Give and Take

A Revolutionary Approach to Success

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Good Returns

The Dangers and Rewards of Giving More Than You Get

The principle of give and take; that is diplomacy—give one and take ten.

—Mark Twain, author and humorist

On a sunny Saturday afternoon in Silicon Valley, two proud fathers stood on the sidelines of a soccer field. They were watching their young daughters play together, and it was only a matter of time before they struck up a conversation about work. The taller of the two men was Danny Shader, a serial entrepreneur who had spent time at Netscape, Motorola, and Amazon. Intense, dark-haired, and capable of talking about business forever, Shader was in his late thirties by the time he launched his first company, and he liked to call himself the "old man of the Internet." He loved building companies, and he was just getting his fourth start-up off the ground.

Shader had instantly taken a liking to the other father, a man named David Hornik who invests in companies for a living. At 5'4", with dark hair, glasses, and a goatee, Hornik is a man of eclectic interests: he collects *Alice in Wonderland* books, and in college he created his own major in computer music. He went on to earn a master's in criminology and a law degree, and after burning the midnight oil at a law firm, he accepted a job offer to join a venture capital firm, where he spent the next decade listening to pitches from entrepreneurs and deciding whether or not to fund them.

During a break between soccer games, Shader turned to Hornik and said, "I'm working on something—do you want to see a pitch?" Hornik specialized in Internet companies, so he seemed like an ideal investor to Shader. The interest was mutual. Most people who pitch ideas are first-time entrepreneurs, with no track record of success. In contrast, Shader was a blue-chip entrepreneur who had hit the jackpot not once, but twice. In 1999, his first start-up, Accept.com, was acquired by Amazon for $175 million. In 2007, his next company, Good Technology, was acquired by Motorola for $500 million. Given Shader's history, Hornik was eager to hear what he was up to next.

A few days after the soccer game, Shader drove to Hornik's office and pitched his newest idea. Nearly a quarter of Americans have trouble making online purchases because they don't have a bank account or credit card, and Shader was proposing an innovative solution to this problem. Hornik was one of the first venture capitalists to hear the pitch, and right off the bat, he loved it. Within a week, he put Shader in front of his partners and offered him a term sheet: he wanted to fund Shader's company.

Although Hornik had moved fast, Shader was in a strong position. Given Shader's reputation, and the quality of his idea, Hornik knew plenty of investors would be clamoring to work with Shader. "You're rarely the only investor giving an entrepreneur a term sheet," Hornik explains. "You're competing with the best venture capital firms in the country, and trying to convince the entrepreneur to take your money instead of theirs."

The best way for Hornik to land the investment was to set a deadline for Shader to make his decision. If Hornik made a compelling offer with a short fuse, Shader might sign it before he had the chance to pitch to other investors. This is what many venture capitalists do to stack the odds in their favor.

But Hornik didn't give Shader a deadline. In fact, he practically invited Shader to shop his offer around to other investors. Hornik believed that entrepreneurs need time to evaluate their options, so as a matter of principle, he refused to present exploding offers. "Take as much time as you need to make the right decision," he said. Although Hornik hoped Shader would conclude that the right decision was to sign with him, he put Shader's best interests ahead of his own, giving Shader space to explore other options.

Shader did just that: he spent the next few weeks pitching his idea to other investors. In the meantime, Hornik wanted to make sure he was still a strong contender, so he sent Shader his most valuable resource: a list of forty references who could attest to Hornik's caliber as an investor. Hornik knew that entrepreneurs look for the same attributes in investors that we all seek in financial advisers: competence and trustworthiness. When entrepreneurs sign with an investor, the investor joins their board of directors and provides expert advice. Hornik's list of references reflected the blood, sweat, and tears that he had devoted to entrepreneurs over the course of more than a decade in the venture business. He knew they would vouch for his skill and his character.

A few weeks later, Hornik's phone rang. It was Shader, ready to announce his decision.

"I'm sorry," Shader said, "but I'm signing with another investor."

The financial terms of the offer from Hornik and the other investor were virtually identical, so Hornik's list of forty references should have given him an advantage. And after speaking with the references, it was clear to Shader that Hornik was a great guy.

But it was this very same spirit of generosity that doomed Hornik's case. Shader worried that Hornik would spend more time encouraging him than challenging him. Hornik might not be tough enough to help Shader start a successful business, and the other investor had a reputation for being a brilliant adviser who questioned and pushed entrepreneurs. Shader walked away thinking, "I should probably add somebody to the board who will challenge me more. Hornik is so affable that I don't know what he'll be like in the boardroom." When he called Hornik, he explained, "My heart said to go with you, but my head said to go with them. I decided to go with my head instead of my heart."

Hornik was devastated, and he began to second-guess himself. "Am I a dope? If I had applied pressure to take the term sheet, maybe he would have taken it. But I've spent a decade building my reputation so this wouldn't happen. How did this happen?"

David Hornik learned his lesson the hard way: good guys finish last.

Or do they?

* * *

According to conventional wisdom, highly successful people have three things in common: motivation, ability, and opportunity. If we want to succeed, we need a combination of hard work, talent, and luck. The story of Danny Shader and David Hornik highlights a fourth ingredient, one that's critical but often neglected: success depends heavily on how we approach our interactions with other people. Every time we interact with another person at work, we have a choice to make: do we try to claim as much value as we can, or contribute value without worrying about what we receive in return?

As an organizational psychologist and Wharton professor, I've dedicated more than ten years of my professional life to studying these choices at organizations ranging from Google to the U.S. Air Force, and it turns out that they have staggering consequences for success. Over the past three decades, in a series of groundbreaking studies, social scientists have discovered that people differ dramatically in their preferences for reciprocity—their desired mix of taking and giving. To shed some light on these preferences, let me introduce you to two kinds of people who fall at opposite ends of the reciprocity spectrum at work. I call them takers and givers.

Takers have a distinctive signature: they like to get more than they give. They tilt reciprocity in their own favor, putting their own interests ahead of others' needs. Takers believe that the world is a competitive, dog-eat-dog place. They feel that to succeed, they need to be better than others. To prove their competence, they self-promote and make sure they get plenty of credit for their efforts. Garden-variety takers aren't cruel or cutthroat; they're just cautious and self-protective. "If I don't look out for myself first," takers think, "no one will." Had David Hornik been more of a taker, he would have given Danny Shader a deadline, putting his goal of landing the investment ahead of Shader's desire for a flexible timeline.

But Hornik is the opposite of a taker; he's a *giver*. In the workplace, givers are a relatively rare breed. They tilt reciprocity in the other direction, preferring to give more than they get. Whereas takers tend to be self-focused, evaluating what other people can offer them, givers are other-focused, paying more attention to what other people need from them. These preferences aren't about money: givers and takers aren't distinguished by how much they donate to charity or the compensation that they command from their employers. Rather, givers and takers differ in their attitudes and actions toward other people. If you're a taker, you help others strategically, when the benefits to *you* outweigh the personal costs. If you're a giver, you might use a different cost-benefit analysis: you help whenever the benefits to *others* exceed the personal costs. Alternatively, you might not think about the personal costs at all, helping others without expecting anything in return. If you're a giver at work, you simply strive to be generous in sharing your time, energy, knowledge, skills, ideas, and connections with other people who can benefit from them.

