

---

# MANAGERIAL NETWORKING OF PUBLIC AND PRIVATE SECTOR: A STUDY OF THAI EXECUTIVES

Tun Lin Moe  
School of Management  
Shinawatra University

## Abstract

*This research proposes a perspective of managerial networking based on an integration of resource dependence theory and social exchange theory. In order to test applicability of the proposed framework, the study conceptualizes five critical elements of managerial networking, namely motives, activities, relational development, relational strength, and performance due to networking that explain the managerial networking mechanism. All statistical analyses revealed that motives for managerial networking, networking exchange activities, networking relational development and networking relational strength are positively and significantly associated with performance contributed to individual and organizational levels due to their managerial networking. In addition, it was found that the conceptual framework's explanatory power was similar in two different sub-groups of sample.*

## INTRODUCTION

Today's managers are prone to engage in networking activities with others in many different kinds of networks at both the organizational and individual level. There are many kinds of individual networks such as social networks, friendship networks, informal networks, managerial networks and so on. One way for managers to efficiently perform their jobs is to network with other parties, both inside and outside of their organizations, who control or

influence vital resources which are key to the survival of the organization.

The managerial networking networks, which are viewed as social networks, comprise of three basic elements (Rodan and Galunic, 2002). They are (1) structure (the pattern of ties between actors), (2) content (the characteristics of the nodes and/or nature of the relationship), (3) integration of the structure and content. Some researchers, such as Burt (1992) and Peng and Luo (2000), have conducted studies focusing on the structure of networking, whereas others, for example Ibarra (1995), Carroll and Teo (1996), Brutus and Livers (2000) and Levin and Cross (2002), have addressed their studies to examining the content of networking. A combination of structure and content perspectives was done recently by Rodan and Galunic (2002).

However the studies of managerial networking, so far, have not actually included the essential quality dimensions which explain thoroughly what a managerial networking mechanism is. Moreover, previous studies are not based on a firm theoretical grounding that explains the managerial networking mechanism.

In general, networking is seen as an on-going process which requires the efforts of actors to maintain and develop relationships with others in their networks. Actors in networking relationships must conduct activities with others. Since managerial networking is informal by nature, to what extent those activities are performed by members depends on the extent to which they are willing to engage in networking activities. In addition, networking is an on-going process and there must be an outcome of the process; the performance of the actors.

This study integrates five essential quality elements that constitute the managerial networking mechanism. They are (1) networking motives, (2) networking activities, (3) relational development, (4) relational strength, (5) performance (attributed to both the individual and organizational levels) due to networking. These quality elements can be conceptualized to create a theory of managerial networking which thoroughly explains the managerial networking process.

## **MANAGERIAL NETWORKING AND PERFORMANCE**

Managerial networking involves activities performed by managers in order to develop and maintain interpersonal relationships or informal relationships with others inside and outside of their organizations. Networking facilitates managers to get things done effectively. Their relationship with others requires extensive care because they are on-going process. The relationship must be well developed and maintained. In their relationship, they perform business, social, and information exchange activities. Managerial networking excludes formal relationships between immediate bosses and subordinates.

### **An Integration of Two Prominent Theories**

In this research, a perspective of managerial networking is generated grounded on two prominent networking theories, namely Resource Dependence and Social Exchange. An integration of these two theories is conducted with the purpose of providing a theory of managerial networking which can be generally applied to managers and their networking activities.

The perspectives of the Resource Dependence theory and the Social Exchange theory provide an explanation of why these essential quality dimensions constitute the managerial networking mechanism. These five quality dimensions of managerial networking include (1) motives for networking, (2) networking exchange activities, (3) networking relationship development, (4) networking relational strength, and (5) performance due to networking. The assumptions generated from and based on the perspectives of the aforementioned networking theories are discussed in the following distinct categories (1) context, (2) motives, (3) exchange activities, (4) relational development, (5) relational strength, (6) outcomes of networking.

**Context.** Resource Dependence theorists argue that organizations are dependent on actors in their environment. The reason is that organizations are not self-sufficient and they require resources which are critical and controlled by actors. In order to reduce dependency on others, managers can enter into networking relationships with others in order to enhance resource availability and hence reduce resource dependence (Pfeffer and Salancik, 1978). In addition, Social Exchange theorists argue that individuals can enter into informal or interpersonal networking relationships with others to exchange resources (Blau, 1964).

**Motives.** Resource Dependence theorists view a market environment as a set of organizations that engage in exchange relationships with one another (Thompson, 1967). Organizations engage in resource exchange relationships because no one organization possesses a sufficient amount of every resource needed. Thus the task environment is important for survival (Pfeffer and Salancik, 1978). More alliance relationships are expected when resource flows are particularly problematic and environmental uncertainty is high. (Pfeffer and Salancik, 1978). Therefore, managers who

wish to get things done effectively and efficiently must enter into formal and informal exchange relationships with others who control the resources. On the other hand, Social Exchange theorists explain that managers or individuals can enter into informal networking relations or interpersonal relationships with others in order to exchange resources such as support, help, information, cooperation, advice and harmony. These kinds of exchange resources can be categorized into two; tangible and intangible (Mauss; 1954; Homans, 1958; Blau, 1964). Such interpersonal networking relationships can assure resources flow for effectively performing their managerial tasks (Pfeffer and Salancik, 1978; Reese and Aldrich, 1995; Burke, Bristor and Rothstein, 1995; Ibarra, 1995; Carroll and Teo, 1996; Orpen, 1996; Seidel, Polzer and Stewart, 2000; Molm, 2001).

**Exchange Activities.** A managers' work includes a lot of communication and interaction (Mintzberg, 1973; Stewart, 1976) and can be described as interacting in social or communication networks. Their networks consist of the regular patterns of person to person contact that can be identified as people exchanging in a human social system (Monge and Eisenberg, 1987). Social Exchange theorists argue that social relationships involve the "exchange" of resources such as status, information, goods, services, money, security and love (Knapp, 1984). Thus managers engage in exchange activities that can be categorized into three elements; social, business and information. These exchange activities are related to their individual performance and organizational level performance (Mauss, 1954; Homans, 1958; Blau, 1964; Michael, 1991; George, Wood and Sturm, 1997; Alizadeh, 2000; Yrle, et al., 2001; Molm, 2001).

**Relational Development.** Social Exchange theorists argue that personal relationships are an on-going process and

they need to be maintained and developed continuously. Establishing and maintaining mutually rewarding exchange relationships is considered an important prerequisite for successful cooperation (Morgan and Hunt, 1994). Establishing and maintaining a cooperative relationship requires a holistic understanding of what other persons consider as rewarding and how to maintain a mutually beneficial system of exchange. Knapp (1984) explains that there are five stages of relationship development. They are initiation, experimenting, intensifying, integrating and bonding. Duck (1985) proposed a four stage model; sociological cues, pre-interaction cues, interaction cues and cognitive cues. These kinds of relationship require interaction among individuals over a long period and continuous maintenance and development. In addition, all problems arising from their communication processes should be solved. Mutual support and understanding are necessary elements for sustainable relational development (Mauss, 1954; Homans, 1958; Blau, 1964). Thus managers need to develop and maintain networking relationships which are part of an on-going process (Jarvenpaa and Immonen, 1997; Lambe, Spekman and Hunt, 2000; Molm, 2001; Guenzi and Pelloni, 2002).

**Relational Strength.** Social Network theorists focus on how actors position themselves within their network of relationships and how the content of these relationships affects their opportunities for action. A position in a social network may create a competitive advantage by getting a higher return on investment in social relations. There are two kinds of benefits associated with a position in a network; information and control. Information benefits include access to important information, getting it at the right time and being referred to the right people. To be at its most efficient, a network should not include redundant ties that provide the same information. Ties that are not redundant are those that

have a structural hole between them; nothing connects them to each other (Burt, 1992; Uzzi, 1997). Thus, managers engage in different networking ties with others. Their positions within networking relationships determine to what extent they can manage the flow of resources. In addition, managers realize that interactions with members drive networking relational strength (Granovetter, 1973; Ibarra, 1993; Carroll and Teo, 1996; Renzulli, Aldrich and Moody, 1998; Peng and Luo, 2000; Levin and Cross, 2002; Jensen, 2002; Levine, 2003).

