

**Networking practices in Gauteng businesses:
An analysis and proposed framework**

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ABSTRACT

Networking is more than a natural inclination for a person to surround him or herself with people they already know, get to know, want or have to know. A successful network, whether for personal or business purposes, consists of people with integrity, the necessary and expected ability, commitment to the relationship, as well as trust and mutual respect. This personal journey is influenced by facilitating and limiting influences. Every network is as unique as the individuals that participate in the process.

Networking is multidimensional and to gain access to the interweave relationships, the research included qualitative research in the form of five focus group discussions, and quantitative research in the form of an e-mail questionnaires. Gauteng business managers and owners were targeted through a purposive and then snowball samples.

The goal of the study was to analyse the networking practices of Gauteng businesses and to develop a proposed networking framework. The proposed framework is supposed to serve as a starting point for individuals or managers to adapt to their needs or to achieve the business's specific objectives.

The most important findings of this study include:

- Networking should include the right balance of people with the right connections, skills, ability, knowledge and opportunity.
- Networking is based on the natural tendency that people want to be part of a network.
- Networks consists of interweaved relationships on different levels.
- Networking is driven by energy, to achieve a specific outcome, goal or to exchange something of value.
- Networking consists of elements, such as trust, reciprocity, credibility, value exchanges, commitment and interdependency.
- Networking is a process with different phases.
- A networking framework was developed for networking efforts in business.

The contribution of this framework is to acknowledge the value of having a network and by assessing the value added by the network a networking strategy can be

implemented and maintained. This might lead to a multiplying effect of an abundance of relationships that share, increase profit and efficiency.

Some of the most important recommendations include:

- Managers should be informed about the importance of relationships in business.
- The proposed framework should be used as a basis for networking implementation and development.
- Strategic networking should be focussed on the development of relationships and to measure the value of networking to lead to a competitive advantage and a multiplying effect.
- Networking rules should be clear and transparent for responsible networking.

OPSOMMING

Netwerking is meer as die natuurlike neiging van 'n persoon om hom of haarself te omring met mense wat hul reeds ken, gaan leer ken, wil of moet ken. 'n Suksesvolle netwerk, of dit nou vir persoonlike of besigheidsdoeleindes is, bestaan uit mense met integriteit, die nodige en verwagte vermoë, toewyding aan die verhouding, asook vertrouwe en wedersydse respek. Hierdie persoonlike reis word dan beïnvloed deur fasiliterende en beperkende invloede. Elke netwerk is so uniek soos die individue wat aan die proses deelneem.

Netwerking is multi-dimensioneel en om toegang tot die verweefde verhoudinge te kry het die navorsing ingesluit, kwalitatiewe navorsing in die vorm van vyf fokus groepe, en die kwantitatiewe navorsing in die vorm van 'n e-pos vraelys. Gauteng besigheidsbestuurders en eienaars is geteiken deur 'n doelbewuste steekproefneming en sneeubalsteekproewe.

The doel van die studie was om netwerk praktyke van Gauteng besighede te analiseer en 'n voorgestelde netwerk raamwerk te ontwikkel. Die voorgestelde raamwerk is veronderstel om 'n begin punt vir individue of bestuurders te dien om aan te pas vir hulle behoeftes of om spesifieke besigheidsdoelwitte te bereik.

Die mees belangrike bevindinge van die studie sluit in:

- Netwerking moet die regte balans van mense met die regte konneksies, vaardighede, vermoë, kennis en geleentheid insluit.
- Netwerking is gebaseer op die natuurlike neiging dat mense wil deel wees van 'n netwerk.
- Netwerke bestaan uit verweefde verhoudinge op verskillende vlakke.
- Netwerking word gedryf deur energie, om 'n spesifieke uitkoms of doelwit te bereik, of om iets van waarde te ruil.
- Netwerking bestaan uit elemente, soos vertrouwe, resiprositeit (wisselwerking), kredietwaardigheid, waarde verruiling, verbintenis en interafhanklikheid.
- Netwerking is 'n proses met verskillende fases.
- 'n Netwerking raamwerk was ontwikkel vir besighede se netwerk pogings.

Die bydrae van die raamwerk is om die waarde om 'n netwerk te hê te erken en die waarde wat toegevoeg word te assesser en so 'n netwerk strategie te kan implementeer en te onderhou. Dit kan dalk lei tot 'n vermenigvuldigende effek van 'n oorvloedigheid van verhoudinge wat deel en 'n toename in wins en effektiwiteit bring.

Sommige van die mees belangrike aanbevelings sluit in:

- Bestuurders moet ingelig word oor die belangrikheid van verhoudinge in besigheid.
- Die voorgestelde raamwerk moet gebruik word as 'n basis vir netwerk implementering en ontwikkeling.
- Strategiese netwerking moet fokus op die ontwikkeling van verhoudinge en die meting van die waarde van netwerking om te lei tot mededingende voordeel en 'n vermenigvuldigende effek.
- Netwerk reëls moet duidelik en deursigtig wees vir verantwoordelike netwerking.

KEY TERMS

Business network
Relationships
Connections
Management
Framework
Trust

SLEUTELTERME

Besigheidsnetwerk
Verhoudinge
Konneksies
Bestuur
Raamwerk
Vertroue

TABLE OF CONTENT

Acknowledgements

Abstract

Opsomming

Key Terms / Sleutelterme

CHAPTER ONE

INTRODUCTION, BACKGROUND, MOTIVATION AND GOAL

1.1	INTRODUCTION.....	1
1.2	MOTIVATION.....	2
1.3	PARADIGMATIC PERSPECTIVE.....	2
1.4	RESEARCH DESIGN AND METHOD.....	3
1.4.1	Literature study.....	3
1.4.2	Contacting experts.....	4
1.4.3	Empirical research.....	5
1.4.4	Research method.....	6
1.4.4.1	Sampling.....	7
1.4.4.2	Data collection.....	8
1.4.4.3	Ethical issues.....	9
1.4.4.4	Data analysis.....	9
1.4.4.5	Literature control.....	10
1.5	RESEARCH PROBLEM.....	10
1.5.1	Problem statement.....	10
1.5.2	Research question.....	10
1.6	AIM OF THE STUDY.....	11
1.6.1	Goal.....	11
1.6.2	Objectives.....	12
1.7	CONCEPTUAL DEFINITIONS.....	12
1.7.1	Business.....	13
1.7.2	Business networks.....	13
1.7.3	Conceptual framework.....	13
1.7.4	Connection.....	13
1.7.5	Gatekeeper.....	13
1.7.6	Businesses in the Gauteng area	14
1.7.7	Network.....	14

1.7.8	Networking.....	14
1.7.9	Proposed framework	15
1.8	CHAPTERS OUTLINE.....	15

CHAPTER TWO

RESEARCH METHODOLOGY

2.1	INTRODUCTION.....	17
2.2	THE RESEARCH PROCESS.....	17
2.3	LITERATURE STUDY.....	18
2.4	EMPIRICAL RESEARCH.....	18
2.4.1	Qualitative research.....	20
2.4.2	Quantitative research.....	23
2.4.3	Multi-methodology design.....	23
2.4.4	Triangulation.....	25
2.5	FOCUS GROUPS AS A RESEARCH METHOD.....	26
2.5.1	Group dynamics.....	28
2.5.2	Focus group sampling strategy, sample size and number of groups.....	28
2.5.3	Factors to take into account when conducting a focus group.....	29
2.5.3.1	Facilities.....	30
2.5.3.2	Time frame.....	30
2.5.3.3	Recruitment of participants.....	31
2.5.3.4	Focus group agenda.....	31
2.5.3.5	The moderator.....	32
2.5.3.6	Techniques to encourage participation.....	32
2.5.4	Advantages and disadvantages.....	33
2.5.5	After the focus group meeting.....	35
2.5.6	Data documentation.....	35
2.5.7	Challenges.....	36
2.5.7.1	Cost.....	36
2.5.7.2	Organisation.....	36
2.5.7.3	Transcripts.....	36
2.5.7.4	Video recordings and interpretation.....	37
2.5.7.5	Saturation.....	37
2.5.8.6	Data analysis.....	38
2.5.8.7	Trustworthiness.....	39
2.5.8.8	Quality control.....	41
2.6	QUESTIONNAIRES AS A RESEARCH METHOD.....	43

2.6.1	Reasons for the use of questionnaires.....	43
2.6.2	Types of questions.....	44
2.6.3	Data analysis.....	45
2.6.4	Validity and reliability.....	45
2.6.5	Limitations and most common errors.....	46
2.7	BROAD RESEARCH PROCESS OF THE STUDY.....	47
2.8	RESEARCH PROBLEM.....	47
2.8.1	Problem statement.....	48
2.8.2	Research question.....	48
2.8.3	Target population.....	48
2.8.4	Sampling method.....	49
2.9	RESEARCH PROCESS.....	49
2.9.1	The focus group discussions.....	53
2.9.1.1	Focus group sample size.....	54
2.9.1.2	Application in study - sampling strategy and number of groups.....	55
2.9.1.3	Focus group composition.....	55
2.9.1.4	Recruitment, screening and gaining access to participants.....	55
2.9.1.5	Research setting.....	56
2.9.1.6	The moderator.....	57
2.9.1.7	Conducting the focus group.....	57
2.9.1.8	The focus group agenda.....	58
2.9.1.9	Focus group data documentation.....	59
2.9.1.10	Problems encountered.....	60
2.10	DATA ANALYSIS.....	61
2.10.1	Data analysis of video recordings.....	61
2.10.2	Data analysis of audiotape transcriptions.....	62
2.10.3	Specialised programs to analyse the data.....	62
2.10.4	Reliability	62
2.11	THE QUANTITATIVE QUESTIONNAIRE.....	63
2.11.1	Design and construction of the questionnaire.....	64
2.11.2	Questionnaire data documentation.....	65
2.11.3	Analysis and interpretation of questionnaire data.....	65
2.11.4	Population and response rate	66
2.11.5	Data capturing and data editing.....	67
2.11.6	Data analysis and interpretation (synthesis)	67

2.12	ETHICAL ISSUES IN THIS STUDY.....	68
2.12.1	Credibility.....	68
2.12.2	Informed consent.....	68
2.12.3	The right to privacy, anonymity and confidentiality	68
2.13	SUMMARY.....	69

CHAPTER THREE

THE NETWORKING CONCEPT

3.1	INTRODUCTION.....	73
3.2	THE NETWORKING CONCEPT.....	74
3.3	THE MOTIVATION BEHIND NETWORKING.....	76
3.3.1	Support system.....	77
3.3.2	Access to information and opportunities.....	78
3.3.3	Process Efficiency.....	79
3.3.4	Combined efforts.....	80
3.3.5	Cost saving.....	80
3.4	FORMS OF NETWORKING.....	81
3.4.1	Inter-organisational relationships.....	82
3.4.2	Intra-organisational relationships.....	83
3.4.3	Strategic networking or business networking.....	84
3.4.4	Social networks.....	84
3.4.5	Personal networks.....	85
3.4.6	Referral networks.....	86
3.4.7	Elite networks.....	86
3.4.8	Political networking relations.....	86
3.5	BUILDING BLOCKS OF NETWORKS.....	87
3.5.1	Tie strength.....	88
3.5.2	Network size.....	89
3.5.3	Membership mix.....	89
3.5.4	Collective governance.....	90
3.5.5	Clustering.....	91
3.5.6	Position in the business network.....	91
3.5.7	Networking rules.....	92
3.6	STEPS FOR NETWORKING SUCCESS.....	93
3.7	DEVELOPING A NETWORK.....	96
3.7.1	Phase one: Identify your potential networking resources.....	97
3.7.2	Phase two: Develop the networking relationship.....	97

3.7.2.1	People to include.....	98
3.7.2.2	People needed in the network.....	99
3.7.2.3	People already in my network.....	100
3.7.2.4	People to include through other people.....	101
3.7.2.5	Make contact.....	101
3.7.3	Phase three: Building the network.....	104
3.7.3.1	Attitude and Communication.....	104
3.7.3.2	Make yourself valuable or 'wanted'.....	105
3.7.3.3	Follow-up.....	107
3.7.4	Phase four: Maintaining the network.....	108
3.7.4.1	Keep in touch.....	109
3.7.4.2	Build on referrals.....	110
3.7.4.3	Keep the network growing	110
3.8	OBSTACLES IN THE WAY OF NETWORKING.....	111
3.9	SUMMARY.....	112

CHAPTER FOUR

THE PEOPLE COMPONENT – RELATIONSHIPS

4.1	INTRODUCTION.....	116
4.2	NETWORKING AS A NATURAL HUMAN PHENOMENON.....	117
4.3	CONNECTIONS VERSUS RELATIONSHIPS.....	117
4.3.1	Connections.....	118
4.3.2	Relationships.....	119
4.3.2.1	Building relationships.....	120
4.3.2.2	Strength level of the network relationship.....	120
4.4	NETWORKING CONSIDERATIONS.....	122
4.4.1	Networking Traits.....	122
4.4.2	The skill of networking.....	126
4.4.3	Adaptations.....	127
4.5	THE INFLUENCE OF PERSONALITY ON THE APPROACH TO NETWORKING.....	128
4.5.1	Personality types.....	128
4.6	CHARACTERISTICS OF A RELATIONSHIP NETWORK.....	130
4.6.1	Trust.....	130
4.6.1.1	Defining Trust.....	131

4.6.1.2	Principles founded on trust.....	134
4.6.1.3	Forms of Trust.....	137
4.6.1.4	Trust as social capital.....	139
4.6.1.5	Building trust.....	142
4.6.1.6	The advantages of trust.....	144
4.6.2	Reciprocity.....	144
4.6.3	Credibility.....	146
4.6.4	Differences.....	147
4.6.5	Commitment.....	150
4.6.6	Interdependency.....	151
4.6.7	Degrees of separation.....	152
4.7	SUMMARY.....	153

CHAPTER FIVE

THE BUSINESS COMPONENT – CONNECTIONS

5.1	INTRODUCTION.....	156
5.2	BUSINESS NETWORKING.....	157
5.2.1	Networkability as a business competitive factor.....	159
5.2.1.1	The networkability concept.....	159
5.2.1.2	Characteristics of business networking.....	160
5.2.1.3	Approaches to measure the concept.....	160
5.2.2	Advantages.....	161
5.2.3	Disadvantages.....	162
5.3	REASONS FOR BUSINESSES TO NETWORK.....	162
5.3.1	Networking as an organisational form.....	164
5.3.2	Networking competition.....	165
5.3.3	Business exchange and coverage.....	166
5.4	PROFILE OF A BUSINESS PARTNER.....	167
5.4.1	Business partners' interaction.....	167
5.4.2	Partner specific interdependency.....	168
5.5	OVERVIEW OF BUSINESS NETWORKING RELATIONSHIP MODELS.....	171
5.5.1	Business Networking Systems.....	172
5.5.2	Outsourcing as the externalising of non-core competencies.....	172
5.5.3	In-sourcing to strengthen the business's competencies.....	173
5.5.4	Virtual organising for new segments and new cooperation partners.....	173

5.5.5	Strategically chosen alliances.....	173
5.5.6	Political exchange relationships.....	175
5.6	BUSINESS NETWORKING STRATEGY.....	176
5.6.1	Structural gaps.....	177
5.6.2	Measuring the value of networking.....	178
5.7	CONSEQUENCES FOR MANAGEMENT.....	179
5.7.1	Resource planning.....	180
5.7.2	Knowledge management.....	180
5.7.3	Customer relationship management.....	181
5.7.4	Change Management.....	182
5.7.5	Team management.....	183
5.7.6	Other considerations.....	184
5.8	CHALLENGES IN DESIGNING BUSINESS NETWORKING SYSTEMS.....	185
5.8.1	Differences in adoption rate.....	185
5.8.2	Organisation gap between the business and information technology.....	187
5.9	SUMMARY.....	188

CHAPTER SIX

DISCUSSION OF THE FOCUS GROUP RESEARCH RESULTS

6.1	INTRODUCTION.....	191
6.2	REALISATION OF DATA COLLECTION AND ANALYSIS.....	192
6.2.1	The realisation of data collection.....	192
6.2.2	The realisation of data analysis.....	194
6.2.2.1	Open coding.....	194
6.2.2.2	Soundness (trustworthiness) of the interpretations	195
6.3	DISCUSSION OF THE RESEARCH FINDINGS AND LITERATURE CONTROL.....	195
6.3.1	Perceptions on networking.....	196
6.3.1.1	Networking is the result of a human need.....	198
6.3.1.2	Networking needs a motivating factor.....	203
6.3.1.3	Perceptions on the relationship aspect of networks.....	212
6.3.1.4	Perceptions on who to include in a network.....	214
6.3.2	PARTICIPANTS' EXPERIENCES ON NETWORKING.....	218
6.3.2.1	Experiences of networking in general.....	220
6.3.2.2	Experiences on when and where to network.....	222
6.3.2.3	Experiences on personal input in networks.....	229

6.3.2.4	Experiences on negative forces influencing networking.....	241
6.3.2.5	Experiences on the elements that influence the networking approach.....	244
6.3.3	RECOMMENDATIONS ON HOW TO NETWORK.....	253
6.3.3.1	Communicate, share and inform.....	254
6.3.3.2	Make contact.....	255
6.3.2.3	Follow up.....	256
6.3.3.4	Maintain the network.....	258
6.4	CONCLUSION.....	259

CHAPTER SEVEN

RESEARCH RESULTS OF THE STRUCTURED QUESTIONNAIRE

7.1	INTRODUCTION.....	262
7.2	UNIT OF ANALYSIS.....	263
7.2.1	The follow-up process.....	263
7.2.1.1	The actual sample size.....	264
7.2.1.2	Sample elements and participants.....	264
7.3	DISCUSSION OF RESULTS.....	266
7.3.1	Section One: Demographic information of the participants.....	266
7.3.2	Classification of the participants according to their age group.....	267
7.3.3	Racial classification.....	268
7.3.4	Highest level of formal education.....	268
7.3.5	Years of experience in current position.....	269
7.3.6	Highest annual business turnover.....	270
7.3.7	Business sector	271
7.3.8	Primary industry.....	271
7.3.9	Form of business.....	272
7.3.10	Number of permanent employees.....	273
7.3.11	Percentage of commercial activities.....	274
7.4	SECTION TWO: NETWORKING PRACTICES ACCORDING TO THE PARTICIPANTS.....	275
7.4.1	Actively or consciously started networking.....	276
7.4.2	Networking practice.....	277
7.4.3	Business relationship scenario.....	278
7.4.4	Value of relationships in your business.....	279
7.4.5	Sphere of influence.....	279
7.4.6	Number of contacts in your personal network	280

7.4.7	Motivation behind networking.....	281
7.4.8	People or connections that are included in the network.....	283
7.4.9	Networking has a multiplier effect.....	283
7.4.10	Network utilisation.....	284
7.4.11	Position of participants in the network.....	285
7.4.12	Business models used by the participants.....	286
7.5	SECTION THREE: CURRENT AND IDEAL NETWORKING PRACTICES.....	287
7.5.1	Places to investigate for possible network building.....	289
7.5.2	The current and ideal importance of trust in building relationships.....	290
7.5.3	Current and ideal elements of importance in a business.....	291
7.5.4	Characteristics of business relationships.....	291
7.5.5	Steps to include when networking.....	292
7.6	DIFFERENT EXPERIENCES OF THE CURRENT NETWORKING SITUATION IN TERMS OF AGE GROUP.....	293
7.6.1	Building relationships.....	294
7.6.2	The importance of trust in a relationship.....	296
7.6.3	Networking utilisation in the participating businesses.....	296
7.6.4	Important elements of a network.....	296
7.6.5	Important relationship characteristics according to age.....	297
7.6.6	Networking steps.....	299
7.7	DIFFERENCE EXPERIENCES OF THE CURRENT NETWORKING SITUATION BASED ON THE LEVEL OF EXPERIENCE.....	299
7.7.1	Building relationships.....	300
7.7.2	The relationship between experience levels and the importance of trust in a relationship.....	301
7.7.3	Opinions on networking utilisation according to experience levels.....	301
7.7.4	Opinion of different experience levels with regard to important network elements.....	302
7.7.5	Important relationship characteristics according to the level of experience.....	303
7.7.6	Different opinions on the steps of networking.....	304
7.9	SUMMARY.....	305

CHAPTER EIGHT

CONCLUSIONS, RECOMMENDATIONS AND A PROPOSED NETWORKING FRAMEWORK

8.1	INTRODUCTION.....	311
8.2	RESEARCH FINDINGS.....	312

8.2.1	Finding 1: Networking is the right combination of people, interaction, skill and opportunity.....	313
8.2.2	Finding 2: Networking is the result of a human need.....	314
8.2.3	Finding 3: Networking needs a purpose, goal or value exchange.....	317
8.2.5	Finding 4: Networks consists of relationships.....	319
8.2.6	Finding 5: Networking elements.....	320
8.2.7	Finding 6: The networking process.....	325
8.2.8	Outcome: An appropriate framework for networking actions and practices.....	326
8.5	RECOMMENDATIONS.....	330
8.6	LIMITATIONS.....	331
8.6.1	Representation.....	331
8.6.2	Access to the participants.....	332
8.6.3	Exploratory research.....	332
8.7	SUGGESTIONS FOR FURTHER RESEARCH.....	332
	REFERENCES.....	334
	ANNEXURE.....	352
	APPENDIX A.....	354
	APPENDIX B.....	356
	APPENDIX C.....	358
	APPENDIX D.....	359
	APPENDIX E.....	363
	APPENDIX F.....	366
	APPENDIX G.....	367
	APPENDIX H.....	380
	APPENDIX I.....	382
	APPENDIX J.....	391
	LIST OF FIGURES	
	Figure 1.1 Chapter outline.....	16
	Figure 2.1 Illustration of the focus group facility layout.....	30
	Figure 2.2 Research outlay.....	47
	Figure 2.3 The research process of the study.....	51

Figure 3.1	STARS in your network.....	101
Figure 4.1	Interrelated network contact points.....	119
Figure 4.2	Relationship networking factors.....	121
Figure 4.3	Inter-business relations: Trust – Power / Control matrix.....	141
Figure 4.4	Knowledge embeddedness of a network.....	143
Figure 5.1	Business networking to gain a competitive advantage.....	176
Figure 5.2	The networked business framework	177
Figure 5.3	Hypothesised model for trust in business networking relationships.....	184
Figure 5.4	Determinants of business performance.....	185
Figure 5.5	Business value through information connections.....	187
Figure 5.6	Cycle of disintegration.....	188
Figure 7.1	Participants’ age groups.....	267
Figure 7.2	Levels of formal education.....	269
Figure 7.3	Participants’ experience in current position.....	270
Figure 7.4	Business sector classifications of the participating businesses.....	271
Figure 7.5	Different business forms amongst participants.....	273
Figure 7.6	Classification of participants’ business according to the number of employees.....	274
Figure 7.7	Time frame of actively starting to network.....	276
Figure 7.8	Number of contacts participants interact with on a weekly basis.....	280
Figure 7.9	Number of contacts participants interact with once a year.....	281
Figure 7.10	Different networking positions of participants.....	286
Figure 8.1	Proposed networking framework.....	328

LIST OF TABLES

Table 2.1	The differences between qualitative and quantitative research.....	19
Table 2.2	Content of qualitative research.....	21

Table 2.3	Advantages and disadvantages of different data collection methods.....	22
Table 2.4	The different ‘schools’ of social science.....	24
Table 2.5	Types of triangulation	25
Table 2.6	Number of focus group participants to include.....	29
Table 2.7	Advantages and disadvantages of focus group discussions.....	33
Table 2.8	Trustworthiness criterion for qualitative and quantitative research.....	41
Table 2.9	Criteria application to qualitative and quantitative components.....	52
Table 2.10	Procedure during the focus groups.....	57
Table 3.1	Different descriptions of networking.....	74
Table 3.2	Different networks forms for different utilisation.....	82
Table 3.3	Effects of the networked economy on the employees.....	83
Table 3.4	The building blocks of networking.....	87
Table 3.5	General overview of the structure in different network types.....	88
Table 3.6	Influence without authority relationships categories.....	90
Table 3.7	Networking rules.....	93
Table 3.8	White’s six key steps for networking success.....	94
Table 3.9	Rezac’s steps for successful networkability.....	94
Table 3.10	Roane’s eight steps of networking.....	95
Table 3.11	Networking tools.....	96
Table 3.12	Five considerations for networking success.....	96
Table 3.13	People to include in a network.....	99
Table 3.14	Presenting value.....	106
Table 3.15	Example of the categorisation of contacts.....	109
Table 3.16	Obstacles in the way of successful networking.....	112
Table 4.1	List of networking traits.....	122
Table 4.2	A summary of networking skills.....	127
Table 4.3	Differences between introverted and extroverted people.....	129
Table 4.4	Different descriptions of trust.....	131
Table 4.5	Components of trustworthiness.....	137

Table 4.6	The basis for different forms of trust.....	137
Table 4.7	Descriptions of reciprocity.....	145
Table 4.8	Different communication skills for men and women.....	149
Table 5.1	Summary of the views on business networking.....	158
Table 5.2	Reasons for businesses to network.....	163
Table 5.3	Different organisational forms and collaboration	165
Table 5.4	Competence and competitiveness.....	166
Table 5.5	Characteristics of interdependency levels in business relationships.....	168
Table 5.6	Important elements to be an eligible networking partner.....	169
Table 5.7	Different forms of strategic alliances.....	174
Table 5.8	Political exchange relationship activities.....	175
Table 5.9	SPINE as an effective networking strategy.....	178
Table 5.10	Change management considerations.....	183
Table 5.11	Other management considerations.....	185
Table 5.12	Pace of change in businesses.....	186
Table 5.13	From hierarchy to the network form of business	186
Table 6.1	Focus groups composition.....	193
Table 6.2	Participants' perceptions on networking.....	197
Table 6.3	Participants' experiences of networking.....	219
Table 6.4	Main recommendations made by the participants.....	253
Table 7.1	Dispersal of response amongst participants.....	264
Table 7.2	Gender distribution of participants	266
Table 7.3	Participants' racial classification.....	268
Table 7.4	Highest annual business turnover experienced.....	270
Table 7.5	Primary industries according to participants.....	272
Table 7.6	Dispersal of traditional versus e-commerce activities.....	274
Table 7.7	Dispersal of commercial activities according to participants.....	275
Table 7.8	Participants' networking practices.....	277
Table 7.9	Business relationship scenarios as used by the participants.....	278
Table 7.10	Participants' sphere of influence.....	279
Table 7.11	Participants' main motivation behind networking.....	282

Table 7.12	People included in participants' networks	283
Table 7.13	Connections possible through existing connections	284
Table 7.14	Network utilisation	285
Table 7.15	Different business models	287
Table 7.16	Extent that the value of relationships is measured in business	289
Table 7.17	Current and ideal places to network	290
Table 7.18	Current and ideal elements for the existence of a network	291
Table 7.19	Networking steps to include	293
Table 7.20	Places of current significance for building relationships	295
Table 7.21	Important networking elements	297
Table 7.22	Differences in the views on business relationship characteristics	298
Table 7.23	Different experiences of places where network relationships are currently built	300
Table 7.24	Networking elements according to participant's level of experience	302
Table 7.25	Current relationship characteristics according to experience levels	303
Table 7.26	Networking steps for inclusion based on levels of experience	304
Table 8.1	Linking findings to the research objectives	313
Table 8.2	Networking involves the right combination of different factors	314
Table 8.3	Networking the result of a human need	315
Table 8.4	Human emotions in networking	315
Table 8.5	Different networking forms	316
Table 8.6	Networking is driven by a common goal	318
Table 8.7	Business and personal reasons to network	318
Table 8.8	The relationship aspect of networking	320
Table 8.9	Networking element 1: Trust	321
Table 8.10	Networking element 2: Reciprocity	322
Table 8.11	Networking element 3: Credibility	322
Table 8.12	Networking element 4: Value exchanges	323
Table 8.13	Networking element 5: Commitment	324
Table 8.14	Networking element 6: Interdependency	324
Table 8.15	Networking process	326
Table 8.16	Key framework phases	327

CHAPTER ONE

INTRODUCTION, BACKGROUND, MOTIVATION AND GOAL

1.1 INTRODUCTION

The networked economy consists of relationship networks that, with their combined effort, lead to results beyond that of the single business. The networked economy necessitates global business partnerships and a competitive entrepreneurial mindset (Hitt, Ireland, Camp & Sexton, 2002:8-10). Networks embody relationships that form the essence of networks and they have always existed and will always exist. Networking enhances people's ability to work together and link diverse groups together to reach each role player's full potential and be successful (Lipnack & Stamps, 1993:xxix,4).

Relationships can be described as connecting points that, by way of relation, mutual interest or kinship, occur on a deeper level than mere connections (Webster, 1976:1916). Networks are a set of nodes (Hitt *et al.*, 2002:203), which includes an informal mixture of people, departments and/or businesses that, with their combined efforts, implement or deliver a project (Crawford & Hafsteinsson, 1996:235). Networks can occur within a business or between businesses and combinations of these networks may differ in terms of the flow and/or sharing of products, services or resources and the relationships between the businesses (Grandori, 1999:92).

Business networking therefore embodies the relationships between different businesses and the utilisation of these relationships to create and support a competitive advantage in the business (Wickham, 2004:324). Businesses are empowered through their relationship networks in that societies can be shaped and even the economies of countries can be affected by these relationship connections. Businesses have to position themselves to play a diverse and contributing role in the development of communities in terms of withdrawing material capital sources and employment from the communities, but also enhancing living standards and economic growth (Beck, 2000:2). Networks put a business in the position to gain

access to larger global markets, to benefit from economies of scale and to compete with the best large businesses across the world (Lipnack & Stamps, 1993:5).

Through networks, management and entrepreneurs are able to capture existing markets or create new markets through specialised strategies. Other alternative strategies include taking market share from less aggressive and innovative competitors or taking customers, assets or employees from strong existing competitors (Hitt *et al.*, 2002:1).

1.2 MOTIVATION

Although there are many different perspectives on and definitions of networking, the motivation of this study is that networking can be developed as a life-enriching and quality-of-life skill as described by Lindsay (2005:43). This skill can be used to become aware of and even create opportunities in life. Networks offer important advantages for businesses in that the combined effort leads to results beyond the abilities of the single business, jobs can be created and local economies can experience growth (Lipnack & Stamps, 1993:5).

Globalisation and the demands of the modern economy require constant change and are built on the use of information and communication technology, as well as the complex and interdependent relationships between different role players in the network (Halinen & Törnroos, 2005:1285). Developed economies utilise the power of technology and the available capital and optimally employ the needed skilled workforce and entrepreneurial class to successfully enhance further development of the economy (Sein & Harindranath, 2004:16).

The motivation behind networking lies in the fact that business opportunities can be co-created (Giovagnoli & Carter-Miller, 2000:151), knowledge and relational support can be communicated and exchanged to add value and link the different role players successfully (Breiger, Carley & Pattison, 2003:368).

1.3 PARADIGMATIC PERSPECTIVE

It is important to understand that the study was conducted from the perspective of people first, then business. In this networking study, business people were studied in their own networking context. Even though there are many different networks, for

instance Information and Technology networks, e-commerce, career and social networks, the study is approached from a business networking perspective.

The definition of networking upon which this study is based relies on business relationships and approaches the network as a net or web of relationships that are interweaved and the collective results are greater than individual connections would have been. Researching the single components might lead to an oversimplification of the concept and therefore a holistic approach is more acceptable.

1.4 RESEARCH DESIGN AND METHOD

The research design and method chosen for the study are discussed in detail in Chapter two. A brief description for background purposes will now be discussed.

1.4.1 Literature study

A background investigation to determine what is already known on the topic had to be conducted before the research question could be finalised (McBurney & White, 2004:31). A literature study was conducted to demonstrate a familiarity with the topic, to integrate what is already known in this particular field and to summarise accumulated knowledge to build on the work of other researchers (Neuman, 2003:96).

This literature study is a context review to put the topic into perspective (Neuman, 2003:96) by using relevant books, subject specific journals, websites, newspaper articles and articles in accredited and scholarly journals in order to provide a broad background on the role, utilisation and other aspects surrounding networks in businesses. The books and articles that were consulted covered a wide spectrum of different fields, such as entrepreneurship, networking, information technology, strategic management, marketing, general management and social economics.

Databases that were consulted to conduct the literature search, included ABI Inform with citations and summaries of more than 1 000, and full text available for 500 of these academic management, marketing and general management journals, Business Source Premier, SABINET, MCB University Press, EBSCO Host, JSTOR and Science Direct. ABI Proquest is a database that is available in the United States of America and it was included in the search for relevant articles during an overseas

campus visit to Harvard Business College and Boston University in 2005. Electronic search engines that were used include Yahoo (www.yahoo.com), Google (www.google.com) and Alta Vista (www.altavista.com).

Older research sources were used because of their significance in terms of their original contribution to knowledge of networking and they are therefore considered thought leaders (De Vos, Strydom, Fouche & Delport, 2005:124) on networking as a business concept. Some of these older research sources include Dickoff, James and Wiedenbach (1968), Castells (1989), Boe and Youngs (1989), Vroom (1990), Lipnack and Stamps (1993), Boe (1994), Garton, Haythornthwaite and Wellman (1997), Igwebuike (1998), Porter (1998), Ford (1998), Nel, Rädell & Loubser (1988), Salminen & Yassine (1999) and Trevillion (1999). This literature search of older sources by prominent and founding networking authors was conducted to serve as the basis for further more recent research.

1.4.2 Contacting experts

As part of the study, experts and well-known professionals in specific fields were contacted to provide their input into the study. They were requested to either provide background to enable a better understanding of a specific concept, or to contribute to the decisions on the direction of the study. These experts included business people, consultants and businesses. Associations such as the Business Women's Association (BWA), Women-in-IT and Afrikaanse Handelsinstituut were also contacted.

- Prof Minrie Greeff, director of research at the School of Nursing at the North-West University was consulted in her capacity as qualitative research methodology expert and consultant. Her expertise with regard to the development and procedural requirements for focus group discussions as a qualitative research method and the procedure of reporting and analysing these findings in a study was incorporated in this study.
- Prof Alwyn Hoffman, professor and managing director of an engineering company listed on the Toronto stock exchange was consulted on the feasibility of the study amongst business owners or managers.
- Mr Unre Visagie, expert networker and former Chief Executive Officer of INALA was consulted on various occasions on developing the networking concept and

to provide insight into the process of network development in a business and as an organisational form.

- Mr. Deon Bothma, former Chief Executive Officer and founding member of the former BSW Group, which specialised in Information Technology (Mbendi Information for Africa, 2003), was consulted on the process of networking and how it influences the life cycle and survival of especially high technology and communication businesses.

The chairpersons of the Gauteng chambers of commerce, as listed on the Afrikaanse Handelsinstituut (AHI) website, were contacted telephonically to ask their permission and support in distributing the questionnaire amongst their members.

1.4.3 Empirical research

Most of the literature and research on networking only tend to describe networking practices and do not take into account that it involves interaction in an ever-changing environment, which leads to benefits and added value above the individual contributions. In light of this multi-method research or triangulation of method (Neuman, 2006:149), the different levels of networks could be investigated. The multi-method research design (De Vos *et al.*, 2005:357) consisted of a pilot focus group discussion, followed by four focus group discussions and a structured questionnaire as an adjunct to the main qualitative study.

The pilot focus group discussion assisted the researcher in determining the relevance of the focus group agenda and establishing any potential problems or new issues. The results of this pilot focus group were included in the analysis of the main study of the other four focus groups since there were no discrepancies.

An e-mail questionnaire consisting of structured questions was distributed amongst focus group participants and the AHI members of the Gauteng business chambers. The results were analysed by the statistical consultation services at the North-West University. The research questionnaire served the purpose of confirming or contrasting the findings of the focus groups and therefore it contributed to ensuring the validity and reliability of the findings by creating a triangulation of measuring method (Marschan-Piekkari & Welch, 2004:163).

The quantitative or positivistic approach was aimed at discovering natural laws as to predict and control specific events. The qualitative and interpretive social science approach attempted to understand and describe meaningful social actions and was chosen on the grounds that in the business and managerial science, there are often individually applicable and multi-layered findings (Neuman, 2003:91). The subjective reality of networks amongst the respondents was studied to be able to understand and analyse their motives, actions and intentions to draw conclusions and make meaningful recommendations that add value to the research participants (Saunders, Lewis & Thornhill, 2003:84).

Creswell (1994:177) suggests three alternatives of combining methods, namely, firstly to combine methods to gain a better understanding of the concept under study. The second alternative is to integrate the different methods at different stages of the research while the final alternative is to have a two-phase design whereby there is either one dominant method or a mixed design whereby quantitative and qualitative methods are combined in one research project or study. The multi-method strategy consisted of a first phase focus group discussion that was an adjunct to the completion of a structured questionnaire to complement each other in that each offers different advantages and through the combined effort, some of the limitations were overcome.

1.4.4 Research method

The research method consists of various elements, namely the sampling, data collection, ethical issues, data analysis and issues pertaining to the literature control in the study.

A purposive sample was taken for the pilot focus group to ensure that relevant participants were included. A purposive sample is based on the judgement of the researcher in that the researcher sets out criteria of importance to be included in the research (De Vos *et al.*, 2005:202). Snowball sampling was used in the remaining four focus groups and the distribution of the questionnaire. The snowball sample was drawn by selecting an individual who in turn provided the names of eight to 12 business owners and managers. Thereafter one of these respondents was asked to identify eight to 12 potential focus group participants, business owners and managers (Saunders *et al.*, 2003:176).

Focus groups and the snowball sampling method allow the researcher access to those individuals who would otherwise not be willing or capable to take part in research (Daymon & Holloway, 2002:187). A possible explanation for the inability to gain access to these participants is that most of these business owners and managers are only accessed through gatekeepers, a middleman through whom one can gain access to the significant other person (Bridgewater & Egan, 2002:45). It is difficult to get people of this calibre together to participate in groups such as a focus group. This is in part because they are extremely pressed for time due to their position in their business.

Another advantage of focus groups is that access is gained to richer information. This could be due to the flexibility of the method, encouragement for participation amongst the participants or the stacking of knowledge as each comment may trigger another and spontaneity as in a normal conversation (Zikmund, 2003a:119).

1.4.4.1 Sampling

A sample is described as a subset of a population and is chosen by making use of different sampling methods (Zikmund, 2003b:416). In this research, the initial sample for the pilot focus group included business owners and managers of Gauteng businesses. The criteria for inclusion were:

- They had to be proficient in Afrikaans and English,
- either owning or managing a business at the top management level,
- the business had to be situated in the Gauteng province,
- they had to be willing to participate in the scheduled focus group discussion and,
- they had to be willing to share their knowledge of networking.

A snowball sample was used in the focus group discussions and the distribution of the e-mail questionnaires. A more detailed description of this method is provided in Chapter two.

- **Population**

Gauteng business owners and managers constituted the study population.

- **Sample size**

Saturation is defined as going beyond the point where the need or demand for a product is satisfied (Soanes, 2002:1015). Data saturation determined the size of the sample. The final sample consisted of five focus groups and 33 participants in the e-mail questionnaire survey.

1.4.4.2 Data collection

Direct participation by the focus group participants and the survey respondents were required to gather the appropriate data for this study.

Directive questions were formulated in a focus group agenda for the discussions. In total, five focus groups with 41 participants were conducted. The focus group discussions were videotaped and field notes as well as the transcripts were studied afterwards. In addition, the focus group discussions were audiotaped to transcribe and study members' interaction.

A structured questionnaire was distributed to the focus group participants and the questionnaire was posted on a website, namely www.alephsynergy.co.za. This structured questionnaire was returned electronically to the researcher and 36 questionnaires were received. The data was collected in two parts, namely qualitative by means of focus group discussions and quantitative, by means of a structured e-mail questionnaire.

- **Qualitative research by means of focus group discussions**

Focus groups were used in the initial exploratory phase to generate ideas and give direction to the type of questions to include in the structured questionnaire (Puchta & Potter, 2004:7). The initial focus group included eight business owners and managers in the Gauteng area.

A further four focus group discussions were held. In total, five focus group discussions were held with the participation of 41 business owners and managers. The validity of the study is ensured by the two-faceted focus groups and the relevant important matters are also identified (Saunders *et al.*, 2003:101).

- **Quantitative research by means of structured questionnaires**

A quantitative structured questionnaire was distributed via e-mail to each participant to obtain the necessary information to analyse the data. Background information and an individual view of specific aspects of networking were tested. Individual perspectives with specific answers were analysed.

1.4.4.3 Ethical issues

Ethical issues that had to be taken into account throughout the research include avoiding any harm to participants, obtaining their informed consent, avoiding deception of the participants, not violating their privacy, ensuring anonymity and confidentiality, as well as briefing them on the findings of the research (De Vos *et al.*, 2005:58-65).

Ethical aspects of confidentiality and respondents' or participants' right to privacy were taken into account and consent forms were signed by all participants to ensure their voluntary participation and that they knew what was expected of them.

1.4.4.4 Data analysis

The focus group discussions were transcribed by an independent transcriber to ensure objectivity. These transcriptions were then analysed by making use of the open coding technique. The software program NVivo 7 (QSR International, 2002) assisted in grouping the relevant themes into categories to report it. The work protocol encompassed the verification of the findings by the participants through triangulation. This triangulation was conducted by verifying the focus group discussion results with the results of the questionnaire and this in turn ensured the validation of the findings.

The questionnaires were analysed by means of the SAS program (SAS Institute Inc., 2005) used at the statistical consultation services at the North-West University. Frequencies, correlations coefficients and other statistical calculations were made.

1.4.4.5 Literature control

Literature control was used to verify the findings of the research with existing literature. It is made possible by identifying unique findings and those undocumented findings that are not available in existing literature by using the literature control as a sort of verification process (Zikmund, 2003a:55-56).

1.5 RESEARCH PROBLEM

The research problem was finalised after an extensive literature search of networking as a business concept and a pilot study that consisted of focus group discussions with business people (Nel *et al.*, 1988:94). The research problem is clarified through the problem statement, research question, goal and objectives of the study (Nel *et al.*, 1988:94).

1.5.1 Problem statement

The problem statement identifies the direction of the study (Bak, 2004:20) and focuses the research rationale (De Vos *et al.*, 2005:116). In this study, the following problem statement was identified: the ability of the businesses to network within the economy is of great importance in determining business opportunities in the market. Aforementioned can include the business's ability to effectively allocate finances, knowledge and staff and to contribute to the establishment or maintaining and overall sustaining of a competitive advantage.

The motivation behind this study is to analyse the utilisation and application of networks in Gauteng businesses and to develop a proposed networking framework. A structured network leads to stability and is more efficient if managed correctly.

1.5.2 Research question

The research question of the study is crucial in that it determines the research method to be used. The research question indicates the boundaries of the research because it is impossible to cover all the aspects of a problem in one single study (Strauss & Corbin, 1990:36). The research question of this study is: What is the current situation of networking in Gauteng businesses?

A detailed discussion of the research process, including the development of the research framework, is presented in Chapter two. The objectives that indicate the purpose of the research in measurable output are identified below. These objectives need to be achieved before the research can be regarded as successful (Zikmund, 2003b:108).

To answer this research question, the following are required:

- An in-depth understanding of the theory or literature is attempted, by including:
- Definitions
- Literature – popular and professional literature

Develop an understanding of:

- People's feelings, attitudes, meanings and perceptions that were obtained through the focus group discussions and survey.
- Possible current problems and declare discrepancies in the research process.
- The implications of these problems that can then be identified and analysed by studying inappropriate networking practices.

The possible proposals were made for Gauteng businesses, as well as best practices after the development of a proposed framework for networking. The research methodology clearly states how the research question, objectives and contribution of the study can be achieved.

1.6 AIM OF THE STUDY

The role of networks in businesses is important, as are the relevance of advantages and disadvantages derived from these networks. The aim of this study is identified by the following overall goal and objectives.

1.6.1 Goal

The goal of this study is to analyse current networking practices of Gauteng business owners and managers and to develop a framework for the successful utilisation and application of networks.

1.6.2 Objectives

The research objectives are a formulation of the purpose of the research in measurable defined terms (Zikmund, 2003a:99). The primary objectives of this study are aimed at developing of a proposed networking framework. The following objectives are aimed at achieving the goal of the study:

- discuss appropriate research methods and motivate the multi-method approach of the combination of qualitative and quantitative research to determine networking practices.
- investigate the importance and background of the networking concept.
- provide background on the people component of networking in the form of relationships.
- provide insight into the business component of networking in the form of connections.
- investigate the perceptions of business owners and managers on networking practices through qualitative research.
- support and validate the qualitative research (focus groups) by means of quantitative research (questionnaires).
- propose appropriate networking actions in the form of a framework for networking practices.

1.7 CONCEPTUAL DEFINITIONS

Conceptualisation is the process whereby the word, thing, feelings or other concepts are thought over in one's mind and then formulated from experience. This experience can include a variety of different symbolic definitions connected to a specific word, the object in itself and perceptions, feelings, values or attitudes connected to the specific concept (Chinn & Kramer, 1995:78). The following key terms need further explanation as it plays an integral role in this study.

1.7.1 Business

Business is defined as a method of employment, an occupation of some sort, a profession or calling. It can also be described as the labour of people to make a profit or improve their and other people's current circumstances (Webster, 1976:233).

- **Business manager (Business man)**

A businessman can be described as a person that is actively involved in commercial activities on an executive level (Soanes, 2002:139).

1.7.2 Business networks

Business networks can be defined as a web of interconnected actors or businesses (Vervest, Van Heck, Preiss & Pau, 2005:4) that strives towards a win-win situation of complementary independence (Hitt *et al.*, 2002:203). Businesses therefore combine their value to achieve a common purpose or higher results (Gruszczyński, 2005). This combined effort may include cooperative relationships between businesses with the same focus, motivation and skill to achieve the shared goals of the partners (Lipnack & Stamps, 1993:7 and Lundan, 2002:9).

1.7.3 Conceptual framework

A conceptual framework is a structure whereby all the concepts that form the framework, are related and grouped together (Chinn & Jacobs, 1987:202).

1.7.4 Connection

Connections can be seen as relationships or associations of a social, professional or commercial nature for practical means or a specific outcome with mutual involvement (Webster, 1976:481).

1.7.5 Gatekeeper

A gatekeeper can be seen as a middleman between two relevant role players in a network. Gatekeepers control the flow of information between the internal relationships in a network and guard or can even retain information (Bridgewater &

Egan, 2002:45). Gatekeepers include the receptionist, an assistant or assistants and other colleagues (Tullier, 2004:218). Acknowledging their importance (Ferrazi, 2005:87) and establishing a positive relationship with them (Tullier, 2004:219) may lead to the collection, evaluation and dissemination of information that is supportive to management and enhances their own effectiveness (Jones & Tilley, 2003:25).

1.7.6 Businesses in the Gauteng area

Business is defined as commercial activity that specific role players undertake for their livelihood and is done independently and with own judgement and decision-making (Webster, 1976:302). The specific area of commercial activity of interest in this study is the Gauteng Province. Gauteng is regarded as the digital cluster of related businesses (Hunter, 2004) and has the highest economic contribution to the Gross Domestic Product with 38% of economic activity in 2002 taking place in Gauteng (South African Government Information, 2003).

1.7.7 Network

Networks can be defined as a group of computers or people connected together to interact (Soanes, 2002:756) or work as a team (Gruszczynski, 2005). Networks are also defined as selected sets where multiple independent businesses interact on a direct and indirect basis through alliance agreements. This is done in order to obtain strategic competitive advantages (De Man, 2004:4).

1.7.8 Networking

Networks develop from the active networking efforts of role players and include different connections that operate under unified control on assigned frequencies and in accordance with a plan for systematic handling. It can also be seen as a system of lines or channels that inter-lace or cross to become one interconnected or interrelated chain of alliances or mutual interest (Webster, 1976:1519,1520) and to develop further connections (Soanes, 2002:756).

1.7.9 Proposed framework

A proposition indicates that an idea or plan is suggested for consideration or evaluation by others (Soanes, 2002:908).

A framework can be seen as an underlying structure or support basis (Soanes, 2002:436). A recommended framework, therefore, embodies a structure that provides guidelines for support (Kahn, 1989:203). A framework can also be described as a visual grouping or summary of specific elements that can be applied in the implementation of the specific field, in this case networking (Greeff, 2006).

1.8 CHAPTER OUTLINE

This study was divided into eight chapters (see Figure 1.1). Chapter two describes the empirical process and the multi-method approach. Chapter three provides background on the term networking. Chapter four describes the elements of networking while Chapter five consists of a literature study on business networking in particular as well as the business networking strategies available to businesses.

Chapter six provides a detailed analysis and interpretation of the qualitative research findings. Chapter seven provides a detailed analysis and interpretation of the quantitative research results while the summary, conclusions, recommendations and the proposed framework is outlined in Chapter eight.

Figure 1.1 Chapter outline

PART ONE		
CHAPTER 1 INTRODUCTION, BACKGROUND, MOTIVATION AND GOAL		
PART TWO		
CHAPTER 2 RESEARCH METHODOLOGY		
<ul style="list-style-type: none"> • A clear description of the research methodology used. • An outline of the specific empirical process used in the study. • The motivation for the use of a mixed-method approach is discussed in detail. • A detailed description of the literature on both qualitative and quantitative methods. • Detail on the actual research process and steps is provided. 		
PART THREE		
CHAPTER 3 THE NETWORKING CONCEPT <ul style="list-style-type: none"> • The networking concept. • Literature on different perspectives. 	CHAPTER 4 THE PEOPLE COMPONENT - RELATIONSHIPS <ul style="list-style-type: none"> • Networking as a human relationship. • The people component with its elements and influences. 	CHAPTER 5 THE BUSINESS COMPONENT- CONNECTIONS <ul style="list-style-type: none"> • Business relationships as a communication and business tool. • Characteristics of the relationship network. • Components in developing, sustaining and successfully implementing networks.
PART FOUR		
CHAPTER 6 DISCUSSION OF FOCUS GROUP RESEARCH FINDINGS <ul style="list-style-type: none"> • Research findings of the focus groups. • Expressions to support the relevance of the findings. • Documentation of phrases and direct wording of participants. • Literature control to support, contrast and indicate the uniqueness of the findings. 	CHAPTER 7 RESEARCH RESULTS OF THE STRUCTURED QUESTIONNAIRE <ul style="list-style-type: none"> • Research findings of the structured questionnaire. • Analysis and interpretation of the statistical data. • Presentation of the results in graphs, diagrams and tables. • Triangulation to verify the results with the focus group findings. 	
PART FIVE		
CHAPTER 8 CONCLUSIONS, RECOMMENDATIONS AND A PROPOSED NETWORKING FRAMEWORK		
<ul style="list-style-type: none"> • The findings of the study were summarised and conclusions were drawn. • Shortcomings of the study and research were discussed. • Recommendations for further research were made. • A proposed framework for networking was developed. 		

CHAPTER TWO

RESEARCH METHODOLOGY

2.1 INTRODUCTION

Chapter two presents an overview of the research methodology. This research methodology is determined through experience and scientific method (McBurney & White, 2004:1,5). The research methodology includes a design that serves as a blueprint for the selection and analysis of the data in the study (Churchill & Iacobucci, 2002:90) and consists of a literature study and an empirical study.

The literature study consists of a review on all relevant literature in the form of books, journals and other printed and published sources. The aim of the literature study is to identify and investigate the perspectives and findings of various authors.

The empirical study was conducted to test the literature findings in a specific environment. During this process, perceptions and feelings on networking and practices were identified through a qualitative method and their quantifiable statistics were collected.

2.2 THE RESEARCH PROCESS

According to Martins, Loubser and Van Wyk (1996:81), the research process or scientific empirical study starts with the research question and the exploration of possible research questions that determine the choice of the research design and the potential sampling plan.

The research design is the plan whereby the specific research is conducted and it includes the methods and procedures that were used to collect and analyse the data (Zikmund, 2003a:65). Initial findings resultant from the focus group discussions were integrated into the literature study to provide direction and detail to the field or background study. While most academic research provides theoretical insights,

empirical research leads to a translation of network practice to assist businesses in improving their networking success (De Man, 2004:xix).

2.3 LITERATURE STUDY

In the previous chapter, a brief description of a literature study was given. Literature reviews provide direction for the empirical study and assist in identifying the research question (Bak, 2004:21). In qualitative research, the literature study is more extensive in that it expresses the researcher's expertise and informs the reader about all fundamental and background knowledge of the topic (De Vos *et al.*, 2005:117).

Most of the literature originates from the United States, Britain and Europe. Financial and industry specific journals as well as scholarly journals were used, for instance *The Financial Mail*, *Marketing Mix*, *The Journal of Convergence*, *Journal of American Academy of Business*, *Harvard Business Review*, *Sociology Quarterly* and *Industrial Marketing Management*. International articles on the Internet provided information on economic practice, including, amongst others, the Business Wire (<http://www.businesswire.com>) and Ebusinessforum.

The literature study demonstrates a familiarity with the concept and provides an integration of published knowledge in this particular field (De Vos *et al.*, 2005:124). It furthermore summarises accumulated knowledge to build on the work of other researchers. The literature study includes a collection and analysis of secondary data that includes published literature and statistics (Nel *et al.*, 1988:96).

The field of this study, namely networking, is not a new research topic. However, researchers have only recently started to investigate it as a subject on its own and therefore mini-dissertations, full dissertations, theses and other recent publications were consulted. This enabled the researcher to accumulate knowledge, learn from and build on what other researchers have done (Neuman, 2003:96).

2.4 EMPIRICAL RESEARCH

Empirical research describes a research process whereby data or facts on a specific issue are gathered and analysed. Respondents are required to provide information so that the researcher can develop a better understanding of aspects relating to the specific research objectives and characteristics. Primary data includes facts,

awareness, opinions and attitudes, as well as preferences, motives and behaviour of the specific respondents (Nel *et al.*, 1988:96) to support arguments and statistics.

Quantitative methods can be defined as methods in which indefinite limits are the norm. Therefore, the focus tends to be on the included quantity or number of responses (Webster, 1976:1858-1859). Table 2.1 illustrates the differences between qualitative and quantitative research.

Table 2.1 The differences between qualitative and quantitative research

Criteria	Qualitative	Quantitative
Focus of the research	Quality: investigating the nature and essence of the concept.	Quantity: investigating the number of respondents that offer the same data.
Philosophical roots	Phenomenology or symbolic interactions.	Positivism and logical empiricism.
Associated phrases	Fieldwork, ethnographic, naturalistic, grounded and subjective.	Experimental, empirical and statistical.
Goal of investigation	To understand, describe, discover, generate hypotheses or acquire new knowledge.	To predict, control, describe, confirm, to test a hypothesis.
Design characteristics	Flexible, evolving and emergent.	Predetermined and structured.
Types of questions	Probing.	Probing is limited.
Sample size	Small, non-randomly chosen or theoretical.	Large, randomly chosen and representative.
Amount of information gathered	Substantial.	Varies.
Research setting	Natural and familiar.	Unfamiliar and artificial.
Data collection	The researcher is the primary instrument by conducting the interviews, observations and discussions.	Inanimate instruments are used, e.g. scales, tests, surveys, questionnaires and/or computers.
Administration requirements	Interviewer with specialised skills.	Not as specialised as qualitative.
Type of analysis	Subjective and interpretive, as well as inductive by the researcher.	Statistical and summation, or deductive by means of statistical methods.
Hardware needed	Tape recorders, projection devices,	Questionnaires, computers

	video recorders, pictures and discussion guides or agendas.	and printouts.
Degree of replicability	Low.	High.
Researcher training	Psychology, sociology, social psychology, consumer behaviour, marketing, marketing research.	Statistics, decision models, decision support systems, computer programming, marketing and marketing research.
Type of research	Exploratory.	Descriptive or causal.
Findings	Comprehensive, holistic and expansive.	Precise, narrow and reductionist.

Source: McDaniel & Gates (2005:108) and Merriam (1988:18)

2.4.1 Qualitative research

Qualitative methods are methods that include a quality (Denzin & Lincoln, 2003:13) of well-defined limits (Webster, 1976:1858-1859). Qualitative research is the gathering of people's attitudes and opinions on certain topics and situations by making field notes, conducting interviews and discussions, analysing photographs, recordings or memos and attempting to interpret the meaning behind these (Denzin & Lincoln, 2003:5). Aforementioned data is non-quantifiable and therefore not processed or analysed as traditional quantitative data (Silverman, 1993:20).

Qualitative research can be seen as a method whereby a social enquiry is made to explore the social reality, personal feelings, behaviour and experiences of the people participating in the study by interacting with them by means of investigation (Holloway & Wheeler, 2002:3). Table 2.2 gives a summary of the content of qualitative research.

These responses cannot be analysed by traditional quantitative methods and a person's intuitive understanding of a concept or field is documented (McDaniel & Gates, 2005:108). The interpretative perspective can be maintained by the systematic analysis of socially meaningful actions and by purposefully understanding and interpreting the way in which the specific group of people live in their social environment (Neuman, 2003:76).

Table 2.2 Content of qualitative research

<ul style="list-style-type: none">• Natural everyday occurrences are investigated (Silverman, 1993:25).
<ul style="list-style-type: none">• Data collection methods that include case studies, personal experience, introspection, life stories, interviews, artefacts, cultural texts, productions, observations, historical interaction or visual texts of individuals' lives (Denzin & Lincoln, 2003:5).
<ul style="list-style-type: none">• In some instances, it is used for hypothesis generation or definition development (Silverman, 1993:25).
<ul style="list-style-type: none">• The meaning behind words and actions is preferred in the investigation rather than the behaviour itself (Silverman, 1993:26).
<ul style="list-style-type: none">• Qualitative research provides a broader perspective of a concept than quantitative research (Silverman, 1993:27).
<ul style="list-style-type: none">• Cultural texts or content analysis is another form of qualitative research. Files, statistical records, records of official proceedings and images can be investigated through this method. Issues pertaining to the study, such as where, when and how these documents will be written, who will write them and in what way they are going to be read, are investigated (Silverman, 1993:60-61).
<ul style="list-style-type: none">• Semiotics is the investigation of language, wording, and the use of words especially in historical content (Silverman, 1993:71).
<ul style="list-style-type: none">• Ethnographic recordings can be advantageous in that they are semi-flexible, study what people do in a natural situation, assist in studying processes and outcomes, and study meanings and causes of actions (Silverman, 1993:171).

The interpretive approach allows the researcher to explore issues in the participants' cultural, social, as well as economic environments (Barbour & Kitzinger, 1999:198).

Table 2.3 provides a summary of the main advantages and disadvantages of different data collection methods.

Individual interviews offer the researcher more control to gather only the necessary information and to ensure that the conversation stays focused. It can however be a limitation in that it influences the participants to say what they think the researcher wants to hear (Morgan, 1997:10-11).

Observations are more naturalistic and qualitative data is recorded that cannot be reduced to figures (De Vos *et al.*, 2005:275-276). The presence of the researcher might influence the discussions and this can be eliminated by not being part of the discussions and making the observations from a room next door (Morgan, 1997:8).

Table 2.3 Advantages and disadvantages of different data collection methods

Method	Advantage	Disadvantage
Personal interviews	<p>Opportunity to build relationships with those interviewed.</p> <p>Direct and indirect non-verbal communication will allow the recording of additional information.</p> <p>Details are easily clarified.</p>	<p>It might be difficult to gain access to the people to conduct interviews.</p> <p>Telephone interviews may not give the person adequate time to prepare and could cause them to withhold information.</p> <p>People that are not included might experience it as discrimination.</p>
Focus groups	<p>Plenty of data is retrieved in a relatively short time span.</p> <p>Group synergy may lead to deeper inquiry.</p> <p>Several points of view are recorded.</p>	<p>Scheduling is difficult.</p> <p>The group might influence answers and some sort of censoring might be encountered.</p> <p>Strong or very vocal individuals might influence the group.</p>
Surveys	<p>Plenty of data is retrieved inexpensively from people.</p> <p>People that are otherwise difficult to interview may take part.</p> <p>Anonymous answers promote openness.</p> <p>An organisation can be alerted by this and it could be incorporated as a future intervention.</p>	<p>Questions are not clarified.</p> <p>Exact sources are not identifiable and are therefore difficult to interpret.</p> <p>The honesty and openness of answers are not guaranteed.</p> <p>The design and implementation requires attention.</p>
Direct observation	<p>First-hand information is received through personal observations.</p> <p>Gather data on a range of behaviours and interactions between participants.</p> <p>Misunderstanding another person's observation is less likely.</p> <p>As a situation changes, the focus can be redirected.</p>	<p>Access to situations for observation is limited.</p> <p>The method itself may influence the situation being observed.</p> <p>Difficult to gain access to a sufficient number of situations in order to draw generalisations.</p>

Source: Carter, Ulrich & Goldsmith (2005:301-302)

2.4.2 Quantitative research

McDaniel & Gates (2005:140) describe quantitative research as research that is conducted by means of mathematical analysis. In other words, it is formalised and controlled. Quantitative research methods include mail, telephonic and self-administered questionnaires, as well as questionnaires delivered by hand or administered in groups (Delpont & Fouche, 2005:167-169).

- Questionnaires consist of questions posed to the respondent on the specific field or subject. Questionnaires can consist of different types of questions with different results in mind.
- Open questions give respondents the opportunity to answer in their own words without a restriction on the number of words. However, the disadvantage of this is that it is difficult to measure, since each answer needs to be individually analysed.
- Completion questions that require the respondent to fill in his or her personal details are examples of how an open question can be used meaningfully (Delpont & Fouche, 2005:176).
- Closed questions restrict the respondent's answer to the different alternatives as proposed by the researcher (Delpont & Fouche, 2005:174).
- There are also other types of questioning available, such as dichotomous questions where a simple Yes or No response is required.
- Multiple-choice questions offer results on different aspects and on different divisions (Delpont & Fouche, 2005:175-178).
- Ordinal questions are helpful to attach certain measurement values to a specific answer, but hold the potential problem of a respondent finding it difficult to answer the middle options.
- Scaled questions are also a form of multiple-choice questioning.
- Matrix-type questions are interrelated and the next question follows the answer of a previous question (Delpont & Fouche, 2005:175-178).

2.4.3 Multi-methodology design

The multi-method approach is defined as a process whereby the researcher chooses more than one method to collect and analyse the data. The methods may include two or more quantitative methods, or two or more qualitative methods, as well as combining quantitative and qualitative methods (De Vos, 2005:357).

Marschan-Piekkari and Welch (2004:164) argue that researchers should consider the possibilities of multi-methods to increase the understanding and therefore knowledge of a complex and multi-faceted topic. Most social science topics are complex and the multi-method approach can be followed by making use of a positivistic perspective with the organising of individual behaviour by means of precise empirical observation in the form of a structured questionnaire. Table 2.4 provides a summary of the differences between positivism and interpretive social science.

Table 2.4 The different ‘schools’ of social science

Approach / ‘School’	Concepts	Data	Methodology	Methods	Claim to reliability
Positivism	Social structure or facts. Search for an objective, such as knowledge.	Facts about behaviour and attitudes.	Random samples, standard questions and tabulations.	Quantitative hypothesis testing.	Standardised protocol to ensure unbiased measurement.
Interpretive social science	Social construction and meanings. Understanding and interpreting.	Authentic/ unique experience.	Unstructured, open-ended interviews.	Qualitative hypothesis generation.	Inter-subjective depth – humanistic interview.

Source: Silverman (1993:21,91,98) and Holloway & Wheeler (2002:5-8)

To pursue a multi-method approach to research presents its own challenges and advantages. Qualitative and quantitative research as individual research methods require extensive time, skill and a limited focus. To improve the possibility for future publications, the researcher might consider the advantages of the combined or multi-method approach to increase the impact of the findings and improve his or her understanding of the concept (Creswell, 1994:173).

The multi-method approach does however offer a pragmatic way of researching both the objectivity of the topic through the ontology and epistemology of the relationship between the role players and their specific environment, as well as the subjective hermeneutic understanding of the topic (Marschan-Piekkari & Welch, 2004:163). If used in sequence, it could develop the second method and it leads to the expansion of the researcher’s scope for reporting the data and understanding the impact of the

study (Creswell, 1994:174-175). The multi-method approach allows for each of the methods to contribute its own unique data and therefore allows the researcher to access richer and more detailed information on the research topic (Morgan, 1997:3).

2.4.4 Triangulation

Triangulation is defined as a research process whereby the researcher views a specific phenomenon from multiple perspectives and by means of different research methods to provide a more holistic and in-depth view (Neuman, 2006:149). There are four types of triangulation available to researchers. Table 2.5 describes the different types of triangulation.

Table 2.5 Types of triangulation

Triangulation	Description	Aim
Triangulation of measures	The researcher makes use of different measures to measure one phenomenon in different ways and attempts to view it from a more holistic perspective.	Find different results, which are interesting and informative in terms of the different measurements.
Triangulation of observers	Multiple observers are used to observe the same population.	Different perspectives, backgrounds and personal characteristics provide the opportunity to combine the findings and a more comprehensive final rapport is made possible.
Triangulation of theory	Multiple theories or perspectives are researched either during the planning of the research or during the interpretation of the research findings.	The aim is to establish a perspective that is based on different perspectives, thereby providing a richer grounding for the research.
Triangulation of method	Qualitative and quantitative research methods are used to study the phenomenon in a more extensive and richer dimension. The researcher normally excels in one style.	The strengths of the different methods are used to complement each other and provide a richer and more in-depth perspective.

Source: Neuman (2006:149-150)

Triangulation as a method to ensure validity of research results is also a motivation for the use of a multi-method approach whereby quantitative and qualitative methods are used to collect data and conduct data analysis. The different investigating perspectives bring new dimensions to a study and ensure that the results are convergent and complementary (Barbour & Kitzinger, 1999:7). Quantitative research data can be generalised in a numerical form (Coldwell & Herbst, 2004:15) while qualitative (interpretative findings) research produces interpretive and individual data (Marschan-Piekkari & Welch, 2004:176).

2.5 FOCUS GROUPS AS A RESEARCH METHOD

Focus groups are a method of investigation to encourage self-disclosure in a group setting while the researcher listens to and learns from contributions by the participants. Through this, communication lines are created (De Vos *et al.*, 2005:300). Participants are chosen on the basis of their homogenous background (Martins *et al.*, 1996:137). This method encompasses a free flow of information in an unstructured group interview setting (Zikmund, 2003a:117). Focus group discussions are phenomenological in nature and aim to:

- understand the networking phenomenon and,
- interpret the meaning that the participants give to this specific part of their lives (De Vos *et al.*, 2005:270).

Barbour and Kitzinger (1999:8-9) motivated the use of focus groups through their own reference of people's 'networks' in which they normally discuss specific issues and which are regarded as a natural occurring group of people.

A focus group is defined as a group of people that are invited together and can be described as a group in-depth interview (Morgan, 1997:2), informal panel discussion (Cooper & Schindler, 2003:155) or a carefully planned and organised discussion that surrounds or 'focuses' on a specific set of issues (Barbour & Kitzinger, 1999:4) or topics (Breakwell, 2004:345). Most focus groups include participants with a similar experience or characteristics (Daymon & Holloway, 2002:187).

It allows the researcher to explore specific sets of issues (Holloway & Wheeler, 2002:111) regarding direct information (Puchta & Potter, 2004:6) on business people's attitudes, experiences, opinions and articulations of networking that are not

otherwise easily accessible (Wickham, 2004:393). This information is obtained from the group as a whole and from each individual's perspective (Langford & McDonagh, 2003:2).

Focus groups can be used for a variety of reasons and in a variety of ways, which makes it an ideal technique for social researchers. The different purposes include:

- Focus group discussions can initially be used to establish a grounded theory where little is known or available on a topic (Langford & McDonagh, 2003:60).
- Focus groups can be used as part of a preliminary study (Morgan, 1997:25) to determine the exact research question (Puchta & Potter, 2004:7) or direction and hypothesis in the initial phase of the study (De Vos *et al.*, 2005:301). Aforementioned can be used to capture all the main elements that need to be researched in the questionnaire, to determine the underlying domains of each of these elements and to determine item wording to convey the correct intended direction for the participants (Morgan, 1997:25).
- Focus groups can therefore be used to generate a question or direction of study or on its own provide an answer to an existing question (Morgan, 1997:18).
- During focus group discussions, direct evidence on a similar topic are provided by multiple people (Daymon & Holloway, 2002:186).
- It may assist in providing the background on participants' needs, behaviour, beliefs or attitudes (Langford & McDonagh, 2003:60) or as adjunct to the quantitative testing by providing information to formulate and structure the questions (Churchill & Iacobucci, 2002:98) for the questionnaire and provide background for the direction of the literature study (Langford & McDonagh, 2003:60).
- Using the focus group data as background for the development of the research questionnaire has benefits in that it assists the researcher in identifying the dominant issues and their domains that need to be measured, as well as to provide the right item wording to use in the questionnaire (Morgan, 1997:25).

Focus groups are used to provide validated constructs for further quantitative research and to develop instruments, illustrations, sensitisation or conceptualisation of a topic or research field (De Vos *et al.*, 2005:300). When choosing focus groups as a research method, you need to consider whether the group in mind will be willing and open to discuss the topic (Morgan, 1997:17).

2.5.1 Group dynamics

Group dynamics is an important consideration in deciding to use focus group discussions, as one person's response will become a potential stimulus for another response (Langford & McDonagh, 2003:2). Participants can interact and build on shared information and knowledge (Langford & McDonagh, 2003:3) and counter through comparison (De Vos *et al.*, 2005:3001). Focus groups are therefore an enabler or generator of enriched information (McDaniel & Gates, 2005:111) and different ideas than those obtained through any other method (Daymon & Holloway, 2002:187).

Focus groups bridge a gap between people (De Vos *et al.*, 2005:301). The researcher can record different dimensions and gain access to enriched information. Participants share in-depth information through story telling, the way they present themselves as well as their body language and language usage (Barbour & Kitzinger, 1999:5). Participants are allowed to generate additional questions or frameworks, as well as additional concepts surrounding the initial concept and this is done in their own understanding and in their own words. Participants share and compare their experiences, ideas, practices, perspectives and attitudes (Morgan, 1997:20).

The group dynamics also allow the researcher to observe different reactions and gather information on how people interact or react in relation to each other (Barbour & Kitzinger, 1999:5). The topic is determined by the researcher/s, but the essence of focus groups lies in the data and information that are produced by the respondents (Morgan, 1997:6). Aforementioned would not be possible without the group interaction (Morgan, 1997:2).

2.5.2 Focus group sampling strategy, sample size and number of groups

The stages of focus group research include the planning, recruitment, moderating, analysis and finally the reporting of the findings (Daymon & Holloway, 2002:190). Morgan (1997:34) states that in most focus groups, the researcher uses homogenous strangers with high moderator involvement through structured questions. Researchers seem to differ on the exact number of participants to include in a focus group.

A snowball sample may be used that provides access to additional respondents through referrals of initial respondents (Mouton, 2001:100; Zikmund, 2003a:384 and McDaniel & Gates, 2005:375). Table 2.6 provides a summary of the different opinions of researchers in terms of the exact number of participants to include in the focus group discussions.

Table 2.6 Number of focus group participants to include

Number of participants	Researchers that agree
Five to twelve participants	Langford and McDonagh (2003:2) Barbour and Kitzinger (1999:8), depending on the topic, research field and availability factors.
Eight to twelve	McDaniel and Gates (2005:111)
Six to ten	McNamara (1999), Morgan (1997:34), Daymon & Holloway (2002:188), Cooper & Schindler (2003:155), Zikmund (2003a:119)

It is important to overrecruit, as 20% of participants generally do not turn up (De Vos *et al.*, 2005:305). Wilkinson (2004:350) also advises researchers to overrecruit by 50%, as it is a common tendency for invited guests not to show up.

The number of focus group discussion sessions seems to depend on the aims of the research and its complexity (Daymon & Holloway, 2002:192) and can range between as little as three to as many as 50 group sessions. Time and resources are also considerations in determining the appropriate number of focus group discussions (Barbour & Kitzinger, 1999:7). A common tendency seems to be that discussions are repeated three to five times or until saturation is established (Morgan, 1997:34 and Langford & McDonagh, 2003:2). This process needs to be scientifically formulated and documented.

2.5.3 Factors to take into account when conducting a focus group

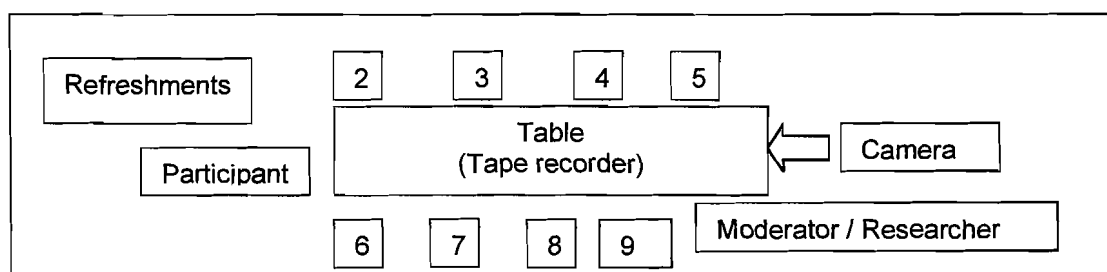
According to Krueger, King and Morgan (1998:85,86), there are traditionally three steps to follow during the recruitment of focus group participants. The first step is to contact the participants within two weeks prior to the actual discussion and secondly to send out a confirmation agreement a week before the session. Finally, each participant is phoned on the day of the actual focus groups discussion (De Vos *et al.*, 2005:305).

2.5.3.1 Facilities

The facility that is used for the focus groups is important to enhance the comfort of the participants and to provide a setting in which they do not feel intimidated and/or alienated (Daymon & Holloway, 2002:194).

Conference facilities are normally used because people can sit around a table facing each other, there is adequate air-conditioning to keep everyone comfortable (Barbour & Kitzinger, 1999:11 and Langford & McDonagh, 2003:36) and the lighting and acoustic quality are favourable for recording purposes (McNamara, 1999; Breakwell, 2004:351). Figure 2.1 illustrates the rectangular layout.

Figure 2.1 Illustration of the focus group facility layout



Source: Langford & McDonagh (2003:36)

There are many ways of setting up the focus group facilities. However, the rectangular table conference facility layout is most often used and this has proven to be the best for recording purposes (Langford & McDonagh, 2003:36). There should be enough seating space for all participants while grouping them around a table or in a circle will enhance the quality of the recordings (Daymon & Holloway, 2002:194).

2.5.3.2 Time frame

To set up the focus groups and to conduct a transcript analysis may take between three to six months or longer and therefore careful planning and commitment are needed (Morgan, 1997:33). Cooper and Schindler (2003:155) recommend that the focus group discussion should be between 90 minutes to two hours.

Daymon and Holloway (2002:194) support the fact that the time frame for the group discussions may vary according to the complexity and extent of the focus group

agenda. The norm is two hours to allow time for the researcher to make the introductory remarks, ensure that everyone is comfortable and to establish the main context and ground rules for the discussion.