It's tempting to reserve the giver label for larger-than-life heroes such as Mother Teresa or Mahatma Gandhi, but being a giver doesn't require extraordinary acts of sacrifice. It just involves a focus on acting in the interests of others, such as by giving help, providing mentoring, sharing credit, or making connections for others. Outside the workplace, this type of behavior is quite common. According to research led by Yale psychologist Margaret Clark, most people act like givers in close relationships. In marriages and friendships, we contribute whenever we can without keeping score.

But in the workplace, give and take becomes more complicated. Professionally, few of us act purely like givers or takers, adopting a third style instead. We become *matchers*, striving to preserve an equal balance of giving and getting. Matchers operate on the principle of fairness: when they help others, they protect themselves by seeking reciprocity. If you're a matcher, you believe in tit for tat, and your relationships are governed by even exchanges of favors.

Giving, taking, and matching are three fundamental styles of social interaction, but the lines between them aren't hard and fast. You might find that you shift from one reciprocity style to another as you travel across different work roles and relationships.* It wouldn't be surprising if you act like

*Alan Fiske, an anthropologist at UCLA, finds that people engage in a mix of giving, taking, and matching in every human culture—from North to South America, Europe to Africa, and a taker when negotiating your salary, a giver when mentoring someone with less experience than you, and a matcher when sharing expertise with a colleague. But evidence shows that at work, the vast majority of people develop a primary reciprocity style, which captures how they approach most of the people most of the time. And this primary style can play as much of a role in our success as hard work, talent, and luck.

In fact, the patterns of success based on reciprocity styles are remarkably clear. If I asked you to guess who's the most likely to end up at the bottom of the success ladder, what would you say—takers, givers, or matchers?

Professionally, all three reciprocity styles have their own benefits and drawbacks. But there's one style that proves more costly than the other two. Based on David Hornik's story, you might predict that givers achieve the worst results—and you'd be right. Research demonstrates that givers sink to the bottom of the success ladder. Across a wide range of important occupations, givers are at a disadvantage: they make others better off but sacrifice their own success in the process.

In the world of engineering, the least productive and effective engineers are givers. In one study, when more than 160 professional engineers in California rated one another on help given and received, the least successful engineers were those who gave more than they received. These givers had the worst objective scores in their firm for the number of tasks, technical reports, and drawings completed—not to mention errors made, deadlines missed, and money wasted. Going out of their way to help others prevented them from getting their own work done.

The same pattern emerges in medical school. In a study of more than six hundred medical students in Belgium, the students with the lowest grades had unusually high scores on giver statements like "I love to help others" and "I anticipate the needs of others." The givers went out of their way to help

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Australia to Asia. While living with a West African tribal group in Burkina Faso called the Mossi, Fiske found people switching between giving, taking, and matching. When it comes to land, the Mossi are givers. If you want to move into their village, they will automatically grant you land without expecting anything in return. But in the marketplace, the Mossi are more inclined toward taking, haggling aggressively for the best prices. And when it comes to cultivating food, the Mossi are likely to be matchers: everyone is expected to make an equal contribution, and meals are divided into even shares.

their peers study, sharing what they already knew at the expense of filling gaps in their own knowledge, and it gave their peers a leg up at test time. Salespeople are no different. In a study I led of salespeople in North Carolina, compared with takers and matchers, givers brought in two and a half times less annual sales revenue. They were so concerned about what was best for their customers that they weren't willing to sell aggressively.

Across occupations, it appears that givers are just too caring, too trusting, and too willing to sacrifice their own interests for the benefit of others. There's even evidence that compared with takers, on average, givers earn 14 percent less money, have twice the risk of becoming victims of crimes, and are judged as 22 percent less powerful and dominant.

So if givers are most likely to land at the bottom of the success ladder, who's at the top—takers or matchers?

Neither. When I took another look at the data, I discovered a surprising pattern: *It's the givers again*.

As we've seen, the engineers with the lowest productivity are mostly givers. But when we look at the engineers with the highest productivity, the evidence shows that they're givers too. The California engineers with the best objective scores for quantity and quality of results are those who consistently give more to their colleagues than they get. The worst performers and the best performers are givers; takers and matchers are more likely to land in the middle.

This pattern holds up across the board. The Belgian medical students with the lowest grades have unusually high giver scores, but so do the students with the *highest* grades. Over the course of medical school, being a giver accounts for 11 percent higher grades. Even in sales, I found that the least productive salespeople had 25 percent higher giver scores than average performers—but so did the most productive salespeople. The top performers were givers, and they averaged 50 percent more annual revenue than the takers and matchers. Givers dominate the bottom *and* the top of the success ladder. Across occupations, if you examine the link between reciprocity styles and success, the givers are more likely to become champs—not only chumps.

Guess which one David Hornik turns out to be?

After Danny Shader signed with the other investor, he had a gnawing feeling. "We just closed a big round. We should be celebrating. Why am I not happier? I was excited about my investor, who's exceptionally bright and talented, but I was missing the opportunity to work with Hornik." Shader wanted to find a way to engage Hornik, but there was a catch. To involve him, Shader and his lead investor would have to sell more of the company, diluting their ownership.

Shader decided it was worth the cost to him personally. Before the financing closed, he invited Hornik to invest in his company. Hornik accepted the offer and made an investment, earning some ownership of the company. He began coming to board meetings, and Shader was impressed with Hornik's ability to push him to consider new directions. "I got to see the other side of him," Shader says. "It had just been overshadowed by how affable he is." Thanks in part to Hornik's advice, Shader's start-up has taken off. It's called PayNearMe, and it enables Americans who don't have a bank account or a credit card to make online purchases with a barcode or a card, and then pay cash for them at participating establishments. Shader landed major partnerships with 7-Eleven and Greyhound to provide these services, and in the first year and a half since launching, PayNearMe has been growing at more than 30 percent per month. As an investor, Hornik has a small share in this growth.

Hornik has also added Shader to his list of references, which is probably even more valuable than the deal itself. When entrepreneurs call to ask about Hornik, Shader tells them, "You may be thinking he's just a nice guy, but he's a lot more than that. He's phenomenal: super-hardworking and very courageous. He can be both challenging and supportive at the same time. And he's incredibly responsive, which is one of the best characteristics you can have in an investor. He'll get back to you any hour—day or night—quickly, on anything that matters."

The payoff for Hornik was not limited to this single deal on PayNearMe. After seeing Hornik in action, Shader came to admire Hornik's commitment to acting in the best interests of entrepreneurs, and he began to set Hornik up with other investment opportunities. In one case, after meeting the CEO of a company called Rocket Lawyer, Shader recommended Hornik as an investor. Although the CEO already had a term sheet from another investor, Hornik ended up winning the investment.

Although he recognizes the downsides, David Hornik believes that operating like a giver has been a driving force behind his success in venture capital. Hornik estimates that when most venture capitalists offer term sheets to entrepreneurs, they have a signing rate near 50 percent: "If you get half of the deals you offer, you're doing pretty well." Yet in eleven years as a venture capitalist, Hornik has offered twenty-eight term sheets to entrepreneurs, and twenty-five have accepted. Shader is one of just three people who have ever turned down an investment from Hornik. The other 89 percent of the time entrepreneurs have taken Hornik's money. Thanks to his funding and expert advice, these entrepreneurs have gone on to build a number of successful start-ups—one was valued at more than $3 billion on its first day of trading in 2012, and others have been acquired by Google, Oracle, Ticketmaster, and Monster.

