

The Hugging Team: The Role of Technology in Business Networking Practices

Anne Thorsø Sørensen and Irina Shklovski

IT University of Copenhagen

annethorsoe@gmail.com, irsh@itu.dk

Abstract. Technological devices for social networking are produced in droves and networking through media seems to be the way of getting ahead in business. We examine what role technology plays in the creation, development and maintenance of business relationships among entrepreneurs in Copenhagen. We find that mediated communication is useful in all stages of relational maintenance but only in a supportive role in relational development where co-presence and shared personal experiences take center-stage, generating trust necessary for business relationships to work. These trust-developing experiences take effort and hard work and although they can be successfully supported and even facilitated through the use of communication technologies, they need not be replaced or made simpler. The difficulties of creating these experiences make working business relationships viable in the uncertain and risky world of entrepreneurship.

Introduction

See you on Facebook, let's chat over Messenger or connect on Xing or LinkedIn and "land jobs and close deals"¹. Requests of connection fill the air of business meetings, Friday bars and corporate dinners. These are networking practices, often lauded as a way of getting ahead in business today (2010). Communication devices that synchronise with LinkedIn that then synchronise with Twitter that in turn synchronise with status updates on Facebook make for something that looks like a well-lubricated machine for networking. The ever burgeoning range of

¹ About LinkedIn - <http://press.linkedin.com/about/>

technologies that capitalize on human sociability and the benefits of connecting have been of special interest to scholars of collaboration. Being able to connect anywhere, anytime and to anyone has become simpler with the advent of social networking sites (SNS) such as Facebook and LinkedIn. The use of these commercially available sites has gained significant momentum in the business world although the benefits of such use are still debated by scholars and managers alike (Wu, DiMicco, & Millen, 2010).

In this paper we present a nuanced study of the role SNSs play in how professionals initiate, develop and maintain business relationships. After all, it is relationships that make business happen (Seibert, Kraimer, & Liden, 2001). We focus on independent entrepreneurs as potential power users of technology and as people for whom extreme connectedness would be especially important. Entrepreneurs tend to work independently and their professional success is highly dependent on meeting new contacts and maintaining existing relationships as they “rely on networks for business information, advice, and problem solving, with some contacts providing multiple resources” (Hoang & Antoncic, 2003). Being successful in business is largely related to having the right connections. In order to move forward with their businesses entrepreneurs must depend on many developed professional relationships and a steady influx of new contacts and ideas.

Social network sites (SNS) enable easy upkeep of weak ties and the creation of broad networks (Barkhuus & Tashiro, 2010; DiMicco, et al., 2008; Skeels & Grudin, 2009). These broad networks can provide access to information that could be valuable both professionally and socially (Ellison, Steinfield, & Lampe, 2007; Steinfield, DiMicco, Ellison, & Lampe, 2009). People who have never physically met sometimes establish relationships using communication technologies (Boase & Wellman, 2006). The same technologies can help maintain these relationships (Barkhuus & Tashiro, 2010; Shklovski, Kraut, & Cummings, 2008) making it possible to not only collect, but also keep accessible a large number of contacts. This kind of use of communication technology can translate into the creation of certain kinds of social capital making it especially useful for “those whose roles naturally involve networking” (Jack, Moulton, Anderson, & Dodd, 2010; Skeels & Grudin, 2009) such as entrepreneurs.

The Hugging Team

Our research questions are best illustrated by an evocative story that one entrepreneur told us in the course of our fieldwork. He was trying to win the title as head of an Inner Circle of external partners for a large company but initially did not succeed. When the winners of the title were announced he noticed that the winning CEOs of small partner-businesses and the CEOs of the large company were hugging in celebration. He then decided, that the goal of his own company for the coming year should be getting on what he called “*The Hugging Team*” of the Inner Circle. After a year of developing closer personal relationships with the relevant

CEOs of the large company and hugging them, he advanced to the head of the Inner Circle of small-business partners, thus advancing his companies' standing and winning more beneficial contracts.

This story is striking for two reasons. First, no technology – no cell phones, no social networking sites – seemed to be party to the hugging success. Second, the story underscores the ambiguous nature of professional relationships. On the one hand it is calculating and strategic in the way this respondent carefully planned to move his business forward. On the other hand, the road to success was paved with something as intimate and personal as hugging. Although hugging someone could not be done over the phone or online, we noted that phones and the Internet were constant companions in the everyday practices of entrepreneurs. In this case merely establishing a connection was not enough. It was important to deepen the relationship making hugging a natural aspect of it. In the telling of this story, the practice of hugging stood out, while the constant use of communication technology to manage relationships that enabled this practice remained in the background.

In this paper we ask what role communication technology plays in managing professional relationships? We are especially interested in how currently available as well as future communication technologies may be involved in the creation of hugging teams. Specifically, given the nature of entrepreneurial business relationships, what might these power users and the way they use technologies for social networking suggest for future business technology design and development?

Background

Relationships, whether they are friendships or business ties, do not appear out of thin air, but start with an initial meeting, be it due to strategic networking or happenstance. Communication technologies certainly play a role in expanding the playing field and making more people accessible to others by removing such barriers as distance, scheduling conflicts and time differences. Regardless of how people may have met, relationships require effort and investments of time and attention to continue (Parks, 2007). There are many theories of how relationships develop and grow, from basic notions of investment, exchange and equity (Sprecher, 1988; Thibaut & Kelley, 1986) to requirements of self-disclosure and interdependence (Berscheid, 1994; Perlman & Fehr, 1986). There is a pattern to relational development, starting with an initial meeting, subsequent investments and self-disclosure to achieve growth, and continuing maintenance to keep the relationship from fading away (Parks, 2007; Perlman & Fehr, 1986). Arguably, communication technologies have not made relational work unnecessary, but perhaps they have enabled people to accomplish such relational work more efficiently and effectively, especially in a business context.