2.5.3.3 Recruitment of participants

Deciding on whether to use strangers and/or acquaintances is determined by participants' familiarity with the topic (Morgan, 1997:38). If highly specialised participants are required, the recruitment procedure may also require expertise. Monetary means, incentives or an external sponsor might motivate people to participate (Morgan, 1997:39).

Participants can be recruited and identified (Cooper & Schindler, 2003:156,202) through the use of referral networks or informal networks that include friends, colleagues or business acquaintances (Neuman, 2003:291).

2.5.3.4 Focus group agenda

The focus group agenda or discussion guide consists of an outline of the specific topics in the form of a series of questions (Breakwell, 2004:345) that requires discussion and this serves as a guideline for the group (McDaniel & Gates, 2005:119). A structured group allows for comparisons between the different groups and ensures that the discussion is focused on the specific questions (Morgan, 1997:39-40). The agenda serves the purpose of directing the flow of conversation and assists the researcher in keeping to a timeframe (Daymon & Holloway, 2002:195).

The focus group agenda includes three types of questions. Firstly, descriptive questions that are aimed at collecting information in the participants' own words, secondly structural questions that are aimed at identifying basic knowledge and thirdly contrast questions that are aimed at gathering the difference in meaning according to the participant (De Vos *et al.*, 2005:298). Focus groups can be used to determine the dimensions of the topic (Morgan, 1997:25) while a focus group agenda is used to direct the discussions (Martins *et al.*, 1996:139).

2.5.3.5 The moderator

The moderator is responsible for keeping the discussions as natural as possible within the specified research topic. Participants are encouraged to talk to each other and interact with each other (Breakwell, 2004:345). Each participant needs to contribute and the moderator is responsible for facilitating this (Zikmund, 2003a:119) by leading the group discussions and promoting interaction and participation (Zikmund, 2003b:131).

It is advisable to appoint a moderator with some form of former experience or training in the fields of psychology, sociology, or marketing (McDaniel & Gates, 2005:140). The moderator uses pre-prepared questions to facilitate the group discussion (Breakwell, 2004:345) aimed at obtaining insight into participants' perceptions, feelings and attitudes on a specific research topic (Puchta & Potter, 2004:6).

2.5.3.6 Techniques to encourage participation

There are many techniques available to ensure that a conversation flows smoothly and that information is provided as naturally as possible. The following techniques were used in this study:

- **Minimal verbal responses:** this is important to document as part of the researcher's observational notes. A nod of the head and sounds of agreement, such as mm-mm or ah, must be documented. Aforementioned can be interpreted as non-direct responses with direct implications (Manyedi, 2001:21). Therefore, the moderator has to be alert to participants' underlying verbal and non-verbal signals (Okun, 2002:71).
- **Probing responses:** the researcher probes further discussion of a particular aspect or topic by gently persuading participants to share more on the specific topic or research objective (McDaniel & Gates, 2005:111) or to clarify or explain what they mean (Zikmund, 2003a:201). There are different ways of using probing as a method, including repeating a question, leaving an expectant pause or silence, repeating the response given by the participant and making neutral comments or statements (Zikmund, 2003a:440-441).

- Paraphrasing: a specific phrase is put differently in order to establish a clear understanding of the specific meaning. If rephrasing is not possible, open-ended questions should be used (Greeff, 2005:289).
- Clarifying: attempt to make the statement more clear in terms of meaning and wording. The basic understanding is sought (Okun, 2002:81).
- Reflecting: state reflections not expressed in words, for instance body language, fear or disagreement are observed and then communicated by the researcher in an attempt to find the reason or to prompt further response on this. This should be done on the same intensity level as portrayed by the participant (Okun, 2002:71).
- To summarise: a technique used to bring together a concept and move on to another or to steer the discussion in the right direction (Manyedi, 2001:21).
- Projecting belief or feeling onto a third party is a method that is used to encourage participation through word association where a list of words or subjects is used to generate first ideas on specific topics. Sentence completion can also assist in generating participation and documenting their own response on partial completion of sentences. Asking participants to project their own attitudes by completing the actions of a third person or through role-play can also be helpful to reveal their true feelings or attitudes (Zikmund, 2003a:124-128).

2.5.4 Advantages and disadvantages

Focus groups are used to collect qualitative data and therefore it does not offer hard data such as statistics and numerical analysis (Langford & McDonagh, 2003:3). Focus groups offer an in-depth understanding of a specific research topic discussed amongst a group of participants (Langford & McDonagh, 2003:3). Table 2.7 provides a summary of the advantages and disadvantages of focus group discussions as a scientific research method.

Table 2.7 Advantages and disadvantages of focus group discussions

Advantages	Disadvantages
Focus group discussions are informal (Puchta & Potter, 2004:29).	Focus groups discussions may sometimes take a different direction than initially intended (Langford & McDonagh, 2003:5).
It is spontaneous (Puchta & Potter, 2004:89) and interactive (Daymon & Holloway, 2002:186). Emotions are encouraged in a group environment (Kempen, 2005).	The group might have very dominant members that influence the other group members (Langford & McDonagh, 2003:5). Introverted participants might be dominated

	(McDaniel & Gates, 2005:124).
Self-revealing is encouraged in the group environment. Participants share information to support their suppressed opinions (Daymon & Holloway, 2002:186).	Some people might be shy and not willing to talk or express their true feelings in front of other people in the group (Kempen, 2005).
Focus groups make common impressions available in a short period of time and the range and depth of information are very reliable and efficient (Coldwell & Herbst, 2004:49).	The degree of participation and the value of each focus group cannot be determined in advance and therefore it is difficult to predict the outcome of each specific meeting (Langford & McDonagh, 2003:5).
A large amount of data can be collected at one given time. Therefore, information is collected in a relatively short period of time and with less effort than required for personal interviews (Langfeld & McDonagh, 2003:4 and Daymon & Holloway, 2002:186). This has a cost-saving implication (Morgan, 1997:8 and Breakwell, 2004:348).	Specialised people skills are needed to handle specific people and this adds to the costs of administration and recruitment as well as the data analysis costs (Langford & McDonagh, 2003:23).
The topics and direction of discussion are also controlled (Morgan, 1997:8).	People tend to provide only the information that they think are required of them (Kempen, 2005).
Agreements and disagreements on specific elements and experiences and participants' views on their own differences/similarities are directly observed and documented (Morgan, 1997:10,20).	Not all interactions can be re-created. Therefore, if more than a discussion is required, a more observational approach is advisable (Morgan, 1997:8).
Direct interaction between the researcher and the participants is also made possible (Langford & McDonagh, 2003:5).	The researcher steers the discussion and therefore the natural occurrence of a specific topic is not observed, but rather facilitated (Morgan, 1997:16).
Focus groups are more flexible than other qualitative methods depending on the appropriateness and use of the method and the willingness of participation (Morgan, 1997:17 and Langford & McDonagh, 2003:23).	The moderator must take care not to influence responses or interaction (McDaniel & Gates, 2005:124).
Visual recordings add to the quality of reported data (Langford & McDonagh, 2003:23).	Some respondents may have a negative effect on the process by not participating (McDaniel & Gates, 2005:124).

Focus group discussions offer the researcher the opportunity to document self-presentation, group interaction and language while valuable in-depth insights are gained by listening to participants' stories, own experiences, ideas and knowledge (Barbour & Kitzinger, 1999:5). Interaction on a specific topic can also be observed (McDaniel & Gates, 2005:122). Aforementioned is not possible with personal interviews or other qualitative research methods (McDaniel & Gates, 2005:122).

Empirical assertions are made by studying the researcher's field notes, transcriptions and recordings and then presenting this with the support of direct quotations of participants and commentary framing to underline the key elements as discovered in the research (Denzin & Lincoln, 2003:62). Focus group data is self-reporting and the respondents give information on the specified topic by simply discussing the broadly structured questions and/or statements in a short period of time (Neuman, 2003:35).

The focus group method provides access to participants who would otherwise not participate in research and who would rather articulate their views in a group than individually (Daymon & Holloway, 2002:187).

2.5.5 After the focus group meeting

It is appropriate to thank the participants within twenty-four hours after the meeting for their time, useful contributions and consideration. In this way, the following point of contact is established. If any follow-up information was promised, it should be delivered within two weeks to establish rapport and reliability (Nierenberg, 2005b:170-171).

2.5.6 Data documentation

The data from the focus group discussion is gathered in a systematic way whereupon it is analysed to identify specific themes, meanings or descriptions of participants' personal opinions, experiences and views in terms of possible recommendations (De Vos *et al.*, 2005:270). Body language, non-verbal gestures and actions are also important when documenting the focus groups. Careful documentation of strong views on specific topics and clear agreement, disagreement, excitement or boredom are important factors to document (Morgan, 1997:63).

Field notes are made during the focus group discussions to document the impressions of the researcher, including observations of the participants and interpretations of the researcher on the overall process (De Vos *et al.*, 2005:298).

2.5.7 Challenges

Conducting focus groups offer a few challenging considerations and this will be discussed below.

2.5.7.1 Cost

The organisation and recruitment costs of focus groups are high and the result is only as good as the extensive planning needed (De Vos *et al.*, 2005:302). A main challenge of focus groups is the cost involved, such as travelling to the research sites, renting a venue, payment of participants and the moderator, as well as reproduction of the tapes (Morgan, 1997:32). Other costs involved include administrative costs in terms of telephone use, printing, travelling, and video/audio tapes, batteries, scanning, binding, e-mails, transcribing of the tapes and re-recording of video tapes to DVD (Langford & McDonagh, 2003:27).

2.5.7.2 Organisation

Organising or scheduling the focus groups and especially reaching and effectively dividing the right people into specific groups, such as business owners and managers together, might take as long as three to six months. The key for successful recruitment therefore lies in the quality that goes into the planning of the focus groups (Morgan, 1997:33; McDaniel & Gates, 2005:123).

2.5.7.3 Transcripts

Transcripts are expensive, time consuming and do not necessarily contain complete thoughts or phrases (McDaniel & Gates, 2005:128). Therefore, a reasonable amount of time needs to be set apart for this exercise (Breakwell, 2004:348).

Detailed documentation of refusal rates, response rates and the reasons for refusals are also important to the study (Mouton, 2001:107). The transcripts were also analysed for additional topics or themes that emerged from each group discussion

(Greeff, 2006) as opposed to the probes provided by the researcher (Barbour & Kitzinger, 1999:178). The focus group agenda steered the line of discussion, but by interacting and actual discussion, other relevant topics were discussed during the session.

Transcripts can be analysed for the following:

- The structural organisation of opinions,
- sequential organisation or context-shaped investigation to find an empirical grounding of the analysis and
- to investigate what is not mentioned or
- conversational gaps that can provide interesting information (Silverman, 1993:127).
- Laughter, pauses in a sentence and distinguishing who says what need to be transcribed for further analysis (Holloway & Wheeler, 2002:116).

2.5.7.4 Video recordings and interpretation

The alternation is not between the researcher and the respondent, but rather through interaction within the group on specific topics, such as networking. Therefore, focus group discussions are tape-recorded with the consent of the participants (Morgan, 1997:31) and can then be viewed later on for reference and additional information, such as gestures and facial expressions. This is more effective, as it provides visual evidence of facts and statistics (McDaniel & Gates, 2005:123).

Body language communication is difficult to interpret and include cues such as body position, movement, posture, eye movement and eye contact, mouth movement or expression, facial expression, skin appearance in terms of paleness or blushing, voice tempo and sound, as well as the general appearance of the participant (Okun, 2002:58 and Breakwell, 2004:346) and making transcriptions of the discussion.

2.5.7.5 Saturation

Saturation is found when the same line of answers is reported and nothing new is contributed (De Vos *et al.*, 2005:294). Put differently, saturation occurs when the gathering of additional data will not have any effect on or contribute towards gaining new understanding or the generation of new ideas. Variability of the groups will

influence the number of groups in terms of including all the relevant participants across the different groups (Morgan, 1997:43).

2.5.7.6 Data analysis

Qualitative data is analysed through the reduction and interpretation of data. Reduction of data may consist of coding, writing memos and summarising the findings into categories, themes or any other divisions. Interpreting the findings encompasses explaining, describing and further discussion of the data to provide a better understanding of and insight into the findings (Daymon & Holloway, 2002:232). Analysis of qualitative research is done on a continuous basis where specific concepts or themes are identified, devised and used to describe specific issues or topics (Daymon & Holloway, 2002:233).

Tesch (Creswell, 1994:153) states that there is more than one correct way to analyse qualitative research findings. The researcher should always remain open to different alternatives and interpretations. The analysis can be conducted by using the following procedure as described in Creswell (1994:155):

- All the transcripts are carefully read to establish a holistic view and to develop a sense of the most important issues as highlighted by the participants.
- One of the transcripts is then randomly selected and read through once again. The most important issues are underlined to establish a sense of the substance or richer meaning implied through the words. These ideas or perceptions are then documented in the margin opposite the text.
- This process is repeated with the remainder of the focus group transcripts and all the important topics are listed. Similar topics need to be grouped together to form the main themes. Unique topics that are not found in the literature are documented, as well as any topics that were not used and that contain information that do not precisely fit into the categories or main themes as already listed.
- This list of main themes is used as a checklist when returning to the data. Each of the themes is given codes and the codes are then written next to the appropriate text in the transcripts. During this exercise, some new or unidentified themes might emerge.

- Descriptive wording is used to best describe the main themes and sub-themes. Additional themes can then be identified by grouping those themes that relate to the same theme. Interrelationships can be drawn and illustrated in the findings.
- Each category is then finalised by alphabetising the codes.
- The data relating to the different themes is then gathered and placed under the topic or theme to form a preliminary analysis.
- Existing data can be recoded if necessary and re-categorised to best suit the flow of information or direct the line of reasoning.

2.5.7.7 Trustworthiness

The necessary ethical procedures were followed by explaining the discussion group procedures to participants in their invitations and offering them the opportunity to decline the invitation should they wish not to participate (Cooper & Schindler, 2003:123). With informed consent, the individual waives his or her right to privacy by signing a consent form to confirm his or her agreement to participate in the particular research (Zikmund, 2003a:79). A variety of issues needs to be considered when conducting qualitative research, for instance:

- Personal feelings or attitudes are researched and should be handled with diplomacy and sensitivity. Confidentiality and participants' right to privacy are very important issues (Cooper & Schindler, 2003:125) and cannot be fully ensured since there are other people present in the group (Holloway & Wheeler, 2002:115). A person may choose to uphold his or her privacy by not answering a specific question (Zikmund, 2003b:87).
- Informed consent, although helpful, is not possible because of the tentative and exploratory basis of this method.
- Anonymity is difficult to guarantee in absolute terms because of the detailed description required of the process, sample and data. Other participants might also discuss the findings of the group discussions in other settings (Daymon & Holloway, 2002:197).
- Confidentiality can be achieved in that only the researcher; promoter and transcribers are allowed access to the audio and video recordings. However, what other people hear and see cannot be ensured to stay confidential (Holloway & Wheeler, 2002:115), in other words not disclosing the identity of the participants

(Zikmund, 2003b:87). Participants can only be requested to keep the findings of the discussion discreet (Daymon & Holloway, 2002:197).

- People might feel pressured to participate because of their position.
- The researcher needs to fulfil a conflicting role with different expectations. On the one hand, he or she acts as an investigator, but on the other hand, this person is still a professional.
- Over-involvement is a threat to the objectivity of recordings and transcriptions.
- The role and contribution of qualitative research is not clearly understood by all researchers and academics. Therefore, the motivation underlying the choice needs to be clearly stated and the findings extensively discussed (Holloway & Wheeler, 2002:57).

Four constructs need to be reflected in qualitative research:

- The credibility of the study is ensured by placing definite boundaries on the extent of the study and clearly stating these boundaries. In this research, the boundaries are the Gauteng province and only business owners and managers.
- Transferability is proposed by the different methods of information gathering and repeating the focus group discussions twice more after saturation was reached.
- Dependability of the data represents the attempts of the research to reflect changing conditions and continuously refine the understanding of the concept.
- Conformability is related to the traditional objectivity and is achieved in that the focus group participants had to verify the findings (De Vos, 2005:346-347).

The level of trustworthiness in a study can be determined by making use of the model pertaining to the criteria of trustworthiness (Krefting, 1991:214-224). These criteria for trustworthiness include elements such as the truth-value of the research, applicability, consistency and neutrality throughout the study. Table 2.8 provides a summary of the trustworthiness criterion tested and the strategy used for qualitative and quantitative research.

Audio and video recordings may contribute towards achieving objectivity and should be managed and organised according to occurrence in terms of date, venue and participants (De Vos *et al.*, 2005:283).

Table 2.8 Trustworthiness criterion for qualitative and quantitative research

Criterion	Qualitative strategy	Quantitative application
<p>Truth-value</p> <p>The truth-value indicates the level of confidence that the researcher have in the other person or in the specific circumstances under which the research was conducted.</p>	<p>Credibility</p> <p>The credibility of the study can be established by the following criteria:</p> <ul style="list-style-type: none"> • Prolonged and varied field experience • Time sampling • Reflexivity (field notes / field journal) • Triangulation • Member checking • Peer examination • Interview technique • Establishing authority of the researcher • Structural coherence • Referential adequacy 	<p>Internal validity</p>
<p>Applicability</p>	<p>Transferability</p> <p>Nominated sample Comparison of sample to demographic data Time sample Dense description</p>	<p>External validity</p>
<p>Consistency</p>	<p>Dependability</p> <p>Dependability audit Dense description of research methods Stepwise replication Triangulation Peer examination Code-recode procedure</p>	<p>Reliability</p> <p>Consistency of the aspect, repetition or recurrence confirms the dependability of the results or findings.</p>
<p>Neutrality</p>	<p>Confirmability</p> <p>Confirmability audit Triangulation Reflexivity</p>	<p>Objectivity</p>

Source: Krefting (1991:215), Key (1997) and Neuman (2006)

2.5.8.8 Quality control

The Harvard referencing style, which is recognised by the International Standards Organisation as a good scholarly style, was used in this study.

Validity in qualitative research involves the description and explanation of the process followed and whether the explanation and documentation are the same as the actual description (Denzin & Lincoln, 2003:69). Internal validity can be ensured by making use of any of the following methods:

- Triangular discussions that take place between the source of the information, the researcher and an outsider that verifies the authenticity of the researcher's findings and interpretations. With triangulation, several methods are used to study one phenomenon (Holloway & Wheeler, 2002:15).
- Another method to ensure internal validity is to verify the results by asking participants to perform an audit of the themes and sub-themes as they were identified by the researcher and confirming them as being accurate assumptions or conclusions.
- Key informants can also follow the process of data gathering and can be used in reviewing the findings of the focus group discussions from time to time (Creswell, 1994:158).

External validity is more difficult to establish because of the very nature of qualitative research data. Qualitative research data cannot be generalised in total, but it may be gathered in different categories and themes. Reliability is limited to the repetitiveness of the findings under different circumstances, by a different researcher and by different attendees. By providing as much as possible information on how the study was conducted, the repetitiveness of the study is made easier for future research and its reliability is improved (Creswell, 1994:159).

Focus group data needs to be interpreted from a group context and the researcher needs to distinguish between different opinions in the group dynamic (Barbour & Kitzinger, 1999:16,176). Focus groups do not produce conformity and even though the focus might be to determine how people behave, it can only measure how people say they will behave (De Vos *et al.*, 2005:302).

It is difficult to transcribe during the group discussion because often more than one person speaks at a time and therefore video recordings might be helpful and could even enable the researcher to do a quick voice check (Barbour & Kitzinger, 1999:16). Software packages, such as the Ethnograph and NVivo can be used to assist the researcher in analysing the findings of the focus groups. The data from the focus

group discussions need to be thoroughly worked through to investigate the transcripts for completeness, legibility, as well as accuracy, meaningfulness and consistency in terms of the answers (Nel *et al.*, 1988:99).

Although focus groups are often used as the only research method, it is also used in combination with other methods to provide alternative findings or in an attempt to combine the various strengths of alternate methods (Daymon & Holloway, 2002:186).

2.6 QUESTIONNAIRES AS A RESEARCH METHOD

The focus groups discussions determine the basis for the formulation of questions (Churchill & Iacobucci, 2002:98) and item wording as it is generally used in practice for inclusion in the structured questionnaire (Morgan, 1997:25). The quantitative nature of a survey entails the collection of information through a questionnaire by distributing it amongst a sample of people (Zikmund, 2003a:175). A questionnaire can be defined as a set of questions that are asked in such a way as to generate the data that is necessary to accomplish the set objectives of the research (McDaniel & Gates, 2005:318).

Primary data needs to be truthful and there must be some control over error. Primary data can be edited which will make it possible to analyse it by sorting and tabulating the data (Emory & Cooper, 1991:88-89). The structured questionnaire serves as the instrumentation to make the necessary measurements in the study (Mouton, 2001:102).

2.6.1 Reasons for the use of questionnaires

A self-administered questionnaire is less expensive than qualitative research methods (Cooper & Schindler, 2003:341). The method of data collection consists of a questionnaire that is handed to the respondent and he or she has to complete it individually (Zikmund, 2003a:212). The researcher is however available for additional assistance if needed. The researcher's role is minimised and the respondent is required to provide his or her own contribution by providing own answers (Delpont & Fouche, 2005:168).

Data collection consists of two interconnected activities, namely data elicitation where the data is accessed and opened for further examination. The second activity

involves the recording of the data captured. The research question is then addressed through the codified information (Breakwell, 2004:4).

Some of the motivations for the use of self-administered mail questionnaires include:

- Cost - this type of research is relatively more affordable than other research methods.
- Convenience - it is easy to deliver the questionnaire and the respondent can complete it in his or her own time and at a preferred place.
- Interviewer's absence may lead to the respondents feeling unrestricted and free to answer honestly and without any pressure.
- Standardised questions allow the researcher to make direct comparisons.
- The time that is normally allowed for the finalising and completion of the questionnaires is between two and three weeks. Therefore, this method takes less time than for instance personal interviews.
- The maximum length is normally six pages and participants should be able to understand and complete it easily (Zikmund, 2003a:213-214).

2.6.2 Types of questions

Structured questions are questions that limit the response alternatives by providing only a few options to choose from (Zikmund, 2003a:186). The answers can be obtained using nominal scales to separate the data in mutually exclusive and collective categories that can be exhausted (McDaniel & Gates, 2005:260). Ordinal scales order the data into labelled characteristics (McDaniel & Gates, 2005:276). Rank-order scales are measurement scales and can be included in a questionnaire to compare two or more items, as well as rank them according to importance (McDaniel & Gates, 2005:287).

Multiple-choice questions with single and multiple answers can be used (McDaniel & Gates, 2005:327). Likert scale questions require the respondent to specify a level of agreement or disagreement with specified statements to identify their attitudes towards a specific concept or question (Nel *et al.*, 1988:244) on a scale of between four or five options (McDaniel & Gates, 2005:297).

A few questions that require unstructured answers can also be used as free response questions, for instance straight questions and open-ended questions (McBurney & White, 2004:239; McDaniel & Gates, 2005:324).

2.6.3 Data analysis

The amount of data collected by the questionnaires can be reduced to a manageable size by the application of various statistical techniques (Cooper & Schindler, 2003:87), such as to derive functions and relationships amongst the variables (Emory & Cooper, 1991:89).

The next step is to tabulate the data to derive meaningful answers and conclusions. Statistical techniques and coding, such as frequency analyses and tendencies can be calculated through average values to make sense of the raw data (Nel *et al.*, 1988:99). Statistical findings can be presented through the following methods:

- Frequency tables can be included. This allows the researcher to gather a number of scores in the same division of the variable (McBurney & White, 2004:142).
- Contingency tables (cross-tabulations) where two variables are grouped together in a simple table (Nel *et al.*, 1988:99).
- Graphs – pie-charts / histograms / bar diagrams.
- Statistical summaries.
- Selected quotations or powerful statements from responses (Welman & Kruger, 2002:216).

2.6.4 Validity and reliability

Validity refers to the truthfulness of the research and it can be divided into face validity and content validity. With face validity, the data appears to be valid on the surface and it almost seems to be common sense. Content validity refers to the degree to which the research is representative of the actual situation. Validity describes a situation in which the extent of the truthfulness or accurateness of data on a social phenomenon can be proved (Silverman, 1993:149). The validity and reliability of the measurement can be measured by making use of the following instrument:

$$M = A + E$$

Where E = errors and M is the measurement, with A for complete accuracy (McDaniel & Gates, 2005:263)

McDaniel and Gates (2005:246,247) distinguish between internal and external validity in research. With internal validity, competing explanations for the results are ruled out. External validity describes the extent to which the causal relationship between the persons, settings and time can be generalised to settings other than the research.

Reliability is a direct reflection of the precision of the instrument or degree of consistency in the results when repeating the research on another group or under different circumstances. Reliability refers to the degree of consistency of observations made by different observers under the same conditions (Silverman, 1993:145). Reliability can be achieved if the research results deliver consistent data that is free from random errors (McDaniel & Gates, 2005:265).

2.6.5 Limitations and most common errors

Errors that might occur in data collection include the following:

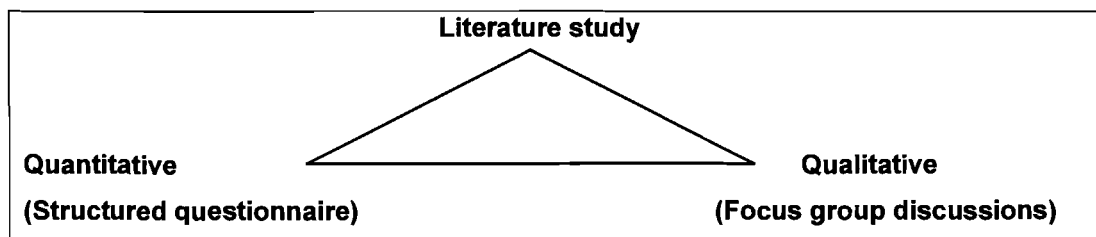
- Research expectancy effect. The pilot study may act as a measure for the expected outcome or results derived from conducting this research (De Vos *et al.*, 2005:212).
- Refusal to participate is described as a situation when the person who was contacted refuses to participate or provide his or her contribution to the research (Zikmund, 2003a:178). The percentage of non-response is known to be high and even though there are many ways to attempt to decrease this number (including gift vouchers, payment, entry to a competition where participants stand a chance to win a prize and so forth), the researcher should take into account that the response rate will still be low. Therefore, over-recruitment is always necessary (De Vos *et al.*, 2005:213).
- Social desirability effects. This describes responses from respondents that consciously or unconsciously answer in the way they think are expected or what might put them in a better position (Zikmund, 2003a:183).
- Self-selection bias is also a limitation in most research in that the person who understands or feels strongly about the research topic is more likely to respond

than those that do not understand or value the nature of the topic. Therefore, the results can be skewed and further attempts should be made to include those that do not want to participate (Zikmund, 2003b:190).

2.7 BROAD RESEARCH PROCESS OF THE STUDY

The research was conducted from a multi-methodological background because of the multi-disciplinary nature of the topic. The role of networks in a business and the available business networking strategies were studied in the literature study (Emory & Cooper, 1991:145). Triangulation of measures was used in this research to provide a broader and more in-depth understanding and analysis of the networking concept. The empirical study was conducted to investigate the attitudes towards and utilisation of networking in Gauteng businesses. Figure 2.2 illustrates the broad research process.

Figure 2.2 Research outlay



Close contact had to be established with the respondents through the focus group discussions to be able to identify and analyse their perceptions, motives and individual understanding of relationships and networking. Quantitative structured questionnaires were sent to focus group participants. These questionnaires provided the necessary data to analyse the detail and obtain individual perspectives on their application.

2.8 RESEARCH PROBLEM

The initial step in any research project is to determine the specific research problem and its objectives (Zikmund, 2003b:102). The research problem provides an indication of the specific business area that is clarified by the research questions (Zikmund, 2003a:61). Once the research problem has been determined, objectives are formulated to successfully solve the problem (Zikmund, 2003a:94).

A background investigation of available knowledge on the topic has to be conducted before the research question can be finalised (McBurney & White, 2004:31). The research problem is then clarified through the problem statement, research question, aim and objectives of the study (Nel *et al.*, 1988:94).

2.8.1 Problem statement

The ability of business owners to network within the economy is of great importance in determining a business's ability to overcome gaps in the market and to contribute to the establishment, maintaining and sustaining of a competitive advantage.

Therefore, the motivation behind this study is to analyse the utilisation and application of networks in Gauteng businesses. From this information, the proposed framework for networking can then be developed.

2.8.2 Research question

The direction of the empirical study became evident through the identification of a research question, which was done by studying relevant literature and conducting the focus group discussion as part of the preliminary study (Bak, 2004:21).

The research question can be defined as the question chosen to embody the objectives of the research study (Cooper & Schindler, 2003:73). The research question of this study is: How can network practices amongst Gauteng businesses be improved?

2.8.3 Target population

The target population consisted of business owners and managers in Gauteng. These homogenous strangers and acquaintances formed the focus groups and took part in a group discussion on relatively structured questions. Respondents included Indian, black, Jewish and white English- and Afrikaans-speaking men and women who own and/or manage businesses in the Gauteng province.

2.8.4 Sampling method

For the purposes of the pilot focus group discussion, a judgment or purposive sampling method was used whereby the researcher selected a sample with certain common characteristics to fulfil a specific purpose (Zikmund, 2003a:392). In this particular study, the criteria set for inclusion in the purposive sample is that they were all Afrikaans- or English-speaking business owners or managers in Gauteng, that they all acknowledged networking as a relevant topic even though their personal knowledge on the subject varied and that they were willingly participating.

Thereafter, a snowball sample was used in conducting the other focus group discussions. A snowball sample has a niche application in that it assists in identifying respondents and gaining access to the interconnected network that exists between people in a business and between different businesses that are not easily accessible or identifiable (McDaniel & Gates, 2005:375). The snowball sample consisted of people that were invited by participants from the purposively chosen sample that met the set criteria.

To conduct the remaining focus group discussions and complete the structured questionnaire, a snowball sample assisted the researcher in identifying other individuals from the specifically applicable population. They were requested to identify other individuals to include in the study, for instance friends, acquaintances, business partners or colleagues. In total, forty-one networks were included in the snowball sample of friends, acquaintances, and other relevant role players. This represented every individual's network.

In conducting the questionnaires, the purposive sampling method was used. This non-probability sampling method was used to select the sample based on their specific characteristics (Zikmund, 2003a:382), in other words the AHI members are all owners and/or managers of businesses in Gauteng.

2.9 RESEARCH PROCESS

Multiple methods were used to obtain a better understanding of the concept as well as to arrive at a more holistic point of view for analysis. In this study, the very nature of networking prompted the research to include the qualitative method (focus groups) and the quantitative structured questionnaires that provided data on attitudes,

perceptions and personal views as well as data for statistical analysis. The one concept, namely networking, was studied from different perspectives to either confirm or contrast the focus group findings and lead to a better understanding and richer dimension of networking.

The first part of the research process started with an initial pilot focus group discussion where eight prominent business owners and managers were chosen by means of a purposive sample. They had to comply with certain criteria, namely they had to be either owners or managers of businesses in Gauteng. Other criteria included that they had to be Afrikaans- or English-speaking, willing to participate in the discussions and open to share their experiences and opinions of networking.

The pilot focus group provided the background to refine the research question and particular objectives set for the research. Content validity was also ensured in that the content of the focus group agenda was measured in the preliminary focus group.

The pilot focus group was followed by four focus group discussions that consisted of between six and 12 participants at a time. The business owners and managers provided useful information and insight into specific problems related to networking and the differences in approaches of the different business fields and industries.

After having reached saturation of the findings in the focus group discussions, a structured e-mail questionnaire was sent to all the focus group participants and all the members of the AHI chambers of commerce in Gauteng.

The questionnaire was sent to the participants and in turn, they were asked to forward it to their various networks to confirm the interpretation of the qualitative focus group discussion data, as well as provide additional information on the specific topic. Figure 2.3 illustrates the steps of the research process that were followed in this study.

The primary data in this study was collected by means of direct verbal and written communication from the participants (Nel *et al.*, 1988:97-98).

Figure 2.3 The research process of the study

<p>PHASE 1</p> <p>Step 1</p> <p>The research question was developed: Determine the role and degree of network utilisation in Gauteng businesses.</p> <p>The research design and type of research method were chosen as triangulation of methods with the possibility of in-depth knowledge of the utilisation of networks in Gauteng businesses.</p> <p>The research goal is to develop a potential networking framework for business owners and managers in the Gauteng province in South Africa.</p>
<p>Step 2</p> <p>The refining of research questions and collection of specific information was done by means of a pilot focus group discussion that included eight purposively chosen Gauteng business owners and managers.</p> <p>This information provided the basis for the refined questions of the main study.</p>
<p>PHASE 2</p> <p>Step 3</p> <p>The target population consisted of business owners and managers in Gauteng.</p> <p>A snowball sample of the networks of Gauteng business owners and managers provided access to privileged information on the working of networks.</p> <p>The sampling frame included forty-one business owners and managers in Gauteng.</p> <p>The total sample size was forty-one Gauteng business owners and managers. Thirty are considered as the limit to conduct meaningful statistical analysis (Saunders <i>et al.</i>, 2003:155).</p> <p>Participation was voluntary and each host invited his or her own network.</p>
<p>Step 4</p> <p>Participants were accessed through the referrals of the participants of the pilot focus group.</p> <p>Data was recorded in detail by means of field notes, audio and video recordings, keeping a focus group agenda and documenting the answers accordingly for further processing.</p>
<p>SECOND PART OF THE MAIN STUDY</p> <p>Step 5</p> <p>The second part of the main study included the completion of a structured questionnaire by the focus group participants. This questionnaire was sent to each individual participant to obtain more detailed and individual information.</p> <p>The structured questionnaire was also sent to the members of the AHI chambers of commerce in the Gauteng province.</p> <p>Participants were asked to forward it at will to their own individual networks. By sharing knowledge and information, the value of the networking experience was made available to other members of the participants' networks.</p> <p>The questions were developed based on the findings and tendencies recorded in the focus</p>

group discussions and literature.
<p>Step 6</p> <p>Data processing through computer programs. Theme identification and frequency analysis by making use of the SPSS program.</p> <p>Rechecking of the data and conducting a statistical analysis of the data.</p>
<p>Step 7</p> <p>A detailed description of the methods and findings used in the study was documented.</p> <p>The information and findings were summarised, evaluated and reported in detail through conclusions and recommendations.</p>

Table 2.9 provides a summary of the main criteria that are applicable to both the quantitative and the qualitative parts of the study.

Table 2.9 Criteria application to qualitative and quantitative components

Criteria	Qualitative	Quantitative
Focus of the research	Quality: investigating the nature and essence of the concept.	Quantity: investigating how many offer the same data.
Philosophical roots	Phenomenology or symbolic interactions.	Positivism and logical empiricism.
Associated phrases	Fieldwork, ethnographic, naturalistic, grounded, subjective.	Empirical and statistical.
Goal of investigation	To understand, describe, discover, and generate new knowledge.	To predict, control, describe and confirm.
Design characteristics	Flexible, evolving and emergent.	Predetermined, structured questionnaires.
Sample	Participants, informants, purposive and theoretical sampling, flexible sampling.	Respondents, subjects, randomised sampling, fixed sample frame prior to start of research.
Data collection	The researcher is the primary instrument by conducting in-depth non-standardised interviews, group interviews, observations, fieldwork, documents, videos or photographs.	Inanimate instruments are used, for example: scales, tests, surveys, questionnaires, standardised interviews, structured observations, documents, controlled trials.
Types of questions and amount of information	Probing. Substantial amount of information is gathered.	Probing is limited. Varied amount of information is gathered.

Sample size	Small, non-randomly chosen or theoretical.	Large, randomly chosen and representative.
Research setting	Natural and familiar.	Unfamiliar and artificial.
Administration requirements	Interviewer with specialised skills.	Not as specialised as with qualitative.
Type of analysis	Thematic, constant comparative analysis, grounded theory, ethnographic analysis, subjective and interpretive, inductive.	Statistical and summation, or deductive by means of statistical methods.
Hardware needed	Tape recorders, projections devices, video recorders, pictures and discussion guides or agendas.	Questionnaires, computers and printouts.
Applicability	Low degree of applicability.	High degree of applicability.
Researcher training	Psychology, sociology, social psychology, consumer behaviour, marketing, marketing research.	Statistics, decision models, decision support systems, computer programming, marketing and marketing research.
Type of research	Exploratory.	Descriptive or causal.
Findings	Comprehensive, holistic, expansive, a story, an ethnography or a theory.	Measurable or precise, narrow and reductionist results.
Relationships	Direct researcher involvement.	Limited researcher involvement.
Rigour	Trustworthiness, authenticity, typicality and transferability.	Internal and external validity, reliability and generalisation.

Source: Holloway & Wheeler (2003:16)

The specific research topic of networking is a personal experience. Therefore, to understand the interaction of the whole with its components, the interpretivist approach attempts to interpret the words, emotions and experience of the respondent to assist the researcher in gaining access to an in-depth learning process (Greeff, 2006).

2.9.1 The focus group discussions

Focus groups were used because of the exploration quality of these groups. It is therefore a preferable method to use in this field, specific business context and application with its limited amount of information available. Through the discussions, the researcher was able to develop a better understanding of the behaviours and

attitudes of the participants. In the invitation to the focus groups, the focus was on the reciprocity of a win-win situation, where participants (all being entrepreneurs) were offering their valuable time. Valuable discussions that could benefit their businesses and exposure to potential clients were offered as motivation for a value exchange opportunity.

Focus group discussions revealed the ideas and insights of business people that could be documented. It furthermore provided information on body language that could be studied and attention could be given to what the respondents did not say or discuss.

Most of the contacts would not have been possible without an invitation by a specific person or connection. Therefore, the motivation for the use of a snowball sample and focus groups lies in that this particular target population is not accessible in any other way.

2.9.1.1 Focus group sample size

For practical implications of time and financial resources, a snowball sample of subjects was included in the interviewing process. In this instance, the network between business people and the utilisation thereof are the main motivation behind the use of this method. Most of these business people are interconnected through direct or indirect acquaintances. Focus group discussions form part of the networking experience. Focus group discussions embody the coming together of different individuals to share their knowledge and learn from each other's experience. Aforementioned allows the researcher to tap into these networks, thereby obtaining access to other networks.

In light of the aforementioned and in an attempt to gain access to these interconnected networks, preliminary focus group participants were asked to host another focus group or to invite 12 of their own contacts in their network for inclusion in further focus groups. They had to identify other potential participants that meet the criteria of managing or owning a business in Gauteng (Cooper & Schindler, 2003:203). Although this method begins as a small sample, it grows exponentially as one respondent could refer between eight to 12 others.

2.9.1.2 Application in study - sampling strategy and number of groups

The host of the first focus group was asked to invite his or her network whereupon one of these acquaintances was asked to host the following focus group. In this way, the networks of individuals were accessed and investigated.

In this study, the number of participants per session was limited to between six and 12 active participants. The total group sessions included a total of five for the main study until 41 business owners and managers were included. In this study, the appropriate number of focus groups depended on the research question, in other words networking, as well as the range of people that needed to be included. Saturation was reached after three focus groups. The process was however repeated twice more to include a representative number of participants.

2.9.1.3 Focus group composition

Valuable insights were documented during entrepreneurs' exposure to each other's ideas and comments. Most of the focus groups had to, due to the nature of the research topic, work with some form of pre-existing group or at least people who were in some way acquainted with each other, either directly or through a mutual acquaintance. In other words, the composition of the focus groups was based more on circumstance than on planning.

Focus group participants were homogenous in that all were business owners or managers in the Gauteng province. They were recruited by an external sponsor that invited them by ensuring them of the importance of their input and the possible value that could be gained by establishing business connections or transactions.

2.9.1.4 Recruitment, screening and gaining access to participants

Highly specialised participants, namely business owners and managers were required by means of an external sponsor who motivated the people to participate. The participants of the remaining four focus groups were recruited by means of referral networks, which may include referrals made by either a friend, colleague or business acquaintance.

The final groups consisted of other business owners, business partners, opposition and friends that were invited by previous participants. The hosts of the remaining group discussions were chosen on the basis of the value that they received out of their involvement in a previous focus group.

Anticipated problems that the 'host' will screen potential participants and that people are recruited under false pretences or with the wrong information were illuminated by instructing each 'host' to invite up to 20 potential participants. This reduced the chances of only selecting specific participants since a person only has direct access to a limited number of people and the host is therefore forced to invite other people he or she would not necessarily include.

The problem of inviting the participants under false pretences or by making use of the wrong information was illuminated by screening the invitation before it was sent out and making sure that the information is just.

The 'host' attended the first focus group and became a recruiter for the following focus groups. This is in essence also a networking technique to gain access to each member's own network. This created a process whereby each focus group consisted of between eight to 12 new participants, excluding the host and the researcher – something that is difficult to achieve with professionals (McDaniel & Gates, 2005:114).

For each focus group, 15 to 20 potential participants were invited to ensure that at least eight participants show up in the end. This is in accordance with the tendency to over-recruit. In this case, the over-recruiting rate was more than 100% to ensure between six and 12 attendees.

2.9.1.5 Research setting

The focus groups were held early in the morning at well-known and easily accessible venues. Traffic and travel time were important considerations in the selection of venues.

Focus group proceedings were videotaped and audiotaped. The venues were situated in Centurion, as it is more accessible than the inner cities of Johannesburg and Pretoria. It is also situated almost halfway for participants travelling from either

Johannesburg or Pretoria. The facilities are equipped with air-conditioning, there is a low level of disturbance and it is secure.

The facilities were arranged according to the rectangular layout and the conference setup provided the basic furniture and infrastructure. Refreshments were offered at different stages, for instance, before the focus group started each participant was offered coffee or tea, muffins or other light breakfast snacks. After the focus group, coffee or tea was also available for those participants that would like to informally network with each other.

2.9.1.6 The moderator

The researcher acted as moderator.

2.9.1.7 Conducting the focus group

The focus groups were planned as a breakfast, starting at 7:00 for 7:15 am. This motivated business owners to attend because it fell outside normal working hours and most of them do not have the time during the day. Well-known and important entrepreneurs were invited and this motivated other entrepreneurs to attend and get the chance to meet and network with them. Five focus groups were held and 41 participants took part. Table 2.10 gives an overview of the procedure that was followed during the focus groups.

Table 2.10 Procedure during the focus groups

Time	Activity
7:15 am	<ul style="list-style-type: none"> • The host network organiser introduces the participants. Everyone informally gathers around the table with a cup of coffee or tea and a light breakfast.
	<ul style="list-style-type: none"> • The host and the researcher do the introductions and welcome all participants. • The value of each participant's input is expressed. The ethical consent form and confidentiality agreement are distributed and participants are requested to sign one copy and keep the other copy. Issues surrounding participants' voluntary participation are discussed. • An explanation of the process and the ground rules, for instance that material is not to be discussed outside the group, that only one participant is allowed to speak at one time, that participants should speak loudly and

	<p>clearly, the informality of the discussion and the importance of spontaneous responses are stressed,</p> <ul style="list-style-type: none"> • the focus group agenda is discussed, and • the completion of an e-mail questionnaire that will be sent at a later stage is explained. • Participants are given the opportunity to ask questions whereupon the focus discussion begins.
7:20 am	<ul style="list-style-type: none"> • Each of the participants introduces him- or herself.
7:30 am	<ul style="list-style-type: none"> • The focus group discussion continues in a normal conversational flow with the minimum moderator involvement. Sometimes the only involvement is to steer the conversation back to a specific topic or detail or to move on to a next topic.
8:45 am	<ul style="list-style-type: none"> • In most cases, the focus groups end around the agreed time. The focus group ends with the researcher thanking all participants for their input, again assuring them of the confidentiality and reminding them of the report of the findings that will be made available at the end of the research.
9:00 am	<ul style="list-style-type: none"> • After the discussion, the participants network by having informal discussions amongst each other and with the special invited guest. Most members depart between 9:00 and 9:15 am.

2.9.1.8 The focus group agenda

The focus group agenda consisted of the following questions (not necessarily in this particular order):

- *What are your ideas or perceptions regarding networking? / Wat is jou persepsies of idees aangaande netwerking?*

This first question was asked as a basis to probe individual experiences of networking. Each participant's perceptions and ideas surrounding networking could then be shared later on in the session. This probed the researcher to explore shared experiences and/or differences in experiences. Storytelling and personal experience examples illustrated the individuals' own perceptions (Barbour & Kitzinger, 1999:36).

- *There are external and internal networks - What do you perceive as most important similarities and/or differences? / Daar is eksterne en interne netwerke – Wat beskou jy as die belangrikste ooreenkomste en/of verskille?*

The purpose of this exploratory question was to determine whether the participants believe that there are differences between internal and external networking and to obtain further information if applicable.

- *What elements do you regard to be part of networking in general? / Watter elemente dink jy vorm deel van netwerking oor die algemeen?*

This question was asked to discuss the elements that one can contribute to networks and to categorise it.

- *Let us share some successes or failures of networking. / Kom ons deel etlike suksesse of mislukkings van netwerking.*

By making use of this question, potential practical examples and case studies were encouraged and by sharing personal experiences, other participants followed suit by sharing their experiences.

- *How will you describe networking? / Hoe sal jy netwerking omskryf?*

This question was asked to summarise and to pinpoint specific words to include in a definition.

2.9.1.9 Focus group data documentation

During the focus groups, the researcher made field notes and side notes of particular behaviour or specific occurrences. Focus group discussions were documented from different perspectives to provide an overall picture and put the information into context. Illustrative quotations were also used to report the findings of the focus group discussions (Breakwell, 2004:347).

- **Field notes**

Contextual notes are made prior to the start of the focus groups in terms of venue, setting and other important aspects (Holloway & Wheeler, 2002:87). Field notes (Appendix E) involve the organisational notes in terms of documenting the date, time, venue and specific setting in which each focus group was conducted. The discussions were indexed in terms of each focus group transcript extract. The discussions were organised in a moment-to-moment account, as well as in sequence so that one subject or line of discussion leads to another. Another important

documentation involved the analysis of interaction between group members in the group context and their agreements, as well as disagreements.

- **Personal notes**

These notes reflect the researcher's own experiences and observation of the focus group session and environment. Personal notes can be made immediately after the group discussions while the researcher still has a clear mind of what happened (Holloway & Wheeler, 2002:87).

- **Observational notes**

Observational notes give an account of the circumstances under which the focus group is conducted and any situational happenings that might influence the discussions in a negative or positive way. These notes should be made during the discussions, but with caution as it could disturb the process (Holloway & Wheeler, 2002:87).

The textual data is too explanatory and has a surplus of meaning. It is therefore not captured in a short and structured manner, but is discussed in detail in the study. The data that was collected by the focus group discussions was checked for completeness, legibility, as well as accuracy, meaningfulness and consistency in terms of the answers.

2.9.1.10 Problems encountered

During the research, a number of problems were encountered. Some of the most important ones are discussed below as well as steps that were taken to minimise the effect thereof or alternatives that were taken to overcome it.

- Scheduling focus groups takes a lot of time and effort. It is extremely difficult to gather people of this stature together at one time given their busy schedules and time limitations. To overcome this problem, the actual organisation of the focus group meetings, such as setting the date and selecting the venue, was planned four to six months in advance to ensure that all the participants could be present.

- Acoustic problems were encountered in some of the venues. Lighting and/or noise were a problem in some instances during the recording of the focus groups.
- Although respondents were requested to speak up when they share their opinions, not all of them managed to do so. Therefore, recording of voices was difficult and this was overcome by the use of audio and video tapes.

Wickham (2004:393) supports the findings in the study that conducting focus groups presents some specific problems. Focus groups are difficult to organise in that a minimum of five to eight professional people need to be present at one time. Professional people often have a very busy schedule and that makes their commitment to a time and date all the more difficult.

The venue needs to be acoustically sound, while technical management is required for the sound and video recordings during the session. To interpret the voice recording is challenging and requires professional input. If the participants talk simultaneously or they do not speak loud enough, the data is lost.

2.10 DATA ANALYSIS

Throughout the research, data analysis was done on the basis that themes were continuously identified and coding was started during the process to develop some of the concepts and issues that were prominently discussed earlier on (Daymon & Holloway, 2002:233). Quality control was performed through the administration of dates to data fields. Dates when focus groups were conducted were included and the duration of the groups and the degree of participation were documented. Extraneous variables, such as delays and other problems that could influence the fieldwork were also detailed.

The same line of prompting questions was followed in the focus group agenda to allow the researcher to compare and bring together data from the different focus groups.

2.10.1 Data analysis of video recordings

During the group discussion, it is difficult to transcribe because often more than one person speak simultaneously. The video recording assisted in making a quick voice check.

2.10.2 Data analysis of audiotape transcriptions

Transcriptions were kept to a simple orthographic nature and only the spoken words were documented by a professional transcriber. The completed transcriptions were then analysed in terms of supplementing it with the researcher's own notes and making a summary of the events from the researcher's own experience.

Finding the transcriber was difficult as this specialised and time-consuming practice is not generally done or available. Each transcript was studied for specific wording, phrasing and/or sentences that could be used by participants in terms of articulation of their personal thoughts and feelings.

2.10.3 Specialised programs to analyse the data

A software package, Nvivo (Nvivo 7), was used at first to facilitate the analysis of the data collected during the focus group discussions, such as the transcripts and field notes. Code words were created, organised and grouped together in each group individually, as well as across the different group discussion documents. The program also assisted in generating and interpreting the themes as they were identified in the discussions and summarised the output of the discussions (QSR International, 2002).

Later on, the researcher used the categorisation process independently to seek out differences in coding or to identify the main themes versus the software package and to facilitate quality control.

2.10.4 Reliability

Reliability of the study was proven in three different ways. Firstly, reliability of measurements, which refers to the consistency of the measure and the repeatability of the variable, proved the findings dependable. Secondly, stability reliability, which refers to the agreement of measuring instruments over time, was used. Even though the measurements were taken over a span of five months, the results and measurements did not change.

Another aspect of reliability that was confirmed in this study is the recording of the same findings for different social groups. In this study, it was particularly difficult to

replicate the exact contexts of each focus group because participants are exceptionally busy and not easy to reach. Some of the respondents are involved in overseas negotiations and it is therefore difficult to bring them together at one time.

The reliability of the study lies in the fact that even with five different focus group discussions and with a diverse mixture of participants, data saturation was reached after three discussions. The focus groups were however conducted twice more to ensure reliability of the data and representative participation.

The main reason for the inclusion of the questionnaire in this research was to establish rapport through the different methods of group and individual participation. Furthermore, gathering quantitative and qualitative data allowed triangulation and verification of the results. This enabled the researcher to develop a richer and in-depth dimension of understanding and explaining the topic of research.

2.11 THE QUANTITATIVE QUESTIONNAIRE

After concluding the fifth focus group discussion, the quantitative research method was applied and a structured questionnaire was sent out. The responses on this questionnaire provided insights into the view of each participant outside of a group context, as well as rich information of a different perspective. The questionnaire was sent by e-mail to the participants in the focus group discussions, as well as to the chairpersons of the different AHI chambers of commerce in the Gauteng region and the owner of INNERCircle, an electronic networking group.

By explaining the two-step research process beforehand to the potential participants, positive attitudes were ensured. This also assisted in gaining access to this niche target audience in accessing their personal e-mail addresses. An appropriate questionnaire was designed for the purposes of this study. Each participant received the same questionnaire and the same amount of time for completion.

The questionnaire was compiled in English. Potential participants were asked to circulate the questionnaire amongst their close networking partners requesting them to complete it. Participants were informed that this might improve their position in their own network by sharing information and this offered them the opportunity to expand existing networks. Confidentiality and anonymity of respondents' identities (Cooper & Schindler, 2003:341) were discussed in the enclosed letter.

2.11.1 Design and construction of the questionnaire

The structured e-mail questionnaire that was sent to each of the potential participants was aimed at gathering more detailed and specific information. This correspondence included a covering letter in which the respondent was informed of the nature of the survey and encouraged to participate. An example of the covering letter that was used in this study is included in Appendix F.

The questionnaire was also posted on a website and the web link was shared via e-mail with the focus group participants and AHI chairpersons. It was also included in the electronic newsletters of INNERCircle.

The questionnaire consisted of four sections, which each consisted of a variety of questions.

- The first section of the questionnaire consisted of nominal scales to obtain background and detail on respondents' age, gender, racial classification, language preference, highest level of qualification and highest turnover of the business in which he or she is/was involved. The gross assets value of the business sector and industry to which the business belongs, date of establishment, form of business and the number of people employed by the business were also required. Information was divided into exclusive and collective categories.
- The second section of the questionnaire focused specifically on networking. Ordinary level scales were used to orderly list the data on the characteristics of networking. This was then labelled and scales were allocated to each answer. This type of questioning was used for questions on the business's commercial activities and number of contacts (McBurney & White, 2004:242). Closed-ended dichotomous questions that required the respondent to make a definite choice between two answers (Yes / No) were also included for specific responses on how participants measure networking, their reasons for networking, what forms of networking they use and to confirm their position in their own networks.
- In the third section of the questionnaire, data on the actual utilisation of networking was gathered. Itemised rating scales or rank-order scales were used to evaluate the business owner's judgement on the use of relationships, trust and

other network elements. Verification keys were also included to detect inconsequent answers by the respondents (McBurney & White, 2004:242).

- In the fourth and last section of the questionnaire, Likert scales were used to measure the attitudes of the respondents according to how strongly they agree or disagree with the given statements, or how high or low they rate a specific element or fact in their business or personal life. A four-point Likert scale was used in an attempt to eliminate the problem of respondents tending to choose the middle option as an answer.
- The final question included an open-ended question in which information on networking, alternative and own opinions of the respondents could be documented. This also allowed the researcher to gather additional information such as item wording because the respondents replied in their own words.

2.11.2 Questionnaire data documentation

Follow up took place in three phases. In the first phase, an e-mail reminder was sent to respondents. The second follow-up phase took place after the due date for returning the completed questionnaire. All participants that did not complete the questionnaire were phoned and requested to return their questionnaires before the next due date.

During the third follow-up phase, a final reminder was sent to participants with a prompt to encourage them to participate. They were reminded of the final report that could be of value to themselves and their networking partners, as well as that the quality of the findings are up to them and therefore it is in their interest to participate.

2.11.3 Analysis and interpretation of questionnaire data

The analysis was conducted through the application of various statistical techniques, including frequency analyses, effect indicator analyses, tendencies, as well as Chi-square statistics (see Chapter seven). Responses are documented and presented by means of frequency tables reporting frequencies and cross tabulation in which the data is grouped or categorised according to its frequency. Contingency tables, which are used to draw comparisons between two different questions in the questionnaire, were also used. Quadrant analysis, a method whereby the two-way rating scale question is elaborated into four quadrants on a two-dimensional table (Zikmund, 2003a:474-479), was used.

The answers of the fourth section of the questionnaire were statistically analysed according to their practical significance. Aforementioned were conducted by using the effect sizes as divided by Cohen (1988:223). The practical significance of the relationship between two questions, in this case current and ideal business or personal practices of networking, was analysed. In this analysis, effect sizes of 0,8 indicate a large practical significance, effect sizes of 0,5 indicate a medium practical significance and 0,2 indicate an insignificant practical impact or no impact (Cohen, 1988:222,223).

2.11.4 Population and response rate

The target population of the survey included the 41 focus group participants, the AHI Chambers of Commerce members of the Gauteng region and the members of INNERCircle electronic newsletter. Therefore, a purposive sample was used to include people with specific characteristics as set out in the focus group sampling. Each of these purposively chosen participants was asked to send the questionnaire to between two and five members of their individual network, or to the entire network.

This chain of sharing and building the network of participants through this snowball sample was easily broken since not all participants were keen to send the questionnaire to members of their network. Some did forward the e-mail questionnaire, but there was no response. This might be because they did not understand the networking concept and the value of applying it. Others included more than one response.

The questionnaire was posted by an active hyperlink to the website newsletters of the networking group, Innercircle (www.innercircleforum.com). A hyperlink linked INNERCircle to alephsynergy (www.alephsynergy.com/networking.html) and was actively available to all computers that had Internet access (Zikmund, 2003b:38).

A total of 35 respondents participated in the survey. The following aspects were taken into account in the development of the questionnaire in an effort to increase the response:

- The questionnaire was sent individually to each participant, stating his or her name and explaining briefly the nature of the research and the value of his or her contribution.

- The questionnaire was sent out on three different occasions, taking into account the Easter holiday season.
- The questionnaire was attractive and all that was required of the respondents was to mark their relevant answer with an x. Clear instructions and a fair deadline were provided.

2.11.5 Data capturing and data editing

The numeric data, consisting of statistics and numbers, was processed using software programs that capture qualitative textual data. In this study, the SAS System for Windows computer program (SAS Institute, 2005) was used in the analysis of the data.

2.11.6 Data analysis and interpretation (synthesis)

Purposive and snowball samples were used to gain access to the participants. In light of the nature of the research topic and the difficulty to gain access to these specific participants there was not a random sample available. Inferential statistics (in other words p-values), was therefore inappropriate for this study. Effect sizes was used, as well as the effect sizes of Cohen (d-values) that indicated the differences between different groups or answers.

Relative frequency distribution, whereby the data is reported in terms of the relative proportion to the total of responses, was calculated. The findings of this study were documented by making use of graphic presentations, such as cross-tabulation statistics. Cross-tabulation entails the grouping of the findings in different relevant categories to make the calculation of comparisons possible (Zikmund, 2003a:476). Frequencies are indicated in diagrams, pie charts and through descriptive statistics, which is a multivariate analysis indicated by a correlation coefficient (Welman & Kruger, 2002:208).

The grouped frequencies were also graphically reported by histograms, in which the midpoint of the findings on a specific aspect was displayed (De Vos *et al.*, 2005:229).

2.12 ETHICAL ISSUES IN THIS STUDY

Confidentiality and participants' right to privacy are very important issues (Cooper & Schindler, 2003:125), which was ensured in that only the researcher, promoter and transcribers were allowed access to the audio and video recordings. Any phrases or specific information from the discussions were documented in such a way that no names are mentioned and identities are not disclosed in the study.

2.12.1 Credibility

Participants gave their consent and the entire process was voluntarily. The invitation is included in Annexure A and the consent form is available in Annexure C. Field notes, audio recordings, as well as transcriptions were made in an attempt to observe the data from different angles as to provide a better perspective.

A checklist was used to confirm the recorded focus groups sessions. The verbatim transcriptions were coded by a professional transcriber and analysed by making use of the open coding technique, as well as validation by the participants.

2.12.2 Informed consent

All participants were informed about the research project, the aims and objectives, as well as the procedure that will be followed in gathering the appropriate data. At the beginning of each focus group, the moderator set out the detail of confidentiality and participants were asked to sign a consent form in which they agreed to take part in the research and to complete the questionnaire that would be sent out to them at a later stage. Contact details were supplied for further information.

All participants gave their informed consent to be part of the research and to be videotaped as well as audiotaped.

2.12.3 The right to privacy, anonymity and confidentiality

Participants' right to privacy, anonymity and confidentiality is set out in the consent form (Annexure C) and any participant was free to withdraw from the research at any stage. The most important aspects were also stated in the consent form, such as the assurance that the results are documented in an anonymous way and that only the

researcher, promoter and transcriber have direct access to the recordings. Direct wording, names, or any other item wording that might refer to a specific person were not reported in the study.

2.13 SUMMARY

The multi-method approach is discussed together with the research design and process that was followed in this study. Qualitative methods that include people's feelings, behaviour and experiences, were used. Quantitative research was conducted by means of controlled self-administered questionnaires. The motivation behind the use of the multi-method approach was to obtain different results and to increase the researcher's understanding and knowledge of a complex and multi-faceted topic.

Triangulation of measures was used to ensure the validity and trustworthiness of the research results. Direct evidence is provided regarding the background on the participant's needs, behaviour, belief or attitudes and the correct right item wording to use in the questionnaire was validated. Group dynamics provide stimulus for multiple responses and generate richer information. Additional concepts can also be generated.

Between six and 12 business owners and managers in Gauteng were included in each of the focus group discussions and a high no-show percentage led to the over-recruitment of 50%. Time and resources, as well as saturation determine the number of groups to be held. Recruitment is done in advance. The facility needs to be comfortable and favourable for recording purposes and it should contribute positively to the overall research process.

The time frame is between three to six months and the discussions are normally between 90 minutes and two hours in duration. Referral networks of friends, colleagues or business acquaintances are recruited. The focus group agenda outlines the specific topics and collects information to determine the dimensions of the topic.

The moderator encourages and facilitates the group discussions with techniques available. Focus groups provide an in-depth understanding of participants' views and opinions that are normally not accessible. Challenges include travelling, administrative and operating costs. Transcripts are analysed to identify themes and

find an empirical grounding. The focus groups are videotaped for later reference and additional information. Saturation is achieved when no additional data, new ideas and new understandings are recorded.

Qualitative data reduction involves coding, writing of memos and summarising the findings into themes. Interpretation of the findings includes the explanation, description and discussion of data on a continuous basis. Descriptive wording is identified and categorised to suit the flow of information and line of reasoning.

Ethical issues involve a written consent form that ensures that the participants' right to privacy is in part ensured. Anonymity can not be guaranteed in absolute terms because of other participants that might discuss the findings in other settings. Trustworthiness entails the truth-value and the audio and video recordings may contribute towards objectivity. Reliability is limited to the repetitiveness of the findings under different circumstances.

Item wording was included in the questionnaire as it was identified in the focus group discussions. The questionnaire is less expensive and additional data can be collected. Data collection, data elicitation and data recording are addressed. Structured questions in exclusive and collective categories with ordinal scales, rank-order scales, multiple-choice questions, Likert scale questions and open questions can be used.

Data analysis includes frequency tables, contingency tables, graphs, statistical summaries and selected statements from the responses. The research problem identifies the research question, aim and objectives of the study. The motivation behind this study is the development of a framework of the utilisation and application of networks in Gauteng businesses.

The pilot focus group discussion included participants who were included because they met the set criteria of being Afrikaans- or English-speaking, owned or managed a business in Gauteng, gave written consent, acknowledged networking, willingly and voluntarily participated and were prepared to be audiotaped and videotaped for research purposes.

A snowball sample was used afterwards to assist in gaining access to the interconnected network that exists between people. This sample consisted of people

that had contact with the first purposive sample and met the set criteria. In total, 41 friends, acquaintances, business partners or colleagues were included in the questionnaire survey, as well as the AHI members of Gauteng businesses.

Triangulation as a process whereby the researcher investigates the same topic from different perspectives, was developed in the qualitative method. The quantitative structured questionnaires provided data for statistical analysis. This enabled the researcher to develop a better understanding and explore a richer dimension of networking. Content validity was also ensured in that the content of the focus group agenda was measured in the preliminary focus group.

After saturation of the findings in the focus group discussions was reached, a structured e-mail questionnaire was sent to all the focus group participants, all the members of the AHI chambers of commerce in Gauteng and the owner of INNERCircle, an electronic business newsletter.

Each focus group consisted of eight to 12 new participants, while 15 to 20 potential participants were invited. The focus group proceedings were videotaped and audiotaped and the rectangular layout was used. Discussions started at 7:00 for 7:15 am and finished around 9:00 am. The rest of the day was available for normal business activities. Field notes, personal notes and observational notes were made.

Themes were identified and coded, prompting questions were followed and the video recordings made a quick voice check possible. Data saturation was reached after three discussions, but it was repeated twice more to provide enriched information and to ensure better representation.

The structured questionnaire was sent out via e-mail and each participant's right to anonymity and confidentiality was stated. Participation was voluntary. All the participants received the same questionnaire and they were asked to distribute this questionnaire to members of their existing networks. The questionnaire was also available via a web-link.

A three-step follow-up process, consisting of e-mail and telephone correspondence, was used to encourage participation before newly set due dates. Various statistical techniques were conducted. The effect sizes as discussed by Cohen (1988:223) were used to indicate difference between different groups.

Purposively chosen participants were asked to send the questionnaire to their entire network. A total of 33 respondents participated in the survey after several steps were taken to increase the response rate. The SAS System for Windows computer program (SAS Institute, 2001) was used in the analysis of the data.

Confidentiality and privacy were ensured by restricting access to the audio and video recordings and ensuring that no identities were disclosed. Each participant had to sign a document to declare his or her informed consent.

CHAPTER THREE

THE NETWORKING CONCEPT

3.1 INTRODUCTION

The networking concept refers to the right combination between people, interaction, skill and the opportunity in order to build and keep this network connection (Nierenberg, 2005a:3). Networking can be defined as the positive energy that a person leaves behind when he or she meets people, thereby ensuring that people remember him or her when the opportunity presents itself (White, 2004:5).

There are different ways of looking at networks and one way is to relate it to market transactions. Market transactions need to be punctual and conducted with a certain amount of transparency to ensure the successful setting of a price and the finalisation of the transaction. Network relationships are built over a certain period with transparency with regard to information sharing (Koniordos, 2005:60).

Networks also have an influential effect in that it generates other opportunities and relationships, which creates an exponential effect and this allows the network to grow in some part on its own (Gruszczynski, 2005). Networking interactions that take place within relationships are the essential foundation for transactions, engagements with each other and therefore to conduct business (Ford, Gadde, Hakansson & Snekota, 2003:17). Networking entails more than merely belonging to something; it is a strategy that needs to be tailor-made for different circumstances (Boe, 1994:8) and is essential to the success of professional and personal lives (Khemka, 2005:45).

For the purposes of this study, the literature study is divided into the three main components of networking. The concept, the process and its building blocks are discussed in Chapter three, followed by a description of the people or human component of a network in Chapter four and the business perspective in Chapter five.

3.2 THE NETWORKING CONCEPT

The networking concept is defined or described in many different ways and from many different perspectives. Networks are divided into networks of organisations and the network organisation. Business networks include exchanges through direct and indirect relationships. The network organisation refers to relationships that are measured in terms of their quality, density, multiplicity, reciprocity and shared exchanges in a stable and strategically important connection and environment (Möller, Rajala & Svahn, 2005:1275).

Various authors provide different explanations of the main elements of networking. According to Hadjikhani and Thilenius (2005:6), for instance, the network theory encompasses four concepts, namely relationships, adaptation, social interaction and embeddedness. Table 3.1 provides a short summary of the various authors' descriptions of networking.

Table 3.1 Different descriptions of networking

Description	Author
<ul style="list-style-type: none"> • Networking puts two role players in a position to benefit from their involvement with each other. • Networking entails giving without expecting something in return. • Networking involves clarity, expressing gratitude, having determination to achieve goals, being dedicated to success and a willingness to work on building these relationships on a continued basis. 	Boe & Youngs (1989:5,248)
<ul style="list-style-type: none"> • Networking entails a process whereby personal and professional contacts are developed and nurtured to obtain referrals, support in the form of advice, support in the form of assistance, share information and generate a level of energy that you cannot achieve on your own. 	Boe (1994:9)
<ul style="list-style-type: none"> • Networks are defined as people that have contact with each other to share ideas, information and resources. • Communication is the key to linking people together. 	Misner & Morgan (2000:13)
<ul style="list-style-type: none"> • Networking can be defined as a dynamic structure of change. • Networking is the broadest view to business organisation. • Networks of relationships exist on different levels and in different places. • Networking involves long-term relationships that are flexible and add value to each other. 	Bridgewater & Egan (2002:12,14,15)
<ul style="list-style-type: none"> • Networking is an interactive action, working through, with and in spite of 	Ford <i>et al.</i>

<p>the other parties.</p> <ul style="list-style-type: none"> • Networking is done simultaneously by all the relevant parties and can be bi- or multi-lateral. • All actions are restricted to the agreement and based on the view of all concerned. • Networking is neither competition nor a cooperative exercise. 	(2003:178)
<ul style="list-style-type: none"> • Networks can embody a collection of two or more individuals or businesses that interact in a social system. 	Frazier & Niehm (2004:25)
<ul style="list-style-type: none"> • Networking can be characterised by a relationship involving trust, reliability, shared previous experiences, shared values, mutual understanding, respect, caring, support and communication. 	Peppers & Rogers (2004:55)
<ul style="list-style-type: none"> • Positive networking flow or structure is only possible if one is open to the opportunity and takes the chance to speak to anyone and look for common interests. • One can access whatever is needed in terms of resources and support to ensure the success of the business. This is possible through intensive perseverance and the investment of the time to build strong friendships. 	Roane (2004:xi,30)
<ul style="list-style-type: none"> • Networking entails the nurturing and cultivation of relationships by exchange of mutually beneficial aspects, such as information, resources, giving advice or referrals to each other and supporting each other's activities. • Networking is meaningful relationships where the parties turn to each other for support in times of need. 	Tullier (2004:9)
<ul style="list-style-type: none"> • Networking can be described as the building of long-term relationships with the focus on mutual benefit. 	White (2004:5)
<ul style="list-style-type: none"> • A network consists of personalised exchanges between the different role players, each with their own diverse forms and with each of these role players being an individual actor in their own network in terms of the networking structure or flow. 	Koniordos (2005:5)
<ul style="list-style-type: none"> • Networking can be seen as a web of relationships that offer a basis to be mutually helpful and trusting. 	Lindenfield & Lindenfield (2005:13)
<ul style="list-style-type: none"> • The concept of networking lies in the application thereof, the actual value that is added and the quality of the existing communication infrastructure. All of these aspects drive networking and nurture a networking culture. 	Visagie (2006)
<ul style="list-style-type: none"> • Networking takes time, effort and persistence that need to be practised; it is therefore a skill. 	Yeung (2006:179)

Networking refers to the process whereby a consistent message about either yourself, specific circumstances or your business is sent out by means of word of mouth, in other words through your network (Yeung, 2006:6-7). This is done on a continuous basis and this process is never complete (Boe & Youngs, 1989:9). Networking is something that should be pro-actively pursued and it should be built even before you need it (Roane, 2004:30).

Networking is a skill that can be acquired and is an organised effort towards the achievement of a set goal. This includes the connecting of people in your network and expanding your value by connecting to their connections (Boe & Youngs, 1989:50). Networking is an indeterminate and unique phenomenon. Every person and every situation will have its own cliques and individual complex networks (Jones & Tilley, 2003:159).

Networks also hold the advantage that a person or business can gain access to personal or relevant information, combine diverse skills and create a power made possible by the combined effort (Uzzi & Dunlap, 2005:2).

For the purposes of this study, networking can therefore be summarised as a strategic interaction where all parties concerned are participating by choice and on the basis of relying on each other's honesty, what is expected and the good character of the other parties. It refers to mutually agreed reciprocity where the role players trust each other based on their individual credibility, track record and reliability. The networking nature will be determined by the relevant role players, the situation and the motivation behind the relationship.

3.3 THE MOTIVATION BEHIND NETWORKING

Cohan (2003:16) supports the importance of networking by including human relationships and teamwork as two of the seven principles of value leadership. According to Kay (2004:13), interpersonal connections and the development of trustworthy relationships are becoming increasingly important to the success and effectiveness of any business. Visibility and your importance are increased, a competitive advantage can be developed, profitability can be increased and a balance is created (Boe & Youngs, 1989:23,26).

Networking will become increasingly important for a variety of reasons. These reasons include the ever-changing environment, the degree of constancy offered by relationships and the technological innovations of the modern era that do not recognise the importance of human interaction. In addition, people are forced to move out of their comfort zones by interacting with people that are different from themselves and because of growing stress people need to interact and share their experience with others to gather support and energy from others (Misner & Morgan, 2000:20-21).

Two basic drives of networks are identified. Firstly, to bridge the structural gaps through the relationship ties that bind different components of the network together and secondly the need to even further enhance the cooperative motives and relationships between the different network players to develop more dense relationships and create a strong sense of community (Kadushin, 2002:77-78).

3.3.1 Support system

Networking acts as a support system (Taylor, 2006:6). A person has access to a support group because of the individuals he or she knows and has access to (Lindsay, 2005:18). It is important to identify those people in your personal network that are positive people both professionally and personally, to provide smart, pragmatic, but also selective support (Roane, 2004:139) and nurturing (Misner & Morgan, 2000:16). An informal support network can be the underlying basis for the development of new business ventures and opportunities (Koniordos, 2005:9) and provide a safety net to fall back on if unsuccessful (Boe, 1994:66).

A network can identify, assist in or even organise specific events or further connections with other people. A network may also be a source of support to motivate your efforts (Slesinger, 2005:42). Networks also create a sense of community where similar experiences are shared amongst members to create a type of rapport (Kay, 2004:19).

The network can serve as a forum to test ideas, concepts, and products. Support networks that share information and knowledge (White, 2004:10) is a trend of the networked economy. The key partners in gaining a competitive advantage in a market are of utmost importance for any party that wishes to compete successfully in the networked playing field (Czerniawska & Potter, 1998:36).

By helping others, the network will grow because you are willing to commit to and be open to opportunities (Roane, 2004:xiii). Support networks are typically the networks consisting of friends and colleagues. These relationships can be built by nurturing them, actively participating in that specific industry, community or professional organisations, building visibility and offering help to others (Roane, 2004:31). Mentors can offer support through their expertise and wisdom (Ferrazi, 2005:192). Being surrounded by people that share your social references will provide some form of accountability and community (Misner & Morgan, 2000:23).

3.3.2 Access to information and opportunities

Access to information, opportunities and other role players or connections are made possible through a network (Boe & Youngs, 1989:31). Networking may have the effect that ideas can be stimulated, therefore opportunities can be developed and can lead to even more valuable contacts with other significant role players (Timmons & Spinelli, 2004:102). Networking is therefore critical to the survival of a business (Gruszczynski, 2005).

A person or business has access to personal and public information, with personal information provided by personal contacts and not as easily available as public information and not otherwise directly accessible (Uzzi & Dunlap, 2005:2). This exclusive information is not always readily available, because one has to rely on people to gain the necessary access (Lindsay, 2005:18 and Wickham, 2004:159). Relationships in networks generate the power to tap into unlimited knowledge, gain access to unlimited resources and opportunities (Smith, 2003:1 & White, 2004:10), technology and markets (Hitt *et al.*, 2001:8). Some networks exist only because of the deliberate intent to gain access to valuable resources or opportunities (Kadushin, 2002:77-78).

A relationship network can reduce the costs involved in accessing information and may increase the value of the information that is accessed (Koniordos, 2005:143). Knowledge and other resources are exchanged between individuals and groups in a network and this network is regarded as a social network because of the social human actions (Krackhardt & Kilduff, 2002:279). The aforementioned include useful information, trust and cooperation to gain further access to important information,

strategic business alliances and, amongst other things, access to possible funding (Bateman, 2004:224).

Various factors can lead to a competitive advantage. This includes the interaction between network players in the business markets (Ford, 1998:64-66) and the need to acquire resources and capabilities to gain information on markets, create wealth and gain access to complementary resources, information on product development, manufacturing processes and different business activities (e.g. marketing or financial coordination) (Grandori, 1999:151). Being part of a network will also open opportunities to expand it even further (Misner & Morgan, 2000:219).