Hornik's hard work and talent, not to mention his luck at being on the right sideline at his daughter's soccer game, played a big part in lining up the deal with Danny Shader. But it was his reciprocity style that ended up winning the day for him. Even better, he wasn't the only winner. Shader won too, as did the companies to which Shader later recommended Hornik. By operating as a giver, Hornik created value for himself while maximizing opportunities for value to flow outward for the benefit of others.

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In this book, I want to persuade you that we underestimate the success of givers like David Hornik. Although we often stereotype givers as chumps and doormats, they turn out to be surprisingly successful. To figure out why givers dominate the top of the success ladder, we'll examine startling studies and stories that illuminate how giving can be more powerful—and less dangerous—than most people believe. Along the way, I'll introduce you to successful givers from many different walks of life, including consultants, lawyers, doctors, engineers, salespeople, writers, entrepreneurs, accountants, teachers, financial advisers, and sports executives. These givers reverse the popular plan of succeeding first and giving back later, raising the possibility that those who give first are often best positioned for success later.

But we can't forget about those engineers and salespeople at the bottom of the ladder. Some givers do become pushovers and doormats, and I want to explore what separates the champs from the chumps. The answer is less about raw talent or aptitude, and more about the strategies givers use and the choices they make. To explain how givers avoid the bottom of the success ladder, I'm going to debunk two common myths about givers by showing you that they're not necessarily nice, and they're not necessarily altruistic. We all have goals for our own individual achievements, and it turns out that successful givers are every bit as ambitious as takers and matchers. They simply have a different way of pursuing their goals.

This brings us to my third aim, which is to reveal what's unique about the success of givers. Let me be clear that givers, takers, and matchers all can—and do—achieve success. But there's something distinctive that happens when givers succeed: it spreads and cascades. When takers win, there's usually someone else who loses. Research shows that people tend to envy successful takers and look for ways to knock them down a notch. In contrast, when givers like David Hornik win, people are rooting for them and supporting them, rather than gunning for them. Givers succeed in a way that creates a ripple effect, enhancing the success of people around them. You'll see that the difference lies in how giver success creates value, instead of just claiming it. As the venture capitalist Randy Komisar remarks, "It's easier to win if everybody wants you to win. If you don't make enemies out there, it's easier to succeed."

But in some arenas, it seems that the costs of giving clearly outweigh the benefits. In politics, for example, Mark Twain's opening quote suggests that diplomacy involves taking ten times as much as giving. "Politics," writes former president Bill Clinton, "is a 'getting' business. You have to get support, contributions, and votes, over and over again." Takers should have an edge in lobbying and outmaneuvering their opponents in competitive elections, and matchers may be well suited to the constant trading of favors that politics demands. What happens to givers in the world of politics?

Consider the political struggles of a hick who went by the name Sampson. He said his goal was to be the "Clinton of Illinois," and he set his sights on winning a seat in the Senate. Sampson was an unlikely candidate for political office, having spent his early years working on a farm. But Sampson had great ambition; he made his first run for a seat in the state legislature when he was just twenty-three years old. There were thirteen candidates, and only the top four won seats. Sampson made a lackluster showing, finishing eighth.

After losing that race, Sampson turned his eye to business, taking out a loan to start a small shop with a friend. The business failed, and Sampson was unable to repay the loan, so his possessions were seized by local authorities. Shortly thereafter, his business partner died without assets, and Sampson took on the debt. Sampson jokingly called his liability "the national debt": he owed fifteen times his annual income. It would take him years, but he eventually paid back every cent.

After his business failed, Sampson made a second run for the state legislature. Although he was only twenty-five years old, he finished second, landing a seat. For his first legislative session, he had to borrow the money to buy his first suit. For the next eight years, Sampson served in the state legislature, earning a law degree along the way. Eventually, at age forty-five, he was ready to pursue influence on the national stage. He made a bid for the Senate.

Sampson knew he was fighting an uphill battle. He had two primary opponents: James Shields and Lyman Trumbull. Both had been state Supreme Court justices, coming from backgrounds far more privileged than Sampson's. Shields, the incumbent running for reelection, was the nephew of a congressman. Trumbull was the grandson of an eminent Yale-educated historian. By comparison, Sampson had little experience or political clout.

In the first poll, Sampson was a surprise front-runner, with 44 percent support. Shields was close behind at 41 percent, and Trumbull was a distant third at 5 percent. In the next poll, Sampson gained ground, climbing to 47 percent support. But the tide began to turn when a new candidate entered the race: the state's current governor, Joel Matteson. Matteson was popular, and he had the potential to draw votes from both Sampson and Trumbull.

When Shields withdrew from the race, Matteson quickly took the lead. Matteson had 44 percent, Sampson was down to 38 percent, and Trumbull was at just 9 percent. But hours later, Trumbull won the election with 51 percent, narrowly edging out Matteson's 47 percent.

Why did Sampson plummet, and how did Trumbull rise so quickly? The sudden reversal of their positions was due to a choice made by Sampson, who seemed plagued by pathological giving. When Matteson entered the race, Sampson began to doubt his own ability to garner enough support to win. He knew that Trumbull had a small but loyal following who would not give up on him. Most people in Sampson's shoes would have lobbied Trumbull's followers to jump ship. After all, with just 9 percent support, Trumbull was a long shot.

But Sampson's primary concern wasn't getting elected. It was to prevent Matteson from winning. Sampson believed that Matteson was engaging in questionable practices. Some onlookers had accused Matteson of trying to bribe influential voters. At minimum, Sampson had reliable information that some of his own key supporters had been approached by Matteson. If it appeared that Sampson would not stand a chance, Matteson argued, the voters should shift their loyalties and support him.

Sampson's concerns about Matteson's methods and motives proved prescient. A year later, when Matteson was finishing his term as governor, he redeemed old government checks that were outdated or had been previously redeemed, but were never canceled. Matteson took home several hundred thousand dollars and was indicted for fraud.

In addition to harboring suspicions about Matteson, Sampson believed in Trumbull, as they had something in common when it came to the issues. For several years, Sampson had campaigned passionately for a major shift in social and economic policy. He believed it was vital to the future of his state, and in this he and Trumbull were united. So instead of trying to convert Trumbull's loyal followers, Sampson decided to fall on his own sword. He told his floor manager, Stephen Logan, that he would withdraw from the race and ask his supporters to vote for Trumbull. Logan was incredulous: why should the man with a larger following hand over the election to an adversary with a smaller following? Logan broke down into tears, but

Sampson would not yield. He withdrew and asked his supporters to vote for Trumbull. It was enough to propel Trumbull to victory, at Sampson's expense.

That was not the first time Sampson put the interests of others ahead of his own. Before he helped Trumbull win the Senate race, despite earning acclaim for his work as a lawyer, Sampson's success was stifled by a crushing liability. He could not bring himself to defend clients if he felt they were guilty. According to a colleague, Sampson's clients knew "they would win their case—if it was fair; if not, that it was a waste of time to take it to him." In one case, a client was accused of theft, and Sampson approached the judge. "If you can say anything for the man, do it—I can't. If I attempt it, the jury will see I think he is guilty, and convict him." In another case, during a criminal trial, Sampson leaned over and said to an associate, "This man is guilty; you defend him, I can't." Sampson handed the case over to the associate, walking away from a sizable fee. These decisions earned him respect, but they raised questions about whether he was tenacious enough to make tough political decisions.

