

Report on effective online networking practices for Swiss SMEs

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Executive Summary

Covid-19 has triggered a massive shift in work practices. Given these changes in the world of work, we sought to understand how people interact and develop relations online because the overall benefits of networking are tremendous.

Key learnings from the study are:

- Networking is still building, maintaining and using relationships: All three elements remain important. Building is the most challenging in an online environment.
- Online interaction amplifies and reduces networking elements: The online environment has decoupled traditional networking into separate task and relationship activities.
- Behavioral and referral cues signal trust: Listening and information sharing signal trust in building internal relations. Referrals and LinkedIn signal trust when building external relations.
- Follow a staged networking approach. Previously, often the first networking activity was to meet face to face. The new best practice is to meet one or a few times virtually, so that a face to face meeting can focus on building relationships and discussing complex topics.
- Design the workplace to include task and relationship activities. Maintain task efficiency online combined with specific relationship building activities both online and offline.

Online and hybrid networking are here to stay. The research results described in the following pages propose best practice suggestions to build a networking strategy for this new environment.



Research overview

Covid-19 has triggered a massive shift in work practices. At the peak of the pandemic, over half of the workforce in Switzerland was partially working remotely and about one third was fully in remote mode (OFS, 2020). SMEs account for 99% of companies in Switzerland. Among those who adopted remote working practices, 46% of SMEs expect to maintain the same level in the next years and 33% expect to increase it (Credit Suisse, 2020). Remote work and online interaction have become normalized.

Given these changes in the world of work, we sought to understand how people interact and develop relations online because the overall benefits of networking are tremendous.

Networking, which is about building, maintaining, and using relations inside and outside the company (Wolff & Moser, 2009), is positively related to work-family conflict, but excessive or lack of networking decreases work-life balance (Wolff & Kim, 2020). Networking fosters entrepreneurship and innovation. People who network have greater visibility, work resources, and perform better at work. They are also more effective in job search and in the long run have greater career success (e.g., Forret & Dougherty, 2004; Pittaway et al., 2005; Wanberg, Kanfer & Banas, 2000).

The objectives of this research are to understand:

- How individuals network online
- What matters in developing online relationships



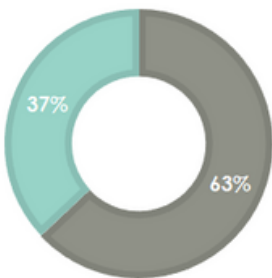
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Networking is about building, maintaining, and using relations inside and outside the company.

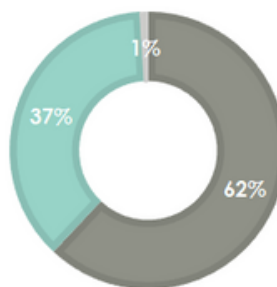
To answer these questions, we conducted six focus groups (sample size = 19). Respondents had 20.8 years of average work experience, about a third were women, 89% were in top management, and all worked in micro companies (less than 10 employees) or SMEs (11-250 employees). We transcribed the focus group interviews and analyzed them.

A few key concepts emerged from this qualitative data analysis, and we tested the associations of the key concepts in the quantitative dataset collected via an online survey (sample size = 184). Respondents had 24.3 years of average work experience, again a third were women, 47% were in top management, and 76% worked in micro companies or SMEs.

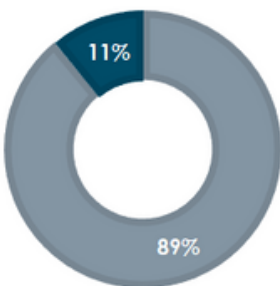
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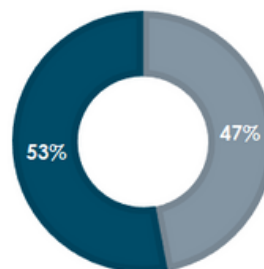
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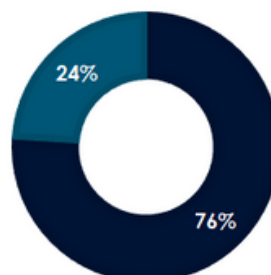
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Key findings

