

Social Capital

How to build your professional network

1



CAPITALS OF PROSPERITY

Financial – cash

Human – skills and knowledge

Social – network of contacts



Information
Skills
Power

4

INFORMATION

Public information – Balance sheets, stock prices, rankings of business schools

Private information – politics, non-codified processes, preferences



- TRUST -
gives us access to private information

5

SKILLS

Human capital

- Degrees, certificates, training, expertise
- As information grows, specialization increases

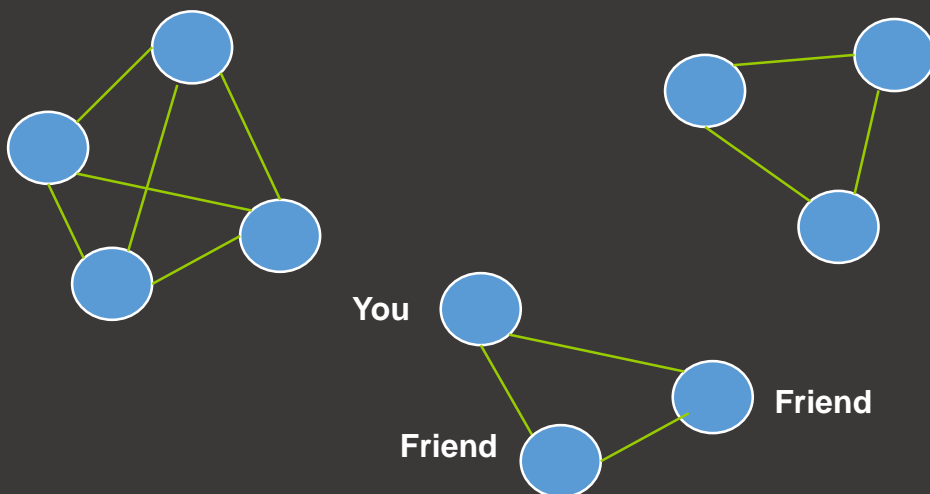
Social capital

- Provides vital links between ever more specialized groups
- Breaks us out of our specialized limitations

- DIVERSITY -
helps you transcend your natural limitations

6

WHO DO YOU GO TO FOR ADVICE?



7

TRUST DIVERSITY PARADOX



8

YOUR NEXT JOB

Of jobs found through personal connections...

- 17% of contacts were good friends
- 55% saw their contacts occasionally
- 28% saw their contacts rarely

10

POWER

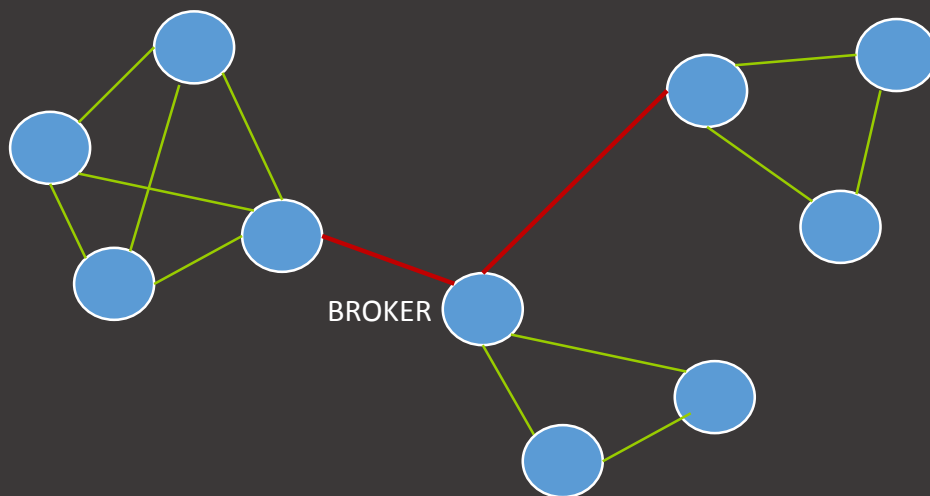
Formal authority – status, title, hierarchy

