Full Length Research Paper

Establishing and developing business networks: The importance of trust

Saskia de Klerk

University of New South Wales, Canberra, Northcott Drive, Canberra (Affiliated with North-West University, Potchefstroom, South Africa), PO Box 7916, Canberra, ACT, 2610, Australia. E-mail: deklerksaskia@gmail.com/ s.deklerk@adfa.edu.au. Tel: +61 2 6268 8668. Fax: +61 2 6268 8450.

The purpose of this research was to explore the importance of trust in establishing and developing business networks. The perceived levels of trust, commitment, cooperation, common interest and openness needed for successful business relationships were explored. A multi-method design, consisting of focus groups and a survey, provided a deeper understanding of such robust networking, such as trust and business networking. The mixed methods and then a survey for triangulation were used sequentially with focus groups to gather rich descriptive data and to measure content validity and trustworthiness. Participants (business owners or manager) were included and responses were received from opinion leaders in businesses, mainly from the services, retail and manufacturing sectors. Trust was identified as the singular most important cornerstone of a relationship and therefore of a network. The experiences of the participants showed that they feel that to build a relationship on trust, the partners in the relationship should be credible, have integrity, add value and communicate this value in a clear and non-obtrusive way. Trust was mentioned by both genders, all ages and for supplier, customer and partnering relationships, as the crucial element in determining business networking success. The mixed methods provide a more in-depth look at a multidimensional topic, such as trust. The individual experience of business owners and managers with regard to their measurement of trust in their relationships are unique and gives valuable insight for future investigations and understanding. Conducting their business at these festivals better. Training, facilitation and creating networking opportunities and engagement on higher levels of entrepreneur and management development might then be developed.

Key words: Business network, entrepreneur, trust, relationship, mixed method research, management.

INTRODUCTION

General trust between people is the basis for any society. It is difficult for individuals to have knowledge about every aspect of other people's lives and motives and as a result, most actions are based on trust (Markova, 2004). Trust is a complex phenomenon (Arrien, 2001), and is described by Adobor (2003) as the informal understanding that binds and forms the basis for the establishment and further development of a successful relationship. To establish some form of trust between diverse partners or participants implies that there should be a common ground or basis for their involvement and further building of the relationship. Trust exists where

there is strong interdependence between the role players, or where someone makes the conscious decision to trust based on their own rationality (Markova, 2004). Furthermore, trust also has a leverage effect which is based on the confidence in the other partner's ability and intent, involves the willingness to rely on that expected satisfaction (Armstrong and Yee, 2001) and is implicated when the partners involved have confidence in each other's ability and integrity to fulfil what is expected (Lui et al., 2006).

Cohan (2003) supports the importance of networking by including human relationships and teamwork as two of

the key principles of value leadership. However, building successful business networks require much effort and are usually an extensive and time-consuming process based on a mutual level of understanding and trust. Therefore, it is more cost effective to maintain relationships in terms of the return on investment than to forge new ones (Gray, 2001). As a consequence, trust is a very important ingredient in inter-business relations and also a requirement for the successful coordination between different businesses (Ciancutti and Steding, 2001). Trust is an essential component between businesses to share knowledge, even if their systems are connected and technology sharing takes place. The level of trust between the businesses will determine the level of knowledge exchange and the success of the business network (Van Winkelen, 2003).

Networking is moreover discussed in the marketing and communications area of a business. However, networking and the essence of networking in terms of trust is not generally empirically researched in emerging economies and countries for different industries or in other contexts. The implications of understanding the role and development of trust in a networking relationship might enable business owners, managers and in general the staff of a business to build this essential element of a network and increase the success of their own networking efforts. This in turn will enhance the success rate of the combined networking outcomes of a business. The following objectives is aimed at directing a better understanding of networking in a business and identifying success elements that might help in sustaining these trust relationships: 1) to investigate the current perceptions of business owners and managers on current networking practices; 2) to investigate business people's perceptions on the importance and impact of trust on network relationships; and 3) to investigate what the prerequisites are for the existence of trust in a relationship.

LITERATURE REVIEW

Although there are many forms of social capital, trust is included as the acknowledgement or appreciation and the feeling that one supports something in line with your personal values (Ciancutti and Steding, 2001). Trust plays a very important part in social relationships as well as cultural values and therefore influences the business culture. Business transactions and dealings are also built on trust, because it is conducted through the relationships between people and businesses (Wickham, 2004).

Business networks tie together different businesses (Vervest et al., 2005) that strive towards a win-win situation of complementary independence (Hitt et al., 2002). Businesses therefore combine their value to achieve a common purpose or higher results (Gruszczynski, 2005). This combined effort may include cooperative relationships between businesses with the same focus, motivation and skill to achieve the shared goals of the partners (Lipnack and Stamps, 1993; Lundan, 2002). Networks hold the advantage that a person or business can gain access to personal or relevant information, combine diverse skills and create a power made possible by the combined effort (Uzzi and Dunlap, 2005).

The importance of business networks is emphasised by two drivers. Firstly, to bridge the structural gaps through the relationship ties that bind different components of the network together and secondly, the need to even further enhance the cooperative motives and relationships between the different network players to develop more dense relationships and create a strong sense of community (Kadushin, 2002). According to Misner and Morgan (2000), networking will become increasingly important for a variety of reasons. These reasons include the ever-changing environment, the degree of constancy offered by relationships and the technological innovations of the modern era that do not recognise the importance of human interaction. In addition, people are forced to move out of their comfort zones by interacting with people that are different from them and because of growing stress people need to interact and share their experience with others to gather support and energy from others. According to Kay (2004), interpersonal connections and the development of trustworthy relationships are becoming increasingly important to the success and effectiveness of any business. Visibility and your importance are increased, a competitive advantage can be developed, profitability can be increased and a balance is created (Boe and Youngs, 1989).