Much research has documented the role of communication technologies such as email, instant messaging and social networks sites in how, where and when people

establish relationships, deepen and grow nascent connections and maintain them. While mediated communication is heavily implicated in all of these processes, face-to-face interaction remains an important and often surprisingly necessary component of developing and maintaining successful business relationships and collaborations (Rocco, 1998). We summarize the disparate relevant research on relationship initiation, development and maintenance below.

Establishing new relationships

The SNS' promise of meeting people that one would like to meet without the constraints of physical proximity is as old as the ability to communicate over distances. Although the original purpose envisioned by SNS designers was to foster a safe and productive space for meeting new people and extending social networks, the majority of SNS users maintain their existing contacts rather than find new ones (boyd & Ellison, 2007). Nevertheless, some users do initiate relationships via SNSs, especially in the context of work and business activities (Steinfeld, et al., 2009). For example, employees of one large multinational corporation successfully used what Lampe and colleagues have called "social browsing" (Lampe, Ellison, & Steinfeld, 2006) to find colleagues they did not know, but who they thought may be interesting or useful to meet (DiMicco, et al., 2008). SNSs provided not only a convenient way to locate and contact relevant people, but also became a resource that offered the opportunity of vetting someone by giving insight into personal life of this person (Skeels & Grudin, 2009). The ability to quickly learn the relevant details about a person could be especially helpful when preparing to meet someone new. In fact, this very access to a broader range of expertise was one of the main drivers for employees using SNSs in companies (Steinfeld, et al., 2009).

Prior research shows that connecting with individuals you do not know well is made easier by SNS because of the practical support SNSs provide for such connections (Barkhuus & Tashiro, 2010). Instead of facing the possibility of rejection by stepping too far into someone's personal sphere by initiating a phone call or showing up in person, SNSs offer an easy way to "send an invitation to connect which you can accept with a couple clicks, no imposition" (Barkhuus & Tashiro, 2010). These so-called "low-key" (Skeels & Grudin, 2009) connections are useful making this kind of connecting more of a symbolic thing, "a promise to consider a further request" (Skeels & Grudin, 2009). Although contemporary communication technologies offer myriad opportunities to meet new people, meeting people is only one part of the process. The effort of initial contact indicates an interest in future interaction and potential for a relationship, but does not guarantee that a productive relationship would be the result.

Developing relationships:

In order to become productive relationships, social connections need to be developed through expressions of commitment and self-disclosure (Perlman & Fehr, 1986). Nascent relationships require communication in any form in order to deepen (Shklovski, et al., 2008). Although we know that people use SNSs and other technologies for developing and deepening relationships, research differs on whether these technologies are successful. Self-disclosure can happen via any medium and SNSs have been implicated in the process of certain kinds of relational growth (Burke, Marlow, & Lento, 2010). For example, DiMicco and colleagues (DiMicco, et al., 2008) found that the use of the company-internal SNS at IBM built stronger bonds as a result of users “connecting on a personal level,” while Steinfield and colleagues (Steinfield, et al., 2009) reported that “bonding social capital is predicted by intensity of use and using the site”. However, these studies were focused on an internal site, safely cocooned in a closed organizational space. Outside the organizational fence, sites like Facebook at times fall short of people’s expectations, primarily enabling lightweight relational maintenance (Lee, 2010). We ask whether entrepreneurs who do not have access to such “safer” spaces can utilise publicly available SNSs to support relational growth and if so, how.

Trust in relationships:

Despite the proliferation of mediated communication technologies, issues of trust remain problematic in distance work and relational development (Rocco, 1998; Wilson, Straus, & McEvily, 2006). Although people do develop trust in mediated settings, the process is often slower, more fragile and vulnerable to opportunistic behaviour (Bos, Olson, Gergle, Olson, & Wright, 2002). Trust is a crucial component of successful distance work and productive mediated communication (Jarvenpaa, 1999) and is especially important in developing workable business relationships for entrepreneurs. Yet mediated communication continues to cede ground to face-to-face interaction for developing trust in nascent relationships (Rocco, 1998; Zheng, Veinott, Bos, Olson, & Olson, 2002).

In this study, we define trust as the willingness to be vulnerable, following Mayer and colleagues (Mayer, Davis, & Schoorman, 1995). This vulnerability is derived from a lack of insight into the intentions or prospective actions of a potential partner or a collaborator (Lewis & Weigert, 1985). For entrepreneurs this notion of vulnerability is especially apt because for them relational development and self-disclosure involve sharing ideas and information that are vital for business. Here a strong sense of trustworthiness is important because it influences the quality of the resources and the information that flows between parties and because it reduces transaction costs (Hoang & Antoncic, 2003; Jack, et al., 2010). We investigate what role SNSs and other communication technologies play in how and whether entrepreneurs develop trust in business relationships.

Maintaining relationships:

Once relationships are developed to a desired level, communication technology can be extremely useful for maintenance activities (Shklovski, et al., 2008). Relational maintenance behaviours can take on the form of comments, photo sharing, email exchanges, and a myriad of other small actions on SNSs that can function as behavioural infusions into established relationships at a distance in order to maintain them in a desired state (Shklovski, et al., 2008; Sigman, 1991). These actions do not necessarily substitute for other forms of contact, such as phone calls or in-person interaction, but can be thought of as additions to or compensations for its rarity. The use of lightweight interaction such as comments or other small gestures can become unobtrusive reminders of a shared past and of the intention to maintain a connection without investing too much time or effort (Skeels & Grudin, 2009). While SNSs can be useful for relational maintenance, people tend to maintain weaker ties of a lighter character through this channel (Barkhuus & Tashiro, 2010). Given these findings, we asked what role might SNSs play in how entrepreneurs manage a variety of their business relationships?