Sampson "comes very near being a perfect man," said one of his political rivals. "He lacks but one thing." The rival explained that Sampson was unfit to be trusted with power, because his judgment was too easily clouded by concern for others. In politics, operating like a giver put Sampson at a disadvantage. His reluctance to put himself first cost him the Senate election, and left onlookers wondering whether he was strong enough for the unforgiving world of politics. Trumbull was a fierce debater; Sampson was a pushover. "I regret my defeat," Sampson admitted, but he maintained that Trumbull's election would help to advance the causes they shared. After the election, a local reporter wrote that in comparison with Sampson, Trumbull was "a man of more real talent and power."

But Sampson wasn't ready to step aside forever. Four years after helping Lyman Trumbull win the seat, Sampson ran for the Senate again. He lost again. But in the weeks leading up to the vote, one of the most outspoken supporters of Sampson's was none other than Lyman Trumbull. Sampson's sacrifice had earned goodwill, and Trumbull was not the only adversary who became an advocate in response to Sampson's giving. In the first

Senate race, when Sampson had 47 percent of the vote and seemed to be on the brink of victory, a Chicago lawyer and politician named Norman Judd led a strong 5 percent who would not waver in their loyalty to Trumbull. During Sampson's second Senate bid, Judd became a strong supporter.

Two years later, after two failed Senate races, Sampson finally won his first election at the national level. According to one commentator, Judd never forgot Sampson's "generous behavior" and did "more than anyone else" to secure Sampson's nomination.

In 1999, C-SPAN, the cable TV network that covers politics, polled more than a thousand knowledgeable viewers. They rated the effectiveness of Sampson and three dozen other politicians who vied for similar offices. Sampson came out at the very top of the poll, receiving the highest evaluations. Despite his losses, he was more popular than any other politician on the list. You see, Sampson's Ghost was a pen name that the hick used in letters.

His real name was Abraham Lincoln.

In the 1830s, Lincoln was striving to be the DeWitt Clinton of Illinois, referencing a U.S. senator and New York governor who spearheaded the construction of the Erie Canal. When Lincoln withdrew from his first Senate race to help Lyman Trumbull win the seat, they shared a commitment to abolishing slavery. From emancipating slaves, to sacrificing his own political opportunities for the cause, to refusing to defend clients who appeared to be guilty, Lincoln consistently acted for the greater good. When experts in history, political science, and psychology rated the presidents, they identified Lincoln as a clear giver. "Even if it was inconvenient, Lincoln went out of his way to help others," wrote two experts, demonstrating "obvious concern for the well-being of individual citizens." It is noteworthy that Lincoln is seen as one of the least self-centered, egotistical, boastful presidents ever. In independent ratings of presidential biographies, Lincoln scored in the top three—along with Washington and Fillmore—in giving credit to others and acting in the best interests of others. In the words of a military general who worked with Lincoln, "he seemed to possess more of the elements of greatness, combined with goodness, than any other."

In the Oval Office, Lincoln was determined to put the good of the nation above his own ego. When he won the presidency in 1860, he invited the three candidates whom he defeated for the Republican nomination to become his secretary of state, secretary of the treasury, and attorney general. In *Team of Rivals,* the historian Doris Kearns Goodwin documents how unusual Lincoln's cabinet was. "Every member of the administration was better known, better educated, and more experienced in public life than Lincoln. Their presence in the cabinet might have threatened to eclipse the obscure prairie lawyer."

In Lincoln's position, a taker might have preferred to protect his ego and power by inviting "yes men" to join him. A matcher might have offered appointments to allies who had supported him. Yet Lincoln invited his bitter competitors instead. "We needed the strongest men of the party in the Cabinet," Lincoln told an incredulous reporter. "I had no right to deprive the country of their services." Some of these rivals despised Lincoln, and others viewed him as incompetent, but he managed to win them all over. According to Kearns Goodwin, Lincoln's "success in dealing with the strong egos of the men in his cabinet suggests that in the hands of a truly great politician the qualities we generally associate with decency and morality—kindness, sensitivity, compassion, honesty, and empathy—can also be impressive political resources."

If politics can be fertile ground for givers, it's possible that givers can succeed in any job. Whether giving is effective, though, depends on the particular kind of exchange in which it's employed. This is one important feature of giving to keep in mind as we move through the ideas in this book: on any particular morning, giving may well be incompatible with success. In purely zero-sum situations and win-lose interactions, giving rarely pays off. This is a lesson that Abraham Lincoln learned each time he chose to give to others at his own expense. "If I have one vice," Lincoln said, "and I can call it nothing else—it is not to be able to say no!"

But most of life isn't zero-sum, and on balance, people who choose giving as their primary reciprocity style end up reaping rewards. For Lincoln, like David Hornik, seemingly self-sacrificing decisions ultimately worked to his advantage. When we initially concluded that Lincoln and

Hornik lost, we hadn't stretched the time horizons out far enough. It takes time for givers to build goodwill and trust, but eventually, they establish reputations and relationships that enhance their success. In fact, you'll see that in sales and medical school, the giver advantage grows over time. In the long run, giving can be every bit as powerful as it is dangerous. As Chip Conley, the renowned entrepreneur who founded Joie de Vivre Hotels, explains, "Being a giver is not good for a 100-yard dash, but it's valuable in a marathon."

In Lincoln's era, the marathon took a long time to run. Without telephones, the Internet, and high-speed transportation, building relationships and reputations was a slow process. "In the old world, you could send a letter, and no one knew," Conley says. Conley believes that in today's connected world, where relationships and reputations are more visible, givers can accelerate their pace. "You no longer have to choose," says Bobbi Silten, the former president of Dockers, who now runs global social and environmental responsibility for Gap Inc. "You can be a giver *and* be successful."

The fact that the long run is getting shorter isn't the only force that makes giving more professionally productive today. We live in an era when massive changes in the structure of work—and the technology that shapes it—have further amplified the advantages of being a giver. Today, more than half of American and European companies regularly use teams to get work done. We rely on teams to build cars and houses, perform surgeries, fly planes, fight wars, play symphonies, produce news reports, audit companies, and provide consulting services. Teams depend on givers to share information, volunteer for unpopular tasks, and provide help.

When Lincoln invited his rivals to join his cabinet, they had the chance to see firsthand how much he was willing to contribute for the sake of other people and his country. Several years before Lincoln became president, one of his rivals, Edwin Stanton, had rejected him as a cocounsel in a trial, calling him a "gawky, long-armed ape." Yet after working with Lincoln, Stanton described him as "the most perfect ruler of men the world has ever seen." As we organize more people into teams, givers have more opportunities to demonstrate their value, as Lincoln did.

Even if you don't work in a team, odds are that you hold a service job. Most of our grandparents worked in independent jobs producing goods. They didn't always need to collaborate with other people, so it was fairly inefficient to be a giver. But now, a high percentage of people work in interconnected jobs providing services to others. In the 1980s, the service sector made up about half of the world's gross domestic product (GDP). By 1995, the service sector was responsible for nearly two thirds of world GDP. Today, more than 80 percent of Americans work in service jobs.

As the service sector continues to expand, more and more people are placing a premium on providers who have established relationships and reputations as givers. Whether your reciprocity style is primarily giver, taker, or matcher, I'm willing to bet that you want your key service providers to be givers. You hope your doctor, lawyer, teacher, dentist, plumber, and real estate agent will focus on contributing value to you, not on claiming value from you. This is why David Hornik has an 89 percent success rate: entrepreneurs know that when he offers to invest in their companies, he has their best interests at heart. Whereas many venture capitalists don't consider unsolicited pitches, preferring to spend their scarce time on people and ideas that have already shown promise, Hornik responds personally to e-mails from complete strangers. "I'm happy to be as helpful as I can independent of whether I have some economic interest," he says. According to Hornik, a successful venture capitalist is "a service provider. Entrepreneurs are not here to serve venture capitalists. We are here to serve entrepreneurs."

