**THE DEVELOPMENT OF SOCIALCAPITAL:**
**ON MANAGEING GAME-PLAYERS, TRADE-OFF MAKERS AND LOW-KEYS**

Social capital as "the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalized relationships of mutual acquaintances or recognition" (Bourdieu, 1986, p. 248) is seen to be of crucial importance to access information, resources, influence, and solidarity (Adler & Kowen, 2002) and to drive innovation (Subramanian & Youndt, 2005). Firms with CEOs who frequently seek advice from executives at other firms outperform the firms of CEOs who do not expose such networking behaviour (McDonald et al. 2008). Personal benefits derived from networks include the enhancement of individual reputation (Kilduff & Krackhardt, 1994), formal and informal information exchange regarding career planning and job opportunities (Granovetter, 1974, Boxman et al., 1991), professional support, greater visibility with senior management (Linehan, 2001), higher salaries (Orpen, 1996, Seidel, Polzer & Stewart, 2000) and overall career advancement (De Graaf & Flap, 1988, Marsden & Hurlbert, 1988, Gabby & Zuckerman, 1998). Overall, research results give evidence of the overall conclusion that "individuals who cannot network and leverage their positions in their organizations are unlikely to be rewarded" (Carpenter & Wade, 2002). Yet while the critical role of networking for career success does not seem to be in doubt surprisingly little is known about how people **do** actually network. In this context, Shipilov et al. (2007) emphasize that networking is a multidimensional concept. While single dimensions of this concept may be related to outcome variables such as promotion speed or salary level the *ensemble* of networking behaviours that individuals use to drive tie formation, maintenance and dissolution and thereby shape social network structure have been under-explored so far. A question that needs to be

explored is whether organizational actors expose different preferred approaches to networking as depicted by Vissa's and Anand's (2006) notion of "networking style". Last but not least previous research has called for more insights concerning the other individuals involved in the networking attempt (Forret and Doughtery's, 2001). This implies the question of potential trade-offs organizational actors may face when deciding who to give priority in their networking activities due to overall resource constraints.

The aim of this study is twofold. First, we explore what networking configurations service professionals employ to build up their social capital. We define "networking configuration" as a bundle of activities an organisational actor uses to construct his/her network. Such a configuration can be described as a pattern consisting of a "multidimensional constellation of conceptually distinct characteristics" (Meyer et al. 1993) involving different stakeholders and actions within and outside the organization. In a second part we want to enhance our understanding of such networking configurations by examining how these configurations are related to structural network characteristics and social identity measures.

**Research design**

This study looks at how professionals in the consulting and auditing industry build up their networks over the first 18 months after being promoted to a manager position. The sample consists of 52 service professionals. 15 of them came from the German offices of a global strategy consulting company, 37 participants were employees of a Big Four auditing firm, 15 from the company's London office, 22

from the New York office. The sample is representative in terms of age, gender, number of years with the company and areas of specialization. All participants had been promoted to a manager position not more than three months before the beginning of the study.

**Data collection**

Data collection took place at two times: At time T1 when participants had just been promoted to the manager position and at T2 when they had been on average 17 months in their new role. Each data gathering time consisted of a semi-structured interview and a network survey. The first round interviews aimed to create an understanding about the participant's work and role as a manager trying to capture their day-to-day experience. We adopted an open-ended semi-structured style to best capture the managers' perspectives (Spradley, 1979) and used open-ended questions to understand how this new position differed from what the service professionals had done before, what were particular challenges they were experiencing and how they imagined developing over the course of the next year on their job. First round interviews lasted between 1 and 1,5 hours. They were recorded and transcribed. At the end of the first interview at T1 and about two weeks before the second interview at T2, participants were asked to fill out a standard egocentric network survey (Wasserman & Faust, 1994) asking them to list the names of the people in their network they would consult for task advice, innovation advice, buy-in, and professional growth as well as who were their social and external contacts helping them to be successful in their job. To ensure comparability T1 and T2 surveys were completely identical. As part of the survey participants completed an ego-network matrix and gave further information characterising the relationship with their network