Trust is an aspect that is pro-actively pursued by all parties concerned and is a long-term commitment that is achieved through patience and endurance (Koot et al., 2003). It involves taking risks based on the trust in the other person's ability to deliver knowledge, experience or money (Gruszczynski, 2005).

According to Markova (2004), trust lies on a continuum of blind passion borders on the one hand and a calculated and enforceable contract on the other. Together with elements such as technology and innovation, it drives businesses in the modern economy (Ciancutti and Steding, 2001). Trust also enhances cooperation and flexibility, lowers costs and increases the potential for businesses to share their expertise and knowledge (Nielsen, 2005). Predictability and social knowledge may lead to the creation of trust (Markova, 2004). Relationships that are built on trust and confidence in each other are very valuable, in that it will minimise costs involved and will help to build competitive advantages that are sustainable (Wickham, 2004). Trust also minimises the levels of social litigation needed and it fosters and promotes social arrangements and contacts (Koniordos, 2005).

Table 1. Illustration of research process.

Qualitative data collection	Quantitative data collection
Focus group discussions	Structured questionnaire
Text and image data	Numeric data
Qualitative data analysis	**Quantitative data analysis**
Thematic analysis	Statistical analysis
Comparing results	**Comparing results**
Conclusions	Conclusions

Table 2. Information on the focus group participants.

Group	Gender participation (n=41)	Field or industry
One	8 Men	Including participants of different industrial backgrounds.
Two	7 Men; 1 Woman	Including participants from different industries.
Three	9 Men	Including participants from different companies in the technology and research and development fields.
Four	8 Men; 2 Women	Including participants from the same industry and/or company.
Five	4 Men; 2 Women	Including participants from different companies.

It is important to note that people should be the primary focus of business transactions and therefore necessitates the presence of trust (Lindenfield and Lindenfield, 2005). Internal relationship networks tend to be more supporting with a high level of trust involved (Kadushin, 2002). These relationships are based on trust and safety and therefore, trust is envisioned in the entire network. In a trusting environment, people will tend to be more open and share ideas and even their difference in opinion, which may lead to the betterment of processes and creative problem solving (Ford, 1998). A trusting environment leads to the full access to and therefore the sharing of higher intelligence made possible because of diversity (Ciancutti and Steding, 2001).

METHODS

The research is explorative and descriptive in nature (De Vos, Strydom, Fouche, Delport, 2005). Research at and the aim was to develop a better understanding and to uncover the deeper meaning of individual business owners and managers' networking experiences and perceptions of trust in their business networks. A qualitative research design (that is, focus groups) was used to investigate the perceptions of Gauteng business owners and managers on current networking practices. A quantitative design (that is, questionnaires) was used to investigate business people's perceptions on the importance and impact of trust on network relationships and to investigate what the prerequisites are for the existence of trust in a relationship. Table 1 provides an illustration of the triangulation of methods.

Focus groups

An influential and well-known business owner was used to attract other business owners and managers to participate in a focus group. For the remaining focus groups referral or informal networks of friends, colleagues or business acquaintances were used to invite participants. For each focus group, 15 to 20 potential participants were invited and in this attempt and over-recruitment (more than 100%), it was ensured that each focus group consisted of between 8 and 12 new participants (excluding the host and researcher), which is difficult to achieve with professionals (McDaniel and Gates, 2005).

Saturation was reached after three focus groups, but a further two were held for the following reasons, to: a) include a wider variety of cultures, b) include more women, c) continue to verify the results of the first three focus groups, as well as to add to the rich direct quotations already gathered. This resulted in a total of five group sessions where a total of 41 business owners and managers participated. The details on the participants are summarised in Table 2.

Data collection

The focus group discussions provided insight into the networking experience of the participants (Cooper and Schindler, 2003). Each participant had to sign a consent form, stating that they were informed and that they agree to have the discussions audio and video taped. The focus group agenda consisted of directive questions and field notes (Breakwell, 2004), contextual notes, personal notes and observational notes (Holloway and Wheeler, 2002) to document empirica observation and interpretations for future interpretation were taken during the discussions. Paraphrasing, minimal verbal responses, clarification, reflection and summarising techniques were used to get the conversation going and to encourage participation. Video- and audio-taped conversations were transcribed verbatim afterwards by an independent transcriber. The theme approach (Creswell, 1994), was used which consists of: 1) step one – dividing the transcript data into three columns where the first column reflect the researcher's thoughts and experiences, the text in the middle

Table 3. Biographic information on the questionnaire respondents.

Item	Category	Total (%)
Gender	Male	82.86
	Female	17.14
Age	<25	5.71
	25-34	8.57
	35-44	20.00
	45-54	45.71
	>55	20.00
Race	White	94.29
	African	5.71
Education	Grade 12	9.38
	Diploma / Certificate	6.25
	B-degree	28.13
	Postgraduate	56.25

column and the themes in the last column (Greeff, 2006 and NVIVO, 2002) The Nvivo software programme was used to group the identified themes; 3) data was labelled into the main, sub and additional themes as they emerged from the data to make it easier to seek relationships amongst the different sub-themes as well as the different additional themes (Daymon and Holloway, 2002); 4) the researchers worked through the large number of fragmented sub-themes to group it into more coherent and focused main themes. Relationships were sought between the different sub-themes as well as the additional themes (Daymon and Holloway, 2002); 5) the concrete language of the participants was conversed into scientific language and concepts. The precise words of the participants were used in support. Based on gained insights, integration and synthesis was then done; 6) trustworthiness of the content analysis was ensured by sending fragments of the results to different participants for member checking; 7) the final step continued the process of trustworthiness by making use of a co-coder. In general, the identified themes and sub-themes correspond well with each other. In cases were themes or sub-themes differed, the opinion were sought of a third independent researcher.

