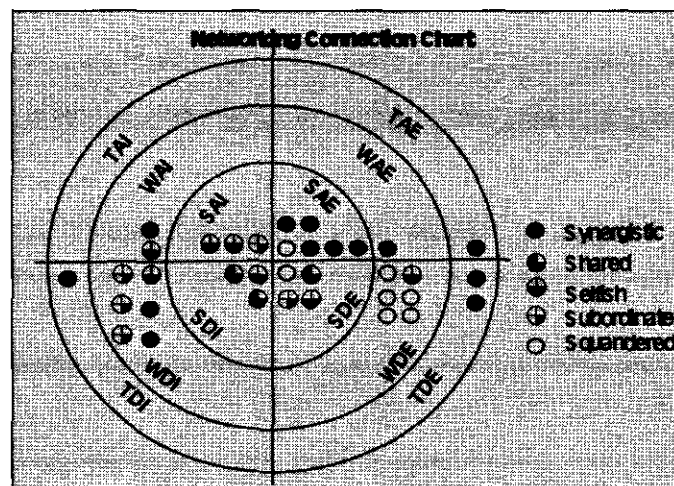


Figure 10: Network Connection Chart (Cope, 2003: 86)

Subsequently, is an explanation of the technique when positioning an organisation on the Network Connection Chart and what the measurement criteria to use when placing the connections on a grid:

- *Connections featuring in the top left; SAI -Strong, Alike, Intrinsic.* SAI networks are networks with whom the organisation has a very close relationship and who shares the same interests. Closeness is kept because who they are rather than what they do. The strength lies in trust and tight bonds. It is a downside is the tendency to lock into a dependant relationship.
- *Connections featuring in the top right; SAE -Strong, Alike, Extrinsic.* People with whom the organisation has a close relationship, possibly because the organisation shares the same interests. Closeness kept because of what the person does, rather than who the person is. The strength lies in the ability to have a secure relationship, which can help you achieve your goals. The risk is that you place too much dependence on the person and once the role changes you are left high and dry.
- *Connections featuring in the bottom left; SDI -Strong, Different, Intrinsic.* The relationship is close, but with someone who has a different personal or professional interest. Closeness might be driven by a desire that

is based on the person, rather than what the person does for a living. The upside is to get real opportunity and get insight into new areas with someone you trust. On the downside, it might be a temptation to be sucked away from priorities. With a compelling relationship, you might find less time and energy being spent on areas of core focus.

- *Connections featuring in the bottom right; SDE - Strong, Different, Extrinsic.* A robust relationship with someone who has different interests from your organisation. It might be that this bond is based on the person's role in life, rather than anything about the person as an individual. The value in this relationship might be found. In the learning you get from someone who has knowledge in areas where you are weak. The possible problem might come if the person changes jobs. Is there any time left to hold the relationship together or will it drift and fade? If the withdrawal is done with honour and integrity, then it is possible to leave the door ajar for future linkage, but if not, you might be seen as manipulative and duplicitous.
- *Connections featuring in the top left; WAI -Weak, Alike, Intrinsic.* WAI is a common network relationship, one where the organisation's is known and like someone with a shared interest, but would not count the relationship as close. This can be a very comfortable link and may offer a high-value, low-maintenance link in your network. The one problem with this link can be the ease with which the "Weak" can convert to "Strong." In isolation, this is not a problem, but if you have a number of these links in your network, then it can be easy to get bogged down in networking rather than using the network to help create success.
- *Connections featuring in the top right; WAE -Weak, Alike, Extrinsic.* With this relationship, the connection is casual and with someone who has a role that is similar to the organisation. The benefit is that you can bridge very quickly with the person, even if you do not meet very often because of the shared interest. The possible risk can be if this person is a key boundary spanner for you and offers valuable access to other networks. If the person's job or extrinsic role changes, you might be exposed and unable to link into the person's area.
- *Connections featuring in the bottom left; WDI -Weak, Different, Intrinsic.* This informal network links with someone one gets on with personally that operates in a different area from the organisation. This is great because the foundation of the relationship is on the person rather than the profession, so the bridge will be robust even if you do not meet very often. Thus, you have access to other work areas and networks via someone you trust and respect on a personal level.
- *Connections featuring in the bottom right; WDE - Weak, Different, Extrinsic.* In this case, having a casual connection with someone, one gets along with personally, but who operates in a different field from your own. The value is that you have linked with the person because of the person's specialist expertise and possible help and advice that might be difficult to get elsewhere. The problem might surface if you get dependant on the person's expertise. Because the relationship is casual and only role based, you must assume that it has a finite life and be prepared to broaden your links in that area if you need access for a longer period.
- *Connections featuring in the top left; AI - Target, Alike, Intrinsic.* This is someone in your field whom you would like to get closer to. Maybe because you feel that there is the potential to develop a close personal relationship. The difficult thing with this is that you need to determine if the other person has a similar wish. The payback can be if the person would like to build a network link. The risk can be if you seem overly pushy and in doing so erode any chance of developing a relationship.
- *Connections featuring in the top right; TAE - Target, Alike, Extrinsic.* This might be someone who is a friend of a friend in a similar work area as yours. You have met a couple of times and feel that the person can offer value to you by virtue of the person's role. The important thing with this building process is to clearly signal the other person that you are interested in networking because of what the person does, not who the person is.
- *Connections featuring in the bottom left; TDI - Target, Different, Intrinsic.* In this case, you know of someone who operates in a different area and you would like to get to know the individual on a personal

level and not just stick to the extrinsic type of relationship. This can be a hard bridge to cross because the person is in a different field and your goal is to focus on the person rather than the person's role.

- *Connections featuring in the bottom right; TDE - Target, Different, Extrinsic.* In this case, you have met someone who operates in a different field from yours. You would like to initiate a relationship in a different field from yours and you would like to initiate a relationship because of the person's knowledge or role. The key issue is that although you might see value in what the person does, how can you help that person to see value in what you can offer in return?

4.2.2 Network Chart Ties and Similarity Mapped

Network Chart ties and similarity mapping is utilised to initially place people in the organisation on a map to determine how strong their networking ties and abilities are. The graphical representation of networking ties are utilised as listed below in steps 1 to 5 to improve and grow networking ability in the organisation.

Step 1: Graphic representation of tie mapping: demonstrates the development of a comprehensible image of the people in the organisations network and where they are placed on the strong/weak tie continuum.

Draw two circles and place those you have a strong tie with in the inner circle and those where you might deem it as weak in the outer. Use the distance from the centre as a more specific measure of the strength of the tie. The closer to the centre, the stronger the tie.

Place boundary spanners who can bridge you into other networks, on the edge and indicate what other networks they belong to.

Step 2: Add the graphic presentation of similarities: closed, similar networks are not beneficial to organisations, as these groups of people often act more towards their own enrichment and not captivating the organisation's goals to increase competitiveness. In a lesser degree, similar external alliances can create barriers to other entrants when using this technique effectively at the entry and early growth stages of the networking life cycle, whereas diverse networks reveal doors of opportunities.

Step 3: Open and dense network identification: group the networks into open and dense networks, based on the tie strength and familiarity with each other.

Consider the chart section developed on tie strength and mark out those people who have similar interests as the organisation with an A (for alike) and those with dissimilar interest with a D (for dissimilar).

- Cases of uncertainty must be gradated to the level to which they are mostly alike or dissimilar, however the preliminary data charting process should be based on a black and white analysis by marking people with an A, or D. During the second phase data can be refined.
- The chart clearly highlights the clusters of connotation. Firstly, identifying the strong ties with people in similar areas of interest, also recognising that although this has strengths there is a danger of restricting your level of variety. Secondly, it will illustrate the strong ties with people in areas of dissimilar interests, bringing to the mind ideas on how to use this diverse reach as an opportunity to grow the richness of the organisation's social capital. Thirdly, the chart emphasises when having a broad number of weak ties in both the alike and dissimilar areas, providing many boundary spanners to make use of with the need to extend into new networks.

The graphic illustration of networks being mapped provides an in-depth insight into the nature and structure of the organisation's existing network as illustrated by Figure 11, below:

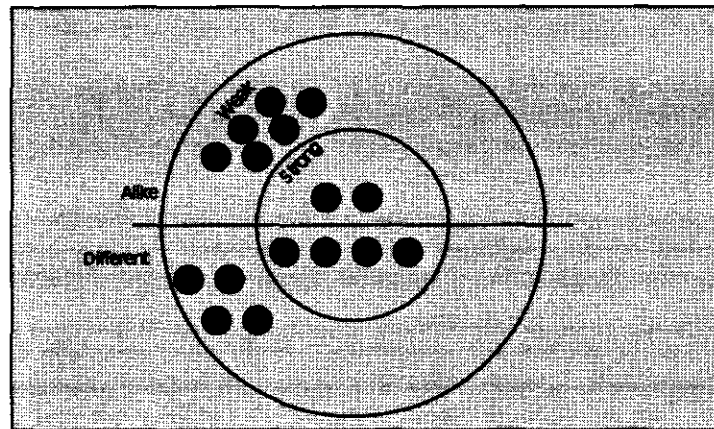


Figure 11: Network chart ties and similarity mapped (Cope, 2003: 84)

Step 4: Add the relational value: by specifying the value for the people in your network. Indicate on the grid connections based on where they are placed either because of who they are (marking it an E) or because of what they offer.

Step 5: Adding an outer wheel to the network chart organisations can easily arrange the predictable and possible future network connections, place them on the chart.

Final Step: Network Abundance: The final process in the design and management of the professional network is to carefully look at the various relationships and consider the level of interactions, determine what is required, also identifying connections that are not aligned with the strategic goals of the organisation.

When adding the level of network abundance (wealth) to the network mapped, it is important to comprehend the nature of the relationship. It can be thought of at five levels, also illustrated by Figure 12:

- Squandered: The relationship is almost non-existent,
- Subordinate: Value is being created, but the organisation doesn't share in it,
- Selfish: Value is being created, but not shared,
- Shared: Both parties experience value from the alliance, based on a stability and not through the generation of growth and increased competitiveness,
- Synergistic: Multifaceted shared success; the combined effect is greater than the sum of the individual effects.

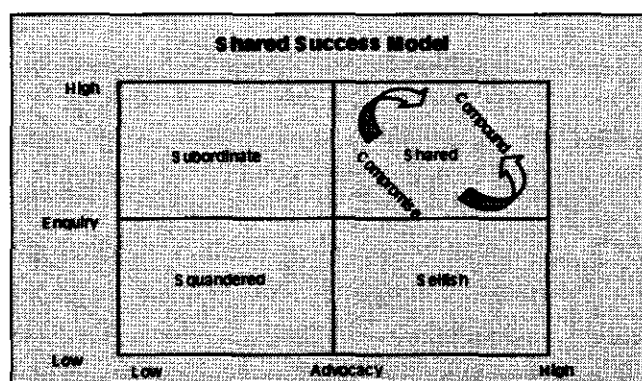


Figure 12: Shared success model (Cope, 2003: 58)

Finally, it is feasible to amalgamate the abundance framework with the modulation chart to develop a view of the actual and potential value of social capital.

Once the start-up phase of a new venture is complete, organisational needs become more complex and different types of networks will be required, implying an exchange in emphasis on the part of the organisation. This involves a shift away from the network relations of its original use, moving to one more fitting to its later stage of development. Issues posed to entrepreneurs who want to implement a Networking Strategy, illustrated in Table 9, below:

Focus on Network Evolution (Static)	High	Satisfactory performance (evolutionary but stable networks) (2)	Highest performing firms (4)
	Low	Under-performing firms (1)	Satisfactory performance (evidence of changed network configurations) (3)
		Low	High
		Focus on Network Revolution (Dynamic)	

Table 9: Networking Strategy: A Summary (Benson & Wilson, 2002)

The following discussions and/or questions can be posed to management in order to determine the way forward (Benson & Wilson, 2002):

- Do under-performing organisations fail to evolve along with the network; that is, have the networks outgrown the organisation? Do under-performing organisations fail to be revolutionary in their use of networks; that is, have the organisations outgrown the network? (Low/Low)
- Is performance related to joint organisation and network evolution, with a focus on changing processes and structures within essentially the same relationships? Is this a static perspective? (Low/High)
- Is performance related to organisation and network revolution, with a focus on moving to networks of a fundamentally changed nature? Is this a more dynamic perspective? (High/Low)
- Is highest performance related to both an evolutionary and revolutionary perspective on the use of networks? (High/High)

Soliciting oneself these questions unwrap a comprehensible path towards development and integration of a people networking strategy. Upon responding to these questions, a methodology must be formulated to consent to the investment in a methodology that will develop effective human behaviour in networking.

4.2.3 Development of Internal Networking Methodologies in Human Behaviour

The Personal Profile Analysis (PPA) system is a powerful tool when evaluating human behaviour, when trying to determine whether the individual is suitable for a specific position. However, it can be used in virtually every aspect of human relations within the work environment (PPA Management, 2003).

In the recruitment process, it helps to identify individual strengths and enable employers to make the correct recruitment choice. The use of the PPA system also enables managers to motivate, stimulate and energise

individuals in the work environment and both directly and indirectly raise their self-esteem, confidence and enthusiasm. This is where the relationship with the Networking Buddy Profile initiates.

The suggestion is to construct a Personal Profile Networking Model. This model will operate as such:

- Assesses the candidate; all employees must be assessed in terms of their normal profile.
- Assesses the networking profile of each employee; for example, distinguish between an active or passive networker.
- Identifies frustrations and stresses and current well-being of the employees
- Details motivators and fears; some people cannot interact, even though they wish they could. By having knowledge of the fears that will affect effective networking, an action plan can be generated to address weaknesses.
- Enlightened about their strengths as well; these can be readily applied as needed when the networking opportunity for that specific person materialises.
- Once the employees are categorised according to their profile type, the following task includes the grouping of people into their various network-types; network-skill, capability and most importantly make a distinction between the experienced networkers, those who are well connected and respected and those who are inexperienced and new in the organisation.
- Experienced and well-respected networkers will become mentors and the remainder will become menthe.
- Each person will be assigned in some form of another, thus the mentor being a surrogate for the understudy when interaction is required between contacts; the benefit is that the not-networked individual gets to be introduced to the alliances and "buddies" of the well-networked employee.

The critical success factor for this methodology to succeed is that these mentor-menthe relationships are based on the personal profile analysis. Assigning individuals to each other leave them no choice but to interact, based on their personality and human behaviour these personalities assigned to each other will not disagree, rather build a long-term relationship and in the process enhance each other's networking capabilities.

Having an individual introduced by a respected person, allows the "recruit" to gain immediate access to an established network. When the network agent is not available, his/her contacts will interact with the "recruit" and regard that individual on the same level as his/her mentor.

The benefits of having a Personal Profile Networking Model are:

- It increases performance levels and reduces costs by identifying the best job fit to match organisational and team culture.
- It takes only 10 minutes to assess a person - saves screening costs and management time.
- Links human resource strategy to business strategy, identifying HR strengths and limitations and maximising results.
- Reduces subjectivity, resulting in better selection and return on staff and management investment.
- Inexpensive to use - pay as you go system
- Reports are easy to understand, written by managers for managers.

The methodology is oriented toward knowledge / skill and therefore does not carry the negative personal connotations often associated with personnel evaluations and networking. It focuses on not only where there may be weakness, but also where there are strengths. In addition, most importantly, weaknesses or strengths are seen only in relation to the position, not as an assessment of personal worth. This technique sets the stage for bringing about improvements where the need is identified.

The profile analysis technique has the benefit of being well adapted to information technology. Databases could be established for a wide range of knowledge skill factors, each with associated questions to help identify required levels, for any given position. Corresponding questions to evaluate the existing knowledge / skill levels of candidates / employees could be included. Databases could also be established for each employee for making reassignments, promotions and special projects.

This methodology provides continuity because the same structure can be used for establishing a job position, hiring for a position, evaluating existing employees and planning training. This continuity should go a long way toward reducing the ambiguity frequently associated with managing human resources.

4.3 Creation of a Networking Culture and Awareness

Unsuccessful organisation or ongoing poor performance can often be characterised by immense resistance to change, innovation and new ways of integrating the various parts of the organisation. The implementation of networking methodology forces employees to adapt to a revolutionary networking jolt, this action only increases the level of resistance.

Special interest groups or cliques are highly vocal and are forever trying desperately to protect their territories; there is so much distrust between employees that no one is willing to take risks or to compromise for the well-being and advancement of the whole organisation. People are not willing to make known their alliances and strategic partners, all out of having doubts about managements' agenda and the possible misuse of knowledge- or social capital. This fear goes together with an inappropriate rewards and recognition system deployed by the organisation. All this negativity leads to various conflicts, problems and develops into situations that are eventually unsolvable, turning into major dilemmas. These dilemmas will doubtfully lead to the organisation's downfall.

Manager-Leaders need to follow an evolutionary approach to create network awareness and ensure the successful institution of a Networking Culture; emphasised by the fact that many members of their organisations' Executive Committees indicated a trivial conflict before completion of the People Networking Questionnaire.

The sooner managers develop an entrepreneurial-like mind they will not view networking or the "Building of business buddies" in the same token as selected cliques networks. When employees have the knowledge, skill an surroundings that will sustain an entrepreneurial networking climate, they will soon experience the benefits associated with the informal buddy systems or networks, and will consider sharing their networking alliances.

4.3.1 Organisational Networking Culture

The creation of a shared value system and work ethic where networking is concerned is not an easy task. The implementation or execution of behavioural changes and transformation of the manner they conduct business is required. This entails the modification of management skills and transforming management into continuous "networking-mode" and finally managing their connections as a collaborated effort.

To implement a networking strategy is not only time consuming but also requires a strategic intervention. Consequently, the proposed change represents a transformational or quantum change, as evaluated by Tables 10-12 below, assessing the magnitude, focus and characteristics of the change (Change Management, 2003:18) :

MAGNITUDE OF CHANGE			
REFORM (Incremental change)		TRANSFORMATION (Quantum change)	
Status quo intact but striving to increase efficiency	χ	New discoveries/development to increase effectiveness	✓
Superficial change: restructuring of processes,	χ	Quantum change: e.g. affecting strategy, culture,	✓

MAGNITUDE OF CHANGE			
REFORM (Incremental change)		TRANSFORMATION (Quantum change)	
methods, markets (fine-tuning)		behaviour (fundamentally altering how it operates)	
Basic structure stays intact (involve limited dimensions and levels)	✓	Basic structure changes fundamentally (involve at least several dimensions and levels)	✗
Small, one-dimensional changes, often made in isolation, over a period of time	✗	Major, multi-dimensional, continuous changes	✓
Low levels of complexity, initial cost and uncertainty	✓	High levels of complexity, initial cost and uncertainty	✗
Primarily an "add-on to existing process"	✓	Primarily a process of "pruning" and/or "substituting" the existing	✗
Short-lived, rapid energy eruptions	✗	Extended, sustained energy investment	✓
Adaptation (Problem solving)	✗	Metamorphosis (Discovery)	✓
Strategic planning or re-planning	✓	Redefinition of core business	✗
Total	4	Total	5

Table 10: Magnitude of Change

FOCUS OF CHANGE			
REFORM (Incremental change)		TRANSFORMATION (Quantum change)	
Changes to, or within, a paradigm	✓	Changing or substituting one paradigm with another	✗
Changing perceptions, attitudes and behaviours within the existing paradigm	✗	Changing to a paradigm with new visions, strategies, practices and behaviours	✓
Focus on the here and now of the internal organisational functioning	✗	Focus, over time, on internal and external functioning	✓
Programmatic	✗	Organic	✓
Focus on changes to adapt the organisation to existing or new circumstances (work methods, procedures, social interactions, structures, technology, physical arrangements)	✓	Focus on a new vision, mission, value system, principles	✓
Changing organisational climate	✓	Changing organisational culture	✓
Deals with solving problems (often addresses the symptoms)	✗	Deals with identifying opportunities, preventing problems and solving them by eliminating the causes	✓
Total	3	Total	6

Table 11: Focus of Change

CHANGE CHARACTERISTICS			
REFORM (Incremental change)		TRANSFORMATION (Quantum change)	
Requires a few (only one or two) interventions	✗	Requires a number of integrated interventions	✓
Can be introduced and completed quickly	✗	Requires detailed planning and is more time-consuming	✓
A limited number of members are involved and/or affected	✗	Involvement and commitment of all stakeholders necessary and all members are affected	✓
Outside consultants often involved as facilitators, facilitating changes in processes, structures and behaviours	✓	Outside consultants are sometimes involved and become more "part of the change" process	✗
Interventions are small and incremental	✗	Interventions are large scale and take place more or less concurrently	✓
Results of changes are predictable	✗	Results of changes are often unpredictable	✓
Low levels of emotions present	✗	High emotional levels present	✓
Resistance to change lower	✗	Resistance to change stronger	✓

CHANGE CHARACTERISTICS			
REFORM (Incremental change)		TRANSFORMATION (Quantum change)	
Does not really affect organisational culture	✗	Profound changes in culture	✓
Relatively simple, single- dimensional approach	✗	Complex, multi-dimensional, holistic approach	✓
Low risk	✓	High risk	✗
Often "faddish" short-term	✗	Leads to longer term changes	✓
Often a participative process	✓	Often an authoritarian process	✗
Implementation of existing and/or known processes and solutions	✗	Implementation of new approaches and solutions	✓
Involvement of top management not a prerequisite	✗	Top management involvement a prerequisite	✓
Requires effective management	✗	Requires effective management and leadership	✓
Enhances efficiency: doing things right	✗	Enhances effectiveness: doing the right things right	✓
Total	2	Total	11

Table 12: Characteristics of Change

Networking culture changes require the commitment and active involvement of the manager-leader, setting an example of the change about to happen. Without management's commitment, a transformational change has a diminutive chance of success. Management must follow a pro-active approach, rather than a re-active approach when implementing a networking culture:

- Decision-making is based on intensive research of available networking information and activities. Decisions are not based on using uncultivated estimates and following ones' intuitive.
- Management has a broad view and understanding of networking. It is not advisable to implement a culture with limited knowledge.
- The choice of intervention is based on knowledge of Organisational Development (OD) techniques and not by applying problem solving methodologies to foster a cultural networking change. Pro-active managers use techniques such as Appreciative Inquiry (Ai), because they acknowledge that organisations function with the awareness that people, employees, customers and vendors are not only the greatest resource for creating a networking culture, they are the only resource.
- Entrepreneurs focus on increasing organisational effectiveness by creating an awareness of a networking culture. Also placing emphasis on the fact that the smallest connection counts.
- Being pro-active indicates a passion for the future, management that wants to deploy a networking culture is focussing on the future and realises that business in the 21st Century is dependant on the strength of networking.
- Implementation of a networking culture requires a strategic intervention.