The rise of the service economy sheds light on why givers have the worst grades and the best grades in medical school. In the study of Belgian medical students, the givers earned significantly lower grades in their first year of medical school. The givers were at a disadvantage—and the negative correlation between giver scores and grades was stronger than the effect of smoking on the odds of getting lung cancer.

But that was the only year of medical school in which the givers underperformed. By their second year, the givers had made up the gap: they were now slightly outperforming their peers. By the sixth year, the givers earned substantially higher grades than their peers. A giver style, measured *six years earlier*, was a better predictor of medical school grades than the effect of smoking on lung cancer rates (and the effect of using nicotine patches on quitting smoking). By the seventh year of medical school, when the givers became doctors, they had climbed still further ahead. The effect of giving on final medical school performance was stronger than the smoking effects above; it was even greater than the effect of drinking alcohol on aggressive behavior.

Why did the giver disadvantage reverse, becoming such a strong advantage?

Nothing about the givers changed, but their program did. As students progress through medical school, they move from independent classes into clinical rotations, internships, and patient care. The further they advance, the more their success depends on teamwork and service. As the structure of class work shifts, the givers benefit from their natural tendencies to collaborate effectively with other medical professionals and express concern to patients.

This giver advantage in service roles is hardly limited to medicine. Steve Jones, the award-winning former CEO of one of the largest banks in Australia, wanted to know what made financial advisers successful. His team studied key factors such as financial expertise and effort. But "the single most influential factor," Jones told me, "was whether a financial adviser had the client's best interests at heart, above the company's and even his own. It was one of my three top priorities to get that value instilled, and demonstrate that it's in everybody's best interests to treat clients that way."

One financial adviser who exemplifies this giver style is Peter Audet, a broad-shouldered Aussie who once wore a mullet and has an affinity for Bon Jovi. He began his career as a customer service representative answering phones for a large insurance company. The first year after he was hired, Peter won the Personality of the Year award, beating out hundreds of other employees based on his passion for helping customers, and became the youngest department supervisor in the whole company. Years later, when Peter joined a group of fifteen executives for a give-and-take exercise, the average executive offered help to three colleagues. Peter offered help to all fifteen of them. He is such a giver that he even tries to help the job applicants he doesn't hire, spending hours making connections for them to find other opportunities.

In 2011, when Peter was working as a financial adviser, he received a call from an Australian client. The client wanted to make changes to a small superannuation fund valued at $70,000. A staff member was assigned to the client, but looked him up and saw that he was a scrap metal worker. Thinking like a matcher, the staff member declined to make the visit: it was a waste of his time. It certainly wasn't worth Peter's time. He specialized in high net worth clients, whose funds were worth a thousand times more money, and his largest client had more than $100 million. If you calculated the dollar value of Peter's time, the scrap metal worker's fund was not even worth the amount of time it would take to drive out to his house. "He was the tiniest client, and no one wanted to see him; it was beneath everybody," Peter reflects. "But you can't just ignore someone because you don't think they're important enough."

Peter scheduled an appointment to drive out to see the scrap metal worker and help him with the plan changes. When he pulled up to the house, his jaw dropped. The front door was covered in cobwebs and had not been opened in months. He drove around to the back, where a thirty-four-year-old man opened the door. The living room was full of bugs, and he could see straight through to the roof: the entire ceiling had been ripped out. The client made a feeble gesture to some folding chairs, and Peter began working through the client's plan changes. Feeling sympathy for the client, who seemed like an earnest, hardworking blue-collar man, Peter made a generous offer. "While I'm here, why don't you tell me a bit about yourself and I'll see if there's anything else I can help you with."

The client mentioned a love of cars, and walked him around back to a dingy shed. Peter braced himself for another depressing display of poverty, envisioning a pile of rusted metal. When Peter stepped inside the shed, he gasped. Spread out before him in immaculate condition were a first-generation Chevy Camaro, built in 1966; two vintage Australian Valiant cars with 1,000-horsepower engines for drag racing; a souped-up coupe utility car; and a Ford coupe from the movie *Mad Max*. The client was not a scrap metal worker; he owned a lucrative scrap metal business. He had just bought the house to fix it up; it was on eleven acres, and it cost $1.4 million. Peter spent the next year reengineering the client's business, improving his tax position, and helping him renovate the house. "All I did was start out by doing a kindness," Peter notes. "When I got to work the next day, I had to laugh at my colleague who wasn't prepared to give a bit by driving out to visit the client." Peter went on to develop a strong relationship with the client, whose fees multiplied by a factor of a hundred the following year, and expects to continue working with him for decades.

Over the course of his career, giving has enabled Peter Audet to access opportunities that takers and matchers routinely miss, but it has also cost him dearly. As you'll see in chapter 7, he was exploited by two takers who nearly put him out of business. Yet Peter managed to climb from the bottom to the top of the success ladder, becoming one of the more productive financial advisers in Australia. The key, he believes, was learning to harness the benefits of giving while minimizing the costs. As a managing director at Genesys Wealth Advisers, he managed to rescue his firm from the brink of bankruptcy and turn it into an industry leader, and he chalks his success up to being a giver. "There's no doubt that I've succeeded in business because I give to other people. It's my weapon of choice," Peter says. "When I'm head-to-head with another adviser to try and win business, people tell me this is why I win."

Although technological and organizational changes have made giving more advantageous, there's one feature of giving that's more timeless: when we reflect on our guiding principles in life, many of us are intuitively drawn to giving. Over the past three decades, the esteemed psychologist Shalom Schwartz has studied the values and guiding principles that matter to people in different cultures around the world. One of his studies surveyed reasonably representative samples of thousands of adults in Australia, Chile, Finland, France, Germany, Israel, Malaysia, the Netherlands, South Africa, Spain, Sweden, and the United States. He translated his survey into a dozen languages, and asked respondents to rate the importance of different values. Here are a few examples:

List 1

- Wealth (money, material possessions)
- Power (dominance, control over others)
- Pleasure (enjoying life)
- Winning (doing better than others)

List 2

- Helpfulness (working for the well-being of others)
- Responsibility (being dependable)
- Social justice (caring for the disadvantaged)
- Compassion (responding to the needs of others)

Takers favor the values in List 1, whereas givers prioritize the values in List 2. Schwartz wanted to know where most people would endorse giver values. Take a look back at the twelve countries above. Where do the majority of people endorse giver values above taker values?

All of them. In all twelve countries, most people rate giving as their single most important value. They report caring more about giving than about power, achievement, excitement, freedom, tradition, conformity, security, and pleasure. In fact, this was true in more than seventy different countries around the world. Giver values are the number-one guiding principle in life to most people in most countries—from Argentina to Armenia, Belgium to Brazil, and Slovakia to Singapore. In the majority of the world's cultures, including that of the United States, the majority of people endorse giving as their single most important guiding principle.

On some level, this comes as no surprise. As parents, we read our children books like *The Giving Tree* and emphasize the importance of sharing and caring. But we tend to compartmentalize giving, reserving a different set of values for the sphere of work. We may love Shel Silverstein for our kids, but the popularity of books like Robert Greene's *The 48 Laws of Power*—not to mention the fascination of many business gurus with Sun

Tzu's *The Art of War*—suggests that we don't see much room for giver values in our professional lives.