Despite the proliferation of communication technology, face-to-face interaction and the demand for physical proximity stubbornly refuse to disappear. In fact, some research suggests that SNS may eliminate too many emotional risks making it difficult to become vulnerable enough to deepen relationships (Lee, 2010). Although frequent face-to-face meetings may not be necessary for adequately supporting distance work, occasional infusions of such interactions are crucial for making things function well (Nardi, 2005; Nardi & Whittaker, 2002). In fact, these face-to-face meetings are not as important for technical work-related discussions as they are important to actually manage the human aspects of work relationships. This line of research suggests that communication technology may have to be relegated to a secondary and supportive function in the way entrepreneurs would establish, develop and maintain their relationships. Given the demands placed on entrepreneurs in the course of selecting business partners and developing relationships, we wondered just how much of an aid would communication technology become when it came to literally getting down to business? Would social network sites and other forms of staying connected through technology provide the right kind of flexibility, information and scaffolding to help entrepreneurs locate and eventually transform weak ties into hugging teams?

Method

We present results from a qualitative study based on a series of in-depth interviews and extensive observations conducted in the spring of 2010 in Copenhagen, Denmark. Data collection and analysis were iterative processes of repeated analysis and contrasting of hypotheses and ideas, going between the

research field and data assessment. The data is based on repeated informal and semi-structured interviews with seven independent Danish entrepreneurs who network as part of their professional life. The first author also performed in-depth extensive observations of these entrepreneurs' day-to-day activities at their places of business, at formal networking events and at informal gatherings.

In the course of our study, we used the method of theoretical sampling as a way of selecting participants for observation and interview. This sampling approach is described in detail by Corbin and Strauss (2008). We continually intermingled data collection with data analysis resulting in a hermeneutic process where we created, explored and altered concepts during our fieldwork. This practice helped us to define a tight focus of our study early on and to narrow down our selection of subjects. Because of a research process that in this way fed on itself we reached saturation surprisingly quickly. Our research focus originated from an informal conversation in the course of initial observations during a networking meeting of entrepreneurs with the story of the hugging team. An important criterion in our selection of informants was that they were already successful entrepreneurs and that their businesses were flourishing. We carefully selected our respondents to cover a wide spectrum of types of businesses, some reliant on technology and others dependent on physical places. Regardless of business type, however, all of the respondents depended on having numerous contacts to ensure that their businesses were successful. Additionally, all but one had connections abroad, such as suppliers, employees, mentors or costumers.

We recruited entrepreneurs using a snowball sampling technique initially seeded from personal contacts. The criteria for participation was to have started at least one business, to have achieved success by attaining financial solvency and to have serious intentions for continuing entrepreneurial activities in the near future. All participants except one were native to Denmark. These were young entrepreneurs, ages ranging from 25 to 45, who conducted business in a variety of areas from IT and finance, to small restaurant ownership. All participants used mobile phones and email extensively and all but one maintained profiles on Facebook and LinkedIn.

The first author, who is a native Danish speaker, observed and interviewed six male entrepreneurs and one female entrepreneur. Although we intended to achieve a gender-balanced sample, this proved difficult. This may be partly related to the fact that in Denmark men are nearly three times as likely as women to be self-employed². The first author spent 15 hours observing participants and collected an additional 8 hours of interviews over multiple occasions in the course of a month. The interviews were focused on past and current business relationships, elicited examples of using such relationships to promote business, discussed how they would solve hypothetical problems and how they were solving real problems they currently faced. We deliberately did not focus interviews on discussions of technology use, letting the kinds of technologies used for managing relationships

² Statistics Denmark

emerge organically, without external prompting (Kvale, 1996). All mentions of technology use were followed up with requests for specific examples and further explanations.

All observations were summarized in field notes and memos and translated in summaries for the second author who does not speak Danish. We developed a coding scheme based on an initial open coding of transcripts and field notes (Emerson, Fretz, & Shaw, 1995). We then combined open codes into themes distinguished by the type of relational process (initiation, growth or maintenance of business relationships), technology-use orientation (SNS, mobile phones, email) and insistence on in-person interaction. Relevant quotes, notes and references were combined and summarized to form a coherent narrative for each theme. These summaries then allowed a look at the bigger picture. All representative quotes presented here were translated by the first author, who is a native Danish speaker. Names were changed to preserve confidentiality.

Findings

Connecting online

All but one of the entrepreneurs in our study were avid users of communication technologies for social networking and for relational maintenance. We found two distinct patterns of behaviour. Half of the respondents used SNSs almost exclusively to connect with people they already knew and to maintain connections previously established through face-to-face interaction:

“I need to know them. Most of the people that I have on my list [on Facebook], 85 percent of them, I know personally.” (DN)

Another participants added:

“If it is someone I haven’t met before I won’t accept them as contacts [on LinkedIn].” (JB)

This kind of technology use had the character of “extra communication.” Connecting via an SNS became something that could take place after a first impression had been formed elsewhere – similar to exchanging business cards.

While the other half of the entrepreneurs reported using SNSs as business card repositories as well, they also actively searched for and often made connections *before* a face-to-face meeting took place using the sites. SNSs provided a way to search for people with certain qualifications or interests, to vet them by checking out their profiles, and to establish initial connections. They then decided whether they wanted to meet these new contacts in-person. As one participant explained:

“Often we are ‘friends’ from Facebook and therefore there is also a recognition factor that can potentially help set up an arrangement to cooperate” (NS).

Making use of an SNS to establish initial contact with someone became a way of finding out that they shared something in common. Another participant explained how he used LinkedIn to locate new contacts through friends of friends:

"I don't use it that much but if there is a certain person I want to get in touch with I might check if I know someone who knows the person in question and can introduce us" (NSE).