3.3.3 Process efficiency

Networking provides access to diverse and specialised skills (Uzzi & Dunlap, 2005:2). Process competence, thorough planning and properly implemented processes can also be described by high reliability, low or average prices, high flexibility and short cycle times and is what is required by the networked economy of businesses to compete successfully (Ósterle *et al.*, 2001:22).

Productivity can be increased and spread more efficiently in one's personal and business environment (Boe & Youngs, 1989:1). By being part of a business network, a business gains access to information on previous adaptations and change strategies that other businesses have made through operating experience and interactions (Jones & Tilley, 2003:26).

Businesses cannot be world-class in every aspect of the business; the challenge lies in effectively outsourcing a part of the business activities for better efficiency or in establishing the right connections with other businesses by forming strategic alliances or relationships (De Man, 2004:2). Networking urges businesses to develop and maintain cross-boundary linkages and relationships to enhance the total output by the empowered individuals without taking away their individuality and uniqueness (Trevillion, 1999:6). Knowledge is also transferred between the network members to achieve greater efficiency (Inkpen & Tsang, 2005:146).

3.3.4 Combined efforts

Cooperation can result in collaboration where the processes work together towards customer lock-in to create a higher entrance barrier for competitors (Österle *et al.*, 2001:20). Smaller businesses that use Information and Communication Technology to create direct selling channels to their customers have emerged through the wide availability of the Internet and made the targeting of the most appropriate partner even more difficult (Czerniawska & Potter, 1998:35).

Teamwork is also seen as important to sustain value leadership in that the coordination and combination of different skills and capabilities add more value to the business as a whole than individual attempts (Kay, 2004:6). The composition of all relationships connected to a single customer or supplier helps the business to gain access to more multiplexed and multi-faced networks (Garton, Haythornthwaite & Wellman, 1997) and provide a new basis for differentiation (Applegate, McFarlan & McKenney, 1996:185).

Win-win relationships that improve effectiveness and efficiency in the internal business, such as in supplier partnerships, may become all the more important when establishing the ideal business partner profile (Ford, 1998:110).

3.3.5 Cost saving

Strong business partnerships with suppliers may lead to lower costs and higher quality products and services because of the collaboration and support that the networks suggest (Baker, 2000:xiv). Strong business relationships between network role players include amongst others improved customer services, a reduction in inventory, logistics, administration and handling or warehousing costs which may lead to a stronger competitive advantage (Moberg & Speh, 2003:2).

Networking connects businesses to communications networks, thereby increasing access to distribution channels, carrying less or no stock (Bolton & Thompson, 2000:218) and reaching more customers (Trepp, 2000:130). Products and services are now offered by businesses on a coordinated basis from a single source to any market in the world (Österle *et al.*, 2001:20).

Critical mass of customers will reduce costs by allocating development costs to the largest number of possible transactions (Österle *et al.*, 2001:20). Networks can make it easier and more cost-effective to build close relationships with customers. Established networked relationships costs three to five times less than trying to attract new customers (Baker, 2000:xiv).

Coordinating relationships reduce transaction costs and provide the support for the transfer of commercial intelligence and task-specific knowledge. These relationships facilitate inter-business learning and the creation of internal knowledge, adapt technologies to the changes in the business and enable the participants in the relationship network to learn from the feedback received (Boyce, 2001:12).

3.4 FORMS OF NETWORKING

Networking encompasses not only relationships from outside (externally) into the business, for instance relationships with customers, suppliers, competitors, investors and communities, but it also involves the more individual relationships from the inside (internally) between departments, teams, functions, offices, divisions, subsidiaries and each individual's relationship with the everyday world around him or her (Baker, 2000:xiii).

Table 3.2 illustrates the different forms of networks and the possible utilisation of this. The utilisation of networking can take place in formal structures, including organisations, alliances or supply networks, or could include informal, unstructured personal relationships (Frazier & Niehm, 2004:24).

The networked business has benefited more from intra-organisational coordination than inter-organisational integration (Österle *et al.*, 2001:36). Networks offer the advantage that a combined effort may lead to results beyond the abilities of the single business, jobs can be created and local economies can experience growth (Lipnack & Stamps, 1993:5).

Table 3.2 Different networks forms for different utilisation

Form	Utilisation
Advisory networks	<p>Friends that provide support and encouragement, as well as advice, feedback and validation.</p> <p>This network will include only two to three people and a strong personal bond or relations already exist.</p> <p>This relationship is therefore driven by strong emotional and moral ties.</p>
Grapevine networks	<p>This includes the employees, customers, competitors and community engaged with the business.</p> <p>Long-standing community relationships where one has a good reputation.</p>
Merchant networks	<p>Local groups of like-minded people that informally interact, such as in social events or Chamber of Commerce meetings.</p> <p>Ten to twelve members are strongly and densely structured according to their purpose.</p>
Inspiration networks	<p>Business acquaintances that offer information and innovation or creative ideas because of their outside perspective.</p>
Expert networks	<p>This type of network is often found in business-to-business relationships and offers customised and highly developed skills and knowledge in specific fields or under specific circumstances.</p> <p>Include professionals with which one has weak and sparse connections.</p>

Source: Frazier & Niehm (2004:28,29)

The challenge is to bring the necessary complementary competencies of the networking partners together and persuade them to cooperate (Cowling, 1999:156).

3.4.1 Inter-organisational relationships

Internally the business needs to be viewed as a nexus of diverse relationships between individuals within the business, the entrepreneur in the centre of it all and the relationships that stretches beyond the borders in terms of relationships with customers, suppliers and investors (Wickham, 2004:135). Internally the network affects the employees in the business. Employees in cooperative relationships are also said to perform better and be more successful (Kay, 2004:6). The challenge is to bridge and successfully combine different psychic perceptions (Bridgewater & Egan, 2002:30). Table 3.3 summarises the effect of the networked economy on the internal network of a business.

Networking internally in a business may hold various advantages for the individual. These advantages include gaining a holistic view of the business, understanding the necessity of promoting the success of the business, increasing your reputation by collaborating with other departments and solving problems, expanding your knowledge by being open to information and creating your own security in terms of presenting your value (Baber & Waymon, 2002:9).

Table 3.3 Effects of the networked economy on the employees

	In the business	Network effects
Variety in the work situation	Low effect on the business. An employee works in one business.	High effect, because one employee works for different businesses and corporate cultures at the same time.
Loyalty	Employees are loyal to the specific business.	Employees are loyal to all the network partners.
Required competencies	Functional competencies.	Functional, social and entrepreneurial skills.

Source: De Man (2004:165)

The networked business needs to recognise the importance of internal networking of employees while management should strive towards the development thereof to fulfil the needs for successful business networking (De Man, 2004:165). Internal relationships should also be nurtured with those people who can assist you in achieving the position that you want (Biolos, 2004:17) or with colleagues that can provide access to external business opportunities (Rezac, 2005:121).

3.4.2 Intra-organisational relationships

External relationships, such as those between businesses, tend to be less dense and might therefore be able to cause manipulation and structural holes (Kadushin, 2002:83). External business relationships are interdependent on each other in a network and need cooperation to make the relationships successful. A business works with other businesses, in some instances work against them, through them and in spite of them (Ford, 1998:1). Different interdependent relationships are important assets to the business and although it takes time, money and management skill to maintain and enhance these relationships, it has an impact on the business's strategies (Ford, 1998:13-14).

The difference lies in the development and most importantly the maintaining of external corporate network connections and strong internal personal relationships to be successful – an aspect which has become all the more important in the business environment for strategic management continuity (Kay, 2004:8).

There are five different types of relationships with competitors, namely conflict, competition, co-existence, cooperation and collusion relationships where the parties trade and do business at the expense of a third party (Bridgewater & Egan, 2002:93).

The motivation behind relationships with external role players in the business environment is that even if the business only takes care of the businesses and customers that are already loyal to the business and gain their repeated transactions, access can be gained to an exponential number of other potential business relationships through the access to each of their own relationships networks (Templeton, 2003:27). Therefore, business networking in general can be described as business relationships where the relationships are directed towards increasing business (White, 2004:5).

3.4.3 Strategic networking or business networking

Strategic networking takes place when a person consciously decides to network and his or her actions have a definite purpose (Lindenfield & Lindenfield, 2005:15). Business networking differs from other forms of networking, such as social or general networking, in that it is focussed on business activities (Hadjikhani & Thilenius, 2005:22). Networking for business purposes includes the business's connections to other commercial role players, such as the customers of the business, suppliers, and other support figures, such as lawyers, accountants and banking personnel (Jones & Tilley, 2003:26).

3.4.4 Social networks

The connection between people as well as businesses that is made possible through information technology and social relationship, for instance friendship, co-working or information exchange, constitutes a social network. This enables the business to gain access to the necessary resources, people and opportunities (Garton *et al.*, 1997). Social relationships focus the relationship on socialising (White, 2004:5). In other words, a social relationship can serve personal and commercial purposes. The

commercial members can include people in organisations, such as suppliers, industrial, public and private organisations, as well as competitors and consultants (Jones & Tilley, 2003:188).

Social networks are mainly divided into the following three groups:

- Personal networks or connections, which indicate the relationships that one has with other people in your personal capacity.
- Population networks and connections (Boe, 1994:9).
- High quality networks comprising a large number of relationships. The group is diverse in their contribution to the network and includes motivation or support, generating ideas, information, finance and trust (Stein, 2004:1149).

These networks include different shared interests such as sport, community services initiatives, interdepartmental developments or events, voluntary associations, charity events and fund-raising or profit teams. Not all shared activities or interests are equally important to include in building a network (Uzzi & Dunlap, 2005:6).

3.4.5 Personal networks

Personal networks refer to the relationships that one has in one's personal capacity with other people. Fostering friendships and relationships with people close to you not only provides balance and support to your life, but also drives you (Boe, 1994:9). Aforementioned relationships can be the catalyst for the development and/or identification of individual creativity (Uzzi & Dunlap, 2005:2). Different networks may also lead to different information being made available and therefore the identification of different opportunities is made possible (Butler, 2004:196).

“Guanxi” is a term for the Chinese, Japanese, Korean and Indian use of personal relationships, in other words family and friends to generate or improve business (Bridgewater & Egan, 2002:34). This type of relationship network is also called the Keiretsu in Japanese and there is evidence that the net or social tie effect puts a business in a better position to gain access to opportunities, coordinate better and reap the benefits of the existence of mutual trust (Silva, Majluf & Paredes, 2006:315). Aforementioned relationships are based on frequent cooperation where mutual expectation is based on consensus and information exchanges (Bridgewater & Egan, 2002:34).

3.4.6 Referral networks

Referral networks refer to a rapport of a person's belief and trust in you. This rapport endorses you as a person and your abilities (Boe, 1994:105). A simple comment or conversation by one of your network members to one of their network members may provide visibility and a personal recommendation (Boe & Youngs, 1989:164,166).

To build referrals means that one had to earn members' trust. This is an ongoing process to remind them of your expertise and deliver proof in the form of excelling yourself and being successful (Nierenberg, 2005b:213).

3.4.7 Elite networks

There are many different networking groups. Some are exclusive, such as elite social men's clubs that promote unity, class-consciousness and exclusivity by having strict recruitment measures or requirements for eligibility. To be a member of such an establishment enhances your personal network to reach national proportions. These organisations are seen as gatekeepers of the elite and powerful (Kerbo, 2006:148-149).

Association and connections of upper-class show that the top businesses are represented by a corporate executive in specific clubs or organisations to gain access to the conglomerates or network of cooperative economic and political power (Kerbo, 2006:154).

3.4.8 Political networking relations

Throughout history, there is evidence that people do business and help people to advance in their careers based on their personal or social connections. One such an example was Jimmy Carter, who was a member of the Trilateral Commission, who included some of these upper-class members to become part of his cabinet after he became president of the United States of America.

The members of this organisation all came from privileged and upper-class backgrounds. Through association, they became eligible to become members in the

first place and this network of association assisted them further on in their careers (Kerbo, 2006:159).

3.5 BUILDING BLOCKS OF NETWORKS

Templeton (2003:83) describes the system of networking as five elements that resemble five building blocks that influence the business network of De Man (2004:57). When building a network, focus on a network that supports your own personal and professional needs and goals (Boe, 1994:153). Table 3.4 illustrates the different conceptualisations of networking.

Conceptualisation refers to an attempt to develop a better understanding of a generalised idea and it embodies a basis for the development of a basic theory (Zikmund, 2003a:41).

Table 3.4 The building blocks of networking

De Man (2004:57)	Templeton (2003:83)
The strength of the established alliance	Realising the power of a network in terms of 250 clients in actual fact gives you access to 250 by 250.
The size of the network	Use your personal sphere of influence to which you have access, including friends and family.
Number of partners	ABC your clients in terms of A (most important contacts), B (individuals that promote and understand, therefore support your cause) and C (unsure about their level of interest, but work on building a better relationship).
Diversity of partners – mix	Educate your staff on handling and appreciating differences.
Developing alliances between different partners – clustering	Branding your communication to your network participants in a consistent and systematic, but personal way.

There are several issues surrounding the building of networks. In Table 3.5, the general building blocks are summarised in terms of different network types. Tie strength refers to the strength of the relationship between the relevant parties in the network, the size indicates the number of people or role players involved, the mix refers to the diversity in the make-up of the network, governance explains the way in which this network is managed and clustering refers to how effective this network can be put together.

Some of the building blocks are more important in some network types than in other, though each play a specific role. Another building block to include is the fact that there are written or unwritten rules for the way in which networking is conducted.

Table 3.5 General overview of the structure in different network types

	Quasi-integration	Vertical supply	Solution	Standardisation	Research and Development	
Tie strength	Strong	Strong	Medium	Mostly low	Portfolio	Consortia
Size	Small	Medium	Small	Mostly big	Big	Medium
Mix	Similar	Mix of similar and dissimilar	Dissimilar	Depends, often similar partners	Dissimilar	Similar
Governance	Contracts, central committee, equity holding	Distributed hierarchy, lead partner	Distributed hierarchy, consensus, alliance teams	Democracy, working groups	Informal leadership, contracts, trust/reputation, professional standards	Distribute hierarchy, trust/reputation, professional standard
Clustering	Yes	Medium	Yes	Yes	No	Yes

Source: De Man (2004:59)

The rules of networking therefore needs further explanation and will be discussed in section 3.5.7. Each of the building blocks of the network will now be discussed in more detail.

3.5.1 Tie strength

The focus of a specific network should not only be on establishing and maintaining strong relationships; weak or loose relationships are also important to the business (Gruszczynski, 2005). Each relationship contributes large or small amounts of social capital to the relationship in terms of money, goods or services or knowledge of these specific elements (Garton *et al.*, 1997).

Stronger relationships are only more likely to share resources, but weak connections share accessibility to more diverse types of resources (Garton *et al.*, 1997). Another description of network strength is to investigate the strength of the embeddedness or the strength of the connections between the different role players in the network (Hadjikhani & Thilenius, 2005:32). It is difficult to measure the strength of connections, such as informal, personal networks because of its emotional context and intimacy (Gruszczyński, 2005).

3.5.2 Network size

Relationships provide parameters for business activities, it allows management to change ideas and involve thinking and acting by multiple partners to add to the value of decisions and business activities (Ford, 1998:59).

Exploration or exploitation of a network entails the optimal utilisation of role players in terms of productivity, efficiency, reducing costs, and improving existing resources such as information, technology, skill and expertise (Nielsen, 2005:1200).

3.5.3 Membership mix

In the networked structure, highly specialised and competent individuals are linked through computers and other intelligent devices to each contribute their specialised tasks to the successful completion of the large complex assignment (Larsson & Lundberg, 1998:86-87). Innovation is cultivated and people, especially entrepreneurs, tend to be more successful when they have a diverse network with strong and weak ties in the form of family, friends, business colleagues, acquaintances, strangers and mentors. To include other entrepreneurs or people that drive towards progress may generate better results (Petrusewicz, 2005).

The challenge lies in combining different strengths of the role players to create a favourable mix in the network. The strength of the network can also be enhanced through this strong mixture by stipulating each of the role players' unique and valuable contribution (Singer, 2004:21). Table 3.6 illustrates the categories of influence without authority.

The need for specialisation is enhanced through networking, with each business in the network specialising in their specific strengths and the outsourcing of those aspects that are not part of the focus or strengths of the business (Österle *et al.*, 2001:22). The contact network between the relevant parties can contribute to the exchange of technology and knowledge. Therefore, the deeper the intensity, frequency and capacity built by social interactions, the wider the access to opportunities (Nielsen, 2005:1195).

Table 3.6 Influence without authority relationships categories

Inspiration-relations	This refers to the connection that gives you access to do something important and acceptable on a higher standard.
Task-relations	This connection provides resources, assistance, support and/or information on the other role players' agendas.
Position-relations	Through this relationship, one receives recognition, visibility, reputation, importance and access to further contacts.
Relationship-related	Affiliation in the form of understanding, friendship, closeness, support on an emotional level, as well as backing, acceptance and to be included in some way are some of the paybacks of this type of connection.
Personal-related	These elements are internally motivated and embody feelings such as appreciation, indebtedness, thankfulness, ownership, self-esteem, high self-identify, as well as security or comfortableness that can be internally developed from these connections.

Source: Rahman (2006:82)

Another business networking opportunity can be based on healthy referrals that are made possible by the creation of relationships with business professionals that offer other services to your customers. To find the right networking partners, this sort of networking will be required with a number of role players. However, once this process is established, it could create possible win-win relationships that may lead to cross referrals for future business (Ball, 2005:36).

3.5.4 Collective governance

Collective governance of the network through the management functions of decision-making, planning and control of the networking actions is also an important building block (Gemünden, Ritter & Walter, 1998:92).

Businesses invest a considerable number of resources in the establishment, management and governance of these partnering relationships. Therefore, they need to have closure on factors such as the extent of the loss of control, the uncertainty of future outcomes, the extent of each partner's demand of resources or the costs involved in deriving the desired benefits, the preclusion of each partner's boundaries and possessions, and the extent of confidentiality in terms of the exposure to your partner's partners (Gemünden *et al.*, 1998:92).

3.5.5 Clustering

Coordinating relationships reduce transaction costs and provide the support for the transfer of commercial intelligence and task-specific knowledge. These relationships facilitate inter-business learning and the creation of internal knowledge, adapt technologies to the changes in the business and enable the participants in the relationship network to learn from the feedback received (Boyce, 2001:12).

Cooperation clusters can be found in successful businesses where the combined effort of the cluster members leads to better results than would be possible individually. These clusters offer support and cooperation in production, marketing, distribution and technological development. The critical mass and combinations of diverse skills may lead to competitive advantages for the businesses involved (Gruszczyński, 2005:3).

3.5.6 Position in the business network

The business's relationship position in the network holds certain advantages; the relationships can open opportunities to other settings in which alternative experience can be gained (Ford, 1998:59). The position of the role player will determine his importance. For instance, people are used to find content, but content is used to find people. The importance of the specific role player is also determined by his activity as connector, the number of connections as well as the distance between the different connections (Morville, 2002).

Therefore, to determine a business's position is to determine its portfolio of relationships, links, resources and specific relationships that made business happen (Ford, 1998:49 and Ford *et al.*, 2003:7). A business should establish a position in the network and apply the relevant rules of that position in relations with customers,

products, services and skills. Businesses in the network will strive to establish a position of maximum influence in their network and one that offers the greatest opportunities (Österle *et al.*, 2001:21).

Businesses can position themselves to play a diverse and contributing role in the development of communities, as well as hold a negative power over these communities in terms of withdrawing material capital sources and employment from the communities (Beck, 2000:2).

The business's position is then assessed from the particular relationships with which it is involved, as well as its reputation, restrictions, rights in the relationships and responsibilities or obligations to the other party (Ford *et al.*, 2003:7).

3.5.7 Networking rules

To develop a network, one needs to acknowledge existing networking rules and develop new rules to keep the relationships focussed and bounded (Singer, 2004:xxiv). These rules bind the role players and rule out confusion and other negative feelings that might damage the relationship (Singer, 2004:xxv). Consistency in behaviour leads to the development of trust and by making the rules clear a basis is laid for consistent behaviour (Singer, 2004:92). Table 3.7 offers a discussion of the networking rules.

Networking involves a mindset change whereby the other parties are not referred to as other, but the project or issue at hand is viewed from a combined point of view (Singer, 2004:1). In the light of the aforementioned, it is important to note that it is problematic for networking development to assume that the other role players are informed and comply with a specific set of rules; it needs to be clearly stated and consent needs to be documented or openly expressed (Singer, 2004:6).

Table 3.7 Networking rules

Rule 1 Be open	A person that engages in a networking relationship is open to new opportunities, information and expect it to become a reality in all aspects of life.
Rule 2 Be prepared	To be open means one needs to be prepared when the opportunity presents itself. Have enough information when needed.
Rule 3 Equal engagement	Treat others as you would like to be treated. Be prepared to share. Respect other people's time.
Rule 4 Value	Value your connections according to their available knowledge and their willingness to share this, and not according to their position. Share and assist the other person by offering information.
Rule 5 Know your value	Offer to help and do not be afraid to ask for help. It might open new opportunities. Be sincere in your offering.
Rule 6 Do not abuse your network	Do not exhaust a resource or network. There should be a balanced exchange relationship.
Rule 7 Do not always expect something	Sometimes one needs to invest without expecting immediate results or returns.
Rule 8 Acknowledge	To increase the value and openness of your network, members' contributions need to be valued, acknowledged and they need to be thanked to show your appreciation. To receive your gratitude can be a valuable exchange for the other person.
Rule 9 Set realistic goals	Know what you want to achieve and how to achieve it, although you stay flexible.
Rule 10 Patience and commitment	To build a valuable network takes time and perseverance. To follow up shows your commitment and keeps the connection open.

Source: Boe & Youngs (1989:9-20), Nierenberg (2005b:132) and Misner & Morgan, (2000:213)

3.6 STEPS FOR NETWORKING SUCCESS

There are differences in opinion and approach with regard to how and in what order networking should be applied. In this section, a few authors' distinct philosophies are discussed. In Table 3.8, White (2004:4) suggests six key networking steps that need to be present and applied to ensure networking success.

Table 3.8 White's six key steps for networking success

Step 1	A networking strategy	This should be adapted to be aligned with your business and marketing objectives.
Step 2	How and when to network	You have to understand it and be able to apply it.
Step 3	Follow-up	Maintaining the relationship is crucial.
Step 4	Acquiring soft skills	Networking is an individual skill that means each individual has to develop his or her own style.
Step 5	What do I get out of networking?	Clearly defined goals need to be identified.
Step 6	Conquer fear, time and lack of confidence	This will hamper the development of networks.

Source: White (2004:4)

Although the six steps were described as elements, this is not a viable argument as conquering fear cannot be described as an element of networking, but rather a prerequisite for or something to keep in mind when networking.

Rezac (2005:146) highlights four steps that both an individual and a business should keep in mind when striving to achieve optimal networkability. These steps are illustrated in Table 3.9.

Table 3.9 Rezac's steps for successful networkability

Step 1: Establish and maintain a network of direct and indirect contacts	Establish a network by identifying the most appropriate role players and maintain that network to gain insight into general and specific information.
Step 2: Utilise established networks and relationships	Make use of well-established network relationships to obtain specific information that might be of strategic importance or provide access to sources of influence as to support certain objectives. It is important to have depth in the contacts that you have in one field, interest or industry, but also to expand to other disciplines, fields or make connections with people of different interests.
Step 3: Broaden and develop the network relationships	Continuously broaden and develop the network in terms of information, promote and support the chain of direct and indirect relationship contacts.
Step 4: Create opportunities to broaden the network	Future opportunities and positions to successfully broaden the network and develop an optimal profile are important.

Source: Rezac (2005:146)

Through networking a broad network of contacts are established, maintained and utilised to obtain information for successful decision-making. Part of the success of networking is to be able to identify the most appropriate role players, involve them and to facilitate successful participation (Interpersonal Influence Cluster).

Roane (2004:2) describes the road to successful networking by recommending the application of different combinations of the eight steps as illustrated in Table 3.10.

Table 3.10 Roane’s eight steps of networking

Step 1	Talk to strangers.
Step 2	Make small talk – it may lead to big talk.
Step 3	Drop names – to find a common connection and so that they remember you.
Step 4	Listen and eavesdrop.
Step 5	Be aware if they ask for help or offer help.
Step 6	Sometimes work outside your comfort zone.
Step 7	Exit if the connection is not a priority, but do not burn the bridge.
Step 8	Agree to be part or do something even if you sometimes do not want to.

Source: Roane (2004:2)

Ford *et al.* (2003:196) reminds managers of networking organisations to keep three important aspects in mind. Firstly, confront, conform and consider the impact of each one of these actions and secondly consolidate with some elements and develop new ones. The third aspect is to coerce or concede with the other role players in the networking relationship.

Peppers & Rogers (2004:45) are of opinion that the first contributor to successful networking is shared values or a common denominator to bring the parties together. The second is to be interdependent and not dependent, since this leads to vulnerability. Thirdly, the communication between the role players needs to be of high quality and positive. Lastly, the non-opportunistic behaviour of the concerned parties will increase the partner’s integrity and credibility. Table 3.11 provides an overview of Nierenberg’s networking tools.

Table 3.11 Networking tools

Tools	How to administer them successfully
A positive state of mind	Be positive and open to opportunities.
Self-confidence	Know your own value and what you are able to contribute.
An open mind	Be willing to learn and experience new things.
Be present	Be involved and respect other people by focusing on them.
Listen	Talk less and listen more to gather important information.
Observe	Make eye contact and give the other person your undivided attention.
Smile	Be warm and friendly, since this creates positive reactions and will assist you in building a rapport.
Give a firm handshake	Give a sincere and confident handshake as first contact.

Source: Nierenberg (2005b:49-50, 75)

In summary, the considerations that should be taken into account for successful networking are summarised in Table 3.12.

Table 3.12 Five considerations for networking success

Step 1	Be sincere and grateful – network because you want to not because you need/have to.
Step 2	Do not demand – recognise the other role player's contribution – share what you have learned from experience.
Step 3	Give in return – tell the other role player what you are willing to offer.
Step 4	Now combine forces – what can we achieve together – catch idea.
Step 5	Make it happen – do business only softer and slower.

These considerations signify the basics of building a network and the frequency and amount of time committed to it will determine the success of the network over time.

3.7 DEVELOPING A NETWORK

Networks are regarded as a proactive action that needs to be developed before it is actually needed (Nierenberg, 2005b:221). Networking consists of four phases. The first phase is to identify your potential networking resources, where to begin and who to include (Rahman, 2006:78). The second phase is to develop the networking relationships, the third phase refers to the actual building of the network and during the fourth phase, one needs to maintain the network (Nierenberg, 2005b:xviii). Each of these phases, including their various elements, will now be discussed in detail.

3.7.1 Phase one: Identify your potential networking resources

The first step in networking is to identify your potential networking resources, where to begin looking and who to eventually include (Biolos, 2004:5). It is important to know the motivation behind networking whereupon a strategy of how it can be achieved is formulated. This clarification will provide the essence of all networking actions (White, 2004:14).

This strategy will include a list of all the people that one needs to meet, as well as to establish which will be a long- or a short-term relationship. Research or a background check on how to meet with these people and how they should be approached is necessary. A meeting has to be set up and during this meeting, first impressions will determine whether a further relationship will be built. Follow-up networking can be ensured by building good rapport and a trust relationship (White, 2004:12-13).

One needs to identify appropriate people in your network that can act as a mentor in your own development, as well as the development of further relationships in your network (Yeung, 2006:4). This mentor can contribute insights and advice that is based on his or her own extensive experiences and knowledge (Tullier, 2004:26).

3.7.2 Phase two: Develop the networking relationship

It takes time as well as effort and commitment by both parties to build relationships. Relationships lead to success by being connected and these connections may lead to practical advantages and profit (Kay, 2004:10).

According to Rahman (2006:81) and Yeung (2006:163), it is advisable to start with someone that you have an existing relationship with, as this will take less time and effort because the relationship is already established and the ground work is already there.

Individuals can develop networks by identifying and maintaining a specific approach that will be suitable and practical in each specific situation or for each specific aspects of an individual's networking need. A panel of advisors and mentors should be built to support your networking efforts, as these people will include those that you do not know already (Ferrazi, 2005:43). Even in your professional capacity, there are

subgroups of people to include in your network. For instance, the first group is the people that are task-orientated, in other words, capable to deliver what is expected of them (Biolos, 2004:144).

The first group can be described as a person's inner circle (Boe, 1994:84) which includes relatives, in-laws, close friends of family, relatives of relatives, and associates (Boe & Youngs, 1989:56). The second group may have some overlap with the first in that this includes people who offer advice, support and visibility (Biolos, 2004:144). This group does not need to be constantly reminded of their importance and is therefore not as time consuming to maintain as other relationships (Boe, 1994:84).

The third group is people with whom you have social connections and this group is based on a liking or similar interest (Biolos, 2004:144-145), namely friends and friends of friends, parents of your children's friends (Boe & Youngs 1989:56), as well as your business network of colleagues, acquaintances and other less intimate relationships where contact is not made daily (Boe, 1994:84).

3.7.2.1 People to include

One approach to the successful development and utilisation of networks is to systematically identify the relevant people or acquaintances that should be included (Slesinger, 2005:40-44). It should be easy to establish contact with these people and they are generally willing to assist with more information (Yeung, 2006:5). These friendships are based on the quality of time or experiences that you have shared and not on the quantity, thereby saving you time to spend on other relationships that require more time and effort to establish (Ferrazi, 2005:100). Table 3.13 illustrates the people that you already know that may be included in the network.

It is not a foreign concept to fall back on old acquaintances such as friends, neighbours or alumni (Biolos, 2004:48 and Koniordos, 2005:144). These people are then listed and a letter or an e-mail is sent to each person. A schedule is compiled and time is allocated for an individual discussion with each person on the list. During the meeting, you ask the participants to identify possible further names and their contact details. The entire process is then repeated with the new contacts (Slesinger, 2005:40-44).

Table 3.13 People to include in a network

People to include	Author
<ul style="list-style-type: none"> • Colleagues with whom you currently work. • Former colleagues at a previous job; they can make surprising connections because they have moved on and are therefore in touch with other people you do not know and they are excellent references because they know you in a professional capacity. 	Roane (2004:73)
<ul style="list-style-type: none"> • Former colleagues at your current job. 	Kay (2004:20)
<ul style="list-style-type: none"> • Personal contacts: family, friends, acquaintances, neighbours, people you have met through your involvement with social clubs, community activities, sport clubs and religious organisations. • Class mates from high school, university, college or other educational training organisations can also be included. • Professional, trade organisation events, professional and personal services. 	Tullier (2004:77,82,83,87)
<ul style="list-style-type: none"> • Connections made through professional associations or alumni. • Connections built through your involvement with community activities. • People in your neighbourhood; former fellow-students at your school, college or university. 	Slesinger (2005:40-44)
<ul style="list-style-type: none"> • People you have met through social activities. • People sharing and belonging to the same religious affiliations. • People who are members of the same clubs (be it sport or cultural) that you belong to. • Old school mates and contacts. • People you have met at a seminar or conference. 	Nierenberg (2005b:3,12)

People you already know are better informed about you and your specific traits and therefore one needs to share information to build the right referral (Roane, 2004:76). In relationships, it is not only the quantity of possible connections you have that are important; the quality of the connections that you have with them are essential (Tullier, 2004:9).

3.7.2.2 People needed in the network

These connections might include opinion leaders, specific stakeholders and gatekeepers that can establish access to other important role players (Rahman, 2006:79). To connect to influential people might provide your network with a powerful

resource (Kay, 2004:11). The first step in meeting people you need is by identifying these role players and finding ways to meet them (Nierenberg, 2005b:21). People of power to include are not only those people who have publicly received recognition, but also those whose achievements are less well known. People often have personal power in what they have achieved even if it is not acknowledgeable according to general standards (Ferrazi, 2005:250). Gatekeepers are often the only way to gain access to these people.

Ambitious people who are seen as successful and know other people who are successful are described by Kay (2004:130) as “movers-and-shakers” and need to be included in your network as their importance and access to important connections are invaluable (Ferrazi, 2005:259). If you help another succeed, you will build up capital in the form of relationships that may later on return something to you in the form of access or referrals (Biolos, 2004:17).

Not only people in one specific industry or field need to be included, other contacts in non-competing fields may also prove to be valuable for their new perspectives or contributions (Yeung, 2006:175). Uzzi and Dunlap (2005:7) describe people that have a vast amount of connections as super-connectors – people that have a powerful influence, have a vast and diverse mixture of contacts and are willing to share and introduce you and others to them.

3.7.2.3 People already in my network

The concept comfort network is used to refer to a variety of direct connections. These include close family members, friends, neighbours, your friends’ parents, your parents’ friends, office colleagues, your parents’ colleagues, parents of your children’s friends, classmates, alumni or other people with whom you have direct contact and are already available in your network, such as doctors, lawyers, accountants, church members, and so forth (Taylor, 2006:5,37).

Each of these direct connections in turn has access to direct connections of their own. Therefore, access to a specific person could be separated by one degree of separation, as everyone is said to be but separated by a maximum of six degrees of separation (Rahman, 2006:79).

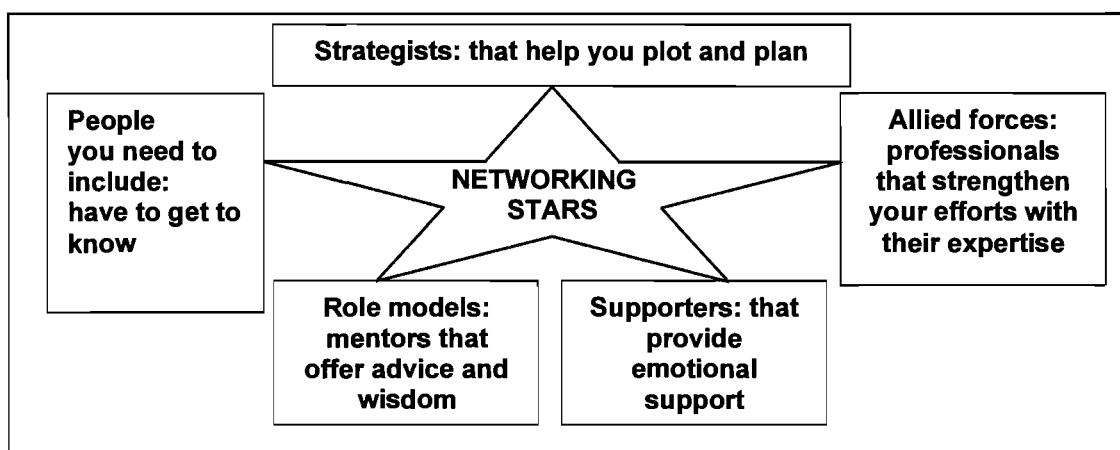
3.7.2.4 People to include through other people

A very important part of networking is to have a strong relationship with the people you already know and have access to so that they will be prepared to introduce you to the people they know (Ferrazi, 2005:46). In other words, you have to establish and maintain a positive relationship with those you know to gain access to those you do not know (Taylor, 2006:9).

Once the immediate close relationships that one has access to are identified, one should extent these relationships to grow and get to know their other acquaintances, close friends and families (Rezac, 2005:88).

The people that you include in your network should not just be included, but they should be able to know you well enough to serve as references. This implies a bond or deep relationships with meaningful exchanges or experiences so that the other person will get to know you (Tullier, 2004:10). Figure 3.1 illustrates the most important network members in Tullier's Stars concept.

Figure 3.1 STARS in your network



Sources: Tullier (2004:99)

To be part of a network will make you open to others in that network (Boe & Youngs, 1989:79).

3.7.2.5 Make contact

First impressions are very important as it sets the tone for further contact. A positive impression is formed within the first seconds of a conversation (Lindenfield &

Lindenfield, 2005:105). One will not build significant and long-term relationships with each person you meet (Lindsay, 2005:17), but if you approach each person you meet with the right attitude and from the right angle, you might develop a relationship with a potential ally (Rahman, 2006:80). Therefore, you need to portray an attitude of openness, indicating that you are giving the other person permission to network with you (Rezac, 2005:131).

There are many different ways of making contact, for instance via e-mail, post, telephone or face-to-face. Cold calling is more likely to deliver connections, where face-to-face meetings, which are followed up by any other means, hold more potential for the establishment of a long-term relationship (White, 2004:12). To make the connection means that you will have to get their attention, interest, get them involved and then you can make them part of your network (Misner & Morgan, 2000:141).

- **Where to network**

People meet other people anywhere and everywhere and therefore, any situation might be a networking opportunity (Yeung, 2006:22). Networking events or groups are a place of contact to start networking for personal or professional development or to find new clients or contacts through this exposure (Fairley & Stout, 2004:247 and Misner & Morgan, 2000:97). This might be the ideal place to facilitate exposure and get connected, but to build long-term relationships, other interaction is needed (Yeung, 2006:29).

It is important to be at least 15 minutes early for the meeting, be alert to meet new people, meet and greet (Biadasz, 2005:9). Alumni organisations, sport or health clubs, parent associations, interest groups, being involved in local community projects and volunteer work may also be some of the places where you can build a network (Lindenfield & Lindenfield, 2005:233). One-on-one meetings, professional groups, using the Internet and chat rooms, getting involved in education and training, and accidental meetings are also regarded as situations where one can network (Tullier, 2004:31).

- **How to make first contact**

Smiling and making eye contact may be the first connection. After making eye contact, you extend your hand to shake and may exchange business cards (Rezac, 2005:53). Then you may start a conversation (Biolos, 2004:146). You need to know

what to talk about and to do this you will either need to make a connection with the person or study his/her background beforehand to establish a point of connection.

Kay (2004:134) advises networkers to develop a connection point to suit the specific person. Finding a common interest is a fundamental building block in developing a relationship. A shared passion, belief, gender, business, personal or professional interest will establish a bond on which one can build further (Ferrazzi, 2005:100). Shared interests can bind people from diverse backgrounds and fields together to gather around the common connecting point. People that tend to only connect with people with similar interests and experience can be forced to mingle with people of different interests, thereby breaking the existing cycle and giving them access to other opportunities (Uzzi & Dunlap, 2005:6).

- **During the conversation**

During the introduction, you need to have an almost commercial approach whereby in a short period, 30 seconds in most cases, you highlight and persuade someone to make further contact with you. Then the conversation will move on to the stating of objectives and making your mark through stating your own significant value in your own brand (Biadasz, 2005:9).

During the conversation or 'commercial', some background on the person needs to be gathered in terms of potential referrals (Taylor, 2006:48-53). Remember to include enough information because the other person will be listening for a connection (Biadasz, 2005:9). The networker needs to be sensitive and should listen for something in the conversation to use as a connection point for future reference and to remind them of the potential value that one can bring to the relationship (Taylor, 2006:48-53).

- **Leave a vivid memory**

To form a memory for further reference, one needs to listen with full attention to gather follow-up information and to find cues to add value (Singer, 2004:104). One needs to differentiate oneself from other people in another person's mind and memory (Hilliard & Palmer, 2003:1). You have to provide sufficient information, such as contact details and information on your specific expertise and characteristics in order for the person to be able to help you (Tullier, 2004:122).

3.7.3 Phase three: Building the network

During the third phase, you start building your network. You are already in conversation with someone, now you want to make sure that he/she gets to know you and find something to collaborate on in future. The other person needs to remember something about you and you have to make sure that what they remember, is what you want them to remember (Rezac, 2005:71). It takes time, often years, to build a strong relationship and a lifetime to focus and maintain the network – in other words, this is a continuous work-in-progress process (Singer, 2005:14).

3.7.3.1 Attitude and communication

The quality of connections is just as important as the attitude towards it and this will influence the level of communication. A positive attitude will bring in better results than a negative attitude (Biadasz, 2005:16-17). To approach a network with the mindset of creating a partnership and not merely a distance relationship where one only receives, the success of such a relationship will also be more likely. One must clearly state the objectives and expectations to all concerned (Wickham, 2004:246).

Listening is an integral part of communication. By listening for detail you can use at a later stage to follow up, you can make a deeper connection and this will provide a database for further response (Yeung, 2006:58). One of the most important aspects of network communication is to listen (Boe & Youngs, 1989:125) and identify the specific information that is required (Yeung, 2006:19). Listening skills that one can use include to encourage the speaker to tell you more (Hilliard & Palmer, 2003:9), which will provide you with a connection point for follow-up conversations. You will now be able to wind up the conversation with a follow-up step in place (Lindenfield & Lindenfield, 2005: 133-137).

To give feedback will ensure that the information is correct and value can be exchanged (Boe & Youngs, 1989:127). Acknowledgement of the other person's value and saying thank you for any contribution whatsoever are important relationship building techniques (Boe, 1994:97). After contact is established, the relationships need to be built and this can be achieved by making yourself valuable or memorable to the specific person (Yeung, 2006:7, 65). If a favourable rapport has been established that they developed with your conversation is favourable, this will lead to

an easier follow-up and communication will be more meaningful in future (Yeung, 2006:81).

3.7.3.2 Make yourself valuable or 'wanted'

Compile an inventory of personal experiences in the form of your own knowledge, skill, experience, education, contacts, natural personal characteristics, insights or any other exceptional ability that you might be able to contribute (Kay, 2004:166) in a relationship that might have value for another person or add value in a specific situation (Rahman, 2006:82). Colleagues, friends and family members can also assist you in compiling a list of things that you do well. This can then be used as a resource when you have to make a next connection or make decisions in a changing environment (Roane, 2004:117). You may also start by asking the following questions as suggested by Yeung (2006:32):

- What are your strengths? To know one's own strengths can be the foundation of one's self-confidence and can assist in building a personal competitive advantage. Personal contacts or mentors can provide information on your personal traits and strong characteristics. You can also monitor your own expectations and actual delivered results (Drucker, 2005:102).
- What are your weaknesses? Be open and honest with yourself about your weaknesses and work at improving them.
- How can I network more effectively? Improving those characteristics or weaknesses in your skills or abilities is the best way to improve your networkability (Drucker, 2005:103).

Analyse aspects of your presentations in terms of posture, composure, approachability, as well as the actual words that you use (Lindenfield & Lindenfield, 2005:112-114). When looking for a connection point with another person, one has to discover and present what you can do for them (Rezac, 2005:18) or what one of your other connections can do for them or have in common with them (Yeung, 2006:123). Being a mentor for others might also increase your networkability value (Yeung, 2006:167).

People that possess a hub of information or have access to people with information are valuable to those seeking the information, in other words they will find you

interesting and this may be a way to enhance your position in a network (Ferrazzi, 2005:120,203).

- **Presenting the value**

In compiling the presentation one will need specific and very reliable information as to direct the message in the right way and from the correct angle (Rahman, 2006:84).

Table 3.14 illustrates the elements of successfully presenting one's own value.

Table 3.14 Presenting value

Element	Author
<ul style="list-style-type: none"> • Build up a reputation, be indispensable and most valuable to the success of the situation. 	Boe & Youngs (1989:81-82)
Confidence presented the right way might fill gaps and contribute to the success of a project.	Hilliard & Palmer (2003:40)
<ul style="list-style-type: none"> • Confident networking is the result of confidence that is built up from experience. This experience will make it possible for a person to see where and how value can be added in a specific situation and enable you to improve your image and secure future recommendations and networking opportunities. • Unique individual value needs to be recognised and utilised as an individual's own networking approach. • Some things to consider when developing your own unique value are either to become an expert in your specific field, or to have some knowledge of everything. • One can become knowledgeable about issues involving the other contact, have a broad and extensive network or introduce your current contacts to others. 	White (2004:8)
<ul style="list-style-type: none"> • Skill is also perceived as a way of promoting yourself on the social ladder and therefore a network. 	Koniordos (2005:182)
<ul style="list-style-type: none"> • The presentation needs to be tailor-made. 	Kay (2004:170) Taylor (2006:24)
<ul style="list-style-type: none"> • This needs to be presented as abilities or specialised 'value' to make the other role players aware of this win-win relationship connection. 	Rahman (2006:83)
<ul style="list-style-type: none"> • By putting people together or introducing the right people to each other a position of value can be developed. • Respond to requests and be of information value. • Confident, happy people attract people and are therefore valuable. 	Yeung (2006:125,134,169)

An effective networker is sought after and therefore, once your network has gained momentum, results beyond single one-on-one relationships will be made possible (Biadasz, 2005:29). To share any form of information or resources that might be useful to the other person adds value and promotes your own value in the process (Hilliard & Palmer, 2003:24).

Presenting one's value is to contribute in such a way that some form of measurable results are achieved, either a meeting, transaction, exchanged knowledge that leads to the production of an innovative product or process, or anything that can be seen as a result of your involvement (Drucker, 2005:105).

3.7.3.3 Follow-up

Follow-up needs to be pursued with the patience and genuine interest of wanting to find a common interest (Rezac, 2005:149). To build a successful relationship, all the parties need to commit or at least show interest in developing a relationship with each other (Ferrazzi, 2005:105).

To follow-up means that you are expressing your commitment to the relationship and are assisting in the development of trust between each other (Ford, 1998:35). You cannot follow up on every single person you meet, you have to choose and then follow up on the person with whom a follow-up will more than likely generate an outcome (Fairley & Stout, 2004:267). To follow up on a contact is an ongoing process and it needs to be repeated several times. By maintaining contact, a relationship can be built (Ferrazzi, 2005:124).

The way people feel about you has an effect on whether or not they decide to deal with you. Therefore, you will have to make yourself likeable and make them feel as if they want to make contact (Kay, 2004:174). One has to concentrate on making a memory by meeting one-on-one and finding something to make future connections immediate (Biadasz, 2005:11). Start by making face-to-face contact and then use impersonal mediums such as e-mail or telephone calls. Making the first contact is very important and personal contact will make it easier to follow up later on (Singer, 2004:88).

To follow up too soon might be a sign of eagerness. The rules of business state that there should be a window period, and this might be two to three days, but not weeks (Yeung, 2006:116). A period of two days is regarded as the norm for a successful follow-up contact (Hilliard & Palmer, 2003:55).

According to Cross, Liedtka and Weiss (2005:126), there are three different ways that one can respond to social networks, namely through a customised response, modular response and a routine response. The nature of the business or the person with whom you are communicating will determine the most appropriate method and each has its own application and value. Customised response is advisable for personal contact relationships where each situation needs unique input. Modular responses can be useful in situations where the information requested or required is available, but the exact application thereof is not known. Routine responses are valuable in that it saves time and can be applicable in standardised situations.

3.7.4 Phase four: Maintaining the network

After meeting and building the connection with the networkers, the maintenance and further nurturing of the connections are important. It is necessary to work on all three phases to establish a strong 'net'-working relationship with personal or business contacts. Without maintaining the relationships, the personal or business contacts will never grow into personal or business resources (Yeung, 2006:109).

To maintain a network will require an initial investment on your part, whereupon the relationship should be cultivated and enriched with additional investments on both parts (Misner & Morgan, 2000:39-40). To be successful at networking, a person needs to take responsibility for the relationships in their lives, whether it is with colleagues, friends or business acquaintances, while the other person's perspective and unique value need to be taken into account when communicating and building these relationships (Drucker, 2005:106).

A list of people that you have already contacted and those to include in future may offer a starting point. A list of places where potential role players can be met is also advisable, such as special events, associations or organisations. Some of these organisations offer membership and this will provide the opportunity to get involved, share valuable resources and meet other new contacts (Nierenberg, 2005b:26-28, 31).

3.7.4.1 Keep in touch

Repeated connections may lead to networking relationships. By noting information that can be used in future contacts during the meeting, one will have an immediate connection point. Contacts can be categorised in A, B and C categories in order of importance and accessibility so that follow-up and maintenance of the connections can be prioritised and managed (Biadasz, 2005:12). More frequent contact and interaction may assist in building trust and commitment (Singer, 2004:88). Table 3.15 illustrates how contacts can be categorised in the different categories.

Table 3.15 Example of the categorisation of contacts

Contact	Phone	E-mail	Company / Connections	Comments	Future action
A contacts People in your immediate network who will immediately take your call.					
B contacts People who will know who you are when you contact them.					
C contacts Everyone who you have ever known and have known you.					
D contacts Anybody to include in future as potential contacts.					

Source: Biadasz (2005:12) and Nierenberg (2005b:25)

Because of limited time and resources, one needs to prioritise your contacts into different categories. For instance, the A category will include people of importance in terms of the level of relationship and the amount of time that you spend with them (Lindenfield & Lindenfield, 2005:244). These may include friends and associates with whom you make regular contact (Nierenberg, 2005b:199).

The B category will include people that you have less contact with than those in category A (Lindenfield & Lindenfield, 2005:244). To make regular contact with these people takes more effort than for the people categorised on the A list (Nierenberg, 2005b:199). Category C will include people that will need a lot of attention before a strong relationship is built and therefore a long-term commitment will have to be made to realise these relationships. Category D (and more categories if needed) can be listed according to their importance and level of realisation possibility (Lindenfield & Lindenfield, 2005:244).

To develop positive relationships it is important to acknowledge each role player's involvement and contribution. Therefore, by acknowledging the behaviour that is desirable, this behaviour will be maintained (Singer, 2004:70). The role player's role, contribution, personality and other personal characteristics need to be acknowledged in correspondence as to build up a quality relationship (Yeung, 2006:120). Time for these relationships to develop are also important, since networking takes time and is only gradually established (Yeung, 2006:119).

Other contact points to make follow-up contact include sending information that they might be able to use, congratulating them on something significant that happened in their lives, to meet or to have a chat. In addition, you could also send them a note to tell them that you are thinking of them during hard times or when they are faced with difficult circumstances (Nierenberg, 2005b:188).

3.7.4.2 Build on referrals

If someone recommends you to another, he or she is regarded as a referral. This reference is build up according to the strength of the networking relationship. To be a connector means to bring different parties together for a specific outcome and if this connection is successful, you will also be connected to this opportunity (Taylor, 2006:22).

The network needs to be networked. Connection points in the form of interests, capabilities, background or compatibility need to be connected to other relevant parties to establish networking relationships. If it is possible to add value in the form of bringing win-win relationships together, one will benefit from this as well (Biadasz, 2005:14,19).

3.7.4.3 Keep the network growing

A referral network is build when one task is successfully completed. Therefore, to assist other people in reaching their goals or to gain access to an important connection will in turn expand your own networking resources and your own access to connections (Rahman, 2006:85). Networking always requires attention and effort and it will never be complete (Yeung, 2006:121). The following ten habits serve as guideline for the establishment of successful networks:

- Networks need to consist of relationships and not only connections.
- The networking relationship needs to be focussed on building a referral.
- Establish a trustworthy relationship and then work from this to reach others.
- Find ways to be helpful and therefore wanted in the relationship.
- Group settings may be a situation where many people can be connected and accessed in a shorter period.
- Network connections are not only formally structured, but one needs to be open to it anywhere and at any time.
- Information and communication technologies can be used to make the organising and maintenance of certain relationships easier.
- To follow up is very important to develop a rapport and build trust in the relationship.
- Networks need to be explored in every phase of your life.
- Every person needs to develop his or her own approach and unique style of networking to be successful (Taylor, 2006:146).

3.8 OBSTACLES IN THE WAY OF NETWORKING

One of the aspects that can have a definite influence on the success of networking is the very nature of its role players, namely human emotions. Emotional outburst or uncontrolled feelings, such as fear, sadness, aggression, confusion, frustration or other strong feelings might cause a relationship to fail (Singer, 2004:123). Table 3.16 provides a summary of other obstacles in the way of networking.

Other obstacles that can be encountered are based on the person's attitude and personality. For instance, there are different types of people that will influence your networking efforts, namely those that elude you, those that make false promises, others that reject you from the start and then there are the rude, difficult people that have difficult personalities (Tullier, 2004:231).

Table 3.16 Obstacles in the way of successful networking

Obstacle	Author
<ul style="list-style-type: none"> • False accuracy, presumed intimacy, inconstant behaviour and a generalised approach to people are obstacles in the way of successful networking. 	Peppers & Rogers (2004:75)
<ul style="list-style-type: none"> • Do not try to be nice. • Do not use information that you have required through gossip only. • Do not have anything of value on offer. • Do not talk down or treat other people beneath you as unimportant. • Do not be mysterious. • Do not be too knowledgeable and unwilling to learn. 	Ferrazzi (2005:58-61)
<ul style="list-style-type: none"> • Taking advantage of the other role players and exploiting their lack of confidence. • Inviting role players to an information-gathering meeting and then wasting their time with selling practices. • Gossip, abusing their good nature, not doing as agreed and not pulling your weight. 	Lindenfield & Lindenfield (2005:50)
<ul style="list-style-type: none"> • Making it difficult for the other person to follow up by not giving him or her your business card or other follow-up information. • Investing too much effort in old acquaintances and not making the same effort for new ones. • Not using the opportunities presented each day to make conversation in every possible way with anyone. • Expecting too much of a new connection. • To position gatekeepers that screen calls or do not live the same philosophy as yourself regarding being open and willing to network may hinder the development of successful networking relationships. 	Rezac (2005:8,122)

Networking stands on two interconnected legs, namely people and business and this perception defines the approach of this study. In Chapter 4, the people component will be discussed, followed by the business network component in Chapter 5.

3.9 SUMMARY

The concept of networking can be defined as finding the right balance between the different role players, namely the people involved, their actions, their level of expertise and the situation. Networks are built over time and rely on honesty and openness to develop a unique strategy. The literature on networking is divided into

three key issues, including the networking interaction, the human or role players involved and the business circumstances.

Successful networking encompasses transparency, thankfulness, continuous commitment and not expecting immediate return from this interaction. Therefore, consistent and continuous pro-active networking is needed to expand your network in terms of value and people included and should be flexible to adapt to different needs and different situations.

The main motivations behind networking are that exposure is provided, a competitive advantage can be developed, profits are increased, human interaction is increased to share valuable experience and cooperation is enhanced. Networking provides support, safety, motivation, a forum to share information and knowledge and grow commitment. Openness and shared information, opportunities and other valuable contacts can generate wealth and a competitive advantage.

Networking increases productivity, valuable information is accessed, strategies and interactions are adapted and skill is effectively linked to enhance the total output. Combined efforts through cooperation can create an opportunity for a business to sustain value in the coordination and combination of different skills and capabilities, as well as cost savings because of collaboration. Support and critical mass of customers are also made possible resulting in customer retention and reduced transaction costs.

There are different forms of networking to adapt to the different circumstances in which networking needs to be applied. External networking, internal networking, advisory networks, grapevine networks, merchant networks, inspiration networks, expert networks, inter-organisational networks, intra-organisational networks, strategic networking or business networking, social networks, personal networks, and referral networks are discussed.

Different networking building blocks offer flexibility and include alliance tie strength that is focussed on strong relationship connections and deeper embeddedness. Network size provides parameters for business activities. Membership mix refers to a diversified membership mix that allows access to more knowledge and experience in terms of each member's unique and valuable contribution. Collective governance refers to management's governance of the relationship and the extent of the sharing

of different factors is established. Clustering refers to relationships that are pooled together and coordinated to facilitate the focussed outcome.

The position of a role player in a network offers advantages, as well as aspects like reputation, restrictions, rights and responsibilities. Networking rules include openness, prepared entry, equal participation in terms of value contribution and presentation. It includes not over exposing or ever expecting something in return. Another important rule is to always acknowledge each other's role, be flexible but set goals and commit with perseverance.

Differences in the approach to networking philosophies are discussed with some that include networking strategy and the development of confidence in others. Others establish and maintain a network of direct and indirect contacts, to utilise established networks and relationships, to broaden and develop the network relationships and lastly to create opportunities to broaden the network.

During the first phase, people are identified for long- or short-term relationships. During the second phase, the networking relationship is developed and time, effort and commitment are required and relationships need to be maintained on a daily basis. The third phase encompasses social connections, friends of friends, parents of your children's friends, your business network of colleagues, acquaintances and less intimate relationships.

To make contact is important and one can network anywhere and everywhere, at networking events or groups, alumni organisations, sport or health clubs, parent associations, interest groups, being involved in local community projects and volunteer work, one-on-one meetings, professional groups, using the Internet and chat rooms, and by getting involved in education and training. The second phase is to communicate and follow-up detail is needed to clarify, give feedback, exchange value, acknowledge the other person's value and build a memorable rapport for yourself.

Presenting the value refers to sharing and informing others of what is useful, what may add value and how to improve your own value. Follow-up takes place when a relationship is pursued by expressing your commitment after a window period. Maintaining the network requires an initial investment, cultivation and additional investments. First, one will repeat connections and categorise these contacts in order

of importance and accessibility. Building on referrals saves time and adds value to all parties. By keeping the network growing, other people can be helped in achieving their goals and a reciprocal exchange is created.

Obstacles in the way of networking include human emotions such as fear, sadness, aggression, confusion, frustration or other strong feelings, inconsistent behaviour, false pretences, false information, expecting too much and other aspects such as a negative attitude.

CHAPTER FOUR

THE PEOPLE COMPONENT - RELATIONSHIPS

4.1 INTRODUCTION

The desire to connect, socialise and work with other people is a fundamental human phenomenon (Van Winkelen, 2003). People's need to be committed to something leads to the creation of networks. Therefore, people's need to be committed to something and the desire to be free are the essence of networking (Koniordos, 2005:60).

Networks, trust and social capital are interconnected. Networking relationships are the essence of business in that a person buys something because he or she trusts the person selling the product, or people buy from a specific person because of the relationship idea that they have of the specific person (Yeung, 2006:9).

To build these long-term relationships, which are balanced with short-term profit as well, one needs to establish relationships that pool expertise and resources and this can be achieved through open and clear communication of information (McGrath & Sparks, 2005:48). Trust is described as the informal understanding that binds and forms the basis for the establishment and further development of a successful relationship (Adobor, 2003:330).

Social capital includes issues of sociability, reciprocity and trust and can be found in both informal and formal social relations (Koniordos, 2005:3). Social capital involves the active connections between people with trust, mutual understanding and shared values and actions that bind the role players together and make working together possible (McGrath & Sparks, 2005:45).

4.2 NETWORKING AS A NATURAL HUMAN PHENOMENON

The basic psychological need behind the development and maintenance of relationships throughout different circumstances is based on two principles. Firstly the need and inner quest for support and comfort from others and secondly the inner need to achieve efficiency and mastery (Kadushin, 2002:78).

Networking is the natural tendency to treat others as one would like to be treated (Misner & Morgan, 2000:25). To be successful and live a balanced life an individual needs to be connected to other successful and balanced individuals (Lindsay, 2005:18). The nature of networking rests upon the motivation of the individual to acquire what he or she needs or wants from the other person and they network to obtain what they need or want. In other words, the main reason behind a person's decision to start networking is that he or she wants to optimise his or her own position. This, in turn, has the impact that the value retrieved from the network will have to make up for the effort that one puts into the network (Visagie, 2006).

As an individual, you meet people every day; it is part of life. To meet new people is one of the main and most important steps of networking, but not the only step (Lindsay, 2005:17). A network is made up of various people, for instance those that you currently have contact with, such as current colleagues and friends, as well as the people you have worked with in the past. These connections have to be informed that you are open to specific opportunities and they should be willing to contribute to these efforts in order to help you to be successful (Slesinger, 2005).

Network structures can be compared in most part with the structure between the people involved in friendships, but also with the trading relationship that exists between trading nations (Kadushin, 2002:77). Active networking makes it possible to assess and utilise the power of human relationships (Taylor, 2006:17).

4.3 CONNECTIONS VERSUS RELATIONSHIPS

A small world approach might be helpful in that the possibility and opportunities in this are endless. Sometimes one sees people you know where you expect to see them and the relationship is built. Sometimes you see people you know in an unlikely place and the relationship grows stronger or weaker because of it. The other scenario is where one meets another person in an unlikely place, you both do not

know each other but find that you have something in common and a connection is made (Roane, 2004:46).

Connecting refers to the sharing of knowledge, resources, time and effort with friends and associates, also providing empathy, compassion and by doing so your own value is increased (Ferrazi, 2005:8). Networks consist of two different parts, the first being to start with connections and eventually some of the many connections may become relationships (Lindenfield & Lindenfield, 2005:17).

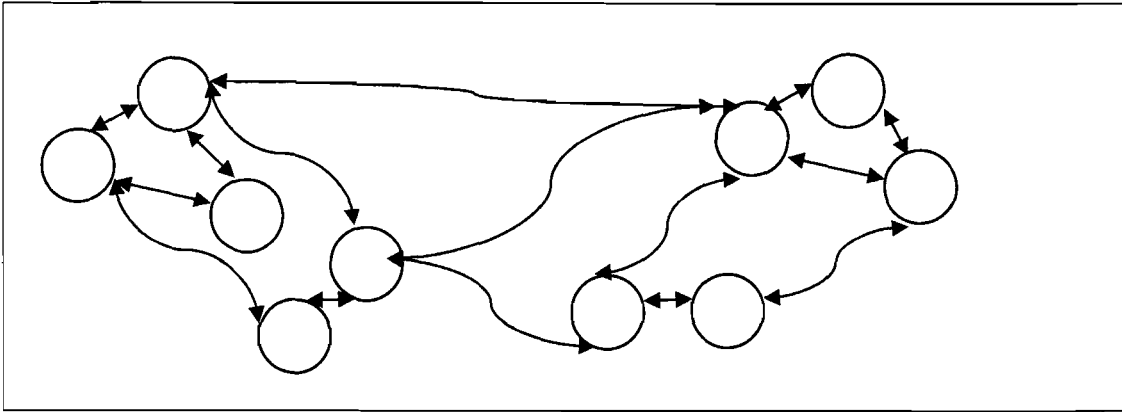
4.3.1 Connections

Connections can be described as the links of people one is connected or related to and has an influence on (Soanes, 2000:226). It also refers to someone consciously making contact for a specific reason and the connection only remains active until the need or situation is fulfilled (White, 2004:5). Furthermore, connections can also include a person's identification with and participation in a community to build up a relationship over time (Biolos, 2004:3). One person can connect with any other person, but relationships are created and nurtured over time and with effort (Taylor, 2006:8). It is more valuable to focus on the creation of selected relationships (either directly or through the relationships between other people) than mere connections (Taylor, 2006:15).

Barabasi (2002:15) illustrates the connections that make up a network with an example of a social event. At first people form small groups with the people they are familiar with. Later on, people tend to start conversations with other people that they have never met before. Even later on during the event, people will establish connections with other people even though there are no direct links between each individual person. Figure 4.1 illustrates the interrelated network contact points.

Contacts are turned into friendships or relationships by emotional investment and finding ways to add value that you can contribute to others. Strong relationships are built by investing more than you expect to get out (Ferrazi, 2005:9).

Figure 4.1 Interrelated network contact points



Source: Barabasi (2002:15)

Connections are made possible by supportive and flexible relationships that assist in building and developing opportunities and access to information (Ferrazi, 2005:12). The personal touch will open the door to develop a relationship from a connection (Roane, 2004:32).

4.3.2 Relationships

Relationships can be defined as a connection that includes more than only economic transactions and each relationship is treated as part of a broader network with interdependent relationships (Hadjikhani & Thilenius, 2005:22). This is the essence of a network (Paul & Kaltenbach, 2004:32).

For the individual, these relationships might consist of personal and social contacts, as well as relationships in the economic sense with other people in business (Wickham, 2004:159). In other words, a relationship differs from mere connections in that it is focussed on forming mutually beneficial and sustainable relationships, as well as social capital in terms of who you include in that network. Their knowledge, information and other personal, professional and business resources are intangible, but very important (Paul & Kaltenbach, 2004:32).

Relationships are made up from three different, but interdependent layers. The first is the specific relationship, the second is the role players in the relationship and the third is the other relationships that these role players have outside this relationship (Holmen, Pedersen & Torvatn, 2005:1243).

4.3.2.1 Building relationships

In order to build relationships, role players have to be willing to participate and work at building the relationship (White, 2004:5). Promises are made, these promises need to be fulfilled and new promises are made in light of earlier promises (Bridgewater & Egan, 2002:7). Time is an important factor in relationships since it takes time to interact and to build up a foundation for a relationship (Ford *et al.*, 2003:38). According to Kay (2004:10), relationships are time consuming and hard to build, but with persuasion it could be profitable and could lead to business transactions. Relationships consist of different levels of complexity and substance, which are built up through interaction (Holmen *et al.*, 2005:1244).

Relationship networks embody the relationships between different role players. Each role player in the network is part of different social networks, in terms of the type of relationship and communication media. The latter links a business to gain access to the different accumulated networks of others (Garton *et al.*, 1997). No relationship is the same and every encounter will have its own unique content (Ford *et al.*, 2003:38).

The quality of a relationship is measured by its level of trust and commitment between the different role players. Strong relationships are based on trust, commitment, cooperation, common interest and openness to each other (Moberg & Speh, 2003:1,2).

4.3.2.2 Strength level of the network relationship

One single distinguishing factor occurs throughout relationships and this is the strength of that relationship (Hadjikhani & Thilenius, 2005:40). This strength is dependant on the form of trust and the level of trust established between the role players (Holmen *et al.*, 2005:1243). Different role players emerge from relationships in networks. A second important factor in relationships refers to the involvement required to maintain them:

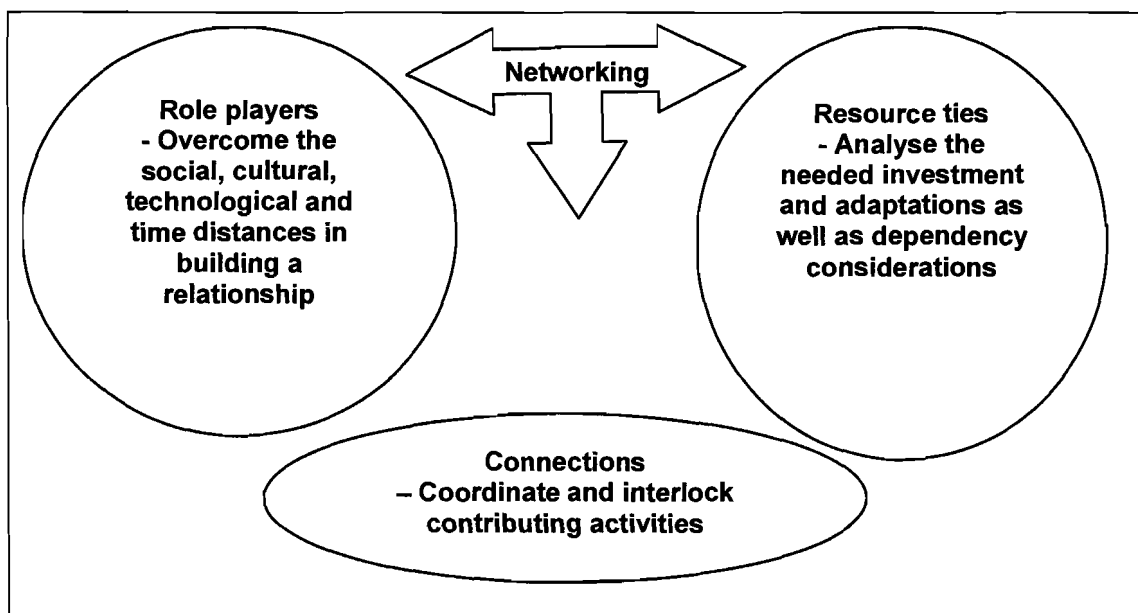
- Business or personal connections within the business are kept on an informal level and therefore they do not need a high level of involvement.
- High involvement networks (Ford *et al.*, 2003:98-108) normally encompass an already established local base. These networks are wider and although formally and informally utilised, it is formally better-managed (Wickham, 2004:187).

Peppers and Rogers (2004:50) divide the strength of a relationship into four levels:

- Intimate relationships with high levels of trust and friendship that always include the sharing of personal information.
- Face-to-face relationships; personal details are sometimes shared in these relationships.
- Distant relationships are less frequent and are most often maintained by means of other communication mediums, such as the telephone or e-mail.
- No-contact relationships refer to those relationships that need no direct contact. The relationship tie strength is weak.

The extent of relationships also includes a diverse group of relationships with no standardised content, the role players are interconnected in different ways and by different connections and each relationship contains specific detail (Hadjikhani & Thilenius, 2005:40). Figure 4.2 provides an illustration of three essential factors in relationship networking.

Figure 4.2 Relationship networking factors



Source: Hadjikhani & Thilenius (2005:40)

Relationship qualities rely on the intimacy, density and social homogeneity of the role players in the networking relationship (Frazier & Niehm, 2004:28). Relationships are connected and this makes up networks. It can be further associated with a set of connections or exchanges which are limited in time and to specific actions.

Embedded networks consist of a business or person that has substantial and continuous relationships. The substance of a relationship will determine if and how often the development of relationship exchanges in future will be (Holmen *et al.*, 2005:1245,1250).

4.4 NETWORKING CONSIDERATIONS

Networkability is a valuable skill and if already established it will increase your value to others and this network will be connected to you as a person not only your position (Taylor, 2006:7). Relational qualities will vary from network to network but trust, reciprocity towards each other and commitment are the basis of any relationship (Frazier & Niehm, 2004:29).

Human relationships are also seen as valuable in that the person's and the business's full potential can be developed by building a mutual respect relationship (Kay, 2004:6). People and therefore managers engaged in some form of networking are more likely to experience job satisfaction (Igwebuike, 1998).

4.4.1 Networking traits

Networking should be approached from a lifelong project point of view with strategic outcomes (Nierenberg, 2005b:1). The individual attitude towards networking, in other words whether it is positive or negative, will determine the success of networking (Boe, 1994:17). Table 4.1 summarises the networking traits of the successful networker.

Table 4.1 List of networking traits

Traits for personal and professional situations	Authors
TRAIT ONE: SELF-CONFIDENCE	
<ul style="list-style-type: none"> Confidence, self-control or self-esteem. Know their own strengths and value. 	Boe (1994:3)
<ul style="list-style-type: none"> Know your own strengths and competitive advantage. Build a positive image to create a positive presence. A positive attitude will attract positive experiences. 	Misner & Morgan (2000:77,126,130)
<ul style="list-style-type: none"> Have self-direction, independence and own goals to bring more creativity and knowledge to the relationship. 	Armstrong & Yee (2001:63-86)
<ul style="list-style-type: none"> Generosity, kindness and honesty will attract people to you. 	Tullier,

<ul style="list-style-type: none"> • Know your own talents, interests, strengths, values, personal qualities, achievements and uniqueness. 	(2004:111,112,115)
<ul style="list-style-type: none"> • Know yourself by finding your passion. • Project a good personal image and appearance. 	Ferrazi (2005:25,27,224)
<ul style="list-style-type: none"> • Risk failure and mistakes. • Confident people are better trusted. • Self-belief will affect your social skills. • Humility is also necessary even though it does not mean a lack of confidence. 	Lindenfield & Lindenfield (2005:9,20,32,81)
TRAIT TWO: BE KNOWLEDGEABLE	
<ul style="list-style-type: none"> • Knowledgeable. • Openness to information and opportunities. • Listen and learn. • Willingness to ask for help if needed. 	Boe (1994:9,16,65,90)
<ul style="list-style-type: none"> • Honesty is defined by being transparent and open to share whatever you have to offer and this entitles you to share in the experience of the other network members. 	Arrien (2001:36)
<ul style="list-style-type: none"> • Be aware of what you want and focus on acquiring the necessary knowledge to achieve it. 	Tullier (2004:114)
<ul style="list-style-type: none"> • Be willing to learn and improve. 	Ferrazzi (2005:217)
<ul style="list-style-type: none"> • Listen by paying attention to verbal and non-verbal communication to gather important information. • Follow up by using this information. 	Nierenberg (2005b:65,66)
TRAIT THREE: BE VALUABLE AND KNOWN	
<ul style="list-style-type: none"> • Be of value. • Assist or contribute to the success of others. 	Boe (1994:17)
<ul style="list-style-type: none"> • To build bridges for one another will enhance your interconnectedness to guide you to new solutions and commitment, but this is only possible if people take responsibility for themselves. 	Arrien (2001:79)
<ul style="list-style-type: none"> • Keep your network members' needs in mind when networking. • Always recognise their contributions and do not underestimate the power of saying thank you. 	Tullier (2004:271)
<ul style="list-style-type: none"> • Be resourceful to others. • Ask how you can help or be of assistance. 	Lindenfield & Lindenfield (2005:14,59)
<ul style="list-style-type: none"> • Make yourself known, take care of the people you meet and build a reputation of being professional and reliable. • Be respected in your field and use your expertise to help others. 	Nierenberg (2005b:110)

TRAIT FOUR: SHARE WITHOUT EXPECTATION	
<ul style="list-style-type: none"> • Share and learn to create opportunities for interdependence. • To be successful one needs to help others to be successful. • A constant purpose and honest intent or integrity will be visible in your appearance. • Commitment will enhance the other role player's involvement. 	Misner & Morgan (2000:27,51,133,134,250)
<ul style="list-style-type: none"> • The success of networking lies in being a giver and not only a receiver. 	Gregory (2004:1)
<ul style="list-style-type: none"> • Get recognition by investing more than what you expect to get out of the relationship. 	Ferrazi (2005:15)
<ul style="list-style-type: none"> • Focus attention to listen for opportunities to share. • Share and exchange information with caution not to exploit either of the parties. Offer support. 	Lindenfield & Lindenfield (2005:59,72,77,133)
<ul style="list-style-type: none"> • Maintain long-lasting relationships that are built on true feelings and honest intentions. 	Singer (2005:12)
TRAIT FIVE: SET NETWORKING GOALS	
<ul style="list-style-type: none"> • Set networking goals. • Enjoy networking. • Approach networking positively. 	Boe (1994:16)
<ul style="list-style-type: none"> • Set your networking goals and put them in writing. • Plan to realise them. 	Ferrazi (2005:23)
<ul style="list-style-type: none"> • Persistence in order to be successful. • Work with a strategy. • Develop your own networking moral code of ethics. 	Lindenfield & Lindenfield (2005:11,53)
TRAIT SIX: BE OF GOOD CHARACTER	
<ul style="list-style-type: none"> • Build good reputations. 	Boe (1994:65)
<ul style="list-style-type: none"> • Be trustworthy and show your commitment by keeping your word. 	Misner & Morgan (2000:29)
<ul style="list-style-type: none"> • Have integrity and be reliable by delivering what you have promised. 	Tullier (2004:40)
<ul style="list-style-type: none"> • Have integrity to ensure respect. • Be trustworthy. • Take responsibility for yourself and acknowledge any mistakes to rebuild trust in the relationships. • Be likable without trying. 	Lindenfield & Lindenfield (2005:11,15,47,60,87,214)
<ul style="list-style-type: none"> • Build a responsible reputation not to open yourself up to public scrutiny. 	Singer (2005:13)

TRAIT SEVEN: COMMUNICATE WELL	
<ul style="list-style-type: none"> • Be good communicators. • Develop the ability to communicate with anyone in any circumstances. 	Boe (1994:82)
<ul style="list-style-type: none"> • Ask for information and listen carefully for learning opportunities. 	Misner & Morgan (2000:50)
<ul style="list-style-type: none"> • Good communication entails direct and clear messages. 	Lindenfield & Lindenfield (2005:89)
TRAIT EIGHT: ACKNOWLEDGE OTHERS	
<ul style="list-style-type: none"> • Show your gratitude for what you have received. • Acknowledge the other person's input that will make him or her feel valuable. 	Misner & Morgan (2000:28)
TRAIT NINE: SURROUND YOURSELF	
<ul style="list-style-type: none"> • Surround yourself with other successful people. • Positive people with positive experiences and events on offer will attract people. 	Boe (1994:53,65)
<ul style="list-style-type: none"> • Surround yourself with those you would like to be associated with and who are the best they can be. • People with diverse talents can support your efforts. 	Misner & Morgan (2000:34,59)
<ul style="list-style-type: none"> • Success comes with the cultivation and maintenance of mutually beneficial relationships in terms of your work and personal life. 	Tullier (2004:23)
<ul style="list-style-type: none"> • Surrounding oneself with the best in that specific field will give you exposure and effectively advance your own recognition. 	Khemka (2005:45)
<ul style="list-style-type: none"> • Surround yourself with people of good character and with integrity. 	Nierenberg (2005b:107)
<ul style="list-style-type: none"> • Like-minded people need to be included and should interact on a regular basis to ensure the building of the relationship and trust over a long period. 	Singer (2005:13)
TRAIT TEN: LOOK AFTER THEMSELVES	
<ul style="list-style-type: none"> • Be health conscious to maintain a high energy level. 	Boe (1994:82)
<ul style="list-style-type: none"> • Staying healthy and fit enhances energy levels and improves appearances. 	Ferrazi (2005:217)
<ul style="list-style-type: none"> • Reward yourself for successes. 	Lindenfield & Lindenfield (2005:72)
TRAIT ELEVEN: PERSEVERE	
<ul style="list-style-type: none"> • Persevere even if networking is hard to conduct at times. 	Lindenfield & Lindenfield (2005:62)
<ul style="list-style-type: none"> • Networking takes patience, belief and the strategic application of acquired networking skills. 	Tullier (2004:38)

Trust in the relevant relationships, diverse members that contribute their own specific skills or knowledge and sharing this with others in the network are valuable traits of successful networking. It is important to share what one knows and to be open (Van Winkelen, 2003), but to share the social capital of who you know may prove to be as important in building a successful and sustained network of relationships (Uzzi & Dunlap, 2005:8).