alters, e.g. the duration, length and frequency of interaction, the location and hierarchical position of the alter. We used Ucinet to plot the T1 and T2 networks for each participant. The average 15 months time span between T1 and T2 seemed acceptable to assume that participants had the time to settle in their job, implying that strategies how they were managing their relationships had started to emerge. Interviews at T2 averaged between 1,5 and 2 hours and were again tape recorded and transcribed for analysis. The overall aim of this encounter was to ask participants for a recollection of what they had been doing to manage and develop the relationships helping them to be successful in their manager role. Emphasis was placed on the root causes and intentionality of any network changes. The social network survey data from T2 was used for data triangulation. Finally, an additional social identity survey was given to participants at T2 after the second round interview. Participants were asked to rate on a five-point Likert scale the appropriateness of a series of items assessing task mastery (Morrison, 2002 and Chao et al. 1994), role clarity (Rizzo, 1970 and Ashford, 1986), social integration with co-workers and clients (Morrison, 1993 and Chao, 1994), and organizational commitment (Allen & Meyer, 1990).

**Data analysis**

Data analysis proceeded in three phases. The goal of the first phase was to identify generative elements constituting a networking configuration from the interview transcripts done at T1. Interview transcripts were coded on the basis of statements referring to networking in its widest sense. Following Miles and Huberman (1994) we used constant iteration to create exhaustive categories. We aggregated the categories into generative elements (Strauss & Corbin, 1998) for which we created labels through abstraction resulting in a tentative network configuration framework

consisting of six theme dimensions (partnerfocus, client focus, team focus, peer focus, exploration, exploitation). Existing literature on professional service firms confirmed the relevance of these emerging categories in terms of who were important stakeholders for network development (see for example Fosstenlokken et al. 2003).

Based on the generative elements of networking configurations identified in the first phase of analysis the goal of the second phase was to identify any differences in terms of networking behaviours among study participants. We assumed that after 17 months in the manager position it would be possible to identify any differences in terms of the type and intensity of networking activities managers were exposing. To accurately describe the networking configuration employed by each service professional we undertook a second stage of coding of the T2 interview transcripts with the aim to develop scales for the identified dimensions of a networking configuration. The author and another researcher read the same half of second round transcripts independently to extract any scale items for the networking dimensions defined in phase 1. In a comprehensive process of constant iteration (Miles & Huberman, 1994) the researchers moved between the interview transcripts to extract and exemplify scales, then compared, discussed and refined their intermediate scale results and went back to analyse further transcript data. The emerging scales were discussed one by one whereby we constantly compared and contrasted data and emerging categorization schemes in order to build and refine the scales. We recorded the scale item definitions in a codebook (Boyatzis, 1998). The second half of interview transcripts could be coded with the defined scale items. Inter-rater reliability was 84%. Any disagreements between the two coders were resolved after in-depth discussion of the transcript extracts.

As a networking configuration can be characterized as a bundle of different variables describing the professionals' networking behaviours we were looking for an appropriate method to classify the participants' networking profiles into coherent groups characterized by similar patterns of networking behaviour. The use of cluster analysis to identify any discrete categories and to classify the networking configurations from the raw data seemed the most appropriate empirically based method. As the defining variables (client focus, partner focus, peer focus, team focus, exploration, exploitation) resulting from the coding process used different scales, we standardized the variables using z-scores (Hair et al. 1992). To conduct the cluster analysis (using STATA) we followed a two step approach as recommended by numerous authors (see for example Punj & Stewarts, 1983, Ketchen & Shook, 1996): In a first phase we conducted a hierarchical cluster analysis using Ward's linkage to determine the ideal number of clusters. Calinski's stopping rule as well as the dendrogram indicated that a three cluster solution was optimal. Once the ideal number of clusters was known we ran a k-means cluster analysis for three clusters.