**Outcomes.** Many researchers have documented the link between individual and organizational performance and managerial networking. Resource Dependence theorists argue that effectiveness is necessary for organizations to survive, whereas Social Exchange theorists mention that individuals or managers can exchange resources such as favors, help, information, support, etc. that help them perform their tasks effectively. Therefore, managers enter into networking relations with others to enhance their performance effectiveness (Mauss, 1954; Homans, 1958; and Blau, 1964; George, Wood and Sturm, 1997; Powell, et al., 1999; Brutus and Livers, 2000; Peng and Luo, 2000; Premaratne, 2001; Rodan and Galunic, 2002). The assumptions made for the proposed perspective of managerial networking are summarized in table 1.

**Table 1 Managerial Networking Assumptions Supported by an Integration of Networking Theories**

Elements	Assumptions	Supporting Theories	Theoretical and Empirical References
<b>Context</b>	Organizations are dependent on environments which make resource acquisition problematic Organizations require resources to survive Managers work for those organizations and need to manage resource dependency Managers employ the strategy of inter-firm linkages by entering into formal and informal networking relations in order to minimize their dependency	Resource Dependence Theory	Oliver and Ebers, 1998 Carroll and Teo, 1996 Hales, 1986 Kaplan, 1984 Kotter, 1982 Pfeffer and Salancik, 1978 Tornow and Pinto, 1976
<b>Motives</b>	To acquire tangible and intangible resources Managers assure resources flow for effectively performing their tasks Managers receive support, help, information, cooperation, advice and harmony from others with whom they network	Resource Dependence Theory  Social Exchange Theory	Molm, 2001 Seidel, Polzer and Stewart, 2000 Orpen, 1996 Ibarra, 1995 Carroll and Teo, 1996 Reese and Aldrich, 1995 Zimmer and Aldrich, 1987 Burt, 1983 Pfeffer and Salancik, 1978
<b>Exchange Activities</b>	Managers interact with other members in the network in exchange activities Managers exchange social supports, approvals and gifts with network members Managers exchange information and knowledge with network members Managers exchange favors, help and other resources with network members	Social Exchange Theory	Yrle, et al., 2001 Molm, 2001 Alizadeh, 2000 George, Wood and Sturm, 1997 Michael, 1991 Blau, 1964 Homans, 1958 Mauss, 1954
<b>Relational Development</b>	Managers realize that their networking relationships are an on-going process Managers develop and maintain their networking relationships over the long-term Managers manage to solve problems arising from their communication process Managers are aware of mutual support requirements in the relational development process	Social Exchange Theory	Guenzi and Pelloni, 2002 Molm, 2001 Lambe, Spekman and Hunt, 2000 Jarvenpaa and Immonen, 1997 Wood, 1995 Duck, 1985 Knapp, 1984
<b>Relational Strength</b>	Managers know that to what extent they manage resource flow depends on their positions in the networking relationships Managers realize that interactions with members drive networking relational strength	Social Exchange Theory	Levine, 2003 Levin and Cross, 2002 Jensen, 2002 Peng and Luo, 2000 Carroll and Teo, 1996 Ibarra, 1993 Granovetter, 1973
<b>Outcomes</b>	Effectiveness is necessary for organizations to survive Managers realize that their performance effectiveness correlates strongly to managerial networking Managers also realize that individual performance effectiveness leads to organizational effectiveness	Resource Dependence Theory  Social Exchange Theory	Rodan and Galunic, 2002 Premaratne, 2001 Brutus and Livers, 2000 Peng and Luo, 2000 Powell, et al., 1999 George, Wood and Sturm, 1997

## **A Knowledge Gap**

Referring to Rodan and Galunic (2002), it is found that the managerial networking networks, which are viewed as social networks, comprise of three basic elements. They are:

- (1). Structure (the pattern of ties between actors)
- (2). Content (the characteristics of the nodes and/or nature of the relationship)
- (3). Integration of the structure and content

Some researchers, such as Burt (1992) and Peng and Luo (2000), have conducted studies focusing on the structure of networking, whereas others, for example Ibarra (1995), Carroll and Teo (1996), Brutus and Livers (2000) and Levin and Cross (2002), have addressed their studies to examining the content of networking. A combination of structure and content perspectives was done recently by Rodan and Galunic (2002).

In studies examining the structure of networking, researchers focused on the relationships between ties and the access to resources. For example, Peng and Luo (2000) argued that managerial ties and firm performance are positively associated. Their study mainly focused on two kinds of managerial ties, ties with top executives at other firms and with government officials, which help improve organizational performance.

In studies on the content, researchers emphasized the networking characteristics of actors and the resources available to them. For example, Brutus and Livers (2000) conducted a study on the networking characteristics of African-American managers. They found that high performing African-American managers possess informal networks composed of a higher proportion of other African-

Americans than their low performing counterparts. The reverse trend was found for white managers.

In studies integrating the perspectives of content and structure, researchers examined how the structure and characteristics of networking relationships affect their performance. For example, Rodan and Galunic (2002) conducted a study on “Knowledge Heterogeneity in Managerial Networks and its Effects on Individual Performance”. They found that being embedded in a relatively dense network imposes constraints on a manager’s scope of action which in turn leads to lower individual performance.

However the studies of managerial networking, so far, have not actually included the essential quality activities which explain thoroughly what a managerial networking process is. Moreover, previous studies are not based on a firm theoretical grounding that explains the managerial networking mechanism.

In general, networking is seen as an on-going process which requires the efforts of actors to maintain and develop relationships with others in their networks. Actors in networking relationships must conduct activities with others. Since managerial networking is informal by nature, to what extent those activities are performed by members depends on the extent to which they are willing to engage in networking activities. In addition, networking is an on-going process and there must be an outcome of the process; the performance of the actors.

This study explains activities for managerial networking, and their association with outcomes or performance increase due to the networking. They include:

- (1). Motives for networking
- (2). Networking exchange activities

- (3). Networking relationship development
- (4). Networking strength
- (5). Performance (attributed to both the individual and organizational levels) due to networking

These quality elements can be conceptualized to create a theory of managerial networking which thoroughly explains the managerial networking process.

### **Critical Elements of Managerial Networking**

In this study, there are six research hypotheses proposed to test the relationships between five critical elements included in the conceptual framework.

**Networking Relational Development.** Networking relational development, in this study, refers to carrying out favors, being sincere, listening to others' opinions, developing a continuous networking relationship, seeking mutual benefits, learning the likes and dislikes of others, correcting any misunderstandings, having a good understanding of others and expecting win-win situations.

Managers are involved in more interpersonal networking relationships than non-managers (Carroll and Teo, 1996). Their motives vary depending on the individual interests of managers. Growth-oriented managers will be more outward-looking than those with fewer ambitions for growth and this will manifest itself in the time and resources devoted to networking as well as the diversity of the network relationships (Bulter and Hansen, 1991; Aldrich and Dubini, 1991; Alizadeh, 2000). Many studies document managing resource flow in networking such as resources mobilized through friendship networks (Zimmer and Aldrich, 1987), financial resources, human skills and social resources (Burt, 1983), opportunities for access to career benefits (Ibarra,

1995), legal assistance in business matters, accounting assistance (such as taxes, records, capital flow, etc.), assistance in obtaining business loans and investors and help (Reese and Aldrich, 1995), higher income associated with networking of managers (Carroll and Teo, 1996), and gratis resources (money, information and non-material support) (Premaratne, 2001), managerial career success (Orpen, 1996) and favourable outcome from salary negotiations (Seidel, Polzer and Stewart, 2000). When managers need those resources previously mentioned they enter into informal networking with others. It depends on to what extent the resources are needed, how critical they are for managers to perform their tasks and to what extent the resources are controlled by others (Pfeffer and Salancik, 1978).

Relational development requires persistent effort by managers on an on-going and long-term basis. Managers' networking relationships are on-going processes and need maintenance and development (Reese and Aldrich, 1995). Guenzi and Pelloni (2002) found that interpersonal relationships are the most distinctive aspect of relationship marketing. Jarvenpaa and Immonen (1997) found that rich networks of open, informal communication are one of the success factors for organizations. When managers are highly motivated to enter into networking relationships with others, they tend to maintain and develop relationships with members in their network with the aim of gaining intangible assets (Morgan and Hunt, 1994; Grönroos, 1997; Hunt, 1997).

Therefore, when managers are motivated to receive essential resources for their organizations, they tend to enter into networking relationships with others. Interacting with others is required to maintain and develop relationships over the long-term in an on-going process. Thus motives and the

networking relational development of managers can be hypothesized as follows:

***Hypothesis 1. Networking relational development of managers is positively associated with networking motives.***

**Networking Relational Strength.** Tie strength characterizes the closeness of a relationship between two parties and is often operationalized as a combination of closeness and interaction frequency (Granovetter, 1973; Hansen, 1999; Marsden and Campbell, 1984). Thus, in this study networking relational strength is measured as the frequency of interaction between managers and members in a network.