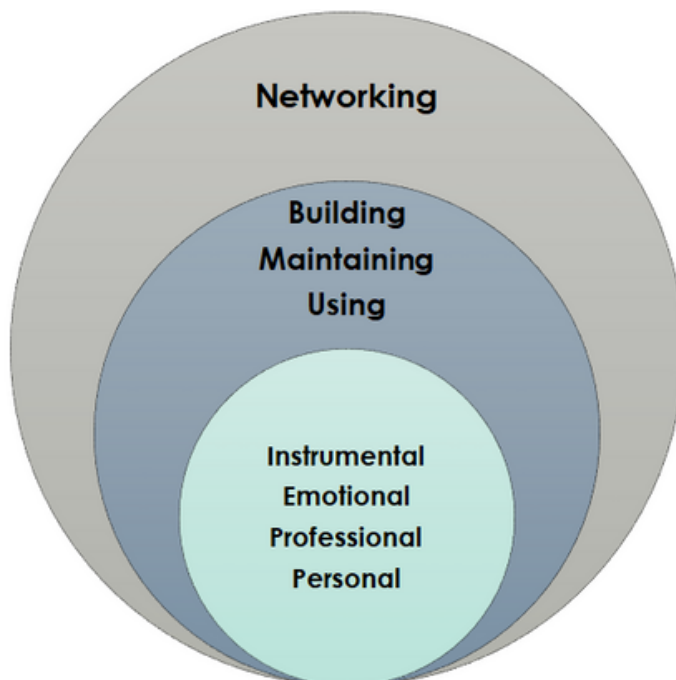
Finding #1: Networking is still building, maintaining and using relationships

Regardless of the pandemic, we found that networking is defined in line with past research related to offline networking. For some individuals networking is about meeting new people, while for others it is about maintaining and using relationships that are beneficial for both parties. People network for reasons that are emotional and/or personal (connect for human interaction) as well as professional and/or instrumental (exchange ideas, explore business opportunities). Respondents made these observations about networking to illustrate the networking process.

"[...] networking for me is any real human relationship. It can be because anybody can bring you directly or indirectly, to the people that you need to meet, so it can be

for me, that private and professional is the same thing because at the end it's a relationship between two humans or more."

"So, for me, networking is maintaining the network but also developing a network, as if you were developing a muscle even further. For the maintenance of contact, it's mostly with my business partners, being consultants with whom I usually partner up for large projects, but also clients of course and any other useful contact professionally. For the developing part, it's mostly new clients that I'm looking for, usually under the form of recommendations, so I really chase or hunt down clients I'm usually being recommended, and this is the second purpose of networking for me. So, it keeps the business rolling."



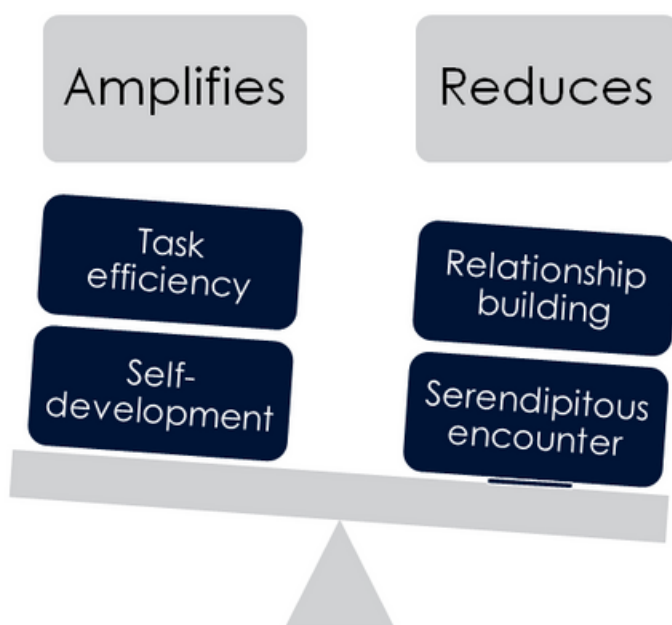
Finding #2: Online interaction amplifies and reduces networking elements