Analysis between the transactional management and transitional leadership style proved that transactional management would become obsolete, as this type of manager finds it difficult to manage employees efficiently within a changed environment, furthering this dilemma created by a networking culture change. To ease the cultural change an Organisational Development (OD) technique that proves to be of value is Appreciative Inquiry (Ai).

Similar to the objectives of a networking strategy, Appreciative Inquiry also place emphasis on the establishment of a management employee relationship. Signifying managers to become more involved and perform leadership qualities. Management involves more than only being able to manage typical problem solving and daily crisis management activities, or the attendance of board meetings and strategic sessions.

These networking-related organisational changes and the implementation thereof are placing a heavy burden on senior management and require leading and managing in new and different ways, to help managers to develop and sustain their evolving behaviours, attitudes, and values.

The Appreciative Inquiry leadership style is a powerful tool, assisting in the mentoring of executives. The mentoring will support and improve their ability to be leaders of the change process; enabling them to exemplify in addition, embody the corporate vision and values; and increase their personal and business performance with the use of contacts through networking (Appreciative Inquiry and the Quest, 2000).

The Ai model supports creativity and concurs well with the transitional leadership style and the requirements of implementing a network culture. As a point of attack, the existing networking culture must be measured against:

- Whether employees are embedded in dense interactions or not, as it will have an effect on the development of behavioural norms which can enforce adherence or create resistance.
- Strong or weak ties
- Types of networks: cliques, entrepreneurial or hierarchical or hierarchical/social and vertical/social.

Cliques have a formal definition in the context of social network analysis that directly relates to the higher density of linkages. Thus, it is important to realise that individuals within any specific clique are likely to have a common location, culture and socio-economic background and that networkers' profiles differ more among cliques than within cliques.

Each networker has a distinct package of knowledge together with the assumption that it is often cliques and not individual people that have such distinct packages. However also proven is the fact that a networking agent has a higher probability of gaining access to new productivity enhancing knowledge when having linkages with other groups.

Many networking cultures built on the clique-system often rely on obtaining information through what they have heard through acquaintances. The problem initiates when competition exists between clique members and then such a culture and strategy will become costly.

It is clearly advantageous for employees to have their own acquaintances. However, it is important to communicate to employees that the building of these alliances for selfish reasons will not suffice in the end; negative feelings mainly due to unproductive clique-networks must be carefully evaluated in the fostering of a networking climate.

Management styles are therefore a crucial element when planning the "line of attack". Figure 13 illustrates the ideal managerial blueprint when implementing a networking culture:

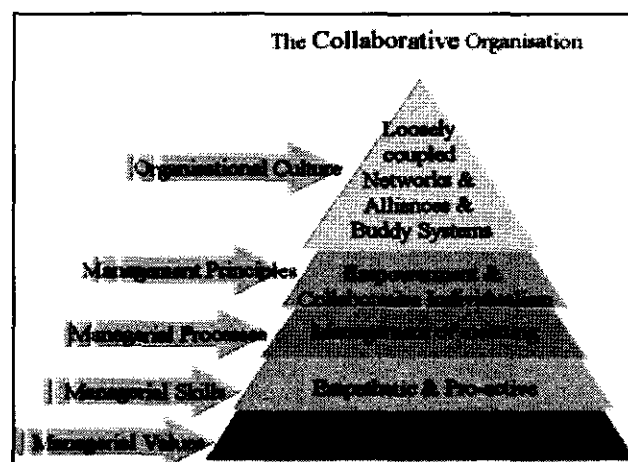


Figure 13: The Collaborated Organisation (McAdam, 2002: 15)

The collaborated organisation's model as depicted by McAdam (2002:15) discusses the movement from where an organisation is, to where the organisation wants to be in personal networking abilities.

Applying the four blueprints presented in Table 4 on page 56 of this document there are five levels that need to be taken through before an organisation reaches maturity in personal networking. The starting point being the managerial values; these values must be sustainable to activate the expansion of managerial skills. Managerial processes together with management principles is required to built and maintain these newly acquired skills. The goal being to accomplish an organisational networking culture and environment.

According to the social capital view when internal relationships are deeply embedded they are more difficult to exit, despite the fact that networks become more elaborately connected and more tightly structured over time, this is likely to slow down. Thus, creating a positive networking culture, organisations must believe in the power of networking to facilitate a successful networking climate.

4.3.2 Creation of a Motivational Climate for People Networking

When planning on facilitating and establishing a networking culture, management should take into consideration that new networks might have a greater potential for change than older ones. Change in networks portrays a "network logic" in which incremental adaptations move the interactions towards a steady state force field equilibrium model.

To influence people and bring into action a cultural change will require careful manoeuvring of the elements that are attributes of a motivating climate. The diagram below illustrates the activities involved when an organisation creates a networking motivational climate. The action plan as exemplified in Figure 14

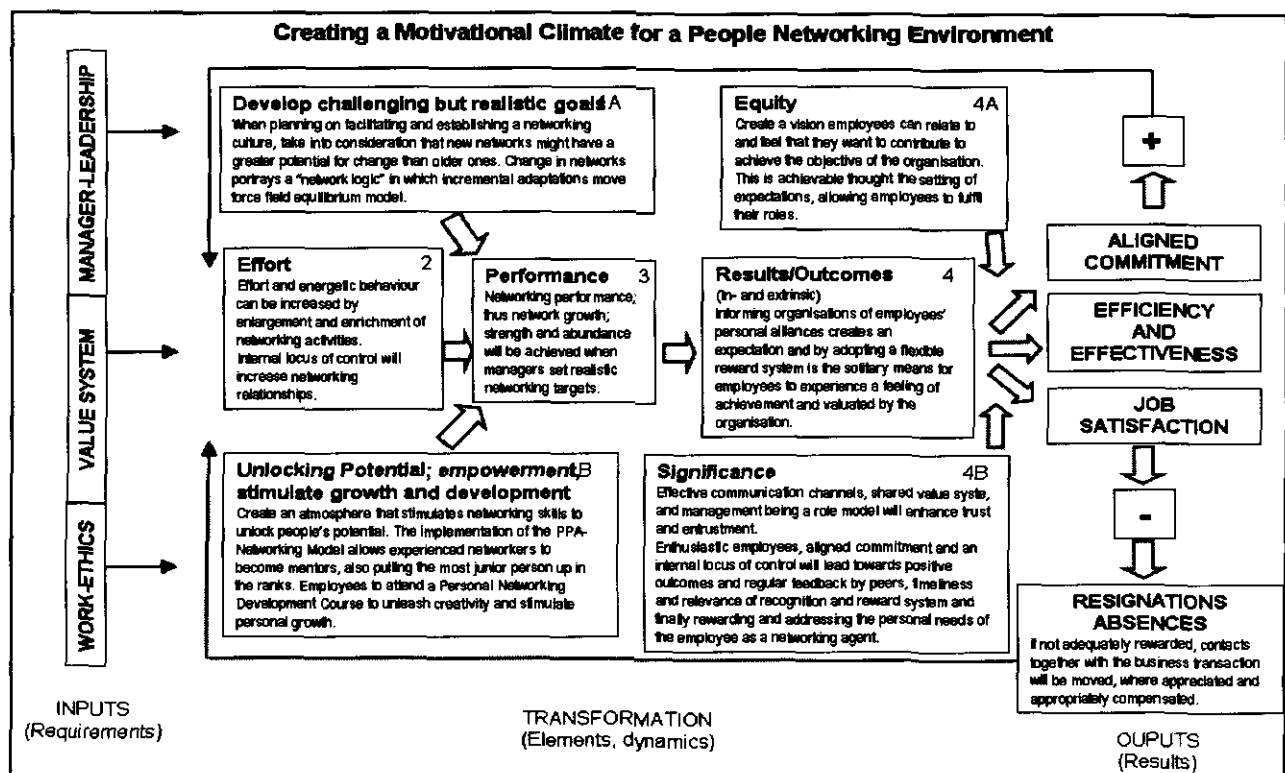


Figure 14: Creating a motivational climate for people networking (Coetsee, 1996: 111)

Manager-leaders must focus on all the elements of a motivational climate, as illustrated in Figure 14 and discussed in detail in Table 13, as they are the key factors in this change process. The inputs or pre-requisites are grouped into three categories, namely: manager-leadership, a value system and sound work ethics.

The transformation process represents the elements of an execution plan to achieve the output. The transformation process is characterised by setting goals that is achievable (goal setting theory) and measurable, followed by the construction of expectations (equity theory) and a reinforcing process (reinforcement theory). The individual's effort to achieve the goals, together with a reward system that stimulates performance and lead to an increase in job satisfaction is required to achieve the output (Coetsee, 1996: 114).

The output or objective is represented by the achievement of an aligned commitment between knowledge, sharing of information, empowerment of employees, effective rewards and recognitions system and the shared goals and values of the organisation and its people (Coetsee, 1996: 110). Table 13 below, provides an in-depth analysis and discussion of how to set and achieve a motivational climate for networking.

CREATION OF A MOTIVATIONAL CLIMATE FOR PEOPLE NETWORKING		
	Manager-Leadership	Value System
	Ensure that employees have the necessary knowledge, networking skills, abilities and experience, by doing an assessment of the existing employee networking capabilities. Identify training requirements at every level of networking to develop networking and networking skills. Implementation of a networking methodology requires effective communication, due to the magnitude of the change. Transparent communication leads to trust. Manager-leaders must take on the role as an entrepreneurial networker by setting a pro-active example. Through empowering the team the expectation and mindset is created that will improve working methods, as employees are accountable for their actions and create their own destiny. Having goals aligned will urge people to invent their own personal networks to achieve the long-term goal; thus creating a competitive advantage with the use of contact/informal networks/buddy systems and alliances.	
	Transformation	Action Plan
Effective Manager-leadership	1A: Develop goals and expectations and create the vision and mission statement. Communicate vision and mission to employees; also ensure that the employees agree that the goals are achievable with added effort (making it a challenge). Effective communication will ensure employees are aware of the change and reduce feelings of resistance. By keeping employees informed creates a channel for employees to share their ideas, as networking is after all about the employees and their connections. Through joint decision-making and by holding people responsible for their actions will not only empower them but they will also perform better and experience elevated job satisfaction.	Set objective for business and prioritise them, based on whether employees are: a) Embedded in dense interactions or not, as it will have an effect on the development of behavioural norms which can enforce adherence or create resistance, or b) Involved in relationships with strong or weak ties, or c) Involved in various types of networks such as: cliques, entrepreneurial, hierarchical or hierarchical/social and vertical/social and finally the size of their networks and the influence they have or vice versa. By the creation of communication sessions, employees will feel valued and respected for their input, thus having a positive effect on performance and job satisfaction.
	4A: Equity; performance measures are transparent, thus ensuring that the employees perceive the reward system as fair. Create a vision employees can relate to and feel that they want to contribute to achieve the objective of the organisation. This is achievable through the setting of expectations, allowing employees to fulfil their role, empower them but also making them account for their actions.	Rewarding employees for the networking role they play, as it is their connections and/or alliances that could assist in the obtaining of a competitive advantage. Unacceptable behaviour such as unethical networking alliances, created for personal wealth maximisation, to be dealt with decisively. Linking performance to rewards by recognising good and bad performance will create consistency and create a value system that treats employees fair and even-handedly.

CREATION OF A MOTIVATIONAL CLIMATE FOR PEOPLE NETWORKING

			Manager-Leadership	Value System	Work Ethics
Value System	Value system relates to the culture in the organisation and how to conduct business. The organisation's value system depicts the manner in which manager-leaders care for the employees and customers. Networking is about people, their alliances and buddy systems and the long-term relationships built on trust and honesty. The value system will set the norms in human behaviour based on how the existing culture permits people to act and react on networking activities. Networking requires ample human interaction; creativity- and innovation skills will aid in increasing the contacts and strengthening relationships. Management should incorporate a value system that encourages new networking ideas and place emphasis on networking etiquette.				
	Transformation		Action Plan		
	2: Stimulate effort and create an internal locus of control. Effective networking building-bridge strategies are reliable on the attitude of the networker; people must feel that they want to network and perform the effort needed to acquire new contacts or strengthen strategies. If people do not feel motivated and experience job satisfaction, they most certainly will not reveal their alliances and business "buddies." Too much control impede creativity, in networking that could be detrimental as the building of new alliances are based on innovative and creative behaviour of networking techniques. Human behaviour is as individualistic as the individual itself; however, the behaviour can be influenced. For example, in clique-networks behaviour is often based on the value system of the group and in hierarchical networks people will evaluate their external behaviour prior to acting, as it is effected by the position in the organisational ranking order.		Assess every employee's networking abilities and skills and determine opportunities for development. Through the implementation of a Personal Profile-Networking protocol, a mentor will be assigned to employees based on their personality. Having a mentor that has the same beliefs, as the mentee will set the ground for an internal locus of control. Transforming from an external locus of control to an internal locus of control permit people to believe in their network strength and relationship-building skills, rather than to revert to threatening and use of positional power, in the process of acquiring new contacts. Employees identify their own weak areas and are encouraged to provide solutions to overcome their obstacles. Training, development and very importantly interactive workshops, will lead to the successful acquiring of networking skills. These interactive communication sessions will guide people and encourage an internal locus of control. Humans behave differently Some are active networkers and others are silent networkers. Silent networkers will attract others in a crowded room and can be extremely useful when the person being networked is an introvert. Too much control will hinder the efforts of a silent networker and the introvert being targeted, as they will feel manipulated and scared to act on the opportunity, also hindering performance. Human behaviour based on internal locus of control, creates and utilises networking opportunities as these people are not influenced by others and create their own destiny.		
	3: The development of challenging networking goals must be done in coalition with the employees. Achieving these goals are entirely based on the strength; value and types of relationships the employees have with their contacts. Challenging, realistic goals will unlock, utilise and increase the potential of employees. Ensure that the employees' goals are aligned with the organisation's goals.		Set up the standards for the measurement of performance and make sure that they know exactly what is expected of them. Networking performance; thus network growth, strength and abundance will be achieved when managers set realistic networking targets. These targets must be measurable and linked to the individual performance indicators of each networker, indicating the implementation of a fair rewards and recognition system.		

CREATION OF A MOTIVATIONAL CLIMATE FOR PEOPLE NETWORKING			
Manager-Leadership		Value System	Work Ethics
Work Ethics	4: Result and Outcomes. To ensure the successful implementation of a networking strategy it is incremental to implement a reward system, reflecting intrinsic and extrinsic performance. Give recognition and rewards immediately where appropriate and the rewards must be directly linked to network performance and non-compliance. The reward and recognition system must be flexible; the networking environment has enormous capacity for performance and non-performance. Adopting a flexible reward system is the solitary means for employees to experience a feeling of achievement and valued by the organisation. When employees inform the organisation, of their personal alliances, it creates an expectation and if not adequately rewarded, these contacts, together with the business transaction, will be moved to where appreciated and appropriately compensated.		Assess the employees' needs, putting a recognition and reward system in place that will carry valence for the individual. Networking performance has a lot to do with the manner in which the individual conduct networking activities. Before quantifying rewards, an assessment is required of the various types of networkers; active and passive networkers must be rewarded differently, though comparatively, thus being flexible. Connections might also come across as average, but in the end turn out to be of enormous magnitude. The rewards system must consider those as well. Evaluate every employee's performance according to the standards set. Allow employees to compare their self-evaluation to management evaluation. Disgruntled employees will move forward and organisations can end up losing their star performers as well as their star clients.
	Networking is often referred to as cliques and has a negative connotation to it. Management must shift the focus from this association in order to discharge the disapproval surrounded by having cliques. However, it is imperative that management and their beliefs endorse the new set sound work ethics. By this action, management entrusts in their employees, making them feeling less threatened and manipulated, manager-leaders entrust in the people. Promoting sound work ethics is best done through management is example; honourable managers will gain respect and stimulate ethics within employees. Work ethics are very important in networking as networking is based on trust, honesty and the building of long-term relationships, where business deals are beneficial to all the contacts involved within the networked group.		
	Transformation		Action Plan
	1B: Unlocking of potential, empowering of employees, enhance positive self-concept to ensure adequate and willing resources to achieve networking objectives.		Clarifying everyone's role includes the assigning of a networking job description for each employee. Based on their roles in the organisation, the networking vertical/social or horizontal/social network job description can rank from being an active networker, relationship building and strengthening, establishment of new networks, infiltrating the competitor's network, creative thinking of new networking techniques, monitoring and control of networks and finally management of the networking knowledge-base management system.
	4B: Consequence of sound work ethics depends on factors such as an open communication channel, valences of outcomes, regular feedback by peers, timeliness and relevance of recognition and reward system and finally rewarding and addressing the personal needs of the employee as a networking agent.		Networking is being perceived as personal and employees expect to be adequately remunerated when providing an organisation with information that leads to possible new business ventures.
Aligned Commitment Efficiency & Effectiveness Job Satisfaction = Motivational Climate for People Networking (Coetsee 1996:201)			
OR			
No aligned commitment		Inefficiency & Non-effectiveness	No Job Satisfaction
Resignations & Absences			
= NO MOTIVATIONAL CLIMATE			

Table 13: Creating a Motivational Climate for People Networking (Self Evaluation)

Having a networking culture or endeavouring to establish one is a change of great enormity. Managing these alliances, whether they are formal or informal, is an enormous task and management requires some assistance. This assistance comes in the form of a Networking Knowledge-Base Management System.

4.3.3 Magnitude of Networking Knowledge-Base Management Systems

The implementation of networking knowledge-base management systems that accumulates both internal and external networking ties in relationship to the internal networking agent can be a resourceful technique as it presents the following benefits:

- Utilisation of captured intellectual property, as needed by management.
- Protection of intellectual property as it is publicly known; it is not so easy when management moves forward in their careers to simply take their networks with them, thus reducing the risk of losing key customers with the loss of key employees.
- Further economic growth as sustainable relationships create opportunities, as this knowledge might not have surfaced without established alliances.
- Exposing networks sustained for personal wealth as opposed to organisational growth.
- Dormant networks will be exposed, subsequently pointing out the lack of financial viability or inadequacy of alliances other wisely had proven to be of no use.
- Active alliances and relationships will be uncovered and can be nurtured, not only in relational value to a single employee, but as a collaborated effort.

Networking knowledge-base management systems has multiple functionalities, as it not only provides insight into the organisation's social capital, it also provides structure and allows management of social capital; thus serving as a networking management system.

A management team, in not only poorly managed organisations, but also successful organisations, must acquire the ability to adapt to the constant changing environment and take advantage of opportunities before the competitor does. This ability includes the effective management of problems, conflicts and dilemmas, as this will erode the negative behaviour by humans within the organisation, making it possible to move towards the same goal without hindering each other, but as an organisational team striving to be successful.

5 Conclusion

For organisations to become profitable and increase shareholders' wealth the focus is on a networking process change. Networking bridge building strategies is a requirement to built contacts, create strong relationships and exchange networking ties in the development of successful relationships.