Trustworthiness

Guba's model for qualitative research (Guba, 1981; Krefting, 1991; Lincoln and Guba, 1985) was applied in order to ensure the trustworthiness of the findings. The transcripts were codified and validated for trustworthiness by member checking (Daymon and Holloway, 2002). Credibility (checking the truth value of the findings) was ensured by means of aforementioned field notes, triangulation, peer examination and independent coding; transferability (ensuring applicability of the findings), through comparison of sufficient descriptive data, as well as dense description of the data; dependability (ensuring consistency of the findings), by means of an audit, keeping of the raw material, giving a full description of the research method, applying the same procedure throughout, triangulation, peer examination and the code-recode procedure; conformability (which was accomplished by using the criterion of neutrality or freedom from bias), by keeping an appropriate distance in order not to influence the research, as well

as triangulation and the code-recode procedure.

Questionnaires

After concluding the focus group discussions, the quantitative research method was applied and a structured questionnaire was sent out to business owners and managers that could not or would not participate in the focus group discussions. The questionnaire was sent to the chairmen of the different chambers of commerce in the Gauteng region and posted by an active hyperlink to the website newsletters of networking groups. The questionnaire responses provided insights into the view of each participant outside of a group context, as well as rich information of a different perspective. For the purposes of the multi-method approach and triangulation, the results from the survey were compared with the results from the literature research and the focus group discussions.

A total of 35 respondents participated in the survey. A profile of the respondents is provided in Table 3. The respondents' ages ranged from under 23 to 60 with the majority of respondents being between 45 to 54 years of age.

Measuring instrument(s)

The questionnaire focussed on gathering information to provide a profile of the participants and to determine the perceived important elements in their business relationships and to share their own experiences. The SAS statistical program (SAS Institute, 2005) was used to analyse the data, including frequency analyses, effect indicator analyses, tendencies, as well as Chi-square statistics (Zikmund, 2003).

FINDINGS

The participants expressed issues, relating to trust as being important in the building of networks. Table 4 provides a summary of the themes, sub-themes and additional themes that were highlighted during the focus group discussions as the most prominent experiences of trust in networking.

Building trust in a relationship

Participants indicated that to include the right combination of people in a network is a major challenge to all networkers. Therefore, the combined ability of people that have established a trust relationship is crucial to the success of a network. The following supports this finding:

"The combination of people you know and (by) proving your ability to deliver in terms of setting up the network helps in making you realise that important things have mutual beneficial relationship. One of them is the person satisfaction of a personal gratification, so a person can tell if someone did something for him. Thus, those barriers are lowered; and you can trust others."

Frazier and Niehm (2004) also indicate that trust, personal commitment and ensured reciprocity will form the basis on which the mutual expectations are based.

Table 4. Themes and sub-themes from the focus group discussions.

Theme	
1) Building trust in a relationship	1.1) Take responsibility and be accountable - Build good reputations through trustworthiness and integrity 1.2) Be credible 1.3) Develop a common understanding 1.4) Integrity - Respect and ability 1.5) Different levels of trust 1.6) Be resourceful - Adding value 1.7) Transparent communication and mutual agreement - Deliver according to expectations
2) Obstacles in the way of building trust in a relationship	2.1) Falseness or mistrust a) Not delivering as expected b) No respect for each other c) Not willing to network

Participants mentioned trust as an integral part of the relationship content, consisting of individual experiences. Trust was identified as a definite precondition for the mere existence of any relationship, regardless of the context. The following quotations support this significant component:

"I think networking became more important when people battled seven, eight years ago with its definition. However, I believe that it is still relevant today to build trust relationships. The urgency of success in business is to understand the other person's needs to networking and its success lies in the information and value added to one person by understanding the value of the other person". "All my businesses were like that, and I demonstrated a need for trust relationships, because if people know you, they are prepared to endorse you".

Trust is also referred to in the literature as the extent of the other role player's belief that the expectation or obligation will be fulfilled and that trust is present in a valued relationship (Sargeant et al., 2006). The following additional themes were identified under the main theme of trust: people tend to strive to establish a common understanding, portray integrity in their relationships, respect each other and prove their ability, as well as to add value. Different levels of trust were also identified.

Participants mentioned that all people involved in a network need to comply with specific prerequisites to build trust in networking relationships and be successful in their networking attempts. This includes to be responsible, accountable, and resourceful, to have integrity, trust and a track record of consistent and reliable delivery. Each of these prerequisites, along with

wordings by the participants to support this finding, will further be discussed.

Responsibility and accountability

Participants experienced that each of the participating role players in the network is expected to take responsibility for his or her actions and contributions. Because of the reciprocal nature of networks, every network member will be held accountable for his or her individual inputs as well as developing and maintaining the network relationships. Participants singled out that to build good reputations and to be a trustworthy person with integrity are important aspects in successful networking. The following quotations support this finding:

"When you walk into a network, the people will ask who you are and if they do not know about you or who you are, then it is more difficult to sell than when they know who you are" and "The wonder of networking is that you'll be a valuable member of networking if you are trustworthy, if you are reliable, then you become important. The people want to have you as part of their network. It's almost a privilege that is granted, if someone comes and say come in and be part of my network."