Networking relational strength is positively associated with access to social capital (Renzulli, Aldrich and Moody, 1998), gaining knowledge which is important for firm performance (Levine, 2003; Peng and Luo, 2000) and being more beneficial in terms of establishment cost and the cost of quitting (Jensen, 2002).

Wood (1995) found that relationships flourish when both parties in a relationship feel that the other is investing his/her time and himself/herself, is willing to make a commitment to the relationship, can be trusted to act in a manner that supports the relationship and is open and willing to disclose information. In general, relationships are found to be important for acquiring information, learning how to do one's work, making sense of ambiguous situations and solving complex problems (Burt, 1992; Lave and Wenger, 1991; Weick, 1979; Hutchins, 1991). Strong ties are important conduits of useful knowledge (Ghoshal, Korine and Szulanski, 1994; Hansen, 1999; Szulanski, 1996; Uzzi, 1996 and 1997; Levin and Cross, 2002).

Therefore, when managers are motivated to gain access to resources, they interact with others in their networking relationships. Interacting with others is an on-going process and one needs to maintain and develop relationships over a long period. Maintaining and developing relationships leads to stronger relationships among members. When relationships are stronger, members gain access to resources needed for their jobs and, in turn, they tend to perform more effectively. Accordingly, the second hypothesis can be stated as follows:

***Hypothesis 2. Networking relational strength of managers is positively associated with networking motives and networking relational development.***

**Social Exchange Activities.** Social exchange activities consist of congratulating someone, giving gifts, going for lunch or dinner, participating in recreational activities, attending parties, meetings and conferences, walking around and telling jokes, and so on. Social interaction is viewed as a rewarding activity in which the receipt of a needed resource is contingent on the supply of a favor in return. Expectations of reciprocity are based on the relational grounding that individuals evaluate the input/output ratio of a certain behavior in relation to a referent other (Hemetsberger, 2003). Walster, et al. (1978) explained that people tend to balance this ratio simply by returning appropriate utilitarian and social rewards for the benefits gained.

Belk and Coon (1993) provide an alternative explanation for gift-giving behavior. In general, the social significance of products arises not solely by being displayed by their owner but rather by being given away as gifts to others (Mauss, Cunnison and Evans-Pritchard, 1970). In the gift-culture, social status is determined not by what you

control, but by what you give away (Raymond, 1999). Gift-giving can be of two types; giving away with expectations of reciprocal return and giving away without expectations of anything in return (Hemetsberger, 2003). A pure gift is not contingent on future reciprocation (Stirrat and Henkel, 1997). Pure gifts are unselfish and symbolize an intrinsically rewarding relationship. A perfect gift is unconstrained and unconstraining; that is, a pure expression from the heart that does not bind the giver and the recipient (Belk and Coon, 1993).

Managers engage in social exchange to achieve certain important goals that are extrinsic to the behavior they engage in. Extrinsic rewards are a motivational source when individuals believe that behavior will lead to certain valued outcomes. Social exchange activities are performed by managers in order to gain access to social capital in their networking relationships. George, Wood and Sturm (1997) found that functional activity performed by managers in their social networking can bring competitive information, and networking to bring in new customers or develop existing relationships has strong performance and competitive advantage implications. Michael (1991) also found that social networking activities are related to an individual's performance increase.

Managers are keen and active in participating in voluntary networking activities. They involve participation in networking activities with family, acquaintances, community, trade associations, chamber of commerce, other organizations, brokers, clubs and government support networks. Voluntary networking becomes the norm supposedly linked to the manager's motivation and personal aspirations (Alizadeh, 2000). When managers are highly motivated to gain access to resources they are likely to engage in more interaction activities with others in their

networks. Such frequent interaction increases relational development which drives their networking relational strength. When motives, relational development and relational strength are high, managers tend to perform more social exchange activities with others resulting in performance effectiveness. Thus, the third hypothesis can be stated as follows:

***Hypothesis 3. Social exchange activities of managers are positively associated with networking relational strength, networking relational development and motives for networking.***

**Information Exchange Activities.** Information exchange activities in this study consist of promptly informing others, passing on information, informing changes made, keeping in touch, offering advice and learning the likes and dislikes of others. Pelz and Andrews (1966), Mintzberg (1973) and Allen (1977) indicate that people prefer to turn to others rather than documents for information. Jarvenpaa and Immonen (1997) state that managers' work includes a lot of communication and interaction. Managers' work can be described as interacting within social or communication networks. A communication network means the regular patterns of person to person contacts that can be identified as people exchanging information in a human social system (Monge and Eisenberg, 1987). Jarvenpaa and Immonen (1997) found that managers have central roles in communication networks. Effective communication helps managers to establish social networks and interpersonal ties that support organizational performance.

Members of a networking relationship disclose information when they feel that the other person(s) is/are willing to make a commitment and investment of time and

effort (Wood, 1995). Levin and Cross (2002) argue that, in general, relationships are found to be important for acquiring information (Burt, 1992). Many studies have paid attention to the structural properties of networks (Alder and Kwon, 2002), such as structural holes at the network level (Burt, 1992) and ties strength at the dyadic level, the networking relationships between individuals (Granovetter, 1973). In general, they advocate that strong ties are important conduits of useful knowledge.

Thus motives, networking relational developments and networking relational strength tend to drive information exchange activities, leading managers towards effective performance of their jobs. Thus the fourth hypothesis for information exchange activities can be stated as follows:

***Hypothesis 4. Information exchange activities of managers are positively associated with networking relational strength, networking relational development and motives for networking.***

**Business Exchange Activities.** Business exchange activities include meeting managers, doing favors, meeting clients, offering help and consulting people. Relationships are built over the long-term between partners, especially on the content and processes of exchange that maintain mutually beneficial relationships (Hemetsberger, 2003).

Blau (1964) says that most people like helping others and doing favors. Favors make people feel grateful and their expressions of gratitude are social rewards that tend to make doing favors more enjoyable. People tend to reciprocate when they are grateful and feel obligated. Cialdini, Reno and Kallgren (1990 and 1991) argue that one way groups and society regulate reciprocation through the establishment of social norms, namely descriptive and injunctive. The former specifies what most people do in a particular situation

whereas the latter indicates what ought to or should be done. Olsen (1978) mentions that violating injunctive norms makes people feel guilty or create a feeling of indebtedness, thus they feel obligated to behave according to the group's rules of exchange.

Managers need to meet their customers, clients and other managers to better satisfy their needs (Yukl, 1989; Mintzberg, 1973; Luthans, Hodgetts and Rosenkrantz, 1988). Palmer (1994) argues that the focus on on-going customer relationships is the most distinctive aspect of relationship marketing. Managers can achieve a competitive advantage through acquisition of intangible assets such as customer trust, commitment and loyalty (Morgan and Hunt, 1994; Grönroos, 1997; Hunt, 1997).

Guenzi and Pelloni (2002) found that the existence of a relationship based on friendship contributes to a firm's success by fostering customer satisfaction but, on the other hand, also increases a customer's willingness to follow a specific service employee in the case where he/she leaves the company. This suggests that the development of a close customer-to-employee relationship could reduce the risk of losing a customer due to the existence of inter-customer friendship relations.

Thus, managers who are highly motivated to engage in networking with others tend to maintain and develop their networking relationships with others. This drives them to interact more frequently to strengthen their networking relationships. Such networking motives, relational development and relational strength tend to lead them to engage in more business exchange activities resulting in a more effective performance. The fifth hypothesis is proposed as follows:

***Hypothesis 5. Business exchange activities of managers are positively associated with networking relational strength, networking relational development and motives for networking.***

**Performance due to Networking.** This study intends to integrate two important levels of performance; individual and organizational level performance. All managers express their perceived individual performance due to networking with others in their informal or managerial networks. It can be viewed as a micro-micro link (the link between an individual's networking relationships and an individual's performance) or a micro-macro link (the link between individuals networking and organizational performance). In other words, this study focuses on the informal networking relationships between managers and individuals and organizational level performance.

In this respect, studies on the relationship between networking and individual performance (e.g., George, Wood and Sturm, 1997; Peng and Luo, 2000; Premaratne, 2001) and studies on the relationship between networking and organizational level performance (e.g., Brutus and Livers, 2000; Rodan and Galunic, 2002) show that there are positive associations between networking and individual and organizational level performance.