The nature of these factors may change over time, deepening or becoming less important. Furthermore, as relationships grow, they are combined and connected to others through direct and indirect linkages. Networking relationships built on trust and honesty can be described as being stable, yet changing, due to the constant emerging and evolving of new contacts. Relationships change constantly through the parties' efforts to maintain, develop, change and sometimes disrupt the relationship.

These processes are time-consuming and a networking strategy should be developed to cover a three-year period, as it has a cumulative effect. Networks show signs of its own lifecycle, whereby collaboration speeds up innovation, which, together with the experienced alliances, changes the nature of the communications themselves.

Focussing on structural changes, structures represent the momentary and short-lived effects of these primary network processes in which organisation strategy and network structure interact over time. Network formation does not follow a predictable path, but changes by structural increments and evolutionary perspective.

There are identifiable patterns in the change processes in business networks; these changes are both evolutionary and continuous. The links, ties and bonds that are being developed in one relationship are connected to others: they are the sources as well as the effects of change.

During the organisational lifecycle, it is evident that once the start-up phase of a new venture is complete, organisational needs become more complex and different types of networks are required as the entrepreneurs that completed the on-line questionnaire illustrated that they are deeply embedded in networks and networking activities.

Personal networking is frequently cited as an essential element in both the start-up and growth phases of new ventures, exemplifying the magnitude of flourishing and effective networks. Effective networking is predominantly important for managers of new high technology ventures because radical technology innovation, accelerated globalisation and amplified competitiveness, significantly increase the general level of uncertainty these enterprises are facing.

The results also provide evidence that top management teams' external network density is an important driver of venture growth performance; indicating a positive and reasonable relationship between external network density and venture growth performance. Not only does the structure of external ties of top management teams influences organisational performance outcomes but also demonstrates that teams with certain internal characteristics can leverage their external ties.

An organisation without controls and measurements in place to determine and manage the effect of each of their employee's network, from top management down to the employee, is a real life scenario most organisations must deal with and, as proven, many have little indication how to manage this phenomenon. The primary dilemma these organisations and entrepreneurs are facing is the lack of an infrastructure necessary to adequately address dynamic, including highly uncertain environmental issues. Therefore, the creation of an environment that will allow them to obtain a competitive advantage is essential.

Finally, by building and nurturing, these hidden alliances will place organisations in a competitive position. It will permit organisations to be flexible to respond rapidly to competitive and market changes in the market, thus creating a sustainable competitive advantage. Having an entrepreneurial networking culture is perfectly in line with Porter's five forces, achieving its networking strategic goal by spawning a strategic fit between operations efficiency & strategy.

"The real act of discovery consists not in finding new lands but seeing with new eyes."

Marcel Proust (Proust, 2003).

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7 Appendix A – List of characteristics depicting Transformational Change

REFORM (Incremental change)	TRANSFORMATION (Quantum change)
MAGNITUDE OF CHANGE	
1. Keeping the status quo intact but striving to increase efficiency	Discovering/developing something new (e.g. new vision) to increase effectiveness
2. Superficial change: e.g. to re-structure processes, methods, markets(fine-tuning)	Quantum change: e.g. affecting strategy, culture, behaviour(fundamentally altering how it operates)
3. Basic structure stays intact (involve limited dimensions and levels)	Basic structure changes fundamentally(involve most at least several dimensions and levels)
4. Small, one-dimensional changes, often made in isolation, over a period of time	Major, multi-dimensional, continuous changes
5. Low levels of complexity, initial cost and uncertainty	High levels of complexity, initial cost and uncertainty
6. Primarily an "add-on to existing process"	Primarily a process of "pruning" and/or "substituting" the existing
7. Short-lived, rapid energy eruptions	Extended, sustained energy investment
8. Adaptation (Problem solving)	Metamorphosis (Discovery)
9. Strategic planning or re-planning	Redefinition of core business

REFORM (Incremental change)	TRANSFORMATION (Quantum change)
FOCUS OF CHANGE	
1. Changes to, or within, a paradigm	Changing or substituting one paradigm with another
2. Changing perceptions, attitudes and behaviours within the existing paradigm	Changing to a paradigm with new visions, strategies, practices and behaviours
3. Focus on the here and now of the internal organisational functioning	Focus, over time, on internal and external functioning
4. Programmatic	Organic
5. Focus on changes to adapt the organisation to existing or new circumstances (work methods, procedures, social interactions, structures, technology, physical arrangements)	Focus on a new vision, mission, value system, principles
6. Changing organisational climate	Changing organisational culture
7. Deals with solving problems (often addresses the symptoms)	Deals with identifying opportunities, preventing problems and solving them by eliminating the causes,

REFORM (Incremental change)	TRANSFORMATION (Quantum change)
CHANGE CHARACTERISTICS	
1. Requires a few (only one or two) interventions	Requires a number of integrated interventions
2. Can be introduced and completed quickly	Requires detailed planning and is more time-consuming
3. A limited number of members are involved and/or affected	Involvement and commitment of all stakeholders necessary and all members are affected
4. Outside consultants often involved as facilitators, facilitating changes in processes,	Outside consultants are sometimes involved and become more "part of the change" process

REFORM (Incremental change)	TRANSFORMATION (Quantum change)
CHANGE CHARACTERISTICS	
structures and behaviours	
5. Interventions are small and incremental	Interventions are large scale and take place more or less concurrently
6. Results of changes are predictable	Results of changes are often unpredictable
7. Low levels of emotions present	High emotional levels present
8. Resistance to change lower	Resistance to change stronger
9. Does not really affect organisational culture	Profound changes in culture
10. Relatively simple, single- dimensional approach	Complex, multi-dimensional, holistic approach
11. Low risk	High risk
12. Often "faddish" short-term	Leads to longer term changes
13. Often a participative process	Often an authoritarian process
14. Implementation of existing and/or known processes and solutions	Implementation of new approaches and solutions
15. Involvement of top management not a prerequisite	Top management involvement a prerequisite
16. Requires effective management	Requires effective management and leadership
17. Enhances efficiency: doing things right	Enhances effectiveness: doing the right things right

8 Appendix B – List of organisations that was targeted

Leaders Laggards	Sector	Industry	Organisation
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	TurboChef Technologies
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	Maytag Corporation
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	Whirlpool Corporation
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	Craftmade International
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	Helen of Troy Limited
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	Stanley Works
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	Electrolux AB (ADR)
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	P & F Industries, Inc.
Leaders	Consumer Cyclical	<u>Appliance & Tool</u>	National Presto Industrie
Leaders	Consumer Non-Cyclical	<u>Beverages (Alcoholic)</u>	Allied Domecq PLC (ADR)
Leaders	Consumer Non-Cyclical	<u>Beverages (Alcoholic)</u>	Central European Distribu
Leaders	Consumer Non-Cyclical	<u>Beverages (Alcoholic)</u>	Brown-Forman Corporation
Leaders	Consumer Non-Cyclical	<u>Beverages (Alcoholic)</u>	Vina Concha y Toro S.A.
Leaders	Consumer Non-Cyclical	<u>Beverages (Alcoholic)</u>	Robert Mondavi Corp.
Leaders	Consumer Non-Cyclical	<u>Beverages (Alcoholic)</u>	Companhia de Bebidas das
Leaders	Consumer Non-Cyclical	<u>Beverages (Non-Alcoholic)</u>	Cott Corporation
Leaders	Consumer Non-Cyclical	<u>Beverages (Non-Alcoholic)</u>	National Beverage Corp.
Leaders	Consumer Non-Cyclical	<u>Beverages (Non-Alcoholic)</u>	Avani International Group
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	Medifast, Inc.
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	Spectrum Organic Products
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	Reliv' International, Inc
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	H.J. Heinz Company
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	Cuisine Solutions, Inc.
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	Lucille Farms, Inc.
Leaders	Consumer Non-Cyclical	<u>Food Processing</u>	Aurora Foods, Inc.
Leaders	Consumer Non-Cyclical	<u>Personal & Household Products</u>	Playtex Products, Inc.
Leaders	Consumer Non-Cyclical	<u>Personal & Household Products</u>	Dial Corporation
Leaders	Consumer Non-Cyclical	<u>Personal & Household Products</u>	USANA Health Sciences, In
Leaders	Consumer Non-Cyclical	<u>Personal & Household Products</u>	Clorox Company
Leaders	Consumer Non-Cyclical	<u>Personal & Household Products</u>	Advantage Marketing Syste
Leaders	Consumer Non-Cyclical	<u>Personal & Household Products</u>	Hydron Technologies, Inc.
Leaders	Consumer Non-Cyclical	<u>Tobacco</u>	Gallaher Group Plc (ADR)
Leaders	Consumer Non-Cyclical	<u>Tobacco</u>	Imperial Tobacco Group PL
Leaders	Consumer Non-Cyclical	<u>Tobacco</u>	Swedish Match AB (ADR)
Leaders	Consumer Non-Cyclical	<u>Tobacco</u>	Standard Commercial Corp
Leaders	Consumer Non-Cyclical	<u>Tobacco</u>	Star Scientific, Inc.
Leaders	Consumer Non-Cyclical	<u>Tobacco</u>	Vector Group Ltd.
Leaders	Financial	<u>Consumer Financial Services</u>	American Asset Management
Leaders	Financial	<u>Consumer Financial Services</u>	United Financial Mortgage
Leaders	Financial	<u>Consumer Financial Services</u>	Fannie Mae
Leaders	Financial	<u>Consumer Financial Services</u>	AmeriCredit Corp.
Leaders	Financial	<u>Consumer Financial Services</u>	Vestin Group, Inc.
Leaders	Healthcare	<u>Major Drugs</u>	AstraZeneca PLC (ADR)
Leaders	Healthcare	<u>Major Drugs</u>	Novartis AG (ADR)
Leaders	Healthcare	<u>Major Drugs</u>	Aventis (ADR)
Leaders	Services	<u>Schools</u>	Apollo Group, Inc.
Leaders	Services	<u>Schools</u>	Career Education Corp.
Leaders	Services	<u>Schools</u>	Touchstone Applied Sci.
Leaders	Services	<u>Schools</u>	Magic Lantern Group, Inc.
Leaders	Services	<u>Schools</u>	Franklin Covey Co.

Leaders Laggards	Sector	Industry	Organisation
Leaders	Services	Schools	New Horizons Worldwide
Leaders	Technology	Computer Hardware	Dell, Inc.
Leaders	Technology	Computer Hardware	Global ePoint, Inc.
Leaders	Technology	Computer Hardware	Merisel, Inc.
Leaders	Technology	Computer Hardware	Apple Computer, Inc.
Leaders	Technology	Computer Hardware	Pinnacle Systems, Inc.
Leaders	Technology	Computer Hardware	Palm, Inc.
Laggards	Basic Materials	Non-Metallic Mining	Aber Diamond Corporation
Laggards	Basic Materials	Non-Metallic Mining	USEC Inc.
Laggards	Basic Materials	Non-Metallic Mining	Mountain Province Diamond
Laggards	Consumer Cyclical	Audio & Video Equipment	Digital Theater Systems,
Laggards	Consumer Cyclical	Audio & Video Equipment	SeaView Video Technology
Laggards	Consumer Cyclical	Audio & Video Equipment	Emerson Radio Corp.
Laggards	Consumer Cyclical	Audio & Video Equipment	Universal Security Instru
Laggards	Consumer Cyclical	Audio & Video Equipment	Harman International Indu
Laggards	Consumer Cyclical	Audio & Video Equipment	Pioneer Corporation (ADR)
Laggards	Consumer Cyclical	Audio & Video Equipment	NEC Corporation (ADR)
Laggards	Consumer Cyclical	Audio & Video Equipment	VPGI Corporation
Laggards	Consumer Cyclical	Tires	Bandag, Incorporated
Laggards	Consumer Cyclical	Tires	Cooper Tire & Rubber Comp
Laggards	Consumer Cyclical	Tires	Goodyear Tire & Rubber
Laggards	Consumer Cyclical	Tires	Amerityre Corporation
Laggards	Energy	Oil Well Services & Equipment	FMC Technologies, Inc.
Laggards	Energy	Oil Well Services & Equipment	Magellan Midstream Partne
Laggards	Energy	Oil Well Services & Equipment	Kaneb Pipe Line Partners
Laggards	Energy	Oil Well Services & Equipment	Enbridge Inc.
Laggards	Energy	Oil Well Services & Equipment	Transocean Inc.
Laggards	Energy	Oil Well Services & Equipment	Seitel, Inc.
Laggards	Energy	Oil Well Services & Equipment	Metretek Technologies, In
Laggards	Healthcare	Biotechnology & Drugs	Orphan Medical, Inc.
Laggards	Healthcare	Biotechnology & Drugs	Lannett Company, Inc.
Laggards	Healthcare	Biotechnology & Drugs	Acambis plc (ADR)
Laggards	Healthcare	Biotechnology & Drugs	Able Laboratories Inc.
Laggards	Healthcare	Biotechnology & Drugs	Immune Response Corp.
Laggards	Healthcare	Biotechnology & Drugs	Entropin, Inc.
Laggards	Healthcare	Biotechnology & Drugs	Alkermes, Inc.
Laggards	Healthcare	Biotechnology & Drugs	Spectrum Pharmaceuticals,
Laggards	Services	Broadcasting & Cable TV	TV Azteca, S.A de C.V. (A
Laggards	Services	Broadcasting & Cable TV	Beasley Broadcast Group,
Laggards	Services	Broadcasting & Cable TV	Saga Communications, Inc.
Laggards	Services	Broadcasting & Cable TV	Carlton Communications Pl
Laggards	Services	Broadcasting & Cable TV	Entercom Communications
Laggards	Services	Broadcasting & Cable TV	Matav-Cable Systems Media
Laggards	Services	Broadcasting & Cable TV	XM Satellite Radio Hold.
Laggards	Services	Broadcasting & Cable TV	WorldGate Communications,
Laggards	Services	Broadcasting & Cable TV	PrimaCom AG (ADR)
Laggards	Services	Broadcasting & Cable TV	Net Servicos de Comunicac
Laggards	Services	Printing Services	Schawk, Inc.
Laggards	Services	Printing Services	Champion Industries, Inc.
Laggards	Services	Printing Services	Cadmus Communications
Laggards	Services	Printing Services	Quebecor World Inc.
Laggards	Services	Printing Services	Outlook Group Corp.

Leaders Laggards	Sector	Industry	Organisation
Laggards	Services	<u>Printing Services</u>	Bowne & Co., Inc.
Laggards	Services	<u>Printing Services</u>	Workflow Management, Inc.
Laggards	Technology	<u>Computer Services</u>	Navtech, Inc.
Laggards	Technology	<u>Computer Services</u>	Internet America, Inc.
Laggards	Technology	<u>Computer Services</u>	iMERGENT, Inc.
Laggards	Technology	<u>Computer Services</u>	CCC Information Services
Laggards	Technology	<u>Computer Services</u>	Advant-E Corporation
Laggards	Technology	<u>Computer Services</u>	NaviSite, Inc.
Laggards	Technology	<u>Computer Services</u>	theglobe.com, inc.
Laggards	Technology	<u>Computer Services</u>	Medix Resources, Inc.
Laggards	Technology	<u>Computer Services</u>	VirtGame Corp.
Laggards	Technology	<u>Electronic Instruments & Controls</u>	IEC Electronics Corp.
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Owosso Corporation
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Premier Farnell plc (ADR)
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Energizer Holdings, Inc.
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Mechanical Technology
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Millennium Cell Inc.
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Robotic Vision Systems, I
Laggards	Technology	<u>Electronic Instruments & Controls</u>	Reptron Electronics Inc.
Laggards	Transportation	<u>Airline</u>	ExpressJet Holdings, Inc.
Laggards	Transportation	<u>Airline</u>	Ryanair Holdings plc (ADR)
Laggards	Transportation	<u>Airline</u>	SkyWest, Inc.
Laggards	Transportation	<u>Airline</u>	MAIR Holdings, Inc.
Laggards	Transportation	<u>Airline</u>	Continental Airlines, Inc
Laggards	Transportation	<u>Airline</u>	America West Holdings
Laggards	Transportation	<u>Airline</u>	Delta Air Lines, Inc.
Laggards	Transportation	<u>Airline</u>	AMR Corporation

9 Appendix C – Questionnaire

Appendix C - Questionnaire

The purpose of this questionnaire is to determine the internal and external people networking capabilities and strength of an organisation.

Networked profile	
Name:	
Title:	
Sector	
Industry:	
Organisation:	
Division:	
Contact Number:	
Email Address:	

No	Question	Response
Workforce - Questions		
1	Select your professional qualifications?	
2	Date of Birth? (DD/MM/YYYY)	
3	Reveal your age?	
4	Gender? (To establish the difference between male and female networking techniques)	
5	Race? (To establish the difference in networking techniques based on racial interaction)	
6	Select your current position?	
7	How many positions at a senior level in your organisation?	
8	How many years in the current position?	
9	Select your views on people networking?	
10	Identify your understanding of entrepreneurial networks?	
Internal Network Analysis - Questions		
1	How did you find your way into the organisation; how were you appointed?	
2	How do you normally get appointed?	
3	If you were recruited by an insider or a networking agent, indicate the position of that person?	
4	How would you describe your personal relationship with this networking agent?	

Select from				
Doctors Degree	Masters Degree	University Degree	Business Diploma	High School Diploma
Older than 50	Between 49 and 40	Between 39 and 33	Between 32 and 26	Younger than 25
Male	Female			
Caucasian	African	Asian	European	Other
Management	Senior Management	Executive Management	Director	Board Member
> 21	16 - 20	11 - 15	5 - 10	1 - 4
> 21	11 - 20	6 - 10	2 - 5	1
Mutually beneficial business alliances	Using each other on each own accord	Utilised to influence people	Personal wealth maximisation	Favouritism
Sustainable long-term relationships built on trust	Personal alliances between entrepreneurs	Entrepreneurial development on networking skills	Seeking of entrepreneurial opportunities	No idea
A person promoting your name in the organisation (Networking Agent)	Recruited by the organisation	Job advertised by the organisation	Career Placement agency	
A person promoting your name in the organisation (Networking Agent)	Recruited by the organisation	Job advertised by the organisation	Career Placement agency	Other
"Buddy" of the boss	Executive Committee	Manager	Employee	Career Placement agency
Excellent	Good	Intermediate	Weak	Strictly professional

5	Who are your closest buddy/buddies or alliances in the organisation?	
6	How do you normally establish your internal personal contacts?	
7	Identify the type of internal network that you feel an integral part of? Do you think entrepreneurial networks' also known as informal networks or buddy systems' add value to the organisation?	
8	Do you think entrepreneurial networks, also known as informal networks or buddy systems, add value for you as an employee?	
9	Do you feel that you can contribute more if you form part of an entrepreneurial network?	
10	Do you feel your organisation contributes and encourages the development of social capital?	
11	Do you think "clique" networks adds value to your organisation?	
12	Are you part of a "clique" network?	
13	Describe your position in this "clique" network?	
14	How do you experience the "buddy system" in your organisation?	
15	Describe the size of your internal network; where both parties contributes to each other's success?	
16	Describe the strength of your internal network; where both parties contributes to each other's success	
17	How do you mostly experience your position in your personal networks?	
18	How do you maintain and grow your internal personal contacts?	
19	Does strong relations with contacts influence your internal decision-making process?	
20	Do you think that individual networks or informal buddy systems in the organisation are more powerful than individuals attempting to fight the system on their own?	
21	Would you say that your influence on your personal alliances have an effect on their opinion and attitude?	
22		

The "big" boss; CEO or MD	The CEO's closest friend and acquaintance	Mainly people in managerial positions	The secretaries	Ordinary employees
Access the situation and form friendships at the precise moment	Having a strong personality which draw people automatically	Target influential people and get acquainted	Infiltrating the Clique networks	Don't know how to network or build personal alliances at work
Entrepreneurial (informal buddy systems or networks)	Hierarchical	Cliques	Old Boys Clubs	None
Yes, essential for strong business development	Yes, building long-term relationships where alliances supports each other	No, Old Boys Clubs runs the organisation to their own benefit	No, wealth creation for individuals at the expense of the organisation	
Yes, feeling of collaboration exist and everyone's input are appreciated	Yes, it is the only way I can secure my position and move up in the ranks	Yes, being part of an informal network provide a sense of belonging	No, networks have no effect on my professional working relationship	No, only buddies are promoted based on their alliances and not their skills
Yes	No			
Yes, supports knowledge sharing and cultivate the expansion of intellectual capital	No, a kind of disconnections exists between the employees			
Yes, increase own position in the organisation and maximise personal wealth creation	Yes, members drive the organisational needs	Yes, Improved communications, teamwork and revenue	No, assist members in self-enrichment	No, harmful to other members and create the wrong impression
Yes	No			
Leader of the pack	Part of the team	Weak contributor	Dragging along	Hope to be seen
Development mutual beneficial relationships	Secret alliances	Favouritism	Doesn't exist	As clique networks
> than 20	19 - 10	9 - 1	None	
Excellent	Good	Weak	Non - existent	
Leader of the pack	Part of the team	Weak contributor	Dragging along	Hope to be seen
By forming friendships in the right places	Having a strong personality which draw people automatically	Target influential personalities and start to influence them		
Yes	No			
Yes	No			
Yes	No			

14	Do you think if you leave the organisation the strong relationship customers will follow?
15	Did the organisation implement a methodology to prevent departure of clients with employee resignations?
16	Do you think by using the Internet as a networking medium, it will have a positive or negative effect on business?
17	What motivates you to rather do business with an alliance than a non-alliance?
18	What do you feel is the biggest advantage of external networking alliances for you?
19	Does your organisation have a networking culture and possible strategy to empower people as networkers?
20	Do you think that there is a need for the development of a networking culture?