The behaviour of a person in the past will determine the level of trust that will be bestowed on his or her current behaviour and involvement in the network (Adobor, 2003).

Participants mentioned respect and the other person's ability as important in networking. This entails that to trust someone, mutual respect needs to be established and

this again implies an individual interpretation. The following wordings support this:

"In the end, it is all about portraying good relationships with people you trust (respect and trust); so one can say respect is one of the elements needed to be successful and trust is based on a person's ability to entrust a task to another person, in other words you trust in their ability." "A good track record describes a network as relationships with payback reciprocity which are based on a history of trust given when you have a track record. I know the guy and what do I do to extend the boundaries of the network."

Burt (2002) and Coleman (2002) widely discuss the presence of respect in relationships, as well as the tendency to build the respect relationship on the basis of one's belief in the other person's ability. The influence of this mutual respect and the actual establishment of trust in another person's ability are however not discussed in detail in the literature, which makes this a unique finding. The experience and basis for this is therefore a highly personal experience.

Credibility

Participants were of the opinion that credibility and the ability to build up credibility credits are important factors in a successful relationship network. A person's reference base and testimonials can influence the way someone else approaches him or her. Scepticism can be overruled by a common base and the trust that you have in another can influence the trust bestowed upon the other person. Credibility is only built over time and through experience and continuous performance. Some of the main supporting quotations include:

"An important thing is credibility in a network; I would not be able to refer you to a network if I do not know that you will deliver the job well, since it is my name that is on the line if I introduce you to it;" moreover, "if you are in an avoidance mode, you will not have an internal or external network. You can only have a network if you take responsibility and account for it. Those are the people that do what they have said they would do. But it builds on credibility you know: the more the credibility, the more you will use those people again."

Credibility as a set of credits that are only built over a substantial period of time and on a constant level of performance is not explicitly discussed in the literature, which makes this finding unique.

Developing a common understanding

Participants perceived a common understanding of each other's context and expectations as the foundation of a

trust relationship and essential requirements to establish trust. Throughout the discussions, participants viewed trust as a personal choice, based on a reference or taking the time to understand and know each other's needs. The following quotations support this finding:

"Trust is about learning to understand what makes a man tick if you let him unwind, or understanding what makes him tick in a business context; only then can you form trust from an association if you really understand what makes him tick." "Trust takes time to develop and is only achieved by a list of previous testimonials."

Trust entails an informal understanding that forms the basis for the development of a successful relationship (Adobor, 2003). The following statement enhances this:

"A person trusts you when he has an experience with you, you help him with something and it only happens when you do that bonding on a very close level."

Integrity

Participants mentioned integrity as another vital component of a successful networking relationship. Trust does not automatically occur, it has to be built and this process is often hard and time consuming. The process also needs to be handled with thought and by taking care of the other person's feelings. The following supports the importance of integrity in networking:

"You can trust somebody with your life and money, but you can not always reckon with integrity, because there are lots of other stuffs that go with it." "One point that was not mentioned by any one is the question of integrity. If it is tied to the word trust, then they go hand in hand; it implies the same thing. Regarding the integrity and trust thing, one might want to ask if it is integrity or trust that comes first …"

Lindsay (2005) defines trust as the promise or undertaking by the various role players to deliver as expected. Tullier (2004) mentions that to have integrity and to be reliable by delivering what you have promised are important aspects in networking relationships.

Different levels of trust

Participants indicated that a distinction should be made between the different levels of trust in different relationships. The following wordings support this finding:

"It is because of those trust relationships. You know and if you do him a favour, I think they are different you can then accept your reward and then find the level of reward. I think that it is the different silos that are built on different

levels of trust."

This trust can even be classified according to different industries or into different levels in a specific industry:

"I have a feeling that it will be somewhat different in my industry to understand what is happening when the people responsible can be trusted to stab you or not to stab you in the back, but it is the politics that is happening behind the scenes that influences this trust. In other words, the trust that I am talking about, is not only that which makes you think that your business partner, your friend, or anyone can stab you in the back, but also that which makes you think that they have the skill to do so."

Coleman (2002) supports the different levels of trust and the fluctuation of the trust levels according to the reputation of the involved role players.

Resourcefulness

Throughout the focus groups discussions, the importance of contributing in some way was highlighted as an extremely important aspect of any relationship. Resourcefulness is the ability to contribute positively to a network in terms of skill, expertise, and knowledge or information access or to bring relevant parties together. To be resourceful adds value to a relationship and therefore to the participating parties. The different additional themes are discussed below and are supported by quotations from the focus group discussions and some literature sources.

Participants mentioned that network members have to be resourceful, have knowledge and contribute in some way to the other people in a networking relationship. The following quotations support this finding:

"I know two or three guys that really network for networking. If you are looking for someone then you phone them, they will know them or at least know someone that knows them. There is no other way for them to do business. I do not know since I am not an expert, but I made sure I know these guys. I think they fulfil an important role."

The success of understanding what the other person needs exactly is important in deciding what resources to apply and how to meet these needs:

"I still believe that you have to build trust relationships, though the urgency of success in business is to understand the other person's needs to networking. Its success lies in the information obtained and it adds value to one person by understanding the other person."

No detail could be found in the literature with regard to being a resource and the extent to which a person needs

to be knowledgeable or contribute to the success of others. The concept of including these factors in a network is however discussed. Lindenfield and Lindenfield (2005) states that a person needs to be resourceful to others and this can be achieved by offering help or assistance.