Informal authority – social bonds, connections, opinion leaders

- BROKERAGE -
Connects separate clusters of knowledge

11

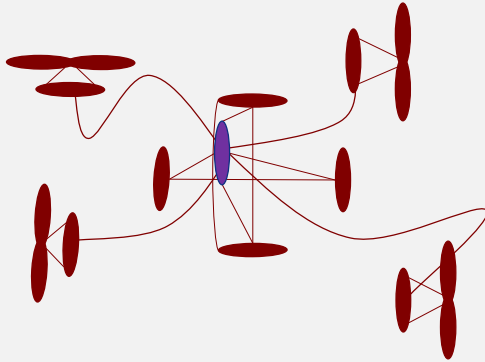
BROKERS DO BETTER



12

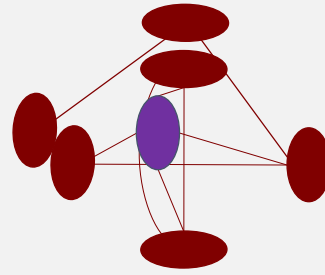
Revere's Network

Diverse Contacts in different towns



Dawes' Network

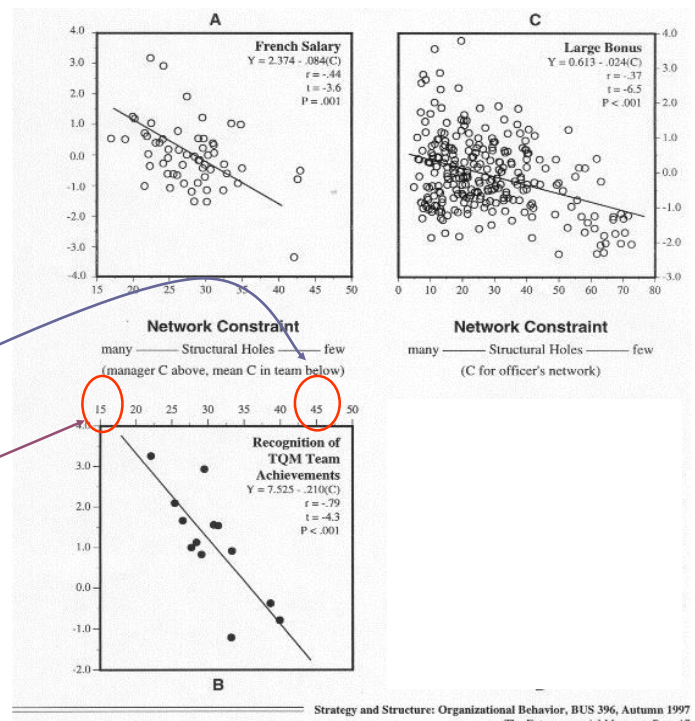
Redundant Contacts in different towns



13

William Dawes' Networks

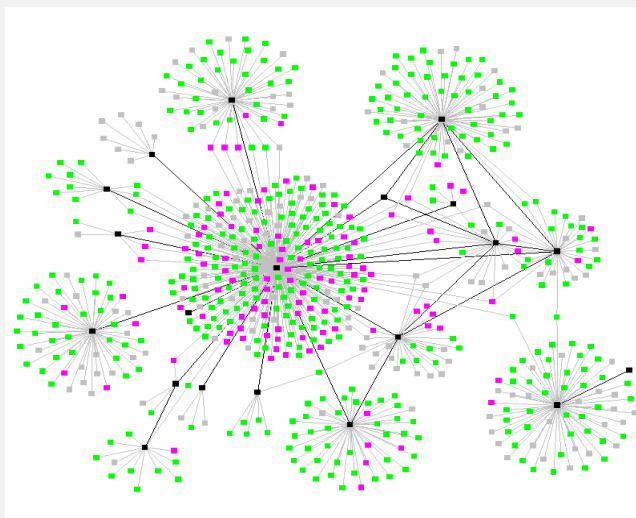
Paul Revere's Networks
(Brokers, Diversity, Trust)



Strategy and Structure: Organizational Behavior, BUS 396, Autumn 1997
The Entrepreneurial Manager, Page 17



THE DANGER OF BROKERS



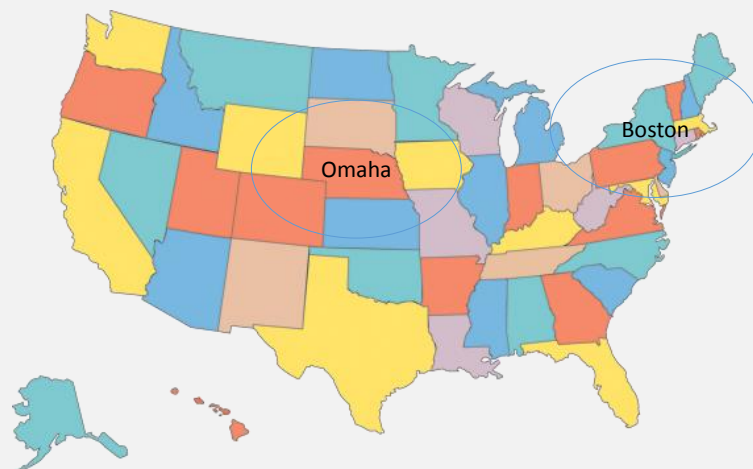
SIX DEGREES OF SEPARATION



Stanley Milgram

21

SIX DEGREES OF SEPARATION



22

PAUL REVERE NETWORKS

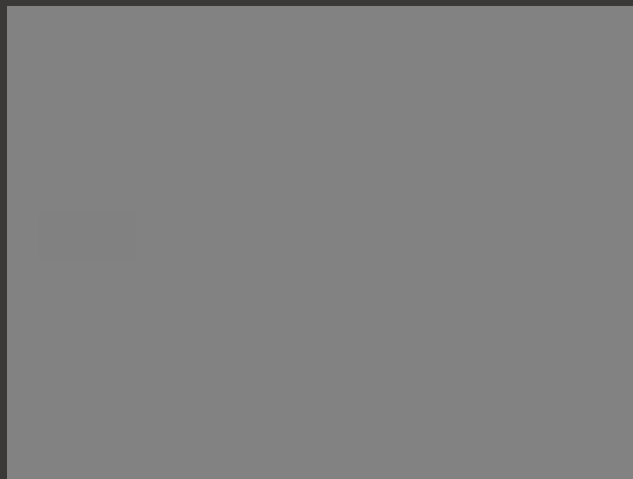
Trust – your ticket to private information

