

The last thing on Henrik Balmer's mind when he became production executive and board member of a newly bought-out cosmetic firm, was improving his network. His focus at this point was time management. How was he to make the time to manage his people through a major sweep of the production process and establish his strategic outlook for the entire business? Henrik's solution was to shut himself away in the office. But new issues arose and networking – which he thought of as a distasteful method of trading favours with strangers – was a pastime he could not indulge. When a merger was brought up at a board meeting without his contribution, Henrik realised he was out of touch.



Leadership networking

This article was inspired by "How Leaders Create and Use Networks," by Herminia Ibarra and Mark Hunter, which appeared in the Harvard Business Review, January 2007.



Our study of 30 executives has shown this disinterest in networking to be the case for many individuals going through ‘leadership transition’ (a period of role reassessment in career progression). Yet networking – the ‘creation of a tissue of personal contacts to provide support, feedback, insight, resources and information’ – proved to be a vital tool to help tackle the challenges that these new leaders face.

Most executives we interviewed believed their success was built on working hard and focusing on the technical skills their jobs required. Moving into a leadership role creates new challenges, in particular strategy-making that supported the business as a whole, and not solely the functional specialties they had always relied on. Furthermore, the respondents had trouble grasping that they would benefit from interacting with people in roles complementary to their own and that this was not a distraction from the ‘real work’ nor was it insincere or manipulative.

Our study has led to the development of three distinct categories of networking – operational, personal and strategic. The first links to functional tasks, the second to individual development and the third looks at developing the tactical skilfulness necessary for leaders. Each of these interdependent forms has a role to play at different junctures of the leadership transition. They all carry vital importance, and purposes, and none should be sidestepped. This article lays out the value of a ‘three-pronged’ networking approach as a major element of leaders’ professional development.

OPERATIONAL NETWORKING

This is an obvious starting point because it is the most natural form of networking to the new executive. Operational networking involves interacting with functional peers, superiors and crucial outsiders such as suppliers, distributors and customers. These relationships support carrying out tasks effectively. Were it not for these connections, the executive in question would not be in his or her role. Membership to this network is very simple – you are either involved in the job or not.

Operational networks are rarely created by executives; they tend to come along with the job and therefore require less oversight than personal or strategic networking. It is the rapport and mutual trust of its membership that makes an operational network powerful and the executive must work to nourish these relationships. However, operational networking should direct an executive toward the important knowledge that bigger goals necessitate bigger networks and a fuller perspective. Yet the typical executive of our group is more concerned with sustaining his or her existing network than with embarking on relationships with those who might come into the picture in the future.

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These dynamics were commonly internalised amongst our group, and it was therefore no coincidence that they retreated to their trusted operational networks at moments of tension.

A particularly interesting case was that of Alistair, who was unexpectedly promoted by his firm’s founder to Financial Director and given a place on the board. Being the youngest and least-experienced, his immediate response was to strengthen his operational skills. After hearing a tip from the founder, he completely reorganised the accounting department in order to hold up in the event the company went public. The upgrade was brilliant for his team, but he missed the fact that only a minority of the seven-person board shared the founder’s ambition. Alistair then realised that his time would have been better spent getting to know his co-directors.

As summarised in Table One, the locus of operational networking is mostly downward and inward; links are governed by routine, short-term demands. The network’s relations with outsiders, for example board members, customers or regulators, are those that are directly task-related, and tend to be bounded and constrained by demands determined at a higher level. But as an executive moves into a leadership role, his or her network must re-orient itself externally, and towards the future.

PERSONAL NETWORKING

Often, rising leaders become aware of their disproportionately interior and functional concentration. Feeling a gap in their social personae, individuals began to seek similar peers outside their companies. Furthermore they began to see the benefit in building their knowledge in domains beyond their areas of proficiency. Taking part in personal networking, i.e. joining professional associations, clubs, and common interest groups, offers executives the ability to widen their perspectives – both professionally and socially.