Thus, the relationship between performance due to networking both at the individual level as well as the organizational level and its elements in the networking mechanism can be hypothesized as follows:

***Hypothesis 6. Performance due to networking of managers is positively associated with social exchange activities, information exchange activities, business***

*exchange activities, motives for networking, networking relational development and networking relational strength.*

## **RESEARCH METHODS**

**Data Collection.** The target population for this study consisted of Thai managers working in both the private and public sectors. The unit of analysis is an individual manager. Samples were selected using a restricted sampling method. Students who are executives from both the public and private sectors and are studying in the graduate degree programs at two faculties in NIDA, the Faculty of Business Administration and the Faculty of Public Administration, were chosen as samples for this study. 1,290 questionnaires were distributed. The return rate of the questionnaires was 43 %. The total number of questionnaires gathered back from the respondents was 500 with an additional 27 considered unusable.

**Measurement.** A research questionnaire that consists of measuring items for networking activities and performance due to networking activities (See Appendix) was developed.

**The General Characteristics of the Sample.** The general characteristics of the sample in this study are presented in Table 2. These include sector, gender, age, years in work, years in a current organization, position, functional responsibility, highest educational level attained, number of subordinates directly reporting and organizational size.

The sample included executives who are working for public and private sector organizations. The sample was comprised of 50% each from the two sectors.

The sample was made up of 52.8% male and 47.2% female managers. It shows that the sample included almost equal proportions of males and females.

The age of the managers was classified into three groups; below 33 years, between 33 and 43 years and above 44 years. It was found that 36.6%, 39.8% and 23.6% of executives were from below 33 years, between 33 and 43 years and above 44 years respectively. In conclusion, 63% of the managers were above 32 years of age.

Years in work and years in a current organization were classified into three groups, namely "below 11 years", "between 11 and 20 years" and "above 20 years". 50.2% of managers had less than 11 years, 29.0% were between 11 and 20 years and 20.8% more than 20 years of work experience. In conclusion, managers with less than 11 years of work experience accounted for a little over 50% of the sample.

40.2% of the sample of managers had been at their current organizations for 11 years or less, 36.6% between 11 and 20 years and 23.2% above 20 years.

The positions of managers were grouped into three levels, namely top, middle and low level. For managers in the private sector, they were classified as top, middle and low level, whereas managers in the public sector were classified by their positional rank from level 7 to 10. Other positions were classified according to their job descriptions. The positions were then classified according to the number of subordinates directly reporting to a manager and the size of his/her organization. The sample consisted of 12.8% top level, 61.2% middle level and 26.0% low level management positions.

Functional responsibilities were classified into eight areas:

- (1) Data Processing/ Computer
- (2) Engineering
- (3) Finance/ Accounting
- (4) Marketing/ Sales
- (5) Personnel/ HR
- (6) Production/ Maintenance
- (7) Research and Development
- (8) Others

The sample consisted of 9.6% of managers from Data Processing/ Computer , 10.0 % from Engineering , 14.6% from Finance/ Accounting , 18.2% from Marketing/ Sales , 12.4% from Personnel/ HR , 5.2% from Production/ Maintenance, 5.2% from Research and Development and 24.8% from other types of jobs.

The highest educational level attained by persons in the sample was categorized as a Bachelor degree, a Masters degree and others. It was found that 78.2% have a Bachelor degree as their highest educational achievement and 18.8% have a Masters degree. Very few managers from both sectors hold other educational certificates. It was noticed that some students who are studying in the graduate degree programs may already have another degree; however the proportion of the sample holding a Masters degree is low.

The number of subordinates directly reporting to a manager were classified into five groups; 1 to 3 persons, 4-6 persons, 7-9 persons, 10-12 persons and more than 12 persons. 38.8%, 21.8%, 12.2%, 6.2% and 21.0% of the managers respectively fell into these groups. In conclusion, nearly 40% had between 1 and 3 subordinates who directly report to them.

Organizational size was measured by the total number of full-time and part-time employees in an

organization. The majority of managers were employed at an organization with a size of between 1001 and 5000 employees.

The managers included in this sample were asked to report on persons with whom they most frequently network. One respondent was asked to recall his/her five most frequently contact persons. The total number of network members was 2,109. All respondent had at least 4 contact persons on average. The majority mentioned that the frequency of contact by email, telephone or face-to-face meetings was below 10 times per month. In most cases, the manager and his/her network contact person were relatively close to one another.

To summarize the characteristics of the sample, it was found that both private and public sector sub-samples included a similar proportion of males and females. The majority of private sector executives were from the age group of below 33 years whereas most public sector executives were from the age group of between 33 and 43 years. Most of the public sector executives had served in their current organizations for between 11 and 20 years, while private sector executives had less than 10 years of tenure. A similar proportion of executives was found when examining their years of service at their current organizations. Most public and private sector executives were engaged in data processing/computer, finance/accounting, marketing/sales, personnel/HR, and other functional responsibilities (see Table 2).

**Table 2 Characteristics of the Sample (N=500)**

	1 (PDN)	2 (SEA)	3 (IEA)	4 (BEA)	5 (MNW)	6 (NRD)	7 (NRS)
1. Performance due to networking (PDN)	1.000						
2. Social exchange activities (SEA)	.694**	1.000					
3. Information exchange activities (IEA)	.464**	.464**	1.000				
4. Business exchange activities (BEA)	.665**	.555**	.511**	1.000			
5. Motives for networking (MNW)	.700**	.484**	.433**	.462**	1.000		
6. Networking relationship development (NRD)	.714**	.460**	.486**	.469**	.624**	1.000	
7. Networking relational strength (NRS)	.258**	.202**	.259**	.158**	.116*	.095*	1.000
N	500	500	500	500	500	500	500
Min	3.15	1.74	1.00	1.58	3.75	3.00	1.00
Max	9.00	8.95	8.75	9.00	9.00	9.00	3.55
S.D.	1.1249	1.2475	1.2824	1.3375	0.7957	0.9148	0.3585
Mean	6.8501	5.6963	6.0307	5.8646	6.9942	6.8576	2.3816

Note: \* $p < .05$ ; and \*\* $p < .01$

**Table 3. Characteristics of Networking Patterns (N=2109)**

Characteristics of contacts between networking persons		Total (N=2109)
Face-to-face contact		
	Below 11 times/month	83.2%
	Between 11 and 20 times/month	9.5%
	Between 21 and 30 times/month	4.8%
	Above 31 times/month	2.5%
Telephone talks		
	Below 11 times/month	59.2%
	Between 11 and 20 times/month	18.8%
	Between 21 and 30 times/month	12.1%
	Above 31 times/month	9.9%
Emails		
	Below 11 times/month	64.1%
	Between 11 and 20 times/month	20.0%
	Between 21 and 30 times/month	8.6%
	Above 31 times/month	7.3%
Intimacy		
	Very close	18.4%
	Close	39.2%
	Less than close	36.9%
	Distant	5.5%

**Measurement.** A research questionnaire was developed to measure five critical elements of managerial networking. The questionnaire can be requested from the author (See appendix).