One of the most common reasons our respondents decided to establish initial contact through an SNS was to overcome physical distance and a lack of existing personal contacts in a location that was new to them. For example, an entrepreneur shared how he used LinkedIn to find and vet potential business contacts in Poland:

"I knew one person and he [my partner] knew no one (...). So he went on Linked-In and found 10 profiles (...) And then he wrote to them saying, 'Hi, we are going to Poland would you like to meet us about a new project we are doing'. And in that way we booked six meetings" (JB).

While this approach was successful for establishing necessary connections the same respondent quickly pointed out that this way of connecting was not optimal:

"If this was in Denmark I would have gone to someone who knew someone instead" (JB).

Even though SNSs could function as efficient channels to meet people online and some respondents used this approach often, the need to eventually meet face-to-face remained paramount. In fact, we heard stories of respondents going to great lengths to establish initial contact with potential business connections in person. In a somewhat extreme example, one participant confronted the challenge of distance by frequently travelling between Denmark and the United States:

"In LA there are lots of conventions and a lot of businesses, retailers, buyers and guitar builders meet there (...). It's a mix of people and therefore it is really important to be there. (...) Then you talk about how you think you might help each other. (...) And therefore a negotiation situation has already been furnished and that's a really sensitive situation because you offer yourself (...) then hopefully in 20-30 minutes you have created a comfortable situation where you find out if you can help each other" (NS).

The above quote provides an important insight into why our respondents travelled long distances to meet in-person even though LinkedIn or Facebook were merely a click away. Even when they used SNSs, and especially Facebook for business-related activities daily, meeting in-person remained important because when initiating a potential business relationship *"you offer yourself"*. Recalling the definition of trust as a willingness to be vulnerable (Mayer, et al., 1995), our participants clearly indicated that one of the biggest issues they needed to resolve in the course of meeting new contacts was determining their trustworthiness.

Deciding who to trust

There is no sure way to assess someone's trustworthiness, especially in a nascent relationship, and entrepreneurs in our study tended to rely on a complex combination of logic and gut feeling for this process:

"I met a guy in a bar once and I knew he earned a lot of money (...). But I didn't find him very likeable. We were just standing there, hanging out and listening to some music. It was just some small talk and touching glasses. But I just sensed that it didn't feel right. For the short moment we talked I just felt it" (NS).

There are volumes of information available via Google search and on various SNS profiles, yet developing trust online is often more difficult and can take a

longer time than through face-to-face interaction (Bos, et al., 2002; Wilson, et al., 2006). In spite of the efficiency technology offered our participants, it was the impressions that could not be summarized in an address book or an SNS profile that influenced decisions on trustworthiness. As one participant reflected:

“Yeah, sure I use Facebook and LinkedIn, but what works best is actually the stuff you remember” (JB).

The things that they remembered were not necessarily pieces of factual information and in some cases these difficult to articulate impressions seemed almost irrational in a business sense. As one entrepreneur, who heavily used Facebook to promote his business and to keep in contact with business prospects, explained:

“If I’m in front of a person and my body sensation is not good – off path immediately! If I’m uncomfortable with it, it doesn’t really matter what they say, I don’t care. I watch the people a lot And for me the whole thing needs to be ... I need to feel the vibes” (DN).

Another participant referred to something similar when he described what it was like to meet a potentially good business connection:

“It is like when you meet a new person that you like being close to and where you feel that you need each other” (NS)

Apart from whatever facts may have been available about a potential business contact prior to the meeting, emotional impressions as social linkages necessary for the exchange of information (Nardi & Whittaker, 2002), had to be positive in order to assess initial trustworthiness.

Business relationship growth

After the initial stages of meeting and vetting, actually making use of a newly established business relationship demanded further relational growth and development of trust. Here too the resources offered by SNSs were important, but they played a unique supportive role in the process where emotional connections, co-presence and personal experience took centre stage.

Trust and business

Business relationships involve exchanges of resources and services, built on notions of reciprocity and expectations of gain. As one participant explained:

“The work related stuff is probably more so the kind of thing where you are conscious of the exchange. What can I get from you, what can you get from me and what can we give each other?” (MG).

This exchange was more of a sensitive issue to entrepreneurs because they worked independently and were not backed by large organizations, as one participant explained when talking about involving a powerful collaborator in his business:

“How sympathetic is he to my input? How attentive is he to the fact that I’m the little guy in this game?” (CW).

Finding people that were trustworthy was vital for business relationships. This transition was important in order to move forward and actually make business happen. In this phase entrepreneurs tended to establish if the relationships they had

initiated would actually work. Merely being a match structurally and competence-wise was not enough for a beneficial business relationship.

Entrepreneurial relationships that have survived for a long period of time evidence that trust indeed binds them together. Over time these kinds of relationships shift from initially being of a calculative character to being affective relationships built on reciprocity, resembling something more akin to friendship rather than business (Jack, et al., 2010). The process of establishing this level of trust is delicate. Our participants relied extensively on face-to-face interaction and spoke of this need in ways that were reminiscent of the media richness hypothesis (Daft & Lengel, 1984). For example, one participant explained how this lack of a good gut feeling influenced his business choices:

“He made enough of money so that part of the respect was there, but I just felt that the way he presented himself wasn’t very (...) appealing to me” (CW).

This thick and sometimes intangible flow of information affected the choices entrepreneurs made. Even if all formal matters of doing business seemed fulfilled, some business relationships never developed because the little cues of trust in face-to-face interaction revealed an intuitive dissonance.

Connecting through commonalities

To build trust in their business relationships our respondents sought common ground, often expressing a sense of community or sympathy towards the other party: *“We are kind of in the same club” (MG)*. One of the formal networking events that we attended was called a “club” and this definition of the event was something that many of the attendees referred to when meeting someone new. Another participant who was originally from Argentina explained: *“We fix all things the Argentinean way” (DN)*, when describing his relationship to good business contacts. As in previous research, lasting relationships meant high levels of trust and shared values.