By contributing to the success of others in your network your network will grow beyond what is possible when expecting something in return for every effort. Generosity and to give without expecting something will also enhance your personal return and ensure success, as well as lead to intimacy and positive references which is the main driver of networking (Fischer, 2005:38).

4.4.2 The skill of networking

There seems to be the misconception that all business people naturally know how to network (White, 2004:3). Networking is a personal presentation technique and can be learnt and refined on a continuous basis (Yeung, 2006:18). To develop aforementioned skill requires practice and patience (Misner & Morgan, 2000:29), but it is perceived as a valuable skill to master (Fischer, 2005:38).

There are two ways to acquire networking skills. Some people are born with the instinct for and the natural ability to build the right connections and relationships. Another way to acquire these skills is to learn them through trial and error, tested and untested methods (Kay, 2004:3 and Boe, 1994:8).

Networking is a specialised skill that needs to be continuously developed (Tullier, 2004:4). This depends largely on the person's attitude and willingness to move out of his or her comfort zone (Taylor, 2006:11). Therefore, even shy and introverted people can learn to network. They can start by approaching the people they know and feel comfortable with before moving on to unfamiliar people (Biolos, 2004:15).

One can actively or passively network in that you participate and ask the questions or you listen and watch (Biadasz, 2005:3). It is important to remember that networking as a skill is something that you do and work on, while being a networker is something

that you work towards and is part of every aspect of your life (Biadasz, 2005:15).

Table 4.2 provides a summary of networking skills.

Table 4.2 A summary of networking skills

Networking skill	Author
<ul style="list-style-type: none"> • In networking, one needs to find common ground or a common interest to establish a basis on which the relationship can be built. 	Lewis (2003:58)
<ul style="list-style-type: none"> • One needs to have real conversations. First, make face-to-face contact to lay the basis for a relationship. • Make a memorable connection by sharing more information to make a follow-up connection or to find a common interest. 	Roane (2004:32,177)
<ul style="list-style-type: none"> • In order to make a good first impression, learn names, ask open questions, listen, establish a common interest or common ground, put others before yourself, describe your value, and follow up on a continuous basis. 	Takash (2004:24)
<ul style="list-style-type: none"> • Give the other person enough detail in order to remember you and help you. 	Tullier (2004:40)
<ul style="list-style-type: none"> • A background check or some information on the person that you will be meeting will help you to make the connection. • Remember the person's name for future reference. 	Ferrazzi (2005:67,73)
<ul style="list-style-type: none"> • Starting with like-minded people makes it easier to establish a basis for the building of relationships. • Some effort needs to be put into your appearance, presentation and value offering. 	Singer (2005:12,13)

Cold calling is an opportunity to make more meaningful contact and to start building a relationship. This can be achieved by choosing specific references and making the other person aware that one has an interest in him or her or their business. Then one can make people aware of your own value. During the conversation, one has to listen for further information whereupon you offer a compromise of how a win-win relationship might be possible (Ferrazzi, 2005:83-86).

4.4.3 Adaptations

During this stage, the actual needs of the different role players are addressed and the exchange relationship is structured to satisfy all the relevant partners' needs (Hadjikhani & Thileus, 2005:65). In other words, a network is changed in order to fit better or to become adjusted to new circumstances, conditions or uses (Soanes,

2000:11). Networking also needs to be pro-active and positive aspects or ways of finding mutual benefit should be explored in advance to adapt to each other's needs (White, 2004:6).

Through interaction and exchange of knowledge, the relevant role players will adapt their resources or input to contribute to the relationship. These adaptations can be between activities, such as administrative, production, product development and any other aspect of business (Holmen *et al.*, 2005:1243). The approach to different people will also determine the networking success and therefore it is necessary to change your networking approach and adapt it according to what you know about someone (White, 2004:6).

4.5 THE INFLUENCE OF PERSONALITY ON THE APPROACH TO NETWORKING

Different personality types seem to apply their personality traits in different ways. Different cultures also tend to have a perceived general type of character with its own networking applications. Cultures that are characterised as being more extraverted seem to tend to rely more on interpersonal networks of information and therefore the approach to networking will be affected (Mooradian & Swan, 2006).

4.5.1 Personality types

Different personality types will follow different approaches in business networking and each person will have a unique style and application and create an unique self-brand (Nierenberg, 2005b:viii).

- **A swan personality type** is introverted and quiet. This personality type will need to follow and create an individual step-by-step process to networking, because networking is not natural behaviour and effort must be invested to be successful (Taylor, 2006:5). There are more e-mail interactions than personal connections (Taylor, 2006:155).
- **The butterfly** constantly makes new connections, but do not invest the time to develop these connections into relationships. These people know many connections to start of with, but they will only succeed by organising and following up to maintain these connections (Taylor, 2006:5). Their value lies in that they can act as connectors by bringing other parties together (Taylor, 2006:155).

- **Dolphins** balance new and old relationships in an active and comfortable way and this attracts even more potential connections (Taylor, 2006:5). Their adaptability makes the development of networks and widening their range easy (Taylor, 2006:155).
- Time pressured introverts tend to be **lion personalities** who focus on a few important relationships. This holds the potential that other opportunities and fields beyond their focus may be neglected (Taylor, 2006:5). Lions are patient and powerful in their interaction and only focus on achieving the task, situation or goal ahead (Taylor, 2006:155).

The goals or objectives of establishing a specific relationship need to be made clear to apply the phases of networking accordingly and to characterise the relationships (Ford, 1998:33). To identify different personality types will assist in making the right first impression and develop the right connection points for future contact (Nierenberg, 2005b:94).

Table 4.3 illustrates the main differences between introverted and extroverted people. Some personalities will show characteristics of both.

Table 4.3 Differences between introverted and extroverted people

Introvert	Extrovert
<ul style="list-style-type: none"> • Recharge when they are alone. • Prefer to listen. • Are thoughtful and reflective. • Focus well. • May be mistaken as aloof. • Need time and space for themselves. • Keep their thoughts to themselves. • React internally. • Are quiet. • Do not make small talk. • Tend to listen first and speak later. 	<ul style="list-style-type: none"> • Energise by making contact with others. • Are talkative. • Are action-orientated. • Multitask well. • Seem friendly and outgoing. • Like to be surrounded by others. • Talk about their thoughts and ideas. • React externally. • Are expressive. • Love to make small talk. • Speak first and listen later.

Source: Nierenberg (2005b:138)

Introverted people are often thought of as a personality type that cannot network effectively. However, networking is a skill and even introverted people can acquire this skill by following a few important guidelines. These include taking each relationship and developing one at a time, working on your self-confidence, utilising your support base fully, taking the lead to control the situation, taking another networker with, listening with full attention, keep trying and going prepared, and following up by means of technology and e-mail. These are only a few aspects that an introvert can keep in mind when starting to network (Tullier, 2004:237-247).

To be known, for instance, a well-connected individual will be open to scrutiny in a community and therefore some people are reluctant to be open to the possibility to be scrutinised (Singer, 2005:13).

4.6 CHARACTERISTICS OF A RELATIONSHIP NETWORK

Networking can be approached from different perspectives and this will influence the manner in which one networks (Gerber, 2005:274). If one does not adopt a long-term view of networking, one will not gain access to the relationship between these network players. These relationships are only accessed through the relationships that one already has access to. A detailed discussion of the main characteristics of a relationship network is necessary but it is important to remember that every relationship is unique with its own mixture of characteristics (Peppers & Rogers, 2004:37).

A network also consists of social human actions, such as communication that may lead to acquiring information, trust and cooperation (Krackhardt & Kilduff, 2002:279).

4.6.1 Trust

Trust can be described as contributing as much as one can and this has a reciprocal effect where each serves each other (Boe, 1994:14). It is as much part of human nature to search for trust as it is possible to create trust (Ciancutti & Steding, 2001:ix).

Trust exists because it is based on the human inclination to give naturally and this desire to contribute to something more than only their own purpose drives the

existence of trust. Trust is stronger than the fear of not achieving the outcome (Ciancutti & Steding, 2001:9-11).

The very nature of relationships lies in that there will at times be experiences of discomfort, in terms of negative feelings, worry, suspicion, difference in opinion, misinformation or -understanding, to name a few examples. These experiences can be resolved in a trust relationship where direct communication will lead to closure and commitment (Ciancutti & Steding, 2001:65).

Trust involves a feeling of being comfortable (Peppers & Rogers, 2004:70). To develop trust, a face-to-face encounter is required for most trust relationships and this influences the development of trust in other relationships, such as virtual relationships (Bridgewater & Egan, 2002:48). To establish a strong feeling of trust only develops over a period of time and when something of value is gained through the process (Holmen *et al.*, 2005:1243).

4.6.1.1 Defining trust

Trust is complex and to establish some form of trust between diverse partners or participants implies that there should be a common ground or basis for their involvement and further building of the relationship (Arrien, 2001:164).

According to Markova (2004:133), trust lies on a continuum of blind passion borders on the one hand and a calculated and enforceable contract on the other hand. Traditionally, trust formed part of a process consisting of trust, then obligation and finally expectation of the relevant role players. Table 4.4 illustrates the different explanations of the term trust.

People conduct business with each other based on the supported fact that they know each other and trust one another (Rezac, 2005:21). Trust exists where there is strong interdependence between the role players, or where someone makes the conscious decision to trust based on their own rationality (Markova, 2004:3).

Table 4.4 Different descriptions of trust

Description	Author
Words or elements associated with trust	
<ul style="list-style-type: none"> In some cultures trust is seen as equal to benevolence, righteousness, wisdom, fidelity and the expectation of over repayment of gratitude and honesty. 	Bridgewater & Egan (2002:5,35)
<ul style="list-style-type: none"> With trust as a form of sense making, the involved role players are able to predict by some method the expected outcome, reciprocity commitment and have clarity and certainty about these expectations. 	Adobor (2003:333)
<ul style="list-style-type: none"> Dependability is one of the key concepts of trust's importance. 	Koniordos (2005:83)
<ul style="list-style-type: none"> Trust is fragile and irreplaceable. If people refer you, they put their own trustworthiness and reputation on the line. Sincerity and reliability may lead to the development of trust. 	Taylor (2006:11)
<ul style="list-style-type: none"> To have trust one must have clarity, be organised and provide security and transparency. 	Visagie (2006)
Trust is important in driving economic relationships	
<ul style="list-style-type: none"> Trust can be seen as a highly valued human characteristic. Together with elements such as technology and innovation, it drives businesses in the modern economy. 	Ciancutti & Steding (2001:ix,14)
<ul style="list-style-type: none"> Trust enhances cooperation and flexibility; it lowers costs and increases the potential for businesses to share their expertise and knowledge. 	Nielsen (2005:1197)
Trust generates trust	
<ul style="list-style-type: none"> Trust generates trust and is built on shared values. 	Armstrong & Yee (2001:63-86)
<ul style="list-style-type: none"> Trust in one relationship has an effect on another relationship. 	Hadjikhani & Thilenius (2005:92)
<ul style="list-style-type: none"> Trust has a leverage effect in that the time that it takes to trust a person will decrease the time to build relationships with other associations as the connections are build upon an established relationships. Trust builds upon trust. 	Visagie (2006)
Trust is based on the partner's ability and intent	
<ul style="list-style-type: none"> Trust is the confidence in the other partner's ability and intent and involves the willingness to rely on that expected satisfaction. 	Armstrong & Yee (2001:63-86)
<ul style="list-style-type: none"> With trust, one person puts his/her faith in someone else's competence, intentions or on the conditions. 	Nooteboom & Six (2003:7,199)

<ul style="list-style-type: none"> Trust describes one person's faith in the other person's ability to deliver as expected and the willingness to take the risk. 	
<ul style="list-style-type: none"> Trust is the confidence that one role player has in the reliability, durability and integrity of the other role player. It involves credibility, reliability, intimacy and focused self-orientation. 	Peppers & Rogers (2004:43,73)
<ul style="list-style-type: none"> By delivering what you promise, trust 'credits' can be built up. 	Roane (2004:149)
<ul style="list-style-type: none"> By being true to one's word trust can be developed. 	Singer (2004:99)
<ul style="list-style-type: none"> Trust entails building up a kind of 'track record' and assumptions that are based on the other role players' position or reputation. 	Strathdee (2004:24)
<ul style="list-style-type: none"> Trust involves taking risks to achieve material goals. Therefore, the exchange relationship is based on the trust in the other person's ability to deliver knowledge, experience or money. 	Gruszczynski (2005)
<ul style="list-style-type: none"> Trust is implicated where the partners involved have confidence in each other's ability and integrity to fulfil what is expected. 	Lui, Ngo & Hon (2006:467)
Trust is built up over time	
<ul style="list-style-type: none"> Trust takes time to develop and might even take as long as two years. 	Ciancutti & Steding (2001:ix,14)
<ul style="list-style-type: none"> Trust is often built over a long time where actual transactions or significant exchanges only develop later on. 	Bridgewater & Egan (2002:5,35)
<ul style="list-style-type: none"> Trust develops during a situation of high density, visibility and over a time. 	Kadushin (2002:82)
<ul style="list-style-type: none"> Trust is the output of constantly repeated exchanges and negotiations between people. 	Biolos (2004:129)
<ul style="list-style-type: none"> In a trust relationship, members share each other's interests and base their involvement on the confidence that each person will deliver and do as he or she has agreed to do. 	Rezac (2005:160)
Trust is a balanced relationship	
<ul style="list-style-type: none"> Cohesion and social support are also terms that are used interchangeably with trust in a relationship with a balance of power between the role players. 	Kadushin (2002:82)
<ul style="list-style-type: none"> Trust is seen as a by-product of having an understanding between parties and an alignment or congruency of goals. 	Biolos (2004:129)
<ul style="list-style-type: none"> Trust reduces risks and is in conclusion the fulfilment of a self-fulfilling prophecy, which is created and confirmed on a constant basis. 	Adobor (2003:331)

<ul style="list-style-type: none"> • Expectations are enhanced by making sense of each other's role and responsibilities. 	
<ul style="list-style-type: none"> • Trust is associated with security, discretion and being risk free. Distrust is created with insecurity, indiscretion, suspicion and doubt. • Trust is also described as risk taking that is based on the rationality of the individual, which is established from knowledge on the specific issue. 	Markova (2004:5,25,39)
<ul style="list-style-type: none"> • Trust can be defined as reliance. The trust between the members is the 'glue' between them. • Trust is personal and facilitates cooperation between the interested parties because of their belief that each will be able to act to achieve the mutual benefit. 	Koniordos (2005:4,5,74)
<ul style="list-style-type: none"> • Trust increases cooperation and flexibility, it lowers costs involved and increases the tendency to share resources, such as information. Exchanges are not always obligatory. 	Nielsen (2005:1198,1199)

A person's own rational decision to trust is based on small incidents which build up over time that are enhanced by the accumulation of evidence in the form of delivery or supporting facts to enhance initial expectations (Adobor, 2003:330).

4.6.1.2 Principles founded on trust

Closure, commitment, communication, respect, dignity and integrity, reliability and individual responsibility, cooperation, quick efficient resolution and responsibility are principles that are founded on trust (Ciancutti & Steding, 2001:19).

- Closure can be defined as clarity and focus on what is expected and how it should be conducted in terms of the specific agreement and the delivery or completion date. There has to be no grey areas that could cause someone to start wondering, because uncertainty will make people suspicious, and suspicion breaks up trust (Ciancutti & Steding, 2001:20-21). Closure is reliant on a person's instincts, feelings, reactions and intuitions (Ciancutti & Steding, 2001:7).
- Commitment, on the other hand, entails an unconditional and pure promise of your intend to achieve the set outcome by conducting the specified actions (Ciancutti & Steding, 2001:5,98) and being dedicated (Nooteboom & Six, 2003:200). Commitment means revealing one's vulnerability and this will only

show if there is trust (Peppers & Rogers, 2004:43). If it becomes known that you cannot deliver as agreed upon, you have to be transparent and inform all the relevant parties as soon as you are able to do so (Ciancutii & Steding, 2001:23). This refers to the principle to treat others the way you want to be treated (Singer, 2004:112).

- Communication needs to be directly and openly to build and sustain trust (Lindenfield & Lindenfield, 2005:208). Avoid talking behind other people's back, speaking up when not in agreement and stating all information necessary are important to keep the communication channels open and the network alive. Other aspects of communication include to be honest with no surprises and to respond within a fair time limit (Ciancutti & Steding, 2001:29,34,35).

Communication between the parties needs to be open in both directions, varied and intensive (Ford *et al.*, 2003:79). Various communication tactics can be applied to enhance successful communication, including understanding the conversations, identifying assumptive and non-assumptive questions, to stay in contact, use tact in discussions and show respect. In addition, parties need to be non-judgemental and develop good listening skills, provide confirmation and put the focus of each discussion towards the achievement of closure, as well as acknowledging this closure in writing and then soliciting people's willingness to participate (Ciancutti & Steding, 2001:81-95).

- As in the case of insufficient closure, slow and insufficient resolution of problems may lead to uncertainty and suspicion, which in turn will break the trust relationship and therefore the network relationship. Issues or problems should always be addressed at the lowest possible level to ensure conformity and support (Ciancutti & Steding, 2001:31,34).
- Respect and dignity need to be present to foster trust and build the networking relationship. Acknowledgement of each person's contribution will lay the foundation for the development of respect and honouring each person's unique role and value to the relationship (Ciancutti & Steding, 2001:33). To respect others' contribution, one first needs to fully understand one's own contribution and value (Arrien, 2001:203). Integrity is an important characteristic that leads to soundness and trust in the person's ability (Ciancutti & Steding, 2001:211).

Integrity is a crucial ingredient for trust and building a strong network (Lindenfield & Lindenfield, 2005:48).

- Reliability refers to the role player's actions that are stable and reproducible (Peppers & Rogers, 2004:358). Each participant in the network relationship should take full individual responsibility for his or her own actions and problems. This does not mean that everybody are on their own; if there is some uncertainty one may ask for help, but each member has to be able to hold his or her own when needed (Ciancutti & Steding, 2001:33). This individual accountability ensures the development of mutual commitment and respect (Singer, 2004:108). Therefore, the presence of unethical or questionable behaviour will lower the quality of a relationship and future exchanges will be limited if not eliminated (Moberg & Speh, 2003:10).
- Cooperation is a form of trust where the relationships between the relevant role players willingly engage into an exchange relationship or transaction with other relevant role players (Markova, 2004:67). Cooperation by trusting each other can lead to elimination of feelings of risk and uncertainty (Peppers & Rogers, 2004:43). Interpersonal cooperation leads to interpersonal trust and can be present on different levels and to different extents (Markova, 2004:134).

Cooperation can be simultaneously used with the concept of social competency. It is universal in character and build on reputation. Aforementioned includes the confidence in the specific idea, concept, person or institution (Markova, 2004:68-69). The ability to deliver will also influence the level of trust put in the person (Nooteboom & Six, 2003:200). Openness and honesty are prerequisites for a person to trust another (Moberg & Speh, 2003:2).

- Quick efficient resolution and responsibility. Because of previously established clarity, terms and strong communication, each role player takes responsibility for his or her role and contributes to the fast resolution of any disputes or irregularities.

Table 4.5 illustrates the different components of trustworthiness. Trustworthiness is therefore the efforts of the relevant parties to commit in good faith, to be transparent

and honest, and not to take advantage of another even if they are put in a position to do so (Adobor, 2003:332).

Trust leads to interdependence and sustaining the moral code of business, while mistrust leads to exclusion and failure (Lindenfield & Lindenfield, 2005:49).

Table 4.5 Components of trustworthiness

RATIONAL		NON-RATIONAL	
CREDIBILITY	RELIABILITY	INTIMACY	ORIENTATION
<u>Words</u> believable truthful	<u>Actions</u> predictable familiar	<u>Safety</u> secure integrity	<u>Focus</u> caring attention

Sources: Peppers and Rogers (2004:74)

4.6.1.3 Forms of trust

Forms of trust include individual trust and general trust. The interpretation of the word and its meaning differs in terms of different languages and cultures (Markova, 2004:31,176). Trust is also described as encapsulated interest (Hardin, 2002). Common values or shared cultural values play an important part in the existence of trust. These cultural values include perceptions and experiences in terms of power, achievement, stimulation, self-direction, benevolence and security (Armstrong & Yee, 2001:3). Table 4.6 provides a summary of different authors' opinions on the basis for the different forms of trust.

Table 4.6 The basis for different forms of trust

Form of trust	Basis for the trust
Fragile trust Holmen <i>et al.</i> (2005:1243)	<ul style="list-style-type: none"> This form of trust is easy to change or let falter with low-risk exchanges.
Resilient trust Holmen <i>et al.</i> (2005:1243)	<ul style="list-style-type: none"> Resilient trust plays a supportive role in high-risk exchanges between different role players and can continue through some level of disappointment or problems.
Deterrence-based trust Adobor (2003:332)	<ul style="list-style-type: none"> Trust that is based on the fear of not delivering and

	the penalty or loss involved.
Personal or interpersonal trust Nootboom and Six (2003:63,129)	<ul style="list-style-type: none"> • One person starts to trust another based on exchanged experiences over a certain period. • The following characteristics of the involved people must be present: integrity, competence, consistency, loyalty and openness.
System trust Nootboom and Six (2003:63)	<ul style="list-style-type: none"> • Trust is based on the trust or belief that one person has developed in the ability of the specific machine or process that is used.
Contextual trust Markova (2004:32,34)	<ul style="list-style-type: none"> • Trust that is interpreted within the context that it takes place and using the same language interpretation.
Institutional trust Nootboom and Six (2003:63) Papadopoulou, Andreou, Kanellis and Martakos (2001:322-332)	<ul style="list-style-type: none"> • Based on the rules set between different businesses. • This form of trust is based on shared values that are portrayed in communication from the business, as well as proven benevolence, competence, integrity or honesty and predictability.
Secret societies Markova (2004:36)	<ul style="list-style-type: none"> • Reciprocal relations bind and form trust as the cornerstone for the existence of the relationship.
Earned trust Visagie (2006) Ciancutti and Steding (2001:10)	<ul style="list-style-type: none"> • The person needs to prove that he or she is trustworthy over time. • Earned trust has the effect that people work together for the benefit of each other and this feeling binds the team or workforce to make it connected.
Cognitive trust Armstrong and Yee (2001:63-86) Lui, Ngo & Hon (2006:470) Adobor (2003:332)	<ul style="list-style-type: none"> • Trust is based on reputation and the confidence in the business or person. • Trust is based on the person's first impression and his or her expectation of a meeting. • One chooses to trust grounded on the other person's reliability and professionalism.

Nootboom and Six (2003:26,202)	<ul style="list-style-type: none"> Trust can be established for the duration of the transaction or situation. People offering solutions will build trust, but people presenting problems will break the relationship.
Empathetic trust Nootboom and Six (2003:8,202)	<ul style="list-style-type: none"> You trust the other person based on your ability to put yourself in the other person's shoes and empathise with him or her. The belief in another is rooted in the emotional bond between the persons.
Characteristics-based trust Nootboom and Six (2003:23,24)	<ul style="list-style-type: none"> Altruistic connections in terms of social norms and kinship. Examples include family members, community members, culture organisation members and religion or congregation members. This form of trust is found amongst members of professional organisations and educational institutions.
Institution-based trust Nootboom and Six (2003:23,24)	<ul style="list-style-type: none"> Based on rules, ethics and professional standards. Institution-based technical, professional and benchmarking standards will determine the trustworthiness of information.
Process-based trust Nootboom and Six (2003:23,24)	<ul style="list-style-type: none"> This form of trust includes feelings of loyalty and commitment and it is found in friendships and habituation. Routines, mutual involvement and being part of the process will increase the levels of this kind of trust.
Knowledge-based trust Adobor (2003:332)	<ul style="list-style-type: none"> This refers to trust that is based on the expected outcome and therefore the assurance that it will actually realise as anticipated.

4.6.1.4 Trust as social capital

Although there are many forms of social capital, trust is included as the acknowledgement or appreciation and the feeling that one supports something in line with your personal values (Ciancutti & Steding, 2001:xii). Trust plays a very important

part in social relationships as well as cultural values and therefore influences the business culture. Business transactions and dealings are also built on trust, because it is conducted through the relationships between people and businesses (Wickham, 2004:44,221,229).

Therefore, it is important not only to keep one's own perception of trust in mind, but most importantly the other role player's perception. For instance, in some countries, it is common practice to give gifts and do favours in order to do business but this is not mistrusting or unethical and general practice (Markova, 2004:13).

- **Trust within a business**

It is important to note that people should be the primary focus of business transactions and therefore necessitates the presence of trust (Lindenfield & Lindenfield, 2005:152). Internal relationship networks tend to be more supporting with a high level of trust involved (Kadushin, 2002:83).

These relationships are based on trust and safety and therefore trust is envisioned in the entire network. In a trusting environment, people will tend to be more open and share ideas and even their difference in opinion, which may lead to the betterment of processes and creative problem solving (Ford, 1998:28). A trusting environment leads to the full access to and therefore the sharing of higher intelligence made possible because of diversity (Ciancutti & Steding, 2001:16,19)

- **Trust in business networking**

Trust is a very important ingredient in inter-business relations and therefore also as a requirement for coordination between the different businesses (Ciancutti & Steding, 2001:16). Business is conducted between people that trust and respect each other (Nierenberg, 2005b:177). Trust is essential to the success of a relationship because of the risk involved in the exchange (Moberg & Speh, 2003:3).

Building networked relationships takes time and these relationships are built on a mutual level of understanding and trust. Therefore, it is more cost effective to maintain relationships in terms of the return on investment than to forge new relationships (Gray, 2001:29).

These relationships between businesses create competition and cooperation (Grandori, 1999:17). Trust is an aspect that is pro-actively pursued by all parties

concerned and is a long-term commitment that is achieved through patience and endurance (Koot, Leisink & Verweel, 2003:3). Trust is an essential component between businesses to share knowledge, even if their systems are connected and technology sharing takes place. The level of trust between the businesses will determine the level of knowledge exchange (Van Winkelen, 2003).

Trust is identified as one of the key attitudes that determine the success of an alliance (Koot *et al.*, 2003:6). External relationships tend to base their trust on effectiveness and efficiency and therefore the level of trust is much more limited and only attains the specific resource.

The level of trust needed in different relationships will vary and the higher the stakes the higher the level of required trust will be (Ford, 1998:28). Trust is in many instances based on the level of power or control that the role player has in the specific relationship. Figure 4.3 illustrates trust in a power/control matrix as it is used in different relationship networks.

Figure 4.3 Inter-business relations: Trust – Power/Control matrix

Low context Codified information Explicit contracts TRUST High context Uncodified information Implicit contracts Undiffused and diffused information Hierarchical power relations	Bureaucratic relationships <ul style="list-style-type: none"> ▪ Control of transaction costs. ▪ Information diffusion limited. ▪ Impersonal relationships. ▪ Hierarchical organisation. ▪ Internal contracts for monitoring. 	Market-based contracting relationships <ul style="list-style-type: none"> ▪ Market/price control. ▪ Information diffused/no control. ▪ Impersonal competitive relations. ▪ Horizontal coordination. ▪ Market contracts for monitoring.
	Asymmetrical power relationships <ul style="list-style-type: none"> ▪ Information diffusion limited. ▪ Relationships personal/hierarchical. ▪ Implicit contracts appear to outsiders as trust - monitoring. 	Non-competitive relationships <ul style="list-style-type: none"> ▪ Information diffusion limited – lack of codification. ▪ Relationships personal, not hierarchical. ▪ Implicit contracts – non-monitoring.
CONTROL		
Horizontal power relations		

Source: Grandori (1999:312)

Accepted risk by trusting one another makes the business process less problematic by bridging the expectation gap. The trust is justified in that one will have good reasons to trust another (Nooteboom & Six, 2003:63). It is important to remember that trust is built over time and with patience and by remembering that the other person is busy and that he or she might have preferences in terms of communication methods (Nierenberg, 2005b:178).

- **Trust in society**

The general trust between people is the basis for society - not only for functional reasons, but also for development. No one can ever know everything about another and therefore most actions are based on trust (Markova, 2004:32).

4.6.1.5 Building trust

Positive leadership includes the ability to create a culture of trust, which was earned and this in turn is based on closure and commitment. People tend to contribute more and be more committed to something if they feel secure and free (Gounaris, 2005:126). Trust needs to be fostered and nurtured, and acknowledged and rewarded (Ciancutti & Steding, 2001:3-4). To encourage trust, it needs to be recognised and acknowledged in order to encourage people to contribute (Ciancutti & Steding, 2001:13).

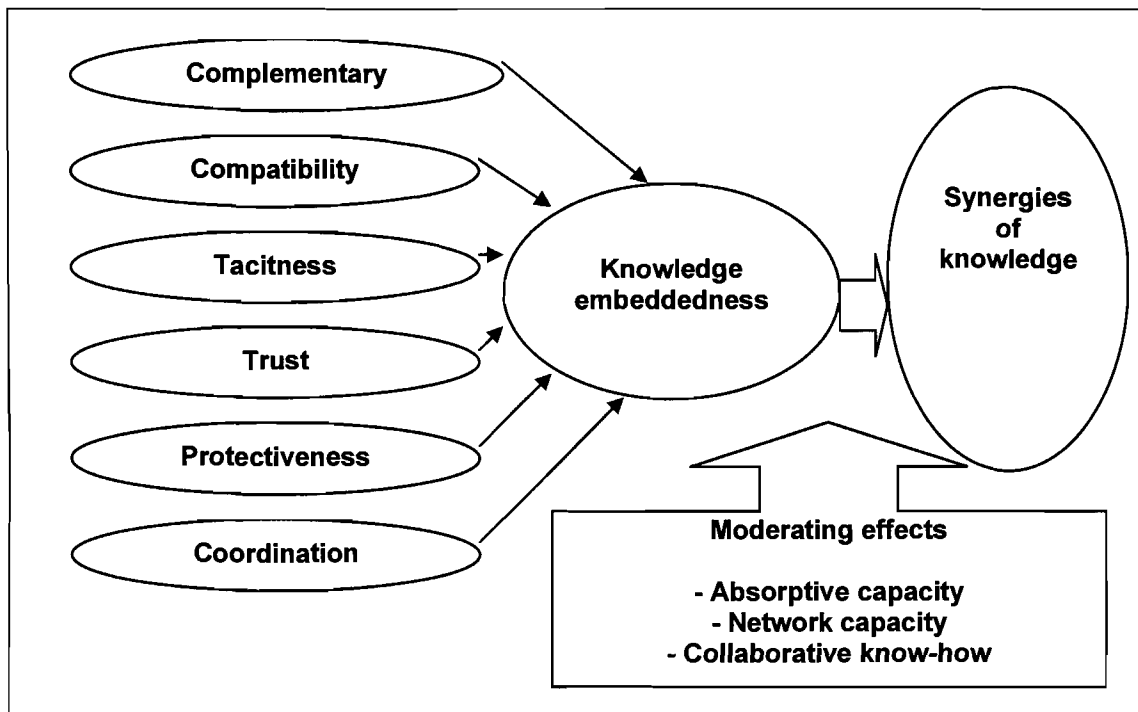
The level of trust is increased every time that a promise is kept and this could be in the form of keeping to a time, providing agreed information, to return a telephone call, in other words be available or just proving your commitment to the specific issue at hand (Kay, 2004:149). Predictability and social knowledge may lead to the creation of trust (Markova, 2004:27-29).

It is also stated that relationships that are built on trust and confidence in each other are very valuable in that it will minimise costs involved and will help to build competitive advantages that are sustainable (Wickham, 2004:427). Trust also minimises the levels of social litigation needed and it fosters and promotes social arrangements and contacts (Koniordos, 2005:28). Trust is described as the currency of all commercial actions (Peppers & Rogers, 2004:78). A main building block in successful relationships is based on the trust that has developed between the role players (Gounaris, 2005:128).

Trust needs to be built before it is actually needed, in other words pro-active networking is to decide whom you need in your network and to build up the network to get the right people in place for when they are needed (Yeung, 2006:11). Existing relationships offer a higher level of comfort with clear responsibilities and therefore these relationships offer more advantages if built in advance before they are needed (Lindenfield & Lindenfield, 2005:182).

Network embeddedness leads to striving towards the personal enrichment brought into a relationship by trust and reciprocity and not only to realise a quick profit (Nielsen, 2005:1195). Figure 4.4 provides a summary of the elements of network embeddedness in terms of knowledge embeddedness.

Figure 4.4 Knowledge embeddedness of a network



Source: Nielsen (2005:1196)

Networks can be structured based on relational embeddedness, such as the social relations that form the foundation for the existence of the network. Relational embeddedness influences the relevant role players' actions and it is based on the nature of the relationship (Nielsen, 2005:1196).

In structural embeddedness, the focus is on the organisational position of the different role players. Knowledge embeddedness refers to a network that is built on

the structure of information and knowledge sharing between the role players (Nielsen, 2005:1196).

To trust blindly may lead to a decrease in performance and therefore trust must be balanced. The foundation for the trust relationship needs to be continuously verified and monitored and not merely naively followed in order to ensure a kind of management and coordination (Morse, 2005:19).

4.6.1.6 The advantages of trust

The advantages of trust include the following:

- It facilitates the opportunity to create a competitive advantage.
- People take responsibility for themselves and therefore the need to regulate every move becomes obsolete or minimised.
- Trust generates efficiency in that everyone knows what to do and how to do it.
- The people involved will take ownership and aspire to better performance.
- In stressful or difficult circumstances, a team or people with trust between them are more likely to cope better for longer.
- Trust creates a common set of values amongst the people involved and the whole process takes on a new dimension (Ciancutti & Steding, 2001:xiii-xiv).
- Cooperation, participation and reciprocity are products of trust (Markova, 2004:129).

4.6.2 Reciprocity

Reciprocity is a principle and a practice that seems to be present in all cultures and social interactions and it is closely related to trust (Koniordos, 2005:6). Reciprocity is based on the basic principle that you have to give to receive and it must be mutually beneficial (Lindenfield & Lindenfield, 2005:75). These exchanges can include explicit and direct exchanges of favours or indirect and unconscious generosity (Moyer, 2005:160). The intent of the gift is the most important factor of reciprocity; one must not always give to receive (Misner & Morgan, 2000:17).

The above-mentioned entails the development of a specific relationship based on what you bring to the relationship and what you wish to receive from it. This exchange can take place formally or informally in terms of business and social needs

(Bridgewater & Egan, 2002:35). In many cultures, relationships are based on their reciprocal exchange and these are important considerations in the manner in which the different parties enter into a relationship (Markova, 2004:26). Table 4.7 illustrates the different attributes for the existence of reciprocity in relationships.

Table 4.7 Descriptions of reciprocity

Description	Author
<ul style="list-style-type: none"> • Internal networks are mainly based on reciprocity or delivering to each other according to their expectations. 	Vroom (1990:32)
<ul style="list-style-type: none"> • Reciprocity is not always immediate and can never be demanded. • Reciprocity is developed with a long-term perspective in mind. Immediate reciprocity might indicate to the other person involved that the role player does not wish to be in a long-term relationship. 	Nootboom & Six (2003:11)
<ul style="list-style-type: none"> • It must be rewarding for the other role player to develop the relationship with you. 	Wickham (2004:407)
<ul style="list-style-type: none"> • Reciprocity can be seen as a 'robust and evolutionary stable relationship' with specific debts and duties that are fulfilled by never forgetting and never forgiving. • Reciprocity includes cooperation and virtue; it is a trustful and exchange relationship and is defined as the moral expression by societies, communities and smaller groups that indicate the appropriate way in which one is expected to behave. • Reciprocity does not instantly lead to moral obligation. • Social transactions include the knowledge of the appropriate ways in which gifts are given. This includes encounters with people you know vaguely, but who will act according to a specific chain of events. • Reciprocity can be horizontal exchanges that include favours, goods or services or vertical exchanges where one powerful connection may offer security. • There needs to be a long-lasting interaction where each recognises one's own and each other's debt, including liberty and obligation. • The social interaction lag is a characteristic of reciprocity, with no need for a direct instant exchange. A time lag between the return delivery is sometimes needed. • In reciprocity, it is an unwritten rule that one accepts the informal and formal contract rules involved. • Direct reciprocity is nurtured and maintained by trust, reputation and managed actions, while indirect reciprocity is built out of anonymous repeated transactions. 	Koniordos (2005:15,26,34)

<ul style="list-style-type: none"> • Collaboration may include human behaviours, communicating, sharing information, coordinating, cooperating, solving problems or negotiation. • Reciprocity occurs naturally and is vital to make choices or achieve specific goals and objectives. • A reciprocal understanding can be formally structured, such as an internal employee-employer relationship. 	Rahman (2006:74)
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The benefits that are available in the networking relationship must be shared and it is better to give in the relationship than to take. Allies established through a relationship of giving and receiving is powerful to advance in business and personal situations (Moyer, 2005:160). Transparency is also important for trustworthiness (Kay, 2004:150) and without trust and rapport, a relationship can fail (Boe, 1994:83).

Reciprocity is non-calculative in its approach, long-term expectations are set and it makes a person feel good to respond to another person's needs. An unbalanced contribution might cause a person to feel guilty and to honour their obligation just because of this feeling to pay the person back or return the favour (Nooteboom & Six, 2003:84).

4.6.3 Credibility

Credibility refers to the quality of being perceived as worthy of others' confidence and therefore reliable to meet their expectations (Misner & Morgan, 2000:165). Credibility is built on tangibility and in most relationships the personal connection is the tangible element in terms of value, quality, prospects and uniqueness (Fairley & Stout, 2004:181). Credibility is also one the first aspects that you would like to establish in a new relationship (Ferrazi, 2005:83).

A good reputation can be seen as part of being credible. Customers, suppliers, investors and employees will take a business's or individual's reputation into account when approached with a proposition. Building your credibility and reputation is hard and takes time, but it is easy to loose when a mistake is made (Wickham, 2004:427).

To inform network members of one's own successes, achievements or highlights endured in your life will encourage people to be more involved and will make them feel important. The same applies in business - if role players are informed, they will

be more likely to take ownership and feel part of the process (Rahman, 2006:85). Social reputation generates trust and this trust assists in developing cooperation and therefore holds the promise of transactions (Koniordos, 2005:25).

It is also important to be the person that is reliable and that will go above and beyond what is required of him or her in order to establish a good track record (Rezac, 2005: 150-151). Another important aspect of networks is that entrepreneurs stand to gain substantially from such relationships in that if they collaborate or can be associated with a respected and well-known business, it will lead to legitimacy, which is not an easy competitive advantage to establish above competitors (Hitt *et al.*, 2001:8).

4.6.4 Differences

To differentiate means to prioritise or to value different needs or perspectives (Peppers & Rogers, 2004:85). A common ground or understanding of terms and/or conditions must be reached to understand each other and the ground rules of the relationship better. Therefore, social, cultural, technological and, especially in internal networks, time distances will have to be taken into account when networks are built (Ford, 1998:30).

- **Social distances**

Social distances may lead to different interpretations in terms of role players' outlook on life and their expectations.

- **Cultural distances**

Cultural distances include differences in terms of time, space, objects, friendship and family, language interpretations, religion customs, ethnicity, education level and symbols interpretation (Ford *et al.*, 2002:24-25) and may lead to a difference in norms and values attributed to relationships and business.

- **Differences in technology access and application**

Technologically the relationships of networks may be influenced by a distance in the application, availability or even the level of development of technology. A communication infrastructure and sufficient support will enhance the level of networking. Some of the most dynamic and charismatic business leaders in the ICT

industry had well informed secretaries that understood the importance and the steps of networking (Visagie, 2006).

- **Time distances**

Differences in time in networks may affect international relationships in terms of delivery or expected exchange dates (Ford, 1998:30).

- **Geographic distance**

Bridgewater and Egan (2002:5) include geographic distances and diversities where relocation or the use of technology may be necessary to bridge the gap.

- **Differences in the views of the participants**

Long- and short-term views of relationships have a great influence on relationship building. Long-term viewers respect persistence and ordered relationships, while short-term viewers respect reciprocity, stability and current position (Bridgewater & Egan, 2002:27).

- **Differences in terms of gender**

Women are currently underrepresented in the corporate world and especially at the top executive positions. Although there has been some improvement in recent years, it is still an unequal situation (Kerbo, 2006:296).

The demands on women to succeed in these positions also differ from those requirements put to men. Women need to balance the demands of traditional family life with those of top executive and traditionally men-dominated tasks, they have to take on high risks, acquire special and unique skills, try to establish networking and maintain it, offer mentoring and work within the limits of a male developed workplace (Kerbo, 2006:299).

Women's networking tactics differ from that of men and it is believed that it is because of previous perceptions that they are sceptical. However, is this a valid conclusion or are they only trying to make their mark? (Koniordos, 2005:84). Generally, women are perceived as being in touch with their feelings and emotions and being sensitive to externalities, whereas men are typically seen as thinkers who have absolute rules. To keep these generalisations in mind is only one step of the process since every individual should be treated as such and individual knowledge

should be acquired (Nierenberg, 2005b:98-99). Men traditionally kept women from entering and succeeding in traditional male dominant positions by excluding them from informal networks, not offering mentorship and referrals (Kerbo, 2006:297). Table 4.8 summarises different communication skills for men and women in order to improve communication between the different genders.

Table 4.8 Different communication skills for men and women

Communication skills	Women improving their communication	Men improving their communication
Listen	Cultivate a blank face.	Maintain eye contact and do not interrupt.
Speak	Start from the beginning on a positive note and increase voice volume.	Wait for pauses and avoid jumping in.
Small talk	Minimise talk about yourself.	Talk about something other than only sports.
Humour	Go with the flow of the conversation and joke politely.	Do not be too witty and do not tell jokes that not everyone will appreciate.

Source: Nierenberg (2005b:101)

The impact of culture, customs and the difference between women and men in terms of their thinking style on female participation in networking seems to be far more complex and relevant than initially expected.

South Africa was traditionally dominated by model societies with a top to the bottom authoritarian structure in business, which was characterised by high levels of fear, tension and violence. Males were viewed as superior to women and this served as the foundation for rankings of superiority and inferiority (Arrien, 2001:20). The modern South African society is striving to leave behind these stereotypes and the present affirmative action campaigns are attempts to eradicate this problem of the past. It has however left society still in transition to view some careers as exclusively male or female paths.

The straight white male dominance of the past in terms of politics, in other words governance and business, are still present. Expected behaviour and actions in the boardroom and at home are still very much dominated by the traditional white male perspectives and concepts. This culture still influences the way in which

relationships, emotions, hierarchy and other variables within different cultures and from different gender points of view are practiced, although there are movements to include other races and women as well (Arrien, 2001:111).

Emotional outbursts are strongly rejected in the business world. Relationship breakers include not acknowledging the other person's position in society and his or her specific contribution to that society. The 'ubuntu ethic' in South Africa, for instance, expect you to acknowledge a person because of other people. To listen and hear their voices will grant them acknowledgement and restore the connection (Arrien, 2001:144).

According to McLean (2003:192), women tend to be easier at collaborating, whereas men understand the bottom-line of reciprocity. Women are hesitant in asking someone in business context to do something or that they do something for them. Women may have a more natural ability to develop as a person that people can go to for input on different levels.

Differences between the different role players need not to be action or reaction orientated, but the distinguishing factor for relationships lies in the interaction between the parties. Complementary attributes of the different role players need to be utilised to build a stronger bond and put all the relevant parties in a stronger position than what is possible on their own (Ford *et al.*, 2003:3,78).

4.6.5 Commitment

Commitment can be defined as the quality of the relationship between partners. It defines a relationship that is regarded as important enough to award ultimate effort to the building of it (Peppers & Rogers, 2004:45). Commitment is based on the role player's desire to establish and maintain a quality relationship. The risks involved that influence the decision to commit to a relationship include sharing resources and the competence of the role players and this will affect the level of commitment between them (Moberg & Speh, 2003:3).

To develop relationships takes time and patience (Boe, 1994:93 & Yeung, 2006:171) because people take time to get to know each other or to get used to the idea of a specific concept (Kay, 2004:7). Commitment indicates what the role players will do for each other and on what level, especially in terms of what they will do in future

because of its uncertainties (Holmen *et al.*, 2005:1242). Commitment can be regarded as the component of a relationship that may lead to loyalty and willingness to interact in future transactions or circumstances (Gounaris, 2005:130).

Relationships are built over time and building up enough credibility to be introduced to members' connections requires time and trust. It is important to take the time to and be willing to help others (Roane, 2004:83). Relationships and building a bond take time and cannot be rushed or forced. Focussed networking time is needed to set aside for developing, building or maintaining a network (White, 2004:8).

Established networkers believe that the real power of relationships can only be realised over time. If networking is approached from a life-long development point of view, it may open unexpected doors. Therefore, to develop a successful network one needs to demonstrate by follow-up and maintenance of the relationships that one is in this for the long haul (Taylor, 2006:2,11). Commitment requires sacrifices, effort and adaptation of the parties concerned (Bridgewater & Egan, 2002:6).

To find someone to act as your mentor you will have to identify someone that respects your time, takes action on the information that you provide, shows respect for what he or she is given and is willing to pass this information or gifts on to others (Biolos, 2004:159,160). Mentoring relationships are reciprocal in that the person being mentored gains access to important experience and skills, and the mentor has the opportunity to experience confidence and satisfaction (Wainwright, 2004:28).

Existing relationships in business are competitive, but also collaborative and these two elements need to be balanced and complemented to modify the network successfully (Wickham, 2004:405). Access to information and opportunities through relationships puts a business in the position to have a stronger competitive advantage and be more successful than competitors to stay ahead in their field of business (Kay, 2004:2).

4.6.6 Interdependency

Interdependency in relationships needs to be balanced to put all the role players in an even position (Bridgewater & Egan, 2002:35), otherwise the concept of power might influence the relationship (Hadjikhani & Thilenius, 2005:90). Interdependence includes interaction between and amongst the network members (Arrien, 2001:28).

The interdependence between businesses drives the business manager or owner to effectively interact with other businesses by comparing the actions and resources of his/her own businesses with those of its customers, suppliers and other role players. The networked relationship is not only about cooperation, but also a 'working-together' relationship that involves actions, such as to work against them, through them and sometimes in spite of them (Ford, 1998:1).

Relationship networking connects managers internally and externally to identify the right people for future connections, thereby gaining access to information that help them to make proactive decisions and to identify possible challenges and opportunities (Smith, 2003:1).

Dependency leads to feelings of vulnerability and uncertainty, which in turn makes the relationships unstable and weak (Peppers & Rogers, 2004:48). Interdependence includes the integration of business activities through the links between them, as well as the ties that bind the resources and actions together. Interdependency is also influenced by the bonds between the role players in terms of friendship, shared experiences, cooperation and trust relationships (Ford *et al.*, 2003:8).

4.6.7 Degrees of separation

Every individual relationship is part of a whole web of relationships or network (Ford *et al.*, 2003:4). In research done by Milgram (1967) it was found that in social networks, one could be only six handshakes away from the opportunity or right connection that you need (Rezac, 2005:22). To approach a contact with the idea that they have access to other connections and seeing them as a potential resource will enhance the quality of networking exchanges in that connection (Misner & Morgan, 2000:232).

To get in touch with someone you know and to remember that they know someone else might illustrate that you are only six handshakes from the person that you need (Gregory, 2004:1). Most people want to be part of something in which they get the opportunity to contribute and add value to something (Yeung, 2006:15,154). It is important to make face-to-face contact and try to say or do something memorable during the conversation. Your connections work for you in that they know and connect with other people you do not know (Roane, 2004:49).

Coordination leads to the opportunity to overcome potential problems between partners to share knowledge and create a position of inter-business learning (Nielsen, 2005:1199). A network is ever evolving according to need, circumstances and changes and therefore it is an ongoing process and never completed (McLean, 2003:192).

4.7 SUMMARY

It is perceived as a natural human action to live out the need to be committed and interconnected. People trust one another and then enter into a mutual agreement based on common values. Networking relationships, whether they are conducted from a short- or long-term perspective, will be balanced with clearly articulated agreement.

There is a psychological need for support and comfort. People that have access to this support and comfort are then able to lead successful balanced lives. Networking is in essence to meet people and to develop a friendly interactive structure. There is a difference in the level of connection when referring to connections and relationships. In other words, the level of connection is influenced by the level in which resources are shared, which includes information, time and effort.

Relationships take more time and effort to develop and need to be pro-actively pursued to maintain the level. Members of the relationship need to express their willingness to participate and substance is built through repeated interaction. Each relationship is unique and has its own characteristics in terms of trust, commitment, cooperation, common interest and openness.

The strength of the particular relationship is based on the established involvement, levels of trust, friendship, personal exchanges, frequency of communication, intimacy, density and social homogeneity of the participants.

Networkability refers to the state where one's value is increased by the ability to connect others to reach their or their businesses' full potential. Networking traits that are attributed to successful networking include self-confidence, to be connected and approachable, to be valuable and be willing to share this information or skills. Other networking traits include setting specific goals and strategising, to have good

character and good reputation, good communication skills and to be presentable and persevere as building a network takes time and effort.

Networking is a personal skill that can be mastered by addressing definite needs and adapting to meet these needs. Different personality types influence the approach to networking and every situation and personality will have a unique approach to networking. Personality types include introverted personality types or swans, the butterfly personality, dolphins and lion personalities.

Each relationship network will have its own unique mixture of characteristics, but the main elements found in most relationship networks include trust, reciprocity, credibility, to take into account main differences, commitment, interdependency and the degree of separation between the role players.

Trust is dependent on a specific expectation and desire to contribute; this takes time and builds on common involvement, obligation and expectation. Closure, commitment, communication, respect, dignity, integrity, reliability, individual responsibility, cooperation, quick efficient resolution and responsibility are principles founded on trust. There are a variety of different forms of trust including individual trust, general trust, encapsulated interest, fragile trust, resilient trust, personal or interpersonal trust, trust in the context or system or institution. Other forms include belonging to secret societies and trusting the members, trusting another based on their actions that earned your trust or cognitive trust based on confidence in an ability or skill, empathetic trust that is emotional in nature and characteristics-based trust.

Trust plays a very important part in business transactions, dealings and social capital and in creating a suitable environment to successfully conduct business and exchange resources or determine the level of power or control needed. General trust in society is functional and positive leadership will nurture this to offer closure, commitment, confidence and a sustainable competitive advantage. Other advantages of the presence of trust include that people need less governance, it generates efficiency, makes people more involved, decreases stress, takes processes to a new dimension and facilitates cooperation, participation and reciprocity.

Reciprocity refers to the state where one role player is required to give in order to receive and this creates a situation that is mutually beneficial on a formal or informal

basis. Transparency and the expectation of long-term exchanges are factors of importance in reciprocity.

Credibility is another element of a networking relationship and can be described as meeting the set expectations, whether it is tangible in terms of value, quality, prospects and uniqueness, or to build on a person's reputation. Reliability, a good track record and legitimacy are factors that contribute to a person's credibility.

Social, cultural, technological and time distances are some of the differences that should be taken into account during networking. Geographic distance may also be necessary to take into account, as well as differences in the role players' views on the relationships.

Commitment and interdependency are other relationship networking elements that need to be balanced. Relationships consist of an interconnected web of relationships and social networks separate a person from the desired connection with a maximum of six handshakes or connections. This value is realised by valuing the connections between existing connections and other networks. The need, specific situations and challenges of changing to adapt to the circumstances need to be assessed in terms of the network that is already established and those connections in process. Networking is an ever evolving and never completed project.

CHAPTER FIVE

THE BUSINESS COMPONENT - CONNECTIONS

5.1 INTRODUCTION

Economic activity and practice are rooted in the complexity of the social relations of networks of friends, family, government, educational and professional history, religion, gender, ethnicity and culture (Jones & Tilley, 2003:17). The networked business can be described as a business that is connected to indirect and direct relationships that are complex and interconnected (Bridgewater & Egan, 2002:21).

Networking can prove to be a competitive skill for managers and entrepreneurs that work in absolute isolation and find it very difficult to establish and maintain business relationships (Cohen & Prusak, 2001). This can effectively increase productivity levels, reducing the workload and resulting in the development of new relationships and networks (Boe, 1994:2).

Existing relationships in business are competitive, but also collaborative and these two elements need to be balanced and complemented to modify the network successfully (Wickham, 2004:405). Strong relationships to collaborate in business exchanges are of critical importance to exchange information, risks and rewards and to work together when planning and implementing processes (Moberg & Speh, 2003:1). More and more collaborative alliances are founded in informal relationship networks between businesses than through standardisation and in structures (Cross, Liedtka & Weiss, 2005:124).

Therefore, business networks are not simple to understand and are very complex with different dynamic aspects (Ford *et al.*, 2003:xi). The challenge lies in combining the complementary competencies of the networking partners by persuading them to cooperate (Cowling, 1999:156).

5.2 BUSINESS NETWORKING

Networking is a crucial, dynamic and evolving part of a business (Boe & Youngs, 1989:1). One view of business relationships is that it consists of basically 1:n relationships. It describes a relationship in which one business sets the rules and standard and the other has to accept or decline the offer (Österle *et al.*, 2001:22). Business networking is described as the process whereby time and money are invested in building, adapting, developing, relating, combining and understanding the different role players' contributions (Holmen *et al.*, 2005:1244). Other views of networking include the following:

- Business networks include the links between the business and its customers, suppliers, bankers, regulations authorities, family and accountants amongst others (Jones & Tilley, 2003:26).
- Networks need to be managed as an organisational structure. This networking structure has definite distinguishing factors, as is the case for other organisational structures such as the cooperation and strategic alliance (Bridgewater & Egan, 2002:10).
- The success of networking lies in the way in which the relationship webs are managed. There are different levels of relationships and each one needs to be managed appropriately (Bridgewater & Egan, 2002:10).
- Networking is also viewed as human behaviour that takes place naturally and with individual application (Bridgewater & Egan, 2002:11).
- Business is conducted by people with people they favour and know (Boe, 1994:83). A network needs to be treated in the same way as you treat any other business aspect and management needs to be developed and improved constantly (Boe, 1994:149).
- Each business will have their own unique application of networking because of its own relationship mixture (Bridgewater & Egan, 2002:33).

Business structures developed around transportation costs while the functionality of production processes in terms of high/low volume ratios allows the business to locate their functions in different areas and place themselves strategically from a logistical point of view (Castells, 1989:103). The beneficial elements may be tangible or intangible and include physical, financial, intellectual, technical and other human

resources (Ford *et al.*, 2003:18). Table 5.1 summarises a few other views on business networking.

Table 5.1 Summary of the views on business networking

<p>Unidirectional view</p>	<ul style="list-style-type: none"> • Focus on political issues and governmental structures. • Homogeneous influence on the types of industries. <p>Jacobson <i>et al.</i> (1993); Maddison (1991) and Miller (1993)</p>	<ul style="list-style-type: none"> • Unit for analysis is the business. • Political, internationalisation, marketing adoption strategies and risk evaluations are seen as factors that simultaneously impact the business. <p>Kotler <i>et al.</i> (1996); Porter (1986) and Ting (1988)</p>
<p>Dyadic view</p>	<ul style="list-style-type: none"> • Explicit focus on the interaction between political and business role players. • Managers work with their subordinates and the relationship between them are complex and interactive. <p>Boddewyn (1988) and Yarbough & Yarbough (1993)</p> <p>McColl-Kennedy & Anderson (2005)</p>	<ul style="list-style-type: none"> • Relationship approach to study. • Business-to-business exchanges. • Political role players are only vaguely acknowledged. <p>Håkansson (1982) and Sheth & Parvatiyar (1993)</p>
<p>Network view</p>	<ul style="list-style-type: none"> • Integration between political and business role players. • Studies on business level. <p>Esping-Andersen (1985); Hadjikhani & Ghauri (2000) and Ring (1990)</p>	<ul style="list-style-type: none"> • The focus is on the business role players in the network. • Political embeddedness is only vaguely discussed. <p>Håkansson & Snehota (1995) and Ford (1990)</p> <p>Jacobson <i>et al.</i> (1993)</p>

Source: Hadjikhani and Thilenius (2005:6)

Dyadic knowledge embeddedness plays a mediating role in the creation of synergies of knowledge (Nielsen, 2005:1202). Cultures often have different perspectives and different networking views. Cultures need to find common rules or establish a basis for operating limitations, such as how to interact with political and other business role players as a dyadic view, as opposed to the networking view whereby political and business role players are integrated (Welch & Wilkinson, 2005:205).

Networking urges businesses to develop and maintain cross-boundary linkages and relationships to enhance the total output by the empowered individuals without taking anything away from their individuality and uniqueness (Trevillion, 1999:6). Business networking also entails a seamless collaboration between the involved role players or people, the systems they use and their organisations (Vervest *et al.*, 2005:49).

5.2.1 Networkability as a competitive advantage

Networkability is the ability to establish internal and external cooperation relationships where resources, business processes and business units are shared (Österle *et al.*, 2001:5). Networkability is an asset and can contribute not only to the existing relationship, but also to other relationships or links through the binding of different relationships. Developments, approaches and attitudes are also linked from one relationship to another (Ford, 1998:43).

Networkability is also seen as a competitive advantage with the building of relationships between suppliers and distributors and with customers. Co-working relationships between businesses are rated according to the business's position and power in the particular network. Hard linkages are defined as connections where information is shared and skills are acquired, whereas softer linkages involve the establishment of relationships (Jones & Tilley, 2003:20).

5.2.1.1 The networkability concept

A network has the power to reinvent and drive itself once it is established. The network has the asset of members' permission to communicate with them and this is measurable in cash (Godin, 2001:192). Networkability influences the competitive strategy of a business, whether a competitive advantage is planned on economies of scale, switching costs, product differentiation or any other factors (Czerniawska & Potter, 1998:26).

An important factor to keep in mind is that a relationship network should be wide and balanced with regard to the players in order to make a bigger amount of relational capital available to all players in the particular network (Grandori, 1999:288). The ability to communicate effectively with business partners, suppliers, customers and other role players in the marketplace has become an important factor in achieving success in business (Darley, 2003:1).

5.2.1.2 Characteristics of business networking

The networked business has benefited more from intra-business coordination than from intra-business integration (Österle *et al.*, 2001:36). The networked business tends to show the following characteristics:

- The superior-subordinate relationship changes to a more informal relationship,
- Individual profit centres are established with objective means to determine and calculate compensation,
- Policy-making tends to be separated from decision-making processes,
- Restructuring of business processes are conducted through the use of electronic data processing,
- A networked business gains free access to information, internal monopolies are eliminated and reward and risk are more balanced (Österle *et al.*, 2001:36).

The individual can also experience more mobility and enhanced rights with the availability and promotion of education in the business (Darwin, Johnson & McAuley, 2002:22). Business can save on the costs of developing and managing various business functions, including marketing, training, obtaining quality resources, conducting research and developing strategies, as well as performing quality control.

5.2.1.3 Approaches to measure the concept

Networking can be seen as a tool to identify and analyse technology and other important management processes, for instance the production of innovative products or processes. Therefore, by acknowledging the existence of certain networks as relationships between knowledge-based businesses, cooperative networking can be enhanced and a competitive advantage is created for the business in terms of its access to technologies and skills (Harryson, 2002:12).

In a social network, the relation between the different role players are of immense importance, specifically through the kinship and communication links between the external and internal role players in the form of colleagues, business associates and friends (Garton *et al.*, 1997).

The number of contributions can be measured, a numerical value can be placed on the time saved, the cost saving involved and additional revenue received as a direct result of the networking connections. Alternatively, the percentage of this involvement and estimating the certainty of this estimation may prove to be other examples of attempts to measure the value of networking (Van Winkelen, 2003).

5.2.2 Advantages

Long-term relationships holds various advantages for business, such as cost reductions, increased revenue opportunities, the free exchange of relevant information, as well as to stimulate ideas and innovation (Bridgewater & Egan, 2002:7).

The networked business might enjoy all or some of the following benefits from a well-managed business relationship:

- Managers that have access to large personal relationship networks have access to information on higher-paying positions and inside connections.
- Managers with well-diversified and well-developed business relationship networks are promoted faster, easier and at a younger age than their counterparts (Kay, 2004:4).
- Professionals that are appointed through their connections and personal contacts, as opposed to those appointed through impersonal advertisements, tend to find more satisfying jobs that motivate them to stay in the position for longer (Kay, 2004:4).
- Project and change managers tend to be more successful after they have established and maintained good working business relationships on an internal and external basis.
- The business's success is dependant on human relationships, interpersonal skills and communication and not only on the business's technical ability and skills (Baker, 2000).

Through networking a business gains exposure to expand and gets the opportunity to make people aware of the business and what it has to offer (Tullier, 2004:28). Businesses cannot be excellent in every aspect and therefore the challenge lies in effectively outsourcing some of the business functions for better efficiency or

establish the right connections with other businesses by forming strategic alliances or relationships (De Man, 2004:2).

5.2.3 Disadvantages

Networking has some disadvantages in that long established relationships may hamper change and reduce the level of creativity. Long-term relationships do not imply commitment and this might lead to the failure of relationships and networking as a business practice (Bridgewater & Egan, 2002:7). Long-term interdependencies might reduce the level of confidence amongst the role players and their individual level of performance (Six, 2005:48).

A network that consists of a strong homogenous group might make it easier for individuals to build trust relationships amongst each other, but could result in the constraint of unique ideas and findings. This also makes it more difficult for other role players to enter this network (Six, 2005:50).

5.3 REASONS FOR BUSINESSES TO NETWORK

The motivation behind relationships with external role players in the business environment is that even if the business only takes care of the businesses and customers that are already loyal to the business and gain their repeated transactions, it can gain access to a exponential number of other potential business relationships through the access to each of their own relationships networks (Templeton, 2003:27).

A combined effort may lead to results beyond the abilities of the single business, jobs can be created and local economies can experience growth (Lipnack & Stamps, 1993:5) by accessing information and opportunities to build a stronger competitive advantage and to be more successful to stay ahead in their field of business (Kay, 2004:2). These business relationships or links with other businesses create a business ecosystem of win-win relationships in order to achieve goals and objectives that could not have been achieved otherwise, or as efficiently (Gemünden *et al.*, 1998:201). Inter-business relationships can be established and maintained through contact via the Internet and e-mail (Cohen & Prusak, 2001).

Therefore, business relationships are used to access information and resources and this will be influenced by their position in the network and their access to social

capital in the form of social relationships. This social capital is built on trust, commitment, reciprocity, expectations and shared rules and obligations (Frazier & Niehm, 2004:25). Social capital can be described as interpersonal friendship or family networks that a person has access to. These connections are proven to put a person in a better position to find references, find work or learning to do the job and therefore the more connections one has, the better one's chances of success (Kerbo, 2006:397).

The substance of networks lies in that they exist; it cannot be measured merely on the basis of the monetary outcome of a transaction. Networks may include relationships of importance, because:

- Important role players are bound and act through a specific relationship.
- Relationships between the role players link their own activities together.
- Relationships may offer the advantage of combining resources to develop a competitive advantage.
- Relationships offer the added advantage of linking different relationship networks to each other. Relationship networks are opened up to different role players by making their own networks available (Ford, 1998:42-43).

Table 5.2 illustrates some of the reasons for businesses to network.

Table 5.2 Reasons for businesses to network

Marketing	Co-marketing, marketing research, common needs assessment, common brand, export services, international offices.
Training	Basic or specialised and expert trade skills, general or professional skills.
Resources	Purchasing or pool buying, common stock or warehousing, vendor coordination, specialised equipment, professional service delivery.
Research and Development	Joint product or service development, joint process development, shared research and innovation, technology transfer and diffusion.
Quality	Joint quality programme, benchmarking, shared international standards, international standards certification.

Source: Lipnack & Stamps (1993:154)

Another business networking opportunity can be based on healthy referrals that are made possible by the creation of relationships with business professionals that offer other services to your customers. To find the right networking partners, this sort of networking will be required with a number of role players. However, once this

process is established, it could create possible win-win relationships that may lead to cross referrals for future business (Ball, 2005:36).

5.3.1 Networking as an organisational form

The network organisational form is typically described as a flexible organisational form with grey boundaries and free flowing information and resources. The basis for the relationships is trust and mutual understanding. The membership changes from time to time and has an informal mixture of connections and relationships (Bridgewater & Egan, 2002:132).

Network forms can be differentiated from markets and any other hierarchies through the following key characteristics:

- The basis for the existence of the network is the business's complementary strengths,
- Communication is based on a relationship-basis rather than a routine,
- Conflict is resolved through fair exchangeable relations rather than through administrative procedures (Ford, 1998:76-78).

In a relationship, the underlying basis might be the dependence on each other's resources, activities or the relationships between the different role players (Ford, 1998:76-78). Businesses are facing new challenges in innovation and are pressured to create a continuous flow of production and information technology developments, such as new scientific and technological innovations, acquiring high-risk capital and delivering innovative technical labour (Castells, 1989:88).

These requirements are strategically dealt with in a matrix or team business structure. Although the matrix structure might also be experienced as complex and if not managed correctly, it can be unsuccessful because of a lack of clarity about responsibilities (Goold & Campbell, 2002:117). General application of the functional, project and matrix organisational structures provide successful procedures to organise the activities in order to perform and deliver the expected responsibilities. As far as knowledge is concerned, these types of organisational structures might deter the free flow of information and might prove not to be as successful as the networking organisational form where the social structures enhance these transfers (Van Winkelen, 2003).

Professional business structures embody the specific need for specialised labour requirements in each production process and it is difficult to find a balance within the business between the spatial and functionality of the units (Castells, 1989:103).

Table 5.3 illustrates the different organisational forms that are particularly relevant in situations where there is high collaboration. This collaboration puts a business in the position to be able to handle technological, innovation, social and external changes in the competitive markets with more control and insight (Van Winkelen, 2003).

Table 5.3 Different organisational forms and collaboration

Economic era	Standardisation	Customisation	Innovation
Capability needed	Coordination.	Delegation.	Collaboration.
Organisational model	Functional.	Divisional, matrix and network.	Alliances, spin-offs and federations.
Key asset	Physical assets.	Information and transfer of experience.	Knowledge on how to make connections and make new insights.

Source: Van Winkelen (2003)

5.3.2 Networking competition

Networks consist of three basic forms of competition, namely cooperation, competition and cooperation. The first, cooperation, exists between the different partners in the network. Their network position, capabilities and bargaining power will determine their level of cooperation (Medlin, 2006).

Secondly, cooperation between different networks refers to different alliances that occupy different positions in the overall market. In light of aforementioned it is important to remember that the compilation of the specific alliance will determine its strength. The third form involves different organisational forms that compete with each other to gain access to the various advantages of each other's organisational form (De Man, 2004:131-132). Table 5.4 illustrates the different competencies that a business needs to develop for competitiveness.

Table 5.4 Competence and competitiveness

Competency area	Behavioural focus
Opportunity competencies	Recognise and develop market opportunities.
Relationship competencies	Person-to-person, group-to-group interactions based on cooperation, communication and trust.
Conceptual competencies	Conceptual abilities related to decision-making skills, information absorption, risk taking and innovativeness.
Organising competencies	Internal and external activities associated with human, physical, financial and technological resources.
Strategic competencies	Setting, evaluating and implementing strategy.
Commitment competencies	Entrepreneurial drive to develop the business.

Source: Jones & Tilley (2003:19)

Business interaction involves risk and control issues, trust and commitment as well as the impact of external developments (Medlin, 2006).

5.3.3 Business exchange and coverage

Business exchange involves the flow of resources to and from the different role players. These resources include products, services, technology and financing (Hadjikhani & Thilenius, 2005:23). Each partner's contribution needs to be valued before they enter into the relationship as to have assurance and supported expectations (Bridgewater & Egan, 2002:131).

The interaction between the role players may lead to mutual benefit and a mutual understanding is reached to build a long-term relationship (Hadjikhani & Thilenius, 2005:25). Smaller businesses that use Information and Communication Technology to create direct selling channels to their customers have emerged through the wide availability of the Internet and made the targeting of the most appropriate partner even more difficult (Czerniawska & Potter, 1998:35). Business networking where personal and skill-related information is openly available can assist a business in finding the required skills or expertise in the business (Vervest *et al.*, 2005:53).

Businesses can position themselves to play a diverse and contributing role in the development of communities, as well as hold a negative power over these communities in terms of withdrawing material capital sources and employment from the communities (Beck, 2000:2).

A network can be seen as a strategic value net for a business; each product or service will have value activities that all contribute to the value creating system. Operations efficiency, innovation and the development of new value activities are also necessary to maintain a certain set level of value. The scope and complexity of the structure of the network will impact on the management of the network (Möller, Rajala & Svahn, 2005:4).

5.4 PROFILE OF A BUSINESS PARTNER

Win-win relationships that improve effectiveness and efficiency in the internal business, such as in supplier partnerships, may become all the more important when establishing the ideal business partner profile (Ford, 1998:110). Another important aspect of networks is that entrepreneurs can collaborate with or can be associated with a respected and well-known business and this will lead to legitimacy, which is not an easy competitive advantage to establish above competitors (Hitt *et al.*, 2001:8).

There are behavioural and technical influences between the various businesses in the relationship and this influence is of strategic relevance in the choice of partners to involve in the business relationships and therefore networks. Behavioural influences include the interests, incentives, opportunism and loyalty of the partners to the relationship network. Technical influences include the control of knowledge spill-over and the alignment or added technical specifications (Grandori, 1999:94).

5.4.1 Business partners' interaction

The business partners need to strive towards a consistent purpose and position in the network to balance the relationship and find co-operation (Bridgewater & Egan, 2002:44). Experience involving interaction between certain specified businesses and exchange in terms of perceived benefits and costs involved are inherent to the interaction approach. This line of reasoning involves the way in which different parties engage in a relationship and the contact patterns that are established to serve as basis for the exchanges in these relationships that have an impact on both the effectiveness and efficiency of the transactions (Gemünden *et al.*, 1998:13).

5.4.2 Partner specific interdependency

In networking, a business forms relationships or links with other businesses to create a business ecosystem of win-win relationships in order to achieve goals and objectives that could otherwise not have been achieved or achieved as efficiently (Gemünden *et al.*, 1998:201).

Businesses invest a considerable number of resources in the establishment, management and governing of these partnering relationships and therefore need to have closure on various factors. These factors include the extent of the loss of control, the uncertainty of future outcomes, the extent of each partner's demand of resources or the costs involved to derive the desired benefits, the preclusion of each partner's boundaries and possessions, and the extent of confidentiality in terms of the exposure to your partner's partners (Gemünden *et al.*, 1997:92).

The above-mentioned is directed at creating a situation where chosen businesses in the network supplement one business's core strength. Competitors are excluded through alliances with key players in the market to strengthen the network even further (Czerniawska & Potter, 1998:57). Table 5.5 illustrates the characteristics of weak and strong business relationships in terms of their interdependency levels.

Table 5.5 Characteristics of interdependency levels in business relationships

Weak business relationships	Strong business relationships
Simple exchange.	Complex resource exchange.
Few exchanges.	Large numbers of exchange relationships.
Low adaptation.	High adaptation.
Few role players are engaged in the transactions.	There can be a few or large numbers of role players involved.
Economic basis and a low social exchange.	The exchange is combined with large social exchanges.
There are a small amount or only simple information exchanges.	Plenty of and highly complex information is exchanged.

Source: Hadjikhani & Thilenius (2005:27)

The interdependency network structure includes cooperative motives that are very strong and the relationships between the different network players are dense and tied

to a strong sense of community. The motives and feelings are driven towards dependency as well as trust and underlying support of business and other motives (Kadushin, 2002:80).

The density refers to the actual-occurring relations in a network, with a dense network having a high level of direct communication between the members (Garton *et al.*, 1997). The success of a business relationship is characterised by cooperation, collaboration, and shared information amongst the relevant partners. Long-term relationships are dependent on the actions of its partners to create mutual benefit (Moberg & Speh, 2003:1).

Table 5.6 provides an illustration of the elements that a business should take into account when choosing a business partner or network member.