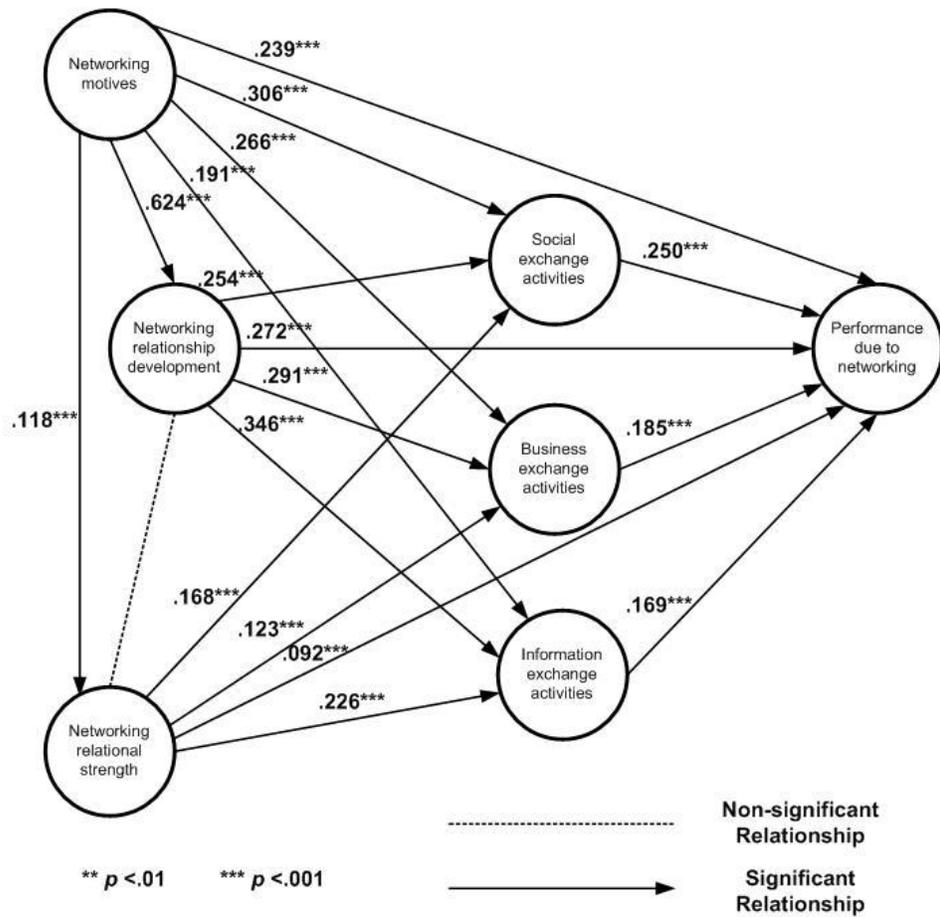
**Reliability.** In conclusion, the six research criteria were tested using a Reliability Coefficient analysis and computed for their alpha and standardized item alpha values. The correlation coefficients can range from 0.00 to 1.00, the latter number reflecting a perfect correlation, the highest level of reliability possible. Generally, a coefficient of 0.80 or above suggests that the research instrument is reasonably reliable (Marlow, 1998: 185). It was found that all measurements produced sufficiently reliable alpha and standardized item alpha values. Thus the results confirm that the measurements are sufficiently reliable to be applied to this research study (Table 4).

**Table 4 A Summary Table of Reliability Coefficients of Scaled Items**

Criterion	No. of items	Reliability coefficients (Alpha)	Standardized Reliability Coefficients
Networking motives	8	.8792	.8821
Social Exchange Activities	17	.9188	.9192
Business Exchange Activities	9	.9049	.9045
Information Exchange Activities	10	.9311	.9312
Networking Relationship Development	11	.9243	.9273
Performance Due to Networking	4	.8671	.8667

**Analysis.** The Ordinary Least Squares (OLS) quantitative analysis method was employed to find relationships among variables and to test the proposed hypotheses. A path analysis was used to find the direct and indirect relationships among variables included in the study model. The model with significant path coefficients is

depicted in figure 1.



**Figure 1 A Path Model of Factors Determining Performance Due to Networking**

**Table 5 Correlation Matrix of Mean, Standard Deviation and Minimum and Maximum Values of Variables**

	1 (PDN)	2 (SEA)	3 (IEA)	4 (BEA)	5 (MNW)	6 (NRD)	7 (NRS)
1. Performance due to networking (PDN)	1.000						
2. Social exchange activities (SEA)	.694**	1.000					
3. Information exchange activities (IEA)	.464**	.464**	1.000				
4. Business exchange activities (BEA)	.665**	.555**	.511**	1.000			
5. Motives for networking (MNW)	.700**	.484**	.433**	.462**	1.000		
6. Networking relationship development (NRD)	.714**	.460**	.486**	.469**	.624**	1.000	
7. Networking relational strength (NRS)	.258**	.202**	.259**	.158**	.116*	.095*	1.000
N	500	500	500	500	500	500	500
Min	3.15	1.74	1.00	1.58	3.75	3.00	1.00
Max	9.00	8.95	8.75	9.00	9.00	9.00	3.55
S.D.	1.1249	1.2475	1.2824	1.3375	0.7957	0.9148	0.3585
Mean	6.8501	5.6963	6.0307	5.8646	6.9942	6.8576	2.3816

Note:  $p < .05$ ; and \*\*  $p < .01$

### Causal Relationships among Variables

From the OLS regression results, causal relations among individual variables have been computed using a path analysis. Their causal relationships are classified as direct and indirect relationships (Table 4).

It was found that social exchange, information exchange and business exchange activities did not have an indirect effect on performance due to networking. However the other three variables, networking motives, networking relational development and networking relational strength have both a direct and an indirect effect on performance due to networking. It was also found that social exchange activities have the highest direct effect of all the exchange activities on performance due to networking. This is

evidenced by the observation that managerial networking is embedded in a social context. This finding is also consistent with others (e.g. Rodan and Galunic, 2002).

Among the other three variables, networking motives have the highest level of direct effect on performance due to networking as well as the highest indirect effect. This can be interpreted in the following way. Managerial networking can be viewed as based on interpersonal relationships. Therefore, it depends on an individual's motives to engage in networking relationships with others. Thus managerial networking is more voluntary by nature and directly concerned with an individual's willingness to participate. For those who are highly motivated, they are more likely to engage with others in managerial networking leading to a higher rate of networking activity. As a result, they are more likely to perceive a higher level of performance in themselves due to their networking activities.

**Table 6 OLS Regression Equations and Results**


---

NRD = 0.624 NWM (17.843)
R= 0.624, R <sup>2</sup> = 0.390, SSE= 0.7152, F= 318.360, Sig F= 0.000
NRS = 0.118 NWM (2.651)
R= 0.118, R <sup>2</sup> = 0.014, SSE= 1.5241, F= 7.027, Sig F= .008
SEA = 0.168 NRS+ 0.254 NRD+ 0.306 NWM (4.448) (5.295) (6.352)
R= 0.551, R <sup>2</sup> = 0.303, SSE= 1.0445, F= 71.954, Sig F= .001
IEA = 0.226 NRS + 0.346 NRD + 0.191 NWM (6.029) (7.259) (3.996)
R= 0.560, R <sup>2</sup> = 0.314, SSE= 1.0655, F=75.622, Sig F= .000
BEA = 0.123 NRS + 0.291 NRD + 0.266 NWM (3.204) (5.981) (5.442)
R= 0.531, R <sup>2</sup> = 0.282, SSE= 1.1369, F=64.882, Sig F= .000
PND = 0.250 SEA + 0.169 IEA + 0.185 BEA + 0.239 NWM + 0.272 NRD + 0.092 NRS (9.381) (6.454) (6.891) (8.608) (9.686) (4.280)
R= 0.891, R <sup>2</sup> = 0.793, SSE= 0.5146, F=315.307, Sig F= .000

Whereas:

PND = Performance due to networking

SEA = Social exchange activities

IEA = Information exchange activities

BEA = Business exchange activities

NRS = Networking relational strength

NRD = Networking relational development

NWM = Networking motives of managers

**Table 7 Direct and Indirect Causal Relationships among Dependent and Independent Variables**


---

	Direct	Indirect	Total
Networking Motives	.239	.460	.699
Networking Relationship Development	.272	.176	.448
Networking Relational Strength	.092	.103	.195
Social Exchange Activities	.250	.000	.250
Information Exchange Activities	.169	.000	.169
Business Exchange Activities	.185	.000	.185

---

A comparative study of the direct and indirect effects amongst the variables analyzed in the full sample, the private sector executives sample and the public sector executives sample is shown in Table 8. It was found that the overall effects on performance due to networking in the three

different groups are similar. Among the network exchange activities factors, it was observed that social exchange activities are the most influential on performance due to networking. Among the six factors influencing performance due to networking, networking motives are the most important for both public and private sector executives.

**Table 8 A Comparison of Direct and Indirect Causal Relationships among Dependent and Independent Variables (Full, Private and Public Sector Samples)**

	Group (Total Effects)		
	Private (N=250)	Public (N=250)	Full (N=500)
Networking Motives	.632	.710	.699
Networking Relationship Development	.472	.401	.448
Networking Relational Strength	.261	.112	.195
Social Exchange Activities	.222	.276	.250
Information Exchange Activities	.188	.159	.169
Business Exchange Activities	.190	.117	.185

## DISCUSSION

There are six factors affecting performance of executives due to their managerial networking. The factors are networking motives, networking relational development, networking relational strength, social exchange activities, information exchange activities and business exchange activities. As anticipated from the proposed six hypotheses, it was found that these six factors are significantly and positively associated with performance due to networking in the full sample as well as in the two sub-groups; public and private sector executives.

Among the six factors, there were three which are more influential on performance due to networking. These are networking motives, networking relational development and social exchange activities, in that order.