To enrich our understanding of the meaning of the three clusters and to validate the criterion related validity of our cluster solution we checked if the cluster solutions resulted in any significant differences for non-defining variables (Punj & Stewart, 1983; Aldenderfer & Blashfield, 1984). We ran Scheffe ranges for each cluster for the non-defining variables (these variables came from the network surveys, the social identity survey as well as non-defining variables generated in the coding process). The analysis for the non-defining variables showed that these variables

exhibited significant mean differences among clusters thereby confirming criterion based validity.

| | Cluster 1 | Game player | Cluster 2 | Low keys | Cluster 3 | Trade-off | F |
|---|---|---|---|---|---|---|---|
| **Defining variables** | **Mean** | **Sd** | **Mean** | **Sd** | **Mean** | **Sd** | |
| Explore | 2.00 | 0.00 | 0.20 | 0.42 | 0.92 | 0.28 | 166.52*** |
| Leverage | 4.06 | 1.21 | 1.90 | 0.99 | 3.71 | 0.95 | 14.39*** |
| Partnerfocus | 4.33 | 0.59 | 2.80 | 0.79 | 4.25 | 0.61 | 21.82*** |
| Clientfocus | 4.06 | 1.21 | 1.90 | 0.99 | 3.71 | 0.95 | 14.39*** |
| Peerfocus | 2.00 | 0.00 | 0.20 | 0.42 | 0.92 | 0.28 | 166.52*** |
| **Non-defining variables** | | | | | | | |
| Attitude | 3.39 | 0.92 | 1.50 | 1.27 | 2.92 | 1.14 | 9.81*** |
| Select | 3.39 | 0.92 | 1.50 | 1.27 | 2.92 | 1.14 | 9.81*** |
| Other firms | 1.61 | 0.50 | 0.70 | 0.48 | 1.46 | 0.51 | 11.36*** |
| BuyinT2 | 5.50 | 2.53 | 3.00 | 2.16 | 4.00 | 2.09 | 4.37** |
| SizeT2 | 18.28 | 7.27 | 13.70 | 7.27 | 13.08 | 3.45 | 4.74** |
| OutsideT2 | 4.89 | 4.19 | 3.80 | 3.74 | 2.25 | 2.27 | 3.3** |
| Brole3 | 3.78 | 0.81 | 3.00 | 0.94 | 3.52 | 0.90 | 2.54* |
| Cintegrationcoworkers1 | 4.28 | 0.75 | 3.60 | 1.07 | 4.09 | 0.51 | 2.77* |
| Cintegrationcoworkers2 | 4.33 | 0.69 | 3.80 | 0.63 | 4.09 | 0.51 | 2.57* |
| Orgcommitment | 0.27 | 0.70 | -0.81 | 0.82 | 0.05 | 0.63 | 8.1*** |

* p<0.1 ** p<0.05 *** p<0.01

**Results: Networking configurations**

Comparing the cluster means across all three clusters the differences in terms of networking configuration become apparent. The first cluster group we call “Game-players” exposes a behaviour best characterized as “proactive exploration”: Game-players are consciously seeking to broaden their networks. Even though they do not know what exactly this explorative behaviour will yield they purposefully seek to meet lots of different partners, clients and all sorts of people. Coherent with this high level of exploration is the finding that the average network size of Game-players is significantly bigger at T2 than for the two other cluster groups. Also, as indicated by the number of ties Game-players have significantly higher density networks than the two other groups.

On the other hand the second cluster group of “Low-keys” shows very little exploration beyond their existing contacts. Being satisfied with the current network, they are not actively seeking any new contacts. Last but not least the third cluster

group named “Trade-off makers” is engaged in some exploration. Trade-off makers are happy to meet other people, seek and enjoy new contacts, yet do not explore in a purposeful way, a strategy we could call “passive exploration”.

The exploration behaviour is further reflected in participants’ focus on peer relationships. While Trade-off makers keep good neighbour relationships with their peers peers are not part of the Low-key networking strategy. In contrast to these two groups Game-players are building strong bonding and support relationships with some carefully chosen peers.

**Game-players versus Trade-off makers**

A couple of variables differentiate the Game-players from the Trade-off makers. As indicated by the mean comparisons the Game-players exhibit the highest activity levels for all stakeholders, meaning partners, clients and peers, as well as the highest levels of exploration and leverage of relationships. Compared to both other clusters the Game-players not only have the biggest networks but also a significantly higher number of external contacts than the Trade-off makers at T2. Hence while Game-players seem to be “playing” meaning networking all the time upwards and laterally, inside and outside of the company Trade-off makers are clearly focused on the inside and upward for their networking activities.