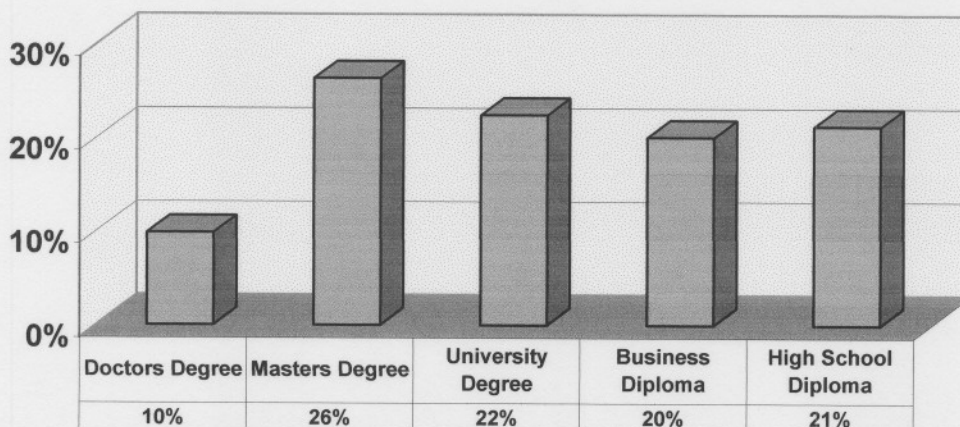
23	Would you say that your personal buddy system can have an impact on the organisation?	
24	If yes, estimate the size of the positively or negativity generated?	
25	Do you think by having a culture of entrepreneurial networks it will create a motivational climate and generate a competitive advantage?	
External Network Analysis - Questions		
1	How would you define external people networking or entrepreneurial networks?	
2	Why do you think it is important for organisations to have external alliances or networks?	
3	How would you rate your organisations external network strength in the market?	
4	Identify the external networking relationships or professional network alliances?	
5	How does a strong external people network affects the financial results?	
6	Does current ways of doing business depends on the strength of the connections in the market?	
7	Would you say that new business depend on the strength of the relationship?	
8	Do you feel part of an external buddy system or some kind of an alliance with other organisation?	
9	Rate your own personal customer network strength?	
10	How do you establish and maintain your external personal contacts?	
11	Evaluate the true size of your business alliances?	
12	Reveal your views on having a collective knowledge-base management system that provides information about all the existing alliances?	
13	Does strong relations with contacts influence your decision-making process?	

Yes	No			
100%	> than 70%	> than 50%	> than 30%	< than 30%
Yes, business depends increasingly on who you know and employees will feel valued and have a sense of belonging	Yes, it will create a competitive advantage but if employees are not rewarded it will boomerang	Yes, the more connected you are, the more opportunities arise, both professional and personal	No, people will miss-use their newly found power and manipulate management for personal wealth creation	No, only few employees will benefit as managers do not know how to manage around clique networks
Building long-term mutually beneficial relationships to obtain a competitive advantage	Strengthening of existing relationships to achieve organisations goals	Active management of these alliances to increase profits	Active management of these alliances for own benefit	Another form of Client Relationship Management
Building long-term sustainable relationships, obtain a competitive advantage	Short term growth and revenue increase	Develop a group of alliances which can be used at any time	Immediate expansion of customer base	
Strong and similar networking ties that are dense (more than 70% of the people is well connected)	Strong networking ties that has a similarity but are open networks	Weak networking ties that are diverse and open networks	Weak networking ties that has a similarity and open networks	None of the above
Relationships built on intrinsic social capital and collective network abundance	Relationships built on intrinsic social capital and low network abundance	Relationships built on extrinsic social capital and collective network abundance	Relationships built on extrinsic social capital and low network abundance	
Long-term growth and increase in ROI	Short term growth and immediate increase in Profit Margins	No affect on Revenue	Long-term growth and increase in Revenue	Don't know
Always	Sometimes	Never	Don't know	
Strongly Agree	Mostly Agree	Utilised to influence people	Strongly Disagree	
Yes	No			
Excellent	Good	Intermediate	Weak	
Have regular informal get together meetings; i.e. Dinner, Lunch, Breakfast or Social events	Have regular formal meetings and discussions during office hours	They contact me for meetings and discussions	No time to invest in building client relationships	No time to entertain and "buy" business
More than 30	Between 21 and 30	Between 11 and 20	Less than 10	None
Good idea, sharing of knowledge is great in a collaborative environment, increase productivity	Bad idea, don't want to reveal all my alliances. Other employees might want to steal them away	Bad idea, I treasure my alliances and want to take their businesses with me when I departure		
Yes	No			

10 Appendix D – Graphical representation of results

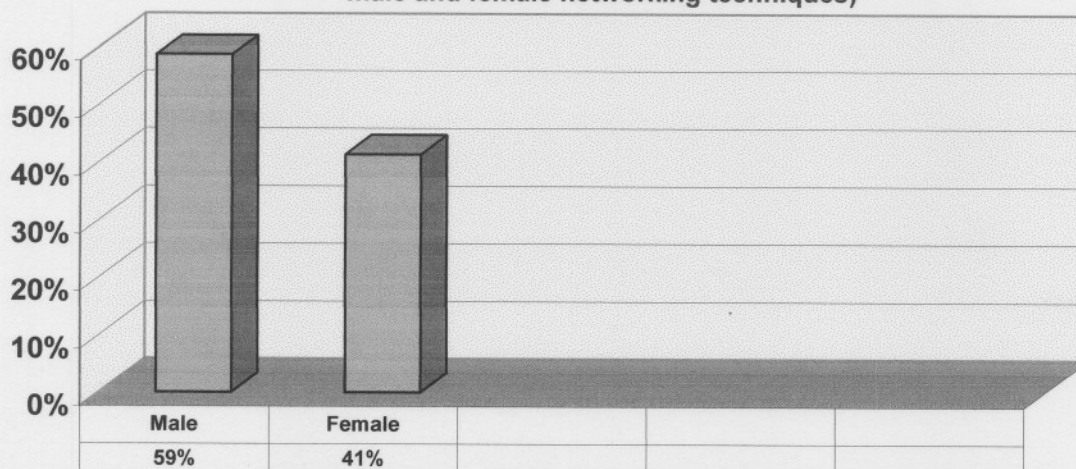
Workforce Analysis

Select your professional qualifications?



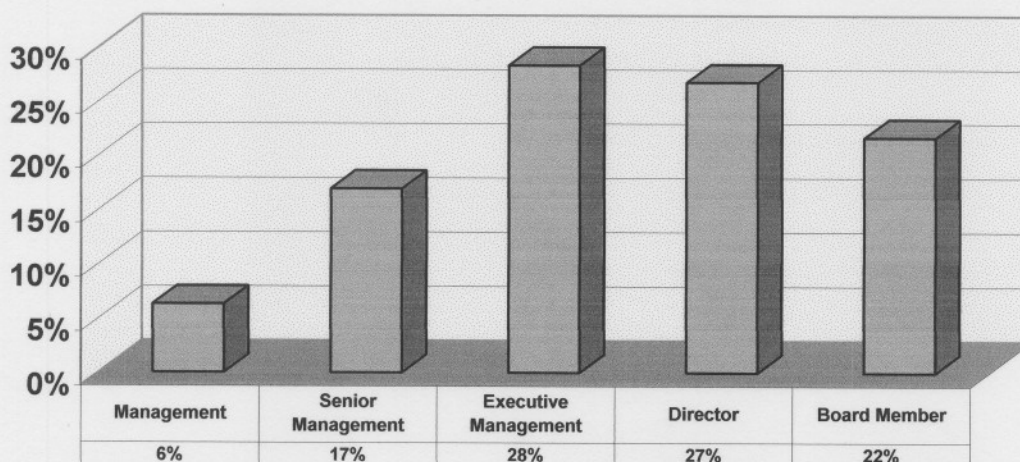
Workforce Analysis

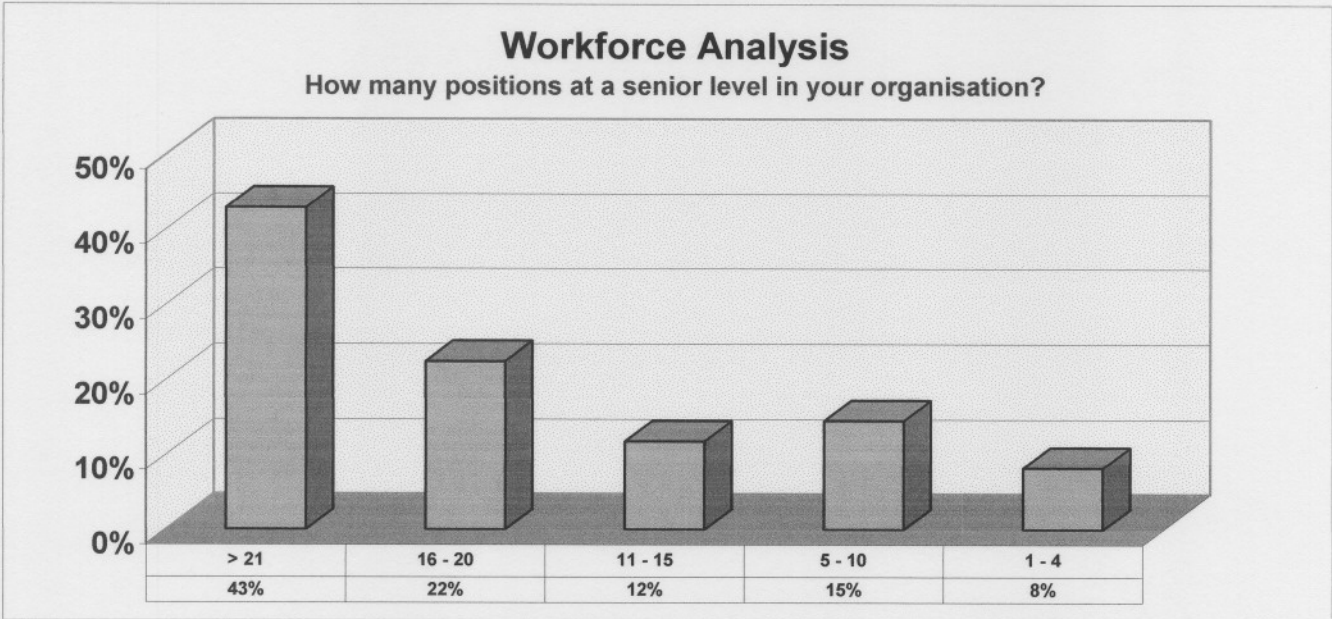
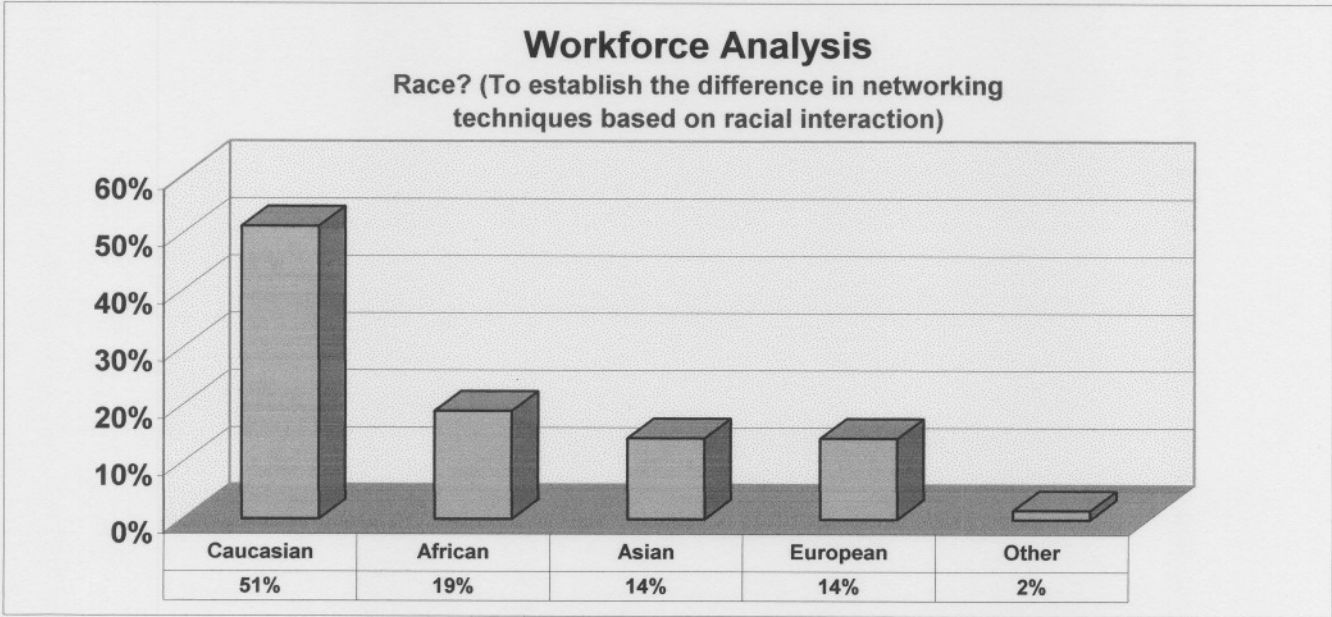
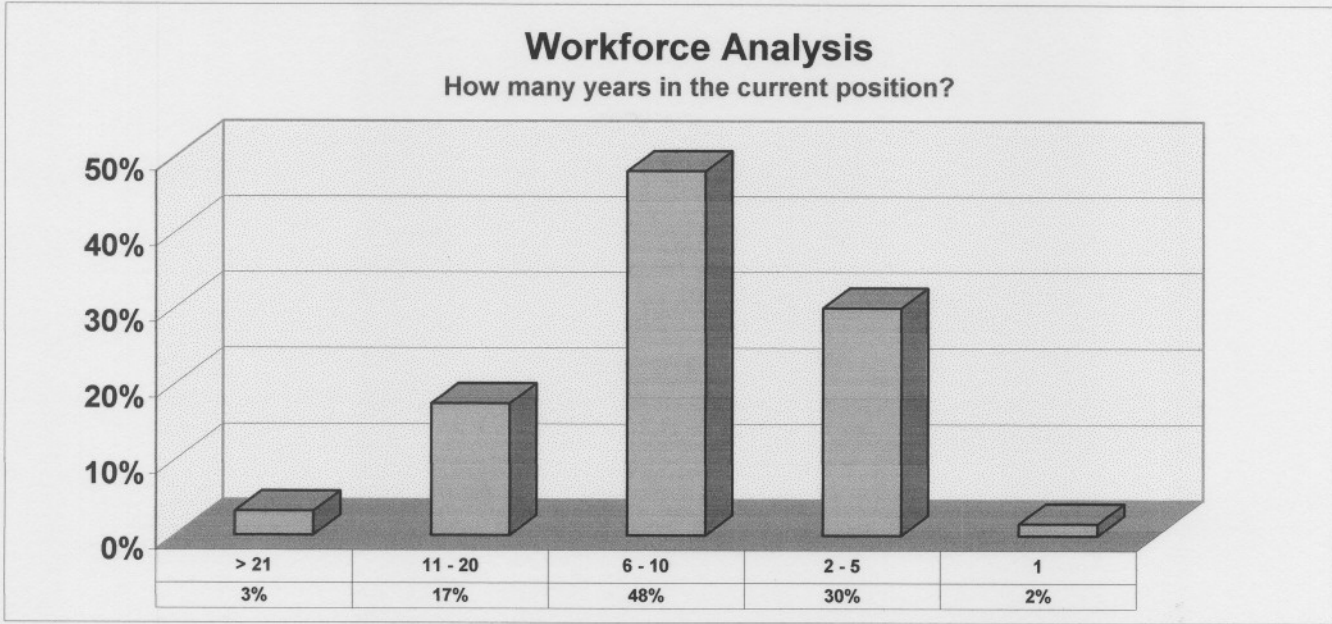
Gender? (To establish the difference between male and female networking techniques)