“It wasn’t like ‘now you get that and then I’ll get that in return’. It was more like, ‘now we help each other” (JB).

Shared values, in fact, were not strictly business related, but meant a kind of sharing of personal preferences and attaining a deeper closeness, as one participant confided: *“Common values (...) make us get closer personally” (MG)*.

SNSs facilitate learning personal information that can enhance the process of getting to know and ease finding commonalities. In fact our respondents used vetting prior to meeting and additional looking up in the course of relational development specifically to help them get “under the skin” of potential business partners. These commonalities suggest commonly held beliefs, cultural norms and expectations that had to be assessed in the course of interaction through a combination of technological “social browsing” (Lampe, et al., 2006) and in-person testing out of “vibes.” Our observations suggested that SNS use allows an unobtrusive way of sharing these commonalities prior to meeting. Yet these commonalities remained conceptual until they were “tested” and the “testing” was

best done in person. One participant gave an evocative example that led to some of his business relationships taking off and becoming beneficial:

"...on this trip over Easter with some partners. Six days in Turkey, all out. Some of my limits were really crossed at that trip and I thought about if we could do this together with the business relationship we have" (VA).

Strikingly, the level of involvement in these business relationships was in fact very personal. All future business partners in this instance had to cross boundaries of formal conduct and make themselves vulnerable to each other by sharing decidedly co-present non-business related experiences.

Technological support for relational development

As our participants sought commonalities to develop their relationships and to build stronger bonds, they did so in-person and through technology use. This was most evident in their SNS use. For example, one participant explained how he maintained many of his US contacts via Facebook:

"We comment on each others pictures and that makes the relationship a bit softer. Introduces a friendly side that is quite interesting. (...) I use Facebook for strengthening my relations" (NS).

SNSs provided a space for discovering commonalities and moving relationships forward for the participants in a casual way that could remove some of the attention from the more calculative side of business:

"Facebook is a softer medium where talking business doesn't seem so business-like" (NS).

While some relationships were well suited for development on Facebook, more than half of the entrepreneurs noted that serious business relationships belonged on LinkedIn. Where Facebook was of a lighter character, LinkedIn sent a more serious signal. "[Facebook] is more of a friend thing...", a participant expressed and concluded: "LinkedIn is more for professional relations" (NSE). We investigated what constituted managing serious relationships on LinkedIn through observations and further probing interview questions. All six users of LinkedIn utilized it as an online address book or for vetting contacts. Very little direct interaction took place through the site despite recent innovations on the part of the site. The development of serious relationships took place mostly face-to-face, but the information that supported some of this interaction was gleaned from the SNS. Although technologies helped span distance, where serious business contacts were concerned, the need for co-presence trumped convenience:

"Then we just decided to go and visit [the US] every three months. That was the only way it would be possible" (JB).

When asked why travelling to see someone can sometimes be the "the only way" another participant explained:

"It is nicer to discuss things [in person] instead of e-mailing. It becomes so formal" (CW).

Clearly, our participants preferred not just any kind of co-presence, but in-person meetings of a specific character. Many times the nature of in-person interactions of these serious relationships did not seem very serious at all:

“It was someone from [the US], who was in Denmark and we had invited him out to eat. It [dinner] was very formal in some way. We talked about Denmark and he asked if there wasn’t something called Christiania³? And I said that it was right near by ... And then we took a walk and had a beer there ... and then my colleague and him got completely stoned ... And then he said, ‘do you ski?’ ... and three months later we went skiing together in the US. And after that trip we just had a completely different relation and we could talk together in a deeper way and we could use each other a lot better” (JB).

A formal dinner or a regular meeting was not enough to develop the level of trust needed to make relationships mature for future business ventures. Trust in serious business relationships of entrepreneurs was paradoxically created by occasionally loosening control. A participant who owns a wine bar commented on this:

“Normally people, after 2-3 glasses of wine, get far more friendly. That is why I can really build powerful networks. Because people are far more... I wouldn’t say vulnerable... but they speak far more freely” (DN).

The encounters that resulted in a loss of a controlled presentation of self put our respondents on the spot, but also lubricated business ties, built stronger bonds, created trust and in the end brought benefits. Yet despite the need for intimacy and the requirement of vulnerability for trust building, too much vulnerability could cross the thin line of business relationship into too much friendship. Our respondents struggled to strike the right balance between business and friendship, since close friends often do not make good business partners (Maldonado, Klemmer, & Pea, 2009).

Co-presence is no panacea

Co-presence is not a perfect answer to managing the risks of meeting new business partners. It is fraught with dangers because people lie, first impressions may be misconstrued and crossing too many boundaries can end in hurt feelings. Entrepreneurs were aware of these issues when meeting a possible collaborator:

“Will he lead you up the garden path? Will he buy you for peanuts and then throw you out afterwards? What is his ulterior motive really?” (CW).

Even though the participants expressed a definite fondness of co-presence, they were well aware that the intimate qualities of co-presence were an effective and at times calculative tool for creating an engaging atmosphere that would make an object of business courtship more cooperative:

“Next time we meet up: Out for dinner, eat, drink him under the table, become best friends and swing and dance and stuff like that... I do it to make him think that I’m really cool and so that we can get more things through” (JB).

Almost all of the participants had experienced getting seduced by such a “*business flirt*,” as one entrepreneur called it, because the business relationship came to resemble a friendship. A respondent noticed this when getting to know the person with whom he later formed a rather problematic business partnership:

³ A self-proclaimed autonomous neighborhood in Copenhagen that is, among other things, known for its cannabis trade.

"It was strange to get that kind of compliments, and I didn't really know what to do with them (...) It was like an exchange that belonged in another kind of relationship" (NES).

