The ethical social network

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How to define morally responsible networking, as we learn to navigate an increasingly complex web of relationships and structures.

Who hasn't made contacts to further a career or given out business cards at parties? Is there an ethical dimension to such behavior?

In "The Practice of Networking: An Ethical Approach," published in the *Journal of Business Ethics*, IESE Prof. Domènec Melé argues that business networking can be virtuous — under certain conditions.

Melé kicks off his discussion by reviewing existing networking theories. "Networking" refers to social structures made up of "nodes," or actors, which can be individuals or organizations, and "dyads," which are the links between them.

Networks are essential for business, because the coordination of social and economic life doesn't just happen through markets and hierarchies, but through relationships as well. These relationships are shaped by attributes, including the relative status of the actors and the strength of the tie. Actors can use these attributes responsibly, or they can take

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advantage of them, such as when actors of higher status abuse their position and power.

The right way to work it

How actors use relationships depends a great deal on the type of networking they employ.

Aristotle defined three ways of treating relationships: for utility, for pleasure and for genuine friendship. Melé elaborates on this idea to come up with three types of business networking motives: utilitarian, to obtain advantages, such as money or power; emotional, to get pleasure out of interactions; and virtuous, to serve the needs of others for a noble cause.

While the latter type of networking is the most ethically acceptable one, the moral motive can be compatible with the other types, provided that actors with utilitarian or emotional intentions give as much as, or even more than, they get in return.

Since judging what makes networking "virtuous" doesn't fall into neat categories, Melé details some essential elements.

Act in good faith. Intentions must be sincere. It's fine if actors are joining a network merely for business advantage, provided that they deal fairly with everyone. Also, the network must have honest goals and ethically sound activities.

Share and share alike. Actors must share information, knowledge or resources, while also benefiting from those contributed by others.

Use power for good. Some actors will always be more powerful than others, but they should only exercise this to benefit the network.

Crossing the line

Melé also describes some typical misconduct, including:

Acting in bad faith. Sometimes people join a network solely with the intention of taking advantage of or deceiving others. Such motives are the slippery slope leading to an abuse of trust on the scale of Bernie Madoff, who was sentenced to 150 years in prison for his giant Ponzi scheme.

Misuse and abuse of power. The more powerful actors in a network can choose to use their stronger positions in ways that harm others. Facebook, for example, caught flak over its controversial Beacon ad system, which tracks and reports on users' online activities, even

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when they're logged off the system, enabling product purchases, signing up for services, and items included on wish lists on other sites to be fed back to Facebook servers.

Cronyism. Melé uses the example of the U.S. presidential administration of Harry S. Truman to show how one actor can abuse power by showing favoritism to some at the expense of others who are outside the network.

A virtuous approach to networking is essential for building trust — a cornerstone of any harmonious business relationship, says Melé.

Trust helps actors to acquire knowledge, information and skills from others. This proves that an actor is reliable and builds a good reputation, which, in turn, results in sustainable business relationships that stand the test of time. Taking an ethical approach to networking, therefore, truly pays off.

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