



BBA

Semester VI

Calicut University

Networking in Business

Course Code: BBA6CJ304 • Module 2 Notes

1. Goals and Strategies for Business Networks

Business networks are structured groupings of individuals or organizations connected through commercial, professional, or social relationships. Establishing clear networking goals ensures that time invested in relationship-building translates into tangible professional and organizational outcomes.

Primary Business Networking Goals

Professionals and companies engage in business networking to achieve specific strategic objectives:

- **Lead Generation & Client Acquisition:** Securing high-quality business referrals and new client accounts through trusted introductions.
- **Knowledge & Market Intelligence:** Gaining early access to industry trends, competitor movements, regulatory shifts, and technological breakthroughs.
- **Strategic Alliances & Partnerships:** Identifying complementary businesses for joint ventures, co-marketing campaigns, or distribution deals.
- **Talent Acquisition & Career Growth:** Recruiting top-tier talent and discovering unadvertised executive career opportunities.

2. Types of Business Networks: Formal vs. Informal

Business networks exist along a spectrum from highly structured formal organizations to organic, spontaneous informal networks.

Comparative Matrix: Formal vs. Informal Networks

Dimension	Formal Business Networks	Informal Business Networks
Structural Framework	Strict membership rules, scheduled weekly meetings, attendance mandates, formal agendas.	Organic, voluntary, flexible gatherings based on personal relationships and shared interests.
Primary Purpose	Structured business referral generation, explicit commercial transactions, and formal partnership.	Knowledge sharing, emotional support, industry camaraderie, and informal advice.
Typical Examples	BNI (Business Network International), Rotary International, Industry Trade Associations, Chambers.	Alumni coffee groups, informal golf meets, social media communities, dinner groups.
Speed of Trust Building	Accelerated through structured accountability and formal referral metrics.	Gradual, built over long-term personal interactions and shared experiences.

Social Network Analysis (SNA) Metrics

Evaluating organizational network strength using quantitative graph metrics:

- **Degree Centrality:** The direct number of connections an individual holds within a network, indicating popularity and outreach power.
- **Betweenness Centrality:** Measuring how frequently an individual acts as a connecting bridge between two distinct clusters.
- **Eigenvector Centrality:** Measuring influence based on being connected to other highly connected individuals.

3. Granovetter's Strength of Weak Ties & Network Expansion

Sociologist Mark Granovetter (1973) revolutionized network theory with his seminal paper "*The Strength of Weak Ties*," proving that novel information and unexpected opportunities flow primarily through distant acquaintances rather than close friends.

Strong Ties vs. Weak Ties Analysis

Strong Ties (Inner Circle) Close friends, family, and daily colleagues. Characterized by high trust and frequent contact, but limited redundant information (everyone knows the same things).	Weak Ties (Acquaintances / Bridges) Distant contacts, past colleagues, and event acquaintances. Act as network bridges connecting to distant social circles with fresh job leads and novel insights.
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4. Networking Across Cultural Boundaries

In a globalized corporate environment, networking often spans international, regional, and organizational cultures. Developing Cultural Intelligence (CQ) is critical to avoiding cross-cultural miscommunication and building global networks.

High-Context vs. Low-Context Communication (Edward T. Hall)

Communication Axis	High-Context Cultures (e.g., Japan, India, Arab World)	Low-Context Cultures (e.g., USA, Germany, Switzerland)
Message Style	Indirect, implicit; heavily relies on non-verbal cues, shared history, and context.	Direct, explicit, literal, and detailed; meaning is expressed strictly in spoken words.
Relationship Building	Relationship-first; business dealings require long-term personal trust and social bonding.	Task-first; business dealings proceed quickly based on contracts and professional credentials.
Networking Focus	Emphasizes personal loyalty, hierarchy, background, and long-term mutual commitments.	Emphasizes efficiency, immediate mutual benefit, and clear task outcomes.

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