Adding value: Participants indicated that the other person wants to receive something of value and wants to feel cherished by the other party. Therefore, each other's role and the importance of that role must be acknowledged. This will in turn motivate a person to continue to contribute to the relationship. A person's status and actual competence implied by a track record can influence the level of trust in one another. In light of the aforementioned, it can be said that trust is built on the value that is added to the relationship. The following supports this finding:

"Trust is also built on its use." "Success is when you get the information that is capable of answering the need that you have."

This finding is not unique and it is supported by relevant literature. To receive any form of value from a network, the involved parties must also contribute to it. Therefore, to receive value, a person needs to give something of value, whether this includes talent, ability, opportunities or time and information (Wainwright, 2004).

Transparent communication and mutual agreement

Most participants remarked that open and clear communication of all networking actions and expectations is based on rapport and mutual agreement. Transparent communication will make the networking process easier and enhance the possibilities for further development of relationships. Informed people generally feel more in control. The following supports this finding:

"The point I am missing is the use of networking as a function. When this function takes place, it means there is communication. I think it is important that you cannot ignore the fact that there must be some sort of communication otherwise you cannot move forward. You therefore need to start by giving somebody something that you want, because there is a need for you to have knowledge of a product. Whatever you get from being successful in an exercise is as a result of the fact that you were able to satisfy the need by planning or communicating ideas around."

Although literature sources mention the importance of communication, the essence of transparent communication and reaching mutual agreement is not widely discussed (Nooteboom and Six, 2003). Lindenfield and

Lindenfield (2005) is one of the sources that only discusses the importance of normal effective communication by stating that a person needs to communicate clear and direct messages to others.

Deliver according to expectations: According to participants, all role players need to deliver according to pre-established expectations. The following wordings are included to support this finding:

"It is anticipated that there is perception when there is expectation. Unfortunately, it can be explained in two directions because there is reward at stake. When I introduce you to someone, I do not expect a reward for the fact that I introduced you to that person, but later on I hope that there will be some advantages coming my way. That is mostly how guys work now. When they introduce you to someone, they expect immediate reward not taking into consideration its outcome. I do not have anything to give to you today, but if I were to ask something of you that is not of high cost to you but might be of high value to me, then you would do a trade and vice versa, because once the value starts depreciating, you extend the network. But how do you extend the network when the values are obvious? The payback is not immediate but you need to go there, otherwise there will be no sales or turnover for the next year or the next five years from now."

Literature that refer to the role of trust and distrust in the successful development of relationships include the comments by Krackhardt (1996) and another example of literature that supports the concept of delivering according to the set expectations to keep face value or maintain consistency and reputation include Coleman (1990).

Obstacles in the way of building trust in a relationship

Participants felt that disappointment would have a negative effect on a relationship. It can either break down the level of trust or make a person sceptical, which in turn will have a negative impact on the level of sharing in the relationship. This is closely linked to the expectation of a person. If someone has had a bad experience in the past, he or she could tend to be sceptical in future dealings. The following quotations support these findings:

"Trust comes first. So I think it is a lack of trust that you do not want to disappoint my network; and this is actually a form of trust and a part of integrity." "Because that bad experience will be used against you, you do not want to propagate it in your network. He might be very polite, but he is just going to tell you 'Sorry'. Things like these make it difficult to build a network, because trust is not

published. It is created by a lot of coincidental experiences where your actions are transparent and you applied two-way communication where everyone knew what was going on, since they are not just guys that want to suck something from you and then go on. In a network, you know immediately when someone is negative and it is difficult to get hold of that person."

Literature states that positive people with positive experiences and events on offer will attract people (Boe, 1994). Relationships will at times experience discomfort, negative feelings, worry, suspicion, difference in opinion and misunderstanding, but it can be resolved in a trust relationship where direct communication will lead to closure and commitment (Ciancutti and Steding, 2001).

Falseness or mistrust

Participants mentioned that falseness and mistrust will negatively influence a relationship. The following wording confirms this finding:

"I think the issue of network failure is that there is an expectation from my side and I invest in whatever I trust, but I am then put down for some other reasons. I think that is failure since I do not get what I originally expected. That normally breaks down the network; once may be forgiven, but if it occurs the second time, coming (no closer) to me as far as the firewall, I will cut (him) out of (my) system." "To keep sensitive information confidential means to keep the contacts, to chat, and ....you never repeat what one told you in confidence, because if you do, you could loose that relationship forever."

Literature (Yeung, 2006) confirms that if trust is lost due to unexpected behaviour by a member or someone not delivering as agreed, it can be recovered but it takes time and has a cost implication. A few additional themes have emerged under this sub-theme of falseness and mistrust, namely that this can the consequence of not delivering as expected, a series of bad experiences, not respecting each other and an overall unwillingness to network. These additional themes will now be discussed in more detail.

No delivery as expected: Participants mentioned that they feel the trust relationship is broken down or eliminated all together if someone does not deliver according to expectations. A rapport is in other words built over time to determine the trustworthiness of the person. The following quotations support this finding:

"…you can come to this network and I don't get an order, I do not see it as a failure. But if somebody comes to us as an order and that relation does not work, I see it a

Table 5. Current and ideal elements for the existence of a network.

Element	Average currently	Std dev of currently°	Average ideally	Std dev of ideally°	Effect size (d-value)
Trust	1.44	0.79	1.18	0.58	0.54*
Credibility	1.32	0.53	1.21	0.59	0.23Δ
Synergy	2.00	0.69	1.64	0.74	0.71△
Competence	1.62	0.60	1.34	0.65	0.49*
Information	1.76	0.79	1.39	0.66	0.55*

°Standard deviation; Δ no difference; * medium effect size; △ large practical significance.

failure, that is, a networking failure or a personal or delivery failure. Moreover, it is a delivery failure that normally breaks down the network."