As a result, even people who operate like givers at work are often afraid to admit it. In the summer of 2011, I met a woman named Sherryann Plesse, an executive at a prestigious financial services firm. Sherryann was clearly a giver: she spent countless hours mentoring junior colleagues and volunteered to head up a women's leadership initiative and a major charitable fund-raising initiative at her firm. "My default is to give," she says. "I'm not looking for quid pro quo; I'm looking to make a difference and have an impact, and I focus on the people who can benefit from my help the most."

To enrich her business acumen, Sherryann left her job for six weeks, enrolling in a leadership program with sixty executives from companies around the world. To identify her strengths, she underwent a comprehensive psychological assessment. Sherryann was shocked to learn that her top professional strengths were kindness and compassion. Fearing that the results would jeopardize her reputation as a tough and successful leader, Sherryann decided not to tell anyone. "I didn't want to sound like a flake. I was afraid people would perceive me differently, perhaps as a less serious executive," Sherryann confided. "I was conditioned to leave my human feelings at the door, and win. I want my primary skills to be seen as hardworking and results-oriented, not kindness and compassion. In business, sometimes you have to wear different masks."

The fear of being judged as weak or naïve prevents many people from operating like givers at work. Many people who hold giver values in life choose matching as their primary reciprocity style at work, seeking an even balance of give and take. In one study, people completed a survey about whether their default approach to work relationships was to give, take, or match. Only 8 percent described themselves as givers; the other 92 percent were not willing to contribute more than they received at work. In another study, I found that in the office, more than three times as many people prefer to be matchers than givers.

People who prefer to give or match often feel pressured to lean in the taker direction when they perceive a workplace as zero-sum. Whether it's a company with forced ranking systems, a group of firms vying to win the same clients, or a school with required grading curves and more demand than supply for desirable jobs, it's only natural to assume that peers will lean more toward taking than giving. "When they anticipate self-interested behavior from others," explains the Stanford psychologist Dale Miller, people fear that they'll be exploited if they operate like givers, so they conclude that "pursuing a competitive orientation is the rational and appropriate thing to do." There's even evidence that just putting on a business suit and analyzing a Harvard Business School case is enough to significantly reduce the attention that people pay to relationships and the interests of others. The fear of exploitation by takers is so pervasive, writes the Cornell economist Robert Frank, that "by encouraging us to expect the worst in others it brings out the worst in us: dreading the role of the chump, we are often loath to heed our nobler instincts."

Giving is especially risky when dealing with takers, and David Hornik believes that many of the world's most successful venture capitalists operate like takers—they insist on disproportionately large shares of entrepreneurs' start-ups and claim undue credit when their investments prove successful. Hornik is determined to change these norms. When a financial planner asked him what he wanted to achieve in life, Hornik said that "above all, I want to demonstrate that success doesn't have to come at someone else's expense."

In an attempt to prove it, Hornik has broken two of the most sacred rules in the venture business. In 2004, he became the first venture capitalist to start a blog. Venture capital was a black box, so Hornik invited entrepreneurs inside. He began to share information openly online, helping entrepreneurs to improve their pitches by gaining a deeper understanding of how venture capitalists think. Hornik's partners, and his firm's general counsel, discouraged him from doing it. Why would he want to give away trade secrets? If other investors read his blog, they could steal ideas without sharing any in return. "The idea of a venture capitalist talking about what he was doing was considered insane," Hornik reflects. "But I really wanted to engage in a conversation with a broad set of entrepreneurs, and be helpful to them." His critics were right: "Lots of venture capitalists ended up reading it. When I talked about specific companies I was excited about, getting deals became more competitive." But that was a price that Hornik was willing to pay. "My focus was entirely on creating value for entrepreneurs," he says, and he has maintained the blog for the past eight years.

Hornik's second unconventional move was ignited by his frustration with dull speakers at conferences. Back in college, he had teamed up with a professor to run a speakers' bureau so he could invite interesting people to campus. The lineup included the inventor of the game Dungeons & Dragons, the world yo-yo champion, and the animator who created the Wile E. Coyote and Road Runner cartoon characters for Warner Bros. By comparison, speakers at venture capital and technology conferences weren't measuring up. "I discovered that I stopped going in to hear the speakers, and I would spend all my time chatting with people in the lobby about what they're working on. The real value of these events was the conversations and relationships that were created between people. What if a conference was about conversations and relationships, not content?"

In 2007, Hornik planned his first annual conference. It was called The Lobby, and the goal was to bring entrepreneurs together to share ideas about new media. Hornik was putting about $400,000 on the line, and people tried to talk him out of it. "You could destroy your firm's reputation," they warned, hinting that if the conference failed, Hornik's own career might be ruined. But he pressed forward, and when it was time to send out invitations, Hornik did the unthinkable. He invited venture capitalists at rival firms to attend the conference.

Several colleagues thought he was out of his mind. "Why in the world would you let other venture capitalists come to the conference?" they asked. If Hornik met an entrepreneur with a hot new idea at The Lobby, he would have a leg up on landing the investment. Why would he want to give away his advantage and help his competitors find opportunities? Once again, Hornik ignored the naysayers. "I want to create an experience to benefit everyone, not just me." One of the rival venture capitalists who attended liked the format so much that he created his own Lobby-style conference, but he didn't invite Hornik—or any other venture capitalists. His partners wouldn't let him. Nevertheless, Hornik kept inviting venture capitalists to The Lobby.

David Hornik recognizes the costs of operating like a giver. "Some people think I'm delusional. They believe the way you achieve is by being a taker," he says. If he were more of a taker, he probably wouldn't accept unsolicited pitches, respond personally to e-mails, share information with competitors on his blog, or invite his rivals to benefit from The Lobby conference. He would protect his time, guard his knowledge, and leverage his connections more carefully. And if he were more of a matcher, he would have asked for quid pro quo with the venture capitalist who attended The Lobby but didn't invite Hornik to his own conference. But Hornik pays more attention to what other people need than to what he gets from them. Hornik has been extremely successful as a venture capitalist while living by his values, and he's widely respected for his generosity. "It's a win-win," Hornik reflects. "I get to create an environment where other people can get deals and build relationships, and I live in the world I want to live in." His experience reinforces that giving not only is professionally risky; it can also be professionally rewarding.

Understanding what makes giving both powerful and dangerous is the focus of *Give and Take*. The first section unveils the principles of giver success, illuminating how and why givers rise to the top. I'll show you how successful givers have unique approaches to interactions in four key domains: networking, collaborating, evaluating, and influencing. A close look at networking highlights fresh approaches for developing connections with new contacts and strengthening ties with old contacts. Examining collaboration reveals what it takes to work productively with colleagues and earn their respect. Exploring how we evaluate others offers counterintuitive techniques for judging and developing talent to get the best results out of others. And an analysis of influence sheds light on novel strategies for presenting, selling, persuading, and negotiating, all in the spirit of convincing others to support our ideas and interests. Across these four domains, you'll see what successful givers do differently—and what takers and matchers can learn from their approach. Along the way, you'll find out how America's best networker developed his connections, why the genius behind one of the most successful shows in television history toiled for years in anonymity, how a basketball executive responsible for some of the worst draft busts in history turned things around, whether a lawyer who stumbles on his words can beat a lawyer who speaks with confidence, and how you can spot a taker just from looking at a Facebook profile.