Table 5.6 Important elements to be an eligible networking partner

Element	Author
<p>An established trust relationship</p> <ul style="list-style-type: none"> • Before entering into the relationship, it is advised that the partner will be screened by making use of secondary information and face-to-face interviews if possible. This relationship involves trust and frequent credibility check. • The level of shared information depends on the level of the relationships involved. • Relationship performance is important in establishing trust and commitment amongst partners. 	<p>Bridgewater & Egan (2002:131)</p> <p>Hadjikhani & Thilenius (2005:27)</p> <p>Liesch & Wilson (2005:169)</p>
<p>Are compatible with the business's own practices</p> <ul style="list-style-type: none"> • Interdependence where the business manager or owner effectively interacts with other businesses by comparing the actions and resources of his / her own businesses with those of its customers, suppliers and other role players in the complex market. • The networked relationship is not only about co-operation. It entails a 'working-together' relationship that involves actions, such as to work against them, through them and sometimes in spite of them. 	<p>Ford (1998:1)</p>
<p>The partner must have a good reputation and display expertise</p> <ul style="list-style-type: none"> • The need for specialisation is enhanced through networking, with each business in the network specialising on their specific 	<p>Österle <i>et al.</i> (2001:22)</p>

<p>strengths and the outsourcing of those aspects that are not part of the focus or strengths of the business.</p> <ul style="list-style-type: none"> • Businesses partner with businesses that display a high level of managerial skill and business reputation. • Reputation is based on the partner's affect, esteem and expertise. A reputable business is seen as a favourable partner. 	<p>Liesch & Wilson (2005:169) Lui, Ngo & Hon (2006:467)</p>
<p>Partnering to gain access and develop strategic attributes</p> <ul style="list-style-type: none"> • Cooperation can result in collaboration where the processes work together towards customer lock-in to create a higher entrance barrier for competitors. • Networking connects businesses to communications networks, distribution channels, carrying less or no stock. • Business networks is utilised to partner with specific partners to obtain the needed resources and relationship capital for a competitive advantage or to form a cooperative relationship. • Businesses seek other businesses that have strategic attributes, including technological capabilities, foreign market power and expertise in the form of international marketing. 	<p>Österle <i>et al.</i> (2001:20) Bolton & Thompson (2000:218) Lundan (2002:9) Liesch & Wilson (2005:169)</p>
<p>Partnering to gain access to information and technology</p> <ul style="list-style-type: none"> • A variety of different businesses can be involved in the exchange process where they share information, technical expertise and a learning experience through social interaction. • Information partnerships expand opportunities and provide a basis for differentiation. Businesses tend to lessen the technical and financial exposure and the business buys all the needed information software and hardware. It also invests profusely in the education of their staff in both fields. • Businesses gain access to information on previous adoptions and change strategies that other businesses made through operating experience and interactions. 	<p>Hadjikhani & Thilenius (2005:27) Applegate, McFarlan & McKenney (1996:185) Jones & Tilley (2003:26)</p>
<p>Partnering for process efficiency</p> <ul style="list-style-type: none"> • Whatever the specific business need in terms of process competence, assistance with planning and to implement processes, having reliability or low or average prices, high flexibility and short cycle times can be accessed by partnering with specific businesses. 	<p>Österle <i>et al.</i> (2001:22)</p>
<p>Partnering to save operation costs</p> <ul style="list-style-type: none"> • Critical mass of customers will reduce costs by allocating 	<p>Österle <i>et al.</i></p>

<p>development costs to the largest number of possible transactions.</p> <ul style="list-style-type: none"> • Networks can make it easier and more cost-effective to build close relationships with customers. Established networked relationships costs three to five times less than trying to attract new customers. • The composition of all connected relationships helps the business to gain access to more multiplexed and multi-faced networks. 	<p>(2001:20)</p> <p>Baker (2000:xiv)</p> <p>Garton <i>et al.</i> (1997)</p>
<p>Choosing partners to obtain a competitive advantage</p> <ul style="list-style-type: none"> • Support networks share information and knowledge and the key partners aim to gain competitive advantage in a market. • By partnering with a specific business more customers can be reached. • Products and services can be offered by businesses on a coordinated basis from a single source to any market in the world. 	<p>Czerniawska & Potter (1998:36)</p> <p>Trepp (2000:130)</p> <p>Österle <i>et al.</i> (2001:20)</p>

5.5 OVERVIEW OF BUSINESS NETWORKING RELATIONSHIP MODELS

Global business network operations in essence utilise four networks namely (1) internal relations and networks that is connected to the (2) dynamic networks of external businesses through (3) parallel and flexible linkages with a shared set of collective outcomes and supported by a (4) cost-efficient information technology infrastructure network (Desanctis & Fulk, 1999:71-72). Businesses engage into networking relationships on different levels, for instance on industry level, on a group level and then within the business on their own level of connections (De Man, 2004:118-129).

5.5.1 Business networking systems

On industry level, the business may tend to move closer to its partners through mergers or by forming new alliances. By changing their own or a partner's position in the network, risks may be hedged and competitors may be disrupted, or constricted (De Man, 2004:118). On a group level, the business may initiate a group relationship, choose a specific position in the group, change their existing position or even switch groups (De Man, 2004:120).

On business network level, the business might decide to approach its partner's partner to gain a competitive advantage, build a bridge in a network or fill open positions. Furthermore, weak ties can be strengthened, sub-networks can be created

and the membership mix can be changed for a better distribution amongst competencies (De Man, 2004:123).

Different relationships exist between businesses and these range from arm's length relationships with lower levels of trust and commitment to strategic alliances and partnerships with higher levels of trust and commitment (Moberg & Speh, 2003:2).

5.5.2 Outsourcing as the externalising of non-core competencies

Subcontracting contributes to the increased flexibility of a business' production function. The networked business uses externalised production and outsourcing or subcontracting of proportions of different production phases or levels of development. Outsourcing or subcontracting of these functions prevents a business from investment of large sums of money in new plants or production facilities. Fluctuations in the capacity of production can also be handled in a more effective and cost efficient manner. Another advantage of outsourcing and subcontracting is the fact that risk is minimised by the externalisation thereof by avoiding the additional costs of operations (Chell, 2001:38).

Logistics management has increased in importance in recent years because of the important role that its internal working plays in outsourcing. This logistics of outsourcing is also known as supply-chain management. Outsourcing of certain business activities affects the internal organisation and operations of a business, as well as external relationships, costs involved and the creation of economies of scale and scope for the business (Ford, 1998:124-125). One of the most important disadvantages of choosing the wrong partner in outsourcing is the possible loss of control, which could happen due to the lack of clear boundaries when the activities become highly diversified (Ford, 1998:127).

5.5.3 In-sourcing to strengthen the business's competencies

With an in-sourcing business structure, the business attempts to satisfy its own needs in terms of producing what it needs. Skeleton staff is assigned to the different functions and internally most divisions will perform multiple tasks and perform multiple roles (Hitt *et al.*, 2001:9,106-123,255). To internalise business operations is most likely in highly competitive industries where information is highly classified and

partnerships might take away a business's competitive advantage (Bridgewater & Egan, 2002:127).

5.5.4 Virtual organisation for new segments and new cooperation partners

A distinction needs to be made between the different approaches of the subcontracting business. These business structures need to encourage and enhance shared information on mutual interests, processes, techniques and the opportunity to obtain economic advantages such as increased sales and profits (Chell, 2001:41).

According to the capitalist approach, businesses depend largely on networks, especially small businesses that depend strongly on the relationships that are part of their own individual and independent network (Chell, 2001:42). Networked businesses form a boundary-less network of interconnected value activities managed with relational trust (Desanctis & Fulk, 1999:24).

5.5.5 Strategically chosen alliances

A strategic alliance can be described where the relevant businesses enter into an agreement where they share power, resources, expertise, knowledge or technology to create a mutually beneficial situation (Muthusamy & White, 2006). This form of business is not only found between businesses in the same field or industry, but also businesses across industries to form strategically chosen divergent operations along value chains (Desanctis & Fulk, 1999:23).

Strategic business network choices evolve around customer portfolios and the benefits are expected to be derived from the portfolios and the organisation of the business to achieve maximum effectiveness and efficiency (Ford, 1998:83). It is often formed as part of a strategy to achieve global competitiveness (Muthusamy & White, 2006). Therefore, knowledge embeddedness leads to synergy and more successful alliances (Nielsen, 2005:1195).

Alliances can also be an organisational option in circumstances where businesses share risks, profit, control, processes and mutual dependency, for instance when entering foreign markets or introducing innovation (Ernst & Bamford, 2005:133).

There is not only one electronic business solution available. Businesses should rather formulate an individual dynamic and adaptable strategy for the individual needs of the business by taking the available technology into account (April & Cradock, 2000:85). Sometimes, being part of a stable and comfortable arrangement or alliance may lead to a position where new opportunities can be missed and changing the arrangement or alliance may be much more complicated than to establish a new alliance or pursuing the opportunity by oneself (Ernst & Bamford, 2005:134).

There are different reasons for the development of different alliances. Internationally alliances are aimed at overcoming cultural and linguistic barriers, international tariffs, political risks, transportation costs, expropriation or to form alliances that assist in forming a stronger competitive position (Muthusamy & White, 2006). Table 5.6 provides an illustration on the different forms of alliances, in terms of cooperation, contractual agreement and governance. The more informal the agreement, the more flexible the approach and this enhances the opportunity for the development of relationships.

Table 5.6 Different forms of strategic alliances

Forms of alliances	Informal cooperation	Contractual agreement	Shareholding and ownership
	<ul style="list-style-type: none"> • Networks. • Communities of practice. • Opportunistic alliances. • Technical exchanges. 	<ul style="list-style-type: none"> • Licensing. • Franchising. • Subcontracting. • Distribution. • Supply agreements. 	<ul style="list-style-type: none"> • Consortia. • Joint ventures. • Research. • Development partnerships.
Influences	Rapid changing environment.		Slow changes in the environment.
Asset management	Assets do need not to be jointly managed.	Asset management can be isolated.	Assets need to be jointly managed.

Source: Van Winkelen (2003)

A complex combination of relationships forms the basis of a society that combines modes of production, power and cultures. However, this is driven into a different direction through a convergence of technological and social changes to bring about new methods of development (Castells, 1989:11-12). A new form of business is

developed through the growing dominance of large businesses in the economy, a trend of decentralisation of management, the subcontracting of operations to small- and medium-sized businesses, as well as a networking structure of businesses that link their elements to each other. This leads to the diversified, individualised and complex business structure of the networked economy (Castells, 1989:168).

The advisable way to establish a successful and uncompromising alliance that is flexible to pursue new challenges is to build on management that has a flexible mindset in terms of the so-called all-or-nothing approaches and find a strategic fit that can be arranged according to the specific circumstances and needs of the business (Ernst & Bamford, 2005:141).

5.5.6 Political exchange relationships

A business needs to adapt business-exchange relationships in strong political environments to find a mutually beneficial interdependency. This might be by direct or indirect means to gain influence and stature. Table 5.7 summarises the different scenarios of political exchange relationships and elements that a business should try to change into influential factors.

Table 5.7 Political exchange relationship activities

Adaptation	Influence
Mutual interdependency.	Dependence on the political role players.
Mutual interaction and benefit.	Supremacy of the political role players.
Cooperation.	Conflict.
Trust.	Mistrust.
Negotiation and convincing.	One-sided decisions.

Source: Hadjikhani & Thilenius (2005:30)

5.6 BUSINESS NETWORKING STRATEGY

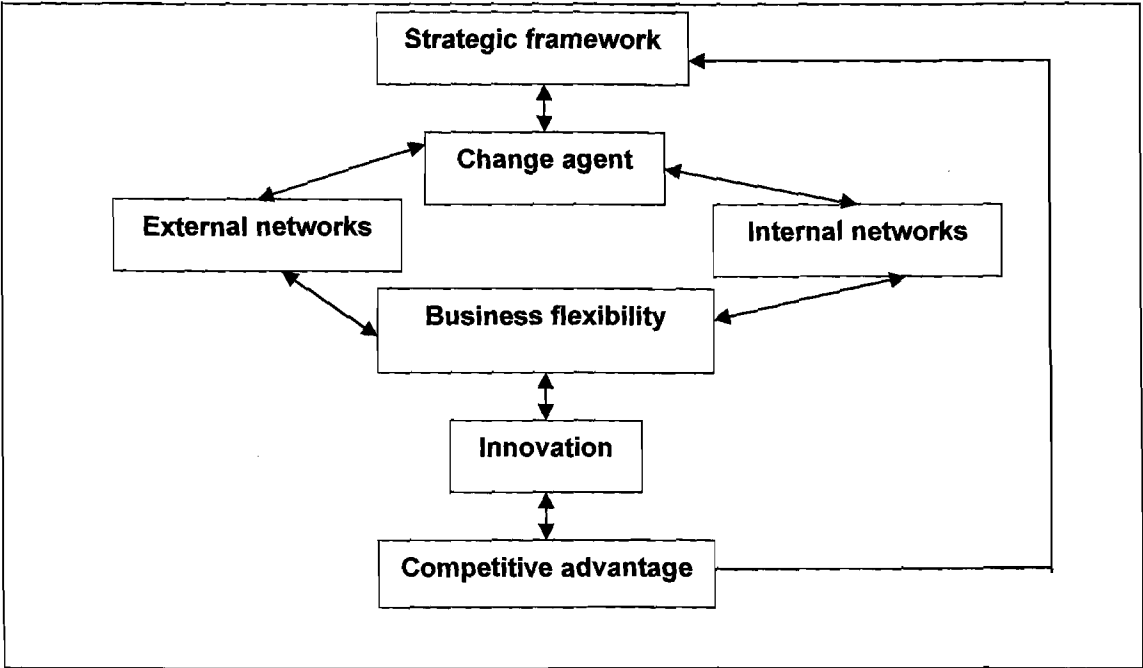
Networking strategies and strategic planning involve the creation of a sense of long-term dimension and this may assist a business in the anticipation of future developments in the market. External relationships assist the business in determining the actual actions to be taken to shape this environment. Aforementioned includes the allocation of the business's resources and utilisation of the benefits of

establishing a competitive advantage, as well as steering the business in the changed environment (Grundy, 1993:18).

Strategic relevance of business networking lies in the fact that strategy represents the decisions made by the business's management on the desired performance. Another business networking opportunity can be based on healthy referrals that are made possible by the creation of relationships with business professionals that offer other services to your customers (Ford *et al.*, 2003:17). A business network strategy to gain a competitive advantage is illustrated in Figure 5.1.

To find the right networking partners, this sort of networking will be required with a number of role players. However, once this process is established, it could create possible win-win relationships that may lead to cross referrals for future business (Ball, 2005:36). The short-term strategy expectations of include to cope and develop with networking and not only to create opportunities to do it (Ford *et al.*, 2003:17). In developing a specific strategy for a business, the following needs to be taken into account: heterogeneity in terms of size, technology, organisation, culture, markets, business management and product offering or differentiation of relationships.

Figure 5.1 Business networking to gain a competitive advantage

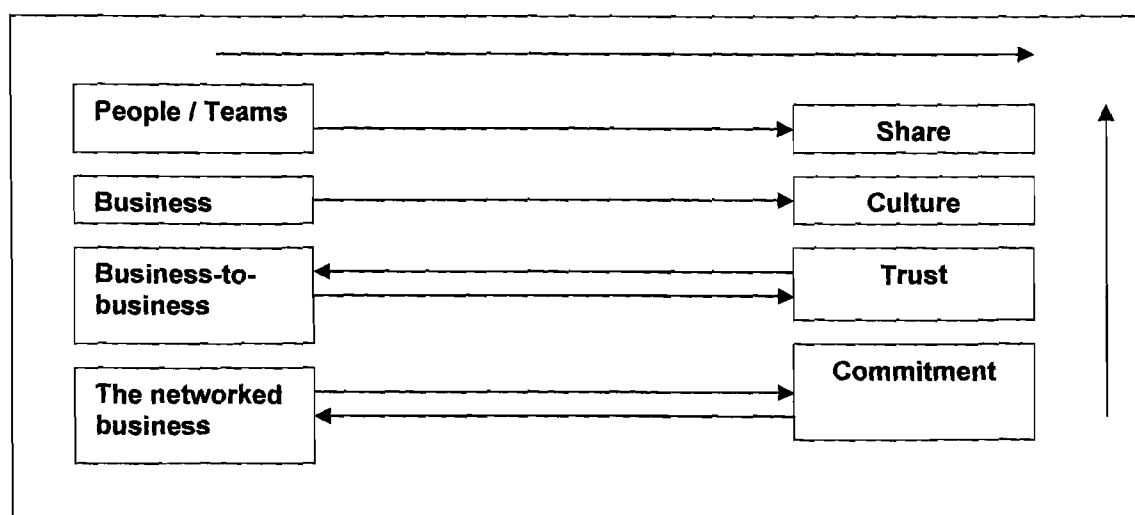


Source: Jones & Tilley (2003:28)

Co-evolution (coopetition) or cooperative relationships may exist and these relationships need to be incorporated in the business's strategy (Ford, 1998:71-75).

A networked business framework combines the most relevant elements of networking in a business environment. Figure 5.2 illustrates the networked business framework.

Figure 5.2 The networked business framework



Source: Salminen & Yassine (1999)

In Figure 5.2 the networked business framework with regard to the components that build the process is illustrated. People and relationships are involved and they find a shared interest to build the business culture. In business-to-business relationships, there are relationships that consist of high levels of trust. In the networked business, one will find commitment amongst the external business relationships, as well as the internal employee relationships.

5.6.1 Structural gaps

An approach to the development of strategies for specific networking needs can be described as five steps known as Strategy, Partnerships, Image, Nerve, and Exit (SPINE) (Anon, 2005:8). Table 5.9 discusses the five steps of the structural gap strategy.

The structural gaps in a network are the result of the tendency of people with similar interests and influence to form clusters. Successful networking entails overcoming these gaps by including a diverse mixture of people with different skills and expertise

so to position themselves to gain access to information on opportunities that are made available by this tendency to group together similar interests and activities (Butler, 2004:103).

Table 5.9 SPINE as an effective networking strategy

S Strategy	Networking events can be utilised to gain exposure and to position yourself as an expert in your field.
P Partnerships	Consciously seek specific people with whom a mutually beneficial relationship will be possible. Fit your strategy accordingly and find ways to work together. Make a valuable contribution or act as a referral for each other when needed.
I Image	First impressions made by your appearance will have an impact on further impressions. A smile and suit is therefore essential to make an positive projection.
N Nerve	To gather information on the person you want to involve is necessary, but if another opportunity is uncertain rather act than miss out.
E Exit	It is considered rude to exit a conversation after only six minutes. After this it is however time to exchange business cards and make time available for yourself, as well as the other person to meet other connections.

Source: Anon (2005:8)

People tend to approach other people that are similar to themselves in terms of background, interests, beliefs or value systems and personal style or work ethic. To fill structural gaps a person needs to work on formal relationships with people outside of their normal domain of thinking and challenge themselves in terms of adaptability and working outside of their comfort zone (Casciaro & Lobo, 2005:96).

5.6.2 Measuring the value of networking

Rapport is intangible and so is the value of networking in most cases. It is difficult to quantify most of the networking actions and these actions are the part of networking that takes the most time and effort to establish (Yeung, 2006:147).

Another way of measuring the value of networking is to measure the outcomes or output achieved by networking. For instance:

- Sharing information in networks holds a variety of advantages in terms of costs, enhancement of services, expanding business opportunities and exposure to new

learning experiences, as well as the opportunity to offer differentiated services (Applegate *et al.*, 1996:185).

- Business networking relationships can lead to opportunities to access business information, resources, technology and markets (Hitt *et al.*, 2001:8).
- Networking interaction can assist the role players to acquire resources and capabilities and to gain information on markets, create wealth and a competitive advantage (Ford, 1998:64-66).
- Structural gaps can be bridged to access entrepreneurial and competitive opportunities that can drive the network relationships towards feelings of mastery, competition and competitive advantage (Kadushin, 2002:78).
- The level and nature of the value system of the role players in the network can determine the value of the connections.
- The specified outcome or set goals for the relationship can be a measurement for the level of value of the network.
- The scope in terms of horizontal and vertical dimensions of the network can also determine its value (Möller *et al.*, 2005:1279).

There are various ways in which management can increase the value of networking in the business. This include recognising its value at top level, offering training to better equip personnel in networking, encouraging inter-department collaboration that will lead to cross-pollination and better problem solving, organising networking goals and activities and rewarding networking actions that contribute to the success of the business to encourage it (Baber & Waymon, 2002:9).

5.7 CONSEQUENCES FOR MANAGEMENT

Networking cannot be fully managed, because full control over the role players is not possible. Different types of networks will have different management issues, for instance the different types of networks will present different opportunities and challenges (Möller *et al.*, 2005:1274). Decisions on networking for managers include the decision on the sort of relationships to establish, in other words the reason for the relationship. Managers also need to decide how this relationships will be established, what the main outcome for the network will be and the input that will be needed for all the role players (internally and externally) to achieve this outcome must be clearly defined (Ford, 1998:8).

Network management leads to the creation of a more dense and diversified network therefore creating the opportunity to gain access to more resources and chances to learn (Jones & Tilley, 2003:157). Managers can start to analyse their own networks by asking the following questions:

- How diversified is my current network?
- Are the key actors in my network directly accessible or do I have to work through a gatekeeper or brokers to get to them?
- Is the density of the network members hampering diversity?
- How valuable and resourceful are these members?
- How many exchange transactions are there?
- Am I fully using the potential of these members?
- What are the deficiencies in my network?
- What can I do to enhance the output of my network? (Jones & Tilley, 2003:170-171).

5.7.1 Resource planning

Networked relationships and technology, especially ICT developments ensure more efficient and effective business operations. Integrated administration, improved product and other departmental functions, such as Enterprise Resource Planning (ERP) contribute to improved time allocation of main functions and business networking opportunity (Österle *et al.*, 2001:25-27).

It is necessary for management to view the purchase and application of technology products and software as essential investments to align and integrate strategic business processes and to achieve maximum competitive advantage (Österle *et al.*, 2001:28).

5.7.2 Knowledge management

Traditionally, businesses focussed on land, labour and capital as production factors, but knowledge that lies at the heart of the global networked economy is the fourth production factor. Information and knowledge, also known as intellectual capital, is the focus of competition in the networked economy (Czerniawska & Potter, 1998:37). Essentially the management of knowledge is a strategic objective. Businesses seek

opportunities to enhance their (knowledge-related) competencies, capabilities and processes and so be able to gain a number of competitive advantages (Lundan, 2002:29).

Businesses need to understand and manage knowledge in order to maximise results, assess the business's position and make predictions to allow for growth, competitiveness and profitability (Kluge, Stein & Licht, 2001:4-5). In explicit knowledge management the knowledge is widely applied and transferred, while tacit knowledge has greater long-term value, but is only developed over time and is situation specific (Van Winkelen, 2003).

Knowledge and information is in some instances expensive to gather, but after that it becomes more cost-effective since it is easier and cheaper to reproduce and distribute. Another attribute of knowledge and information is that it can instantly link businesses and it can be used to bring customers closer to the business (Czerniawska & Potter, 1998:50).

A problem in the networked economy is that managers often tend to use traditional management techniques for processes requiring a definite and clear understanding and direct approach to knowledge management (Kluge *et al.*, 2001:5). The problem with knowledge management is that it is difficult to measure knowledge and therefore to understand the relationship of knowledge. The contribution of knowledge to improve products, processes or customer relations and increase profitability is becoming all the more important to the successful management of businesses in the networked economy (Kluge *et al.*, 2001:8-9).

Knowledge can create value and a competitive advantage for businesses. This knowledge can range from information on potential customers, ideas, production techniques or less complicated information such as information on available sources of potential resources (Kluge *et al.*, 2001:35).

5.7.3 Customer relationship management

Customer relationship management (CRM) involves the allocation of resources in the long term to different relationships and making investment decisions on requirements, and changes to the products or services of the business (Ford, 1998:153). In business, it is important to keep in mind that customers know what they

want, when they want it, where it should be available and how it should be presented (Peppers & Rogers, 2004:21). A customer relationship, as any other relationship, is based on trust to deliver as agreed or to keep information confidential (Peppers & Rogers, 2004:23). Customers need to be respected and treated as important individuals, in other words relationships needs to be fostered (Peppers & Rogers, 2004:25,32).

CRM entails a clear understanding of behaviour (Peppers & Rogers, 2004:25) and to build loyal relationships will require transparency and maintenance (Peppers & Rogers, 2004:28). People will develop a better rapport with people or businesses that they perceive as warm, caring and professional (Boe & Youngs, 1989:234). The characteristics of a relationship between the customer and the business involves mutuality with both parties participating, interaction with the sharing of information and a relationship history or context is built over time. In addition, directional win-win relationships make the relationship beneficial for both parties (Peppers & Rogers, 2004:36, 54).

Therefore, management should follow three steps in the development of successful relationships. Firstly, the identification of the needs or wants of the customer, secondly the differentiation of the individual by paying attention to his or her unique portfolio and by doing so the third step of interacting in a specific way will be determined. This customised communication message will then be used in follow-up communications (Peppers & Rogers, 2004:67).

5.7.4 Change management

The management of change involves the management of humans as well as of business matters. A change management strategy should be prepared for each project. Organisational change is challenging and difficult to achieve (Holmen *et al.*, 2005:1241).

A clear explanation of exactly how the communication between the relevant parties will take place must be compiled and the resistance to the change must be actively acknowledged and managed (Prosci, 2004). By being part of a business network a business gain access to information on previous adaptations and change strategies that other businesses made through operating experience and interactions (Jones &

Tilley, 2003:26). Table 5.10 illustrates some elements that need to be considered in the management of change.

Table 5.10 Change management considerations

• Change can only be facilitated by working with the network.
• Change takes time and involvement.
• Existing relationships may hamper change.
• Management needs to be flexible in their approach since there is no hard and fast rules or specific steps for each specific situation.

Source: Ford *et al.* (2003:25-32)

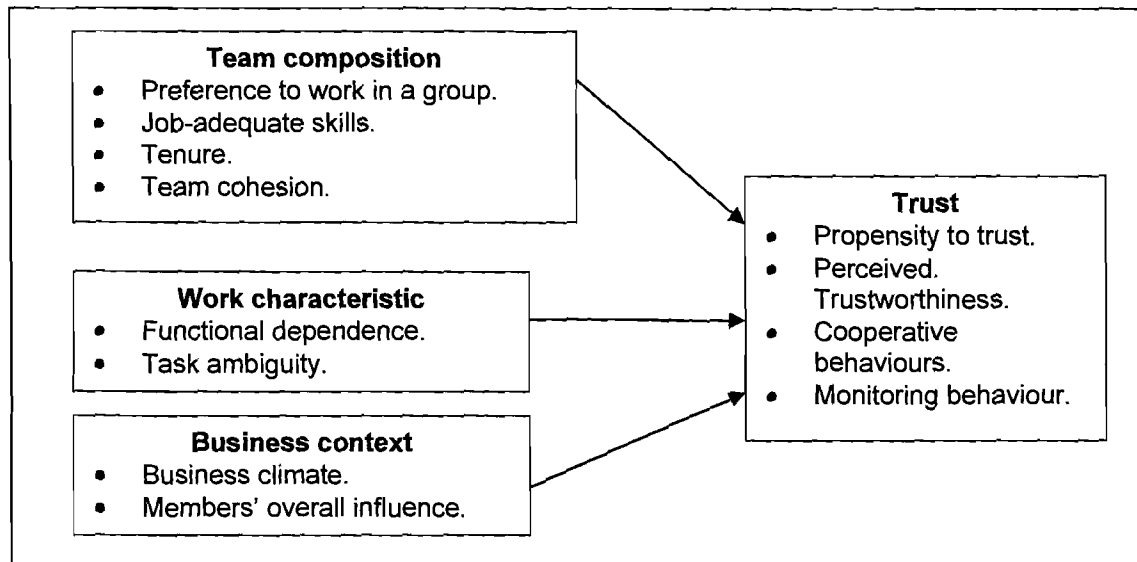
Strategic links include supplier networks, distribution networks, technology development and research and development functions that are important considerations in businesses' management of networks for strategic coalitions or coalitions to require access to specific resources (Möller *et al.*, 2005:1275).

5.7.5 Team management

Networks are strongly based on teams. Trust amongst the team members and between the businesses and the team is very important for successful networking.

Figure 5.3 illustrates a hypothesised model of how the connection between trust, teams and the business can be managed.

Figure 5.3 Hypothesised model for trust in business networking relationships



Source: Nootboom and Six (2003:109)

5.7.6 Other considerations

Management needs to analyse their specific position in a network to understand and plan, as well as strategically develop a competitive advantage. Expectations need to be managed. Table 5.11 gives an overview of specific considerations that the management of the networking function needs to take into account.

Table 5.11 Other management considerations

• Technology needs to be combined and unified.
• Relationship networks need to be adapted or changed in time.
• To build on the commonalities between the different role players will make the relationships stronger and add value.
• Standardisation in each party's contribution will increase the level of commitment.
• Management needs to analyse relationships beforehand to decide if the relationships need to be adapted or if further investment will be liable.
• Resource dependency needs to be a point of strength and not an exploitation of another.
• Managers need to view the network holistically and not only out of a single minded perspective to determine its true value.
• Management of expectations and interaction continuum for effectively establishing trust
• Trust within a team is basically managed in that each will deliver as expected.

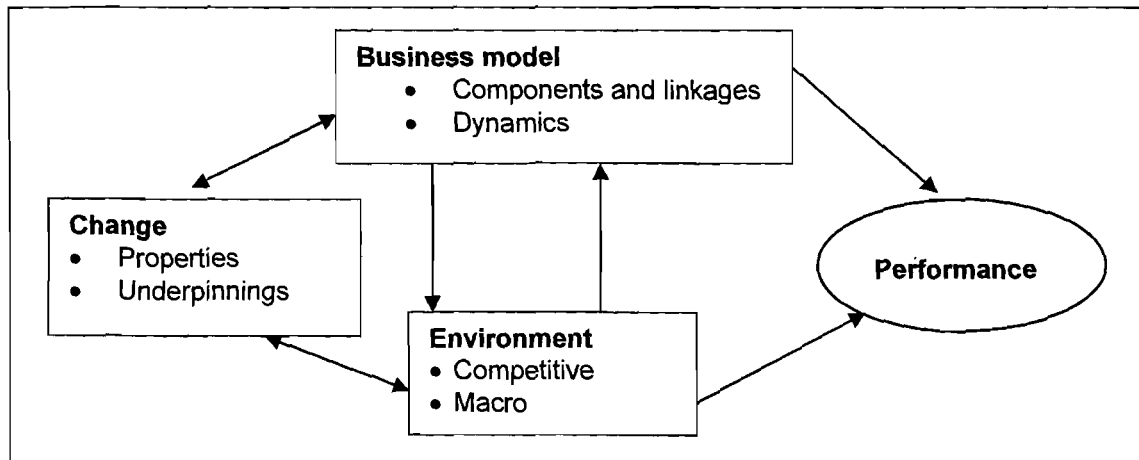
Source: Ford *et al.* (2003:26-32) and Nootboom & Six (2003:58,106)

The art of applying networking in a business successfully lies firstly in determining what connections are relevant and then applying an appropriate strategy to sustain these relationships. Secondly, it should be determined which of these connections are not needed or as relevant to minimise the energy that is put into its maintenance (Cross *et al.*, 2005:125).

5.8 CHALLENGES IN DESIGNING BUSINESS NETWORKING SYSTEMS

The business's overall performance needs to be enhanced to obtain a sustainable competitive advantage. Aforementioned poses a challenge in the designing of business networking systems. Figure 5.4 illustrates the determinants of business performance.

Figure 5.4 Determinants of business performance



Source: Afuah & Tucci (2003:4)

These challenges can be overcome by considering some aspects. These include that every network should have a unifying purpose, consist of individual members, have ongoing interaction with voluntary links, comprise two or more leaders and have established interactive connections between all the different levels of business (Lipnack & Stamps, 1993:30).

5.8.1 Differences in adoption rate

The rate of adopting will be influenced by the individual's goals, as well as the business's goals in terms of knowledge and to achieve the set outcomes to acquire

knowledge (Kluge *et al.*, 2001:39-40). Table 5.12 indicates the differences in the pace of adoption of business changes.

Table 5.12 Pace of change in businesses

Pace of change	Environment	Conditions
Slow	Stable	Predictable demand, unchanging competitors, gradual innovation, government policies, etc.
Medium	Changing	Demand fluctuates, but is predictable over a few years, competitors enter and leave without major effects, innovation is orderly and public policy changes are predictable.
Fast	Innovative	Sudden, unpredictable demand and competitor shifts, innovation is rapid and government struggle to make policies.

Source: Lipnack & Stamps (1993:132)

Table 5.13 compares the hierarchical form of business and the networked form of business in terms of its characteristics and features. In business networking the changes are constantly and very fast changing.

Table 5.13 From hierarchy to the network form of business

Slow change →	Fast change
Hierarchy	Network
<ul style="list-style-type: none"> • Imposed control. • Specialised. • Dependence. • Formal channels. • Commands. • Appointed leaders. • Formal job descriptions. • Vertical integration. • Rigid levels. 	<ul style="list-style-type: none"> • Self-control. • Generalised • Independence. • Voluntary relations. • Consultation. • Natural leaders. • Loosely defined jobs. • Lateral interaction. • Flexible levels.

Source: Lipnack & Stamps (1993:133)

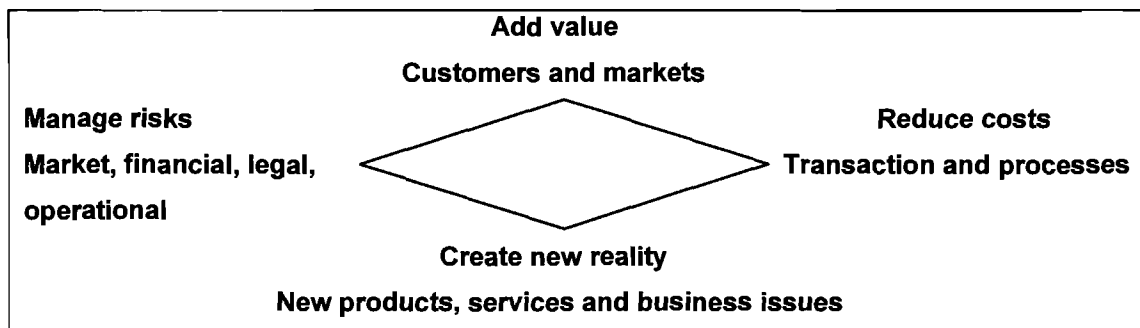
The networked organisational form allows for the management to choose between either gradual or immediate change by combining the different functions and business's strengths to achieve different elements. The independence and self-

management of the networked business are important characteristics that allow the business to be flexible and self-reinventive.

5.8.2 Organisational gap between the business and information technology

Organisational gaps in terms of the lack of information or poor communication can be bridged by means of strategic relationship alignment (Marchand, 2000:6). Figure 5.5 illustrates information as the binding factor in networking business relationships.

Figure 5.5 Business value through information connections



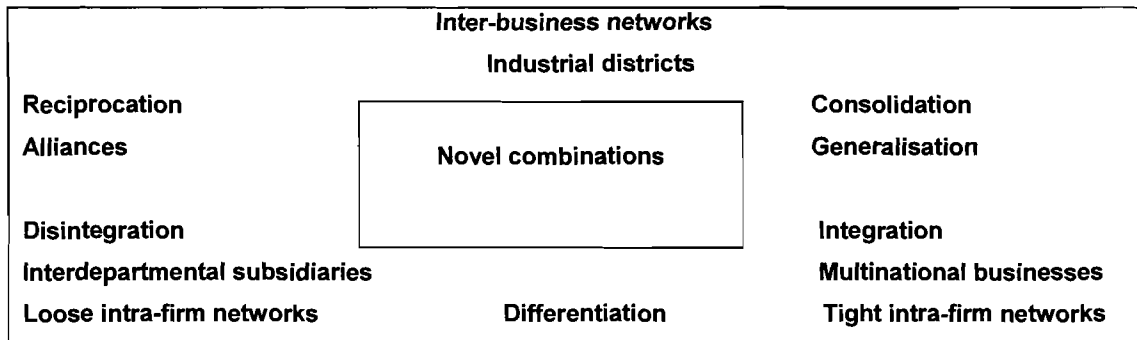
Source: Marchand (2000:6)

Business markets are influenced by the fact that a business organises business relationships in a network to achieve a certain outcome (Ford, 1998:67). Another important aspect of networks is that business people can gain from these relationships if the associated business are respected and well-known (Hitt *et al.*, 2001:8).

Entrepreneurs, and therefore business owners and business managers, utilise networks as sources of opportunities (Hitt *et al.*, 2001:9). Relationships are integrated, but in a disintegrated cycle. Figure 5.6 illustrates the cycle of disintegration.

The motivation behind relationships with external role players in the business environment is that even if the business only takes care of the businesses and customers that are already loyal to their business and gain their repeated transactions, access can be gained to a exponential number of other potential business relationships through the access to each of their own relationships networks (Templeton, 2003:27).

Figure 5.6 Cycle of disintegration



Source: Hitt *et al.* (2002:9)

5.9 SUMMARY

Complex relationships characterise the networked business with its direct and indirect relationships, and it provides a competitive advantage for businesses to establish and maintain relationships, increase productivity, reduce the workload and build even more relationships. Business networks are complex and dynamic and propose the challenge to combine complementary competencies by cooperation. One business sets the standard in terms of time, money and the number of connections that are invested.

Networking is a process that needs organisational management with unique application. Business has a component of human favouritism and therefore needs to be maintained and pursued constantly. The advantages of networking include tangible and/or intangible aspects and a wide and balanced relationship network basis.

An individual may experience mobility and more access to business education, which will in turn save on the development and management costs, as well as the cost of training, obtaining quality resources, conducting research, developing strategies and quality control. Networking enhances management processes, relationships and a competitive advantage. The number of contributions is measured by means of the time saved, the additional revenue received and the estimation of the value of networking.

The motivation behind relationships include repeated transaction, results beyond the abilities of the single business, job creation and access to information and opportunities. Social capital, trust, commitment, reciprocity, expectations and shared

rules and obligations enhances one's chances of success. The substance of networks lie in that they include important role players, combine resources to develop a competitive advantage and offer the added advantage of linking relationship networks. The networked form of business involves a mutual understanding and an informal mixture of connections and relationships with complementary strengths and fair exchangeable relations.

Networks consist of co-opetition, cooperation and competition, which involves the flow of resources, products, services, technology and financing that may lead to mutual benefit and understanding. Specific networks focus on social capital and employees' contribution to the establishment of a value creation system. Internal business partnerships include associations with respected and well-known businesses, knowledge spill-overs and the alignment of technical specifications. The business partners strive towards a balanced relationship and co-operation interaction to achieve their goals and objectives efficiently and supplementing their core strength. Businesses engage into networking relationships on different levels, for instance on industry level to move closer to their partners.

Outsourcing contributes to increased flexibility, fluctuations in the capacity, minimising risk and increased reliance on the internal logistics. Virtual organising encourages and enhances shared information to form a boundary-less network of interconnected value activities. A strategic alliance can be described as an agreement to create a mutually beneficial situation that evolves around customer portfolios and to achieve maximum global competitiveness, synergy and international alliances.

A business-exchange relationship is directed at different scenarios of political exchange relationships. Network strategic planning involves long-term dimensions to shape this environment, establishing a competitive advantage and incorporating the most relevant elements of a business environment, namely people and relationships.

The structural gaps in a network can be bridged by including a diverse mixture of skills and expertise, information, opportunities and activities. The value of networking is measured by the outcomes, the amount of information, the resources accessed, the level and nature of the outcomes. Networking is difficult to control and a diversified network may lead to efficiency and effectiveness.

Businesses seek opportunities to enhance their knowledge-competencies in order to maximise the business's position. People will develop a better rapport with businesses with mutual interests and management needs to identify, differentiate and interact with them. The management of change involves the management of humans and organisational change. A business network links supplier networks, distribution networks, technology development and research and development functions in strategic coalitions.

Networks are strongly based on teams and trust. Applying networking in a business context is of extreme importance to the success of the business. Challenges every network should take into account include differences in adoption rate and organisational gaps in terms of the lack of information.

CHAPTER SIX

DISCUSSION OF FOCUS GROUP RESEARCH RESULTS

6.1 INTRODUCTION

A multi-method approach was followed in this study. During the first phase, qualitative focus group discussions were conducted while a quantitative self-administered questionnaire was completed electronically during the second phase. The design of the multi-method approach was discussed in detail in Chapter two.

In Chapters three, four and five a broad literature overview of the theory of the networking concept, as well as the people and business components were discussed. In this chapter, the findings of the focus groups are discussed.

In reporting focus group data, it is important to find a balance between quoting participants and providing a summary of the discussions. Only the most important findings in terms of topics were selected from the transcripts and included in the documentation (Morgan, 1997:64). The findings of these focus group discussions are reported by summarising the main themes, sub-themes and the additional themes of the findings. The findings of the focus group discussions are both descriptive and diagnostic in that the research describes the characteristics of who, where, what, when and how questions on the target group are answered.

Quotations of item wording and direct phrases as recorded during the focus groups are included to enrich the findings. Short quotations that are clearly stated and easy to understand are included, as well as embedded quotations in which the phrases are included in the text. These quotations allow the researcher to move on to another theme. Long quotations are also included, although not as many as the two previously stated forms. It has significant value in that it provides a more complex understanding of the way in which the participant thinks and conceptualises a specific concept (Delpont & Fouche, 2005:352-353). Thereafter, literature control is performed to clarify or explain the findings (Zikmund, 2003a:55-56) and reference will

be made to the theory discussed in Chapters three, four and five. The appropriate findings are supported by relevant literature to either confirm the findings, dispute it or to provide theoretical grounding for unique findings.

6.2 REALISATION OF DATA COLLECTION AND ANALYSIS

The realisation of the data collection and the analysis of this data will now be discussed.

6.2.1 The realisation of data collection

Focus groups were chosen because of the qualitative and explorative qualities of this technique. Purposive voluntary sampling was followed by snowball sampling. Business owners and managers in Gauteng were invited to participate and share their opinions on and feelings towards networking. They were also requested to provide insight into the way they implement and sustain networking practices in their businesses. Their inclusion criteria stated that they had to be business owners and business managers in the Gauteng province of South Africa. In addition, they had to be willing to share their networking practices or experiences and had to be proficient in Afrikaans and English.

The study included five focus groups. A host was appointed for each focus group meeting and he or she had to invite guests to the discussion. The host that was chosen for the first focus group was an experienced inter-mediator with profound knowledge and skill in the networking field. He identified eight participants that met the specific criteria and invited them to the focus group. The stature and influence of the host within the business community attracted other business owners and managers of stature and influence.

The eight participants of the first focus group discussion served as the basis for the remaining four focus groups. These consecutive four focus group discussions were realised by making use of snowball sampling, whereby the host of each of these focus groups was required to invite fifteen to twenty business owners and managers from their own network that met the selection criteria. This was done to ensure that each focus group consisted of between six to 12 participants.

Table 6.1 offers an overview of the composition of the focus groups in terms of the number of participants, the venue, date, the language in which it was conducted, as well as the mixture of participants according to their field or industry. Four of the five discussions included participants from a mixed background in terms of their field or expertise. The fourth focus group included a collection of participants from the same industry but different departments and therefore different fields of specialisation. The sample of participants had one common denominator in that all of them were owners or managers of businesses in the Gauteng province.

Table 6.1 Focus groups composition

Focus group	Participants	Date	Venue	Language	Field or industry
One	8	18/11/05	Centurion Academy	Afrikaans (6) and English (2)	This focus group included participants of different industry backgrounds.
Two	8	17/01/06	Centurion Academy	English (8)	This focus group included participants from different industries.
Three	9	25/01/06	Manhattan Office Park	Afrikaans (9)	This focus group included participants from different companies in the technology and research and development fields.
Four	10	28/02/06	WNNR – IPICO boardroom	Afrikaans (10)	This focus group included participants from the same industry and/or company.
Five	6	30/03/06	Centurion Academy	English (6)	This focus group included participants from different companies.
Total	41				

The invitation was compiled from information supplied by the researcher. The researcher screened the invitation before it was distributed by the host. Some participants were contacted telephonically while others received the invitation via e-mail. Participation was voluntary and focus groups were conducted in Gauteng, as the respondents were involved in businesses in Johannesburg, Midrand and Pretoria. In total, 41 participants took part in the five focus group discussions.

Consent forms (Appendix E) were signed in duplicate before commencing with the focus group discussions. The researcher received one copy while the participant kept the other copy. The following semi-structured agenda, including five broad questions or statements steering the discussions, was used:

- What are your ideas or perceptions regarding networking?
- There are two kinds of networks: external and internal networks - What do you perceive as the most important similarities and/or differences?
- What elements do you regard to be part of networking in general?
- Let us share some successes or failures of networking.
- How will you describe networking?

The same line of questioning was used in all focus groups to ensure the reliability of the findings. However, the questions were asked in the same sequence in all the focus group discussions to allow free flow of information during the discussions.

Field notes were taken during and after each discussion. These field notes consisted of personal, methodological and observational notes (excerpts of the actual field notes are included in Annexure F). Saturation was reached after three focus groups but the process was repeated twice more to ensure richness, saturation and representation of all relevant groups.

6.2.2 The realisation of data analysis

The focus groups were transcribed verbatim whereupon these transcriptions were analysed. Data analysis was conducted continuously throughout the process and the data was organised and labelled. The data was coded into themes, sub-themes and additional themes. The data was read through various times and from different perspectives through the process of open codification (Creswell, 1994:153 and Daymon & Holloway, 2002:234).

6.2.2.1 Open coding

The theme approach, as discussed in Creswell (1994:153), was used in this particular study. Data analysis was conducted by open coding, whereby each transcript was divided into three columns. The researcher's thoughts and own

experiences were documented in the first column, the text in the middle column and the themes in the last column (Greeff, 2006).

Once the coding was completed, the large number of fragmented sub-themes had to be grouped and put into more coherent and focused main themes. Relationships were sought between the different sub-themes as well as the different additional themes (Daymon & Holloway, 2002:237) and were then grouped under the relevant main themes, sub-themes and additional themes.

6.2.2.2 Soundness (trustworthiness) of the interpretations

The transcripts of the focus group discussions were codified into the spoken word whereupon the data was converted into scientific language and validated for trustworthiness by member checking. Member checking, also known as informant validation, describes the process whereby selected participants are included by sending them extracts of the findings and asking them to confirm and provide additional clarity on specific aspects of the findings (Daymon & Holloway, 2002:241).

6.3 DISCUSSION OF THE RESEARCH FINDINGS AND LITERATURE CONTROL

The research findings are discussed according to the main themes, sub-themes and additional themes found during data analysis. These themes are identified and grouped accordingly by conducting a thorough analysis of the transcriptions. Four main themes were identified in terms of participants' *perceptions* (section 6.3.1), five main themes in terms of participants' *experiences* (section 6.3.2) and a further five themes were included as part of the identified *recommendations* (section 6.3.3) by the participants.

In identifying the main themes of the findings, sub-themes and additional themes were also identified and included in the discussion of these findings. Each of these main themes is discussed to provide background on the significance of the finding and quotations are included to enrich the finding. Each main theme is discussed individually and along with their separate sub-themes and additional themes. The findings are also verified by means of literature control by either supporting the findings, highlighting unique differences between literature and participants' actual perceptions or experiences (Greeff, 2006).

6.3.1 Perceptions on networking

In this section, specific perspectives of participants are recorded. The first main theme deals with the **perception on networking** and this is divided into sub-themes that discuss *networking as a human need*. Human need is further divided into additional themes that describe action on a *conscious* or *unconscious* level. Another additional theme is that *networking is an emotional connection*.

The second sub-theme under perceptions on networking is that *each network has a character of its own*. These different networks are discussed as additional themes with *personal, social, referral* and *business networks* that were identified. The last sub-theme under perceptions on networking involves the *combination of people with the right ability and trust*.

The second main theme provides an overview of participants' **perceptions regarding the motivation behind networking**. Sub-themes that were identified include that *networking has energy* and that *business reasons* and *personal reasons* are the motivation behind networking. Additional themes for the sub-theme that networking has energy include *offering something of value, finding a common purpose, to positively and pro-actively drive networking* and to *exploit the true value of networking*. The sub-theme that business reasons are the motivation behind networking involves the *business motivation* (additional themes) of *making a profit, gaining access or improving the business's efficiency*. The last sub-theme under this theme is *personal reasons* to network and this includes the additional themes of *support and to achieve goals*.

The third main theme that was identified is that there are different perceptions on the **relationship aspect of networks**. A sub-theme that became apparent is that *people buy relationships and not goods*. An additional theme under this is that *relationships are based on quality and not quantity*.

The fourth and last main theme identified under perceptions on networking is **who to include in networking**. Three sub-themes were identified. The first is to include *people you know*. Another sub-theme is that *people make a judgement call when they meet new people* and this leads to the additional theme that one needs to determine one's needs, either to include a *homogenous mixture* or a *diverse mixture* of role players. The last sub-theme is that *people you know also know other people*.

Table 6.2 provides a summary of the findings that were identified during the research analysis of *perceptions* amongst participants and the synthesis thereof.

Table 6.2 Participants' perceptions on networking

Column A	Column B	Column C
Main themes	Sub-themes	Additional themes
6.3.1.1 Networking as the result of a human need.	<ul style="list-style-type: none"> • Networking can be conscious or unconscious. • Each network has a character of its own. • Networking is a combination of people with ability and trust. 	<ul style="list-style-type: none"> - Networking is an emotional connection. - Personal networks, - Social network, - Referral network, - Business network.
6.3.1.2 Networking needs a motivating factor.	<ul style="list-style-type: none"> • Networking has energy. • Business reasons for networking. • Personal reasons for networking. 	<ul style="list-style-type: none"> - Offer something of value. - Find a common purpose. - Networking is positively and pro-actively driven. - Networking is valuable when it is exploited. - Profit, - Access, - Efficiency. - Support, - Achieve goals.
6.3.1.3 Perceptions on the relationship aspect of networks.	<ul style="list-style-type: none"> • People buy relationships not goods. 	<ul style="list-style-type: none"> - Relationships based on quality versus quantity.
6.3.1.4 Perceptions on who to include in the network.	<ul style="list-style-type: none"> • People network with people they know. • People make a judgement call when people are different. 	<ul style="list-style-type: none"> - Homogenous mixture of role players. - Diverse role players and

	<ul style="list-style-type: none"> • People you know also know other people. 	social groups.
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During the analysis of participants' perceptions on networking, the main theme of networking as the result of a human need was identified. A discussion of the sub-themes and additional themes follow below.

6.3.1.1 Networking is the result of a human need

Participants mentioned that networking seems to be the result of the human need or inclination to seek company and to socialise with others. To network with others and to be in the company of others and build relationships with other people are basic needs for humans. The following quotes are included to enrich this finding:

"The concept of networking as an informal, everyone-does-it, almost as a human need that you find in all relations and on all levels, that is the relationships that we build on."

The human inclination to network was discussed in detail in Chapter four. This finding is supported even further in the literature by Koniordos (2005:3) and Kadushin (2002:78) when they describe networking as a human need or natural occurrence where people's need to socialise, belong and be part of something more than they can build on their own is the main motivation behind the tendency to even approach other people.

- **Networking can be a conscious or unconscious activity**

Participants indicated that they feel that people decide on a conscious or unconscious level to start to network. Some of the participants were not able to explain their decision to attend the focus groups while others had a specific reason in mind. The following verbal quotations enrich this idea:

"Is networking always a conscience decision or does it sometimes happen, like 70% of the time, sub-consciously. You do network; you do network all the time. You may not do it consciously."

“It might be unconscious networking within your organisation and your external network may be consciously. Within your internal network, within your organisation it consists of people sharing resources. Your external network is where you decide who is going up and who is going out or just to open doors, open doors.”

Conscious networking was discussed in Chapter three along with the networking concept.

- ***Networking is an emotional connection***

It seems that participants perceive networking as being adaptable to different circumstances. Networking is therefore perceived as something that is developed from an emotional connection. Networking is a uniquely personal experience without a definite reason for the decision to network; it is developed on an emotional level where the person feels the need for emotional support or sharing. The following quotations illustrate this finding.

“But in the end 90% of the network is built on an emotional relationship and trust where you trust that the guy is really going to walk the path with you.”

“There is an emotional connection in networking.”

According to Lewis (2003:134), even silence is regarded as a means of communicating. One can decide whether you want to take part in your network. Some connections are purely circumstantial or based on an emotional connection or the lack of any connection. This is supported by Van Winkelen (2003) who states that being members of a community or an organisation is based on both an intellectual and emotional component.

• ***Each network has a character of its own***

Networking was recorded amongst participants as a personal experience and therefore different businesses or personal situations will influence the character of the network. Shared experiences and changing circumstances can also influence the way people approach and build networks to achieve a specific outcome. During the discussion there seemed to be different opinions on the different elements that influence the forms of networks. Participants identified different forms of networks as

personal, social, referral and business networks. Each one of these forms will now be discussed and the following quotations support these findings:

"Different networks, if viewed from outside, each one has a personality of its own."

"... the character of the network is that it attracts people of a similar mindset together and the network may revolve around a person. I'll never get to know some of you here. I think there are various ways to classify my network. I believe in setting up an understanding (agreement) to establish grounds for trusting a person."

"One can say that different industries will have their own way of networking. Or rather the elements of networking will be different."

The finding that each network will develop its own character is a unique finding that emerged from this research and it is not supported by any existing literature.

- Personal networks

Participants indicated that their personal networks include family, friends or shared interest groups and business networks that prompted participants to distinguish between external and internal relationships. Personal networks were viewed as personal gain networks that provided support and care and networks in which ideas or emotions could be shared. The following quotations support this finding:

"I have a personal network and it is a fantastic powerful network. It is a support base, it is friendships and you know the family of friends, but it is not as if I want to do business with them."

"To me it is also your personal network that if you need them, any time day or night you can call them. Now for me that is a quite valuable aspect and then other things such as exposure or I have a friend who lives across the street from me."

"You get the network that forms naturally, for example your family."

This finding is supported in the literature. It was discussed in more detail in Chapter four. According to Armstrong and Yee (2001:63-68), personal relationships are built

on friendships. Friendship can be defined as peaceful relations, love or closeness between two people that is free of sexual desire (Kahn, 1989:207).

- **Social networks**

Participants perceive social networks as networks in which common interests are shared. The main objective of establishing these relationships is not immediate gain in the form of business or transactions, but rather to unwind, share and gain different perspectives in an informal and relaxed setting. The following quotations support this finding:

"To me it is like this: contacts are built when you like someone and you join the people for fun and because of charity work. At the end, I think we become a network of guys. We weren't working for each other, we just joined."

"I mean I jog in the mornings with guys that you have met and there is some sort of business introduction that you would not have had otherwise. If you play golf or do something else, go to the Kruger Park, you chat with guys there. You build all of these guys into your network. The church. Any social thing. If you play bridge or whatever. It has nothing to do with your job. It only makes the number of people you know more."

This finding is supported by literature on networks that involve different shared interests such as sport, community service initiatives, interdepartmental developments or events, voluntary associations, charity events and fund-raising or profit teams. Not all shared activities or interests are equally important to include when building a network (Uzzi & Dunlap, 2005:6). This refers to a sort of kinship, friendship or likeliness (Gounaris, 2005:130) that binds people socially or keeps them connected (Frazier & Niehm, 2004:27).

- **Referral networks**

Participants indicated that they feel that a person can only build up a reference by building a relationship and by delivering the expected result on a constant basis. The following wordings are some examples of what the participants said:

“The people will be happy to use a reference and you say ahh well surely with a lot of work and then to find a way of extending it beyond what has just happened. Also how do you utilise so many different relationships for more business value than ever for happening anyway than just to sit in your office doing the normal.”

“You know me, your reference with me has zero negative (feelings) associated with the fact that we haven’t met or done business in the last 6/8/10 years, it’s got, it’s gone through a cycle that our paths have gone slightly different.”

“... finding a referral for people and it serves to reward that kind of loyalty and the network actually keeps itself up naturally.”

This finding that some networks are established either to get referrals or by making use of referrals is supported by Boe (1994:9) who states that personal and professional contacts are developed and nurtured to obtain referrals, advice, assistance, to share information and to generate a level of energy that you cannot achieve on your own.

- Business networks

Participants implied that business networks are divided into internal and external networks. No distinction was made between the two forms in some discussions while a clear distinction was made in other discussions. To do business seems to be an important motivation for having a network. The following quote supports this:

“Absolutely, I think it depends on the network, it can be a meaningful network or maybe we should talk about a network in a business context, there are naturally other networks as well. It is not as if I want to do business with everyone. I know people that do business with everyone.”

A variety of literature sources supports the different networking forms and therefore this finding was discussed in Chapter three. Networking embodies connections that are made to enable business transactions and the sharing of personal experiences. These connections can include many forms, for instance social, professional and personal networks as well as technical networking (Profnet, 2006).

- **Networking is a combination of people with ability and trust**

Participants indicated that to include the right combination of people in a network is a major challenge to all networkers. Therefore, the combined ability of people that have established a trust relationship is crucial to the success of a network. The following wording supports this finding:

"... through the combination of people you know and (by) proving your ability to deliver and I think in terms of setting up the network, then you realise that the important things are that mutual beneficial relationship. One of them is the person satisfaction of a personal gratification, so you know if I do something for him, I will get something in return, as opposed to when you meet somebody on the street, so I know you through a mutual friend. So now those barriers are lowered. You trust others."

The following literature indicates that trust, personal commitment and ensured reciprocity will form the basis on which the mutual expectations are based. The different role players' expertise and a record of previous successes will influence the quality and frequency of networking activity (Frazier & Niehm, 2004:30). A person's personal ability or the ability of the business as a whole will be predetermined and this will influence the decision to be included or excluded in a specific networking relationship (Möller *et al.*, 2005:1280). These aspects were discussed in detail in Chapter four.

6.3.1.2 Networking needs a motivating factor

Networking needs energy – whether it is to drive networking or to motivate the relevant people to engage into networking activity. The energy that drives the motivation for networking includes aspects such as establishing and offering something of value to the other party, as well as finding a common denominator from which one can work. Two other considerations in the motivation for networking are that one needs to actively work and positively drive the networking process, as well as exploit it to derive its actual value. Even if people understand networking, they do not always understand the motivation behind their decisions to network.

- ***The energy behind networking***

During the focus groups discussions, it became apparent that there has to be some form of mutual interest or energy that drives the role players towards building a network. Most of the participants felt that they need some motivating factor before even considering engaging in networking. This energy can be described as a need for something or a need to do business and achieve something. The following quotations support this finding:

“You only go out if you go out and network for a reason.”

“Alright so there is a need or whatever. If there is not an identified need, there is no energy.”

“For me there are also two types, in my personal setup, I have trust in a few, and that is a different relationship and then I have a few business contacts, which is another relationship, because then I see mutual opportunity and I see a specific need and something that we want to address together.”

“Now, if someone could explain to me why it would be good for me to be part of any of your networks then maybe I can turn around a page.”

Additional themes that emerged under the finding that networking needs energy in order to drive the process include that a person has to offer something of value, the involved parties need to find a common purpose and that this needs to be actively and pro-actively driven. Each of these additional themes is discussed accordingly.

- ***Offer something of value***

Participants highlighted that some form of driving force is required to achieve something. To have value is one of the most essential aspects of participation in a network. If you offer some form of value, such as resources, knowledge, expertise, support, or any other means, you become important to someone else in the network and therefore the network will value you for your contribution. The specific expected outcome could be personal or business orientated, but there needs to be some form of reward when investing one's time and energy in a relationship. The following are some of the wordings to support this finding:

“There is no mutual value why you would want to do it. When it is just energy that you build a relationship with someone, there is no mutual value, just give and give and give. You get nothing back. It is just like that. Nothing happened but you know you have a very huge amount to give and you think well I can give a little bit but you can give until a certain stage. I don’t know. For me a relationship in networking is basically the same thing.”

“I think to effectively network, you have to see if networking is a part of these various levels of efficiency in organisations ... that really starts with our knowledge basis. How do I network, and I am sad to say I am a lot poorer than I would have been if I understood this earlier in my life the way I understand it now.”

“That is important to me to look at it from some value or money perspective.”

“Well, that network should only be accepted and value added to it. For both.”

Extensive literature in support of this finding was included in Chapter four and five. Giovagnoli and Carter-Miller (2000:13) explain that a network is only successful if there is a value exchange of some sort. Aforementioned exchange could be information, money, sharing personal experience, emotional support, building rapport or exchanging transformation processes. Gregory (2004:1) also describes the best networking practice as contributing something of value to your network members - the delivery medium is irrelevant and even if the information is not always as valuable as you expect it to be, the intention will be appreciated.

- Find a common purpose

Participants indicated that one way to establish a basis for further network building is to identify a common purpose, objective or aspect that all the relevant parties feel committed to pursue. This will then serve as a driving force for the investment of time and other resources to build a relationship. The following quotations support this finding:

“I think what you are saying is that it was a social group with a common interest and then I have set up the network to attract some people and make others to follow.”

“There must be a mutual interest to move things forward.”

“If I know you and you know him, then there is some commonality and I can get a lot closer than if we were to meet in the street somewhere. I think there is a huge leap when it comes to business.”

“They need again. The only common denominator that they really need is a gain. If there is a gain, they will overcome pretty much anything. If you take a little book where he explains the scenario type planning, pain versus gain, pleasure versus pain. It is amazing; the profiles of how many people are prepared to take pain before gain. And this is what networking is all about.”

Literature pertaining to the role of a common denominator in network relationships was discussed in detail in Chapter 4. Strong networks and therefore relationships between the relevant role players are characterised by trust, commitment, an open willingness to be part of the network and a common interest to work from (Moberg & Speh, 2003:13). Common ground can also be established to promote the involvement of different role players and enhance their value (Paul & Kaltenbach, 2004:32).

- ***Networking is positively and pro-actively driven***

Participants indicated that they regard pro-active networking as the planned building of a network before it is actually needed. It is actively built without waiting for people to join the network. Networking cannot only be built when it is already needed. Networking seems to have a delayed effect that becomes all the more important after the investment has been made over a specific time and after a consistent record has been built up. The following wordings support this finding:

“It’s when you spend too little pro-active time in managing the network, and you know this is where it’s more like, wait for things to happen ... They don’t happen if you don’t spend time on it. Pro-actively, consciously. You have to work pro-actively on networking.”

“There are definitely guys that do it better. And those guys are the guys that actively drive the networks and I think one needs to be at least aware of the fact that there is something as networks.”

“One of the world’s most successful networking societies only works around people who drive it. I have done a little survey of successful people. Only people who come from successful families are successful in organisations like Amway. It is almost a 90% correlation.”

Literature to support this was included in Chapter 5. Pro-active networking is necessary for businesses (Giovagnoli & Carter-Miller, 2000:145) and people tend to associate themselves with other people that have vision and the ability to execute it. These people normally have a steady reputation and they are supported by other connections. Networking is a work in progress and is therefore never complete (McLean, 2003:192). Successful networking relies on active networking (Khemka, 2005:45).

- ***Networking is valuable when it is exploited***

From the discussions and participants’ contributions, it seems that networking tends only to be valuable if it is actively developed and utilised for specific needs or aspects. Therefore, networks need to be exploited to derive the expected value. Once a network is established, every member needs to share contacts and relationships to make the entire networking process successful. The following quotes support this finding:

“(If) I work with someone and I don’t trust him to introduce me to somebody I can introduce to my network, then my network does not grow, I don’t have the ability to be there and make use of my network.”

“So we’ve developed a very extensive, very expensive network and we can now partner people like A to take his business countrywide. Then we start to pick up speed and build a business stream of transformation investors.”

These findings are supported in the literature as seen in the detailed discussions in Chapters four and five. Social capital and therefore knowledge is very important to facilitate cooperation and collaboration between the different role players in a network. Before a business or individual could consider tapping into the rewards of a network, they have to determine the value that each member brings to the network and appreciate it (McGrath & Sparks, 2005:45).

- **Business reasons for networking**

The business motivation behind the decision to network is that a business can lose business by not networking. According to participants, the result of not networking is a loss of business. Therefore, networking may lead to opportunity, access and better effectiveness, which in turn generate profit - either in monetary terms or by other means. The following quotations support this finding:

"I can remember complaining bitterly because the chief executives of the company didn't have the right networks to get the orders they feel they deserved, so clearly if you don't have 'networking' - whatever it is: relationships - you lose serious business. I think we can agree on that."

"I am sure we all have lost a lot of business because we didn't have connections with the right people at the right time. If all of us have tried to realise that the net thing in networking is good for us, then maybe surely we should get processes or systems to help us further our businesses, because if we stay where we are, we will carry on the way they are, but maybe that wasn't the issue why we are dissecting it as I said to utilise it."

"It just demonstrates the different ways of networking for networking doesn't work so well, networking around something specific starts working, in other words if I called you and all the other guys and said let us just sit around and talk about networking, I don't think you'll even do it. Now all of a sudden there is something external, which is sort of like a project like something then we get together and it starts working. The same in other words if you call your customer and you say let us network. It does not work so well. You network around business."

Salmon (2004:14) states that networking can be used to gain a better position in business in order to gain access to the right connections or information.

The specific gains that emerged from the data include profit, to gain access to resources and to increase the business's efficiency. Each of these is discussed accordingly.

- **Profit**

Participants mentioned profit as one of the gains that a business could aim for in a networking relationship. The following quotations support this finding:

"... the purpose of networking is to do business, due to relationships. I mean for me in business, you have, it's a bottom line thing, you just got to network to push that envelope. There's networking to get work and networking to do the work."

"I said in those days to you old guys, go network, which meant to us (that they had to go out and) open the door so that we don't need to battle to sell."

Networking can be used to realise short-term profit, as well as to pool expertise and resources that can lead to higher levels of overall business achievement (McGrath & Sparks, 2005:48).

- **Access**

According to participants, a specific gain from networking involvement includes gaining access to some or the other form of resources or opportunities. The following wordings support this:

"Networking I think is all (about) getting together, not necessarily with the purpose of finding another order or finding another job."

"Sometimes the only way that you gain access to business is by mining a network. There are different ways of networking and you definitely get the fly-by-night opportunists that abuse it."

"I can get a much more complex project than what I currently have, but I do not have the required skills, now I have to have a network to pull it together to get the job done and I also need to network to get to it past the right clients."

Literature confirms that networking enables the involved parties to establish supportive and flexible relationships. These relationships will then open access to new opportunities and information (Ferrazi, 2005:12).

- **Efficiency**

Participants indicated that more efficient business processes and functioning is another aspect made possible by networking involvement. The following quotes support this:

"The whole thing of synergy in a network is important. If there is competition in a network, things do not work so well. But if it is synergistic, I know one plus one is three if you put everything together. This is when it becomes a bigger family."

"A (network relationship) is a combination of people you know and proving your ability to deliver and I think in terms of setting up the network when I realise that the important things are that mutual beneficial relationship."

• **Personal reasons for networking**

Each person will have his or her own way of networking. However, once people start to network, everyone needs to understand the process and must have clarity on each role player's involvement. The following quotations support personal reasons for networking:

"They do not need you unless you make yourself wanted."

"The other night we (my neighbour and I) were sitting and (we wondered why) opportunities never open up, (it is) because he never gets to rub shoulders with the people that really matters in head office, so no one becomes beware of his abilities."

"I think in any relationship you don't let people know what's up. I am aware that I could have had their full attention and you just take one second of your time."

"One of them is the personal satisfaction of a personal gratification, so you know if I do something for him, I will get something in return."

"At the end of the day relationship building is selfish and there is no other explanation in my mind. I want to do it because I exist and I want it. There is, no really, I do not know a higher calling when it comes to building relationships. I mean you are building even friends, even family. It is how I build relationships when you do it, because you

want to enjoy or because you're going to lose someone and because there is value."

Literature on the personal reasons of networkers to engage in networking was discussed in detail in Chapter four. People do business or tend to partner with other people according to their abilities or competency in that position and because they are likeable and their personalities are compatible. Personal feelings determine a person's choice of work partners and friendships (Casciaro & Lobo, 2005:92).

- **Support**

Personal support systems are valuable in that they are uniquely formed according to the needs of each individual. Support can be on an emotional level, but was also found to have a profound impact on the individual's access to opportunities, information and other valuable resources. The following quotations add perspective to this finding:

"There is the network that forms naturally, such as for instance your family. Your family is just a network and you phone them when you need support."

"You can get friendship or support out of your business or build up network."

"If you have got a social support structure and social connections (within your culture and specific religion this can cultivate business relationships and I feel what some of you mentioned is that a network is something that needs to be measured and I think that is probably what distinguishes a contact (from) a network."

Social ties such as family, friends and even some business relationships that have the nature of social connections may have a supportive quality and can be relied upon to offer other quality input (Frazier & Niehm, 2004:30).

- **Achieve goals**

Participants stated that they direct their networking efforts towards achieving specific goals. The objective they wish to achieve become the main motivator to involve specific partners. The following supports this finding:

“Or also if you have an interest like flying or something and you pursue your interest, you call people and you do something about it. So there’s an interest driven thing as well as a need driven thing.”

“You might do something and it might be very important, it might be very credible, you might get good reference out of it, and you part ways simply because you need to move on to do different business.”

“References are then the thing that (lets) the business grow. Later on people phone you. There is then preferably a mass of guys from which you have to buy first before they start to phone you and then you start to wonder how can other guys run a business without advertising. These people use references, and you will discover that if you make the first sale, afterwards there are other guys that phone you and this is how you create the network. It is about who knows you and if they talk about you. We have quite a few clients that contact us and then they say they have heard about us from another client and this is how they got to know about us.”

“Can I just say that if I work with someone and I don’t trust him to introduce me to somebody I can introduce to my network, then my network does not grow, I don’t have the ability to be there and make use of my network.”

“I think in my own experience from the last 15 years to be on my own, and all my business was like that or my business showed a need for trust relationships, because they know the person and are prepared to offer your relationship to other people to share with you who they know. So, the relationship part is very important to my business, and I do not even need to do formal marketing. And over the last couple of years my business just grew from these relationships.”

Literature also suggests that business relationships are created to achieve goals and objectives (Gemünden *et al.*, 1998:201). In this way, inter-business relationships can be established and maintained (Cohen & Prusak, 2001). This topic was discussed in detail in Chapter five.

6.3.1.3 Perceptions on the relationship aspect of networks

Relationships are the cornerstone of successful networking. Relationships have been found to have the final influence in selling practices, because ‘customers’ do not only

buy the product, they buy the experience, the way they are talked to, the way they are treated. A quality connection or relationship is much more valuable than merely knowing a vast number of people.

- ***People buy relationships not goods***

Participants indicated that they are of the opinion that people tend to respond positively to people that they can build a relationship with. Therefore, the person does not only buy the goods or products because of a specific reason - the way in which he or she is approached and treated will ensure future transactions. The following wording supports this finding:

“Then there are the relationships too. It is not as if one sits down with one or another and chats. A network almost develops naturally. So then when I e-mail a lot of people to let my diagram look good... It does not work in any case, because it is the relationship that sells the thing and not the network. The network is the outcome of a relationship and the relationship is not necessarily the outcome of a network.”

“People do business with people. I’ve experienced that over and over and over. So people need to know other people and if I know A and B knows A then there is some commonality and I can get a lot closer to B than if we were to meet in the street somewhere. I would not start and tell B, listen I want to sell you something. Who are you, where do you come from, I think there is a huge leap when it comes to business.”

Literature supports the finding that transactions are strongly based on a personal connection and that personal service is as much part of the transaction as the actual exchange of goods. Roane (2004:32) adds that the personal touch will open the door to develop a relationship from a connection. This aspect was discussed in detail in Chapter four.

- ***Relationships based on a quality versus quantity***

The perception amongst participants seems to be that the number of connections are not as important as the strength level of the relationships. The differences between relationships that are based on quality versus the number of loose connections are supported by the following quotations:

"...relationships probably have more quality in the connection. I have seen people that network extremely, but they do not necessarily have relationships, then you get the guys that do not network much, but they have strong relationships. One has to do with the number and the other has to do with quality."

"Networking certainly has to do with the number of connections that you make."

"I sit and think if you have such a giant network, but as you mentioned now you want to get something out of the network, then I phone all thousand that I know and get nothing, while I can have a network of eight, but if he phones anyone of those he can get what he needs."

Chapters three and four provided a literature overview of the differences between connections and relationships. Chapter four discussed relationships in terms of quality while Chapter five discussed connections in the business context or quantity.

6.3.1.4 Perceptions on who to include in a network

The perception amongst participants seems to be that whatever the motivation to initiate networking, it seems to be supported by the grounded relationships on which and through which the network is established in the first place. These relationships involve many different role players, but the most important aspect is that there has to be an established relationship to build on. The following supports this:

"To think of networking is so pervasive, they can include business people, friends, loved ones."

Literature also supports this finding in that some sources describe different circles or levels of people to include in their networking. The first group of people to include in a network are those people you already know, namely friends, family, colleagues, customers, vendors and casual acquaintances (Giovagnoli & Carter-Miller, 2000:62-66). The quality in the relationship is directly linked to the mutual respect and likeliness that are felt between the involved parties (Singer, 2005:2). Relationships are characterised by reciprocal commitment and trust between the role players and each member contributes something of value to the other members (Frazier & Niehm, 2004:25).

- ***People network with people they know***

According to participants, people tend to network within a comfort zone because it is easier and more convenient than to go out and look for people to network with. It is easier to target the people you already know and have access to and to include them in your network. The people you know also know you and therefore a strong relationship and basis for rapport are built. The following quotations support this finding:

"I think all of us do network all the time, but you only stay within a comfort zone. The people will be happy if you use a referral and surely with a lot of work and to find a way of extending your network. How do you utilise so many different relationships (to achieve) more value than (by) doing the normal?"

"That's just it, where did your network get started? These are people you know and (then you) start to exchange and so what do you do then."

"I think most of you I met through a network, either a business network or personally."

"My feeling is that people do business with people they know. We struggle to do business with those people we do not know.."

Literature supports this finding. People tend to network only with those people that they perceive as being useful in helping them to achieve access to more important role players and they tend to forget about people that are in the same position as they are or those on lower levels that might open the doors to the people in higher positions (Nierenberg, 2005b:210).

- ***People make a judgement call when people are different***

Participants indicated that when they meet new people, the first impression is very important. However, most people tend to make a judgement call not to associate with people that are very different from themselves and therefore they do not pursue to build the network any further. Here are some direct quotations to enrich this perception:

"I would not normally talk to or start speaking to people in a total different industry and that is where my best buddy came from. So people make a judgement call and they are often wrong with that judgement call. They make a call thinking this would be a great emotional network for friends and social family and family that turns into a wild network, because of the friendship that you build when that person introduces you to people and you never anticipated to see them again and visa versa."

"That is what I want to know: at which stage do you make that judgement call on whether it is valuable to you? Because you have like 30 seconds to introduce yourself and if you spent just 5 minutes on that person you can immediately, if you learn a few tricks, make a judgement, and I don't want to call it a judgement, but basically decide where, just by asking a few questions, where this is going. A lot of people after the 30 seconds will go out, because they made a judgement call they didn't spent that extra 3 or 4 minutes."

The literature supports the finding that people tend to dismiss another person after a first impression. This first impression is almost like an intuitive feeling based on your own values and goals. In networking, various role players are required to be successful and the different role players need to contribute to each other's success to be successful themselves (Singer, 2005:12).