Reciprocity is not expected with every contact, but there must be some form of value derived from this relationship at some point of time:

"I think in networking if there is no feedback, there will be no respond reciprocity. You will just give up and I have experienced it." "It is a one pot syndrome: you must keep putting money into it before you can take money out."

The failure to deliver as agreed upon or according to expectation will negatively influence the relationship network and may even break up a network. Therefore, to ensure the longevity of a relationship and a network, the expected outcome must be achieved (Gounaris, 2005).

No respect for each other: If people feel disrespected and not valued, they will retreat and therefore withhold their relationship in the future or break off the commitment effectively. Respect and trust go hand in hand and therefore to respect someone, the platform is established for a future trust relationship. The following quotations support this finding:

"Most of them are trustworthy and so I at least do not want to waste their time. It worked on my nerves a lot. So I think there is a shortage of trust and that you do not want to disappoint your network which is a form of trust, and may be a part of integrity." "In light of this, there must be a trust relationship among different people such that if you make a mistake, you are going to add to that person's value, instead of wasting his time. If you see that you are going to waste his time then you say, sorry I do not think I will be able to make this specific value contribution. You have to do it otherwise if you know it would not work."

Literature does not offer a detailed discussion of the negative effects of disrespect and therefore this finding that disrespect may break down the network. It does

however confirm that a mutual respect relationship is necessary for successful networking (Kay, 2004).

Not willing to network: Participants felt that networking relies on people that want to network in the first place to be successful and that it is a full-time and continuous commitment to the people involved. To open up the possibility for future networking attempts, one party must portray the willingness to establish networking relationships. This should be accompanied by openness and transparency. The following supports this finding:

"But you see, in other words, what makes most networks fail is a lack of try. We've learned that everything and anything including the network that doesn't have a full-time person never worked. Nothing in this works part-time. That is why most networking fails."

Questionnaire findings

Different elements were tested in the questionnaire as being important to relationships in a network. Participants were required to distinguish between the current and ideal importance of these elements in a business. Table 5 provides a summary of the findings with regard to the differences between the measurements of the elements in terms of current and ideal importance.

According to the current importance of these elements, it seems that synergy in the relationship and the competence and information provided in the relationship are not as important as trust and credibility. A large practical significance was recorded in terms of the importance of synergy. Currently, it seems that the element of synergy is not regarded as important as the elements of trust and credibility, but it seems that there is a definite level of importance placed on this as the ideal basis for a networking relationship.

Different elements were evaluated in terms of their level of importance in businesses (Cohen, 1988). The elements were rated on a current basis for their contribution in terms of establishing networks. Table 6 summarises the main findings with regard to the

Table 6. Trust as an important networking element.

Important networking elements	Number of participants	Mean	Std dev°	Effect size (d-value)
Trust				0.32Δ
Group 1 (44 years and younger)	12	1.25	0.45	
Group 2 (45 years and older)	22	1.55	0.91	

Δ No difference.

Table 7. Networking elements according to participants' level of experience.

Important networking elements	Number of participants	Mean	Std dev°	Combination	Effect size (d-value)
Trust					
Group 1	11	1.36	0.92	[1:2]	No effect
Group 2	12	1.42	0.67	[2:3]	No effect
Group 3	11	1.55	0.82	[3:1]	No effect

terms of the importance of the networking elements (Ellis and Steyn, 2003).

The importance of trust in a relationship

According to various literature sources, trust is an essential part of networking. There were no or little differences in participants' opinion on the importance of trust in any of their relationships, regardless of their age. The relationships with customers (0, 10), suppliers (0, 20), staff (0, 15), competitors (0, 13) and relationships with other businesses with which one is not in direct competition (0, 05) showed no differences. Therefore, the conclusion can be drawn that trust is an essential part of any networking relationship regardless of the age of the participants.

The current and ideal importance of trust in building relationships

There were no large practical significances recorded in terms of the ideal and current views on the importance of trust as part of different relationships. Customer relationships, supplier relationships, relationships with competitors and relationships with other business that are not in direct competition with one's own business recorded a medium effect size and this indicates a substantial difference. The current and ideal importance of networking in participants' businesses also indicated a substantial difference. Therefore, the assumption can be made that trust in networking is important to all the participating businesses and a priority in the establishment of networks. This proved to be true in current circumstances and also applies to the future.

The relationship between experience levels and the importance of trust in a relationship

There was no difference in the opinions of participants on the importance of trust in all relationships concerned, irrespective of their level of current experience.

Opinion of different experience levels with regard to important network elements

Participants' experiences of important network elements were grouped according to their different experience levels (that is, the number of years' experience in their current position). The findings are summarised in Table 7.

Trust is an important element of networking, regardless of the age of the network members. A small difference in opinion was recorded with regard to the utilisation of networking (0, 23) as an important business activity and networking as a priority (0, 12) in business. Different elements of importance were rated the same amongst the participants, irrespective of their age.

Conclusions

Throughout the five focus group discussions, two main themes were identified, namely: (1) that trust is part of building a relationship and (2) there are specific obstacles hindering the development of trust in a relationship.