Personal networking can offer new executives a greater understanding and judgment of

themselves and a deeper perspective of the surroundings in which they operate, and yet this type of networking is often surrendered because people don't see the immediate link to their own business – or conversely, because they seek social ties in areas so far removed from their own interests that they feel more isolated than ever. They might also feel intimidated by new higher-level colleagues, in spite of common interests. Otherwise, they may have realised new authority in a community, but failed to connect those ties to the service of organisational goals. Without linking outside contacts back to the firm and the business, the executive will not benefit from the true power of networking.

Alternatively, an executive in our study used his personal interest in hunting to meet people from a diverse range of professions. Enjoying the companionship (and the authenticity) of the contact – he was able to gain insight into business topics such as customer relations – which happened to be an up and coming issue at his firm.

Many executives, such as Henrik, see personal networking as an insincere trade of string pulling. This sentiment is often intensified by the idea that personal lives and business should be kept very separate. However it's important to recognise that personal networking is not solely about making use of personal contacts, but to create flexible links to individuals with whom we have things in common.

Personal networking offers the aspiring leader encouragement in the way of counsel. Advisors found through a personal network need not necessarily be a hierarchical superior

or well versed in that person's particular field; the benefit of an advisor is their wider knowledge and experience in business of a general nature. These individuals can offer a new leader a fresh outlook on professional matters as a whole.

Luckily for Michel, a recently promoted executive, this was a virtual lifesaver. When he was told to fix production resources, or shut down, he joined a local business association and met a lawyer who offered contacts and advice for his dilemma. Eventually he was able to contact colleagues within his own firm who acted as mentors and supported his battle to keep the plant alive.

STRATEGIC NETWORKING

The careful shift from managing functional duties to leading a business requires a change in thought process. Strategic networking becomes a vital sustenance, providing the rising leader with a series of contacts and resources that can help to achieve both personal and organisational targets. Meeting people with divergent connections, experience, goals and motivations forces the new executive to establish business over operational objectives.

Research demonstrates that the talent of identifying untapped prospects or vital individuals and parties is what separates leaders from managers. This ability is much less dependent on personal flair, than it is on having contact with people who will provide exposure to new trends and varying viewpoints.

Henrik wanted to improve his strategic skills but, found the politics of power and brokered

negotiations unfamiliar and unattractive. His hesitation to communicate made it hard to understand the stress put on other departments. As a result he couldn't blend all the perspectives into a strategy that others would accept.

Many turn to management primarily because they take pleasure in being the boss. However, advancing in the hierarchy often means becoming increasingly reliant on others, over which our executives had little to no control. This forces leaders to make a difficult choice – however unwitting it might be. On the one hand they can acknowledge their growing reliance on those around and above them and build it into reciprocated authority. Or they can preserve their autonomy and risk losing the ability to protect and advance their aspirations.

Our study showed that many aspiring leaders opt for the latter and that this choice was frequently rationalised as a matter of personal principle.

Jody worked for a company whose leadership she found to be 'dysfunctional.' She adamantly rejected utilising her extensive internal network when her rivals gained from the leadership's shortfalls. She would not play 'silly power games,' and upheld her moral perspective. Silly or not, the games cost Jody the respect and support of colleagues who clearly would not back someone who did not defend herself. In the end she resigned.

She missed a key message: Those networking strategically have the benefit of not only influencing those around them with their personal example, but they can actually form the environment to their advantage.

Table 1. The Three Forms of Networking

	Operational network	Personal network	Strategic network
Purpose	Getting things done efficiently; maintaining capacities/functions of the network	Personal and professional development; referrals to useful information/contacts	Figuring out future priorities/challenges and getting stakeholder support for them
Location and temporal orientation	Mostly internal; current demands predominate	Mostly external; current interests and future potential predominate	Internal and external; future is focus
Players and recruitment	Relatively non-discretionary: Key contacts mostly are prescribed by the task and organisation structure; very clear who is relevant	Key contacts are mostly discretionary; not always clear who is relevant	Key contacts are defined by the strategic context & organisational environments, but approach is discretionary; not always clear who is relevant
Traps	Inward focus can obscure opportunity and necessity to build a wider cross-functional network	Refusal to mix personal and professional can obscure opportunities to develop; time is wasted on certain contacts	Becoming a prisoner of the network; failing to see strategic implications of functional decisions
Network attributes & key behaviours	Depth: Building strong working relationships	Breadth: Reaching out to contacts who can make referrals	Leverage: Shaping the network & creating inside-outside links

This individual rejected such tactics – but her rivals did not. The shuffling and recruitment of subordinates, financing and lobbying for key allies in peer positions and altering supply and finance sources can strengthen your network.