In an online interaction, some elements are amplified, and others are reduced. Online interaction increases task efficiency. We get things done with no travel time, little cost, and less dispensed energy. Who hasn't scheduled back-to-back meetings like a military bootcamp training, jumping in and jumping out of sessions? Yet, this comes at the expense of relationship building due to lower levels of interaction, a greater propensity for distraction, and difficulties to read nonverbal body language. Communication becomes sequential and asynchronous as people wait and take turns to speak (raise hands, unmute, and mute) and impacts the intensity, frequency, and duration of interaction.

This linear way of interaction coupled with a waiting time to speak also favors distraction (e.g., checking

emails, navigating websites). We are physically present and cognitively absent which affects building relations. In an online setting, we miss capturing the entire palette of nonverbal body language that is key to recognize the attitudes and emotions of others that help develop relations.

On the other hand, online interaction amplifies self-development because there are greater learning opportunities with accessibility to worldwide webinars. We can participate and learn anything, anytime, and anywhere as there are no geographical boundaries. There is flexibility in terms of reach within a context that is fixed in advance. At the same time, the flexibility in terms of serendipitous encounters practically disappears because uninvited people cannot jump in into online meetings or gatherings.



Finding #3: Behavioral and referral cues signal trust

Clearly the big loser in online interaction is the relational aspect. Is there something we can do about improving this? It seems that in an online interaction certain cues signal that we can trust the other person.

We identified five cues that may relate to networking:

- Tech cues: a good wifi connection and audio
- Face cues: the importance of looking at the camera and smiling
- Prosocial behaviors cues: how people behave e.g., listening actively and sharing information openly

- LinkedIn cues: checking a LinkedIn profile to filter or assess a contact pre-during-post meeting
- Referral cues: a contact has been referred by a trusted source

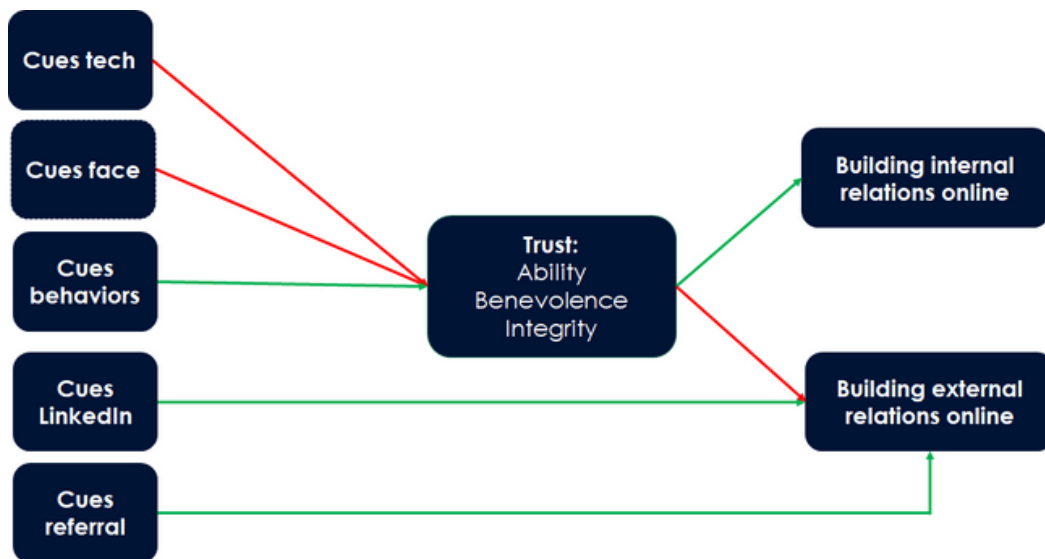
Related to internal relations (those with people inside your company), we found that prosocial behaviors cues such as active listening and openly sharing information relate positively to benevolence-based trust ("I trust you because I believe that you care about me."), which in turn facilitates internal network building.