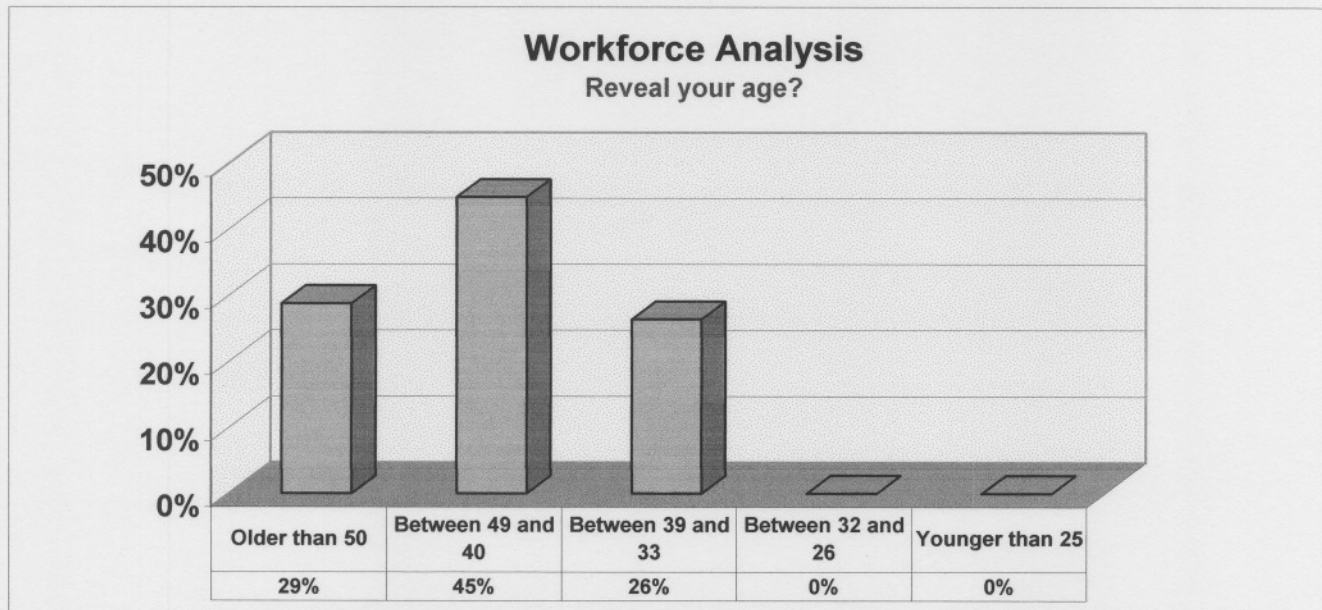
Workforce Analysis

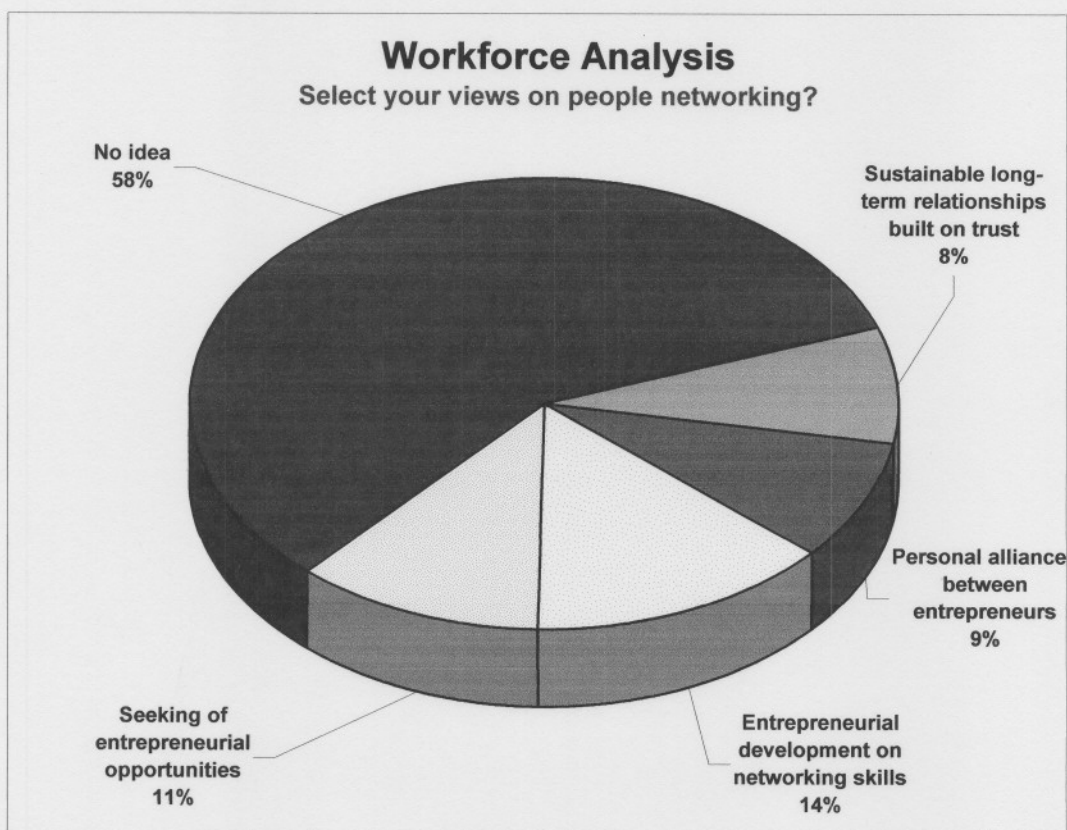
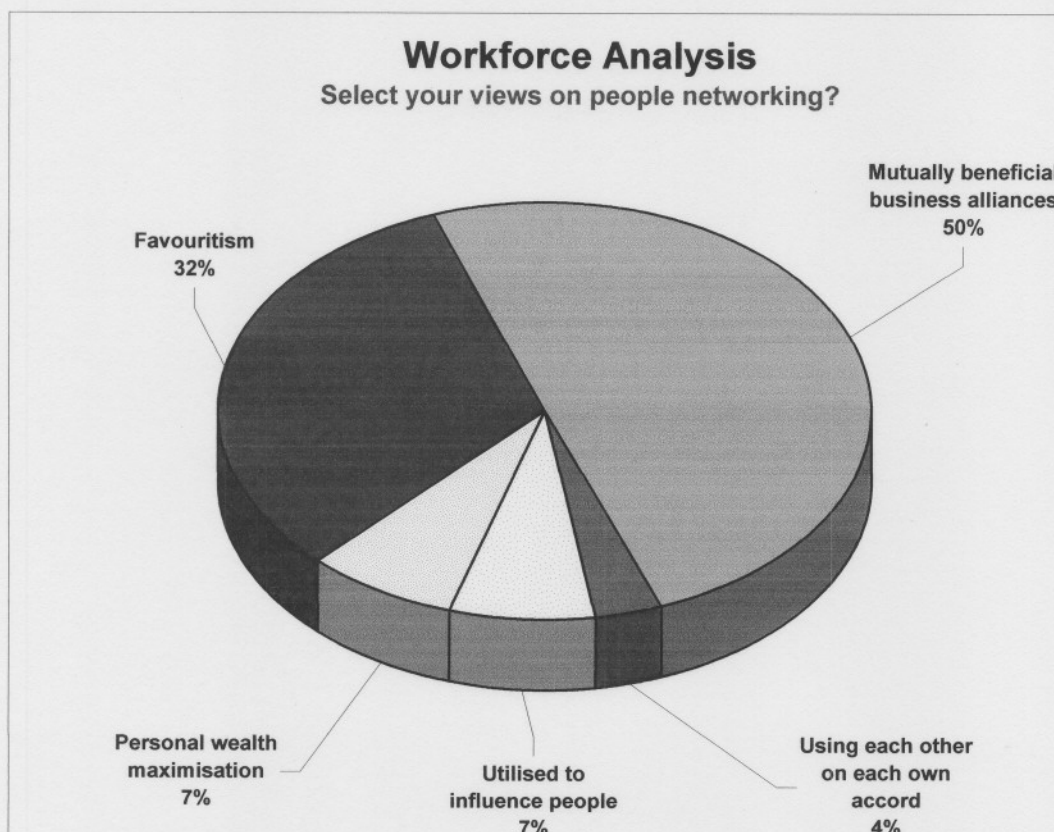
Select your current position?

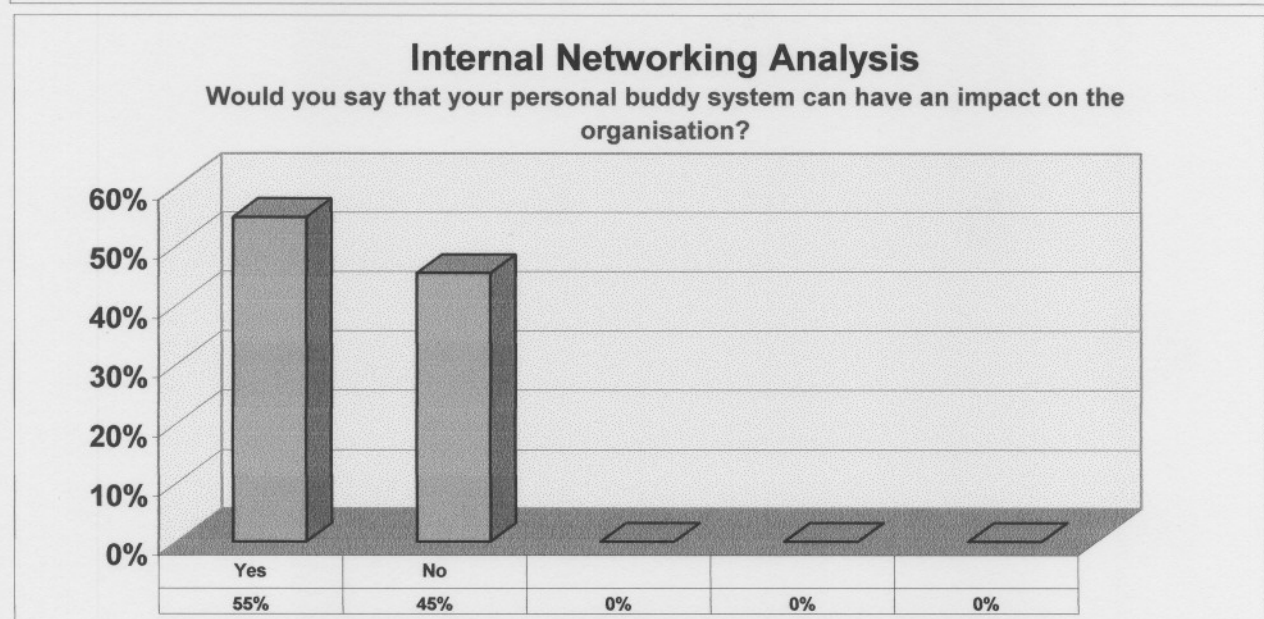
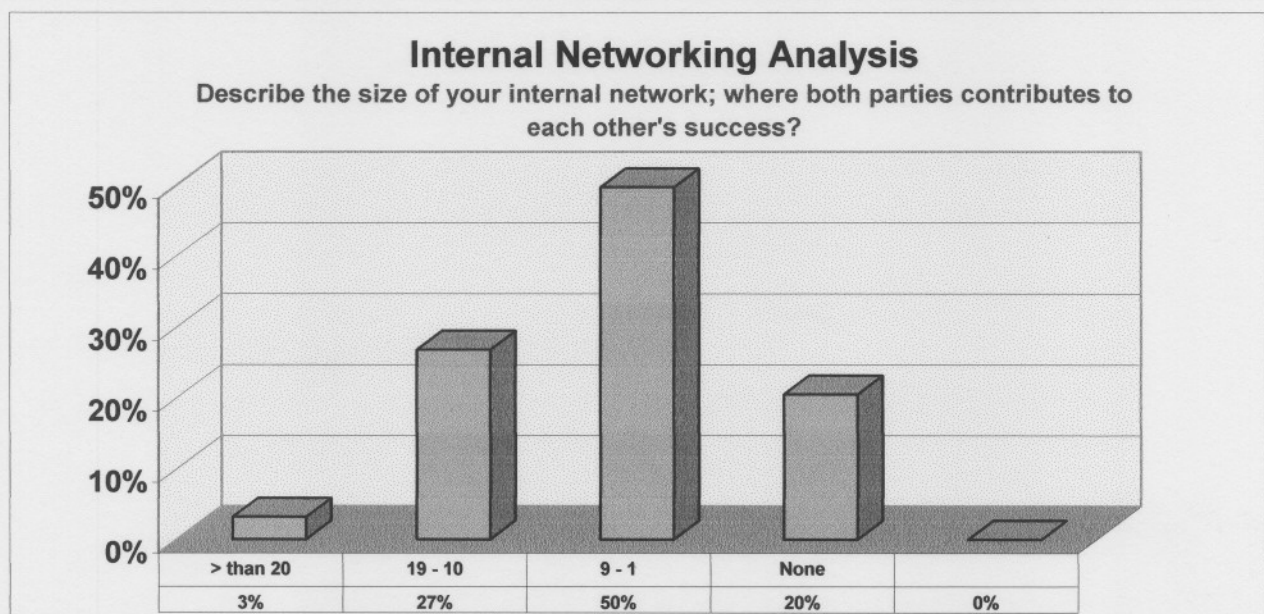
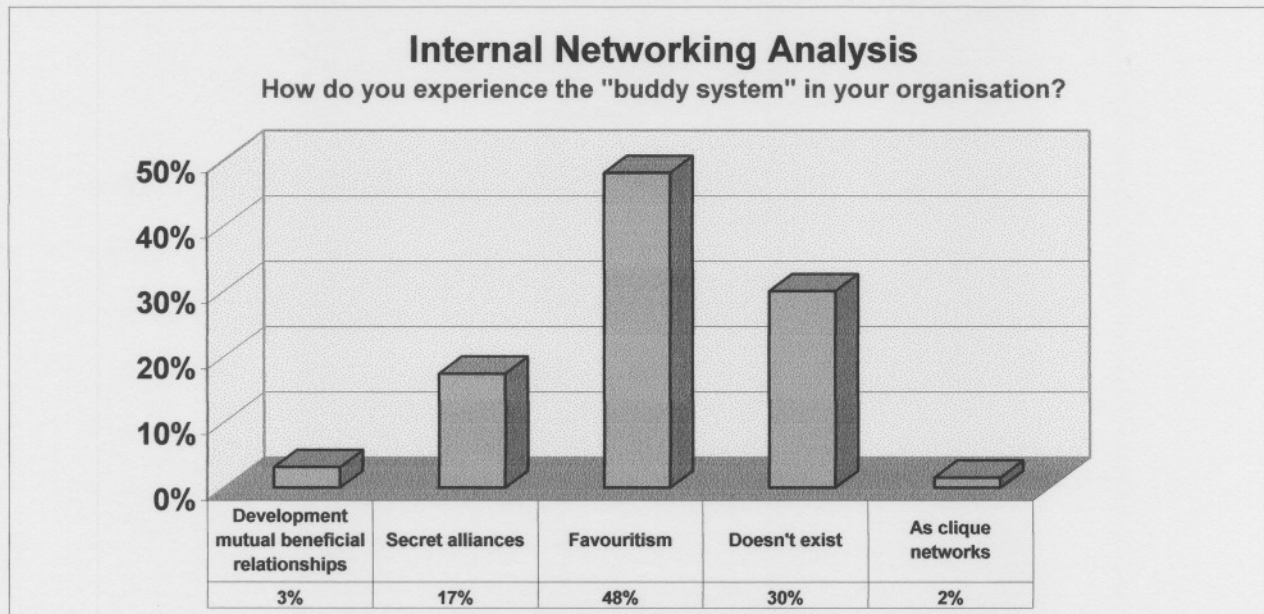




Appendix D - Graphical Representation of Results - Workforce Analysis



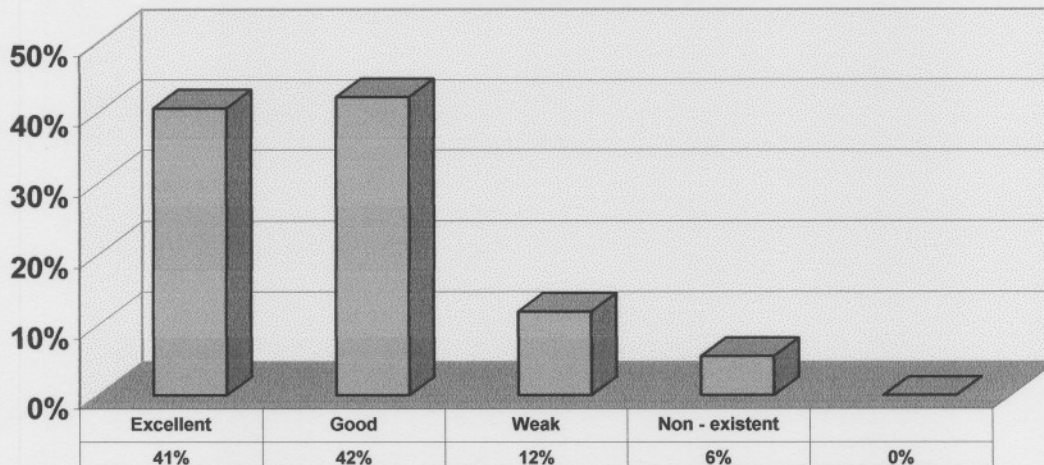




Appendix D - Graphical Representation of Results - Internal Networking Analysis

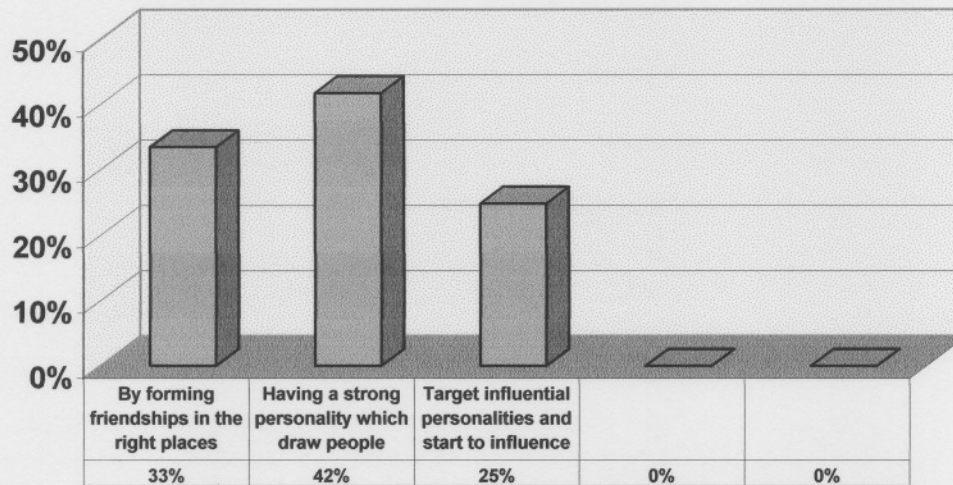
Internal Networking Analysis

Describe the strength of your internal network; where both parties contributes to each other's success



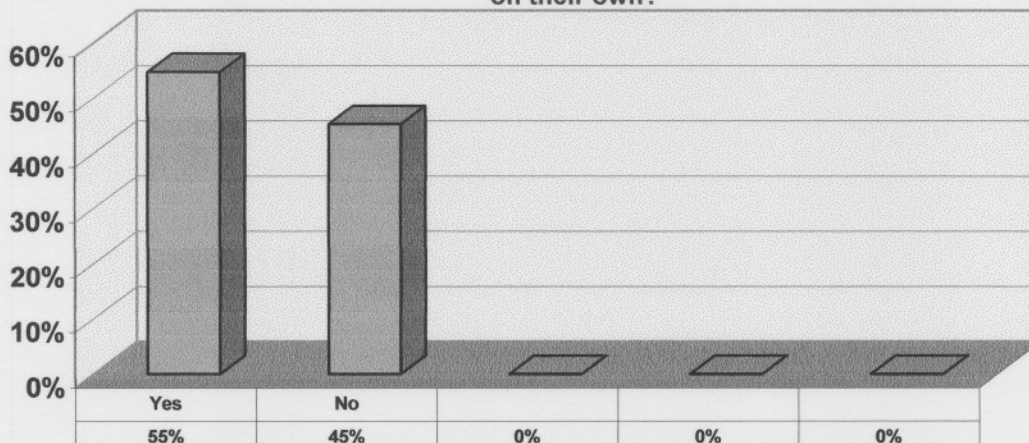
Internal Networking Analysis

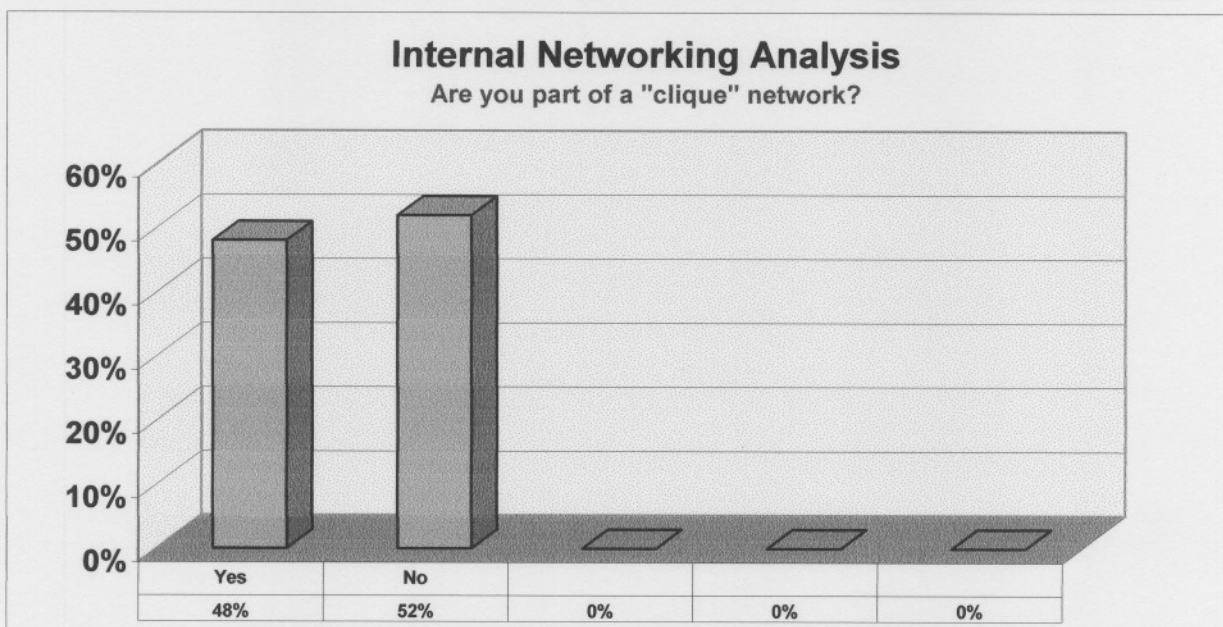
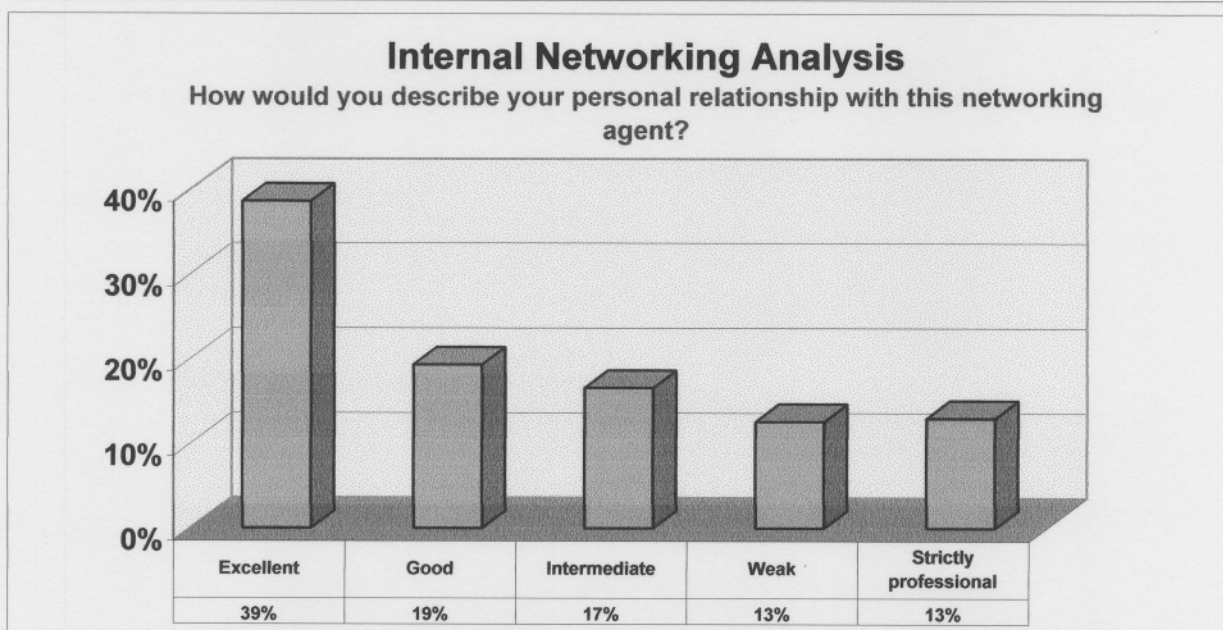
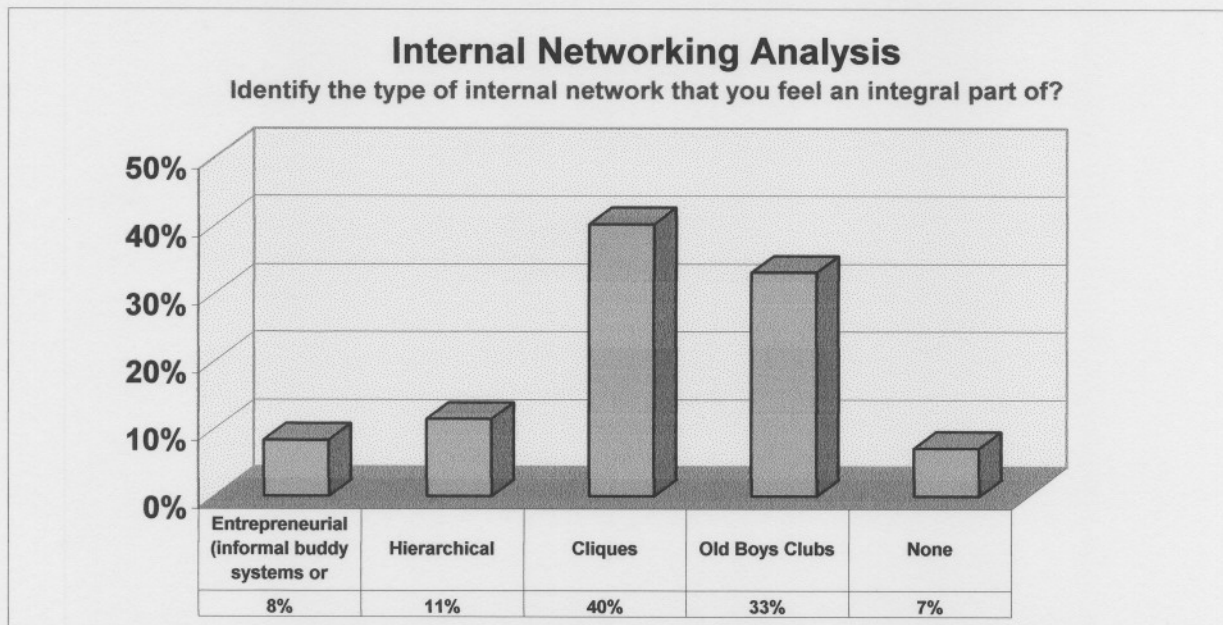
How do you maintain and grow your internal personal contacts?