Diversity – gives you access to skills outside your area of expertise

Brokerage – allows you to connection separate clusters of people

23

PAUL REVERE NETWORKS



24



Coffee break

25

Session Starts In

15

Minutes

YOUR SOCIAL NETWORK

Who did you introduce the contact in column B to? (You are a Broker in their network)	Name of Contact	Who introduced you to contact in Column B? (These are the <i>Brokers</i> in your network).
	Chuck Huff	Myself
	Ap Dijksterhuis	Chuck
	George Loewenstein	Chuck
	Adam Galinsky	George
	Dick Thaler	George

27

SELF SIMILARITY PRINCIPLE

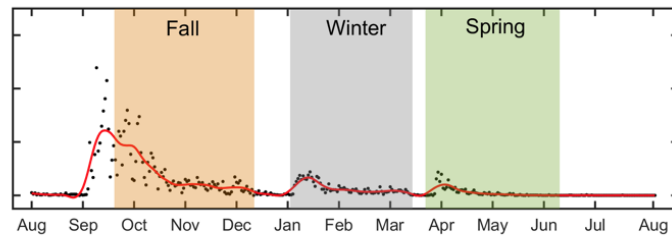
We form ties with those that have similar intellectual backgrounds, training, and experiences

28

PROXIMITY PRINCIPLE

We form ties with people located in our immediate environment

29



30

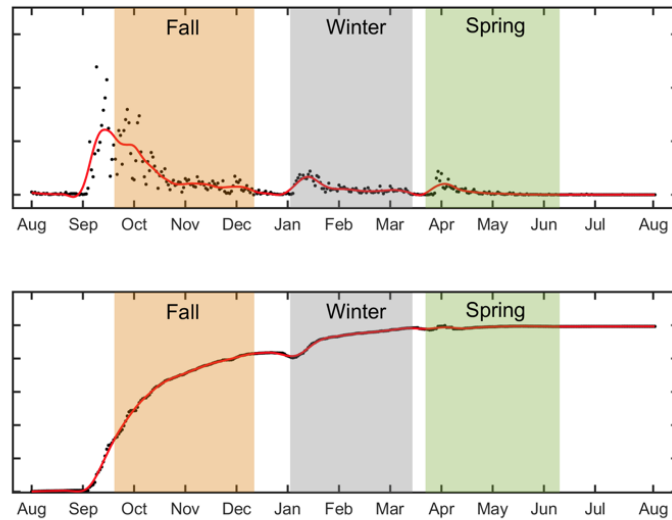
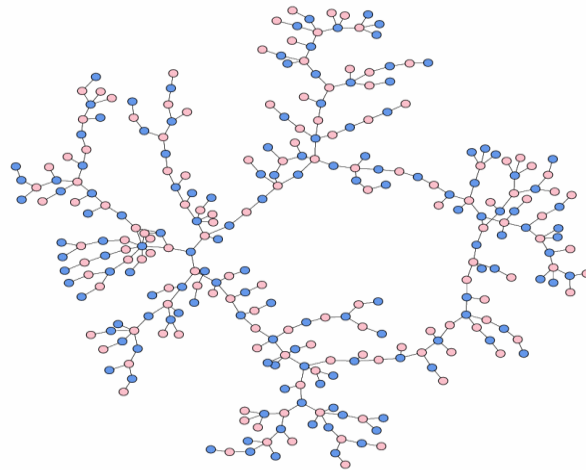


Fig. 1. Network Emergence Over Time. a) time-series plot of number of new ties per day for the pooled sample of students from both cohorts over a 12-month period. Shaded regions indicate the semester within which tie activation took place and the red line represents the smoothed kernel distribution curve. b) time-series plot of cumulative network formation for the entire sample of students during their first 12 months in the program. The plot indicates that the number of new links formed after the fall semester are increasingly rare.

31



32

SHARED ACTIVITY PRINCIPLE

We form ties through interdependent activities

Examples – team sports, non-profit boards, cross-functional teams, community service

- SHARED ACTIVITIES -
Builds trust, diversity, and brokerage

33



Heidi Roizen
Silicon Valley Executive,
Network expert

34



35

FOR NEXT TIME

Bring your laptop

Download the EIS software before class

37



Coffee break