- ***People you know also know other people***

Participants stated that they tend to include the obvious people, or people that they would contact in any case. They also mentioned that they tend to forget or simply do not think about the possible connections in terms of the available relationships through these existing relationships. The following quotations support this finding:

"Then I think it is about personal contact with the right role players and maybe it is just it - that it is about those guys that know other guys and maybe there is no place for you in that market, but they have a trust relationship and they can build that trust relationship and then that is the first step in creating trust."

"You first understand how they work and who does the work and who the decision-makers are. If you know one guy then he will open the doors and without that one guy you cannot begin business."

“In the sense that you know someone, you get to know other people you ask them about their business and you try to understand their business and you put things together in your mind and you introduce people.”

Literature supports this finding in that people need to connect to people that they know and expand these relationships to other members of their networks (Boe & Youngs, 1989:50). This finding is a very explicit statement that people are generally aware of additional people that can be included in a network, but they lack the skills to include the other connections. People do not generally want to move out of their comfort zones by interacting with people that are different from themselves (Misner & Morgan, 2000:20-21). Chapter four dealt with the different role players to include in the individual's network.

- ***Homogenous mixture of role players***

Participants stated that they tend to group together with like-minded people with similar values. This finding is supported by the following quotations:

“The fact that we do what we do is already an aspect that makes it difficult, so I think we with our technical personalities or maybe our cultural personalities we find it easier in general to make friends with business associates and otherwise.”

“When I finished university, I know everyone said to me it is important to have contacts. But it was only in one direction.”

“What I think it is that people can now call you and you can answer on our behalf. Much easier for you. We use it at work. And we (form) partner(ships) in every structure like that. Teacher unions, the ATKV, the Afrikaner network, the black network, Afrikaners are also like that, they network with each other.”

Literature on this topic and the tendency of like-minded people to group together was discussed in detail in Chapter four. Most people tend to include people with the same experience, knowledge, value systems and so on in their network. This, however, causes the network to become one big cluster and too inbred, which in turn makes development and growth difficult (Uzzi & Dunlap, 2005:4).

- **Diverse role players and social groups**

Participants provided insight into the finding that people from diverse backgrounds and experience can play an important role in enriching networking members' exposure. Social groups could consist of people from diverse fields or areas and this might add another dimension to the network. Quotations that support this finding include the following:

"The problem actually started at university. We were in hostels and I made the big mistake because I was in a hostel where the same people stayed together. The hostel is a cluster. We were all grouped together that did the same, you all have the same friends in the engineering group, I feel they should have mixed us with doctors, lawyers, chartered accountants, all those guys are in the end the guys that you need to know and not only the guys that are like you or in the same position as you are, you need other guys too."

"You must have different guys there. I am a systems-architect. So from my perspective I also am interested in what happens within the people's connection so I try to talk to as many people as possible within my current setup to determine if the presentation is expectable and will still be in two years' time. So I speak to people to make a deal and to try to understand if these guys will be interested in making a deal in two years' time. Those are my goals with these guys."

Literature sources also support the finding that a diverse network offers more exposure. Chapter four and five provided the relevant literature sources and a thorough discussion of this aspect. A diverse mixture of members in a network may provide access to diversified skills, diversified levels of power and influence and this may lead to more value and respect for each other's unique contribution, thereby enhancing the trust in the network (Uzzi & Dunlap, 2005:3).

6.3.2 PARTICIPANTS' EXPERIENCES ON NETWORKING

During the focus groups, participants expressed specific aspects that they experience during networking. These experiences are documented as being part of the networking process. Table 6.3 provides a summary of the themes, sub-themes and additional themes that were highlighted during the focus group discussions as the most prominent experiences of networking.

Table 6.3 Participants' experiences of networking

Column A	Column B	Column C
Main themes	Sub-themes	Additional themes
6.3.2.1 Experiences of networking in general.	<ul style="list-style-type: none"> • Networking occurs naturally. • Networking is a technique. 	- Networking as part of management.
6.3.2.2 Experiences on when and where to network.	Networking: <ul style="list-style-type: none"> • In families, • In kindergarten, • At school, • At university, • At work, • At cultural and community events, • At networking events, • At chamber of commerce. 	
6.3.2.3 Experiences on personal input in networks.	<ul style="list-style-type: none"> • Take responsibility and be accountable. 	- Build good reputations through trustworthiness and integrity.
	<ul style="list-style-type: none"> • Be credible. 	- Credibility credits need to build up over time and be maintained - Credibility leads to opportunity and access.
	<ul style="list-style-type: none"> • Build trust. 	- Build a common understanding. - Integrity. - Respect and ability. - Adding value. - Different levels of trust.
	<ul style="list-style-type: none"> • Be resourceful. 	- Be resourceful, knowledgeable and contribute to the success of others.
	<ul style="list-style-type: none"> • Offer reciprocity. 	- Transparent communication and mutual agreement. - Deliver according to expectations.
6.3.2.4 Experiences on negative forces influencing networking.	<ul style="list-style-type: none"> • Falseness or mistrust. 	- Not delivering as expected. - Bad experiences. - No respect for each other. - Not willing to network.
6.3.2.5 Experiences on the elements that influence the networking approach.	<ul style="list-style-type: none"> • Guidelines to maintain a network. • Different cultures. • Different social groups. • Different markets. • Different geographic areas. 	- African cultures, - Afrikaans people, - The American culture, - The Chinese, - Greek and Portuguese cultures, - Indian people, - The Japanese, - Jewish people.

6.3.2.1 Experiences of networking in general

Participants indicated that their experience of networking is that it is a skill and something that not everybody can do equally well. It became apparent that networking skills are very important and that most people lack these skills because it is perceived as a natural skill that you either have or do not have. The following quotations support this finding:

“And I think that most of us here have a personality handicap. We are raised with the idea that when you work you sit at a table and type on your keyboard. When you go around, see people and socialise, it is not work. And we are busy to appoint people that socialise as a work, because we think the guys working there at the moment cannot (do that).”

The concept of networking as a skill that needs to be developed was supported in literature. Networking is described in the literature as a key skill to expand your world and the scope of who you know (Zweibel, 2006). In Chapter three, numerous literature sources pertaining to the experience of networking as a natural occurrence or as a skill were discussed.

- **Networking occurs naturally**

According participants' responses, networking is something everybody has to do. It is a natural phenomenon that cannot be forced. Some people have mastered networking in such a way that they can apply it for specific reasons and in specific ways. Other people have to work at it and need to master networking as a skill. This is either because of their personalities that hamper networking, their limited exposure to it or ignorance towards the advantages of it. Supportive quotations include:

“But it (networking) is not a natural thing that you are just born with.”

“I would say an important point is that I think some guys network naturally. For some it does not come naturally.”

“When the driver is negative, then you're going to go for it for a while and then probably just end up drinking prozac, which you can't keep going for too long. Maybe it is a good thing that you push into it and you learn how to do it and just put up with

many cultures and really it is just families, it is just like 5% relation that is actually very natural in this thing. Those people that you want to keep in the media, those kinds of people.”

Chapter three included a thorough discussion in this regard stating that networking is skill for most people that needs to be taught and continuously developed. The very essence of networks, namely relationships, is built naturally through a mutual desire to be part of the network (Wainwright, 2004:28). Networking skills can therefore be acquired and people can be taught to use these skills with ease and confidence (Anon, 2006). The skill of networking needs to be realised in business and further developmental steps or training should be provided (Takash, 2004:24).

- ***Networking is a technique***

The overall feeling amongst participants was that there is a gap between being a networker and the available resources, courses or opportunities to develop the necessary skills. Networking is regarded as different techniques and applications that are developed through training and personal practise. This indicated the need for further skills development in the form of relevant courses or workshops to help people to develop these skills. The following are some supportive quotations:

“Most people in SA (South Africa) aren’t born with the ability to network. It is not easy for anybody to just go out to somebody and start speaking to him. It is a skill you need to be taught.”

“I think that if you take a youngster coming into the market you can advertise. You can take the first page of the Pretoria news but you won’t get a job. But you must still be taught how to network. Some will be better than others.”

“Networking... I think you can be taught how to build a network in terms of certain techniques and certain things. A lot of you can find relationships. Sometimes you will say well you know that does not work, and a person just out of school, that’s an amateur.”

Literature confirms this finding in that networking is described as an art and skill that enable a business to make the right contacts and expand the business (Nierenberg,

2005a:3). Being able to network successfully is a valuable skill that can increase your own value to others (Taylor, 2006:7).

- ***Networking as part of management***

The participants mentioned that management needs to implement successful networking practices and they need to enhance their networking efforts. This can be achieved by acknowledging the value of networking and giving special attention to the enhancement of management's ability to network.

"...networking plays a role in company success but it isn't company success."

"...people get confused and need to get very serious about it, and the people within the company, view the company resources in the wrong way, they think they have capital and assets to burn for projects and things the company does not have to catch, so you get confused what's real assets..."

Literature such as Takash (2004:24) discusses the direct effect of successful networking on the success of business management and stresses the importance of acquiring the right skills to be able to successfully manage the networking process.

6.3.2.2 Experiences on when and where to network

All participants were of the opinion that one needs to network, but had different opinions on when to start networking. The common experience amongst participants seems to be that one is never too young to start developing the necessary networking skills and to start building a personal network of contacts and relationships. Most of the participants also indicated that they only started building a network later on and that several opportunities were lost because they did not realise the actual value of developing and maintaining existing networks or relationships.

"When do you start to network? As soon as possible."

Literature that supports this finding includes Biadasz (2005:23) who mentions that the answer to when and who to include in your network is to include everyone in your professional and personal life that you have met from your birth up to present day.

In this research, the following sub-themes were identified with regard to when and where networking takes place: in families, at school, even at kindergarten level (be it intentionally or unintentionally), at university, at work and also in specific settings, such as cultural events, networking events, social groups and chambers of commerce.

- ***Networking in families***

Participants stated that in their experience the people that are exposed to networking in their family context acquire networking skills at an early age. This offers them a distinct advantage in terms of assessing and implementing networking in their daily lives to gain support and to develop their careers. The following are some supporting quotations:

“Successful families, they were small, when their moms and dads were entertaining and it was natural.”

“Yes, over 5 years but how many people have the patience to build Amway over 5 years. Just not me. Now why are successful families successful in Amway? Because they have a network. They know how to communicate. They know how – and they grew up with that network. Grew up with it. You can’t come and get it.”

Literature states that families play an important role in the development of life skills early on in a person’s life. Family plays an important role in the identification of opportunities, giving referrals and supporting the process of development and conducting the activities. Families as important sources of networking are realised and practically utilised in many diverse cultures (Butler, 2004:197-198). The finding does however also indicate that families should acknowledge the importance of networking skills when raising their children – an aspect that is not explicitly mentioned in literature.

- ***In kindergarten***

Participants shared their experience that people tend to group together and seek out others with similar characteristics or some trait that may be of importance to them or benefit them in some way. Starting to acquire and develop networking skills from an

early age is seen as important and the natural socialising of children in kindergarten is one place where this can start. The following wording supports this:

"In kindergarten. From day one, it isn't really forced networking, but getting to know each other. We've got used to that only to help yourself."

No literature sources acknowledged the kindergarten stage as a point to start networking and to build on the natural tendency to socialise and seek out the closeness of other people. Therefore, this finding is unique and adds a rich dimension to the research.

- **At school**

Participants felt that in their own experience, they would have liked to acquire good communication and social skills in a structured manner at an early age at school or at home. The following wordings support this finding:

"But going back to that, children aren't taught to network really, at school or anywhere, and it needs to be a priority and it is not given any attention from what I still see even in the new curriculum at school or any of the levels and I think that is a big gap in our learning curriculum as well as our society today. It is not taught to children."

"...that is so true. When I was at university, I did not think it was important. But my partner was in Boys High and you cannot believe in how many places he gets in with ex-Boys High guys, I think it is some sort of commonality even if you do not know him from anywhere when you hear he attended your alma mater you instantly have their attention. They talk about something that happened, about the grounds, the buildings, a teacher that was still there when he was there even if they were there at totally different times, it does not matter."

Literature that supports this finding that networking can be developed at school include Tullier (2004:82,83,87) who mentions that class mates from high school, university, college or other educational training organisations can be included in networking efforts.

Slesinger (2005:40-44) also states that a network can be developed from relationships with people in your neighbourhood, former fellow-students at your school, college or university.

- ***At university***

Participants experienced that at university, students are formally grouped together according to their field of study or their sporting activities, or in hostels where they are grouped and bound together through their mutual interest in the common good for all involved in the hostel. These people in the same field of study are bound together because of their mutual interest in this field and therefore tend to socialise outside of the classroom. This also leads to an affinity towards each other and the ability to build future relationships is enhanced. The following quotations support the finding:

“One of the things that I have realised, is the number of people that have contact with people from different disciplines and from different backgrounds and that it could be a special value. It is interesting that there is a high premium placed on where you have studied, look at Oxford and how even though you get academic quality as one thing, it was not that evident to me at the beginning, but I realised afterwards that the reason that so many people give attention and advice is that parents send their children to some of the disciplines or to a specific university to develop their networks there. I chatted to some people there and discovered what a high priority is placed on where you have studied. You meet people during your academic career and actually it is the beginning of your network that you will use in your life further on.”

“Some specific relationship networks come from your university days, from hostel days and an informal environment.”

“And it is something to see...how many of our guys from the university environment do business with other guys from university and how many do it because of that connection, and that is actually dangerous because you start to make a uniform type of thing and that has its own risks and so that is the most difficult challenge that I know of.”

Literature does not distinguish between school and university as different phases or levels of networking. However, both are simultaneously discussed by Gruszczynski

(2005) who states that networks can be characterised by different combinations of individual friends from university, school, neighbours and other personal relationships. Kerbo also supports this by discussing old school ties that are formed at elite schools that are often seen as the most important ties that can be built for later years. Traditional elite universities and colleges are now open to everyone and not only the elite upper class. Therefore, where you attend school has become more and more important (Kerbo, 2006:147-148).

- **At work**

Participants felt that they spend a large part of their day at work and colleagues form an important part of their network. As members of the same network, people become friends or mentors or are establishing a kinship of 'we are in this together to get the job done'. These relationships are then developed and colleagues get to know them on a professional level and have knowledge of their abilities and skills, which makes them excellent references for the future.

"I think just the other day I had a chat with my son, he is 24, he just finished his degree and is deciding where to start working and where he should look for a future and the question is now, will he be doing it here or overseas. So I told him he can go overseas to work for a few years, because he can always come back here, because if you first have established your network here and decide to go in a different direction it is a big problem, indirectly it states the value of your network."

"It (networking) is something you have to acquire when you step into business or you might be lucky and it happens along at varsity or with a friend at school."

"It is something that people do and you build up your business network and build that daily. I mean I started building when I started working and I mean now only I get something off and not intentionally, but the whole spin off that you get of who you know, that is networking."

"I think you should have your network grow as you go through your business life."

Literature supports the finding that a network can be built at work. Paul & Kaltenbach (2004:32) states that mutually beneficial and strong relationships are built within a business with professional and personal contacts.

- **At cultural and community events**

According to some of the participants, cultural and community events also group people with similar interests together and this commonality leads to a kinship and a sharing of information. People tend to have a more positive attitude towards people like themselves or people that share similar interests as opposed to people that are different. The following wording supports this:

“I attend cultural events; I have learned that if you know people in non work-related projects in the community, then you build trust so much faster, but you also see people there where they are exposed and vulnerable, you see someone faster than in a company. So I have found that community projects are a fantastic way to create jobs in networking.”

“What only a few people know, and what I did not know when I was young and this is where the problem comes in, but that I have learned, is that in a community setup there are executives in front that force you to have a community project in your area, and this is how many of the communities build their networks, that is interesting.”

Not many literature sources supported this finding. Lindenfield and Lindenfield (2005:233) is one of the few sources that supports it by stating that alumni organisations, sport or health clubs, parent associations, interest groups, being involved in local community projects and volunteer work may be included as possible places to network.

- **At networking events**

Participants expressed a definite difference of opinion regarding networking events and the effectiveness thereof for actual networking with a purpose. Some of the participants did not perceive networking events as positive as described in the literature. The following quotations provide supportive evidence:

“A structured networking meeting, looking at each other’s clients at what they do, where are they going, that will generate an awesome lot of business. It’s got to be very structured. That’s the one thing about networking stuff: it’s got to be structured.”

“Then you have the Round Table type of thing. Together because of charity and then you have a different purpose. But that purpose was different, ...so I think networking events could have different purposes.”

“There are a few business concepts that developed over the Internet. I am for instance part of the networking group, named, LinkedIn, but to measure how linked you are you use this to get out as much as you put in.”

In the literature under study, the importance of these networking events and organisations as well as the important role that participation in these organisations plays in the success of networking, are well described. Some networking events or groups offer the opportunity to build referrals. Different networking groups differentiate themselves by trying to attract high profile business people to serve as the extra motivation for others to join the specific group (Wolk & Pont, 2005:53). Networking groups are also referred to as affinity groups in which similar interests and assets of value are grouped to offer an environment where information is shared, support is offered and strategic initiatives are provided (McGrath & Sparks, 2004:49).

- ***In the chamber of commerce***

Participants also expressed a difference of opinion regarding the chamber of commerce as a place to network. Some participants expressed their own negative experiences of the chamber of commerce and therefore the aim of the specific chamber of commerce is not achieved. The following remark supports this finding:

“Two months back when I decided to join the chamber of commerce, I experienced the chamber of commerce as a place only for insurance agents, estate agents and other people that want to suck something out of you, and I can only expose myself to so many mosquitoes at one time. So if they ask you to invite your friends you cannot do that to them.”

Some of the participants remarked that even though there are some people who perceive the meetings of the chamber of commerce as not quite what they had expected, it could be a helpful offset point to meet the right people to build a network. This, however, is only done through personal effort and maintenance. The following comments support this finding:

“...but you have to maintain the network. It is a trust relationship. We (want to be) part of something, a group of people with similar business interests, professionals with a similar skills set.”

“In other organisations, you test your network, you spent a lot of time to do it and it does not work. You know there are different ways to measure in terms of the effectiveness of your network, (this effectiveness) depends on what point it will be separated into business . If it is not part of your business, just part of your normal life it is difficult to see its effectiveness.”

Although chambers of commerce and other professional organisations are included in most of the literature under study, participants seem to have varied opinions on the value of these organisations. This is a unique finding since all the literature discussed in Chapters three, four and five seems to encourage the use of chambers of commerce as potential networking events and an opportunity to meet people with a common purpose in terms of furthering their business and building successful relationships.

6.3.2.3 Experiences on personal input in networks

Participants mentioned that a network is made up of people and therefore people need to possess certain personal characteristics in order to be successful in their networking attempts. This includes to be responsible, accountable, resourceful, to have integrity, trust and a track record of consistent and reliable delivery. Each of these characteristics, along with wordings by the participants to support this finding, will be discussed.

- ***Take responsibility and be accountable***

Participants experienced that each of the participating role players in the network is expected to take responsibility for his or her own actions and contributions. Because of the reciprocal nature of networks, every network member will be held accountable for his or her individual inputs as well as developing and maintaining the network relationships.

“So the best in networking is making you best. I think it is like that in service delivery as well. Say for instance, I for example work on documents and do it good. I don’t

know if they are close to networking, but I think in business networking, a good service will get you noticed.”

The following additional theme emerged from the data and will now be discussed in further detail:

- ***Build good reputations through trustworthiness and integrity***

Participants singled out that to build good reputations and to be a trustworthy person with integrity are important aspects in successful networking. The following quotations support this finding:

“I agree there are the guys that know you in a positive sense. I just want to say that there are a few guys of which they can say: ‘that guy, yes we know about him’...”

“I think it (networking) has a place in a bigger something such as to advertise, you still have to do that as well. Because still when you walk into a network the people will ask who you are and if they do not know about you or who you are, then it is more difficult to sell than when they know who you are.”

“The wonder of networking is that you’ll be a valuable member of networking if you are trustworthy, if you are reliable, then you become important. The people want to have you as part of their network. It’s almost a privilege that is granted, if someone comes and say come in and be part of my network.”

Literature that discussed the importance of good reputations, trustworthiness and integrity in networking relationships were highlighted in Chapters three and four. The behaviour of a person in the past will determine the level of trust that will be bestowed on his or her current behaviour and involvement in the network (Adobor, 2005:335).

• ***Be credible***

Participants were of the opinion that credibility and the ability to build up credibility credits are important factors in a successful relationship network. A person’s reference base and testimonials can influence the way someone else approaches him or her. Scepticism can be overruled by a common base and the trust that you

have in another can influence the trust bestowed upon the other person. Credibility is only built over time and through experience and continuous performance. Here are some of the main supporting quotations:

"An important thing is credibility, in a network I won't be able to refer you if I do not know that you will deliver the job well, well it is my name that is on the line if I introduce you to a network."

"If you are in avoidance mode you will not have an internal or external network. You can only have a network if you take responsibility, accountability. Those are the people that do what they have said they would do. But it builds on credibility you know: the more the credibility, the more you will use those people again."

"You know, in a network I cannot refer you if I do not know that you will do the job well and that everything will go well. Because there is such as a thing as your name that is put on the line."

Credibility as a set of credits that are only built over a substantial period of time and on a constant level of performance is not explicitly discussed in the literature, which makes this finding unique. Two additional themes were identified under this sub-theme, namely that credibility credits are built over time and that credibility leads to opportunities and access to resources. These additional themes will each be discussed in more detail.

- ***Credibility credits need to be built up over time and need to be maintained***

Participants stated that credibility takes time to establish and that it can be easily taken away or discredited due to misbehaviour and neglect or failure to honour the initial agreement or foundation of the relationship. The other person's trust is in fact scarred much easier than the effort it took to win it in the first place. The best way to ensure that the connection will last in the midst of a problem or a difficult situation is to build a strong and positive connection at the beginning of the relationship. The following wordings support this finding:

"There's something bigger, you know to me that is what you said. I like your definition that it is connections that deepen. That the quality of the connection is also built. Doesn't it somewhere build to, you know, there are some credits that build up over

time. There's a bank account of these things, you know, to me networking is just like a bank account, and that a number of connections, the depth of the connection, and often, the type of things that went wrong, and how you responded when things went wrong, we often found in the company, we said when things go wrong, that is where you cement your relationships, when things go well you don't build depth, when things go wrong, how you respond."

"So it is a long process, the trust network thing, then there are the business networks that are built over a shorter period of time. It is established over a shorter period of time to establish something of mutual benefit. So for some instances I had to go back to my trust networks..."

"I think a guy must know that both sides need to maintain the relationship, but you first have to develop and use the network or misuse it to reach your goal with the network, so it is a terrible balance to find."

Discredit and not delivering as expected as obstacles in building credibility are not widely discussed in literature and therefore this is a rich and unique finding from the focus group discussions.

- ***Credibility leads to opportunity and access***

Participants are of the opinion that once credibility is established and maintained over time, the opportunity, information sharing and other benefits will increase. This is because the more you trust other people and feel comfortable with their presence in your network, the more they will entrust you or your connection to another person in their network. The following quotations support this:

"I think networking (is) in all its forms of relationship building (a form of) marketing. I think a lot of small companies owe their existence to the fact that somebody knew and recommended them to the people and say welcome, you can do this and they do that, again trust relationship and say how to improve yourselves and that person talk to somebody else and I know that guy and he can hook you up and that I think it is credibility."

"And it was very much a company that was dependent on trust relationships to do business and therefore we had to network."

Literature sources that mention credibility and its impact on a network were discussed in detail in Chapter four.

- **Build trust**

Participants experienced that there are several factors to include in a successful networking relationship. Trust as part of the relationship content is a personal experience and therefore each individual will experience it from his or her own context and the feeling surrounding the definition of trust could be a highly complex issue. Trust was identified as a definite precondition for the mere existence of any relationship, regardless of the context. The following quotations support this significant component:

"I think networking became more important and people that battled seven, eight years ago with that definition of networking, well, I believe that it is still relevant today. I still believe that you have to build trust relationships and the urgency of success in business is to understand the other one's needs to be networking and its success lies in the information and add value to one person by understanding the other person."

"All my business were like that, or my business showed a need for trust relationships, because they know the person and are prepared to offer your relationship to other people to share you with who they know."

"But the trust we make, the absolute trust where you call, I don't question him, you know, when we call you."

Different forms of trust are discussed in detail in the literature and this was dealt with in Chapter four. Trust is also referred to in the literature as the extent of the other role player's belief that the expectation or obligation will be fulfilled and that trust is present in a valued relationship (Sargeant, Ford & West, 2006:156).

The following additional themes were identified under the main theme of trust: people tend to strive to establish a common understanding, portray integrity in their relationships, respect each other and prove their ability, as well as to add value.

Different levels of trust were also identified.

- ***A common understanding***

Participants perceived a common understanding of each other's context and expectations as the foundation of a trust relationship and essential requirements to establish trust. Throughout the discussions, participants viewed trust as a personal choice, based on a reference or taking the time to understand and know each other's needs. The following quotations support this finding:

"Trust is about do you only learn to understand what makes a man tick if you let him unwind, or can you understand what makes him tick in a business context as well and then do you only form trust, if you really understand what makes him tick or do you form trust from an association."

"Trust takes time to develop and is only achieved by a list of previous testimonials."

"A person trusts you when he has an experience with you, you help him with something and it only happens when you do that bonding on a very close level."

Literature dealing with the prerequisites for the development of trust in a relationship was discussed in Chapter four. Trust entails an informal understanding that forms the basis for the development of a successful relationship (Adobor, 2003:330).

- ***Integrity***

Participants mentioned integrity as another vital component of a successful networking relationship. Trust does not automatically occur; it has to be built and this process is often hard and time consuming. The process also needs to be handled with thought and by taking care of the other person's feelings. The following supports the importance of integrity in networking:

"I think there are different networks but it is like unspoken goods that you mention in terms of levels of trust as a priority."

"But you can trust somebody with your life and you can trust somebody with your money and you can trust but you can't always reckon with integrity. With integrity there's a lot of other stuff that goes with it."

"I'll say that there is nurturing in some of these general networks. But I think in a business environment there are informal high value networks that you've built yourself over time with integrity (and) that is much more important than a large general network. I think people have to look at what you get out of such a general network and the value is not that high. There are many good reasons for this. I think the mix of things is too diverse and I think if a guy builds his own high value network then his performance will also be much, much better than that of the general network."

"One point that no one mentioned is the question of integrity. If it is tied to the word trust then they go hand in hand. It implies the same thing. Regarding the integrity and trust thing. Is it the integrity that comes first or is it the trust..."

Literature dealing with integrity as an important factor in building networking relationships was discussed in Chapter four. Lindsay (2005:121,122) defines trust as the promise or undertaking by the various role players to deliver as expected. Tullier (2004:40) mentions that to have integrity and to be reliable by delivering what you have promised are important aspects in networking relationships.

- ***Respect and ability***

Participants mentioned respect and the other person's ability as important in networking. This entails that to trust someone, mutual respect needs to be established and this again implies an individual interpretation. The following wording supports this:

"In the end it is all about good relationships with people you trust. Respect and trust. So I agree with you 100%, but one thinks now and maybe it is only my perception, but how do I look at my business in marketing."

"So one can say respect is one of the elements needed to be successful."

"You see that is the trust I am talking about where you can entrust that person to do something, in other words you trust in their ability."

“You describe a network as relationships with a payback and reciprocity which are based on a history of trust, this (is) a given when you have a track record. I know the guy and what do I do to extend the boundaries of the network.”

“Just something that you may use in determining this, which is part of South Africa, is that we have different categories, with different kinds of associates as we know there are some people that we know you can count on them, do not worry they can run the project, you do not worry about, you took the time to oversee what they can and can't do, you can't touch these guys and then there are people when they ask you, it is like no, no I can't trust them.”

Literature widely discusses the presence of respect in relationships, as well as the tendency to build the respect relationship on the basis of one's belief in the other person's ability. The influence of this mutual respect and the actual establishment of trust in another person's ability are however not discussed in detail in the literature, which makes this a unique finding. The experience and basis for this is therefore a highly personal experience.

- Adding value

Participants indicated that the other person wants to receive something of value and wants to feel cherished by the other party. Therefore, each other's role and the importance of that role must be acknowledged. This will in turn motivate a person to continue to contribute to the relationship. A person's status and actual competence implied by a track record can influence the level of trust in one another. In light of the aforementioned, it can be said that trust is built on the value that is added to the relationship. The following supports this finding:

“Trust is also built by being of use.”

“I hear that the success is when you get the information that is capable towards answering the need that you have.”

This finding is not unique and it is supported by relevant literature. To receive any form of value from a network, the involved parties must also contribute to it. Therefore, to receive value, a person needs to give something of value, whether this includes talent, ability, opportunities or time and information (Wainwright, 2004:28).

- **Different levels of trust**

Participants indicated that a distinction should be made between the different levels of trust in different relationships. The following wording supports this finding:

"It is because of those trust relationships. You know and if you do him a favour, I think they are different you can then accept your reward and then find the level of reward. I think that it is the different silos that are built on different levels of trust."

"I have a feeling that it will be somewhat different in my industry to understand what is happening when the people responsible can be trusted not to stab you or you can trust them to stab you in the back, but (it) is also the politics that are happening behind the scenes that influence the trust. That is the trust that I am talking about, say that you can trust your business partner, you can trust your friend, you referral too and said it not only to trust someone to stab you in the back, but also to trust that they have the skill."

"I'll inform you to and if the network knows you it will let you go through. All the networks does come together at some single point at some stage. Now there is a firewall that provides a level of trust so that not anyone can come in. There is trust but in these people that do business on a regular basis. There is people that serve as a firewall. People follows their point."

A thorough literature discussion on trust and the importance of building a trust relationship was included in Chapter four.

- **Be resourceful**

Throughout the focus groups discussions, the importance of contributing in some way was highlighted as an extremely important aspect of any relationship. Resourcefulness is the ability to contribute positively to a network in terms of skill, expertise, knowledge or information access or to bring relevant parties together. To be resourceful adds value to a relationship and therefore to the participating parties.

The different additional themes are discussed below and are supported by quotations from the focus group discussions and some literature sources.

- ***Be resourceful, knowledgeable and contribute to the success of others***

Participants mentioned that network members have to be resourceful, have knowledge and contribute in some way to the other people in the networking relationship. The following quotations support this finding:

"I know 2 or 3 guys that really network for networking. If you are looking for someone then you phone them, they will know them or at least know someone that knows them. There is no other way for them to do business. And I do not know but I am no expert but I am making sure that I know these guys. I think they fulfil an important role."

"I still believe that you have to build trust relationships and the urgency of success in business is to understand the other one's needs to be networking and its success lies in the information and adding value to one person by understanding the other person."

"Because the guy that is really valuable, is not always the guy that knows a lot of people. It is the guy that when he steps in, every other guy knows him. So the other side is (that) you know how strong your network is, (and it) is not only how many people you know. There are many guys, especially in politics today, everyone knows the mayor and his people and now it doesn't help you because you do not know him. So I think there are contacts and those who know you."

No detail could be found in the literature with regard to being a resource and the extent to which a person needs to be knowledgeable or contribute to the success of others. The concept of including these factors in a network is however discussed. Lindenfield and Lindenfield (2005:14,59) states that a person needs to be resourceful to others and this can be achieved by offering help or assistance.

• ***Offer reciprocity***

Participants experienced that most relationships seem to rely on the fact that there will be some form of reciprocity or return on members' effort or contribution to the network. Reciprocity relies on trust - this includes the trust one has in another's ability, skill or overall performance. The following quotations support this:

“...and if you are in avoidance mode you will not have an internal or external network. You can only have a network if you take responsibility, accountability.(This entails that) you sometimes (have to) do what you have said you would do. I think that is reciprocity.”

“If you do ask for something and I can help and it is within my power and I will do that I expect to have reciprocity, but not necessarily from that same person back.”

“Like how can I help you, you help me, so your customers come to you because you are their customer. And that is in my business.”

Literature describes reciprocity as the expectation of one person that the other person(s) will behave in a certain way and it is based on former rapport, for example a track record of consistent behaviour or actions (Adobor, 2005:333). Reciprocity was discussed in Chapter four.

A few additional themes were identified under reciprocity. This includes that people need to be transparent in their communication and that they need to reach mutual agreement to have a successful relationship. These additional themes will be discussed.

- *Transparent communication and mutual agreement*

Most participants remarked that open and clear communication of all networking actions and expectations is based on rapport and mutual agreement. Transparent communication will make the networking process easier and enhance the possibilities for further development of relationships. Informed people generally feel more in control. The following supports this finding:

“The point that I am missing is the networking as a function, the function takes place, networking means there is communication. I think it is important that you cannot ignore the fact that there must be some sort of communication otherwise you can't move it forward.”

“You therefore need to start by giving somebody something that you want, because there is a need and you have knowledge or a product, or whatever you got and you

are successful in the exercise if you satisfy the need but what you planned for or communicated from throwing ideas around.”

“...it is an agreement basically between the... maybe a moral agreement, but if you want to start paying money it actually becomes more than a moral agreement. And if he can make it out, much clearer in his mind on what deliverables he needs and what he needs to deliver in order to make those deliverables real even in a networking environment.”

Although literature sources mention the importance of communication, the essence of transparent communication and reaching mutual agreement is not widely discussed. Lindenfield and Lindenfield (2005:89) is one of the sources that only discusses the importance of normal effective communication by stating that a person needs to communicate clear and direct messages to others.

- ***Deliver according to expectations***

According to participants all role players need to deliver according to pre-established expectations. The following wording is included to support this finding:

“There is a perception line to draw when there is expectation. Unfortunately, that thing walks in two directions because there is reward at stake. I introduce you to someone. Now I do not expect a reward out of the fact that I introduced you to that guy, but later on the way I hope that there will be some advantages coming my way. And that is in a large way the way that guys work now they introduce you and mostly they expect immediate reward not taking into account what the outcome is.”

“I don't have anything to give you today, but if I were to ask something of you that has no high cost to you but might have high value to me then you would do a trade and vice versa because that once the value starts getting thin, that's when you extend the network, but how do you extend when the values are obvious, the payback is not immediate but you need to go there otherwise next year's sale or turnover or five years from now the system doesn't get sold.

Literature on the importance of reciprocity, transparent communication and mutual agreement whereby everyone involved delivers according to expectations was discussed in more detail in Chapter four.

6.3.2.4 Experiences on negative forces influencing networking

Negative experiences will affect a relationship in that it will determine the level of trust on which the dealings or openness of future contact will rely. Aspects that participants have identified as negative forces influencing their networking efforts are discussed below. Plenty of literature is available on how to be successful at networking, but little information is available on aspects that negatively impact on networking efforts or how to prevent damage to network relationships.

- ***Falseness or mistrust***

Participants mentioned that falseness and mistrust will negatively influence a relationship. The following wording confirms this finding:

"I think the issue of network failure is (that there is) an expectation from my side and that I invest in whatever I trust, and that I (am then) put down for some other reason. I think that is a failure and I don't get what I originally expected. That normally breaks down the network, maybe once is forgiven, but the second time that happens, he came (no closer) to me as far as the firewall, I will cut (him) out of (my) system."

"It is to keep the contacts, to chat, andyou never repeat what one told you in confidence. You could loose that relationship forever."

Literature confirms that if trust is lost due to unexpected behaviour by a member or someone not delivering as agreed, it can be recovered but it takes time and has a cost implication.

A few additional themes have emerged under this sub-theme of falseness and mistrust, namely that this can be the consequence of not delivering as expected, a series of bad experiences, not respecting each other and an overall unwillingness to network. These additional themes will now be discussed in more detail.

- ***Not delivering as expected***

Participants mentioned that they feel the trust relationship is broken down or eliminated all together if someone does not deliver according to expectations. A

rapport is in other words built over time to determine the trustworthiness of the person. The following quotations support this finding:

"...you can come to this network and I don't get an order, I don't see it as a failure and if somebody comes to us as an order and that relation that doesn't work, that will be called a failure. That is a networking failure or a personal or delivery failure. It is a delivery failure that normally breaks down the network."

"I think in networking if there was no feedback, there was no respond reciprocity. You will just give up and I've experienced it."

"I recently had a colleague and we really liked to work together, but four in a row over the last 6 months, when delivery didn't happen as expected, I ended up alone. Your point: why I'm not going to get him on the next project, so when things went wrong he wasn't there, that ends the relationship, the network, it could even end the connection."

"It's the one pot syndrome: you've got to keep putting money into it before you take money out."

Literature on the negative effect of not delivering as agreed on the networking relationship was discussed in more detail in Chapter four. The failure to deliver as agreed upon or according to expectation will negatively influence the relationship network and may even break up a network. Therefore, to ensure the longevity of a relationship and a network the expected outcome must be achieved (Gounaris, 2005:130).

- Bad experiences

Participants felt that disappointment would have a negative effect on a relationship. It can either break down the level of trust or make a person sceptical, which in turn will have a negative impact on the level of sharing in the relationship. This is closely linked to the expectation of a person. If someone has had a bad experience in the past, he or she could tend to be sceptical in future dealings. The following quotations support these findings:

“Trust comes first. So I think it is a lack of trust that you do not want to disappoint my network and this is actually a form of trust, in part integrity.”

“You walk into the wall of somewhat the same thing. You mine the whole market, you work hard at the relationships and the following moment they buy from your competition. You know it has happened 2/3 times to us. Now you know where the integrity part comes from. It is how the thing engages.”

“Because he will use that bad experience and you do not want to propagate that bad experience in your network. He might be very polite, but he is just going to tell you ‘Sorry’. Things like these make it difficult to build a network, because trust is not published. It is created by a lot of coincidental experiences where your actions are transparent and you applied two-way communication where everyone knew what was going on and there isn’t just guys that want to suck something from you and then go on. In a network you know immediately when someone is negative and it is difficult to grasp that person.”

Literature states that positive people with positive experiences and events on offer will attract people (Boe, 1994:53,65). Relationships will at times experience discomfort, negative feelings, worry, suspicion, difference in opinion and misunderstanding, but it can be resolved in a trust relationship where direct communication will lead to closure and commitment (Ciancutti & Steding, 2001:65).

- ***No respect for each other***

If people feel disrespected and not valued, they will retreat and therefore withhold their relationship in the future or break off the commitment effectively. Respect and trust go hand in hand and therefore to respect someone, the platform is established for a future trust relationship. The following quotations support this finding:

“Most of them are trusting and so I at least do not want to waste their time. It worked on my nerves a lot. So I think there is a shortage of trust and that you do not want to disappoint your network and it is a form of trust, maybe in part integrity.”

“In light of this, there must be a trust relationship with the different people so that you make a mistake but you are going to add value to that person, you are not going to waste his time. And if you see that you are going to waste his time then you say,

Sorry I do not think I will be able to make this specific value contribution. You have to do it otherwise it won't work."

Literature does not offer a detailed discussion of the negative effects of disrespect and therefore this finding that disrespect may break down the network is an important finding. Literature does however confirm that a mutual respect relationship is necessary for successful networking (Kay, 2004:6).

- *Not willing to network*

Participants felt that networking relies on people that want to network in the first place to be successful and that it is a full-time and continuous commitment to the people involved. To open up the possibility for future networking attempts, one party must portray the willingness to establish networking relationships. This should be accompanied by openness and transparency. The following are some quotations supporting this finding:

"But you see, in other words, what makes most networks fail, is a lack of try."

"We've learned that everything and anything including the network that doesn't have a full-time person never worked. Nothing in this works part-time. That is why most networking fails."

Literature on networking behaviour and the role players' willingness to network was discussed in Chapters three and four.

6.3.2.5 Experiences on the elements that influence the networking approach

Participants stated that there are many differentiating factors in the approach to and the method of networking. During the focus groups, different approaches to networking were documented in the form of different people's experiences. A person is inclined to evaluate future encounters based on his or her own previous experiences in other relationships. Therefore, people's ability to network today is influenced by their network exposure and personality. The following are some supportive quotations:

“I think you get different values out of your natural network and the network that you’ve built up. I do not think that you can get business value necessarily out of a family network, but out of a network that you have built up.”

“Like I personally think that one will have different networks for different goals in your life and some of them you will have to nurture more to get the value out of the network.”

The application of different networks for different outcomes or to achieve different values is supported by Ford *et al.* (2003:179). Networks are built by the individual and have unique applications.

- **Guidelines to maintain a network**

Throughout the focus group discussions participants identified various guidelines that a person needs to follow to successfully maintain a relationship. The following wording supports this:

“You know it is interesting if you look at this meeting, maybe is the host’s fault, but there is not one women present that we invited, we invited a few, but not one could come.”

“Yes we did, so it can be many things and it will be good to get other perspectives on networking.”

Literature providing guidelines to start networking is common, but specific material on how to sustain and maintain long-term relationships is not that widely available. This finding is therefore unique and provides a rich dimension to the study. Detailed information on how to start networking was discussed in Chapter four.

- **Different cultures**

According to participants, different cultures influence the way in which people network. Different cultures view networking in different ways. Therefore, the impact of a person’s cultural upbringing and his or her approach to life play an important role in evaluating the person’s networking approach. The following support this:

“There are some big differences that you have to take note of when you come here. Currently in South Africa these different networking styles must now merge, which is quite a challenge.”

“The cultures of South Africa makes networking very difficult because the exact thing that is polite in the one culture, destroys the network between (the) Afrikaans and black (culture).”

“Another aspect of networking that is important is the different cultural networks in the world and how it works in different continents and different countries and it is the whole cultural thing.”

Literature does not explicitly describe the unique South African perspective of how the different cultures living in this country differ in their networking effort and how the networking practices in the South African context are applied. The influence of the different cultures in terms of the African and other cultural differences is therefore an important contribution made by this study.

A few additional themes will now be discussed in more detail. “The African, Afrikaans, American, Chinese, Greek and Portuguese, Indian, Japanese and Jewish cultures were identified as cultures with definite differences in their networking approach and application in business practice. Very little literature is available on most of these cultures and therefore this is a unique finding. When literature was available on a specific culture, it was included for support.

- ***African cultures***

Participants indicated that they perceive people from African cultures as being strongly influenced by demographic features in their approach to networking. There seems to be differentiating factors that were highlighted by some of the participants. The following characteristics were mentioned: age, political orientation, even different sub-cultures, income, courtesy and mutual respect for differences. African cultures did not participate in all economic and business spheres for a long time and because of this exclusion they did not have the opportunity to develop their networking skills. The following quotations are included to enrich this significant finding:

“Where the black people fought the struggle and also because they didn’t have organised government and they didn’t have access to communication. They develop the very different style of networking.”

“Now there, the most successful recruits we find to date are active at the ANC political level because they were forced to start challenging people. They develop the muscle that says, I know you are older than me. I know the culture is that I must be polite to you but you are out of here.”

“But there’s also other attributes to a network. I mean, in the New South Africa, it’s important whether you’re a Xhosa or not a Xhosa...or a Zulu or not a Zulu. You can try and network in there...but if you’re not Xhosa, you’re not going to bond, you’re going to waste your time.”

“So the key is what we said earlier, you then find someone you have a good relationship with that is a Xhosa and he networks with them... you’re going to start cross pollinating your network.”

“It is not just Africa. It is our culture at the moment. The second guy comes and says but I can bring it in over 10 years and in the meantime, there are three or four such guys walking around and trying to make business in this way.”

“Money is very important and it is how he works his network. He is very tough around money and you cannot believe how well-connected he is because of that.”

“I would also say it is only natural in certain cultures and they have respect for a black culture. It is taught from a young age and along with being taught respect is why you need to have respect. It’s been taught from an earlier age in black cultures more commonly than it is taught in a European culture or among SA whites. We find that even the Indian culture is as well networked as the black cultures are.”

- Afrikaans people

Participants indicated that they regard Afrikaans people as controlled networkers in the past that are currently finding new and different ways of networking. Since most of the participants in this study were Afrikaans-speaking people, it is interesting to

identify their growing need to change their own methods and learn more of different networking competencies. The following supports this:

“The government organised the networking. When the Afrikaans people lost their government they did not know how to do this (networking), they did not have that competence.”

- The American culture

According to participants, they experienced that the Americans were some of the most successful networkers amongst each other. America has produced many successful examples of networking and therefore many people hold the perception that Americans are a successful networking nation. The following quotations support this finding:

“The last few years I learned a bit more of examples, such as the American pay-it-forward model where the network is more balanced. People have tried now many times to get for instance into the American market. If you have someone there then you will know that it is very difficult to get into their culture. So it is important that your network connection is there to understand the culture and to be part of the people otherwise they won't understand.”

“I felt the same way that you do, but lately especially what the Americans do, is changing my opinion of business. Look, us guys that come from engineering believe that we are building this nice thing. We have built this nice thing for someone to buy it for the value of it. Then we are stupid we spend R20 to sell the thing and now we cannot ask R25 to sell the thing. You know there is a guy that looks at the thing and tell you he will pay R300 for the thing. I think somewhere there are guys that were brought up like us engineers. I mean as apartheid engineers, do not make the mistake, we guys went through the army.”

“No, but the thing of this insight is like this. The Americans work on a completely different principle. My jaw dropped when I looked at them. I had worked closely with them and you know then they pulled me closer to be part of a technical problem. You know you make the deal, he does everything and then I see how it actually works. But now what it means is the business needs to come back to us.”

American authors such as Lindenfield and Lindenfield, Castells and others have published widely that there needs to be an understanding of each other's role and background in order to be successful in any relationship. America, being a multicultural society, could therefore serve as a case study for other cultures or nations that have not developed their networking skills to the same extent. More detail on this aspect were provided in Chapter three and four.

- ***The Chinese***

Some of the participants do business with Chinese businesses in China and other countries abroad. Participants therefore gave examples of their own experiences of this culture. The following supports this:

"The Chinese in turn then work totally differently. There is a very interesting thing. A large number of textbooks use the Japanese example where a guy comes to you and asks you to pay him 5% to organise a meeting. That is then a relationship. There is nothing surrounding the outcome or anything else. Or a guy asks you to talk about something and then you are in a dilemma. When you tell the guy it has been nice talking to him, please open the door (for business opportunities). Then you actually tell him that 5 or 10 of these guys will be paid 2/3% of the total, and it does not work that way."

There are quite a few literature sources on the Chinese network, which is based on Guanxi. This can be described as relationships or friendships between different role players to exchange favours by making frequent contact and not necessarily by making direct contact (Ramasamy, Goh & Yeung, 2006:132).

- ***Greek and Portuguese cultures***

According to participants, the Greek and Portuguese cultures have similar networking practices. The following quotations support this finding:

"Look at the Greek culture, amongst the Greeks and amongst the Portuguese, the Jews how much business they get – their family is number one. Their brothers and sisters, close family and the main family but they first look at that network and then at people outside of it."

“The middle guy. Actually, he is the one to look to see what value he contributes. You pay him 10% then he says no thank you, you get 10% initially and then with the following order the company says why pay him 10% more and why should you be paid 10% less, so they go direct. So it happens often. And it depends on the culture and the integrity of the culture.”

- **Indian people**

Participants indicated that they have experienced various different situations in terms of the Indian culture’s networking practice. The main idea behind the Indian culture and their networking ability seems to be that they tend to create networking opportunities, which are in turn referred to their networks. There are different approaches towards networking amongst different Indian people, for instance when a person lived in India or was brought up in another country. The following supports this:

“The Indian community classically didn’t have a network. They were always happy to do the government pub functions themselves so as a result they have a fantastically strong business, cultural, religious network - much, much stronger than the Afrikaans people where the Afrikaans people were government based.”

- **The Japanese**

Some of the participants do business on a regular basis with Japanese businesses and their experience is that there are specific differences between Japanese networking practices and their own. The following supports this finding:

“The Japanese have a specific ethic, business ethic where they count the priority of the middle man as very high, so much so that the one Japanese told me the one day that they have a practical arrangement with the manufacturer that they sell to the user directly, but they still pay commission after 20 years. So that commission creates good relationships. I know it is not high, we are talking about 2/3%. But it is also part of their ethical culture that they do not pay high premiums, but if you have made a suggestion once, you have the business and you are seen as part of that network and you are compensated for that for the lifetime of that relationship. That was something new that I have not encountered in any book or any other place.”

- **Jewish people**

Participants shared their views and experiences of different cultures and they mentioned that especially in the Jewish culture, the main driver behind relationships seems to be the underlying fact that they do not want to disappoint the other role players in the network. The following enriches this unique finding:

“Now like the Jews they’ve been operating for a few thousand years with our government. And they network around their own structures. But mostly business. So then business as a networking activity in the country is not utilised. I can tell you what is making it work and what is not making it work. They don’t add enough value. They think by facilitating a discussion like this they’ve done their job. You could do that once. If I come to the next meeting and you facilitate the discussion again, I am out of there. I say to an e-buyer, if we don’t bring the money you won’t network. You need full-time organisers who are passionate about the multi-culture.”

Different authors are united in their opinion that the South African environment in particular demands high networking skills and because of the diverse cultures this becomes all the more difficult. Business and entrepreneurial networks are not common to many cultures and therefore networking activities are not established (Mitchell, 2003). The African culture can be seen as an example of a culture that traditionally did not use networking for business purposes, but have developed immensely over the past few years.

• **Different social groups**

The influence of different social groups on the networking approach was also mentioned by participants. They stated that in their experience they have seen how different social groups bring with them specific ways of networking and building these networking relationships. The following quotations support this:

“The degree of a network only works when you can add value, which is a very cold business way. Apparently in our whole society, deals are being given to companies where there’s a bond lower down, where there’s a buddy in there where they came from school or they went through hard times and they bonded there.”

“You meet in SA, multicultural, multidiscipline but especially the incredibly diverged background. If you don’t understand the politics you’re going to waste a lot of time, and, and it changes...and it changes all the time.”

“I want to come back to the other point of political parties. It works like this, I do not vote for this guy I know him too well, I will rather vote for the guy I do not know. I am so sorry that I did not study social studies, I have a big interest in these things. The other day I spoke to someone specifically on this thing of South Africans that are the only species on the planet that have the belief that you rather trust the guy that you do not know than the other one, it is this type of attitude that makes it difficult to click in South Africa.”

Literature on the different approaches to networking according to different social groups was not included. The advantages of including different social groups in one network were however mentioned in the studied literature. These social groups each offer different points to access information and resources and are influenced by their network position and social relationships (Frazier & Niehm, 2004:25).

- ***Different markets***

According to participants, different markets will also influence the networking approach or networking practice of the involved parties. The following wording supports this finding:

“We mainly focus on the ownership of intellectual capital and we have networks in almost 50 countries to get our products into the markets and not having any human capital in South Africa made it irritating. Now in 2006 it seems to be the market that is coming round and we are trying to pull our focus back to a few vertical markets that are really build on networking, networking partners in those markets and to get to the family networks has taken now about six years.”

Very few literature sources support this finding. Some sources state that network forms can be differentiated from markets and this is based on key characteristics, such as the reason for its existence, the use of communication and the way in which conflict is resolved (Ford, 1998:76-78).

- **Different geographic areas**

Participants indicated that different areas in terms of geography could influence the particular way in which they will network. The following supports this finding:

“I think there is one thing that is interesting for me how the township networking differs from the rural networking.”

“If you could see the circumstances of the black people in the average rural city. It’s extremely different from the city and the younger city is even Thembisa. Thembisa, Vosloorus, Kotlahong is much more aggressive with one another. I don’t think the issues surrounding networking are commonly recognised in new communities. But communities did not have a government. It is much easier for you and me from the farm to understand one another. The city people who were born in the city are different.”

This aspect was not discussed in the literature as a problem in networking. Very little has been published on the impact of geography or the location of network role players on networking.

6.3.3 RECOMMENDATIONS ON HOW TO NETWORK

During the discussions, participants cited a number of issues as important elements in the building of a successful network.

Table 6.4 provides a summary of the main findings by the participants. From this summary, a proposed framework is developed to group all these elements in a workable framework that businesses can adapt to suit their specific needs and requirements.

Table 6.4 Main recommendations made by the participants

Recommendation by participant	Sub-theme
Communicate, share and inform	- Get to know the people
Make contact	- Identify the active members
Follow up	- Establish a common group to work from - Expand the number of connections
Maintain the network	- Abide to the networking rules

6.3.3.1 Communicate, share and inform

Participants recommended that involved parties in a network should be able to communicate with each other, they should be able to share something of value and be transparent by informing each other of any important changes in their position. Therefore, the parties should share value through their involvement and maintain an open relationship by continuously informing each other. The following wording supports this:

"I am not communicating for some other reason and then I am not networking."

"But like the previous one as an example for your network but both use the same with the same action, they continuously speak to each other. We use that time to share problems."

"We've got a Forum meeting in Pretoria, six groups getting together just once a month and just sharing knowledge. I will never get an order from them because they only bought information and they are protecting their own interests, but I get a lot of knowledge."

"He doesn't inform. If the client doesn't know about it, you didn't do it, that's the end. Sad but true."

Literature supports this finding that communicating important information and contributing to the building and developing of relationships are important to successful networking. To communicate, share and continuously inform the involved parties will in turn show the commitment of the person to take responsibility to stay part of the relationship (Drucker, 2005:103).

- **Get to know the people**

Participants mentioned that another recommendation for successful networking is to get to know the involved people on a closer and more personal level than just merely doing business. By getting to know the people, for instance asking them about themselves, you will develop a stronger relationship and gather information that you can use in follow-up communication. The following statements support this finding:

"In your network you typically work towards selection. You stay close to the network until the network accepts you. Now that is why very few people network. They are not prepared to put in that year that it takes to get to know the people and we have a very nice investment."

"You build a network over years and take the biggest part of your knowledge with you, but the network you leave behind. I think that is where most people struggle when they try to settle somewhere else. This is how a network is, you can not buy it, you build it up over the years."

Literature seems to concentrate more on customer and supplier relationships when discussing the influence of knowing the involved parties in the network. Therefore, although this is not a unique finding, it warrants further discussion. The essence of building relationships is that the involved parties take the time and patience to develop it (Boe, 1994:93 & Yeung, 2006:171) and they take the time to get to know each other (Kay, 2004:7).

6.3.3.2 Make contact

Participants recommended that another way to build successful networking relationships is by continuing to make contact. This continuous contact will keep members aware of each other and may even prove their commitment to the establishment of a relationship. The following supports this finding:

"I think it is the trust in that network. Everyone is trusted and have credibility. I think there are guys that have a bit more trustworthiness than others and then there are the guys that have a thousand things to do and I can just imagine if they have to meet everyone face-to-face. What I try to do is to meet, as far as possible, everyone in person even if they are overseas to get a feel of the person that is referred to me via someone that I strongly trust and I think you cannot misuse this."

Literature supports this finding in that various authors acknowledge the importance of continuous contact. White (2004:5) refers to a connection as someone who consciously makes contact for a specific reason, while Taylor (2006:8) indicates that relationships are created and nurtured over time and with effort. The importance of

continuous contact was discussed in more detail in Chapter four. This is even singled out as a networking skill by Roane (2004:32,177).

- ***Identify the active members***

Participants acknowledged that building and maintaining a network require plenty of hard work and time. Therefore, it is recommended to identify those members in the network that contribute the most in terms of quality and then spend the maximum amount of time and effort in maintaining these relationships or enhancing the nature of these relationships. The following quotations support this finding:

"There is a large cost involved in the networking process. It becomes your work to network and the time spend on it must be worth it. I think there are effective networks and less effective networks and I think the guys that are successful probably have less dead wood in their networks but they have the ability to determine who is dead wood and who is not."

"Connections in my mind entail not to establish some long-term thing, but a relationship is something that you work on."

"If you want to have this huge holiday with this business friends that won't necessarily happen and I think you have to be very careful in how you categorise your network and how you manage that. I think it is very important to be managed positively, you need to be proactive to ensure its success."

Literature did not provide adequate confirmation of this important finding that networking practice should include a prioritisation of the network members that are actively involved and willing to participate and contribute value. This is an important finding in order to provide effective recommendations on successful networking practices.

6.3.2.3 Follow up

Participants stated that to follow-up on a first meeting is very important in establishing a successful networking relationship. The following supports this finding:

“So I think a full-time networker will make a difference for us as well. Somebody that can sit in those networking meetings. They don’t have time to follow up this meeting. If we don’t have workers here, nobody will follow up. Nothing will happen. Workers, full-time workers. Now that is the other problem with full-time workers.”

This finding is supported in the literature by Taylor (2006:2,11) who mentions that to develop a successful network a person needs to follow-up and maintain the relationship.

- *Establish a common group to work from*

Participants are of the opinion that it would be more manageable for a person to establish a common group in their networking efforts and use this as a starting point for further development. The following supports this finding:

“You’ve got to have some common group that works externally and internally, if that becomes yourself, then you have a pivotal role to play and I think the bigger that is, the more the credibility you have in your external network and vice versa.”

The importance of establishing a common ground or connection point is widely discussed by authors such as Lewis (2003:58) and Takash (2004:24). Very little literature is however available that promotes a common group to work from as good networking practice. Therefore, this is an important finding.

- *Expand the number of connections*

Participants recommended that the number of active connections in their networks should be expanded. The following provides insight into this finding:

“I just want to mention another point. In our experience, we discovered that you do much more business with a business, especially a big company if there is someone that you find a connection with in other words, a champion. There has to be someone you have contact with and who is favourable towards your case, especially in big companies. What we realised after a while is that you cannot rely on that person for ever, you have to get rid of him, otherwise your whole business relationship with the company is dependent on the one guy. Now if they send him to another place or department, your whole relationship will be gone. So at the moment you need that

guy to start your network to do business with the company, and then you should as fast as possible build ties with other people in the company to make the connection wider as opposed to depending only on one guy.”

Literature supports this finding that the number of connections should continuously be expanded to promote the access of the involved parties and make more opportunities available. Chapter four and five provided more detail on this.

6.3.3.4 Maintain the network

The importance of maintaining a network was widely discussed amongst participants. They recommended that since networks do not grow automatically, active involvement and an active driving force (as established above) are required to continuously maintain and enhance the network. The following wording supports this finding:

“I find that the importance of networking seems to be in elements... first of all the tangibility or tangibleness of your product and the more tangible, the more it requires trust and everyone can deliver 27 names, but there is nothing to see, nothing to touch. He just has to trust you that these are the 27 most wonderful people you can trust in the project. So I think it varies.”

“In my industry, just to get to the contracts stage you have to start to manage them instead of taking them. If you start to manage them, you can start to capitalise from your connections on different levels or I don’t have to say that on certain levels or silos, it does wonders for your self-confidence.”

“Then there is the management of the asset of the networks. And I hear and I have not thought about it this way, that is a practical example of if you maintain a network and develop business between your business and my business, well you know you will run out of network because of your limited resources, you can only sustain so much.”

“I think one needs to effectively manage a network and I think the fact remains that one cannot just sit there and wait for the business to walk in. If you get the walk-in business you are lucky, but if you actively market, then you have to start somewhere and the network is the place to begin.”

“But there are few people that have networks and if you ask them what do you do to maintain them, if he or she has a strategic calling plan or something like that, a blank, he does not know what you are talking about. He doesn't know what the maintenance of a strategic network plan is.”

Literature supports this finding that people need to find ways of maintaining the established network relationships. Networks include people you know, for instance friends, family, business acquaintances and former colleagues and these relationships need to be continuously maintained (Slesinger, 2005:40).

- ***Abide to the networking rules***

Participants recommended that to be successful at networking, the networking rules need to be honoured and abided to. These rules can be spoken or perceived as common knowledge and this could vary from situation to situation, as well as from industry to industry. The following support this finding:

“ There are networking rules. Game rules. Sometimes these rules are not given.”

“I think if you are important to somebody then that is different than the rules of the network. If you follow those rules and do not go outside it and if you follow them you stay with the network and follow them inside the network. Even if you stay within you have to do something.”

“The rules come out of their culture, you can't change that. If there is a gain, people will make the rules, they will change the rules to get to the gain.”

Literature does not explicitly discuss the rules of different networks. Therefore, this is a rich and important finding stating that there are different types of rules and even though the rules are not always clearly communicated, all parties are expected to abide to it.

6.4 CONCLUSION

One of the conclusions of this research is that *networking is a human need* that is based on *an emotional connection*. People have the natural tendency to group

together like-minded people and to be attracted to others that feel the same as they do about something, enjoy the same things or share the same values as they do. Various different networks are then established based on these likeliness, namely *personal, social, referral* and *business networks*. In networking, however, a network can only be successful if it is balanced in terms of right *combination of people, ability* or *expertise* and *resources*.

Another important conclusion is that networking essentially has personal characteristics, since the individuals in the network determine the networking practice. People bring with them their own character dynamics in terms of their personality, preferences and general way of doing things. These personal characteristics of each of the individuals therefore influence each network and each relationship in the network.

Networking is a *skill* that needs to be utilised to expand the network. This skill needs to be taught and fully developed as a *technique* that could be applied in many different spheres of business and on all the different levels of management. The conclusion that can be made from this is that every business should acknowledge networking as a management task and develop opportunities, as well as offer support to enhance their managers' or other employees' networking abilities.

Businesses are driven by relationships. People sometimes start a networking relationship based on their circumstances and through who they know or what they have experienced. Networking is all about the personal input that is required for successful networking. However, to be successful in networking the involved parties need to *take responsibility* and *be accountable* for their actions, *build good reputations, be trustworthy, display integrity, be credible, build trust, be respected and respect others, add value to a relationship* and *be resourceful*.

The basic motivation driving business networking, apart from the relationship factor, is what members can get from this association or relationship. In essence, a network is strongly based on altruistic principles.

Networking needs to be planned while actual guidelines *to maintain a network, to take different cultures, different social groups, different markets and different geographical areas* into consideration need to be included in the business's strategies. Because each network functions within its own circumstances and with its

unique combination of people involved, each relationship is unique. Therefore, the network, apart from all the different individuals, will develop its own character and unique rules.

In order to sustain networking relationships and maintain the balanced network, there are some prerequisites that need to be included. The prerequisites that were identified include that the involved parties need to *communicate, share and inform*. In addition, *active members* that show their commitment and dedication to the network need to be identified and included in *one common networking group* from which one can work before *expanding the number of connections*. Each network has its own character and therefore each network will develop its own *networking rules*. To be successful at networking all the involved role players need to know the networking rules, abide by them and uphold them amongst each other.

CHAPTER SEVEN

RESEARCH RESULTS OF THE STRUCTURED QUESTIONNAIRE

7.1 INTRODUCTION

The difference between qualitative and quantitative research, with special reference to the specific application in this study, was described in detail in Chapter two. The multi-method approach allows the researcher to verify the results of one method and therefore triangulation of methods provides greater confidence to the researcher that the actual target information is adequately captured (De Vos *et al.*, 2005:361). To combine different methods of measurement also allows the researcher to study and gather information on one concept or phenomenon from different perspectives and this in turn might provide a better holistic and complete picture (De Vos *et al.*, 2005:362).

The between-method triangulation of internal validity was used in this study to verify the results and to reach consensus between the researcher's findings and participants' findings. The results of the one method were also confirmed or validated by using another method (Holloway & Wheeler, 2002:17). In this research, the method used to validate the focus groups findings was the structured e-mail questionnaire. In this chapter, the findings of this questionnaire with the main points of confirmation, contrast and unique findings are analysed, interpreted and discussed.

Data from the research questionnaire is described and analysed in this chapter. The purpose of this chapter is to provide a detailed discussion of the research results obtained from the structured questionnaire. The quantitative findings are grouped in tables and diagrams while the statistical analysis was conducted by statistical consultation services at the North-West University.

7.2 UNIT OF ANALYSIS

Analysing data entails the ordering, grouping, categorising and final summarising of gathered data in order to interpret the data and draw relevant conclusions (De Vos *et al.*, 2005:219). For the purposes of the multi-method approach and triangulation, the results from the survey were compared with the results from the literature research and the focus group discussions.

On the 21st of February 2006, a letter was e-mailed to all previous focus groups participants to make contact, verify their e-mail addresses and remind them of the questionnaire. In order to collect the data, a questionnaire was developed for the specific purposes of this study and it was e-mailed to the focus group participants to obtain detailed information. Participants were requested to forward the questionnaire to between two and five of their closest network members.

Only some of the focus group participants adhered to this request, which is supportive of the tendency of people to sometimes withhold information from some of their network members. This is also found to be another topic for further research, since the networking experience is based on sharing and contributing to each other.

The Afrikaanse Handelsinstituut (AHI) of the Gauteng region was contacted and the chairpersons from the various chambers were asked for their assistance in distributing the questionnaire to their members.

Mr T. Nel, business owner of the comprehensive website for business networking, INNERCircle, was also contacted to distribute the questionnaire by posting a link to the questionnaire on their electronic newsletter. Finally, the questionnaire was posted on the alephsynergy website (www.alephsynergy.com).

7.2.1 The follow-up process

The follow-up process consisted of four different attempts, with the first being telephone calls to focus group participants and letters that were e-mailed prior to the actual distribution of the e-mail questionnaire. This was done to confirm the participation of the participants and to ask their permission to include them in the survey. This initial contact is called advance notification and is done to notify the

potential respondent in advance that the questionnaire will be arriving shortly (Zikmund, 2003b:229).

The second follow-up attempt involved a letter containing detailed information on the aim of the research. In this letter, chamber of commerce members were also requested to participate. The third follow-up attempt was done by sending a letter via e-mail to prompt participation and to remind all non-participants to participate. Finally, the fourth method involved follow-up telephone calls that were made to all the business chambers' chairpersons requesting them to prompt their members to participate.

Even though it is said that multiple follow-up attempts usually increase the response rate, the response rate was still very low.

7.2.1.1 The actual sample size

The response rate, which refers to the actual number of completed questionnaires, was 35. This response is made up from participants as illustrated in Table 7.1.

Table 7.1 Dispersal of response amongst participants

Participants	Number
Focus group participants	22
AHI members	11
Innercircle members	2
Total	35

7.2.1.2 Sample elements and participants

The questionnaire consisted of four sections. An example of the questionnaire as sent via e-mail or posted on the website is available in Appendix G.

The first section of the questionnaire was aimed at acquiring nominal data (De Vos *et al.*, 2005:220) on respondents' biographical details. This included information such as their name, line of business, age, gender, racial classification, contact details, level of formal education, years of experience, industry, business sector, form of business, business size, and percentage of commercial activities in terms of traditional, e-

commerce, business-to-business, business-to-customer, business-to-government and international trade.

These responses were analysed according to codes and relative comparisons were made. A summary of these findings is discussed in detail in section 7.3.1 using tables and graphs. The results are then displayed by frequencies that are distributed from high to low. This makes the table more simplified and it is easier to identify the most important findings. Frequency tables indicate the frequency of the participants to choose a specific answer (Zikmund, 2003a:474).

The second section of the questionnaire involved networking questions about participants' own view of networking, its importance and their own networking practices.

The third section of the questionnaire contained detailed questions focussing on the following aspects: the reasons for networking, aspects participants include in their networking efforts and the type of networking they actually employ in their business practices.

Section four of the questionnaire focussed on the following: the extent to which businesses network, current measures to determine the effects of networking, perceptions on the current practice, as well as the ideal situation for networking in participants' specific circumstances. In this section, cross tabulations were used to compare results and display joint-frequencies for two variables (De Vos *et al.*, 2005:239). The two variables in these questions included the current and ideal practices of networking. The significance of this data can be measured by making use of the chi-square test. The results of this testing are discussed in paragraph 7.3.4.

Section four contained questions that allowed participants to rate their answers on a scale ranging from one to four. In the first question, participants were asked to rate their answer on a scale of one to four. In the second and third question, participants had to rate their answers in order of importance. The fourth question required the participants to rate their answers on the importance of the elements in their businesses.

The fifth question required participants to rate the characteristics of the relationships in their businesses according to the frequency that it occurred in their business. The sixth question in this section required participants to rate their answers by selecting one of four options: strongly agreeing, agreeing, disagreeing or strongly disagreeing with the statements.

The last question in section four allowed for open responses where participants could contribute by sharing their own experiences, additional comments or concerns.

7.3 DISCUSSION OF RESULTS

During the analysis, the researcher starts to interpret the gathered data to draw meaningful conclusions (De Vos *et al.*, 2005:218). In this study, purposive and snowball samples were used and random samples were not used at any stage. In light of aforementioned, the procedure does not include the use of inferential statistics (in other words p-values), but effect sizes. Effect sizes were then used to indicate the differences between the means of the different groups by making use of Cohen's effect sizes (in other words d-values).

7.3.1 Section One: Demographic information of the participants

Biographical information of the participants was gathered in Section One of the questionnaire. Contact details were also collected for future reference and to distribute the report amongst participants once the research has been completed. Demographic information such as gender, age, racial classification, highest level of formal education, years of experience in current position was collected. Additional information required in Section One included the business sector the participant is associated with, the primary industry of which it forms part, the form of business, the number of permanent employees and the percentage of commercial activities of the business. Table 7.2 illustrates the gender distribution of participants.

Table 7.2 Gender distribution of participants

Gender	Frequency
Male	83%
Female	17%

Source: Response to Question 1.2 (Appendix)

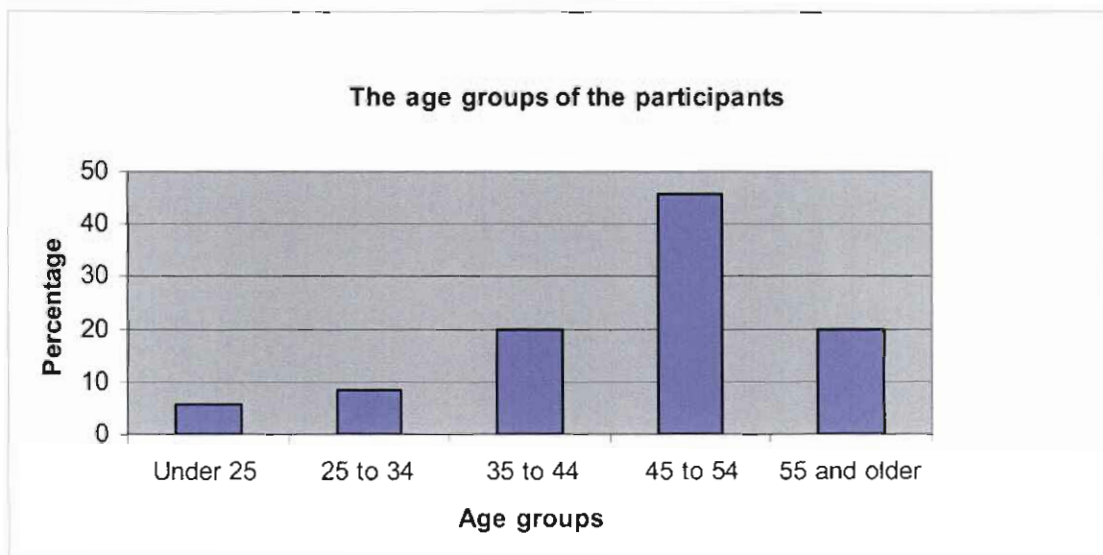
There seems to be the distinction that women network to gain access to an infrastructure of support, nurturing, to build their or other's skills, contacts, confidence and enhance their position (Timmons & Spinelli, 2004:257). Only recently these networks have started to develop in the form of women networking groups, as a form of 'old-girls network' (Harvard Business review, 2005:22).

According to Patricia Greene, the Undergraduate Dean at Babson Entrepreneurial College, the networks of successful entrepreneurs consist of networks in which capital and other resources are shared. These networks offer support and opportunities to build contacts (Greene, 2005). Aforementioned supports the general finding that the business world comprises mainly white men and that women are widely underrepresented (Timmons & Spinelli, 2004:257).

7.3.2 Classification of the participants according to their age group

The networking experience is related to the amount of networking exposure that a person has had in his or her life. During the focus group discussions, the experience of networking was reported to have started during the participant's university education or at his or her first job. This finding is supported in the reported age groups that participated in the survey. The age dispersal of participants is illustrated in Figure 7.1.

Figure 7.1 Participants' age groups



Source: Response to Question 1.3 (Appendix)

The majority of participants (41%) in the focus group discussions and the survey are in the age group 45 to 54 years of age. Twenty per cent (20%) are in the age groups 35 to 44 years of age and 55 years and older.

7.3.3 Racial classification

The majority of participants (94,29%) in the survey were white, while only 5,71% were black. Table 7.3 provides an illustration of participants' racial classification.

Table 7.3 Participants' racial classification

Racial Classification	Frequency
Black	5,71%
White	94,29%

Source: Response to Question 1.4 (Appendix)

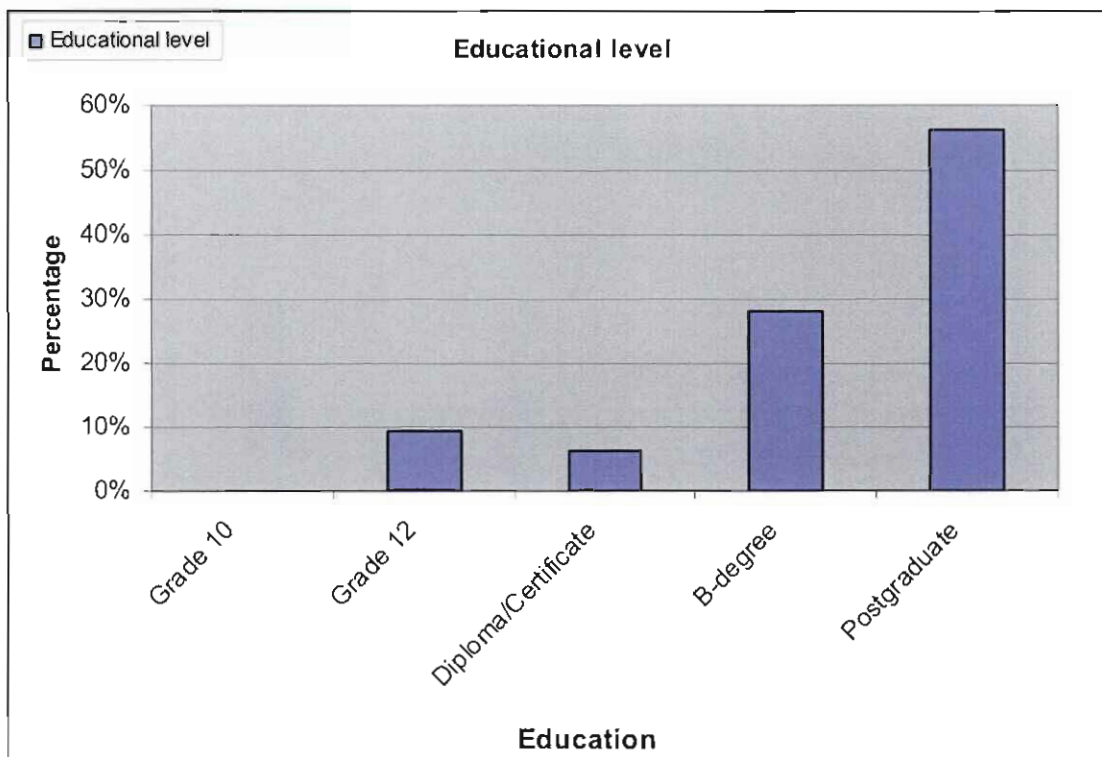
Two Indian participants took part in the focus group discussions, but they preferred not to participate in the survey.