Internal Networking Analysis

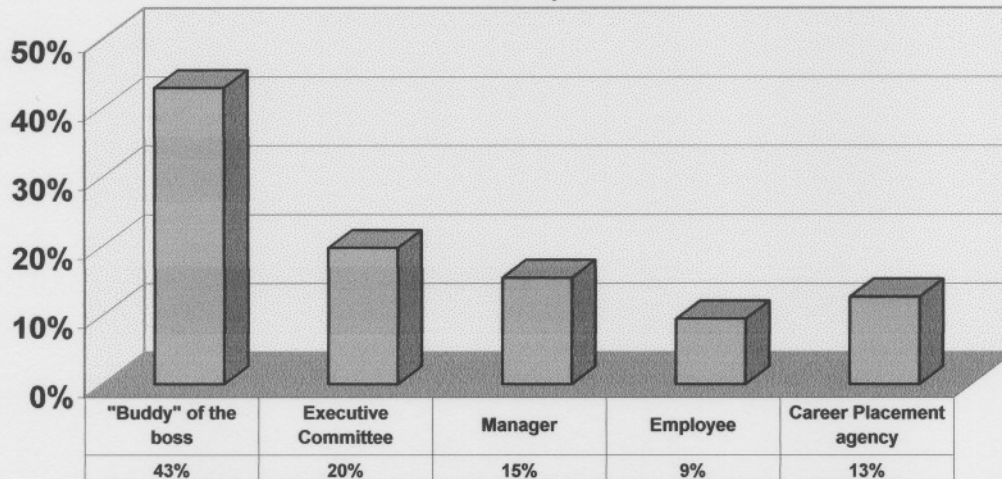
Do you think that individual networks or informal buddy systems in the organisation are more powerful than individuals attempting to fight the system on their own?





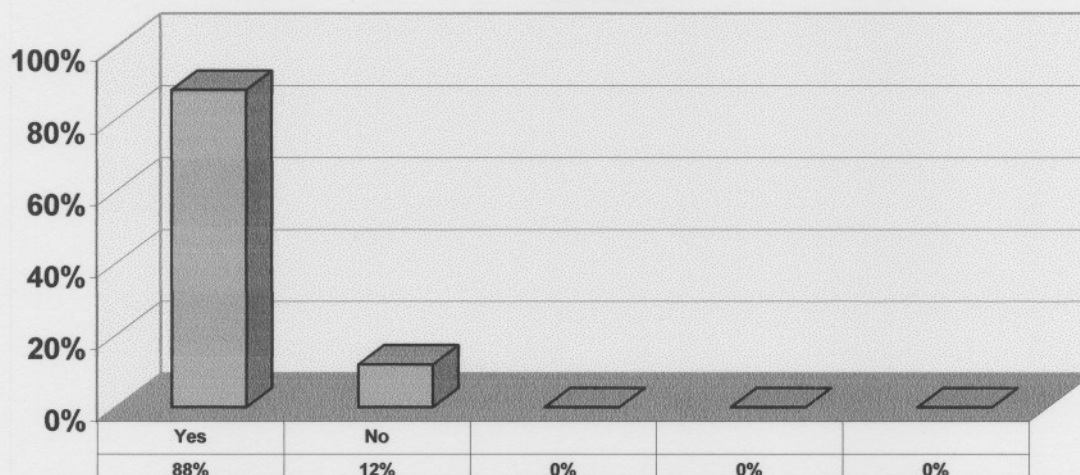
Internal Networking Analysis

If you were recruited by an insider or a networking agent, indicate the position of that person?



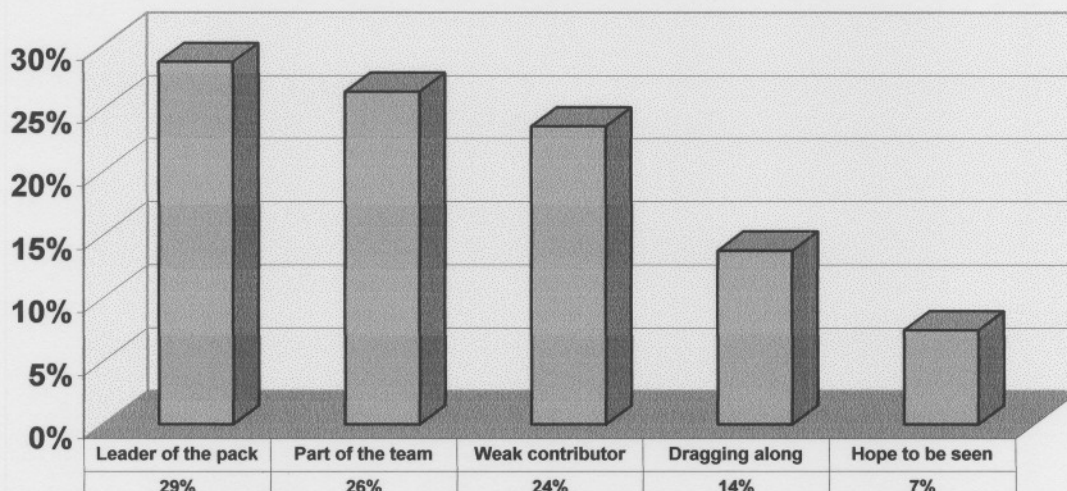
Internal Networking Analysis

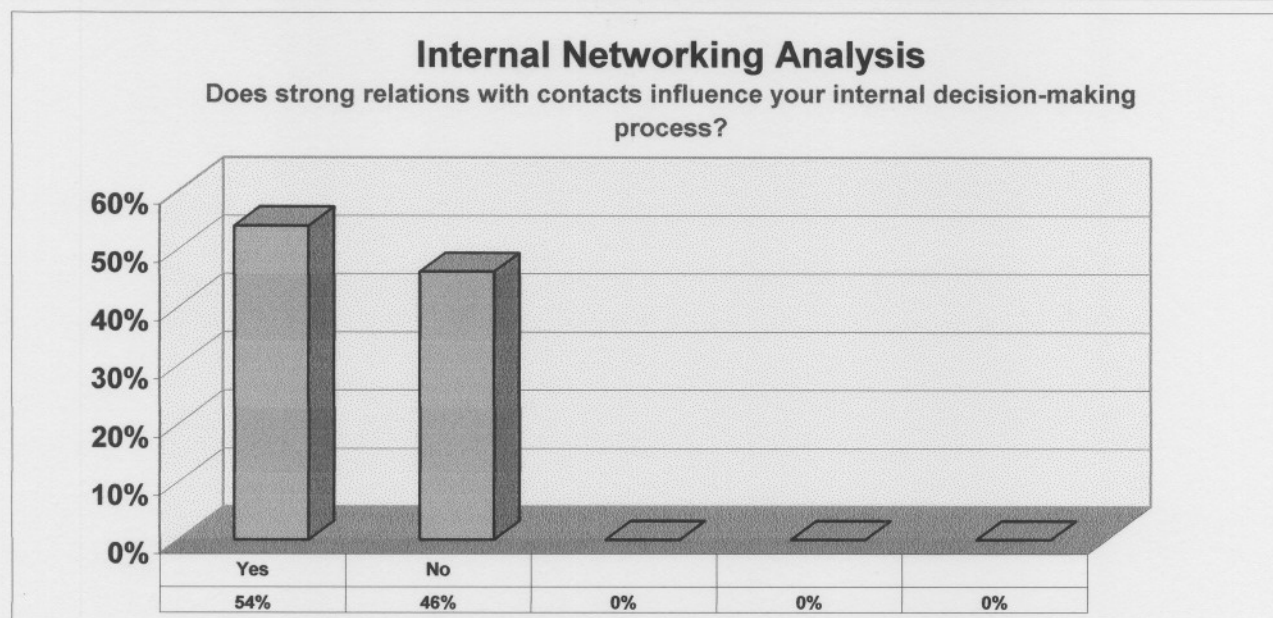
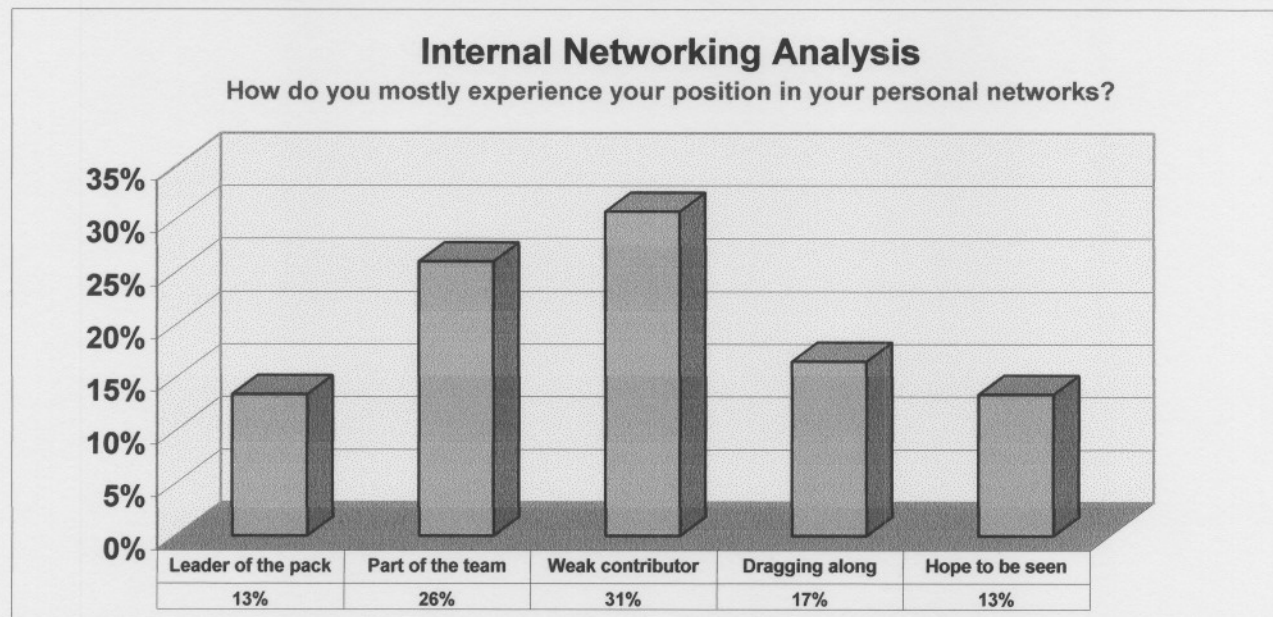
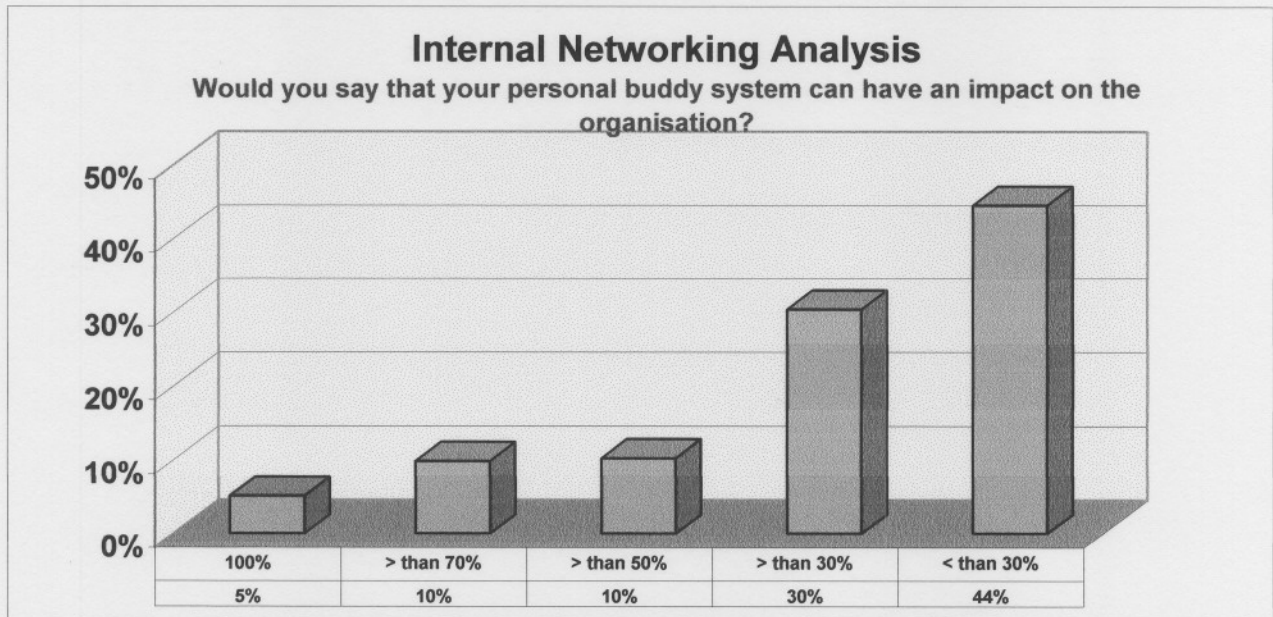
Do you feel that you can contribute more if you form part of an entrepreneurial network?