In the second part of the book, the focus shifts from the benefits of giving to the costs, and how they can be managed. I'll examine how givers protect themselves against burnout and avoid becoming pushovers and doormats. You'll discover how a teacher reduced her burnout by giving more rather than less, how a billionaire made money by giving it away, and the ideal number of hours to volunteer if you want to become happier and live longer. You'll see why giving slowed one consultant's path to partner but accelerated another's, why we misjudge who's a giver and who's a taker, and how givers protect themselves at the bargaining table. You'll also gain knowledge about how givers avoid the bottom of the success ladder and rise to the top by nudging other people away from taking and toward giving. You'll learn about a ninety-minute activity that unleashes giving in remarkable ways, and you'll figure out why people give things away for free that they could easily sell for a profit on Craigslist, why some radiologists get better but others get worse, why thinking about Superman makes people less likely to volunteer, and why people named Dennis are unusually likely to become dentists.

By the time you finish reading this book, you may be reconsidering some of your fundamental assumptions about success. If you're a self-sacrificing giver, you'll find plenty of insights for ascending from the bottom to the top of the success ladder. If you endorse giver values but act like a matcher at work, you may be pleasantly surprised by the wealth of opportunities to express your values and find meaning in helping others without compromising your own success. Instead of aiming to succeed first and give back later, you might decide that giving first is a promising path to succeeding later. And if you currently lean toward taking, you may just be tempted to shift in the giver direction, seeking to master the skills of this growing breed of people who achieve success by contributing to others.

But if you do it only to succeed, it probably won't work.

2

The Peacock and the Panda

How Givers, Takers, and Matchers Build Networks

Every man must decide whether he will walk in the light of creative altruism or in the darkness of destructive selfishness.

—Martin Luther King Jr., civil rights leader and Nobel Peace Prize winner

Several decades ago, a man who started his life in poverty lived the American Dream. He came from humble beginnings, growing up in Missouri farm towns without indoor plumbing. To help support his family, the young man worked long hours on farms and paper routes. He put himself through college at the University of Missouri, graduated Phi Beta Kappa, and completed a master's degree and then a doctorate in economics. He pursued a life of public service, enlisting in the Navy and then serving in several important roles in the U.S. government, earning the Navy Commendation Medal and National Defense Service Medal. From there, he built his own company, where he was chairman and CEO for fifteen years. By the time he stepped down, his company was worth $110 billion, with more than twenty thousand employees in forty countries around the world. For five consecutive years, *Fortune* named his company "America's Most Innovative Company" and one of the twenty-five best places to work in the country. When asked about his success, he acknowledged the importance of "Respect . . . the golden rule . . . Absolute integrity . . . Everyone knows that I personally have a very strict code of personal conduct that I live by." He set up a charitable family foundation, giving over $2.5 million to more than 250 organizations, and donated 1 percent of his company's annual profits to charity. His giving attracted the attention of former president George W. Bush, who commended him as a "good guy" and a "generous person."

Then he was indicted.

His name was Kenneth Lay, and he is best remembered as a primary villain in the Enron scandal. Enron was an energy, commodities, and securities firm headquartered in Houston. In October 2001, Enron lost $1.2 billion in shareholder equity after reporting third-quarter losses of $618 million, the biggest earnings restatement in U.S. history. In December, Enron went bankrupt, leaving twenty thousand employees jobless, many watching their life savings practically erased by the company's fall. Investigators found that Enron had deceived investors by reporting false profits and hiding debts of more than $1 billion, manipulated energy and power markets in California and Texas, and won international contracts by giving illegal bribes to foreign governments. Lay was convicted on six counts of conspiracy and fraud.

We can debate about how much Lay truly knew about Enron's illegal activities, but it's difficult to deny that he was a taker. Although Lay may have looked like a giver to many observers, he was a faker: a taker in disguise. Lay felt entitled to use Enron's resources for personal gain. As Bethany McLean and Peter Elkind describe in *The Smartest Guys in the Room*, Lay took exorbitant loans from the company and had his staff put his sandwiches on silver platters and fine china. A secretary once tried to reserve an Enron plane for an executive to do business, only to learn that the Lay family was currently using three Enron planes for personal travel. From 1997 to 1998, $4.5 million in Enron commissions went to a travel agency owned by Lay's sister. According to accusations, he sold more than $70 million in stock just before Enron went bankrupt, taking the treasure from a sinking ship. This behavior was foreshadowed in the 1970s when Lay worked at Exxon. A boss wrote a reference recommending Lay highly, but warned that he was "Maybe too ambitious." Observers now believe that as early as 1987, at Enron Oil, Lay approved and helped to conceal the activities of two traders who set up fake companies and stole $3.8 million while allowing Enron to avoid massive trading losses. When the losses were discovered, Enron Oil had to report an $85 million hit, and Lay denied knowledge and responsibility: "If anyone could say that I knew, let them stand up." According to McLean and Elkind, one trader started to stand up but was physically restrained by two colleagues.

How did a taker end up becoming so successful? He knew somebody. In fact, he knew a whole lot of somebodies. Ken Lay profited greatly from claiming his company's financial resources as his own, but much of his success in growing that company came the old-fashioned way: he built a network of influential contacts and leveraged them for his own benefit. Lay was a master networker from the start. In college, he impressed an economics professor named Pinkney Walker and started his ascent on the shoulders of Walker's connections. Walker helped Lay land an assignment as an economist at the Pentagon, and then a position as a chief assistant in the White House in the Nixon administration.

By the mid-1980s, Lay became the head of Enron after engineering the company's move to Houston following a merger. As he consolidated his power, he began to hobnob with political power brokers who could support Enron's interests. He put Pinkney Walker's brother Charls on Enron's board and developed a relationship with George H. W. Bush, who was running for president. In 1990, Lay cochaired an important Summit of Industrialized Nations meeting for Bush in Houston, putting on a dazzling show and charming the crowd, which included British prime minister Margaret Thatcher, German chancellor Helmut Kohl, and French president François Mitterrand. After Bush lost his reelection bid to Bill Clinton, Lay wasted no time in reaching out to a friend who was a key aide to the president-elect—the friend had gone to kindergarten with Clinton. Soon, Lay was playing golf with the new president. Several years later, as George W. Bush gained power, Lay used his connections to lobby for energy deregulation and get his supporters in important government positions in Texas and the White House, influencing policies in Enron's favor. At nearly every stage in his career, Lay was able to dramatically improve his company's prospects—or his own—by making use of well-placed contacts in his network.

For centuries, we have recognized the importance of networking.

According to Brian Uzzi, a management professor at Northwestern University, networks come with three major advantages: private information, diverse skills, and power. By developing a strong network, people can gain invaluable access to knowledge, expertise, and influence. Extensive research demonstrates that people with rich networks achieve higher performance ratings, get promoted faster, and earn more money. And because networks are based on interactions and relationships, they serve as a powerful prism for understanding the impact of reciprocity styles on success. How do people relate to others in their networks, and what do they see as the purpose of networking?

On the one hand, the very notion of networking often has negative connotations. When we meet a new person who expresses enthusiasm about connecting, we frequently wonder whether he's acting friendly because he's genuinely interested in a relationship that will benefit both of us, or because he wants something from us. At some point in your life, you've probably experienced the frustration of dealing with slick schmoozers who are nice to your face when they want a favor, but end up stabbing you in the back—or simply ignoring you—after they get what they want. This faker style of networking casts the entire enterprise as Machiavellian, a self-serving activity in which people make connections for the sole purpose of advancing their own interests. On the other hand, givers and matchers often see networking as an appealing way to connect with new people and ideas. We meet many people throughout our professional and personal lives, and since we all have different knowledge and resources, it makes sense to turn to these people to exchange help, advice, and introductions. This raises a fundamental question: Can people build up networks that have breadth and depth using different reciprocity styles? Or does one style consistently create a richer network?