With regards to the first main theme, it can be concluded that, according to the experience of the participants, trust is an integral part of the success of a relationship. Sub- themes that support trust as the most important element to build successful relationships include:

i. Responsibility, accountability and credibility.
ii. A common understanding of each other's background, motives and expectations and that relationships can be measured and therefore be valued according to the shared exchanges. Networking relationships, whether they are conducted from a short- or long-term perspective, will be balanced with clearly articulated agreement.
iii. Integrity in terms of delivering what is agreed upon and having mutual respect, as well as to be honest about the limitations of one's ability is crucial for the building of trust.
iv. Necessary level of trust and involvement depending on the relationship. The effort and risk involved with a relationship will determine the needed level of trust; resourcefulness and to be able to contribute positively to a network in terms of skill, expertise, and knowledge or information access or to bring relevant parties together.
v. Adding value in terms of what they bring to the relationship; be it resources, either monetary, in terms of skill or even in terms of access to information or sources (connections) might increase one's desirability in terms of inclusion in different networks.
vi. Transparency and a mutual agreement amongst all parties concerned which is an issue that is not widely discussed. To be transparent and reach ongoing mutual agreement it should be clear what the expectations are and one needs to continue to deliver according to these expectations.

Under the second main theme of obstacles hindering the development of trust in relationships, the following was identified as being the most important:

i. Mistrust because of unacceptable previous behaviour.
ii. Negative rapport which leads to an overall negative experience;
iii. Disrespect and if people do not feel appreciated they will be cautious of establishing trust in the relationship and this element does not feature that strongly in literature with no detailed discussions on the negative effect of disrespect on building relationships.
iv. Overall unwillingness to network is also an obstacle to the establishment of trust in a relationship.

The identified obstacles which might lead to the breakdown of established trust or keep it from developing in the first place is to be false and create an environment of mistrust. This will lead to suspicion and unsuccessful networking. If a good track record is not established in terms of delivering as is expected from the agreement, this might lead to mistrust and determination of further networking relations.

To network takes proactive actions and it is a constant process that needs to be driven by someone otherwise it will become resolved. Therefore, the willingness to participate and work on the relationship must be present for the relationship and trust to be sustained.

In the quantitative research, the respondents indicated that trust (d=0,54) and gaining access to specific competencies (d=0,49) and information (d=0,55) shows a moderate significance in terms of difference of what they are currently experiencing and what they would ideally like to experience in their networking practices. Currently, however, the most significance is placed on the elements of trust and credibility. From this research, it was found that age does not influence the importance placed on trust as an important networking element, since irrelevant of their age all the respondents indicated trust as a main element of establishing a network. Trust was also found to form part of a variety of different relationships including: customer relationships, supplier relationships, relationships with competitors and relationships with other business that are not in direct competition with one's own business.

Trust seems to be equally important to all respondents irrelevant of their level of current experience in a specific position or industry. The response to the importance of trust in current networking efforts on all experience levels (number of years' experience in current position) only indicated a small difference in opinion with regard to the utilisation of networking (0,23) as an important business activity and networking as a priority (0,12) in business. Different elements of importance were rated the same amongst the participants, irrespective of their age.

Trust plays a very important part in business transactions, dealings and social capital and in creating a suitable environment to successfully conduct business and exchange resources or determine the level of power or control needed. General trust in society is functional and positive leadership will nurture this to offer closure, commitment, confidence and a sustainable competitive advantage. Other advantages of the presence of trust include that people need less governance, it generates efficiency, makes people more involved, decreases stress, takes processes to a new dimension and facilitates cooperation, participation and reciprocity.

RECOMMENDATIONS

By exploring the literature on trust and networking, an attempt has been made to contribute to a better understanding of the role of trust in business relationships. Business managers need to understand the importance of trust between role players as an opportunity to create a competitive advantage. If managers can create an environment where employees, co-workers, other role players, such as suppliers and even by applying trust in their personal and social relationship, it may lead to minimised regulations and a sense of responsibility and efficiency in that everyone knows what to do and how to do it. These people who engage more naturally in any involved project will take ownership of the project or situation at hand and aspire to perform better. In stressful or difficult circumstances, a

team or people with trust between them are more likely to cope better for longer. This established trust relationships creates a process on a new dimension which enhances future cooperation, participation and reciprocity. Therefore, management should strive to enhance levels of trust and find ways to develop it where it is needed.

REFERENCES

Adobor H (2003). Trust as sensemaking: The microdynamics of trust in interfirm alliances. J. Bus. Res., 58(3): 330-337.

Armstrong RW, Yee SM (2001). Do Chinese trust Chinese? A study of Chinese buyers and sellers in Malaysia. J. Int. Mark., 9(3): 63-86.

Arrien A (2001). Working together: Diversity as opportunity. San Francisco, CA, Berrett-Koehler Publ.

Boe A (1994). Networking success: How to turn Business & Financial relationships into fun and profit. Deerfield Beach, FL, Health Communications.

Boe A, Youngs BB (1989). Is your "net" working?: A complete guide to building contacts and career visibility. New York, NY, John Wiley and Sons.

Breakwell GM (2004). Doing Social Psychology Research. Oxford, UK, Blackwell Publ.

Burt RS (2002). Bridge decay. Soc. Netw., 24: 333-363.

Ciancutti AR, Steding TL (2001). Built On Trust – Gaining competitive advantage in any organisation. Chicago, IL, Contemporary Books.

Cohan PS (2003). Value Leadership: includes the value quotient tool – The 7 principles that drive corporate value in any economy. San Francisco, CA, Jossey-Bass, Wiley Imprint.

Cohen J (1988). Statistical power analysis for behavioural sciences. 2nd ed. Hillsdale, NJ, Erlbaum. (please cite in work body).

Coleman JS (1990). Foundations of Social Theory. Cambridge, MA, Belknap Press.

Cooper DR, Schindler PS (2003). Business Research Methods. 8th ed. New York, NY, McGraw-Hill.