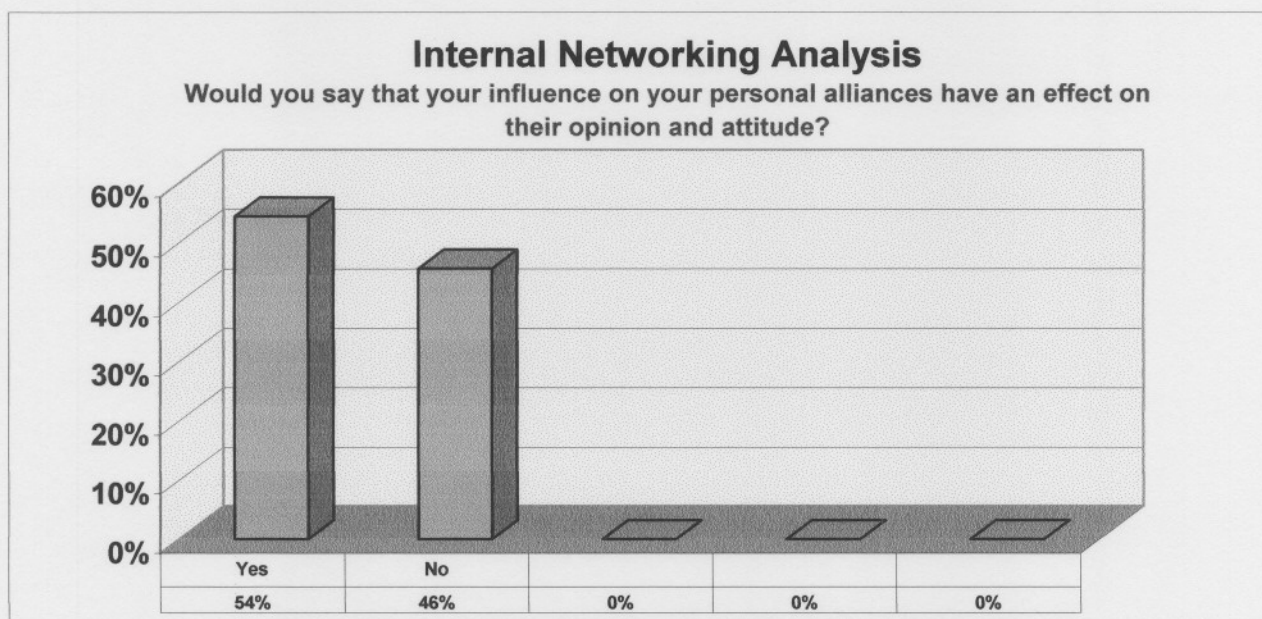


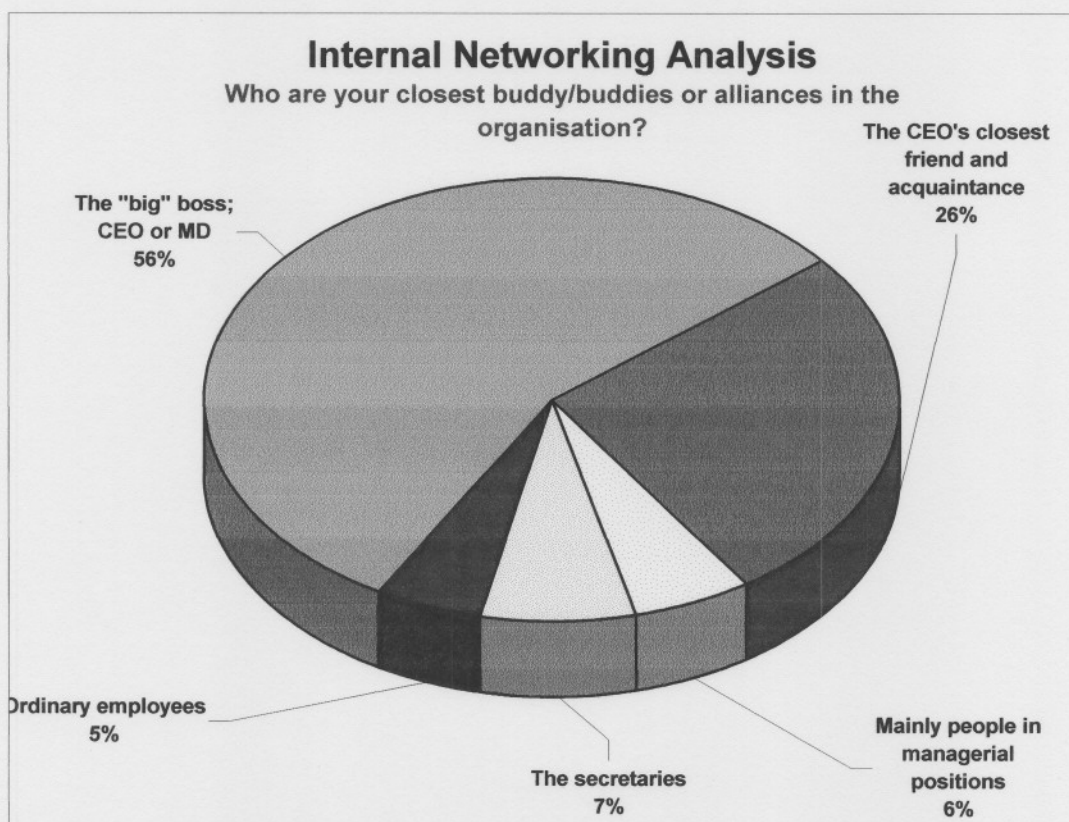
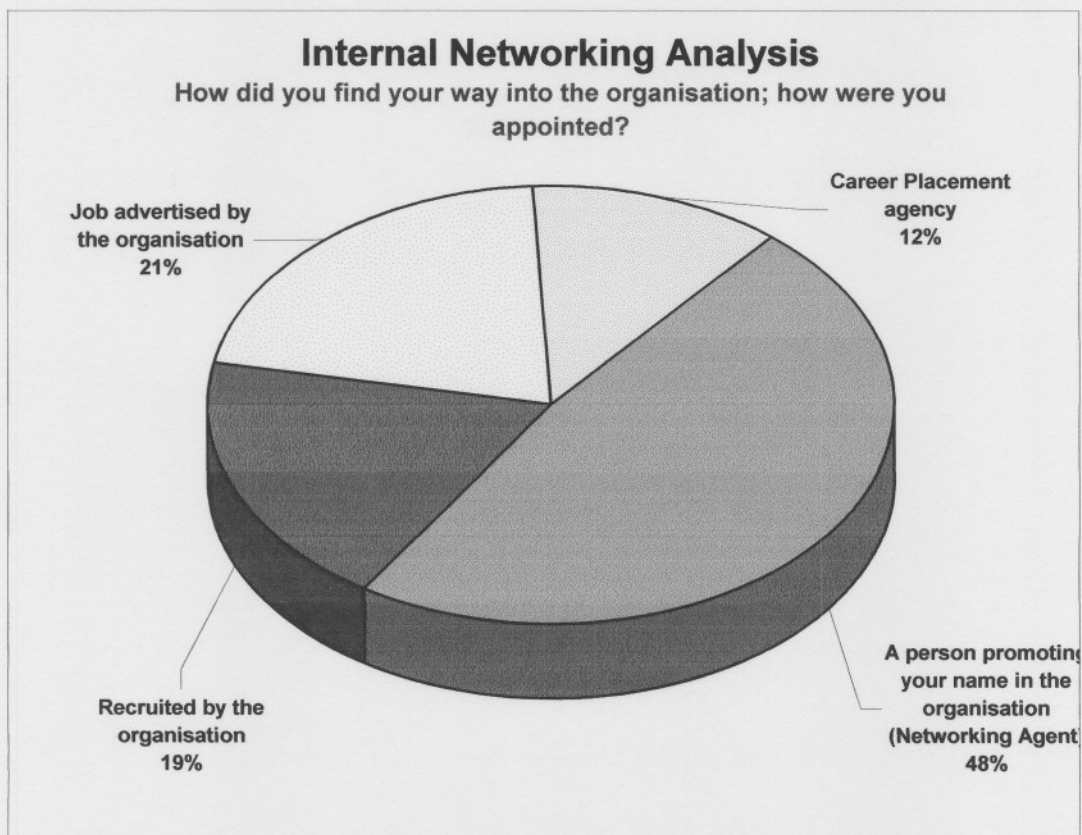
Internal Networking Analysis

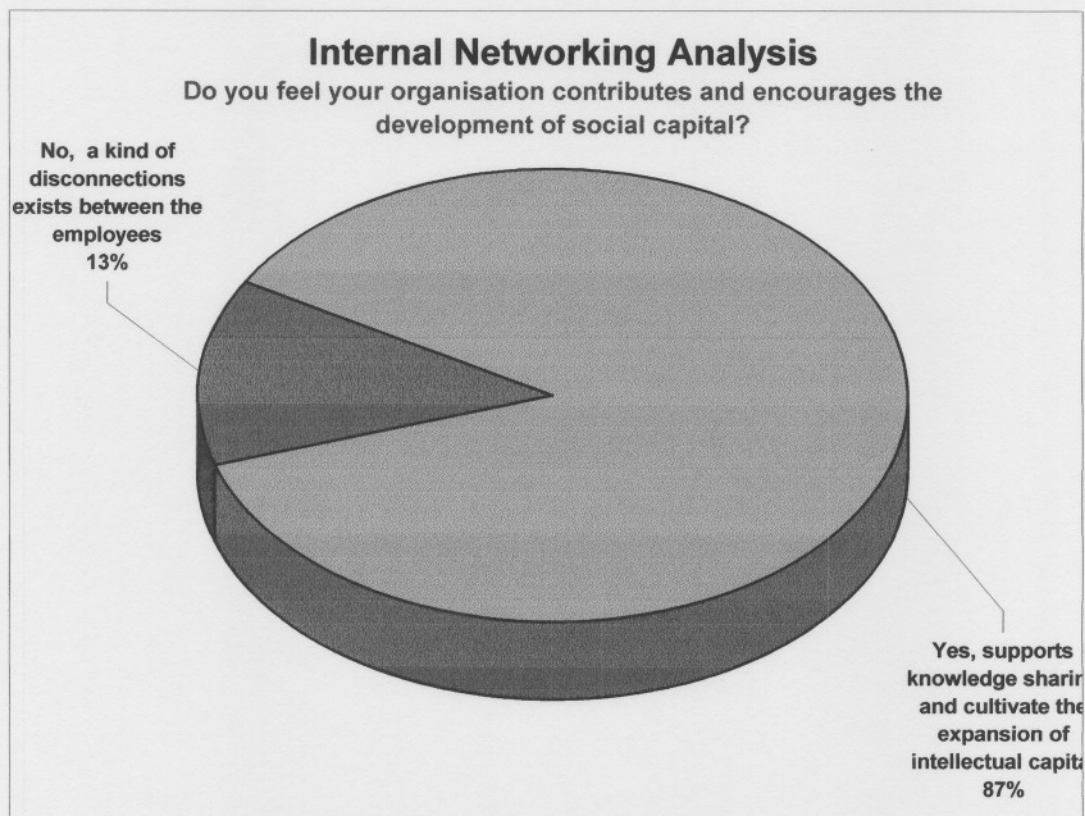
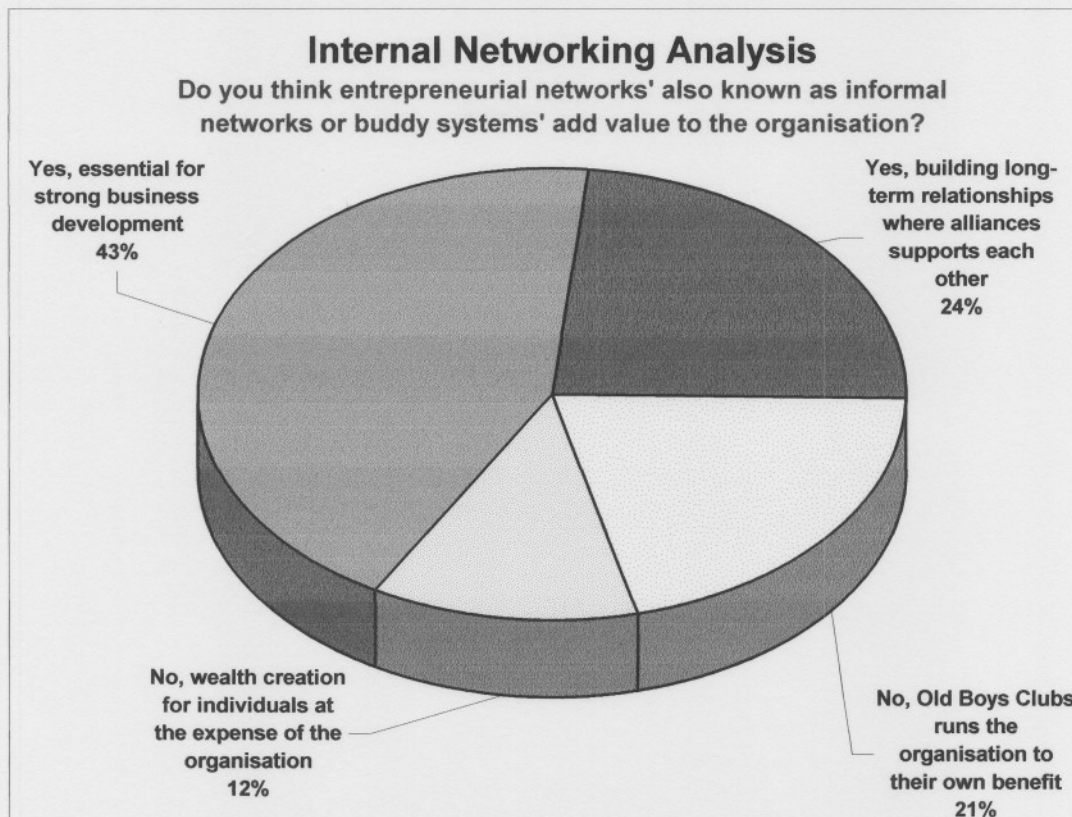
Describe your position in this "clique" network?

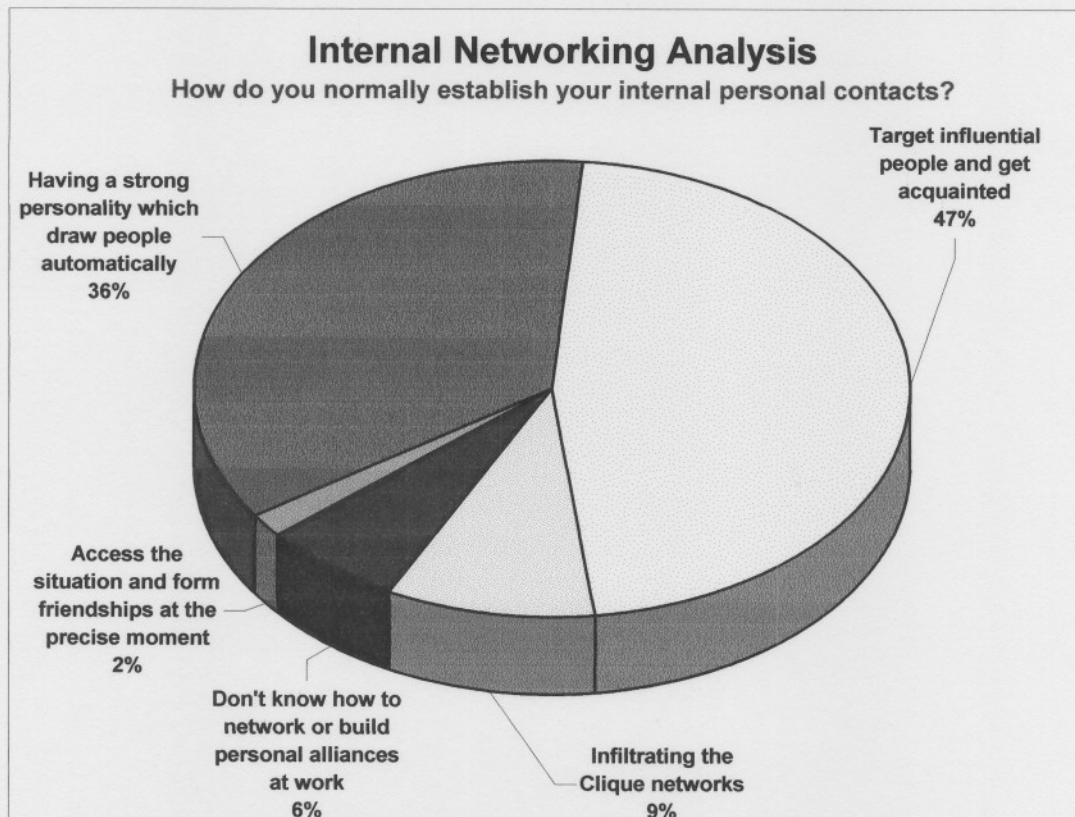
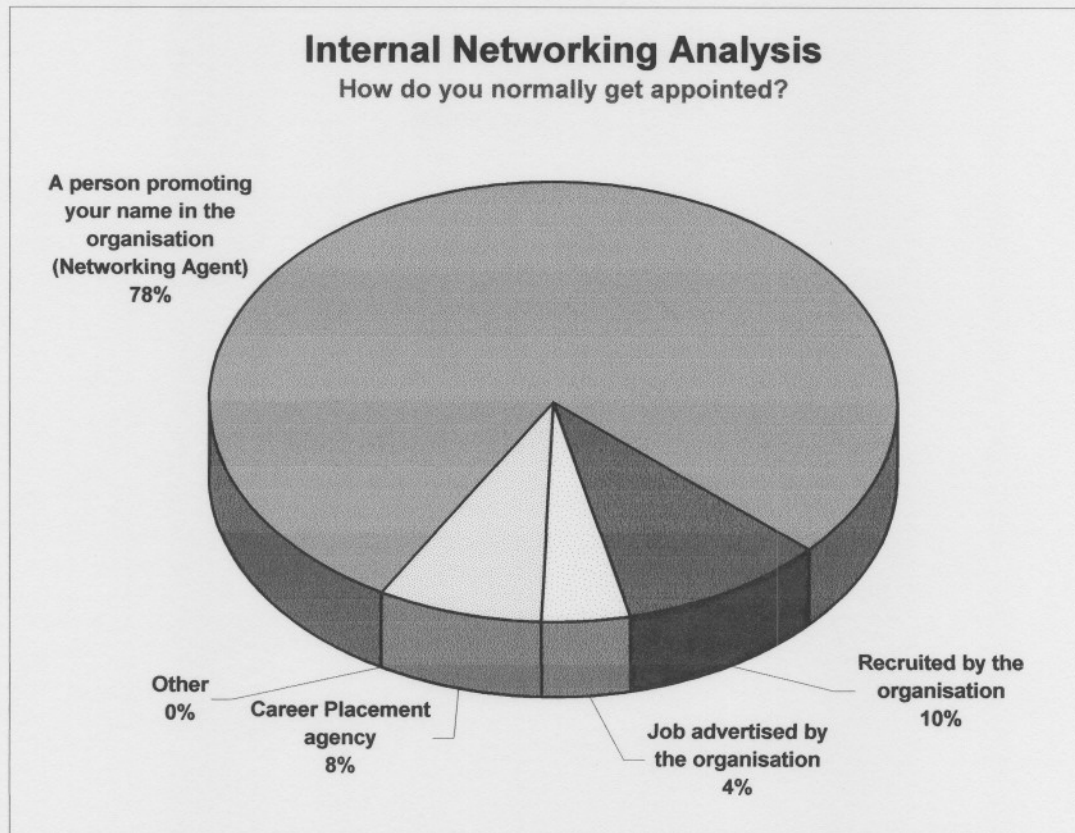


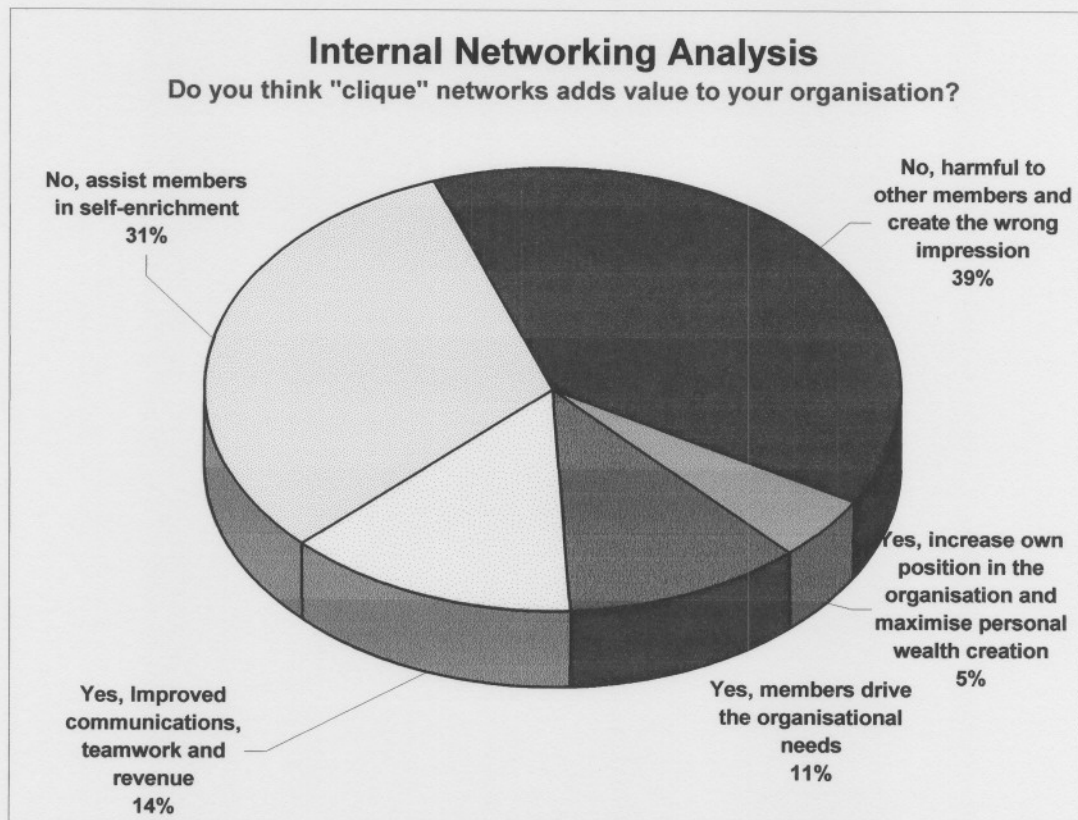
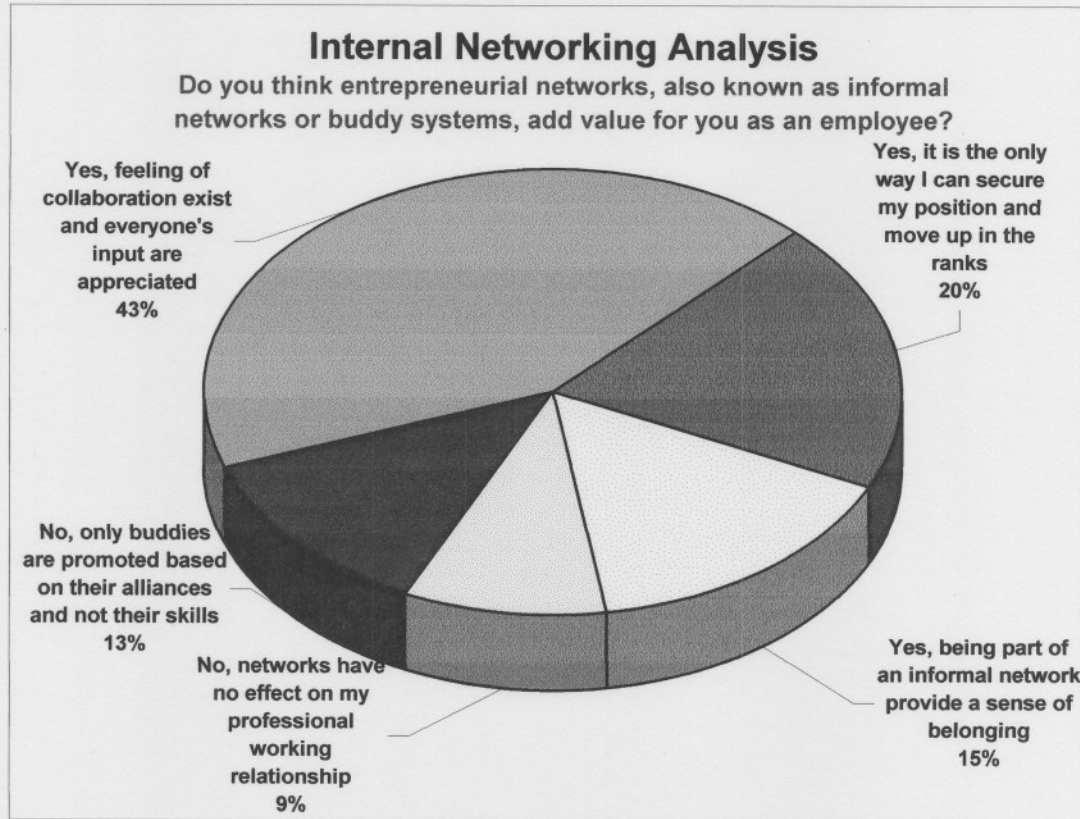