Some respondents deliberately tried to limit "connectedness" both online and offline to avoid forming too many demanding and obligating relationships. For example, one entrepreneur only rarely gave out their email-address, stayed off social media and did not pick up their phone after hours in order to keep a clear separation between private and professional life, thus managing relational distance with colleagues and customers both digitally and physically:

"With some costumers you have to keep two steps away, so they don't get a hug" (MG).

In another example, a respondent who owned a bar used the actual bar as marker of a personal boundary. Through observations of his interacting with potential business contacts it became apparent that he would sometimes cross this boundary by leaning across the bar or actually walking to the other side of the bar as a special means of getting closer to a potential business contact – and thereby closer to a deal – making physical distance both a means of protection and calculation.

Neither technology nor in-person interaction were foolproof for identifying the right business contacts to trust. Even when trying to limit the exposure that is part of establishing new relationships and sharing ideas by using a range of technological and in-person tools for communication and vetting, our participants were aware that they would remain vulnerable. Ultimately entrepreneurs had to rely on something inexplicably intuitive when deciding whether to trust people and to let a relationship take off. As another participant concluded:

"I like to think that what goes around comes around" (NSE).

Maintenance

Having developed their relationships to a desired level, entrepreneurs needed to maintain them through occasional infusions of attention and contact. Our participants used technology extensively for relationship maintenance. Several participants used Facebook for spreading titbits of information through status updates that they felt kept the interest of their contacts alive:

"I just posted a bit of fun and some headlines and then some of them caught on to that" (JL).

In this way SNSs provided an efficient channel for lightly engaging existing contacts by presenting them with information in an unobtrusive manner.

"I use Facebook to maintain relations and remain in peoples' consciousness" (NSE).

This made it acceptable to initiate contact even though the occasion may not have been pressing. Spreading information and promoting themselves this way was done both to attract costumers and to remind their contacts of their existence:

"...if you don't cultivate [the relationships] you don't know what is going on in your process. (...). It is more fun to keep up to date on a regular basis. Then you get a much better sparring and dialogue" (CW).

A regular stream of information not only kept the memory of what had been developed alive, but also offered occasions for activating the relationships again and developing them further if necessary.

However, as our participants gained a larger list of contacts, they became conscious of the fact that their posts on SNSs reached everyone at once, regardless of who they were. While this was useful for certain kinds of promotion activities, this also naturally limited just how personal a profile could be, once again carefully treading between the informalities of friendship and the seriousness of business relationships. A participant pointed out this challenge:

“Earlier, if I had a bad day, I might post some quote that expressed negativity. I’m a bit more aware of that now. Even though it irritates me that I think like that. I just wouldn’t like my dealers to get that impression” (NS).

This instance of what Meyrowitz called “collapsed contexts” (Meyrowitz, 1985) represented a blessing and a curse, making it difficult to aim communication at specific contacts. To manage risk, some participants chose to use more synchronous ways of communication for specific instances of maintenance:

“I prefer calling. Then it is easier for me to sense if this is the time to say everything or only half of it” (JB).

Reactivating relationships

Despite the opportunities SNSs and other communication technologies offered, our participants managed to keep only so many relationships active at a time. They found SNSs especially useful for re-activating ties in the event those were needed. A participant described how he had used the chat function on Facebook for reactivating a relationship:

“One of my dealers had been to Montreal skiing with his wife and I could see that and asked if he had had a good trip and maybe using it as an opening. You know, that we should talk and I’ll call you next week” (NS).

When an occasion came for reactivation of a relationship the participants would move interaction to more synchronous platforms of communication. They also expressed that mediated communication often functioned as a temporary pit stop before moving on to seeing each other face-to-face. A participant described this when describing the thoughts that came to mind when receiving a phone call from an old business contact:

“It is like then I become conscious of the fact that I have some people that I can always call and say, ‘you wanna grab a cup of coffee?’” (JB).

When considering business ties our participants employed a full ecology of communication modalities, where seeing a Facebook update from a contact would lead to a conversation on Facebook chat, then to a phone call, and maybe eventually a shared cup of coffee.

It's all about connecting

Relational maintenance via technological means is efficient and timesaving and our respondents demonstrated as much. The more people you know, the more information is available and the more possible business ventures lie ahead. For our entrepreneurs SNSs and other communication technologies were crucial for keeping their business relationships from deteriorating. They used SNSs, email and phone to get customers, promote their business, maintain connections and seek new contacts. Yet the ease with which SNSs, electronic address books and contact lists allowed them to catalogue the people they met in the course of business could be overwhelming. For some, the possibilities of indexing endless amounts of names, numbers and faces often turned laptops into trophy cupboards of contacts:

"I have more than 2.000 contacts in my file on the computer. They are all people that I have met (...). Some of them I don't even remember anymore, but I've got them all here" (NSE).

The very notion of being connected was problematic for many of our respondents. The majority used Facebook and LinkedIn to literally store contacts, archiving them for some abstract potential future use. Another participant underlined this perspective when discussing his rather impressive contact list:

"Can you imagine how many numbers I've got? (...) I don't even know who they are..." (DN).

Having connections – access to contact information – was quite easy for our respondents. In order to actually make use of these contacts, however, they invested substantially more effort to develop them into and maintain them as usable connections. Ultimately content and the catalogue of shared experiences, both business and otherwise, defined the relationships. Technology provided a way to store contacts, created scaffolding for the initial vetting and was crucial for ongoing maintenance. Yet to make a business relationship work it was necessary to do the hard work of relational development. Our participants insisted that some of that work was still best done face-to-face.

Discussion and conclusions

We began this study with the goal of exploring how entrepreneurs use available communication technologies and social networking tools to broaden their business connections and to manage their business relationships. We chose young entrepreneurs because they represented a group of people whose use of technology for networking would best illustrate networking practices in this digitally connected world. Since many small business entrepreneurs work independently, they tend to network outside the confines of a shared organizational space, seeking potential customers and business partners in a variety of situations.