Interestingly it was found that among the network exchange activities social exchange is the most influential. This can be explained by the fact that managerial networking is not a formal requirement for managers to carry out their jobs and networking is informal by nature. Therefore, the extent that managers enter into informal or managerial networking relationships with others inside and outside of their organizations depends on what extent they are willing to engage in networking activities. In addition, when executives are highly motivated, they try to initiate, interact, maintain and develop networking relations with others. With well developed networking relationships, executives build stronger networking ties with members of their networks and engage in exchange activities; social, information and business exchange. Such exchange activities result in a better perceived performance in carrying out their jobs.

Firstly, it is noticeable that networking motives were the most influential on performance due to networking which is partially supported by the findings of others in previous studies. Networking is relative to the motivation of managers to participate in networking activities. Growth-oriented managers will be more outward looking than those with fewer ambitions for growth. This will manifest itself in the amount of time and resources devoted to networking, as well as in the diversity of network relations (Aldrich and Dubini, 1991; Alizadeh, 2000). The findings of Alizadeh (2000) revealed that managers are actively involved in networking activities over-and-above the minimal involuntary levels of business-related interaction. Involuntary networking relations are composed of employees, customers and suppliers whereas voluntary networking relations include networking with family, acquaintances, community, trade associations, chamber of commerce, other organizations, brokers, clubs and government support networks. Voluntary

networking is related to managers' motivation and personal aspirations.

Secondly, networking relational development was found to be the second most influential factor affecting the performance of managers due to networking. Networking is seen as an on-going process which requires actors to maintain and develop their networking relationships. Firstly, this finding is partially supported by the observations of Reese and Aldrich (1995). Their study includes the networking efforts of managers in terms of the time spent developing and maintaining business contacts. However they found no relationship between networking efforts made and their financial outcomes. They question whether the global measurement nature of performance in their study is relevant. Secondly, establishing and maintaining mutual exchange relationships is considered an important prerequisite for successful cooperation. Establishing and maintaining a cooperative relationship with consumers, therefore, requires a holistic understanding of what consumers consider as rewarding and how to maintain a mutually beneficial system of exchange (Hemetsberger, 2003). In addition, George, Wood and Sturm (1997) found that social networking plays an important role in the entrepreneurial process of setting up a business and the quality and content of these networks differ according to a firm's competitive strategy. Among the three activities, namely customer activity, representative activity and functional activity, they found that networking to bring in new customers or develop existing relationships has strong performance and competitive advantage implications. Finally, Guenzi and Pelloni (2002) also found that to establish, maintain and enhance relationships with customers and other partners in a networking relationship can be achieved by a mutual exchange and fulfillment of promises. The existence of a friendly relationship contributes to a firm's success by fostering customer satisfaction. This

relationship contributes both positively and negatively to a customer-to-firm relationship.

Thirdly, social exchange activities were found to be the most influential among the three kinds of networking exchange activities. Rodan and Galunic (2002) argue that a manager's social network is as critical a part of his/her toolkit, enhancing (or sometimes constraining) his/her ability to create novel resource combinations, as are financial resources and basic individual skills (financial and human capital respectively). They found that while social interaction may not be the only source of knowledge used in conceptual integration to create new value, they believe that these data show that social interaction must be considered in theories of value creation. The findings of Carroll and Teo (1996) reveal that managers belong to more clubs and societies than non-managers. Their findings about managers confirm that managerial work is essentially interactive and this fact is underscored by fundamental differences in the social network of managers; differences that transcend the workplace. It is of interest that network differences were associated with income differences for non-managers.

Fourthly, networking relational strength is positively associated with performance of executives due to networking. Levin and Cross (2002) found that strong ties are associated with the receipt of useful knowledge. However they show that a theoretical mechanism, namely, benevolence- and competence-based trust enables strong ties to yield receipt of useful knowledge. Levine (2003) also found that networking ties are associated with organizational outcomes. The findings reveal that performative ties, weaker than weak ties but stronger than complete unacquaintanceship, require an *in vivo* tie extension enabled by an existing infrastructure of collective social capital. Such ties have several advantages for knowledge dissemination.

Fifthly, information exchange activities are positively associated with performance due to networking. This finding is also supported by previous studies. It is partially supported by Levin and Cross (2002) who found that even people with ready access to well-populated electronic and paper-based sources of information reported seeking information from colleagues significantly more than from impersonal sources. Burt (1992) also found that relationships are important for acquiring information. In addition, managers communicate and interact inside organizations and contact customers, suppliers, authorities and other parties important for the operations of their organizations. Managers have an important role in disseminating information within and outside their organizations. Managers' tasks include monitoring, receiving and disseminating information inside and outside the organization (Mintzberg, 1973; Stewart, 1976; Jarvenpaa and Immonen, 1997). Monge and Eisenberg (1987) describe managers' work as interacting in social or communication networks, which means that the regular patterns of person to person contacts can be identified as people exchanging information in a human social system.

Sixthly, business exchange activities positively and significantly affect performance due to networking. This finding is supported by the work of Jarvenpaa and Immonen (1997). In their studies they found that managers are in a network for giving and receiving help and advice to and from their subordinates. Orpen (1996) found that should effective job performance require things that persons beyond their immediate superiors or subordinates can provide, it is likely that managerial careers will benefit from engaging in networking behavior.

Finally, it was found that there were no significant differences in the relationships among the test variables when

considering the demographic variables for the full sample and the sub-samples of public and private sector executives.

In conclusion, the findings of this study are supported by previous studies. As anticipated, the critical elements included in the conceptualized model of study have significant interrelationships. Motives for networking, networking relationship development and networking relational strength have both a direct and an indirect relationship with performance due to networking, whereas social exchange activities, information exchange activities and business exchange activities only have a direct effect. Moreover, the causal relationships among the variables in the two sub-samples are similar, both between themselves and compared to the total sample. The findings confirm the validity of the conceptual model for the complete sample as well as for the two different business sectors.

#### REFERENCES

- Alder, P. S. and Kwon, S. 2002. Social Capital: Prospects for a New Concept. **Academy of Management Review**. 27 (1): 17-40.
- Aldrich, H. and Dubini, P. 1991. Personal and Extended Networks are Central to the Entrepreneurial Process. **Journal of Business Venturing**. 6 (5): 305-313.
- Alizadeh, Y. 2000. Unravelling Small Business Owner/Managers' Networking Activities. Paper Presented in International Council for Small Business, Brisbane, Queensland, Australia, June 2000. 1-17. (Mimeographed).
- Allen, R. 1977. **Managing the Flow of Technology**. Cambridge, M.A.: MIT Press.
- Belk, R. W. and Coon, G. S. 1993. Gift-Giving as Agapic Love: an Alternative to the Exchange Paradigm

- 
- Based on Dating Experiences. **Journal of Consumer Behavior**. 20 (December): 393-417.
- Blau, P. 1964. **Exchange and Power in Social Life**. New York: Willey.
- Brutus, S. and Livers, A. 2000. Networking Characteristics of African-American Managers: Empirical Validation and Training Applications. **International Journal of Trading and Development**. 4 (4): 287-294.
- Bulter, J. E. and Hansen, G. S. 1991. Network Evolution, Entrepreneurial Success, and Regional Development. **Entrepreneurship and Regional Development**. 3 (1): 1-16.
- Burke, R., Bristor, J. M. and Rothstein, M. G. 1995. The Role of Interpersonal Network in Women's and Men's Career Development. **International Journal of Career Management**. 7 (3): 25-32.
- Burt, R. S. 1983. **Applied Network Analysis: a Methodological Introduction**. Beverly Hills, California: Sage Publications, Inc.
- \_\_\_\_\_. 1992. **Structural Holes: the Social Structure of Competition**. Cambridge, M.A.: Harvard University Press.
- Carroll, G. R. and Teo, A. C. 1996. On the Social Network of Managers. **Academy of Management Journal**. 39 (3): 421-440.
- Cialdini, R. B., Reno, R. R. and Kallgren, C. A. 1990. A Focus Theory of Normative Conduct: Recycling the Concept of Norms to Reduce Littering in Public Places. **Journal of Personality and Social Psychology**. 58 (5): 1015-1026.
- \_\_\_\_\_. 1991. A Focus Theory of Normative Conduct: a Theoretical Refinement and Reevaluation of the Role of Norms in Human Behavior. Leonard Berkowitz (ed). **Advances in Experimental**

- Social Psychology.** 24 (2): 201-214.
- Duck, S. 1985. Social and Personal Relationships. **Handbook of Interpersonal Communication.** M.L. Knapp and G. R. Miller (eds.). Beverly Hills, C.A.: Sage. 665-686.
- George, G., Wood, D. and Sturm, P. 1997. Dimensionality and Performance Effects of Social Networking in Small Businesses. Paper Presented at USASBE Annual National Conference Entrepreneurship: the Engine of Global Economic Development, San Francisco, California, 21-24 June 1997. 1-13. (Mimeographed).
- Ghoshal, S., Korine, H. and Szulanski, G. 1994. Interunit Communication in Multinational Corporations. **Management Science.** 40 (1): 96-110.
- Granovetter, M. 1973. The Strength of Weak Ties. **American Journal of Sociology.** 78 (1): 1360-1380.
- \_\_\_\_\_. 1985. Economic Action and Social Structure: the Problem of Embeddedness. **American Journal of Sociology.** 91 (3): 481-510.
- Grönroos, C. 1997. Value-Driven Relational Marketing: from Product to Resources to Competencies. **Journal of Marketing Management.** 13 (2): 407-419.
- Guenzi, P. and Pelloni, O. 2002. Interpersonal Relationships and Customer Loyalty: a Comprehensive Model and Empirical Investigation. Working Paper. Università Commerciale Luigi Bocconi, Milano, Italy. 1-17. (Mimeographed).
- Hales, C. P. 1986. What Do Managers Do? A Critical Review of the Evidence. **Journal of Management Studies.** 23 (1): 88-115.