Strategic networking can be a challenge as it takes up a lot of time and effort that new executives normally dedicate to functional tasks. Because of this, executives will abandon this network exactly when they need it most, namely at a crisis point. However, leveraging one's strategic network is the best course of action at this time. One of our executives used lateral and functional connections in his company to settle a crisis with his superior. Tied down with everyday jobs at a distant location, the executive had drifted apart from head office. He resolved the crisis by obliging his staff to manage the location, and sending messages to the boss through his network.

Strategic networking is the junction where dexterity and assets developed in operational and personal networking meet forming new techniques (although it doesn't mean the latter must be perfected to think strategically). Being aware of the strategic elements of multiple networks and how they can be utilised to back objectives and aspirations is key.

CONCLUSION: HOP TO IT

There is no denying the 'work' in networking; people must step outside their comfort zone and into the unknown. The best tactic is to balance the benefits of each realm of networking with the others. For example, look for those personal contacts that will be great at advising objectively, or turn colleagues from nearby operations into a support system. More than anything – you may have to re-evaluate your outlook towards networking as a whole.

CHECK YOUR OUTLOOK

Many executives we spoke to considered networking to be too much extra work. Others felt it was a way of utilising 'who you know' rather than actual skills to get a job done well. Regardless, those who don't put in the effort will never see the benefits.

Seeking out a good role model is helpful to overcoming this mentality, because a different person's approach can put behaviour under an improved light – particularly if they are a respected character.

FROM OUTSIDE TO INSIDE

One of the biggest challenges with strategic networking is the lack of a natural 'excuse' for getting in touch with senior individuals outside our domains. It's hard enough to establish any sort of relationship, never mind with a higher-ranking executive where there is no apparent common task or mutual purpose.

Here, external common ground can prove very useful, specifically in the manner of shared personal interests or networks that can be transposed into a strategic domain. Linda provides an excellent illustration. As an investment banker responsible for a set of media industry clients, she organised a dinner which included tickets to the theatre (her own personal passion) and invited along a number of key clients. Linda utilised these events to develop personal business ideas, gaining insight into her clients' companies in a manner that generated innovation and business for other parts of her firm.

Another way to build on this outside-in contact is by making use of functional interests or expertise. For example, communities of practice exist (or can easily be created on the Internet) in almost every area of business from brand management to Six Sigma to global strategy.

REARRANGE YOUR SCHEDULE

Formal and informal meetings with other units take time away from functional responsibilities – especially at the organisational level. Therefore the executive must master the skill of delegation otherwise he or she will find a million reasons not to take time for networking.

Effective business leaders will devote time each day to gather the information they need to meet their goals, relying on informal discussions with a great and varied range of people who are not necessarily in charge of an issue or task. They network in order to obtain information continually, and not just at formal meetings.

DON'T BE AFRAID TO ASK

A lot of executives seem to think that a good network means attending sophisticated events and having a thick Rolodex. However they tend to falter at the most important step – getting in touch. Instead, they wait until a crisis, or when they need something urgently. The best networkers take every opportunity they can to give to and receive from the network – whether they have an immediate need or not. A great way to start is with a simple request such as connecting two people or requesting an opinion from someone.

KEEP AT IT

Although frustrating, it pays to be patient. Many become frustrated when their networks don't immediately pay off. It is a developed skill that takes a lot of practice. We have observed people working at it, who not only develop a knack for networking, but who have also learned to like it.

Traditionally professional development has relied on the idea that successful individuals add fresh, but role-appropriate talents as they climb the corporate ladder. However the

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transition requires subtraction as well as addition; creating space for new competencies executives must come to depend less on their reliable established skills. To accomplish this they must alter their outlook on what to offer and how to add value. Over time they will transform how they think and ultimately, who they are.

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