In the course of our fieldwork we found that, as we had expected, SNSs, phones and email were heavily implicated in the way entrepreneurs established, developed and maintained their business relationships. In the process of establishing relationships, communication technologies in general and SNSs specifically were

useful tools for narrowing down the search for business prospects, for overcoming barriers of distance and for vetting prospective partners prior to engaging in negotiations. Social browsing on SNSs could speed up the process of getting to know one another when meeting face-to-face by providing the background information necessary for connecting over existing commonalities and establishing rapport. SNSs, email and phones were even more integral to the way entrepreneurs engaged in maintaining existing relationships. SNSs allowed users to easily and conveniently ply large numbers of contacts with a regular stream of unobtrusive information and attention that could serve as reminders and that kept the relationships alive and ready for reactivation. In this context the lighter character of SNS-based interaction shined, confirming prior research on how and why people might use these technologies (Skeels & Grudin, 2009; Steinfield, et al., 2009).

It was when we considered how entrepreneurs might move from meeting potential business partners to actually making deals that the role of communication technology became far less straightforward. Despite the connectivity and opportunities gleaned from technology use, the biggest reason for a relationship to move from a potential contact to a productive business partnership was development of trust – a tortuous and uncertain process for our participants. For want of something resembling the comfort zone of an organizational context (Wu, et al., 2010), entrepreneurs looked for, tested and created a comfort zone of equal amounts of vulnerability, commonly held values, co-present experiences and sympathies that could provide the safety needed to make a business relationship take off. SNSs provided initial information of shared context and values on which entrepreneurs could base this development of relationships. The format of Facebook, for example, made it possible to intermingle business talk with other topics of a lighter non-business character, making conversation flow easier. LinkedIn, on the other hand, showcased recommendations of friends or co-workers and clearly communicated relevant background information.

At the same time, SNSs perhaps offered too much mediation and made the work required for relational growth too convenient and controlled, a finding similar to recent research on friendships (Lee, 2010). This was where meeting face-to-face became important because factual information gleaned via SNSs was not adequate when deciding if someone was trustworthy. The high level of trust that entrepreneurs required for a relationship to grow into a partnership was formed as a result of impressions from face-to-face interactions that were irrational, difficult to articulate and paradoxically had little to do with the notion of business. For our participants, raw co-present shared experience forced the kind of self-disclosure that helped create conditions for a successful business relationship. Despite the access and efficiency technology provided, it did not allow the user to skip the hard work of relationship development. No matter the kind of business our entrepreneurs engaged in, they preferred at least rare instances of co-presence to accomplish the tricky and delicate kinds of relational work. In the words of Nardi (2005) they were looking to establish “feelings of affinity, commitment and

attention.” The social linkages created in moments of vulnerability to each other allowed the exchange of information that was really essential for creation of trust: information that was not censured by the social expectations of the business world.

Yet in-person interaction was no panacea. The very experiences necessary to create trust could be staged by a contact that was calculating and insincere. Vulnerability and shared informal experience could also result in a relationship that was too much friendship and not enough business. Where to meet on the continuum of private and professional, of intimate and interactive was a tricky balancing act determined for each individual relationship. We found entrepreneurs alternating between extensive use of SNSs and other communication technologies for vetting and checking their contacts and limiting the use of the same technologies to keep business relationships from slipping into too much friendship.

Finally, our respondents pointed out that connections could be overwhelming and hollow at the same time. New technological devices and social media tools for networking flood the markets and their value is often touted in terms of storage space, speed, ability to synchronize with other media and the ability to reach out to any contact around the world. For the more technically savvy of our participants, connecting using these tools was easy, seductive and initially seemed enduring, similar to the kind of behavior observed in college students (Ellison, et al., 2007) . Yet our findings also illustrated that although the kinds of connectedness social media offered could be useful and exciting, the expectation of being always available and always presentable could be overwhelming. Just how many names on your contact list are more than simply names anymore?

Our findings then question what being connected means for entrepreneurs in the digital world. SNS use allowed entrepreneurs to maintain a wide range of contacts and provided opportunities to locate potential partners more broadly, softening and lubricating the process of meeting new people and maintaining relationships. Yet it was clear that when it came to really connecting, shared co-present experience trumped everything else, demanding real investments of time, effort and emotion. Here use of technologies shifted into the background, giving space to the “gut feeling”, We are not certain that technological advance should aim to somehow replace the deep and raw connection of physical experiences with conveniently technologically mediated ones. At times, barriers and difficulties that had to be overcome were what made new business ties that much more valuable when they finally worked. Showing up was what made entrepreneurs believe the other person really meant what they said, especially if the effort to meet was substantial. Once these decisions were made, however, SNSs offered exciting new ways to help manage, maintain and advance the businesses of these entrepreneurs.

Limitations

Despite careful sample selection, we readily acknowledge the limitation of our small sample size, focused as it was on Danish entrepreneurs in the city of Copenhagen. Such narrow geographical focus made it impossible to observe potential differences of how entrepreneurs go about business and networking in places less centrally located. A larger sample size and a comparative cross-cultural study would have undoubtedly provided greater detail and insight into the phenomena under study. Our future work is aimed at remedying these limitations and focusing deeper on the curious distinction between friendship and business partnership as it might be managed via social media.

Acknowledgments

We are indebted to all of our respondents for their generous participation in our study. We thank anonymous reviewers for helping us improve this paper with constructive criticism.