- 
- Hansen, M. T. 1999. The Search-Transfer Problem: the Role of Weak Ties in Sharing Knowledge Across Organization Subunits. **Administrative Science Quarterly**. 44 (1): 82-111.
- Hemetsberger, A. 2003. Fostering Cooperation on the Internet: Social Exchange Processes in Innovative Virtual Consumer Communities. Working Paper. Innsbruck University, Austria. 1- 33. (Mimeographed).
- Homans, C. G. 1958. **Social Behavior**. New York: Harcourt, Brace and World.
- Hunt, S. 1997. Competing through Relationships: Grounding Relationship Marketing in Resource-Advantage Theory. **Journal of Marketing Management**. 13 (1): 431-445.
- Hutchins, E. 1991. Organizing Work by Adaptation. **Organization Science**. 2 (1): 14-29.
- Ibarra, H . 1993. Personal Networks of Women and Minorities in Management: A Conceptual Framework. **Academy of Management Review**. 18 (1): 56-87.
- \_\_\_\_\_. 1995. Race, Opportunity, and Diversity of Social Circles in Managerial Networks. **Academy of Management Journal**. 38 (3): 673-703.
- Jarvenpaa, E. and Immonen, S. 1997. Managerial Communication in Service Organizations. **Dexieme Congres International Franco-Quebécois de Genie Industriel-ALBI**. 1 (1): 1-7.
- Jensen, O. 2002. Benefits and Drawbacks of Dyadic Inter-Firm Exchange Dominated by Individual Social Relationships Versus Collective, Norm-Based Relationships. Proceedings of the Inaugural Conference of IMP Group in Asia. December 11-13, 2002, Perth, Western Australia. 1-11. (Mimeographed).

- Kaplan, R. E. 1984. Trade Routes: the Manager's Network of Relationships. **Organizational Dynamics**. 12 (1): 37-52.
- Knapp, M. 1984. **Interpersonal Communication and Human Relationships**. Boston: Allyn and Bacon.
- Kotter, J. 1982. **The General Manager**. New York: Free Press.
- Lambe, C. J., Spekman, R. E. and Hunt, S. 2000. Intermistic Relational Exchange: Conceptualization and Proposition Development. **Journal of the Academy of Marketing Science**. 28 (2): 212-225.
- Lave, J. and Wenger, E. 1991. **Situated Learning: Legitimate Peripheral Participation**. Cambridge, U.K.: Cambridge University Press.
- Levin, D. and Cross, R. 2002. The Strength of Weak Ties You can Trust: the Mediating Role of Trust in Effective Knowledge Transfer. Best Papers Proceedings of the Academy of Management. 1-34. (Mimeographed).
- Levine, S. 2003. Knowledge, Performative Ties, and the Theory of the Firm. Working Paper, The Wharton School. 1-27. (Mimeographed).
- Luthans, F., Hodgetts, R. M. and Rosenkrantz, S. A. 1988. **Real Managers**. Cambridge, M.A.: Ballinger Publishing Company.
- Marsden, P. and Campbell, K. 1984: Measuring Tie Strength. **Social Forces**. 63 (3): 482-501.
- Matinko, M. J. and Gardner, W. L. 1990. Structured Observation of Managerial Work: a Replication and Synthesis. **Journal of Management Studies**. 27, 3 (May): 329-357.
- Mauss, M. 1954. **The Gift**. Glencoe: Free Press.
- Mauss, M., Cunnison, I. and Evans-Pritchard, E. E. 1970.

- 
- The Gift: Forms and Functions of Exchange in Archaic Societies.** London: Routledge and Kegan Paul.
- Michael, J. 1991. Managerial Networking Activities and Behaviors: A Study of Determinants and Organizational Effects. Doctoral Dissertation, State University of New York at Albany.
- Mintzberg, H. 1973. **The Nature of Managerial Work.** New York: Harper Row.
- Molm, L. D. 2001. Theories of Social Exchange and Exchange Networks. **Handbook of Social Theory.** G. Ritzer and B. Smart (eds.). London: Sage. 260-272.
- Monge, P. R. and Eisenberg, E. M. 1987. Emergent Communication Networks. **Handbook of Organizational Communication: an Interdisciplinary Perspective.** F. M. Jablin, et al. (eds.). Newbury Park: Sage. 304-342.
- Morgan, R. and Hunt, S. D. 1994. The Commitment-Trust Theory of Relationship Marketing. **Journal of Marketing.** 58 (July): 20-38.
- Oliver, A. and Ebers, M. 1998. Networking Network Studies: an Analysis of Conceptual Configuration in the Study of Inter-Organizational Relationship. **Organization Studies.** 19 (4): 549-583.
- Olsen, M. E. 1978. **The Process of Social Organization-Power in Social Systems.** US: Holt, Rinehart and Winston.
- Orpen, C. 1996. Dependency as a Moderator of the Effects of Networking Behavior on Managerial Career Success. **The Journal of Psychology.** 130 (3): 245-248.
- Palmer, A. 1994. Relationship Marketing: back to the Basics? **Journal of Marketing.** 10 (3): 571-

- 579.
- Pelz, D. C. and Andrews, F. M. 1966. Scientists in Organizations: Productive Climates for Research and Development. **Academy of Management Journal**. 28 (2): 309-326.
- Peng, M. and Luo, Y. 2000. Managerial Ties and Firm Performance in a Transition Economy: the Nature of a Micro-Macro Link. Best Papers Proceedings of the Academy of Management Journal. 1-26. (Mimeographed).
- Pfeffer, J. 1982. **Organization and Organization Theory**. Boston: Pitman. 192-204.
- Pfeffer, J. and Salancik, G. R. 1978. **The External Control of Organizations**. New York: Harper and Row.
- Powell, W. W., et al. 1999. Network Position and Firm Performance: Organizational Returns to Collaboration in the Biotechnology Industry. University of Arizona. 1-52. (Mimeographed).
- Premaratne, S. P. 2001. Networks, Resources, and Small Business Growth: the Experience in Sri Lanka. **Journal of Small Business Management**. 39, 4 (October): 363-371.
- Raymond, E. S. 1999. **The Cathedral and the Bazaar: Musings on Linux and Open Source by an Accidental Revolutionary**. Sebastopol, C. A.: O'Reilly and Associates.
- Reese, P. R. and Aldrich, H. E. 1995. **International Entrepreneurship**. Sue Birley and Ian C. MacMillan (eds.). London: Routledge. 124-144.
- Renzulli, L. A., Aldrich, H. and Moody, J. 1998. Family Matters: Gender, Networks and Entrepreneurial Outcomes. Paper Presented at the 1998 Conference on Entrepreneurship, Insead, Fontainebleau, France. 1-29. (Mimeographed).
- Rodan, S. and Galunic, C. 2002. Knowledge Heterogeneity in Managerial Networks and Its Effect on