**Low-keys**

While Game-players and Trade-off makers both exhibit a planned and positive attitude towards networking, the Low-keys have a much less deliberate attitude towards networking. Their overall networking attitude can be described as need based

meaning that they network only in a focused and punctual way with a specific question or issue in mind. Networking is therefore limited in time and closely linked to specific needs. In line with this finding the actual leveraging of relationships of Low-keys is significantly lower than for the two other groups.

As underlined by the means comparison Low-keys are significantly less focused on partners and clients compared to the two other groups. Even though their team focus is comparable to the other groups it is interesting to notice that their efforts to actively select team members are significantly lower than for the Game-players or the Trade-off makers. In general, Low-keys choose team members from the available HR pool, and, if possible, express their preference for certain individuals of that pool. The two other cluster members pursue a strategy of proactive selection, meaning that they actively fight to get specific people on their assignments. Examples of how to achieve this are the use of partner authority, through carefully developed friendly relationships with the HR staffing personnel or through resource swaps with peers.

**Networking strategy, social identity measures and network characteristics**

Looking at the social identity scores Low-keys feel significantly stronger that they have to work under vague directives than the other two groups and they show consistently lower organizational commitment scores: Low-keys do less “enjoy discussing my organization with people outside it”, they feel a significantly weaker attachment to their organization than the Trade-off makers and the Game-players and they would be significantly less “happy to spend the rest of my career with this organization”.

Compared to the Trade-off makers Low-keys have a more inward and downward focus of their network: Low-keys have a significantly higher number of staff from support functions and team member staff in their networks. Also at T1 a significantly higher number of people from the Low-keys' networks were from the very same office location indicating that the immediate focus of their networking activities was their actual office environment but that they were less in contact with employees from other offices within the same country or other countries. In comparison with the Game-players the Low-keys have significantly fewer people serving them as political buy-in at T2 (3 people compared to 5.5 for the Game-players). Looking at the social integration scores it becomes clear that the Low-keys feel significantly less "comfortable around my co-workers"; "seem to be less accepted" by their co-workers and feel significantly "less attached" to their co-workers than the Game-players.

**Discussion**

The three networking configurations identified through our study contribute to the topic of social capital development in multiple ways: The study provides an empirical grounding of networking based on rather extensive longitudinal data collection. Even though explorative in its character it combines qualitative and quantitative data gathering approaches allowing data triangulation. Our identification of three networking clusters demonstrates that there is not one way of how people network but multiple distinctive patterns. Additionally our configurational approach demonstrates how the three dimensions of social capital - structural, relational, and cognitive (Nahapiet & Ghoshal, 1998) – are intertwined and provide a comprehensive picture when studied in parallel. Size and the number of external contacts as part of

the structural dimension proved to be differentiating variables between our configurations. In terms of relational aspects of social capital the amount of buy-in contacts as well as the hierarchical level of the network alters differed between the three configurations. Last but not least the differences in terms of organizational commitment, role clarity and level of integration reflect the differences among networking configurations on a cognitive level.

While the current literature has mostly featured an inherent trade-off in networking between network closure (Coleman, 1988) and structural holes our findings suggest that Game-players are able to combine high density close networks with the benefits of structural holes by branching out to a great number of external contacts. This raises interesting questions about the ambidexity of both networking strategies. Further research should take a closer look at contingency factors leading to this ambidexity. Based on this research two avenues of explanation seem possible. Game-players have been shown to have the most positive attitude towards networking which indicates that personality traits such as extroversion and openness to new experiences could be antecedents to networking configurations. On the other hand the Game-players dispose of a greater amount of networking experience as they have worked for a significantly higher number of companies than the two other networking profiles. Future research has to look in more detail at the contribution of these two different explanations.

In terms of practical applications the configuration profiles could be effectively used in a management development setting for identifying different training needs among individuals. While Trade-off makers may need more support in

terms of time management to enable them to focus on the needs of the external stakeholders i.e. clients with the same intensity as they network internally Low-keys need more support to branch out and forge future oriented contacts internally across competence areas and office locations as well as externally. Mentoring support as well as the reinforcement of peer support structures are measures to be considered especially for Low-keys. As for the Game-players employers may need to think about sending clear messages about their partner track potential to ensure that key talent is kept in the organization.

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