In external relations (with people outside your company), we found that LinkedIn and referral cues enable building external networks. LinkedIn provides insights on the contact's reputation, while referrals build on the trust established between the person referring and the contact. (see figure : significant link in green and non-significant link in red).

When building internal relations, people are colleagues, and the

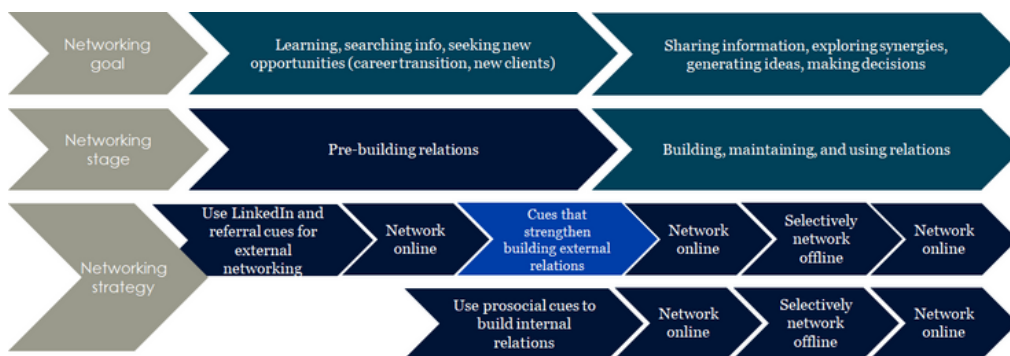
company is the common denominator that provides a signal of credibility. When building external relations, people are strangers and look for cues that signal that a person is normal or can be trusted. Interestingly, we did not find a significant relationship with trust and tech / face cues. In other words, a good wifi, audio, looking at the camera, and smiling might be a good starting point but these cues are not enough or are not a deal breaker in establishing trust.



Recommendations

Recommendation #1: Follow a staged networking approach

Prior to Covid, often the first networking activity was to meet face to face. Experience working online has demonstrated that a face to face meeting may be more effective later in the process. Initial meetings can take place online, which are more efficient in terms of time and ability to focus on the task. Face to face meetings can take place later in the process when more complex subjects need to be discussed and both parties are ready to build the relationship.



In these early stages of online networking, practice prosocial behaviors that signal benevolence to help build relations. If you are networking online with professionals outside the company, ensure to have referrals and an updated and relevant LinkedIn page.

Recommendation #2: Design the workplace to include task and relationship activities

Recognizing that work and networking have become decoupled, companies should design a workplace that integrates the different elements of online interactions and normalize them. Companies should maintain the task efficiency of the online interaction and encourage self-development. For example, a company could create a regularly updated platform and enlist worldwide expert webinars that employees could access easily.

More importantly, however, is that companies should create opportunities with the specific purpose of relationship building. In an offline interaction, task and relationship building are integrated in one activity. In an online interaction, task takes over relationship building, and these are no longer integrated in the work activity. Companies must intentionally design spaces or activities, both online and offline, to ensure that their employees are able to build these crucial relations.





Conclusion

Online and hybrid networking are here to stay. The Covid pandemic has forced us to learn how to work more effectively in a virtual environment, and we have learned to appreciate the benefits as well as the challenges of this new way of building relationships.

The goal of this research has been to help managers understand how to navigate this new world of online networking and to identify some best practices. We found both positive and negative elements of online and offline networking, suggesting a more nuanced model of how and when to use both. A manager now has more tools at their disposal, and the most effective networking strategy will include using all of these tools in the right way and the right time to achieve their networking goal.

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