7.3.4 Highest level of formal education

Twenty-eight per cent (28,13%) of the participants indicated that they have at least a B-degree while 56,25% have postgraduate qualifications. The finding that most of the participants have some level of formal education indicates in part the importance of formal education in business.

None of the participants indicated that grade 10 was their highest level of formal education. Participants held different B-degrees and postgraduate degrees, including BEng (Electron), BSc Eng, LLB, MBL, BSc Hons, BCom Communication management, BCom Marketing, BSc Eng (Electrical), PhD, BCom, CA (SA), BCom (Hons), BPharm, BProc (Law), BSc and BIng. Figure 7.2 indicates the different levels of formal education amongst the participants in the survey.

Figure 7.2 Levels of formal education



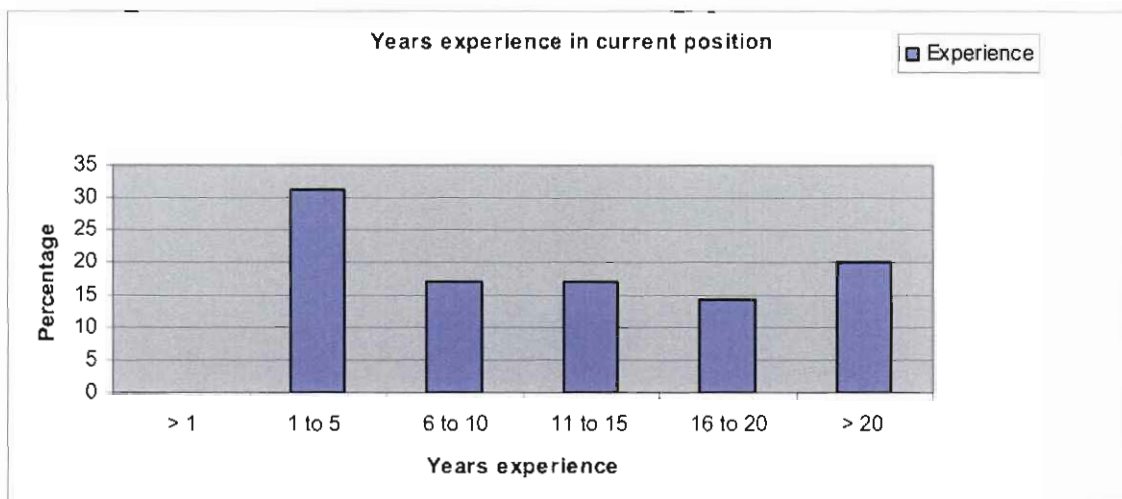
Source: Response to Question 1.5 (Appendix)

7.3.5 Years of experience in current position

Participants were asked to state their years of experience in their current position. This question was included to determine the level of expertise amongst research participants. All of the participants were owners or managers of businesses in Gauteng and therefore it was relevant to include their level of experience. Figure 7.3 provides a summary of participants' experience in their current position.

Most (31,43%) of the participants have between one and five years' experience in their current position while the second highest response (20%) indicated that a large number of participants have more than 21 years' experience in their current position.

Figure 7.3 Participants' experience in current position



Source: Response to Question 1.6 (Appendix)

7.3.6 Highest annual business turnover

Participants were asked to state the highest annual turnover (including the particular year) of the business they are/were involved in. Table 7.4 provides the detail of the highest annual business turnover amongst participants.

Table 7.4 Highest annual business turnover experienced

Annual business turnover	Frequency
Less than R5 million	31,25%
Between R5 and R10 million	15,63%
Between R10 and R20 million	15,63%
Between R20 and R50 million	6,25%
Between R50 and R100 million	6,25%
More than R100 million	21,88%

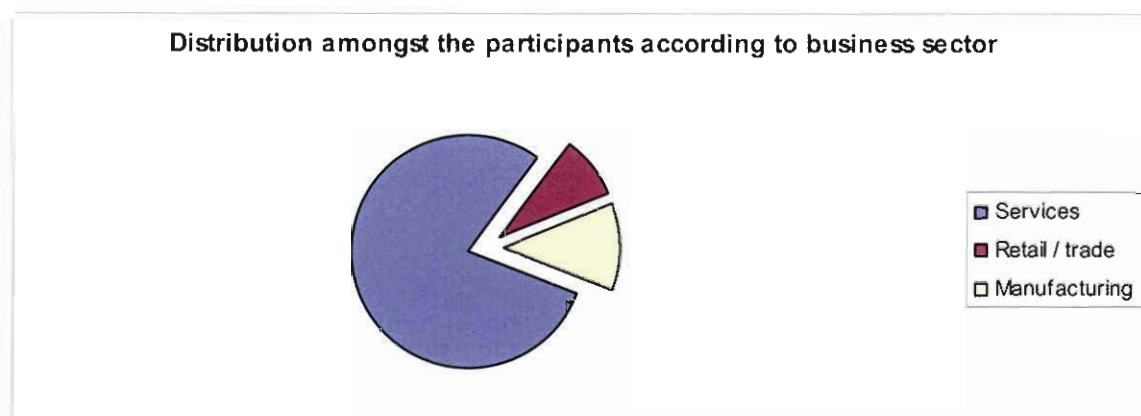
Source: Response to Question 1.7 (Appendix)

The majority (31,25%) of the participants indicated that their businesses have not realised an annual turnover of more than R5 million. A surprising aspect of the research is however that the second highest percentage of the participants (21,88%) indicated that they have experienced that their business has reached an annual turnover of more than R100 million.

7.3.7 Business sector

Participants had to classify their businesses according to specific business sectors. This classification was however limited to a choice between three business sectors, namely services, retail or trading businesses and the manufacturing sector. Figure 7.4 indicates the distribution amongst the participants in terms of their specific business sectors.

Figure 7.4 Business sector classifications of the participating businesses



Source: Response to Question 1.8 (Appendix)

The highest percentage of participants (79,41%) are involved in the services industry while the second highest percentage (11,76%) are involved in the manufacturing business sector.

7.3.8 Primary industry

Businesses in South Africa are classified according to the Standard Industrial Classification (SIC) of Statistics South Africa. Therefore, to determine the dispersal amongst the participating businesses, the primary industry that their businesses form part of were included. Table 7.5 provides a summary of these findings.

The majority of participants (29,03%) indicated that they are either involved in other industries than those specified in the standards classification, or that they are involved in the financial, insurance, real estate and business services sector. The industries in the sectors other than the specified industries included: investment, consulting, legal services, information technology development and communication,

automated identification, telecommunications marketing, aerospace and security, the ICT engineering sector, as well as business and career consulting.

Table 7.5 Primary industries according to participants

Industry Classification	Percentage
Agriculture, hunting, forestry and fishing	0
Mining and Quarrying	3,23
Manufacturing	9,68
Electricity, Gas and Water Supply	0
Construction	3,23
Wholesale and Retail Trade (Including Motor Trade)	9,68
Commercial Agents and Allied Services	0
Transport, Storage and Communications	6,45
Financial, Insurance, Real estate and Business services	29,03
Community, Social and Personal services	6,45
Private households	3,23
Other (Specify)	29,03
Total	100

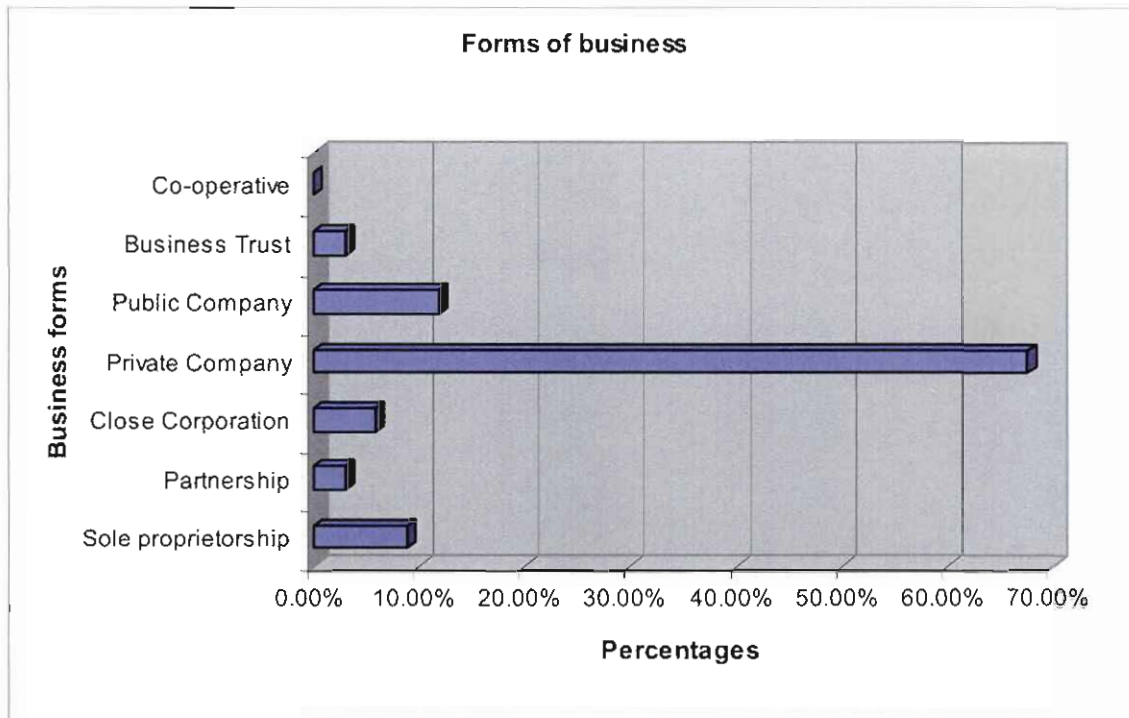
Source: Response to Question 1.9 (Appendix)

7.3.9 Form of business

The different forms of business offer an indication of the tendency of specific forms to be more open to business relationships and networking. In the literature study, no indications were found of specific forms of business being more open or acceptable to networking practices. Therefore, this finding indicates that participants use specific forms of business to enhance networking practices. Figure 7.5 indicates participants' choice of business form.

The highest percentage (67,65%) of participants indicated that they use the private corporation form of business, while the second highest percentage of participants (11,76%) indicated that they use the public corporation. The sole proprietorship was used by 8,82% of participants.

Figure 7.5 Different business forms amongst participants



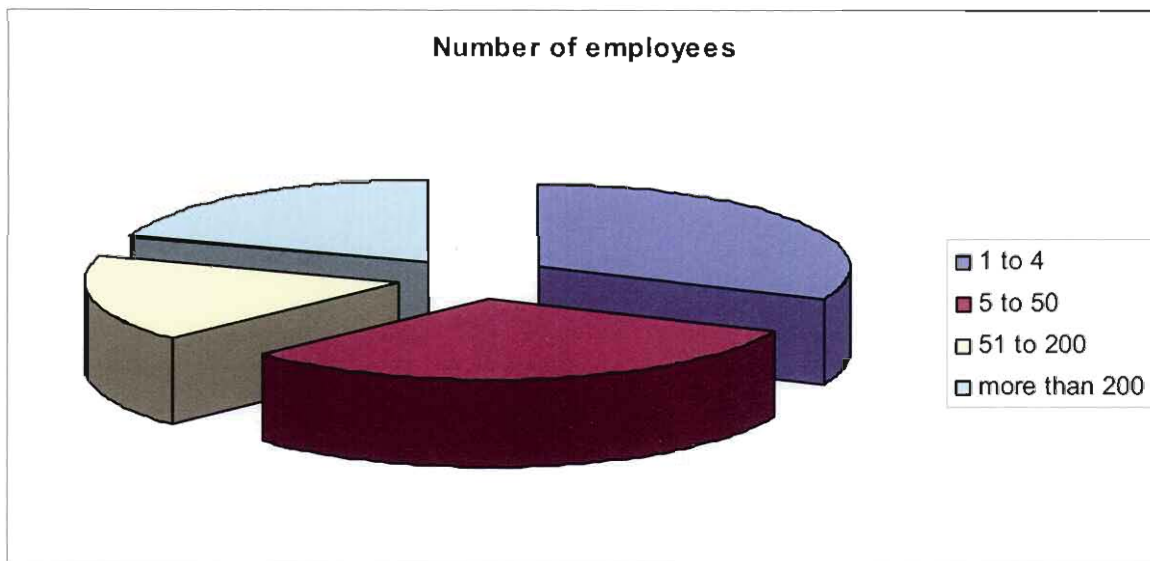
Source: Response to Question 1.10 (Appendix)

7.3.10 Number of permanent employees

The number of permanent employees in a business is one way of determining the size of the business. The White Paper (White Paper, 1995:9) on Small Businesses classifies businesses as micro, small or medium-sized businesses, based on the following criteria: management, turnover, number of permanent employees and registration requirements.

A micro business is described as a business managed by the owner that employs only one or two other permanent employees. Small businesses can also be owner-managed and employ between five and 50 people. A medium-sized business employs between 51 and 200 employees. Businesses with more than 200 employees are regarded as large businesses (South Africa, 1996:102). Figure 7.6 illustrates participants' response with regard to the number of permanent employees in their respective businesses.

Figure 7.6 Classification of participants' business according to the number of employees



Source: Response to Question 1.11 (Appendix)

The highest percentage of participants (31,43%) indicated that they have either between one and four, or between five and 50 permanent employees in their business. However, 20% of the participants indicated that they have more than 200 employees in their business, which indicates a large business structure.

7.3.11 Percentage of commercial activities

Participants were required to indicate the percentage of commercial activities in terms of traditional sales with its different forms and e-commerce, as well as international trade activities. Participants' responses with regard to the various forms of commercial activity are summarised in Table 7.6.

Table 7.6 Dispersal of traditional versus e-commerce activities

Form of commercial activity	NONE	1-20%	21-40%	41-60%	61-80%	81-100%	Total
Traditional sales	23,04%	34,62%	11,54%	19,23%	3,85%	7,69%	100%
E-commerce	45,45%	31,82%	9,09%	0%	0%	13,64%	100%

Source: Response to Question 1.12 (Appendix)

A further investigation of the dispersal of these activities amongst the various forms, namely business-to-consumer, business-to-business, consumer-to-business and business-to-government was conducted. Table 7.7 illustrates the dispersal of commercial activities amongst participants in the research.

Table 7.7 Dispersal of commercial activities according to participants

Form of commercial activity	NONE	1-20%	21-40%	41-60%	61-80%	81-100%	Total
Business-to-consumer	45,83%	25%	12,50%	12,50%	0%	4,17%	100%
Business-to-business	13,13%	10%	33,33%	3,33%	16,67%	23,33%	100%
Consumer-to-business	66,67%	14,29%	4,76%	4,76%	0%	9,52%	100%
Business-to-government	54,17%	20,83%	8,33%	8,33%	4,17%	4,17%	100%

Source: Response to Question 1.12 (Appendix)

As indicated in Table 7.7, most of the business activities (86,87%) amongst participants take place between businesses. Business activities between the participating business and consumers (54,17%) and business with government (45,83%) are also more common than between consumers and businesses.

International trade transactions are not recorded as a significant part of business activities amongst the participating businesses. Only 34,62% indicated that they conduct international trade transactions and this constitutes a small part (between 1% and 20%) of their overall business activities.

7.4 SECTION TWO: NETWORKING PRACTICES ACCORDING TO PARTICIPANTS

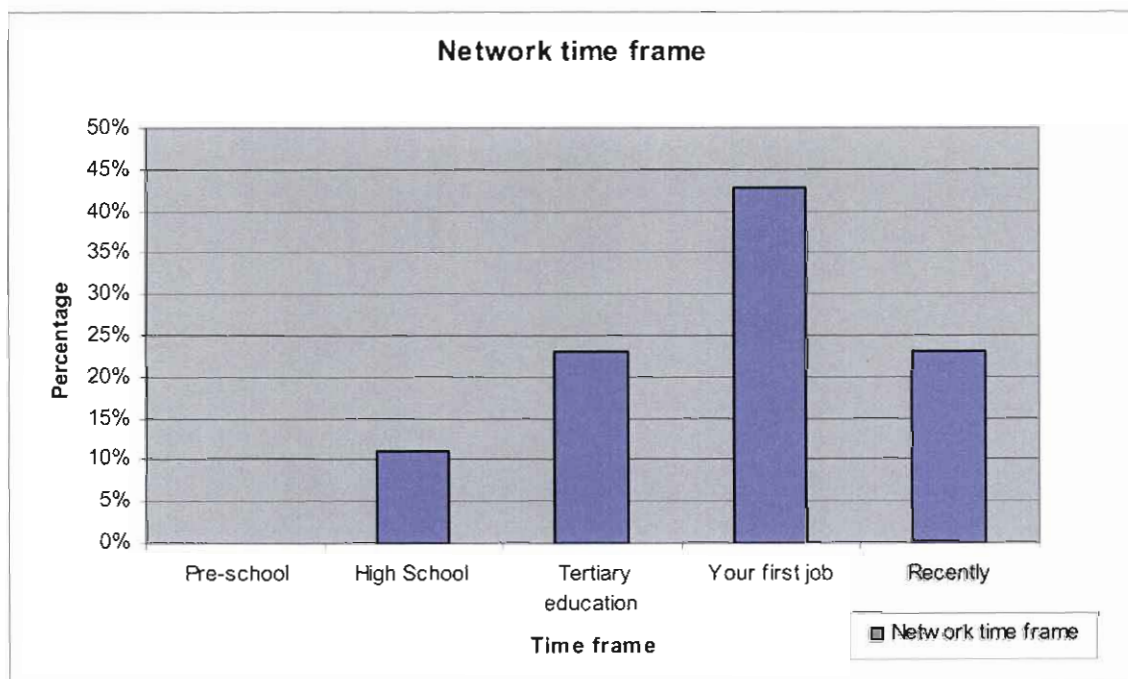
A large percentage of participants (40%) perceived networking as a skill while nobody perceived it as a natural phenomenon. However, 60% of participants indicated that they perceive networking as the result of both. This result is also conclusive of the findings in the focus group discussions that networking is as much

a skill that can be taught and enhanced as it is the natural ability to communicate and build relationships.

7.4.1 Actively or consciously started networking

The time frame during which participants actively started to build their networks as a conscious effort to improve their business or business skills was researched by including five time frames that participants could choose from. The response is illustrated in Figure 7.7.

Figure 7.7 Time frame of actively starting to network



Source: Response to Question 2.2 (Appendix)

Most of the participants (42,86%) indicated that they started to consciously and actively network during their first job, which coincides with the focus group findings. However, 23% indicated that they started to network during their university, college or tertiary education. This result is supported by the focus group discussions. Another 23% indicated that they only recently became aware of networking and started to actively drive the networking process.

7.4.2 Networking practice

Networking practices and the successful implementation of networking in businesses differ from business to business and can be adapted to suit specific needs. During the focus group discussions, it became apparent that although different businesses have different networking practices, the main idea behind networking remains the same for any networking activity.

The line of questions was designed to prompt participants to evaluate their own networking practices. The responses to these questions are summarised in Table 7.8.

Table 7.8 Participants' networking practices

Networking practice	Yes	No
You tend to focus on a few important relationships. You are patient in your interaction and you focus on achieving the task, situation or goal ahead.	57,14%	42,86%
You balance new and old relationships in an active and comfortable way. You are adaptable to develop networks and can easily widen your range.	82,86%	17,14%
You know many connections, but do not organise or follow them up.	34,29%	65,71%
You are a quiet and introverted person. You follow a step-by-step process in networking.	17,14%	82,86%
You make contact over the telephone.	25,71%	74,29%
You only make contact by e-mail.	2,86%	97,14%
You make contact via telephone and e-mail.	51,43%	48,57%
You make face-to-face contact.	82,86%	17,14%

Source: Response to Question 2.3 (Appendix)

The responses of the participants were grouped according to their different networking practices. This was done according to literature on different classifications of personality types. The majority of participants (82,86%) identified with the dolphin personality type – a personality that manages to maintain a balance between old and new relationships in the network.

A large number of participants (57,14%) tend to focus on a few important relationships because of time pressures related to their positions in the business. This indicates their tendency to display characteristics of the lion personality type. A

small percentage of participants (17,14%) were linked to the swan personality type that is known for their step-by-step networking process and inability to network naturally.

A significant finding in this survey that also supports the findings in the literature study and the focus group discussions is that the majority of people (82,86%) tend to build the strongest and most important relationships by making face-to-face contact with the other person. In contrast to this, 51,43% of participants indicated that they use the telephone and e-mail to establish a connection point.

7.4.3 Business relationship scenario

The business relationships that are available in a specific industry or field can prompt businesses to use different business scenarios than initially planned. In Table 7.9, the different business relationship scenarios according participants' preferences are indicated.

Table 7.9 Business relationship scenarios as used by the participants

Scenario	Yes	No
There are no alternative relationships.	11,43%	88,57%
Our business may engage in relationships with other role players if potential for higher profit exists, but not at the expense of our current relationships.	80%	20%
Our business may engage in relationships with other role players if potential for higher profit exists, even at the expense of our current relationships.	20%	80%
Our current relationships are irreplaceable.	65,71%	34,29%

Source: Response to Question 2.4 (Appendix)

The business scenario preferred by the majority of participants (80%) is that the motivation for their business to engage in networking activity is directly linked to personal benefit or higher profits. The most important element is that they will not drive this process if it will negatively affect their existing networking relationships. A large percentage of participants (65,71%) feel that their existing networking relationships are irreplaceable and therefore important to maintain.

7.4.4 Value of relationships in your business

Relationships seem to be valued very high by a large percentage (62,86%) of participants while the remaining 37,14% reported that they value relationships high in their business.

7.4.5 Sphere of influence

The findings of the qualitative research with regard to whether or not one has a sphere of influence on different groups of people were tested in the questionnaire. This question prompted participants to indicate all the different groups of people who are included in their sphere of influence. Table 7.10 summarises the findings.

Table 7.10 Participants' sphere of influence

Groups of people	Yes	No
Family	88,57%	11,43%
Friends	85,71%	14,29%
Neighbours	25,71%	74,29%
Business acquaintances	94,29%	5,71%
Suppliers	48,57%	51,43%
Customers	85,71%	14,29%

Source: Response to Question 2.6 (Appendix)

Most of the participants believe that they have a sphere of influence on business acquaintances (94,29%), family (88,57%) and friends (85,71%). A surprising finding however is that 85,71% of participants also believe that they have a sphere of influence on their customers.

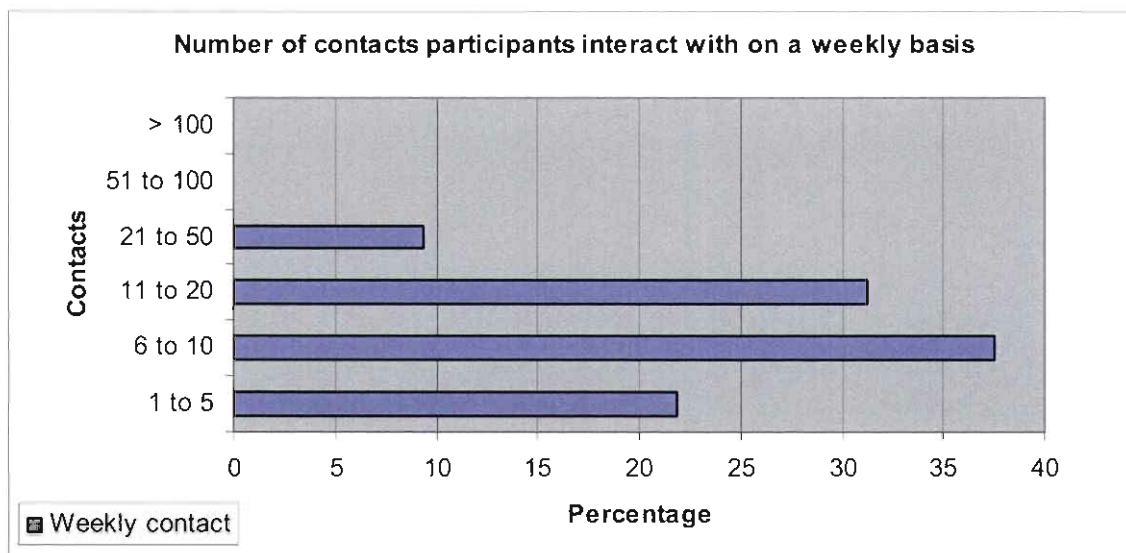
These findings were not specifically highlighted in the qualitative research. However, focus group participants were asked to list who they would include in their networking efforts and they responded by listing family, friends, social acquaintances and business contacts.

7.4.6 Number of contacts in your personal network

All the participants in the focus group discussions agreed that one needs access to a variety and a large number of connections in order to network successfully. The response to the survey showed that most of the participants divide their contacts into different frameworks in terms of time they spend with them.

Four levels of contact were measured: first, the tendency to make contact once a week and secondly, contact made two-weekly to once a month. The third level refers to contact made every two to six months while the fourth level refers to contact made once a year. Figure 7.8 illustrates the number of contacts participants interact with on a weekly basis.

Figure 7.8 Number of contacts participants interact with on a weekly basis



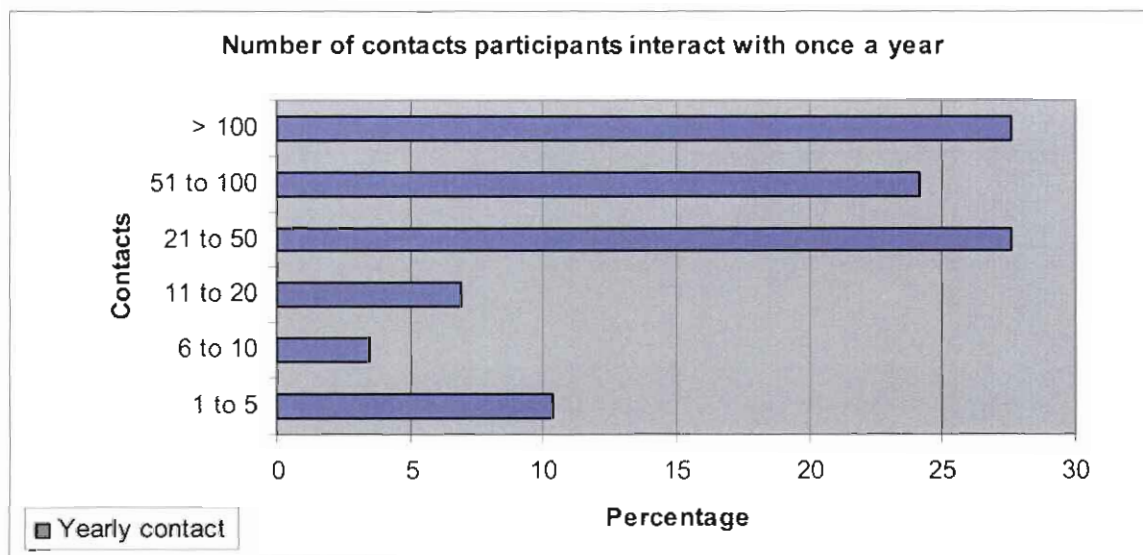
Source: Response to Question 2.7 (Appendix)

Almost thirty-eight per cent (37,50%) of the participants responded to have weekly contact with between six and 10 people, and a further 31,25% have contact with between 11 and 20 people on a weekly basis. More than thirty-five per cent (35,48%) indicated that they have contact on a two-weekly to monthly basis with between six and 10 contacts. A further 41,94% reported only making contact with the majority of contacts, between 21 and 50, on a two-monthly to six monthly basis.

According to participants, they make contact with most of their contacts only once a year. Nearly twenty-eight per cent (27,59%) indicated that they have contact with

between 21 and 50 contacts only once a year, and the same percentage indicated to have contact with more than 100 contacts only on a yearly basis. Twenty four percent have contact with between 51 and 100 contacts once a year. Figure 7.9 indicates the number of contacts that participants interact with once a year.

Figure 7.9 Number of contacts participants interact with once a year



Source: Response to Question 2.7 (Appendix)

These findings support the finding of the qualitative research that because of the sheer volume of contacts, one has to prioritise and categorise them according to their importance and according to the amount of time available to make contact with them.

7.4.7 Motivation behind networking

The motivation behind networking recorded in the qualitative research seemed to be to gain access to opportunities, higher profits, information and other contacts. During the survey, participants had to choose between 25 alternatives as motivation for their networking activities. Table 7.11 provides an overview of the responses.

The findings in this survey support the findings of the focus group discussions which identified the most important reasons for networking as follows: a method whereby new business can be accessed (97,14%) and information on new opportunities and/or additional strategic alliances in specific markets can be obtained (88,57%). In addition, networking is utilised to share experiences and exchange ideas (85,71%),

to obtain access to new or additional marketing channels (85,71%) and to find and develop alliances, associates and opportunities for collaboration (82,86%).

Table 7.11 Participants' main motivation behind networking

Motivation behind networking	Yes	No
Bringing in new business.	97,14%	5,86%
Forming strategic alliances.	88,57%	11,43%
Obtaining knowledge on new opportunities and markets.	88,57%	11,43%
Sharing experiences and exchanging ideas.	85,71%	14,29%
Obtaining access to new or additional marketing channels.	85,71%	14,29%
Finding and developing alliances, associates and opportunities for collaboration.	82,86%	17,14%
Communicating with potential interest groups.	80%	20%
Obtaining access to new or additional distribution channels.	74,29%	25,71%
Obtaining access to new or additional technology.	74,29%	25,71%
The project is too big or complex to do alone.	74,29%	25,71%
Obtaining knowledge on new business processes.	71,43%	28,57%
Acquiring capital or additional financial resources.	65,71%	34,29%
Career growth.	62,86%	37,14%
To include partners with specific resources and requirements as needed in a relationship.	62,86%	37,14%
Making processes more efficient.	60,00%	40%
Launching a new product.	57,14%	42,86%
Obtaining access to specialised skilled labour.	57,14%	42,86%
Acquiring additional productive assets.	54,29%	45,71%
Gaining access to a specific set of coordination outputs through a partner.	54,29%	45,71%
Establishing a brand name.	54,29%	45,71%
Gaining access to political connections.	54,29%	45,71%

Source: Response to Question 3.2 (Appendix)

Participants were also asked to provide reasons for their conscious networking efforts. Most of the participants replied that they consciously drive their efforts towards successful networking to gain access to opportunities (94,29%), as well as to get business support (91,43%). Conscious networking effort is not attributed to gain access to personal support - this might be because most people view the availability of personal support as a natural occurrence.

7.4.8 People or connections that are included in the network

Different people or connections can be included in a network for very different reasons or motivations. Table 7.12 provides an overview of the different people or connections that are included in participants' networks.

Table 7.12 People included in participants' networks

Connections and people to include in your network	Yes	No
Colleagues you are currently working with.	97,14%	2,86%
People you have met through social activities.	85,71%	14,29%
Former colleagues at a previous job.	80%	20%
Connections made by means of professional associations or alumni.	80%	20%
Former fellow students at your school, college or university.	74,29%	25,71%
Connections gained by means of involvement with community activities.	68,57%	31,43%
Former colleagues at your current job.	65,71%	34,29%
Members belonging to the same clubs (be it sport or cultural) that you belong to.	54,29%	45,71%
People sharing and belonging to the same religious affiliations.	37,14%	62,86%
People in your neighbourhood.	34,29%	65,71%

Source: Response to Question 3.3 (Appendix)

The majority of participants (97,14%) indicated that current connections with co-workers are the most valuable connections to have in your current network. Social connections are seen as potential networking members with eighty-six per cent (85,71%) of the participants including them in their network. With regard to former colleagues at previous employment, as well as alumni or professional association connections, 80% of the participants rated them as being very important connections to include in your network.

7.4.9 Networking has a multiplier effect

From the literature and the qualitative analysis, it became clear that people tend to gain easier access to further connections and relationships through the existing relationships and connections in their networks. Table 7.13 illustrates the evaluation of existing connections in terms of the potential connections accessible through them.

Table 7.13 Connections possible through existing connections

Existing connections	Yes	No
Banks	71,43	28,57
Government	54,29	45,71
Chambers of Commerce	51,43	48,57
Foreign investors	40,00	60,00
Foreign partners	60,00	40,00
Competitors	48,57	51,43
Producers	62,86	37,14
Customers	94,29	5,71

Source: Response to Question 3.4 (Appendix)

The following connections proved to be popular in this regard: customers (94,29%), connections with banks (71,43%), links or connections to producers (62,86%) and foreign partnership relationships (60%).

7.4.10 Network utilisation

Networks are utilised for specific reasons and participants had to choose between different alternatives as identified in literature and throughout the focus group discussions. The frequency indicates the number of participants that identified with the statement and responded positively to the particular alternative and motivation behind networking. Table 7.14 provides an overview of the main findings with regard to participants' reasons for networking.

The majority of the participants (65,71%) identified the utilisation of networking as a method to improve effectiveness, to fulfil a supporting role or to increase the ability to overcome a problem and therefore increase the business's growth potential.

The reasons less likely to motivate the utilisation of networks include shared buying power to increase the pooling power of the individual businesses (38,24%). Another aspect that businesses seem to overlook is the ability of a business to implement and coordinate quality standards or a specific quality programme in a specific industry when this responsibility is shared amongst different networking participants (42,86%).

Table 7.14 Network utilisation

Networks are utilised/implemented for the following reasons:	Yes	No
Networks are established between suppliers and producers in the value chain to improve effectiveness.	65,71%	34,29%
Networks between producers of complementary products/services are built to serve and find a permanent solution for a specific customer problem.	65,71%	34,29%
Networks are established to increase growth and are driven by necessity with technological competitiveness and to share information.	65,71%	34,29%
Networking is used to co-market, do marketing research, to establish a common needs assessment, common brand, export services or international offices.	62,86%	37,14%
Networks are used to establish joint product/service development, joint process development, shared research/innovation and technology transfer.	58,82%	41,18%
Networks are utilised to provide or access basic or specialised and expert trade skills, general or professional skills.	57,14%	42,86%
Networks between businesses serve the purpose of reducing risks and costs and to enhance individual competencies.	51,43%	48,57%
Networks are built between businesses to set the dominant technology or process in a certain business area.	48,57%	51,43%
Networks are specifically developed to defend the business's position and to increase market power in terms of costs savings.	45,71%	54,29%
Networks are implemented with the objective to develop a joint quality programme, benchmarking, shared international standards, and international standards certification.	42,86%	57,14%
Networking is aimed at creating purchasing or pool buying power, share common stock or warehousing, vendor coordination, specialised equipment, professional service delivery.	38,24%	61,76%

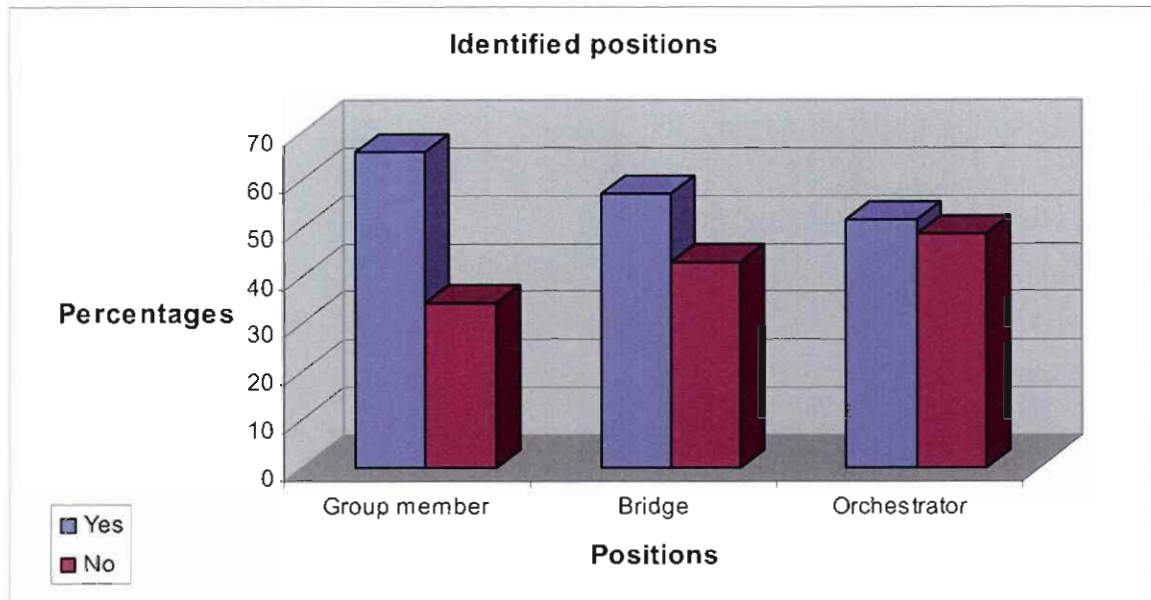
Source: Response to Question 3.5 (Appendix)

7.4.11 Position of participants in the network

Participants had to identify their position in their respective networks. The first option referred to being a group member of a network. As group members, everyone in the network is equal in terms of his or her relationship with the other members and therefore their contributions. According to the second option, the participant sees him- or herself as a bridge between different role players or businesses, and therefore acts as a gatekeeper for that particular network. To act as an orchestrator is the third network position that was identified. Figure 7.10 provides an illustration of the positions of participants in their respective networks.

Participants indicated that they see themselves to fulfil either all three or two of the positions in a network. Some participants identified with only one position that was more dominant than the rest.

Figure 7.10 Different networking positions of participants



Source: Response to Question 3.6 (Appendix)

The participants indicated that almost sixty-six per cent (65,71%) see themselves as group members, 57,14% seem to perform the role of a bridge and 51,43% see themselves as an orchestrator in the network.

7.4.12 Business models used by the participants

From the literature study, it became clear that there are different business models available and that the choice of a business model might influence the effectiveness and successful implementation of networking strategies. Table 7.15 illustrates the division of the different kinds of business structures amongst participants.

The level of networking relationships in different business models determines the choice of a business model. According to participants, they more frequently (76,47%) choose to use outsourcing as a business model, as opposed to in-sourcing and virtual organisation were there is a lower level of networking required. To strategically

choose specific alliance partners is identified as the business model where the highest level (91,14%) of networking relationships is required.

Table 7.15 Different business models

Business model	Yes	No
Outsourcing	76,47%	23,53%
In-sourcing	58,82%	41,18%
Virtual organising for new segments	41,18%	58,82%
Strategically chosen alliances	91,18%	8,82%

Source: Response to Question 3.7 (Appendix)

7.5 SECTION THREE: CURRENT AND IDEAL NETWORKING PRACTICES

In this section, the analysis was aimed at the entire participating population. The aim was to determine the extent to which networking is currently practised by participants, as well as the extent to which they would want to practise it.

The extent to which the ideal situation differs from the current situation was calculated by subtracting the ideal count from the current count for each participant. The calculation of the effect sizes is applicable to studies where the entire population or a census is made of a population. In this study it was difficult to target the entire Gauteng business population, therefore the purposive sample forms a sub-population of the entire Gauteng business population. In this the results were interpreted by making use of the guidelines for effect sizes as stated by Cohen (1988:222-223). The effect size is calculated by:

$$d = \frac{|\bar{x}_1 - \bar{x}_2|}{s} \quad (\text{Ellis \& Steyn, 2003:52}).$$

When reporting practical significant results, the practical importance of the findings according to the purposive sample is recorded. The effect size of the difference between current and ideal findings is then used to determine the practical significance of the differences. The guidelines to interpreted effect sizes in this study can be summarised as (Cohen, 1988):

Effect size	Effect
$d = 0,2$	Small effect
$d = 0,5$	Medium effect
$d \geq 0,8$	Large effect and of practical significance

The large effect indicates a finding that is of practical significance, a medium effect indicates that the finding could be substantial and a small effect indicates that there is no difference and therefore the answers are the same. In the first line of questioning, a four-point scale was used and participants had to rate their answers according to this.

1	2	3	4
Very important	Important	Of lesser importance	Not important

The entire population was included in the first statistical analysis and therefore all the reported data is relevant to all the participants. In the first question, the extent to which participants measure the value of relationships in their businesses was studied.

Throughout the focus group discussions, participants indicated that they value relationships but a large number indicated that they have no way of measuring its effect in the business.

This question was aimed at providing detail on the extent to which the measurement of the value of relationships is important in the business. Table 7.16 provides a summary of the findings on the current and ideal extent to which the value of relationships are measured in a business.

Table 7.16 Extent to which the value of relationships is measured in business

Extent	Mean	Standard deviation
The value of relationships is not measured.	2,40	1,28
If a relationship results in a transaction, it is measured.	2,09	0,93
If you are introduced to another important connection.	2,15	0,94
If you gain access to information.	2,17	1,06
If the alliances' relationship ties are strengthened.	2,28	0,77
The value is measured by the size of the network (number of participants).	2,55	1,03
The value is measured by the diversity of people involved.	2,53	1,13
The value is measured by the success of the collective governance.	2,56	0,91
If common interests and partners are clustered, it is of value.	2,88	0,89
Your importance in the network is measured in terms of your position.	2,61	1,09
A successful business transaction measures the value.	2,38	1,13
If you succeed in securing repeat business, it is of value.	2,27	1,15
If you succeed in establishing further alliances, it is of value.	2,41	1,04
If you gather referrals, the relationship is of value.	2,33	1,05

Source: Response to Question 4.1 (Appendix)

It is evident from Table 7.15 that the mean value of relationships in a business is not measured at 2,40. According to participants, the following are possible ways in which the value can however be measured:

- The amount of information accessed may indicate the level of value of the relationships (2,17).
- The size of the network in terms of the number of participating members can indicate the value of the network (2,55).
- The diversity of the people involved (2,53).
- By measuring your position (in terms of importance) in the network (2,61).

7.5.1 Places to investigate for possible network building

Participants indicated that they currently use different places to network and that, in some instances, this differs from where they would ideally like to network. Table 7.17 provides a summary of the ideal and current places to network according to participants' circumstances.

Table 7.17 Current and ideal places to network

Place	Average Currently	Std dev of Currently*	Average Ideally	Std dev* of Ideally*	Effect size (d-value)
National trade shows, conventions/conferences	2,58	1,00	2,13	0,92	1,03 Δ
Trade organisations of your best customers	2,67	1,02	2,12	0,82	0,8 Δ
Professional and trade organisations	2,21	1,09	1,93	0,93	0,69*
Volunteer work	3,42	0,72	2,88	1,04	0,69*
Cultural events	3,42	0,72	3,03	0,93	0,68*
Kiwani's, Rotary, etc.	3,53	0,68	3,06	1,01	0,64*
Community projects	3,16	0,95	2,77	1,09	0,64*
Workshops, classes and seminars	2,50	1,02	2,09	0,98	0,62*
Leads groups	2,79	0,88	2,43	1,07	0,62*
Small business development centres	3,03	0,97	2,53	1,02	0,59*

*Standard deviation, * Medium effect size and Δ Large practical significance

Source: Response to Question 4.2 (Appendix)

Participants indicated that currently their businesses largely use trade organisation of their best customers and national trade shows, conventions and seminars to network. They indicated that they feel that these places can be utilised to a greater extent in ideal circumstances. This finding indicates a large practical significance as to the relation between these places as actual venues to investigate for network building.

7.5.2 The current and ideal importance of trust in building relationships

There were no large practical significances recorded in terms of the ideal and current views on the importance of trust as part of different relationships. Customer relationships, supplier relationships, relationships with competitors and relationships with other business that are not in direct competition with one's own business recorded a medium effect size and this indicates a substantial difference.

The current and ideal importance of networking in participants' businesses also indicated a substantial difference. Therefore, the assumption can be made that trust in networking is important to all the participating businesses and a priority in the

establishment of networks. This proved to be true in current circumstances and also applies to the future.

7.5.3 Current and ideal elements of importance in a business

Different elements were tested in the questionnaire as being important to relationships in a network. Participants were required to distinguish between the current and ideal importance of these elements in a business. Table 7.18 provides a summary of the findings with regard to the differences between the measurements of the elements in terms of current and ideal importance.

Table 7.18 Current and ideal elements for the existence of a network

Element	Average Currently	Std dev of Currently	Average Ideally	Std dev of Ideally	Effect size (d-value)
Trust	1,44	0,79	1,18	0,58	0,54*
Credibility	1,32	0,53	1,21	0,59	0,23Δ
Synergy	2,00	0,69	1,64	0,74	0,71Δ
Competence	1,62	0,60	1,34	0,65	0,49*
Information	1,76	0,79	1,39	0,66	0,55*

*Standard deviation, Δ No difference, * Medium effect size and Δ Large practical significance

Source: Response to Question 4.4 (Appendix)

According to the current importance of these elements, it seems that synergy in the relationship and the competence and information provided in the relationship are not as important as trust and credibility. A large practical significance was recorded in terms of the importance of synergy. Currently it seems that the element of synergy is not regarded as important as the elements of trust and credibility, but it seems that there is a definite level of importance placed on this as the ideal basis for a networking relationship.

7.5.4 Characteristics of business relationships

Characteristics that were recorded as being frequently experienced by participants include simple ("once-off") exchanges, a large number of exchange relationships, the fact that few actors engage and the fact that these exchanges are characterised by small and simple information exchanges.

Characteristics that were highlighted as ideal characteristics in a business relationship include complex resource exchanges with only a few exchanges and high informational value.

A medium relation was recorded between the frequency of the ideal and current presence of business relationships that are characterised by complex resource exchanges (0,65) and high adaptation (0,56). A large practical significance was indicated for the ideal and current frequency of exchanges that is accompanied by social exchanges (0,85).

7.5.5 Steps to include when networking

In this particular question, participants needed to agree or disagree with the inclusion of specific steps in networking. A reversed scale was used to make sure that participants answered truthfully and not merely at random. This is a common practice that is included to ensure validity of the reported results (Field, 2005:670).

1	2	3	4
Strongly disagree	Disagree	Agree	Strongly agree

Table 7.19 illustrates the views of the participants with regard to the steps that should be included when networking, as well as the order of importance of these steps.

There is no difference between what participants experience currently and ideally in terms of the networking steps to be included in successful networking practices. These findings accentuate the fact that all of these steps are important in networking and serve as foundation for the successful implementation of any networking activity.

Table 7.19 Networking steps to include

Element	Average Currently	Std dev of Currently*	Average Ideally	Std dev of Ideally*	Effect size (d-value)
Making personal contact.	2,91	1,04	2,82	1,24	0,13Δ
Includes people you know.	3,06	1,15	3,00	1,22	0,08Δ
Includes the people they know.	2,91	0,90	2,85	1,15	0,05Δ
Clearly stating your name and contact details.	2,88	1,08	2,82	1,21	0,04Δ
Keeping in touch once every six months.	2,41	1,02	2,35	1,20	0 Δ
Introducing or linking other people in your network with the new member.	2,97	0,81	3,03	1,11	0,38Δ
Keeping in touch once a week.	2,53	0,86	2,74	0,86	0,29Δ
Continue to make new contacts.	2,76	1,05	2,91	1,19	0,19Δ
Allowing a friend / colleague to introduce you.	2,91	0,98	3,00	1,17	0,16Δ
Building a reference base.	2,79	0,88	2,88	1,17	0,15Δ
Following up via e-mail or by a telephone call.	2,71	0,87	2,82	1,16	0,15Δ
Maintaining the connection.	2,76	0,97	2,85	1,20	0,14Δ
Clearly stating the potential value that you hold for the other person.	2,65	0,95	2,71	1,16	0,13Δ
Making small talk.	2,59	0,82	2,68	0,94	0,10Δ
Identifying the people you need to know.	2,88	0,95	2,91	1,20	0,08Δ
Keeping in touch once a year.	2,36	1,08	2,35	1,29	0,06Δ
Keeping in touch once a month.	2,56	0,82	2,62	0,89	0,06Δ
Making contact after the first meeting.	2,85	0,97	2,88	1,12	0,04Δ

*Standard deviation and Δ No difference / practical significance

Source: Response to Question 4.6 (Appendix)

7.6 DIFFERENT EXPERIENCES OF THE CURRENT NETWORKING SITUATION IN TERMS OF AGE GROUP

The effect sizes were calculated for the difference in opinion between the two age groups. The first group included participants younger than 44 while the second group included participants older than 45. The effect sizes for these two groups were calculated by the statistical program SAS (SAS Institute Inc, 2005) and the differences in opinion in terms of age were identifiable. This was conducted for the difference in terms of their current experience of networking. The following Cohen

formula was used to calculate the effect sizes of the difference in opinion between the different age groups.

In this the population SDs σ_1 and σ_2 are not equal, but s_{\max} = maximum of s_1 and s_2 , is taken as the sample SDs.

$$d = \frac{|\bar{x}_1 - \bar{x}_2|}{s_{\max}} \quad (\text{Ellis \& Steyn, 2003:52}).$$

A large effect size (>0,8) indicates a practical significance, a medium effect size (0,5) indicates a substantial finding and a small effect size (0,2) indicates no difference in opinion (Cohen, 1988).

7.6.1 Building relationships

The places where people build relationships seem to differ in terms of the different age groups. For the purposes of this study, the age groups were grouped into two main groups. The first group represents the opinion of people younger than 44 while the second group represents the opinion of people older than 45. There was little or no significance in the difference between the two age groups' experience of places where networking relationships can be built. The following places were listed:

- Cultural events (0,37)
- Organisations to which you already belong (0,32)
- Golf or sports (0,28)
- Workshops, classes or seminars (0,23)
- Leads groups (0,21)
- Kiwanis, Rotary and other social associations (0,16)
- Volunteer work (0,11)
- Civil society (0,07)
- Civic society (0,05)
- Music clubs (0,05)
- Organisations with a similar philosophy (0,02)

The abovementioned places where networking relationships can be built seem to be equally important, with no significant difference in opinion based on participants' age.

Table 7.20 illustrates the medium effect of the opinions of participants and therefore the difference in opinion between the two age groups.

Table 7.20 Places of current significance for building relationships

Place to network	Number of participants	Mean	Std dev [*]	Effect size (d-value)
Professional and trade organisations				0,52*
• Group 1 (44 years and younger)	12	1,83	1,03	
• Group 2 (45 years and older)	22	2,41	1,10	
National trade shows, conventions and conferences				0,62*
• Group 1 (44 years and younger)	12	2,17	1,03	
• Group 2 (45 years and older)	21	2,81	0,93	
Trade organisations of your best customers				0,62*
• Group 1 (44 years and younger)	12	2,25	1,06	
• Group 2 (45 years and older)	21	2,90	0,94	
Chambers of commerce				0,5*
• Group 1 (44 years and younger)	12	2,33	1,30	
• Group 2 (45 years and older)	19	2,95	0,97	
Small business development centres				0,5*
• Group 1 (44 years and younger)	12	2,75	0,97	
• Group 2 (45 years and older)	20	3,20	0,95	
Hobby/Passion				0,51*
• Group 1 (44 years and younger)	11	2,55	1,29	
• Group 2 (45 years and older)	19	3,21	1,03	
Spiritual organisations or churches				0,84Δ
• Group 1 (44 years and younger)	12	2,58	1,00	
• Group 2 (45 years and older)	19	3,42	0,69	
School, college or university associations				0,58*
• Group 1 (44 years and younger)	12	2,58	1,08	
• Group 2 (45 years and older)	19	3,21	0,92	
Community projects				0,68*
• Group 1 (44 years and younger)	12	2,67	1,15	
• Group 2 (45 years and older)	20	3,45	0,69	

^{*}Standard deviation, ^{*} Medium effect size and Δ Large practical significance

As illustrated in Table 7.19, there seems to be only place with a significant difference in terms of the opinions of the two age groups. Aforementioned illustrates that people

older than the age of 45, as opposed to people younger than 44, tend to think that spiritual organisations or churches are a more likely place to build networking relationships.

7.6.2 The importance of trust in a relationship

According to various literature sources, trust is an essential part of networking. There were no or little differences in participants' opinion on the importance of trust in any of their relationships, regardless of their age. The relationships with customers (0,10), suppliers (0,20), staff (0,15), competitors (0,13) and relationships with other businesses with which one is not in direct competition (0,05) showed no differences. Therefore, the conclusion can be drawn that trust is an essential part of any networking relationship regardless of the age of the participants.

7.6.3 Networking utilisation in the participating businesses

Participants indicated that there is a small difference in their opinions with regard to the utilisation of networking (0,23) as an important business activity and networking as a priority (0,12) in their businesses. Therefore, the diversion can be made that network utilisation is a priority amongst all businesses owners and managers, irrespective of their age.

7.6.4 Important elements of a network

Different elements were evaluated in terms of their level of importance in businesses. The elements were rated on a current basis for their contribution in terms of establishing networks. Table 7.21 summarises the main findings with regard to the differences in opinion between the two age groups in terms of the importance of the networking elements.

There was no difference in the opinions of the participants on the importance of synergy in a network. Therefore, participants across all age groups attach the same value to the importance of synergy in networks.

Table 7.21 Important networking elements

Important networking elements	Number of participants	Mean	Std dev	Effect size (d-value)
Trust				0,32Δ
• Group 1 (44 years and younger)	12	1,25	0,45	
• Group 2 (45 years and older)	22	1,55	0,91	
Credibility				0,20Δ
• Group 1 (44 years and younger)	12	1,25	0,45	
• Group 2 (45 years and older)	22	1,36	0,58	
Competence				0,28Δ
• Group 1 (44 years and younger)	12	1,50	0,52	
• Group 2 (45 years and older)	22	1,68	0,65	
Information				0,35Δ
• Group 1 (44 years and younger)	12	1,58	0,79	
• Group 2 (45 years and older)	21	1,86	0,79	
Other resources				0,52*
• Group 1 (44 years and younger)	11	1,91	0,83	
• Group 2 (45 years and older)	20	2,40	0,94	

*Standard deviation, Δ No difference and * Medium effect size

7.6.5 Important relationship characteristics according to age

The differences between the opinions of the different age groups with regard to the characteristics of a business relationship indicated that age is not relevant. Table 7.22 illustrates a very small difference in the answers with regard to business relationship characteristics. This illustrates the tendency that all the listed relationship scenarios and proposed characteristics are relevant, irrespective of the age of the person that engages in networking.

A medium effect was recorded in terms of the difference between the answers of the two age groups. The first was in terms of whether participants prefer a small number of actors in the network. In response to this question, the two age groups indicated that they feel differently about the number of actors involved in the network. This indicates that preferences in terms of including a small number of actors in a network were related to the age of the participants. In reply to the question whether participants prefer a large number of actors in the network, all participants,

irrespective of their age, indicated that they do not prefer a large number of actors in the network (0,02).

Table 7.22 Differences in the views on business relationship characteristics

Business relationship characteristics	Number of participants	Mean	Std dev	Effect size (d-value)
Simple exchanges				0,21Δ
• Group 1 (44 years and younger)	12	2,00	0,85	
• Group 2 (45 years and older)	22	2,18	0,85	
Complex resource exchanges				0,04Δ
• Group 1 (44 years and younger)	12	2,42	0,67	
• Group 2 (45 years and older)	22	2,45	1,01	
Low adaptation				0,48Δ
• Group 1 (44 years and younger)	11	2,64	0,67	
• Group 2 (45 years and older)	22	3,05	0,84	
Few exchanges				0,44Δ
• Group 1 (44 years and younger)	11	2,73	0,65	
• Group 2 (45 years and older)	22	3,05	0,72	
Large number of exchange relationships				0,42Δ
• Group 1 (44 years and younger)	10	2,10	0,74	
• Group 2 (45 years and older)	22	2,50	0,96	
Few actors engage				0,53*
• Group 1 (44 years and younger)	12	2,33	0,49	
• Group 2 (45 years and older)	22	2,71	0,72	
High adaptation				0,35Δ
• Group 1 (44 years and younger)	10	2,10	0,57	
• Group 2 (45 years and older)	20	2,45	1,00	
Economic basis and low social exchange				0,51*
• Group 1 (44 years and younger)	11	2,00	0,63	
• Group 2 (45 years and older)	21	2,57	1,12	
Exchange combined with social exchange				0,43Δ
• Group 1 (44 years and younger)	11	2,45	0,93	
• Group 2 (45 years and older)	21	2,86	0,73	
Small and simple information exchange				0,64*
• Group 1 (44 years and younger)	11	2,09	0,83	
• Group 2 (45 years and older)	21	2,63	0,74	

*Standard deviation, Δ No difference, * Medium effect size and Δ Large practical significance

A second medium effect was recorded in the difference between the opinions of the two age groups regarding the characteristics of network relationships. This was found in their answer to the question whether a relationship with an economic basis is accompanied by social exchanges. The results indicated that participants' opinions in terms of whether or not there should be social exchanges in economic networking relationships were related to their age.

Thirdly, a medium effect was recorded in terms of the difference between the two age groups' opinions on the question whether a simple and small informational exchange can be a characteristic of a networking relationship. This indicated that both age groups regard the amount of information and the complexity of the information that is exchanged as characteristics of a networking relationship, but that the level of information exchange needed is viewed differently.

Participants indicated that they do not expect that there should be a high amount and complex information exchange to establish a networking relationship (0,26).

7.6.6 Networking steps

Participants indicated that, irrespective of their age, they felt that all the listed networking steps should be included in networking, except for to keep in touch once every six months. This indicated that a medium (0,46) effect was recorded in the difference of opinion between the two age groups.

7.7 DIFFERENCE IN EXPERIENCES OF THE CURRENT NETWORKING SITUATION BASED ON THE LEVEL OF EXPERIENCE

The differences in opinion with regard to the current networking relationship were distinguished in terms of different levels of experience. The levels were divided in terms of the number of participants that participated in each of the levels. Therefore, the first classification was experience levels of less than five years in their current position (11 participants), the second was based on experience levels of between six and 15 years in their current position (12 participants) and the last was based on experience levels of between 16 or more years in their current position (12 participants).

The effect sizes for these three groups were calculated by the statistical program, SAS (SAS Institute Inc, 2005) and the differences in opinion in terms of their experience level were identifiable. This was conducted for the difference in terms of their current experience of networking. The focus was on highlighting specifically the large practical significance in the relevant effect sizes.

7.7.1 Building relationships

Important differences were recorded in the opinions of participants in terms of places where networks are currently built. Relations could be drawn in terms of participants' experience level and their opinion on places where networking is currently built. Table 7.23 provides an overview of these findings.

Table 7.23 Different experiences of places where network relationships are currently built

Place to build network relationships	°Number of participants	Mean	Std dev'	Combination	Effect size (d-value)
Civil society					
• Group 1	11	1,82	0,98	[1:2]	1,85 Δ
• Group 2	11	3,64	0,67	[2:3]	0,96 Δ
• Group 3	9	3,00	1,22	[3:1]	No effect
Civic society					
• Group 1	11	2,09	1,04	[1:2]	1,54 Δ
• Group 2	10	3,70	0,67	[2:3]	0,68*
• Group 3	9	2,89	1,17	[3:1]	No effect
Organisations to which you already belong					
• Group 1	11	1,82	0,87	[1:2]	1,02 Δ
• Group 2	11	2,82	0,98	[2:3]	No effect
• Group 3	10	2,30	1,16	[3:1]	No effect
Trade organisations of your best customers					
• Group 1	11	2,09	1,04	[1:2]	0,87 Δ
• Group 2	12	3,00	0,95	[2:3]	0,77*
• Group 3	10	2,90	0,88	[3:1]	No effect
Organisations with a similar philosophy					

• Group 1	11	1,91	0,70	[1:2]	1,09 Δ
• Group 2	11	3,00	1,00	[2:3]	0,51*
• Group 3	10	2,40	0,97	[3:1]	No effect
Small business development centres					
• Group 1	11	2,55	1,04	[1:2]	1,00 Δ
• Group 2	12	3,58	0,67	[2:3]	No effect
• Group 3	9	2,89	0,93	[3:1]	No effect
Volunteer work					
• Group 1	10	3,10	0,74	[1:2]	0,88 Δ
• Group 2	12	3,75	0,45	[2:3]	No effect
• Group 3	9	3,33	0,87	[3:1]	0,50*

^oNumber of participants, ^sStandard deviation, *Medium effect and Δ Large practical significance

A large effect size was found for group 1 (0,98) and group 2 (0,96) in terms of civil society. This means that there is a large practical significance in the difference of opinions on whether or not civil society is a place to build networks. Group one indicates that there is a significant difference in opinion between participants with less than five years of experience in their current position and participants with between six and 15 years of experience in their current position.

7.7.2 The relationship between experience levels and the importance of trust in a relationship

There was no difference in the opinions of participants on the importance of trust in all relationships concerned, irrespective of their level of current experience.

7.7.3 Opinions on networking utilisation according to experience levels

There was no difference in participants' opinions on the utilisation of networks as an important priority in their business, irrespective of their current level of experience.

7.7.4 Opinion of different experience levels with regard to important network elements

Participants' experiences of important network elements were grouped according to their different experience levels (i.e. the number of years' experience in their current position). The findings are summarised in Table 7.24.

Table 7.24 Networking elements according to participants' level of experience

Important networking elements	Number of participants	Mean	Std dev'	Combination	Effect size (d-value)
Trust					
• Group 1	11	1,36	0,92	[1:2]	No effect
• Group 2	12	1,42	0,67	[2:3]	No effect
• Group 3	11	1,55	0,82	[3:1]	No effect
Credibility					
• Group 1	11	1,18	0,40	[1:2]	No effect
• Group 2	12	1,33	0,49	[2:3]	No effect
• Group 3	11	1,45	0,69	[3:1]	No effect
Synergy					
• Group 1	11	1,82	0,87	[1:2]	No effect
• Group 2	12	2,08	0,51	[2:3]	No effect
• Group 3	11	2,09	0,70	[3:1]	No effect
Competence					
• Group 1	11	1,55	0,69	[1:2]	No effect
• Group 2	12	1,58	0,51	[2:3]	No effect
• Group 3	11	1,73	0,65	[3:1]	No effect
Information					
• Group 1	11	1,55	0,69	[1:2]	No effect
• Group 2	11	1,64	0,81	[2:3]	0,66*
• Group 3	11	2,09	0,83	[3:1]	0,55*
Other resources					
• Group 1	9	1,78	0,97	[1:2]	0,51*
• Group 2	11	2,27	0,90	[2:3]	0,79 Δ
• Group 3	11	2,55	0,82	[3:1]	No effect

*Standard deviation, *Medium effect and Δ Large practical significance

A medium effect size was recorded, which indicates a substantial difference in the opinions of the participants with regard to information as an important networking

element for the experience levels of between six and 15 years (0,66) and for those participants with more than 16 years' experience in their current position. A large practical significance (0,8) was recorded in participants' responses to the inclusion of other resources as important networking elements for the experience levels of between six and 15 years and for those participants with more than 16 years' experience in their current position.

7.7.5 Important relationship characteristics according to the level of experience

With regard to most of the listed characteristics, participants shared the same opinion, irrespective of their level of experience (i.e. the number of years' experience that they have in their current position). Some of the characteristics were highlighted to note different opinions amongst participants and these medium to large differences are summarised in Table 7.25.

Table 7.25 Current relationship characteristics according to experience levels

Relationship characteristics	Number of participants	Mean	Std dev'	Combination	Effect size (d-value)
Complex resource exchange					
• Group 1	11	2,18	0,75	[1:2]	No effect
• Group 2	12	2,33	0,98	[2:3]	0,73*
• Group 3	11	2,82	0,87	[3:1]	0,5*
Large number of exchange relationships					
• Group 1	9	2,00	0,50	[1:2]	No effect
• Group 2	12	2,33	1,15	[2:3]	0,92 Δ
• Group 3	11	2,73	0,79	[3:1]	No effect
Few actors engage					
• Group 1	11	2,27	0,47	[1:2]	0,60*
• Group 2	12	2,67	0,65	[2:3]	0,67*
• Group 3	10	2,80	0,79	[3:1]	No effect
Small and simple information exchange					
• Group 1	9	2,11	0,93	[1:2]	0,69*
• Group 2	12	2,75	0,62	[2:3]	No effect
• Group 3	11	2,36	0,81	[3:1]	No effect

Δ Standard deviation, *Medium effect and Δ Large practical significance

The finding regarding the large difference in opinion on whether or not a business relationship characterises complex resource exchanges is significant. This finding indicates that with regard to this characteristic, participants with between six and 15 years' experience disagree with participants with more than 15 years' experience in their current position. These two groups also show a large effect size, which is a practically significant difference of opinion on the number of exchange relationships that characterise such a business relationship.

7.7.6 Different opinions on steps to include in networking

Different levels of experience, indicated by the number of years in the current position or in terms of affiliation with the level of expertise, served as the basis to evaluate the difference in opinions between these groups with regard to steps to include in current networking practices. In almost all of the listed steps there was no or little significance in terms of the different opinions. This indicates that irrespective of the experience level of participants, the networking steps or actions are important. Therefore, these steps are applicable to any networking practice.

Table 7.26 provides an illustration of the medium effect that was found in terms of the differences between the grouped experience levels' opinion on whether or not to include certain steps in networking.

Table 7.26 Networking steps for inclusion based on levels of experience

Networking steps	Number of participants	Mean	Std dev'	Combination	Effect size (d-value)
Keep in touch once a week					
• Group 1	11	2,27	0,79	[1:2]	No effect
• Group 2	12	2,58	1,00	[2:3]	0,58*
• Group 3	11	2,73	0,79	[3:1]	No effect
Building a reference base					
• Group 1	11	2,55	0,93	[1:2]	0,58*
• Group 2	12	3,08	0,79	[2:3]	No effect
• Group 3	11	2,73	0,90	[3:1]	No effect

*Standard deviation and *Medium effect

Participants with between six and 15 years of experience and participants with more than 16 years of experience in their current position had different views on keeping in touch one a week. It seems that participants with less than five years' experience and those with more than 16 years of experience have more in common in terms of their opinions on keeping in touch once a week and the difference in opinion between these two groups was not as significant as the difference between the other two groups.

However, with regard to building a reference base, a substantial difference in the opinion of participants with less than five years of experience and those with six to 15 years of experience in their current position was recorded. This indicates that they are more prone to take references and to build up a personal reference base than those with other experience levels.

7.8 SUMMARY

The multi-method approach allows for the verification of results and enables the researcher to study a concept from different perspectives in order to provide a more complete picture. The between-method triangulation approach was used to validate focus group findings with structured e-mail questionnaires. This was then either confirmed or contrasted by the questionnaire findings.

Chapter seven provides a statistical analysis of the empirical findings gathered by the questionnaire. The findings were analysed by the researcher and the statistical consultation services at the North-West University.

The multi-method approach and the triangulation method allowed the researcher to compare the results from the literature research and the focus group discussions with the questionnaire findings. Questionnaires were specifically developed for this study and e-mailed to focus group participants, forwarded at will to their closest network members. The questionnaires were also e-mailed to the chairpersons from the various AHI chambers and to Mr T. Nel, business owner of INNERCircle, a networking website in the greater Gauteng area.

The follow-up process consisted of phone calls and e-mail notices beforehand to confirm participation, ask permission and to keep contact or to prompt or remind participants to respond. The response rate was very low, even after several attempts

to increase it or to ensure participation. The response rate was 35: 22 from the focus group participants, 11 from the AHI members and 2 from Innercircle.

The questionnaire consisted of four sections. The first section involved the gathering of biographical details while the second section involved networking questions on participants' views of their own networking practices. The third section entailed detailed questions on the reasons for networking and who and what type of networking business practices participants use. Section four determined the extent to which business networking is currently and ideally measured. The last question in section four allowed open responses in the form of additional comments or concerns.

Purposive and snowball samples were drawn and effect sizes were used to indicate the differences between groups. For this purpose, Cohen's effect sizes (d-values) were used. The biographic information indicated a gender distribution of 83% males and 17% females. This finding supports the tendency that the business world is dominated mainly by males.

The age groups that participated in the survey indicated that the majority of participants (41%) are between 45 and 54 years of age, while twenty per cent (20%) are between 35 and 44 years of age and twenty per cent are 55 years and older. The racial classification of the participants indicated that the majority (94,29%) were white and 5,71% were black.

In terms of qualifications, participants indicated that twenty-eight per cent (28,13%) have a B-degree and 56,25% have postgraduate qualifications. Although all participants were owners or managers of businesses in Gauteng, their levels of experience in their current position were recorded. Thirty-one per cent (31,43%) indicated that they have between one and five years of experience, while twenty per cent (20%) indicated that they have more than 21 years of experience.

Thirty-one per cent (31,25%) indicated that their highest annual business turnover was less than R5 million. Almost twenty-two per cent (21,88%) however indicated that they have experienced an annual turnover of more than R100 million.

The participating business sectors included the services industry (79,41%), the manufacturing business sector (11,76%) and the retail business sector (8,83%). The businesses that participated were classified according to the Standard Industrial

Classification (SIC) of Statistics South Africa. The majority (29,03%) indicated that they are involved in other industries than those specified in the standards classification and twenty-nine per cent indicated that they are involved in the financial, insurance, real estate and business services sector.

Almost sixty-eight per cent (67,65%) indicated that they use the private corporation as form of business while 11,76% use the public corporation and 8,82% use sole proprietorship. Thirty-one per cent (31,43%) have between one and four, or between five and 50 permanent employees in their business while 20% have a large business structure. Business-to-consumer commercial activities are not used by 45,83% of the participants, while business-to-business commercial activities seem to be the most active with 23,33% of the participating businesses indicating that business-to-business commercial activities make up between 81 and 100% of the entire business's activities.

Forty per cent of the participants perceive networking as a skill and 60% perceive networking as the result of both a skill and a natural occurrence. Most of the participants (42,86%) indicated that they started actively networking during their first job, 23% started only at university, college or tertiary education and 23% only recently started to network.

Almost eighty-three per cent (82,86%) of the participants indicated that they actively try to find a balance between maintaining old relationships and establishing new relationships. Fifty-seven per cent tend to focus only on a few important relationships and fifty-one per cent tend to make contact with their network members via telephone and e-mail. Almost eighty-three per cent indicated that they prefer to make face-to-face contact with their network members.

Personal benefit, as well as increasing their profit is the main motivation for 80% of the participants to engage in networking activities. Almost sixty-six per cent (65,71%) also value their relationships as irreplaceable and important. Participants indicated that they have a sphere of influence on business acquaintances (94,29%), family (88,57%), friends (85,71%) and customers (85,71%).

Four levels of contact were measured. Participants indicated to have contact with between 21 and 50 contacts on a weekly basis (37,50%), two-weekly to once a month (35,48%), every two to six months (41,94%) and once a year (27,59%).

The motivation behind networking seems to be to bring in new business (97,14%), to form strategic alliances (88,57%) and to obtain knowledge of new opportunities and markets (88,57%). Different people can be included in a network for very different reasons or motivations. The following connections seem to be the most preferred according to participants: current colleagues (97,14%), former colleagues (80%), professional connections and alumni (80%).

Potential connections include customers (94,29%), connections with banks (71,43%), links or connections to producers (62,86%) and foreign partnership relationships (60%) that can be made possible and easier to access through existing connections.

The main reasons for networking are to establish a value chain and improve effectiveness (65,71%), to find a permanent solution for problems (65,71%) and to increase growth and share information (65,71%).

Participants had to identify their position in their respective networks. They indicated that 65,71% see themselves as group members, 57,14% perform the role of a bridge and 51,43% see themselves as an orchestrator in the network.

The choice between the different business models is influenced by networking: 91,18% make use of strategically chosen alliances, while 76,47% outsource different parts of their business.

The aim of Section two of the quantitative research was to determine the extent to which networking is currently practised by participants, as well as to what extent they would want to practise it (the ideal circumstances). These results were interpreted by making use of Cohen's guidelines for effect sizes where $d = 0,2$ indicates a small effect, $d = 0,5$ indicates a medium effect and $0,8$ indicates a large practical significance.

Firstly, the entire population was included and all the reported data was relevant to all the participants. The mean value of relationships in a business is not measured at 2,40 and possible ways in which it can be measured are through the amount of information accessed (2,17), the size of the network (2,55), the diversity of the people involved (2,53), as well as to measure your position in the network (2,61).

Currently participants use trade organisations of their best customers and national trade shows, conventions and seminars to network. A medium effect was reported on the value of networking through customer relationships, supplier relationships, relationships with competitors and relationships with indirect competition businesses.

A medium relation between current and ideal networking circumstances may indicate that networking is important and a priority in the establishment of networks. The importance of synergy in current networking relationships, the competence of the networking members, the information provided in these relationships as well as the importance of trust and credibility are equally important in the ideal networking relationship. Complex resource exchanges, focussing on a few relationships and relationships with a high information value were highlighted as ideal characteristics in a business relationship.

The views of participants with regard to steps to include in networking include, amongst others, to make personal contact, to include the people one knows, to include the people they know and to make it as easy as possible for them to make contact with you. The small difference between the current and ideal circumstances accentuates the importance of these networking steps.

The difference in opinion between the two age groups, one involving participants younger than 44 years and the other involving participants older than 45, was calculated to establish whether age will influence the experience of networking.

The places where people build relationships seem to differ in terms of the different age groups. A medium effect was recorded with regard to their experience of professional and trade organisations, national trade shows, conventions and conferences, the trade organisations of their customers, chambers of commerce, small business development centres, and practising their hobbies. Spiritual organisations and churches are viewed to be a more likely place to network amongst the group of 45 years and older. A large practical significance was recorded with regard to the difference in their experiences.

Trust is an important element of networking, regardless of the age of the network members. A small difference in opinion was recorded with regard to the utilisation of networking (0,23) as an important business activity and networking as a priority

(0,12) in business. Different elements of importance were rated the same amongst the participants, irrespective of their age.

A small difference in opinion was recorded between the two groups with regard to business relationship characteristics. Participants indicated that they feel differently about the number of actors involved in the network, as well as whether social exchanges in economic networking relationships should be common practice or not. Irrespective of their age, participants indicated that the exchange of information is important, but opinions on the amount and complexity of the information that should be included differed. All the listed networking steps were seen as important, irrespective of the age of participants.

A further analysis was conducted with regard to the opinions of the participants based on their current levels of experience. Three categories were identified: participants with less than five years of experience in their current position (11 participants), participants with between six and 15 years of experience in their current position (12 participants) and participants with 16 or more years of experience in their current position (12 participants).

The opinions of the participants in terms of places where networks are currently built indicated important differences and a large effect size was found in terms of civil society. Irrespective of the level of current experience, trust is regarded as important in all relationships concerned and the utilisation of networks is regarded as an important priority in their business. A medium effect was recorded in the difference between the different levels of experience with regard to information as an important networking element. Most of the listed characteristics and all of the listed steps were indicated as important, irrespective of the level of experience of the participant.