Creswell JW (1994). Research Design: Qualitative and Quantitative Approaches. Thousand Oaks, CA, Sage Pub.

Daymon C, Holloway I (2002). Qualitative research methods in public relations and marketing communications. London, UK, Routledge.

De Vos AS, Strydom H, Fouche, CB, Delport CSL (2005). Research at Grass Roots for the Social Sciences and Human Service Professions. 3rd ed. Pretoria, South Africa, Van Schaik Publ.

Ellis SM, Steyn HS (2003). Practical significance (effect sizes) versus or in combination with statistical significance (p-values). Manage. Dyn., 12(4): 51-53.

Frazier BJ, Niehm LS (2004). Exploring business information networks of Small retailers in rural communities. J. Dev. Entrep. 9(1): 23-40.

Ford ID (1998). Managing Business-Relationships. Chichester, UK, John Wiley and Sons.

Gounaris SP (2005). Trust and commitment influences on customer retention: insights from business-to-business services. J. Bus. Res., 58(2): 126-140.

Gray D (2001). Intellectual Capital – Measuring and Enhancing the True Value of your business. London, UK, Pearson Education.

Greeff M (2006). Verbal communication with the consultant. Potchefstroom. Original notes in possession of the author.

Gruszczynskl W (2005). Small Enterprises' Cooperation Groups. Importance of Personal relationships in Small enterprises' cooperation. Paper delivered at the 4th Int. Conf. of Entre. – Employment and Beyond, September 8-9, 2005. Sodertörns Högskola University College, Stockholm Sweden.

Guba EG (1981). Criteria for assessing the trustworthiness of naturalistic inquiries. Educ. Res. Info. Centre Ann. Rev. Pap., 29: 75-91.

Hitt MA, Ireland RD, Camp SM, Sexton DL (2002). Strategic Entrepreneurship - Creating a new mindset. Oxford, UK, Blackwell Publ.

Holloway I, Wheeler S (2002). Qualitative Research in Nursing. 2nd ed. Oxford, UK, Blackwell Publ.

Kadushin C (2002). The Motivational Foundation of Social Networks. Soc. Netw., 24: 77-91.

Kay F (2004). Brilliant Business Connections – How powerful networking can transform you and your company's performance. Oxford, UK, How To Books.

Koniordos SM (2005). Networks, Trust and Social Capital - Theoretical and Empirical investigations from Europe. Hants, UK, Ashgate Publ.

Koot W, Leisink P, Verweel P (2003). Organizational relationships in the networking age – The dynamics of identity formation and bonding. Cheltenham, UK, Edward Elgar.

Krackhardt D (1996). Comment on Burt and Knez's Third-party effects on trust. Rationality Soc., 8(1): 111-116.

Krefting L (1991). Rigor in Qualitative Research: The assessment of Trustworthiness. Am. J. Occup. Ther., 45(3): 214-222.

Lincoln YS, Guba E A (1985). Naturalistic inquiry. London, UK, Sage Publ.

Lindenfield G, Lindenfield S (2005). Confident networking for career success and satisfaction. London, UK, Piatkus Books.

Lindsay D (2005). Cracking the networking code. 2nd ed. Plano, TX, World Gumbo Publ.

Lipnack J, Stamps J (1993). The Teamnet Factor – Bringing the power of boundary crossing into the heart of your business. Essex Junction, VT., Oliver Wright Publ.

Lui SS, Ngo H, Hon AHY (2006). Coercive strategy in interfirm cooperation: Mediating roles of interpersonal and interorganisational trust. J. Bus. Res., 59(4): 466-474.

Lundan SM (2002). Network Knowledge in International Business. Cheltenham, UK, Edgar Elgar.

Markova I (2004). Trust and democratic transition in Post-Communist Europe. Oxford, UK, Oxford University Press.

McDaniel C, Gates R (2005). Marketing Research. 6th ed. Hoboken, NJ, John Wiley and Sons.

Misner IR, Morgan D (2000). Masters of networking: building relationships for your pocketbook and soul. Mariette, GA, Bard Press.

Nielsen BB (2005). The role of knowledge embeddedness in the creation of synergies in Strategic Alliances. J. Bus. Res., 58: 1194-1204.

Nooteboom B, Six F (2003). The Trust process in organizations: Empirical studies of the determinants and the process of trust development. Cheltenham, UK, Edgar Elgar Publ.

NVIVO (2002). Introducing Nvivo: A workshop handbook. NVivo 2.0. QSR International. www.qsrinternational.com.

SAS Institute INC (2005). SAS Institute Inc., SAS OnlineDoc®. Version 9.1. Cary, NC.

Sargeant A, Ford JB, West DC (2006). Perceptual determinants of nonprofit giving behaviour. J. Bus. Res., 59(2): 155-165.

Tullier LM (2004). Networking for job search and career success. 2nd ed. Indianapolis, IN, JIST Works.

Uzzi B, Dunlap S (2005). Managing yourself – How to build your network. Harvard Business Review, 83(12): 53-61.

Van Winkelen C (2003) Inter-Organisational Communities of practice. Available at http://www.elearningeuropa.info/index.phpl (Accessed: 5 Apr 2006).

Vervest P, Van Heck E, Preiss K, Pau L (2005). Smart Business Networks. Berlin, Germany, Springer.

Wickham PA (2004). Strategic Entrepreneurship. 3rd ed. Essex, UK, Pearson Education.

Yeung R (2006). The rules of networking. London, U.K., Cyan Communications.

Zikmund WG (2003). Business Research Methods. 7th ed. Mason, OH, Thomson South-Western.