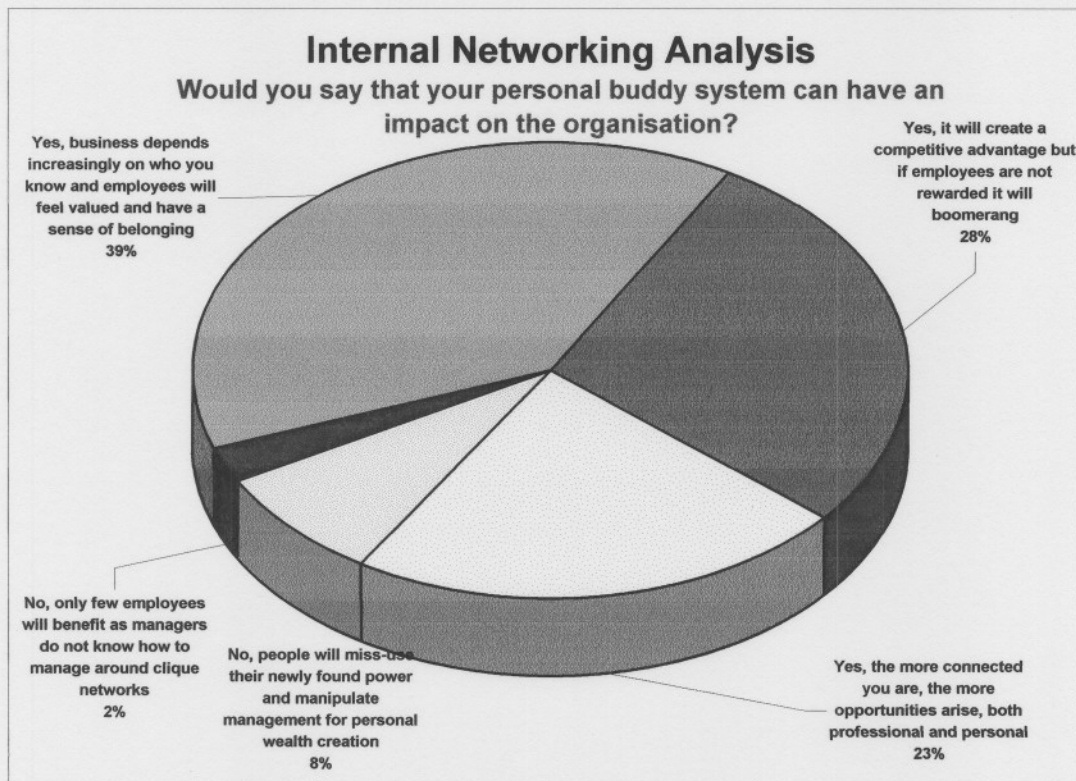






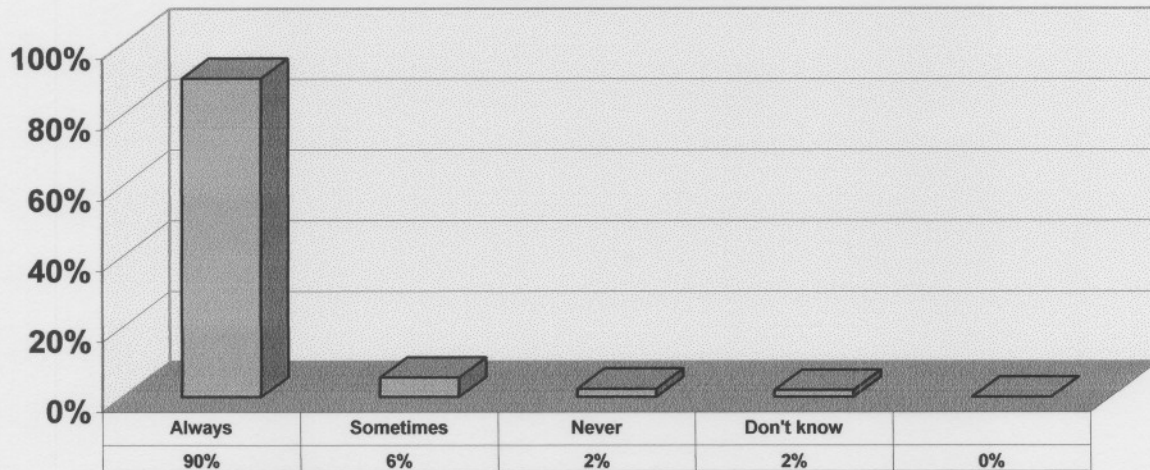






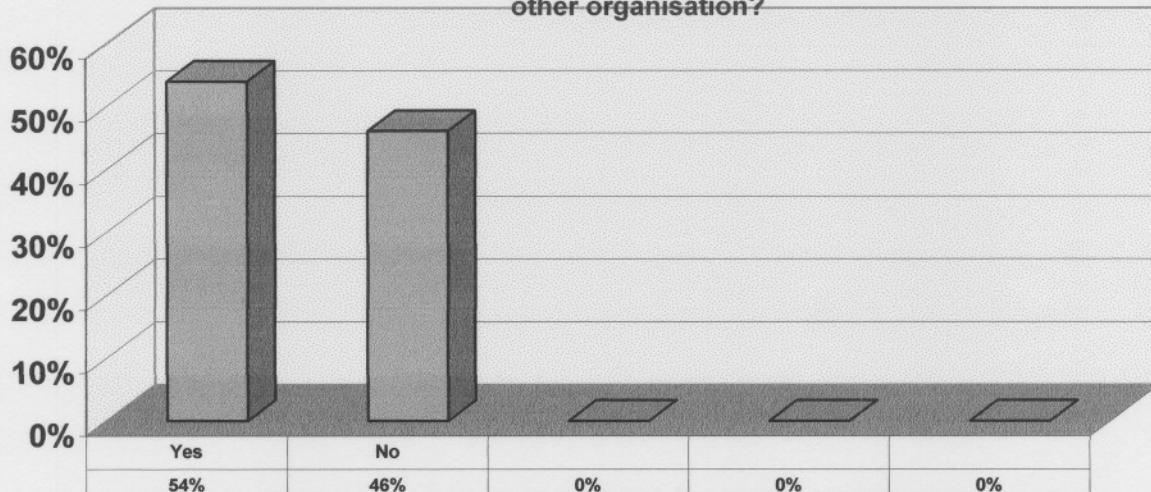
External Networking Analysis

Does current ways of doing business depends on the strength of the connections in the market?



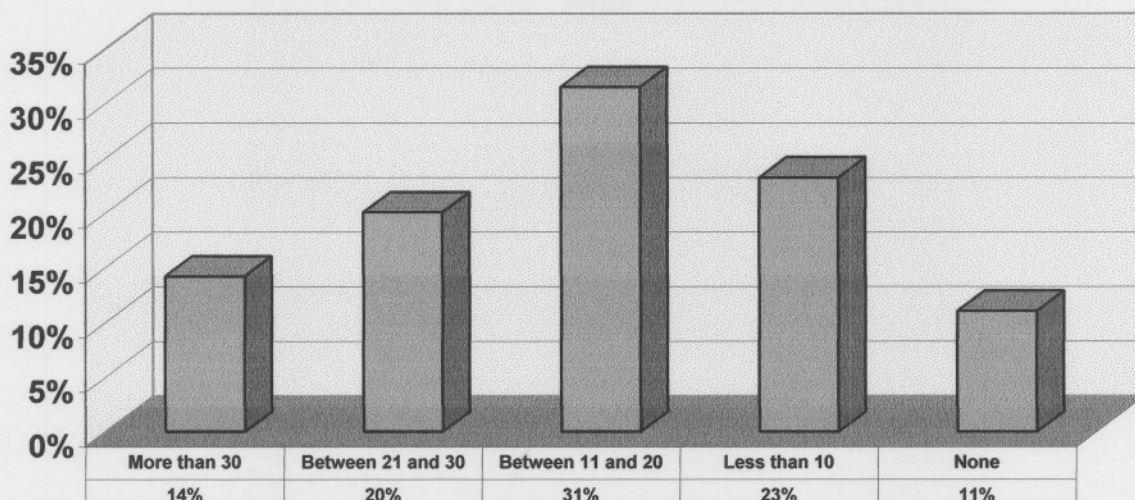
External Networking Analysis

Do you feel part of an external buddy system or some kind of an alliance with other organisation?



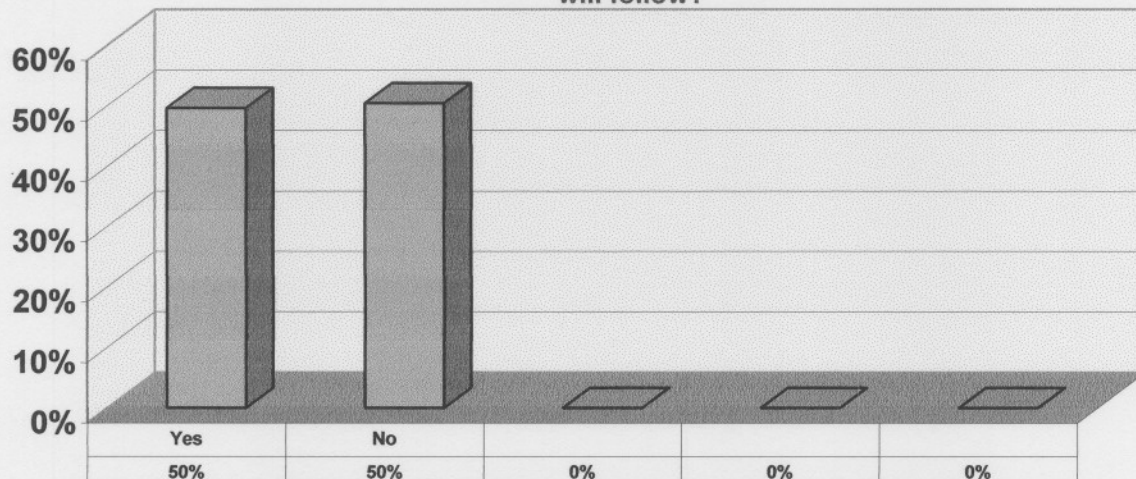
External Networking Analysis

Evaluate the true size of your business alliances?



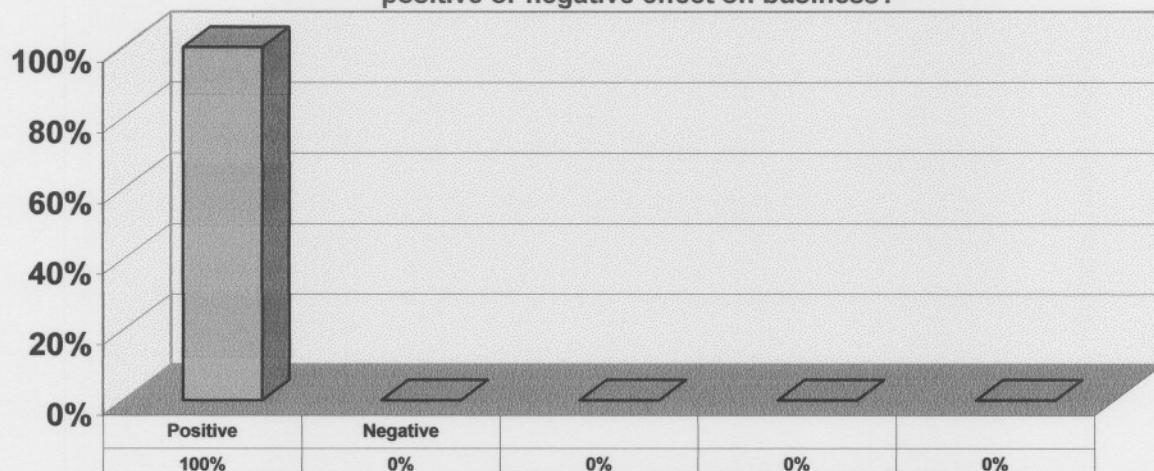
External Networking Analysis

Do you think if you leave the organisation that the strong relationship customers will follow?



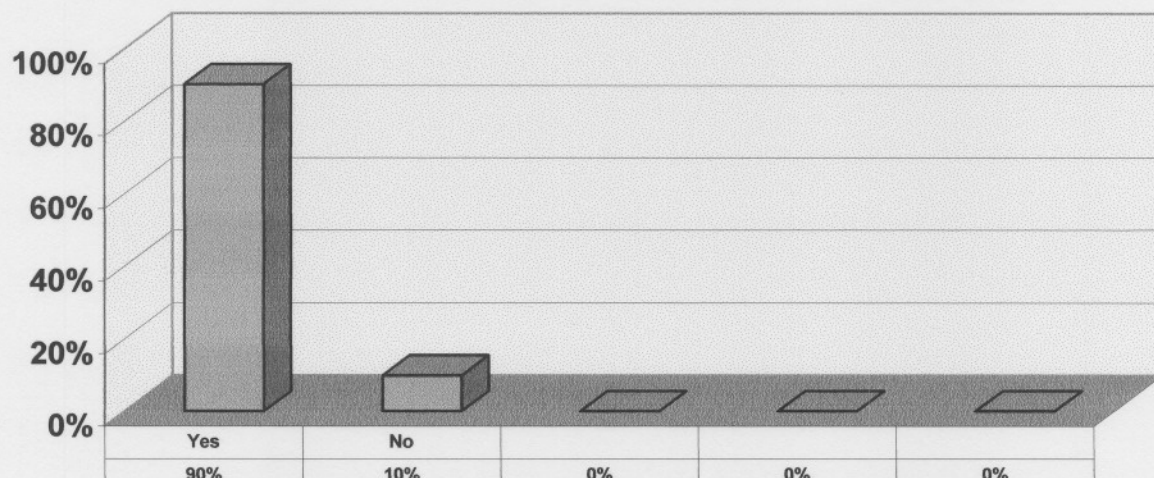
External Networking Analysis

Do you think by using the Internet as a networking medium, it will have a positive or negative effect on business?



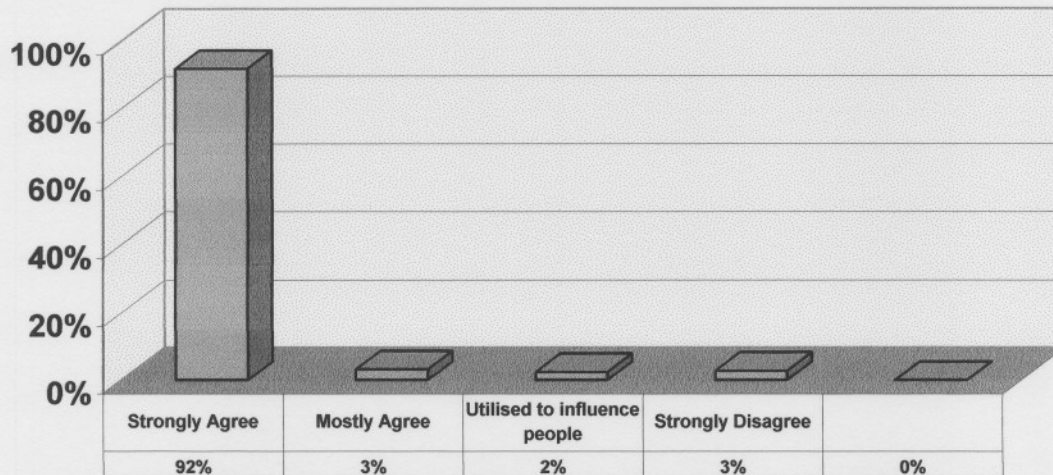
External Networking Analysis

Do you think that there is a need for the development of a networking culture?



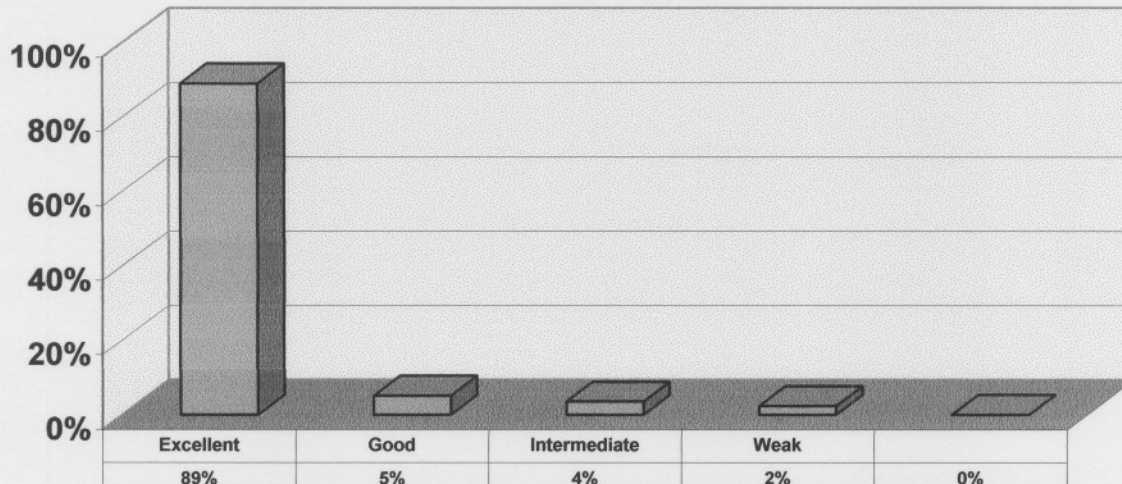
External Networking Analysis

Would you say that new business depend on the strength of the relationship?



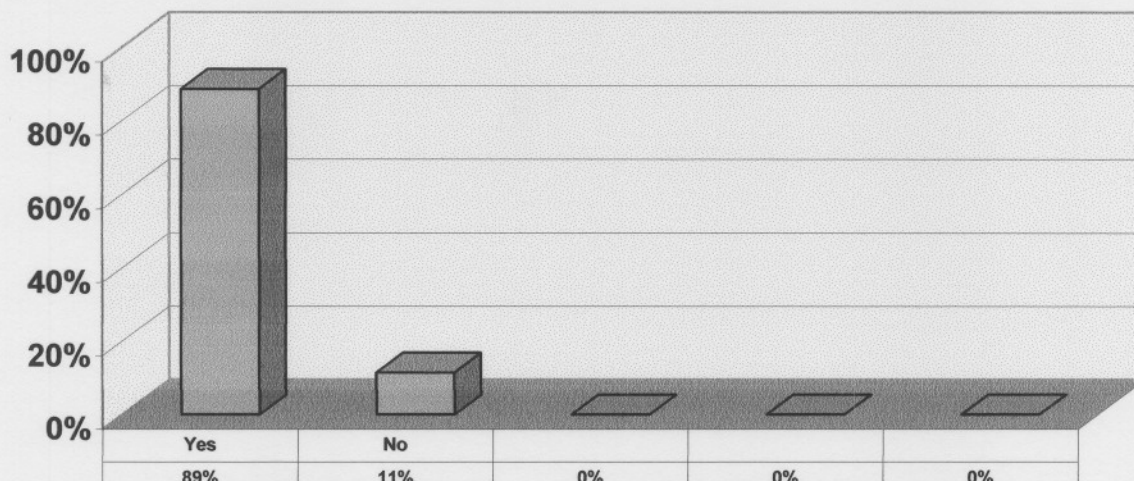
External Networking Analysis

Rate your own personal customer network strength?



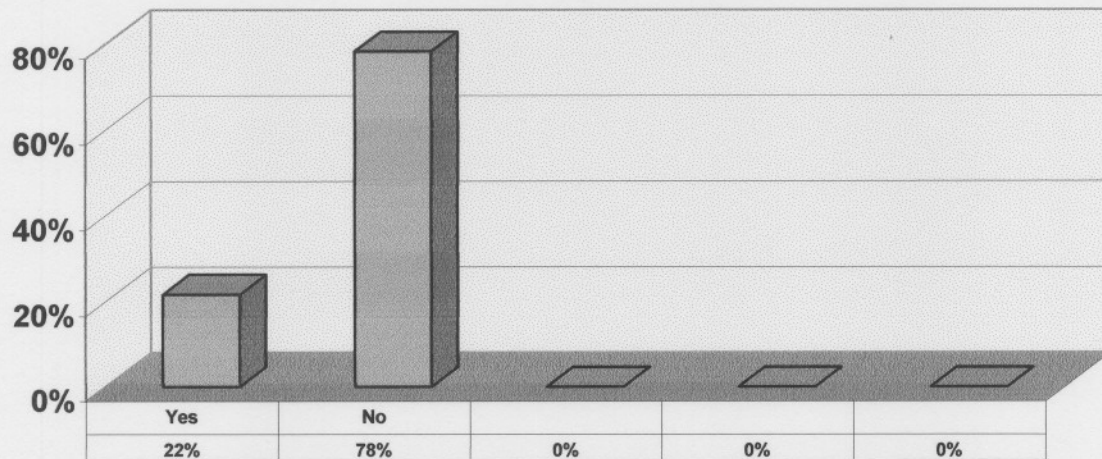
External Networking Analysis

Does strong relations with contacts influence your decision-making process?



External Networking Analysis

Did the organisation implement a methodology to prevent departure of clients with employee resignations?



External Networking Analysis

What do you feel is the biggest advantage of external networking alliances for you?