CHAPTER EIGHT

CONCLUSIONS, RECOMMENDATIONS AND A PROPOSED NETWORKING FRAMEWORK

8.1 INTRODUCTION

In Chapter two, the multi-method research approach and the motivation behind the use thereof was discussed. In Chapters three, four and five a thorough literature study was conducted. The results of the qualitative research, in the form of focus group discussions with verification from existing literature, were discussed in Chapter six. The findings of the quantitative research, which was conducted by means of a structured questionnaire, were discussed in Chapter seven.

This chapter discusses the research findings in terms of the main conclusions, the implications of the research for business practice and recommendations. Main findings are also incorporated in the proposed framework to form a holistic perspective of the networking process. Finally, suggestions for future research and topics that needs further investigation and research are also included in this chapter.

The motivation behind the research was to explore the networking practices of Gauteng businesses. The goal of this study was to investigate current networking practices in Gauteng businesses and to develop a proposed framework for these networking practices.

8.2 RESEARCH FINDINGS

Both qualitative and quantitative research were conducted to identify, describe and investigate networking among Gauteng businesses. The research results and findings are incorporated into a proposed framework as set out in this chapter (under

finding 7). General motivations to investigate networking practices were identified. These general findings include:

- **Profitability versus Survival**

The cost of not networking is high due to a variety of different consequences. If managers of a business do not network, the business will not be exposed to new opportunities, ideas, solutions to problems and other potential benefits that can be accessed through the involvement with other people. Very few businesses can survive in isolation. Therefore, the ability to establish relationships is important to any business.

The maintenance of relationships is the key to the success of these networking relationships and is based on the acknowledgement of the importance of networking and each person's role in it. To build trustworthy relationships, the role players need to network over a sufficient period of time to establish a basis for their trust and commitment to the networking relationship. This relationship will then add a multiplying effect to the business's activities.

- **Unity**

In South Africa, the community is characterised by high diversity and this can only be bridged by developing and establishing common relationship goals and rules. Common ethical values among an equal society may lead to interdependence and successful networking. No one group of people should be supreme over another and trust should be earned among each other. This embodies one of the networking elements, namely reciprocity.

In Table 8.1, the main objectives are linked with the main findings as discussed in this chapter.

Table 8.1 Linking findings to the research objectives

Objective		Main finding / Comments
1	Discuss appropriate research methods and motivate the multi-method approach of the combination of qualitative and quantitative research to determine networking practices.	Networking is a multi-dimensional concept and therefore, in order to investigate this concept, different angles (multi-methods) had to be used.
2	Investigate the importance and background of the networking concept.	Finding 1: Networking is the right combination of people, interaction, skill and opportunity.
3	Provide background on the people component of networking in the form of relationships.	Finding 2: Networking is the result of a human need. Finding 4: Networks consist of relationships.
4	Provide insight into the business component of networking in the form of connections.	Finding 3: Networking needs a purpose, goal or value exchange.
5	Investigate the perceptions of business owners and managers on networking practices through qualitative research. Support and validate the qualitative research (focus groups) by means of quantitative research (questionnaires).	Finding 5: Networking elements. Finding 6: Networking process.
	Propose appropriate networking actions in the form of a framework for networking practices.	Outcome: An appropriate framework for networking actions and practices.

A detailed indication of the discussion line throughout the study is discussed under each of the findings. This is provided as follows: with the references as they were found in the research process, the main conclusions, implications for business and the recommendations for businesses.

8.2.1 Finding 1: Networking is the right combination of people, interaction, skill and opportunity

The finding that successful networking involves the right combination of a variety of aspects was found throughout the entire research process. Table 8.2 provides a summary of the main connections between the literature study, the qualitative research and the quantitative research.

Table 8.2 Networking involves the right combination of different factors

Literature survey	*Qualitative research	Quantitative research
Networking involves the right combination between people, interaction, skill and the opportunity, and maintaining this combination as a network connection (par 3.1).	Networking is a combination of people with ability and trust (par 6.3.1.1).	New and old relationships are balanced in an active and comfortable way. Networks are adapted and developed to widen the business's range (82,86%) (Table 7.8).

*The quotations from the focus groups are included in inverted commas

The **main conclusion** is that networking can only be successful if the right combination of people and other resources are included in the networking process. Networking could entail a once-off encounter, or a long-term relationship with plenty of interaction. The way in which one networks may also have a profound impact on the success of a business.

The **implication** is that networking as a skill or natural occurrence should be an attempt to balance efforts and make the right combinations of connections at the right time. Then, once established, these connections need to be maintained to build well-developed relationships.

Recommendation: Successful networks are made up of the right combination of people and resources. Managers should investigate each opportunity and gather the right resources, which can include people, technology, information or even further access to specific opportunities to align the business's strategy with the networking strategy.

8.2.2 Finding 2: Networking is the result of a human need

Networking was found to be the result of the human nature or inclination to socialise and be part of something. Table 8.3 provides a broad overview of this aspect.

Table 8.3 Networking as the result of a human need

Literature survey	*Qualitative research	Quantitative research
Networking involves social human actions (par 3.7.2).	To network and to be in the company of others to build relationships are basic needs for humans (par 6.3.1.1).	Sharing experiences and exchanging ideas (85,71%) (Table 7.11).

*The quotations from the focus groups are included in inverted commas

Additional findings included that networks are based on a human need and thus emotional connections. These connections are therefore made in specific sectors to achieve a specific outcome. Even though the needs and the sectors targeted could overlap, there are different types of networks available to fulfil these different needs. Table 8.4 illustrates the human emotions in networking.

Table 8.4 Human emotions in networking

Literature survey	*Qualitative research	Quantitative research
One of the aspects that can influence networking is human emotions (par 3.8).	To network is viewed as an emotional decision, based on feelings and intuition (par 6.3.1.1).	No definite indication that emotions may or may not influence networking.
Diverse, interdependent relationships are business assets (Table 3.1).	People from diverse backgrounds and experience can play an important role in enriching networking members' exposure (par 6.3.1.3). <i>"One will have different networks for different goals in your life and some of them you will have to nurture more to get the value out of the network."</i> (par 6.3.2.5).	The focus is on a few important relationships and it is build patiently with the focus on achieving the task, situation or goal ahead (57,14%). Many connections are under-utilised (34,29%) (Table 7.8).

*The quotations from the focus groups are included in inverted commas

Each network has a character of its own and needs to include the right combination of people with ability and trust. Different types of networks that include personal networks, social networks, referral networks and business networks were motivated in the literature study, the focus group discussions, as well as the questionnaires as different forms of networking. Table 8.5 provides a summary of the different forms of networking.

Table 8.5 Different networking forms

Literature survey	*Qualitative research	Quantitative research
Strategic networking that is focussed on business activities (par 3.4.3).	People tend to have a more positive attitude to like-minded people or people that share similar interests as opposed to people that are different (par 6.3.2.2).	The motivation is to form strategic alliances (88,57%) and include partners with specific resources as needed (62,86%) (Table 7.11).
Social networks are built by information technology and social relationships (par 3.4.4).	Social networks involve relationships in which common interests are shared with the main objective to unwind, share and gain different perspectives (par 6.3.1.1).	To share and gain from establishing this exchange relationship (Table 7.11).
Personal networks include close friendships and other personal relationships (par 3.4.5).	Friendships between role players to exchange favours and to make frequent contact - not necessarily direct contact.	88,57% of the participants have a sphere of influence on family members and 85,71% on their friends (Table 7.10).
Referral networks are a rapport of a person's belief and trust in you (par 3.4.6).	A person builds up a reference by building a relationship of rapport according to expectation (par 6.3.1).	If you gather referrals, the relationship is of value. Building a reference base (Table 7.18).
Elite networks were identified as a networking form as discussed in the literature (par 3.4.7). Elite networks are exclusive, with strict requirements for eligibility.	Elite school ties formed at universities and colleges are accessible to the traditional middle class (par 6.3.2.2). The item wording of elite networks did not feature, even though it was implied.	Connections by means of professional associations or alumni (80%). Members belonging to the same sport or cultural clubs (54,29%) (Table 7.12). Item wording of elite networks did not feature.
Political networking is a gathering of members of a specific organisation from the same background (par 3.4.8).	Age, political orientation, sub-cultures, income, courtesy and mutual respect are differential factors in networking (par 6.3.2.5).	Businesses engage in relationships for higher profits, but not at the expense of current relationships (80%) (Table 7.9).

*The quotations from the focus groups are included in inverted commas

The **main conclusion** is that networking can be motivated by the human inclination to reach out and form relationships for a variety of reasons with other people. This motivation is an individual experience and therefore takes on different forms, such as for personal, business, social, or political reasons, or even relationships in elite circles.

The **implication** is that networking is an individual human experience and to apply it will depend on the specific role player, as well as the specific circumstances and reasons for initiating networking in the first place.

Recommendation: Networking is a uniquely human motivated action. This motivation could be based on different reasons or to achieve different goals and it remains a very individual experience. Therefore, business managers will for instance be more relaxed, because they are more comfortable with the people involved in their personal networking. On the other hand, business networks might be more focussed and the objective for the relationship will be more important. Networking should be approached within the context wherein it takes place and then one's own approach should be adapted accordingly.

8.2.3 Finding 3: Networking needs a purpose, goal or value exchange

Networking is initiated and sustained by a specific motivation. The energy that drives the process was found to include situations where something of value is offered, where a common purpose binds the specific parties and where networking is continuously driven to achieve a positive and mutual goal. In this, it was also found that the value of networking is directly related to the extent to which it is exploited. Table 8.6 illustrates this point that the energy to engage in networking is motivated by a common need or the desire to achieve a common purpose, goal or some form of value exchange.

Table 8.6 Networking is driven by a common goal

Literature survey	*Qualitative research	Quantitative research
Basic motivations behind networking include to bridge structural gaps through the relationship ties and to even further enhance the cooperative motives and relationships between the different players (par 3.3).	Networking seems to have a delayed effect that becomes more important after the investment has been made over a specific time and after a consistent record has been built up (par 6.3.1.2).	Most participants (42,86%) indicated that they started to actively network during their first job (par 7.4.1).

It was found that there are different reasons to network. These reasons include business and personal motivations. Table 8.7 provides a summary of the business and personal reasons to engage in networking activities.

Table 8.7 Business and personal reasons to network

Literature survey	*Qualitative research	Quantitative research
Business reasons to network include profit, access to information, opportunities and other role players or connections (par 3.3.2). Process competence to compete successfully (par 3.3.3).	To do business seems to be an important motivation for having a network (par 6.3.1). Therefore, networking may lead to opportunity, access and better effectiveness, which in turn generate profit (par 6.3.1.2).	To increase profit is the main motivation (80%) (Table 7.9). To obtain access to new/additional marketing channels (85,71%) or distribution channels (74,29%) (Table 7.11). Networking to improve business effectiveness (65,71%) (Table 7.13).
Personal reasons to network include to establish a basis of support and to achieve set goals. This can be achieved by maintaining strong internal personal relationships (par 3.4.2).	Each person has his own way of networking and needs clarity on each player's involvement (par 6.3.1.2). Support can include emotional support or in the form of gaining access to valuable resources (par 6.3.1.2).	Business support (91,43%) was mentioned and personal support seems to be seen as a natural occurrence (par 7.4.7).

*The quotations from the focus groups are included in inverted commas

The **main conclusion** is that the decision to become involved in networking is based on either the form of value or the realisation of some common purpose or

achievement of a common goal. This can only be achieved however if it is actively implemented according to each of the role players' individual needs. This process needs to be continuously driven and the energy behind it could be either personal or business based, as long as it sustains the entire networking process.

The **implication** of this finding is that the individual will determine the motivation and provide the individual energy to drive the process. Therefore, to enhance the energy the individual should be understood and the circumstances should be taken into account to balance the motivational factors and enhance networking potential.

Recommendation: The main motivation to network might be for personal or business value, but the networking actions will be aimed at achieving some common purpose or goal. A manager should therefore prepare clear motivations for each activity that one engages in. These networking motivators should also be communicated throughout the business and to all role players concerned.

8.2.5 Finding 4: Networks consist of relationships

Networks can be differentiated by the different relationships on which it is built. Networking is already found to be part of human behaviour. Therefore, to build relationships will be influenced by the individual's personality and motivating needs. Table 8.8 provides a summary of the relationship aspect of networking.

The **main conclusion** that can be made from this finding is that relationships are the fabric of networking. The effort that one puts into a relationship is a highly personal experience and therefore each network and the procedure to develop such a network will be different.

The main **implication** of this finding and conclusion is that the network's content and structure will depend on the depth and basis of the established relationships of the person that engages in the networking activity.

Table 8.8 The relationship aspect of networking

Literature survey	*Qualitative research	Quantitative research
Relationship networks link a business to gain access to the different accumulated networks of others. Every relationship is different and every encounter will have its own unique content (par 4.3.2.1).	People buy relationships not goods. A person buys the goods or products for a specific reason and the way in which he or she is approached and treated might ensure future transactions (par 6.3.1.3).	85,71% of the participants indicated that they have a sphere of influence on their customers (Table 7.10).
The quality of a relationship is measured by trust, commitment, cooperation, common interest and openness to each other (par 4.3.2.1).	Relationships based on quality versus quantity. <i>"...relationships have quality in the connection. It has to do with the number of connections and relationships have to do with quality."</i> (par 6.3.1.3).	New relationships are sought by the participants but not at the expense of current relationships (80%) of which (65,71%) is irreplaceable (Table 7.9). The number of participants in a network indicates the value of the network (2,55) (par 7.5).

*The quotations from the focus groups are included in inverted commas

Recommendation: Relationships are the basis on which networks are built. Therefore, to be successful in any networking effort, the extent of the human connections needs to be established. Managers should establish important relationships pro-actively before they are needed without merely connecting without an aim. A clear indication of how the value of these networking efforts will be measured should also be determined beforehand.

8.2.6 Finding 5: Networking elements

A variety of networking elements were identified in the literature study and the focus group discussions and verified by the questionnaire findings. These elements include the following: trust, reciprocity, credibility, value exchanges, commitment and interdependency. Table 8.9 illustrates the different networking elements.

Table 8.9 Networking element 1: Trust

Literature survey	*Qualitative research	Quantitative research
Strong relationships are based on trust and bind established relationships together, as well as form the basis for the further development of other successful relationships (par 4.1 & 4.3.2.1).	The combined ability of people that have established a trust relationship is crucial to the success of a network (par 6.3.1.1).	Participants indicated in the survey that trust has a medium significance (0,54) in terms of its current and ideal importance in a relationship.

*The quotations from the focus groups are included in inverted commas

Trust is the basis on which the inclination to continue any networking efforts relies. Trust is only built over a period of time during which continuous good performance is established.

The second element of networking is that the involved role players need to offer something and in return, they will immediately, or after some time, receive something in return.

Reciprocity is a networking element, but also a prerequisite for a successful networking relationship. This is widely discussed in literature and it was generally mentioned by the focus group participants. Reciprocity as a prerequisite was not explicitly mentioned in the questionnaire findings. The aspect of give and receive was however mentioned in the quantitative research.

Table 8.10 provides a summary of reciprocity as it was found in literature, throughout the focus group discussions and in the e-mail questionnaire.

The next element for successful networking is credibility and a person or business can build up credibility credits by delivering on a constant basis and as expected or agreed upon. Credibility entails the building of a track record of good behaviour, which serves as the basis for future involvement.

Table 8.10 Networking element 2: Reciprocity

Literature survey	*Qualitative research	Quantitative research
Reciprocity entails a mutually beneficial relationship where one has to give and receive. Explicit, direct exchanges of generosity, where the intent of the gift is more important than to expect something in return (par 4.6.2).	<p><i>"A network is relationships with a payback and reciprocity which are based on a history of trust, this (is) a given when you have a track record."</i></p> <p>Most relationships seem to rely on the fact that there will be some form of reciprocity or return on members' effort or contribution to the network. Reciprocity relies on trust; this includes the trust one has in another's ability, skill or overall performance (par 6.3.2.3).</p>	<p>Networks are established to share experiences and exchange ideas (85,71%) (Table 7.11), as well as to increase growth. It is driven by necessity and to share information (65, 71%) (Table 7.14).</p> <p>Reciprocity did not feature in this research .</p>

*The quotations from the focus groups are included in inverted commas

Table 8.11 provides an overview of credibility as a successful networking element. Involved people know their own value contribution to the other relationships in the network. They have a clear idea of what they need to achieve, as well as, what they want to achieve, in other words the value that they need to derive from the relationship.

Table 8.11 Networking element 3: Credibility

Literature survey	*Qualitative research	Quantitative research
Credibility describes a state in which one person is perceived as worthy of another person's confidence. This is build on continuous reliability and the ability to meet expectations. It is often build on a personal connection and a good reputation that is built over time (par 4.6.3).	<p>A person's reference base and testimonials influence the way someone else approaches him or her. Credibility is built over time, through experience and continuous performance.</p> <p><i>"An important thing is credibility, I won't be able to refer you if I do not know that you will deliver the job well, it is my name that is on the line if I introduce you to a network."</i> (Par 6.3.2.3).</p>	<p>If you gather referrals, the relationship is of value (2,33) (Table 7.15). Currently and ideally, the building of a reference base is equally important in networking (0,15) (Table 7.18). There is a significant difference in the opinion of participants with >5 years experience and those with 6-15 years' experience (par 7.7.6).</p>

*The quotations from the focus groups are included in inverted commas

Value exchanges are important in networking and therefore included as a networking element. Table 8.12 illustrates the element of value exchanges from different angles.

Table 8.12 Networking element 4: Value exchanges

Literature survey	*Qualitative research	Quantitative research
<p>People need to feel important and valued (par 4.6.7). This has the impact that the value retrieved from the network will have to make up for the effort that one puts into the network (par 4.2). Contacts are turned into relationships by finding ways to add value and contribute to others (par 4.3.1). This might lead to trust where something of value is gained through the process (par 4.6.1).</p>	<p>To be transparent in your actions, to share value and inform other role players (par 6.3.3.1). Network members that are viewed as most important are those who actively participate and are aware of the benefits of their participation and value (par 6.3.2.2).</p>	<p>Participants indicated that (85,71%) of them engage in networking to share experiences and to exchange ideas (Table 7.11). According to participants, they measure their importance in the network in terms of their position (2,61), to secure repeat business (2,27) and whether they succeed in establishing further alliances (2,41) (Table 7.16).</p>

*The quotations from the focus groups are included in inverted commas

Commitment involves much more than just patience, continued performance and strong maintenance of existing relationships. Committed role players trust one another that they are in the relationship for the long term and not just until they have fulfilled their immediate need or solved their immediate problem.

Table 8.13 provides the literature, qualitative and quantitative research background on commitment as a networking element.

Another element in networking is interdependency. This entails that the involved parties all contribute to the relationship. In order to achieve the set goals, each of the parties need to be in a position where they do not feel overpowered, but free to interact and valued for their individual roles.

Table 8.13 Networking element 5: Commitment

Literature survey	*Qualitative research	Quantitative research
Commitment is a direct reflection of the quality of the relationship between partners and this determines whether the relationship is regarded as important enough to award trust to it (par 4.6.5). Commitment enhances involvement (Table 4.1) and if trust is pro-actively pursued, a long-term commitment can be achieved through displaying patience and endurance (par 4.6.1.4).	People has to feel as if they are respected and valued, otherwise they will retreat and break off the commitment effectively (par 6.3.2.4). Full-time, continuous commitment with willingness, openness and transparency will ensure the success of the relationship. <i>"What makes most networks fail, is a lack of try."</i> <i>"The network never worked part-time. That is why most networking fails."</i> (par 6.3.2.4).	If the alliances' relationship ties are strengthened (2,28) (Table 7.16). No specific finding on this topic.

*The quotations from the focus groups are included in inverted commas

Table 8.14 provides a summary of interdependency in terms of literature pertaining to this topic, focus group quotations and findings from the questionnaire.

Table 8.14 Networking element 6: Interdependency

Literature survey	*Qualitative research	Quantitative research
Interdependency is where the role players' position is balanced in terms of power, interaction and contribution in terms of resources. The relationship is not only cooperative, but also a 'working-together' relationship to gain access to information and opportunities (par 4.6.6).	<i>"The whole thing of synergy (working together) in a network is important. If there is competition in a network, things do not work so well. But if it is synergistic, I know one plus one is three if you put everything together. This is when it becomes a bigger family."</i> (par 6.3.1.2).	A large difference was recorded for synergy with a definite importance placed on this as the ideal basis for a networking relationship. The current importance of synergy, competence and information in the relationship is not as important as trust and credibility (par 7.5.3).

*The quotations from the focus groups are included in inverted commas

The **main conclusion** of this finding is that networking needs different elements to be successful. The elements that are identified in this study includes trust, reciprocity, credibility, to exchange value, be committed to the relationship and be

interdependent on each other in the relationship. Although the percentage of each of these elements will differ in every relationship, all of them are important.

This finding **implies** that people need to take notice of these networking elements and develop their ability to apply these elements in any relationship. Therefore, businesses need to establish clear strategies for networking where these elements are clearly defined and implementation methods are expressed.

Recommendation: Networking consists of specific elements, namely trust, reciprocity, credibility, to exchange something of value, to be committed and to have interdependency in the networking relationship. The level of each of these elements will differ from relationship to relationship, but all of them will be present in one way or another. Managers should make sure that they include these networking elements when building their networks. This can then serve as a basis to connect the right partners for a specific project, or to achieve a specific purpose. The elements should also serve the purpose of determining the strength of the relationship.

8.2.7 Finding 6: The networking process

Networking is a unique process in that each person's network will partly be driven by his or her unique needs and application. Networking consists of different people and every network will include different people. The issue of who to include becomes a very important aspect of networking success. In light of the aforementioned it is, however, also important to remember that there are specific steps that are generic to all networking efforts and the sequence and depth of each will differ. In this finding, the proposed networking process is discussed. Table 8.15 provides a summary of this process in a proposed sequence.

The **main conclusion** that can be drawn from this finding is that networking is a process, and even though all the phases in the process is not always equally important or complicated, each is directed at the individual's or business's actions. All these actions are ultimately directed at building a successful networking practice.

Table 8.15 Networking process

Phase	Networking process	Description
1	Assessment.	Networking should become part of your everyday life. An open mindset is needed. The value of networking must be acknowledged.
2	Plan.	Networking needs to be accommodated in all business operations. Gather information and set distinctive goals and objectives for the business's networking efforts. This includes the following: who to include as role players, how much time is needed, the target network objectives. Transparency of actions is needed for successful planning.
3	Organise.	Mutual value needs to be established. A common perspective of continuous sharing needs to be developed.
4	Implement networking as part of the business.	Networking needs to be built on reputation and trust. Adopt the top to bottom approach were everyone is made aware of the positive impact of networking on the business's performance. Inform potential network players of the value on offer.
5	Evaluate / control	Review what you have in achieved in terms of the outcomes. The level of internal satisfaction needs to be measured. A benchmark for future measurements needs to be developed which reflects the value of networking in the business's financial statements. This can then make investors, stock owners and other role players aware of the value of networking and its competitive advantage.

The effect of this networking process on networking practice implies that this provides a solid background on which each individual network can be built. It helps the business and individual to determine what to include from the beginning and where to start with networking.

Recommendation: The networking process that was identified in this study includes different phases, namely to develop an openness to networking, to make it a part of every aspect of either your business or personal life, to communicate effectively and to establish long-term commitment. This networking process should be incorporated in all business practices and management development.

8.2.8 Outcome: An appropriate framework for networking actions and practices

A proposed networking framework that businesses and individuals can adapt to suit their individual needs is developed according to the research done. Four levels need to be worked through in order to build this theoretical framework. These levels are:

- Factor isolating theories through the naming of factors.
- Factor-relating theories whereby the interrelations, correlations and variations between different factors are identified.
- Situational theories include the making of predictions.
- Situation producing theories are conceptualised and according to certain situations, certain actions are prescribed (Dickoff, James & Wiedenbach, 1968:420-422).

Different phases need to be completed during the building of a framework. These phases build on each other and lead to the successful development of a conceptual framework. Table 8.16 provides an illustration of the phases in developing a key framework.

Table 8.16 Key framework phases

Phase One	Literature study
Phase Two	Identify the main factor(s) of importance for the research
Phase Three	Develop the conceptual framework from which the study will be conducted
Phase Four	Analyse the concept from books and other sources
Phase Five	Study all associated concepts
Phase Six	State the chosen hypothesis for the study
Phase Seven	Develop the visual framework
Phase Eight	Discuss the visual framework
Phase Nine	Discuss the process by making use of guidelines, steps, elements
Phase Ten	Evaluate the framework

Source: Greeff (2006)

An illustration of the proposed networking framework was developed from the literature and the qualitative and quantitative research. Figure 8.1 provides an illustration of the proposed networking framework.

BUSINESS NETWORKING CONTEXT

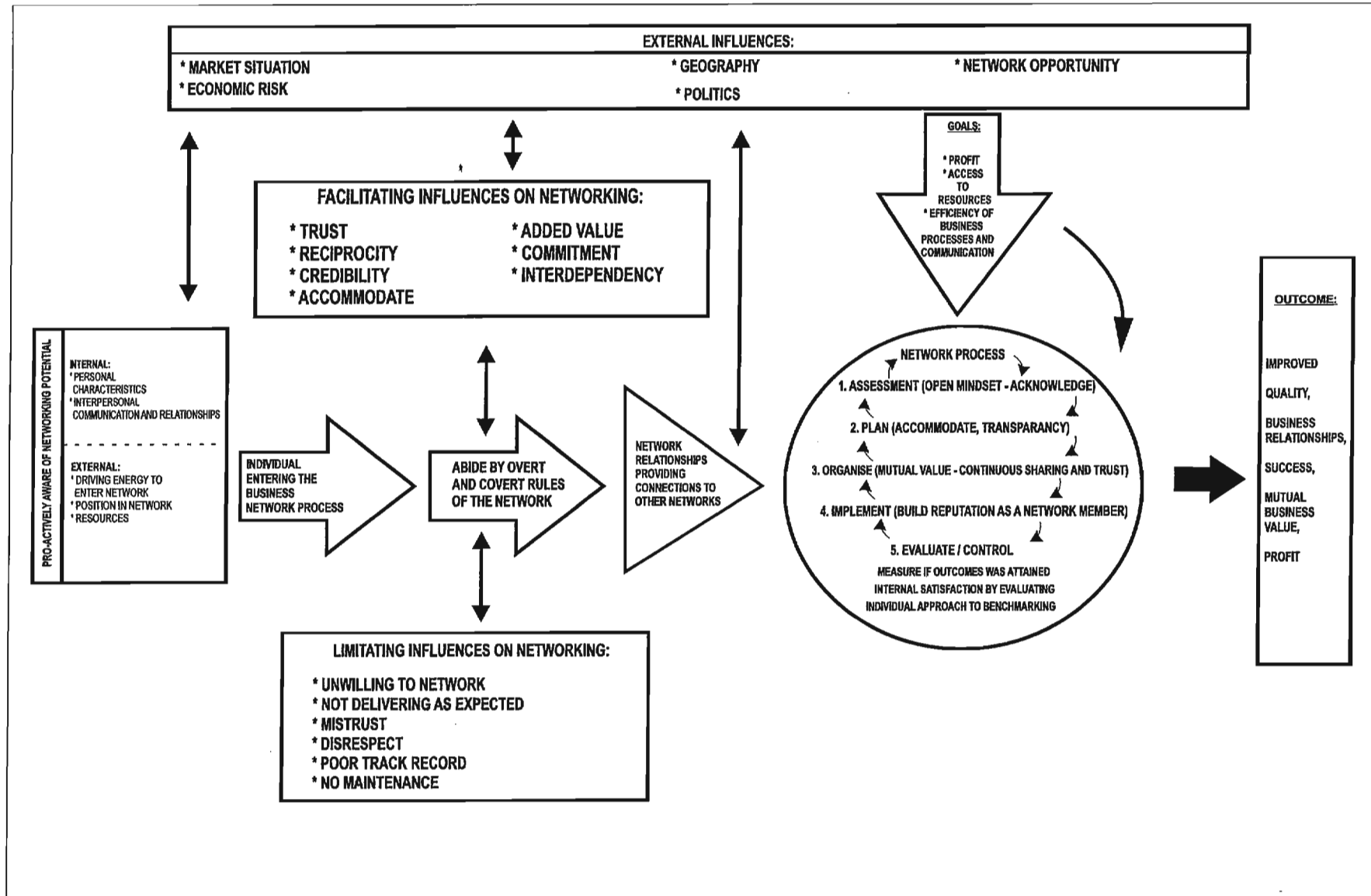


Figure 8.1 Proposed networking framework

The framework: The proposed networking framework can be discussed as follows:

- The framework starts with a linear flow from where the individual enters the business networking context
 - pro-actively and with
 - internal and external personal criteria.
- The individual commits to abide to the overt and covert networking rules of the specific network to become part of it and to remain part of it.
- To become part of the network opens up the opportunity to make connection to other connections of the network.

- Next, a circular flow starts where the networking process is entered with specific goals in mind. These goals are business orientated and might include:
 - Profit,
 - access to resources,
 - more effective business processes and communication.
- This networking process consists of basic five phases. It is a continuous process that is individual for each new network. The phases include:
 - assessment
 - planning
 - organising
 - implementation
 - evaluation and control.
- This will then lead to the fulfilling of specific outcomes, which could include:
 - improved quality
 - business relationships
 - success
 - mutual business value and
 - profit.

- In this proposed framework, the facilitating influences that positively drive networking are indicated as trust, reciprocity, credibility, added value, commitment, interdependency and to accommodate differences.

In the framework, there are limitation influences that could negatively impact on the success of a network. These include an unwillingness to network, mistrust,

disrespect, a poor track record, poor maintenance of relationships and when someone does not deliver as expected or agreed upon.

Implication: The aim of this research was to conceptualise networking, to clarify the concept of networking and explain it. A proposed framework was then constructed after a thorough literature study, qualitative research and a quantitative survey.

The conclusion of this research was to develop a proposed, conceptual framework that classifies the most important constructs of networking and to identify possible correlations between these aspects and to systematically classify the variables.

The **recommendation** for the application or utilisation of this proposed networking framework is that given the circumstances and resources available, the specific application will differ from business to business, individual management and the externalities that might influence the utilisation of networking. Therefore, managers should investigate the properties of this framework and apply it as business practice in their individual situation.

8.5 RECOMMENDATIONS

The recommendations for networking practices in businesses that were made from this research, are discussed. The following recommendations are based on the study's investigation and analysis of networking practices and the development of the proposed framework for networking practice. The recommendations are made to assist businesses in applying successful networking practices in their own businesses and include:

- Relationships play an important role in any business and managers need to be aware of and understand the value of relationships in their business. Networking should be applied and measured in business practices whereupon it should be operated as part of their strategic plan.
- The proposed framework contributes to general academic and business conversation in that it can be applied to each individual business and allows for a basis on which networking can be either established or developed further. This new way of doing business brings with it its own challenges and implementation requirements. Managers should apply this framework in their networking efforts.

They can start by using the elements of the framework and link it to their business objectives and specific situations.

- Strategic networking is required to become more competitive in an ever-changing environment. Managers can develop relationships and they should attempt to measure the value of networking in their business transactions. The value of networking should be actively measured in business processes. This can be achieved either by the return on investment in terms of the transactions realised, or by looking at other resources that could be accessed through the relationships, for instance more profit, technologies, skilled workers, opportunities in the market or any other competitive advantage and a multiplying effect into other spheres of life.
- Networking rules include a variety of spoken and unspoken aspects through which each individual in the relationship can project their respect and commitment to each other and the network. These networking rules should be clearly defined and each member of the network should ensure that they know it, abide by it and take responsibility to honour it.

8.6 LIMITATIONS

Various issues affected the quality and level of interaction during group discussions. These are highlighted below.

8.6.1 Representation

Although the aim of the study was to include a mixture of participants in terms of gender, culture and age, the result included more men than women, more whites and the majority were Afrikaans-speaking people between the ages of 30 and 60. Only a few of women that were invited eventually participated. In exclusive groups, there seems to be a higher degree of disclosure of information. One possible reason for this is that men tend to traditionally dominate a conversation and different genders tend to act as they think the other group would expect them to act in each other's presence. Representation is difficult to ensure when using a snowball sample and the very nature of networking also suggested that an absolute diverse group is almost impossible to conduct.

8.6.2 Access to the participants

One of the difficulties that was experienced is that management and business owners at this level are protected by gatekeepers. The best way to make contact with them is by working through someone you know, respect and who is approximately on the same level as they are.

A further problem is that the people included in this study do not have much time available. Therefore, to get them together at one given time is very difficult because of the already heavy load of other responsibilities and time consuming work that they do.

Due to their high level of involvement in their businesses, they also did not prioritise their participation in research as high as other business functions or other involvements. Although they do support research, they but find it hard to set time apart to participate in it.

8.6.3 Exploratory research

The research conducted in this study is explorative in nature and the proposed framework is a suggested framework of procedures to be followed by managers. The research reflects the opinions and experiences of business owners and business managers in this position. Therefore, the focus was business orientated.

8.7 SUGGESTIONS FOR FURTHER RESEARCH

Practical issues that warrant further investigation include:

- The influence of the individual's characteristics and personality on his or her approach to networking and actions in the network should be researched in greater detail.
- The proposed framework should be tested on other populations. Different applications of the framework can be investigated to develop the framework into a model for networking, which can then be incorporated in business practice.

- Further research should include more diverse target respondents in order to compare the results of different target audiences.
- The impact of a person's emotions and feelings, which play a central part in the motivation to pursue a connection or maintain a relationship, is another research topic that can be researched in detail.

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ANNEXURE

The following key terms need further explanation as it plays an integral role in this study.

1. Analysis

To analyse means one will have to break a matter / subject into its fundamental or main elements (Webster, 1976:77).

2. Attitude

A person organise their motivational, emotional, perceptual and cognitive processes according to their experiences of their environment (McDaniel & Gates, 2005:283). This leads to a consistent response in terms of cognitive, behavioural and affective manner (Zikmund, 2003b:340).

3. Business

Business is commercial activity that specific role players undertake for their livelihood and is done independently and with own judgement and decision-making (Webster, 1976:302).

4. Business networks

Business networks differ from other market relationships in that it strives towards a win-win situation of complementary independence (Hitt, Ireland, Camp & Sexton, 2002:203). A business network include multilateral cooperative relationships that lack a central coordinating authority, but link businesses with the same focus, motivation and skill to achieve the shared goals of the partners (Lipnack & Stamps, 1993:7; Lundan, 2002:9).

5. Conceptualisation

To conceptualise an topic or issue is where the researcher take a specific construct or abstract idea and refine it into a definition either based on theory or the actual conceptualisation process (Neuman, 2006:182).

6. Connection

Connections can be seen as relationships or association of a social, professional or commercial nature for practical means or a specific outcome and with mutual involvement (Webster, 1976:481).

7. Experiences

Experiences is the personal or first hand experience of the specific phenomenon. This reporting is wider to include case studies or examples of these experiences (Greeff, 2006).

8. Networks

Networks are different connections that operate under unified control on assigned frequencies and in accordance with a plan for systematic handling. It can also be seen as a system of lines or channels that inter-lace or cross to become one interconnected or interrelated chain of alliances or mutual interest (Webster, 1976:1519-1520). Networks are defined as selected sets where multiple independent businesses interact on a direct and indirect basis through alliance agreements. This is done in order to obtain strategic competitive advantages (De Man, 2004:4).

9. Perceptions

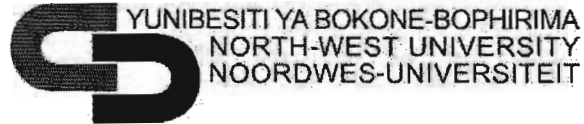
Perceptions include the attitudes, opinions and thoughts on specific issues and therefore are narrowed in their meaning (Greeff, 2006).

10. Social networks

The connection between people, as well as, businesses made possible through information technology and social relationship, for instance friendship, co-working or information exchange, constitute a social network. This enables the business to gain access to the necessary resources, people and opportunities (Garton, Haythornthwaite & Wellman, 1997). Social networks are mainly divided into personal networks or connections and whole or population networks and connections. Personal networks indicate the relationships that one in its personal capacity has with other people.

APPENDIX A

FOCUS GROUP E-MAIL INVITATION



Tel: (018) 299 1463
Fax: (018) 293 5264
E-mail: onbsdk@puk.ac.za

Participate and share your networking experience while you also grow your network

Business owners recognise the value of networks and relationships in growing business. The challenge to grow and utilise networks towards business success is already real. Add to this the challenge of succession planning and specifically getting growing executives to pro actively use networking, makes it daunting. Awareness and work group will grow your network and share knowledge in a safe way.

You are cordially invited to a networking experience on ... October 2005 at (place) 6:45 am for 7:00 to 09:00 am.

Contents: experience the value of networking and share your knowledge for research purposes with Saskia de Klerk and Prof. Japie Kroon of the North West University, Potchefstroom Campus, School of Entrepreneurship and Marketing.

Networking's role in overlapping with interests of real value to you - gain access to a network of non-competing clients, potential business partners, information on new business opportunities to assist your business to establish and maintain a continuous competitive advantage, add value to your business and environment, invest in brand building and make your business more visible and marketable.

Contribute and Benefit

This invitation is part of a joint networking collaboration between a network of business, academic, education, culture, church and personal relationships. Like you, the other invitees all have come face to face with the realities of building business and experienced the value of networking.

Through sharing your combined insights of networking and building the academic understanding thereof, all are exposed to further networking opportunities and building networking towards a defined disciplined that can be applied inside the business.

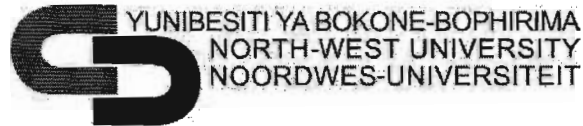
*We offer facilitation of the process and will deliver **Specialised networking strategies** for growth and maintenance of networks in your operation and career during the project. This will assist your specific businesses in becoming aware of the value in networking and to implement and apply networking to your own advantage. The application of the strategies will be well documented and developed for each level of application. The process is repeatable and cost-effective in that after one experience you will be able to duplicate it where-ever it might be needed in your business or even in other businesses.*

Saskia de Klerk
Skool vir Entrepreneurskap, Bemakings- en Toerismebeheer
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APPENDIX B

CONSENT FORM FOR FOCUS GROUP PARTICIPATION



Tel: (018) 299 1463
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E-mail: onbsdk@puk.ac.za

CONSENT TO BE A RESEARCH SUBJECT IN THE NETWORKING STUDY NETWORKING PRACTICES IN GAUTENG BUSINESS: A PROPOSED FRAMEWORK

A. PURPOSE AND BACKGROUND

Prof. Kroon and Mrs. de Klerk are conducting a research study as part of a PhD thesis. Mrs. de Klerk formulated a few basic questions for discussion. Your responses will help in understanding networking practices in Gauteng businesses and you as an expert networker / business person are asked to participate in this study.

B. PROCEDURE

If you agree to be in this study the following will occur:

1. You will respond and take part in a focus group discussion about networking and its practice.
2. At the end of February, beginning of March 2006 you will receive an e-mail questionnaire containing questions on networking. You will respond to these questions and send the completed questionnaire back before the 15th of March 2006.
3. You will send this questionnaire to members of your network if you wish to share this information.
4. Your participation will take no more than one and a half hour for the focus group discussion and half an hour for the completion of the questionnaire.

C. RISKS /DISCOMFORTS

1. The focus group will take time from you daily schedule.

2. Confidentiality: Participation in this research may involve a loss of privacy during the focus group discussions however the records will be handled as confidentially as possible. Only Prof. Kroon, Mrs. de Klerk and the transcriber will have access to your study records. No individual identifiers will be used in any reports or publications resulting from the survey and focus groups.

D. BENEFITS

Participation in the focus groups holds the direct benefit of access to potential business opportunities. Your participation in the survey will help the researchers to analyse the use of networking practices in Gauteng businesses which will assist in compiling a proposed framework to improve existing networking practices or to establish networking in other businesses.

E. COSTS / PAYMENT

There will be no costs to you as a result of participating in this study. You will receive no payment for your participation. You will only receive a report on the findings at the end of the study in 2007.

F. QUESTIONS

You are welcome to contact either: Mrs. de Klerk at 082 234 8661 / onbsdk@puk.ac.za , Prof. Kroon at 018 299 1423 / onbjk@puk.ac.za or the host of the focus group that you are invited to, if you have any questions.

G. CONSENT

You will be given a copy of this consent to keep.

Participation in this research is voluntary. You are free to decline to be in this study, or to withdraw from it at any point. Your decision as to whether or not to participate in this study will have no influence on your present or future status.

DATE

Signature of this study participant

DATE

Signature of person obtaining consent

APPENDIX D

TRANSCRIPTS FROM THE FOCUS GROUPS

Key: R – Researcher

P – Participant

R: Die proses wat ek voorstel ons doen is, ek het so paar vrae daar neergesit en ek dink in 'n groep gesprek tipe verband gaan ons net daardeur en bespreek dit redelik interaktief, informeel uh, Japie ek weet nie of jy enige iets verder oor die proses wil sê nie, is jy gelukkig daarmee?

- *knik sy kop*

R: So ons doen, sal ons sommer afskop darem nou. Een punt seker 'n regte Networking 101 vraag is: What is networking?

P: Can I (*inaudible*)

R: Yes?

P: Can I get some coffee first?

R: Ja, ja, ja.

- *Almal lag*

P: Different from me, he asks permission (*almal lag*), Uhm, I think one way it comes to mind for me as I sit here is what happens when you don't have networking? Perhaps you know, you said you often find things by looking at what is not said or not obvious, now in (*inaudible*) What happened in the young days of (*inaudible*) is we didn't have networking, I can remember Barry and

Colin, and Martin comes just now, complaining bitterly because the chief executives of the company didn't have the right networks at Telkom to get the orders they feel they deserved, so clearly if you don't have 'networking' whatever it is: relationships, you loose serious business. I think we can agree on that.

R: Dis interessant, ek dink ek en Martin praat vroeër die week daaroor, toe sê

P: 'ja, en toe sê julle vir ons,' dis nou die tweede ou, 'julle ouens het nie genoeg netwerking nie', toe kyk Martin hom so, toe sê hy: 'nee, ons het nie dit gesê nie, ons het gesê julle wetters het nie genoeg netwerking nie.' Hy't dalk nog 'n bietjie sterker woord gebruik, maar dis die essence daarvan.

- *almal lag*

P: Wel, 'n ou het die boodskap gekry dat jy moet jou agterend in rat kry en mense leer ken wat jy nie ken nie. (*vra aan iemand oorkant hom*) Is daar iemand buite?

- *Almal kyk*

R: Dalk moet ons die deur toe maak.

P: Dis net Martin wat inkom.

R (*kyk oor sy skouer*): Ja

R: Coen kan ons jou vra, wat sê jy wat's 'n definisie van, wat sou jy sê as ek vir jou vra wat is networking, wat sou jy sê is dit?

P: Jy's 'n bietjie vinnig nou op 'n nugter maag, maar ek dink ek wil by Unre aansluit, praat ons Engels of Afrikaans? Dis uh uh...

P: Colin praat baie goed Afrikaans.

P: Is dit?

P: No I dont understand a word but I (*inaudible*)

- *Almal lag*

P: Miskien help jou net op 'n ding verskil op die ooreenkoms tussen 'n netwerk en relationships, uhm, net om klarigheid rondom dit te kry, want vir my is daar 'n verskil tussen die twee (*iemand beaam: jaja*), uhm so netwerking het sekerlik te doen met die aantal konneksies wat jy maak terwyl verhoudings het waarskynlik meer met die kwaliteit van die konneksie te doen so ek's so tussen daai twee en dan dink ek is dit waarskynlik iets met persoonlikheid ook te doen. Ek het al mense gesien wat geweldig netwerk maar dan het hulle nie noodwendig verhoudings nie, dan kry jy nou weer ander ouens wat nie baie netwerk nie, maar verhoudings... so so dis nog nie 'n definisie nie, maar so ek dink daar's iets daarin. Een het met getalle te doen, die ander met kwaliteit te doen

- *ja word beaam*

R: En en dus ook uh kontak behou.

P: Kontak behou, ja. Ja, ek... waarskynlik 'n leeftyd, netwerking.

P: Ek uh dink die hele ding van sinergisme in 'n netwerk, is belangrik. Dan as daar kompetisie in 'n netwerk is, dan werk dit nie so lekker nie. Maar dan is daar sinergisties, jy weet ek kan een plus een is drie al ons goed (*inaudible*) by mekaar sit. Dit is en dan die, soos dit begin 'n groter familie word en uh die ander ding wat ek ook belangrik is is uh die ding van credibility, jy weet, in 'n netwerk kan ek jou nie aanbeveel as daar nie, as ek nie weet dat die job wat jy gaan doen is uhm gaan goed afgaan nie. (*mense beaam ja ja*) Want dis uhm daar's die ding van, my naam is ook op die spel as ek jou in hierdie netwerk

R: Ja, ek hoor wat jy sê, so daar's spel in die (*inaudible*)

P: Daar's reels.

P: Daar's spelreëls, ja.

P: Ongegewe partymaal (*inaudible*)

P: Sou jy dan sê 'n netwerk het uh, verskillende netwerke as jy dit van ver af sou beskou het uh 'n persoonlikheid van sy eie, sou jy se daar's hierdie...

P: Absoluut, en party mense dink ek dis meer polities as ander netwerke en sulke goed. Daar's dis 'n dis 'n kleiner organisasie.

P (*beaam*): Hmm hmm

R: Ek skat dan kan 'n ou seker sê verskillende industrieë sal hulle eie...

P: Heeltemal verskillend.

R: Verskillende...

P: Ja

R: As ek nou dink aan iets soos die advertensie industrie wat heeltemal belangstel (*inaudible*) daar's die netwerk of die elemente van die netwerk anders.

P: I have a feeling networks go through cycles as well.

P: Hmm hmm

P: It's got cyclic...

P: It's got, it's got, relationships go through cycles. The ah, the business that you get out of that relationship go through cycles, cause there's a lot of ways to get to the requirements for your business. You might do something it might be very important, it might be very credible, you might get good reference out of it, and you part ways simply because you need to move on to do different business. (*wys na Adriaan*), I'm sure you can confirm that (*Adriaan knik kop*), You know I, your reference with me have zero negative associated with the fact that we haven't met or done business in the last 6/8/10 years, it's got, it's gone through a cycle that our paths has gone slightly different. You look at the cycle, look at the cycle of you two...

APPENDIX E

FIELD NOTES FOR THE FOCUS GROUP DISCUSSIONS

Focus group 1

Personal Notes

I arrived so early, but this gave me time to sort out the venue in terms of putting the necessary documentation on the conference table and setting up the muffins and croissants for the participants. The Centurion Academy organised the tea and coffee facilities.

Some of the participants are more relaxed than other and start to participate from the beginning. Others took a while to warm up to the process and each other, but in the end each and every participant made a solid contribution to the conversation and each shared either some sort of success or failure of networking.

The participants seem to become more rushed and look at their watches from around 7:45 am. The process is wrapped up and the participants leave one by one.

Observation Notes

The atmosphere is unsure and not all the participants have arrived on time, some are stuck in the traffic on their way here. Some of the participants are more relaxed and made themselves coffee or tea and helped themselves to the muffins or croissants.

To start the process each participant introduce themselves and most of the participants seems to know each other either directly or indirectly through business or social acquaintances. As each participant introduce themselves there are someone that make a comment about them and the atmosphere seems to become lighter and more relaxed.

The more a participant share his own experience the more it seems that another is willing to do so. The participants starts to leave one by one after 8:30 am, some still talk in smaller groups and it seems as if they try to catch up on old connections.

Demographic Notes

Date: 18 November 2005 @ 6:45 for 7:00 am. at Centurion Academy conference facilities, in Centurion, Pretoria. The researcher met with the gatekeeper business owner outside the building. He invited fifteen business owners of Gauteng, but only eight turned up.

Focus group 2

Descriptive Notes

There are eight participants, with the one person also being present at the first group, this group seems to be very diversified in terms of their different backgrounds, and fields of expertise.

Reflective Notes

The responses in this group was comparative with the previous group, there is another dimension though because of the high status of some of the participants. The clear objective was to see some of these business men to talk a little bit of business before or after the focus group.

Demographic Notes

Date: 17 January 2006 @ 7:00 for 7:30 am. at Centurion Academy conference facilities, in Centurion, Pretoria.

Focus group 3

Personal Notes

The group of people is much more relaxed than the previous group and they seem to know each other for a longer and on a more personal level. The coffee shop environment is a bit of a problem sound wise, but the participants seem to be more comfortable and willing to participate.

Reflective Notes

The facilities are not acoustically sound, there are too many disturbances, in terms of the noisy parking area outside. The waiters in the coffee shop are also moving past the view of the video-recorder and I hope there will be something to work from. The room is not suitable in terms of lighting and even though there are ceiling fans, the room is stuffy and warm. Later on one becomes accustomed to the sounds outside and the participants started to relax and share more and more of their own experiences.

Demographic Notes

Date: 25 January 2006 @ 7:00 for 7:30 am. at a coffee shop, named Coffee at Manhattan's situated in the Manhattan Office Park in Pieter street, Centurion, Pretoria.

APPENDIX F

FOLLOW-UP AFTER FOCUS GROUP DISCUSSION



Tel: (018) 299 1463
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Goeiedag (*naam*),

Hoop dit gaan goed so met die jaar alreeds op 'n stywe drafstap.

Ek wil net graag kontak maak om bietjie inligting oor die navorsing tot dusver te gee. Die volgende fokus groepe word die 28ste Februarie gehou en die inligting en resultate wat alreeds ingesamel is, is baie interessant. Ek voel baie positief dat die uiteindelijke verslag werklik waarde sal inhou en 'n mededingende voordeel met die regte toepassing Die verslag word beplan vir die begin van 2007.

Ek herinner net graag daaraan dat ek eersdaags, so binne die volgende maand, 'n vraelys gaan e-pos ter insameling van meer gedetailleerde inligting. Jy kan die stuur van die vraelys aan jou eie netwerk gebruik om waarde tot hul eie bedrywighede toe te voeg en die finale verslag kan dan ook met hulle gedeel word. Die deel van kennis en om waarde tot mekaar se bedrywighede toe te voeg is dan ook een van bevindinge vir suksesvolle netwerk verhoudinge, dus begin jy nou reeds met die opbou daarvan. Hiermee bevestig ek dan dat die korrekte e-pos adres gebruik is.

Baie dankie weereens vir al die insette, sonder die deel van elk se ondervinding sou die projek nie moontlik gewees het nie.

Vriendelike groete
Saskia de Klerk

APPENDIX G

E-MAIL MESSAGE

ENRICH YOUR NETWORK BY ADDING VALUE

My name is Saskia de Klerk and I am currently conducting research for my PHD, at North-West University (Potchefstroom Campus) on networking. This survey's purpose is to acquire further detailed information on networking practices of Gauteng businesses in South Africa. I am kindly requesting your assistance with regards to this project by completing this questionnaire.

It is also requested that you forward this to your closest network members (five to ten members) to complete the questionnaire.

A questionnaire in an e-mailed format is attached to this document and takes approximately 20 minutes to complete. To open the attached Word document:

1. First save the attachment on your hard drive.
2. Please do not complete the questionnaire on the e-mail itself as the information will be lost.
3. If you are unable to open the document, please provide the word processing software and version you are using.
4. Complete the questionnaire, "save" and "close" the file.
5. Attach and return the E-Questionnaire.doc file to: onbsdk@puknet.puk.ac.za **on or before the 7th of April 2006.**

All responses will be treated as strictly confidential and will only be disclosed in aggregate statistical format.

In appreciation of your help, **you will receive a copy of the report in 2007** summarising the findings of this research. This may be useful in your business's strategic positioning of networks and if applied correctly it could **hold a competitive advantage** for you individually and in terms of business.

I am looking forward to your response. Please feel free to contact me if there are any uncertainties or additional comments on 018 299 1463 or onbsdk@puk.ac.za or alternatively contact my promoter, Prof. Japie Kroon on 018 299 1423 or onbjk@puk.ac.za

E-MAIL QUESTIONNAIRE

RESEARCH QUESTIONNAIRE

A. **NARROW DEFINITION OF NETWORKING** is a connection between role players with social or business relationships between them.

STRICTLY CONFIDENTIAL

This survey investigates the use of network relationships in businesses to develop and implement strategies. Please follow the instructions at the beginning of each section. **For statistical purposes, it is important that you complete all the questions.** The following example demonstrates how the questionnaire should be answered:

Example 1: Indicate the number of branches that your business consists of (mark only one):

Number of branches	
1-2	1
3-5	2 X
6-8	3

GUIDELINES FOR ANSWERING THE QUESTIONNAIRE

- Please answer all the questions
- **All questions: Indicate only one option unless otherwise specified**

SECTION ONE: BIOGRAPHICAL INFORMATION

1.1 Complete the following:

Name	
Company	
E-mail	
Telephone number	
Industry	
Location	

1.2 Indicate your gender.

Female	1
Male	2

1.3 Indicate your age group.

Under 25	1
25 - 34	2
35 - 44	3

45 - 54	4
55 and older	5

1.4 Indicate your racial classification..

Black	1
Indian	2
Jewish	3
White	4
Other	5

1.5 Language preference

Afrikaans	1
English	2

1.6 Identify your highest level of formal education

Grade 10	1
Grade 12	2
Diploma / Certificate	3
B- degree - Specify _____	4
Postgraduate education	5

1.7 Indicate the years of experience in your current? position.

Less than 1 year	1
1 - 5 years	2
6 - 10 years	3
11 - 15 years	4
16 - 20 years	5
21 or more years experience	6

1.8 In your experience, indicate the business's highest annual turnover encountered and specify the year.

Less than R 5 million	1
R 5 million to less than R 10 million	2
R 10 million to less than R 20 million	3
R 20 million to less than R 50 million	4
R 50 million to less than R 100 million	5
More than R 100 million	6
Specify the year _____	7

1.9 Indicate the appropriate business sector that your business forms a part of... (Choose only one)

Services	1
Retail or trade	2
Manufacturing	3

1.10 Indicate the primary industry that your business forms part of. (Choose only one).

Agriculture, hunting, forestry and fishing	1
Mining and Quarrying	2
Manufacturing	3
Electricity, Gas and Water Supply	4
Construction	5
Wholesale and Retail Trade (Including Motor Trade)	6
Commercial Agents and Allied Services	7
Transport, Storage and Communications	8
Financial, Insurance, Real estate and Business services	9
Community, Social and Personal services	10
Private households	11
Other (Specify)	12

1.11 Indicate the form of business. (Choose only one)

Sole proprietorship	1
Partnership	2
Close Corporation	3
Private Company	4
Public Company	5
Business Trust	6
Co-operative	7

1.12 Indicate the number of permanent employees in the business (including yourself).

1 - 4	1
5 - 50	2
51 - 200	3
> 200	4

1.13 Indicate in each of the following cases the percentage of commercial activities of your business.

	1	2	3	4	5	6
a) Traditional sales	NONE	1-20%	21-40%	41-60%	61-80%	81-100%
b) E-commerce	NONE	1-20%	21-40%	41-60%	61-80%	81-100%
c) Business-to-consumer (B2C)	NONE	1-20%	21-40%	41-60%	61-80%	81-100%
d) Business-to-business (B2B)	NONE	1-20%	21-40%	41-60%	61-80%	81-100%
e) Consumer-to-business (C2B)	NONE	1-20%	21-40%	41-60%	61-80%	81-100%
f) Business-to-government (B2G)	NONE	1-20%	21-40%	41-60%	61-80%	81-100%
g) International trade transactions	NONE	1-20%	21-40%	41-60%	61-80%	81-100%

SECTION TWO: NETWORKING QUESTIONS

2.1 Do you think networking is:

A skill	1
A natural phenomenon	2
Both	3

2.2 When did you actively / consciously start building your network?

Preschool	1
High School	2
University / College / Tertiary institution	3
Your first occupation	4
Recently	5

2.3 Which of the following networking practice options best suits you? **Please mark the four most applicable answers.**

a) You tend to focus on a few important relationships. You are patient in your interaction and you focus on achieving the task, situation or goal ahead.	1
b) You balance new and old relationships in an active and comfortable way. You are adaptable in developing networks and widening your range easily.	2
c) You know a lot of connections, but don't organise or follow them up.	3
d) You are a quiet and introverted person. You follow a step-by-step process in networking.	4
e) You make contact over the telephone.	5
f) You only make contact by e-mail.	6
g) You make contact via telephone and e-mail.	7
h) You make face to face contact.	8

2.4 In your business relationships, which of the following scenarios best suit you. **Please mark the two most applicable answers.**

There are no alternative relationships	1
Our business may engage in relationships with other role players if potential for higher profit exists, but not at the expense of our current relationships	2
Our business may engage in relationships with other role players if potential for higher profit exists, even at the expense of our current relationships	3
Our current relationships are irreplaceable	4

2.5 How do you value relationships in your business?

Not high	Average	High	Very high
1	2	3	4

2.6 Do you believe you have a sphere of influence on the following people? Please indicate.

Family	1
Friends	2
Neighbours	3
Business acquaintances	4
Suppliers	5
Customers	6

2.7 Indicate the amount of contacts that currently exist in your personal, unique network.

	1	2	3	4	5	6
Level 1: Weekly contact	1-5	6-10	11-20	21-50	51-100	More than 100
Level 2: Two-weekly to monthly contact	1-5	6-10	11-20	21-50	51-100	More than 100
Level 3: Two-monthly to six-monthly contact	1-5	6-10	11-20	21-50	51-100	More than 100
Level 4: Contact once a year	1-5	6-10	11-20	21-50	51-100	More than 100

2.8 Indicate the number of contacts that you have and on average the amount of contact that you make:

	Weekly contact	Two-weekly to monthly contact	Two-monthly to six-monthly contact	Contact once a year	No contact	Number of contacts
Preschool	1	2	3	4	5	
High School	1	2	3	4	5	
University / College	1	2	3	4	5	
Your first job	1	2	3	4	5	
Previous colleagues	1	2	3	4	5	
Social organisations	1	2	3	4	5	

2.9 How many new customers are you aiming for within a specific timeframe and what would you consider as their ideal average spend?

1) Timeframe	2) Number of new customers	3) Average spend
a) 0 - 6 months	a) 1 - 10	a) R 0 - 5 000
b) 6 - 12 months	b) 11 - 50	b) R6 000 - 10 000
c) 1 - 2 years	c) 51 - 100	c) R11 000 - 50 000
d) 2 - 5 years	d) 101 - 200	d) R51 000 - 100 000
e) 5 - 10 years	e) 201 or more	e) R101 000 or more

SECTION THREE: PLEASE INDICATE YES / NO FOR ALL OF THE FOLLOWING:

3.1 Why do you network?

	Yes	No
Career growth	1	2
Acquiring capital or additional financial resources	1	2
Obtaining access to employees	1	2
Forming strategic alliances	1	2
Sharing experiences and exchange ideas	1	2
Obtaining access to new or additional distribution channels	1	2
Obtaining access to new or additional technology	1	2
Obtaining access to new or additional marketing channels	1	2
Obtaining access to specialised skilled labour	1	2
Obtaining knowledge on new opportunities and markets	1	2
Obtaining knowledge on new business processes	1	2
Acquiring additional productive assets	1	2
Communicating with potential interest groups	1	2
The project is too big or complex to do alone	1	2
Extend your value chain	1	2
Develop and expose your brand	1	2

3.2 Do you consciously include people for the following reasons?

	YES	NO
Personal support	1	2
Business support	1	2
Access to information	1	2
Access to opportunities	1	2
Access to other role players	1	2
To increase your own company's process efficiency	1	2
To increase your own company's value	1	2
To save costs	1	2

3.3 Who do you include in your network.

	Yes	No
a) Colleagues with whom you're currently working	1	2
b) Former colleagues at a previous job	1	2
c) Connections made by means of professional associations or alumni	1	2
d) Former colleagues at your current job	1	2
e) Connections gained by means of involvement with community activities;	1	2
f) People in your neighbourhood;	1	2
g) Former fellow students at your school, college or university	1	2
h) People you have met from social activities	1	2
i) People sharing and belonging to the same religious affiliations	1	2
j) Members belonging to the same clubs (be it sport or cultural) that you belong to	1	2

3.4 Evaluate whether your connections are potentially linked to the following connections.

	Yes	No
Banks	1	2
Government	1	2
Chambers of Commerce	1	2
Foreign investors	1	2
Foreign partners	1	2
Competitors	1	2
Producers	1	2
Customers	1	2

3.5 Which of the following networks do you use?

Network type	Definition	Yes	No
Quasi-integration Networks	Networks that are specifically developed to lead to a defensive position and to increase market power, in terms of costs savings and rationalisation of an industry.	1	2
Vertical networks	Networks between suppliers and producers in consecutive phases in the value chain to improve effectiveness. Focus on core competencies or outsourcing.	1	2
Solution networks	Networks between producers of complimentary products and services that aim to serve and find a permanent solution for a specific customer problem.	1	2
Research and development networks	Networks are developed between businesses to share risks, costs or competencies to develop new technologies.	1	2
Standardisation networks	Networks between businesses that aim to set the dominant technology or process in a certain business area.	1	2
Virtual networks	Fast growth and necessity or externally driven. Technological businesses compete and share information (cooperate).	1	2

3.6 Indicate your position in your network.

	Yes	No
Group member – An equal partner in a network in terms of their relationship with multiple other partners in the network.	1	2
Bridge – It is a business that positions itself between two unconnected partners or even networks.	1	2
Orchestrator – This is the core partner of the network.	1	2

3.7 Does your business make use of any of the following business models?

	Yes	No
Outsourcing	1	2
In-sourcing	1	2
Virtual organising for new segments	1	2
Strategic[ally] chosen alliances	1	2

3.8 What are the **main objectives** of your business when seeking out a relationship with other businesses?

	Yes	No
a) Coverage	1	2
b) Potential partnering	1	2
c) Gain access to a critical mass of suppliers and customers	1	2
d) Specialisation or to focus business activities	1	2
e) Make processes more efficient	1	2
f) Cooperation in order to reach standardised outputs	1	2
g) Gain access to the specific relationship requirements in a partner	1	2
h) Gain access to a specific set of coordination outputs through a partner	1	2
i) To establish a brand name	1	2
j) To reinforce a brand name	1	2
k) To launch a new product	1	2
l) To find and develop alliances, associates and opportunities for collaboration	1	2
m) To bring in new business	1	2
n) To gain access to political connections	1	2

3.9 Reasons why your business **engage** into alliances or partnerships for projects.

		Yes	No
Marketing	Co-marketing, marketing research, common needs assessment, common brand, export services, international offices		
Training	Basic or specialised and expert trade skills, general or professional skills.	1	2
Resources	Purchasing or pool buying, common stock or warehousing, vendor coordination, specialised equipment, professional service delivery	1	2
Research & Development	Joint product or service development, joint process development, shared research and innovation, technology transfer and diffusion	1	2
Quality	Joint quality program, benchmarking, shared international standards, international standards certification.	1	2

3.10 Do you think the implementation of a networking strategy will lead to an impact on the following aspects of your business?

	Yes	No
Resource planning	1	2
Knowledge management	1	2
Change management	1	2
Adaptation to adoption rate	1	2
Increased value through information systems	1	2
The overcoming of structural gaps	1	2

SECTION FOUR: Appropriately rate the the following aspects relating to the current and ideal practice.

4.1 To what extent is trust required or necessary in building relationships?

[1 = very important, 2 = important, 3 = of lesser importance than other business activities and 4 = not important]

Civil society	1	2	3	4
Civic society	1	2	3	4
Sport	1	2	3	4
School projects	1	2	3	4
Church	1	2	3	4
Social events	1	2	3	4
Social clubs	1	2	3	4

4.2 To what extent do you measure the value of relationships?

[1 = very important, 2 = important, 3 = of lesser importance than other business activities and 4 = not important]

a) It is not measured	1	2	3	4
b) It resulting in a transaction	1	2	3	4
c) The introduction to another important connection.	1	2	3	4
d) Gaining access to information	1	2	3	4
e) Ties of alliance strengthen	1	2	3	4
f) By measuring the size of the network (number of participants)	1	2	3	4
g) By measuring the diversity of people involved	1	2	3	4
h) By measuring the success of the collective governance	1	2	3	4
i) By successfully clustering common interests and partners	1	2	3	4
j) By measuring your own position in the network in terms of importance	1	2	3	4
k) Successful business transaction	1	2	3	4
l) Repeat business	1	2	3	4
m) Further alliances	1	2	3	4
n) Referral	1	2	3	4
o) Other (please give a brief description)	1	2	3	4

4.3 Indicate all the relevant answers by evaluating the following statements with regard to: (a) the places you / your business currently attend to, to build relationships and (b) the places you / your business will investigate in the future in order to build relationships (ideally).

[1 = very important, 2 = important, 3 = of lesser importance than other business activities and 4 = not important]

(a) Currently					(b) Ideally			
1	2	3	4	a) Civil society	1	2	3	4
1	2	3	4	b) Civic society	1	2	3	4
1	2	3	4	c) Music clubs	1	2	3	4
1	2	3	4	d) Organisations to which you already belong	1	2	3	4
1	2	3	4	e) Professional and trade organisations	1	2	3	4
1	2	3	4	f) National Trade shows, conventions and conferences	1	2	3	4
1	2	3	4	g) Trade organisations of your best customers	1	2	3	4
1	2	3	4	h) Chamber of commerce	1	2	3	4
1	2	3	4	i) Organisations with the same philosophy as yours	1	2	3	4
1	2	3	4	j) Small business development centres	1	2	3	4
1	2	3	4	k) Hobby / Passion	1	2	3	4
1	2	3	4	l) Golf / Sports	1	2	3	4
1	2	3	4	m) Spiritual organisations, churches	1	2	3	4
1	2	3	4	n) Workshops, classes and seminars	1	2	3	4
1	2	3	4	o) School, College or University Associations	1	2	3	4
1	2	3	4	p) Leads groups	1	2	3	4
1	2	3	4	q) Kiwanis, Rotary, etc.	1	2	3	4
1	2	3	4	r) Cultural events	1	2	3	4
1	2	3	4	s) Volunteer work	1	2	3	4
1	2	3	4	t) Community projects	1	2	3	4

4.4 Evaluate the following statements with regard to: (a) the **current** importance of trust in **the following relationships**; and (b) the **ideal** role and importance of trust in **the following relationships**.

[1 = very important, 2 = important, 3 = of lesser importance than other business activities and 4 = not important]

(a) Currently					(b) Ideally			
1	2	3	4	a) Relationships with customers	1	2	3	4
1	2	3	4	b) Relationships with suppliers	1	2	3	4
1	2	3	4	c) Relationships with staff	1	2	3	4
1	2	3	4	d) Relationships with other competitors	1	2	3	4
1	2	3	4	e) Relationships with other businesses not in direct competition with your business	1	2	3	4
1	2	3	4	f) Network utilisation is important in your business	1	2	3	4
1	2	3	4	g) It is a priority in your business to establish networks and network relationships	1	2	3	4

4.5 Indicate the level of importance of the following elements in your specific network with regard to: (a) the current basis for its existence; and (b) the ideal basis for its existence.

[1 = very important, 2 = important, 3 = of lesser importance than other business activities and 4 = not important]

(a) Currently					(b) Ideally			
1	2	3	4	a) Trust	1	2	3	4
1	2	3	4	b) Credibility	1	2	3	4
1	2	3	4	c) Synergy	1	2	3	4
1	2	3	4	d) Competence	1	2	3	4
1	2	3	4	e) Information	1	2	3	4
1	2	3	4	f) Other resources	1	2	3	4

4.6 Please rate the following characteristics of your relationship with businesses.

[1 = very frequent, 2 = frequent, 3 = less frequent and 4 = not applicable]

(a) Currently					(b) Ideally			
1	2	3	4	a) Simple exchange	1	2	3	4
1	2	3	4	b) Complex resource exchange	1	2	3	4
1	2	3	4	c) Low adaptation	1	2	3	4
1	2	3	4	d) Few exchanges	1	2	3	4
1	2	3	4	e) Large number of exchange relationships	1	2	3	4
1	2	3	4	f) Few actors engage	1	2	3	4
1	2	3	4	g) High adaptation	1	2	3	4
1	2	3	4	h) Few or large number of actors	1	2	3	4
1	2	3	4	i) Economic bases and low social exchange	1	2	3	4
1	2	3	4	j) Exchange combined with social exchange	1	2	3	4
1	2	3	4	k) Small and simple information exchange	1	2	3	4
1	2	3	4	l) High and complex information exchange	1	2	3	4

4.7 Networking steps: Please indicate whether you agree or disagree that the following steps form part of networking.

[1 = strongly disagree, 2 = disagree, 3 = agree and 4 = strongly agree]

(a) Currently					(b) Ideally			
1	2	3	4	a) Includes people you know	1	2	3	4
1	2	3	4	b) Includes the people they know	1	2	3	4
1	2	3	4	c) Identifying the people you need to know	1	2	3	4
1	2	3	4	d) Making personal contact	1	2	3	4
1	2	3	4	e) Allowing a friend / colleague to introduce you	1	2	3	4
1	2	3	4	f) Making contact after the first meeting	1	2	3	4
1	2	3	4	g) Clearly stating your name and	1	2	3	4

				contact details				
1	2	3	4	h) Clearly stating the potential value that you hold for the other person	1	2	3	4
1	2	3	4	i) Making small talk	1	2	3	4
1	2	3	4	j) Following up via e-mail or by a telephone call	1	2	3	4
1	2	3	4	k) Maintaining the connection	1	2	3	4
1	2	3	4	l) Keeping in touch once a week	1	2	3	4
1	2	3	4	m) Keeping in touch once a month	1	2	3	4
1	2	3	4	n) Keeping in touch once every six months	1	2	3	4
1	2	3	4	o) Keeping in touch once a year	1	2	3	4
1	2	3	4	p) Building a reference base	1	2	3	4
1	2	3	4	q) Continuing making new contacts	1	2	3	4
1	2	3	4	r) Introducing or linking other people in your network with the new member	1	2	3	4

4.8 Any additional comments, questions and concerns?

.....

.....

.....

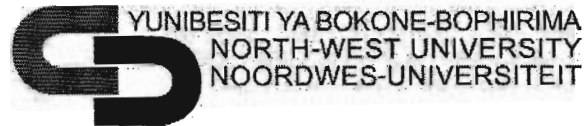
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KINDLY THANKING YOU FOR YOUR CO-OPERATION AND TIME IN SHARING YOUR EXPERIENCE.

APPENDIX H

FOLLOW-UP AND RESENDING OF THE E-MAIL QUESTIONNAIRE



Tel: (018) 299 1463
Fax: (018) 293 5264
E-mail: onbsdk@puk.ac.za

Mr. G. Caine,

Ek verwys u graag na ons telefoniese gesprek op die 11de Mei. Baie dankie vir u vriendelike ondersteuning in die verband. Hier is die Engelse boodskap, daarna volg die Afrikaans.

My name is Saskia de Klerk and I am currently conducting research for my PHD, at North-West University (Potchefstroom Campus) on networking. The theme of this study is the utilisation of networks by Gauteng businesses. I am kindly requesting your assistance with regards to this project by **completing this questionnaire and sending it back to me on or before the 19th of May 2006**. Your input is extremely valuable to the successful completion of this study.

A **questionnaire in an e-mailed format** is attached to this document and takes approximately 20 minutes to complete. To open the attached Word document:

1. First save the attachment on your hard drive.
2. Please do not complete the questionnaire on the e-mail itself as the information will be lost.
3. If you are unable to open the document, please provide the word processing software and version you are using.
4. Complete the questionnaire, "save" and "close" the file.

5. Attach and return the E-Questionnaire.doc file to:
onbsdk@puknet.puk.ac.za **on or before the 19th May 2006.**

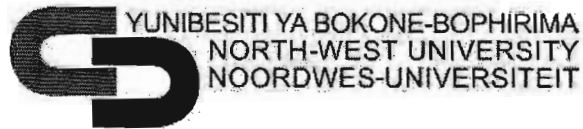
All responses will be treated as strictly confidential and will only be disclosed in aggregate statistical format.

In appreciation of your help, **you will receive a copy of the report in 2007** summarising the findings of this research.

I am looking forward to your response. Please feel free to contact me if there are any uncertainties or additional comments on 018 299 1463 or onbsdk@puk.ac.za or alternatively contact my promoter, Prof. Japie Kroon on 018 299 1423 or onbik@puk.ac.za

APPENDIX I

LETTER OF INVITATION TO THE BUSINESS WOMEN'S ASSOCIATION



Tel: (018) 299 1463
Fax: (018) 293 5264
E-mail: onbsdk@puk.ac.za

Dear Elaine van Heerden

My name is Saskia de Klerk. I applied for the BWA bursary last year and through the interviews I had the privilege of meeting two of the wonderful women associated with BWA, namely Ruth and Maritsa. I spoke to them about my planned research and they were interested to be part of it.

I organised three successful networking groups on separate occasions with tremendous feed back and mutual business benefit. Unfortunately the unwritten truth of women not being part of a man's world seems to be true and, although a small percentage of women were invited to each session, no one showed.

The network meeting holds the potential (and this was confirmed in the three groups) of a mutual beneficial learning experience. Previous participants also had instant access to business opportunities generated as spin-offs out of the meetings. This business was not possible without networking.

I hope that you will be able to facilitate such a process, of organising between eight and twelve women business owners in a breakfast session (I will moderate the process and organise the breakfast), then we talk about networking. I want to know what the networking practices of business owners in Gauteng are and what it entails.

The inclusion of women is of the utmost importance, since business owners include women and women network and these networks add value. My ultimate goal is to compile a business networking model for individual adaptation in different businesses.

If there are any concerns or if you need any further information, please contact myself at (018) 299 1463 or onbsdk@puk.ac.za or my supervisor Prof. Japie Kroon at (018) 299 1423 or onbjk@puk.ac.za

Yours sincerely

Saskia de Klerk

APPENDIX J

E-MAIL INVITATION TO THE WOMEN-IN-IT GROUP

Dear Leonie,

My name is Saskia de Klerk and I am a lecturer and PHD student at North-West University, Potchefstroom Campus. My research involves Gauteng business owners and their networking practices.

I am currently busy with the meetings of between 7 to eight people at a time at 7:00 to 9:00 in the morning to discuss networking. How it works, is the practical implication on Gauteng businesses.

I conducted six organised groups, that included a wide range of consultants, medical equipment companies, engineering and innovation pioneers, marketing businesses, Webpage design, investment and telecommunications businesses, to name only a few. These groups included white, black, Indian and Jewish business owners, but I am sad to say that a pure women group has not been possible to arrange. The value generated not only in business transactions, but also personal exposure are above expectation.

Unre Visagie referred me to your organisation to make you part of this value exchange opportunity. I would very much appreciate it if you could participate and invite eight to ten of your members to such a meeting.

Please let me know if you are interested. This network may hold the opportunity to give your organisation exposure, and it will add value to each of your members if applied correctly.

Thanking you in advance for your assistance
Kind regards
Saskia de Klerk

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