References

- Barkhuus, L., & Tashiro, J. (2010). Student socialization in the age of facebook. *Proceedings of CHI 2010*
- Berscheid, E. (1994). Interpersonal relationships. *Annual Review of Psychology*, 45, 79-129.
- Boase, J., & Wellman, B. (2006). Personal relationships: On and off the Internet. In D. Perlman & A. L. Vangelisti (Eds.), *Handbook of Personal Relations*. Cambridge: University Press.
- Bos, N., Olson, J., Gergle, D., Olson, G., & Wright, Z. (2002). Effects of four computer-mediated communications channels on trust development. *Proceedings of CHI 2002*
- boyd, d., & Ellison, N. (2007). Social Network Sites: Definition, History, and Scholarship. *Journal of Computer-Mediated Communication*, 13(1), 210-230.
- Burke, M., Marlow, C., & Lento, T. (2010). Social network activity and social well-being. *Proceedings of CHI 2010*.
- Corbin, J. M., & Strauss, A. L. (2008). *Basics of qualitative research : techniques and procedures for developing grounded theory* (3rd ed.). Los Angeles, CA: Sage
- Daft, R., & Lengel, R. (1984). Information richness: A new approach to managerial behavior and organizational design. *Research in Organizational Behavior*, 6, 191-233.
- DiMicco, J., Millen, D. R., Geyer, W., Dugan, C., Brownholtz, B., & Muller, M. (2008). Motivations for social networking at work. *Proceedings of CSCW 2008*.
- Ellison, N., Steinfield, C., & Lampe, C. (2007). The benefits of Facebook "friends:" Social capital and college students' use of online social network sites. *Journal of Computer-Mediated Communication*, 12(4), 1143-1168.
- Emerson, R. M., Fretz, R. I., & Shaw, L. L. (1995). *Writing ethnographic fieldnotes*. Chicago: University of Chicago Press.
- Hoang, H., & Antoncic, B. (2003). Network-based research in entrepreneurship: A critical review. *Journal of Business Venturing*, 18(2), 165-187.
- Jack, S., Moul, S., Anderson, A. R., & Dodd, S. (2010). An entrepreneurial network evolving: Patterns of change. *International Small Business Journal*, 28(4), 315-337.
- Jarvenpaa, S., & Leidner, D. (1999). Communication and trust in global virtual teams. *Organization Science*, 10(6), 791-815.

- Kvale, S. (1996). *Interviews: An introduction to qualitative research interviewing*. Thousand Oaks, CA: Sage.
- Lampe, C., Ellison, N., & Steinfield, C. (2006). A face(book) in the crowd: Social searching vs. social browsing. *In proceedings of CSCW 2006*.
- Lee, J. (2010). 500 Friends and No One to Call: Insights on the Reality of Social Networking. Copenhagen, DK: ReD. Retrieved 1/23/2011, <http://www.redassociates.com/redpapers/social-media/>
- Lewis, J. D., & Weigert, A. (1985). Trust as social reality. *Social Forces*, 63(4), 967-985.
- Maldonado, H., Klemmer, S. R., & Pea, R. D. (2009). When is collaborating with friends a good idea? insights from design education. *Proceedings of CSCL 2009 - Volume 1*.
- Manjoo, F. (2010, August 26, 2010). Social Networking Your Way to a New Job. *The New York Times*.
- Mayer, R., Davis, J. H., & Schoorman, F. D. (1995). An integrative model of organizational trust. *Academy of Management Review*, 20(3), 709-734.
- Meyrowitz, J. (1985). *No sense of place: The impact of electronic media on social behavior*. New York: Oxford University Press.
- Nardi, B. (2005). Beyond Bandwidth: Dimensions of Connection in Interpersonal Communication. *Computer Supported Cooperative Work*, 14(2), 91-130.
- Nardi, B., & Whittaker, S. (2002). The place of face to face communication in distributed work. In P. Hinds & S. Kiesler (Eds.), *Distributed work* (pp. 83-112). Cambridge, MA: MIT Press.
- Parks, M. R. (2007). *Personal relationships and personal networks*. Mahwah, N.J.: Erlbaum.
- Perlman, D., & Fehr, B. (1986). Theories of friendship: The analysis of interpersonal attraction. In V. Derlega & B. Winstead (Eds.), *Friendship and social interaction* (pp. 9-40). NY: Springer.
- Rocco, E. (1998). Trust breaks down in electronic contexts but can be repaired by some initial face-to-face contact. *Proceedings of CHI 1998*, 496-502.
- Seibert, S. E., Kraimer, M. L., & Liden, R. C. (2001). A Social Capital Theory of Career Success. *The Academy of Management Journal*, 44(2), 219-237.
- Shklovski, I., Kraut, R., & Cummings, J. (2008). Keeping in touch by technology: Maintaining relationships after a residential move. *In proceedings of CHI 2008*.
- Sigman, S. J. (1991). Handling discontinuous aspects of continuing social relationships: Toward research on the persistence of social forms. *Communication Theory*, 1, 106-127.
- Skeels, M. M., & Grudin, J. (2009). When social networks cross boundaries: a case study of workplace use of facebook and linkedin. *Proceedings of GROUP 2009*.
- Sprecher, S. (1988). Investment Model, Equity, and Social Support Determinants of Relationship Commitment. *Social Psychology Quarterly*, 51(4), 318-328.
- Steinfeld, C., DiMicco, J. M., Ellison, N. B., & Lampe, C. (2009). Bowling online: social networking and social capital within the organization. *Proceedings of C&T 2009*.
- Thibaut, J. W., & Kelley, H. H. (1986). *The social psychology of groups*. New Brunswick: Transaction Books.
- Wilson, J. M., Straus, S. G., & McEvily, B. (2006). All in due time: The development of trust in computer-mediated and face-to-face teams. *Organizational Behavior and Human Decision Processes*, 99(1), 16-33.
- Wu, A., DiMicco, J. M., & Millen, D. R. (2010). Detecting professional versus personal closeness using an enterprise social network site. *Proceedings of CHI 2010*.
- Zheng, J., Veinott, E., Bos, N., Olson, J. S., & Olson, G. M. (2002). Trust without touch: jumpstarting long-distance trust with initial social activities. *Proceedings of CHI 2002*.