

## 1. Introduction

Over the last twenty years a lot of research has been done about the use of social networks by entrepreneurs. Especially the role of strong and weak ties has been a subject of discussion. Over the years there seems to grow some consensus over the role of strong ties in the start-up phase of the nascent company in order to get access to fine grained information, resources below market price and mental support (Hallen & Eisenhardt, 2012, Elfring and Hulsink, 2007, Jack, 2005, Hite & Hesterley, 2001, Renzulli et al., 2000). The role of weak ties in the next phase of the start-up seem to be important in order to gain legitimacy, access to capital or new information (Newbert et al., 2013, Stuart & Sorenson, 2007, Elfring and Hulsink, 2007, Rowley et al. 2000). In all these cases the emphasis was on the ego network of the entrepreneur.

As the entrepreneur develops his business and starts hiring employees, new social networks can be added to the company. The social network of the company can become a combined network of the entrepreneur and his employees. In their effort to set the agenda for research on social networks and strategic entrepreneurship, Toby Stuart and Olav Sorenson(2007) asked the question: "At what point, and to what end, do we distinguish the network of early-stage ventures from those of their founders and key recruits, and how should we think about employees' professional networks that span firm boundaries?". In the literature until now this question has not been addressed for the entrepreneurial firm. It's our aim to shed light on the way this process works and what mechanisms play a role for the employee to activate his social network in favor of the entrepreneurial firm he works for.

The entrepreneur starts building the social capital of the firm with the employees he hires over time. According to Whitener(1998), Leana(1999), Lechner(2003) and Bedarkar(2014) one of the key elements in building social capital is trust. We are curious how the entrepreneur is able to gain the trust of his employees and helps them to associate positively to the company in a way that they are willing to use their social network in favor of the company.

To identify the way the entrepreneur gains the trust of his employees and builds the social capital of his company we collected data from 3 entrepreneurial companies founded in the period 2006-2010 with a total of 165 employees (September 2017). We interviewed the owners of the companies (former student entrepreneurs) and in total 9 employees. In a pre-study of several entrepreneurial companies we discovered a difference in approach by companies in the B2B sector versus companies in the B2C sector so we choose one company in each sector and a third company that works with a focus to both market sides.

To find out the extent to which employees trust the entrepreneur we focused on five categories of behavior that capture the employees perception of trustworthiness: behavioral consistency, behavioral integrity, sharing and delegation of control, communication and demonstration of concern (Whitener et al., 1998). By doing so we were able to get a clear view on the perspective of the employees towards the entrepreneur and could formulate propositions about their network behavior in favor of the entrepreneurial firm. In this way we extend our knowledge of how social capital in an entrepreneurial firm can be build and how employees use their social network in favor of the firm if they trust the entrepreneur. In addition the associability of the employee towards the company plays an important role towards the decision an employee will make in order to engage in actions in favor of the company, like to introduce someone of his social network to the firm he's working for. This is part of the engagement an employee has to his work, engaged employees want their organization to succeed because they feel connected emotionally, socially and spiritually to its mission, vision and purpose (Bedarkar, 2014). Engaged employees speak positively about their firm to others, they like to be a member of the organization and they make an extra effort and engage in behavior that contributes to business success(Marcos, 2010). This part of our research contributes also to the HR literature about entrepreneurial firms. By hiring new employees entrepreneurs might not only look to the human capital a new employee offers to the firm in terms of skills or education but also to the network an employee

can bring in that adds a new element to the network of the firm.

Most important our study brings us a step further to make a distinction between the network of the entrepreneur and the network of the firm. We show that especially the entrepreneurial firm with employees that are dedicated to the mission and the purpose of the firm has a social network that extends the ego network of the entrepreneur and enables the firm to tap into a network that is more diverse and gives opportunities especially to connect to new employees, new clients and new information.

This article is structured as follows. In section 2, we present current network approaches and former research about building the social capital of the company. On the basis of this literature, a research framework about the way entrepreneurs/managers motivate their employees to use their social network in favor of the company is developed. Section 3 focuses on the context and methodology.

Section 4 is about the cases and the dataset, we present three cases of (former)student entrepreneurs in the service industry. All the start-ups are Dutch companies. These cases provide empirical material from which a number of propositions are developed concerning the way (former) student entrepreneurs inspire their employees and make them use their social network in favor of the company (section 5).

Finally we will draw our conclusions and give suggestions for further research.