- 
- Individual Performance. Best Papers Proceedings of the Academy of Management Journal. 1-6. (Mimeographed).
- Seidel, M. L., Polzer, J. T. and Stewart, K. J. 2000. Friends in High Places: the Effects of Social Networks on Discrimination in Salary Negotiations. **Administrative Science Quarterly**. 45 (1): 1-24.
- Stewart, R. 1976. **Contrasts in Management**. Maidenhead: McGraw-Hill.
- Stirrat, R. L. and Henkel, H. 1997. the Development Gift: The Problem of Reciprocity in the NGO World. **The Role of NGOs: Charity and Empowerment**. Jude L. Fernando and Alan W. Heston, (eds.). The Annals of the American Academy of Political and Social Science. Thousand Oaks, C.A.: Sage Publications.
- Strauss, G. 1962. Tactics of Lateral Relationship: the Purchasing Agent. **Administrative Science Quarterly**. 7 (1): 161-186.
- Szulanski, G. 1996. Exploring Internal Stickiness: Impediments to the Transfer of Best Practice within the Firm. **Strategic Management Journal**. 17(Winter): 27-43.
- Thompson, J. D. 1967. **Organizations in Action**. New York: McGraw-Hill.
- Tornow, W. W. and Pinto, P. R. 1976. The Development of a Managerial Job Taxonomy: a System for Describing, Classifying, and Evaluating Executive Positions. **Journal of Applied Psychology**. 61 (3): 410-417.
- Uzzi, B. 1996. The Sources and Consequences of Embeddedness for the Economic Performance of Organizations: the Network Effect. **American Sociological Review**. 61 (4): 674-

- 698.
- \_\_\_\_\_. 1997. social Structure and Competition in Interfirm Networks: the Paradox of Embeddedness. **Administrative Science Quarterly**. 42 (1): 35-67.
- Vinnicombe, S. and Colwill, N.L. 1996. **The Essence of Women in Management**. Englewood Cliffs, N.J: Prentice-Hall.
- Walster, E., et al. 1978. **Equity: Theory and Research**. Boston: Allyn and Bacon.
- Weick, K. E. 1979. **The Social Psychology of Organizing**. New York: McGraw Hill.
- Yrle, A. C., et al. 2001. Business College Administrators: Organizational Networking Activities. **Team Performance Management: an International Journal**. 7 (5/6): 69-77.
- Yukl, G. 1989. **Leadership in Organizations**. Englewood Cliffs, N.J.: Prentice-Hall Inc.
- Zimmer, C. and Aldrich, H. 1987. Resource Mobilization through Ethnic Networks: Kinship and Friendship Ties of Shopkeepers in England. **Sociological Perspectives**. 30, 4 (October): 422-445.

\*\*\*\*\*

## APPENDIX

### Networking Activities Measurement Items

#### I. Acquiring Resources

- To exchange valuable information for performing managerial tasks
- To receive professional advice for my job
- To obtain better cooperation from individuals inside and outside of my organization
- To achieve positive results in my job performance
- To work happily and harmoniously with people
- To look for opportunities for business cooperation from other organizations

To receive key resources (such as materials, supplies, finance, etc.) that are essential for my organization

To receive support and approval from persons whose approval is needed

## II. Social Exchange Activities

In my social activities, I try to:

### Inside the organization

Initiate contacts with inside individuals who can be a useful source of information, resources and support

Socialize with people in other work units who are a useful source of information, resources and support

Spend time talking informally to people about things unrelated to work (e.g., sports, hobbies, family, movies, etc.)

Attend meetings, ceremonies, and social events in the organization in order to keep in touch with people

Congratulate someone about a promotion, award or special achievement

Go for lunch or dinner with people inside my organization

Attend parties and social events hosted by members of other work units

Participate in recreational or leisure activities (e.g., playing golf, sporting, shopping, sight seeing, etc.) with people

Give gifts (e.g., food, liquor and flowers) to people in other work units

Walk around my organization's facilities to observe what is going on and chat informally with people

### Outside the organization

Initiate contact with outside people (e.g., clients, suppliers, subcontractors, etc.) who can be a useful source of information, resources and support

Socialize with people outside of my organization (e.g., clients, suppliers, subcontractors, etc.) who are useful sources of information, resources and support

Tell jokes or entertaining stories at meetings outside my organization

Go for lunch or dinner with people outside of my organization (e.g., clients, suppliers, subcontractors, etc.)

Attend parties or social events hosted by people outside of my organization (e.g., clients, suppliers, subcontractors, etc.)

Participate in recreational or leisure activities (e.g., playing golf, sporting, shopping, sight seeing, etc.) with people outside of my organization (e.g., clients, suppliers, subcontractors, etc.)

Give gifts (e.g., food, liquor and flowers) to people outside of your organization (e.g., clients, suppliers, subcontractors, etc.)

## III. Business Exchange Activities

In my business exchange activities, I usually:

### Inside the Organization

Meet managers from other departments in order to coordinate plans with them and solve mutual problems

Do favors (e.g. provide information, assistance, support or resources) to people in other units whose cooperation and support are important

Offer help to a manager in another unit to change a policy or gain approval for a new product, project or program

Offer help to a manager in another unit to get a promotion for one of his or her subordinates

Offer help to someone outside of my work unit to solve a problem for which I have some relevant expertise

Consult people in other work units before making decisions or changes that will affect them

**Outside the Organization**

Attend seminars, meetings, trade shows and professional conferences

Meet suppliers, vendors or subcontractors to negotiate agreements and coordinate plans

Meet important clients to discover how to better satisfy their needs

#### **IV. Information Exchange Activities**

In my information exchange activities, I usually:

**Inside the Organization**

Talk, visit or send emails to keep in touch with people in other work units who can provide information about important developments and events

Talk, visit or send emails to people in other work units to pass on information or gossip that I think they will find useful

Promptly inform people in other work units after making decisions or changes that will affect them

Learn about interests, likes and dislikes of individuals inside my organization

Offer helpful advice to others outside of my work unit about how to advance his or her career (e.g. people to cultivate, events to attend, assignments or positions to seek, traps to avoid, etc.)

Promptly inform people in other units after making decisions or changes in plans that will affect them

**Outside the Organization**

Talk, visit, or send emails to people outside of my organizations to pass on information or gossip that I think they will find useful

Promptly inform people outside of my organization after making decisions or changes that will affect them

Learn about interests, likes and dislikes of other people (e.g., suppliers, clients, subcontractors, etc.)

Call or visit to keep in touch with people outside of my organization who can provide information about important developments and events

#### **V. Retaining Networking Relationship**

I always have good understanding and good relationships with persons with whom I network inside my organization

I always have good understanding and good relationships with persons with whom I network outside my organization

I always seek and maintain mutual benefits for persons with whom I network

I am always sincere to people who I network with

I am always open-minded and listen to others

I always develop continuous networking relationships with others

I always do favors to all persons with whom I network if it is within my authority and capability

I always expect to result in Win-Win situations from any business cooperation through networking

I always learn likes and dislikes of persons whom I network with and adapt myself

I always listen to other opinions carefully and take them into consideration before I respond to them

I always clarify and correct any misunderstandings between me and any persons who I network with

#### **VI. Performance Due to Networking**

**Individual level**

I think I always perform my job satisfactorily

I think my satisfactory job performance is due to my networking with people inside and outside of my organization

I think I receive support, cooperation, information, advice and resources from persons with whom I

network in order to perform my job satisfactorily

**Organizational level**

I think networking of organizational members has significantly contributed to accomplishment of organizational objectives satisfactorily

In my opinion, the overall performance of my organization is highly satisfactory

## VII. Strengthening Networking Ties

### Networking with five key persons

	Person 1	Person 2	Person 3	Person 4	Person 5
Face-to-face interaction (times/month)	Below 10 11-20 21-30 above 31				
Telephone contact (times/month)	Below 10 11-20 21-30 above 31				
E-mail contact (times/month)	Below 10 11-20 21-30 above 31				
Intimacy	Very Close Close Less than Close Distant				

\*\*\*\*\*



**Dr. Tun Lin Moe** is a faculty member of School of Management, Shinawatra University, Thailand. He was a Postdoctoral Fellow of Asian Institute of Technology at the School of Management in 2005. Holding an M.A. in Business Management from the University of the Thai Chamber of Commerce (UTCC), Bangkok, Thailand and a Ph.D. in Development Administration majoring in Development Management from National Institute of Development Administration (NIDA), Bangkok, Thailand, he is currently teaching graduate courses in management at Shinawatra University. His research interests cover subject areas in the development management such as international development projects management, public private partnership project management, disaster project management and managerial networking.

*Dr. Tun Lin Moe, School of Management, Shinawatra University, 99 Moo 10, Bangtoey, Samkok, Pathumthani 12160 Thailand. Tel.: 66-2-599-0000 Extension 1532 (Office), Fax: 66-2-599-3351, [www.shinawatra.ac.th](http://www.shinawatra.ac.th), Emails: [tunlinmoe@shinawatra.ac.th](mailto:tunlinmoe@shinawatra.ac.th), [drtunlinmoe@gmail.com](mailto:drtunlinmoe@gmail.com)*