In this chapter, I want to examine how givers, takers, and matchers develop fundamentally distinct networks, and why their interactions within these networks have different characters and consequences. You'll see how givers and takers build and manage their networks differently, and learn about some clues that they leak along the way—including how we could have recognized the takers at Enron four years before the company collapsed. Ultimately, I want to argue that while givers and takers may have equally large networks, givers are able to produce far more lasting value through their networks, and in ways that might not seem obvious.

In 2011, *Fortune* conducted extensive research to identify the best networker in the United States. The goal was to use online social networks to figure out who had the most connections to America's most powerful people. The staff compiled a list of the *Fortune* 500 CEOs, as well as *Fortune*'s lists of the 50 smartest people in technology, the 50 most powerful women, and the 40 hottest rising stars in business under age forty. Then, they cross-referenced this list of 640 powerful people against LinkedIn's entire database of more than ninety million members.

The winning networker was connected on LinkedIn to more of *Fortune*'s 640 movers and shakers than anyone else on earth. The winner had more than 3,000 LinkedIn connections, including Netscape cofounder Marc Andreessen, Twitter cofounder Evan Williams, Flickr cofounder Caterina Fake, Facebook cofounder Dustin Moskovitz, Napster cofounder Sean Parker, and Half.com founder Josh Kopelman—not to mention the former chef of the Grateful Dead. As you'll see later, this networker extraordinaire is a giver. "It seems counterintuitive, but the more altruistic your attitude, the more benefits you will gain from the relationship," writes LinkedIn founder Reid Hoffman. "If you set out to help others," he explains, "you will rapidly reinforce your own reputation and expand your universe of possibilities." Part of this, I'll argue, has to do with the way networks themselves have changed and are still evolving. At the heart of my inquiry, though, lies an exploration of how the motives with which we approach networking shape the strength and reach of those networks, as well as the way that energy flows through them.

Spotting the Taker in a Giver's Clothes

If you've ever put your guard up when meeting a new colleague, it's probably because you thought you picked up on the scent of self-serving motives. When we see a taker coming, we protect ourselves by closing the door to our networks, withholding our trust and help. To avoid getting shut out, many takers become good fakers, acting generously so that they can waltz into our networks disguised as givers or matchers. For the better part of two decades, this worked for Ken Lay, whose favors and charitable contributions enabled people to see him in a positive light, opening the door to new ties and sources of help.

But it can be difficult for takers to keep up the façade in all of their interactions. Ken Lay was charming when mingling with powerful people in Washington, but many of his peers and subordinates saw through him. Looking back, one former Enron employee said, "If you wanted to get Lay to attend a meeting, you needed to invite someone important." There's a Dutch phrase that captures this duality beautifully: "kissing up, kicking down." Although takers tend to be dominant and controlling with subordinates, they're surprisingly submissive and deferential toward superiors. When takers deal with powerful people, they become convincing fakers. Takers want to be admired by influential superiors, so they go out of their way to charm and flatter. As a result, powerful people tend to form glowing first impressions of takers. A trio of German psychologists found that when strangers first encountered people, the ones they liked most were those "with a sense of entitlement and a tendency to manipulate and exploit others."

When kissing up, takers are often good fakers. In 1998, when Wall Street analysts visited Enron, Lay recruited seventy employees to pretend to be busy traders, hoping to wow the analysts with the image of a productive energy trading business. Lay led the analysts through the charade, where the employees were asked to bring personal photos to a different floor of the building so it looked like they worked there, and put on a show. They made imaginary phone calls, creating a ruse that they were busy buying and selling energy and gas. This is another sign that Lay was a taker: he was obsessed with making a good impression upward, but worried less about how he was seen by those below him. As Samuel Johnson purportedly wrote, "The true measure of a man is how he treats someone who can do him absolutely no good."

Takers may rise by kissing up, but they often fall by kicking down. When Lay sought to impress the Wall Street analysts, he did so by exploiting his own employees, asking them to compromise their integrity to construct a façade that would deceive the analysts. Research shows that as people gain power, they feel large and in charge: less constrained and freer to express their natural tendencies. As takers gain power, they pay less attention to how they're perceived by those below and next to them; they feel entitled to pursue self-serving goals and claim as much value as they can. Over time, treating peers and subordinates poorly jeopardizes their relationships and reputations. After all, most people are matchers: their core values emphasize fairness, equality, and reciprocity. When takers violate these principles, matchers in their networks believe in an eye for an eye, so they want to see justice served.

To illustrate, imagine that you're participating in a famous study led by Daniel Kahneman, the Nobel Prize–winning psychologist at Princeton. You're playing what's known as the ultimatum game, and you sit down across the table from a stranger who has just been given $10. His task is to present you with a proposal about how the money will be divided between the two of you. It's an ultimatum: you can either accept the proposal as it stands and split the money as proposed, or you can reject it, and both of you will get nothing. You might never see each other again, so he acts like a taker, keeping $8 and offering you only $2. What do you do?

In terms of pure profit, it's rational for you to accept the offer. After all, $2 is better than nothing. But if you're like most people, you reject it. You're willing to sacrifice the money to punish the taker for being unfair, walking away with nothing just to keep him from earning $8. Evidence shows that the vast majority of people in this position reject proposals that are imbalanced to the tune of 80 percent or more for the divider.*

Why do we punish takers for being unfair? It's not spite. We're not getting revenge on takers for trying to take advantage of us. It's about justice. If you're a matcher, you'll also punish takers for acting unfairly toward *other* people. In another study spearheaded by Kahneman, people had a choice between splitting $12 evenly with a taker who had made an unfair proposal in the past or splitting $10 evenly with a matcher who had made a fair proposal in the past. More than 80 percent of the people preferred to

* Interestingly, in ultimatum games, it's rare for the divider to propose anything that's so lopsided. More than three quarters of dividers propose a perfectly even split, acting like matchers.

split $10 evenly with the matcher, accepting $5 rather than $6 to prevent the taker from getting $6.

In networks, new research shows that when people get burned by takers, they punish them by sharing reputational information. "Gossip represents a widespread, efficient, and low-cost form of punishment," write the social scientists Matthew Feinberg, Joey Cheng, and Robb Willer. When reputational information suggests that someone has taker tendencies, we can withhold trust and avoid being exploited. Over time, as their reputations spread, takers end up cutting existing ties and burning bridges with potential new ties. When Lay's taking was revealed, many of his former supporters—including the Bush family—distanced themselves from him. As Wayne Baker, a University of Michigan sociologist and networking expert, explains, "If we create networks with the sole intention of *getting something*, we won't succeed. We can't *pursue* the benefits of networks; the benefits ensue from investments in meaningful activities and relationships."

Before we make the leap of investing in relationships, though, we need to be able to recognize takers in our everyday interactions. For many of us, a challenge of networking lies in trying to guess the motives or intentions of a new contact, especially since we've seen that takers can be quite adept at posing as givers when there's a potential return. Is the next person you meet interested in a genuine connection or merely seeking personal gains—and is there a good way to tell the difference?

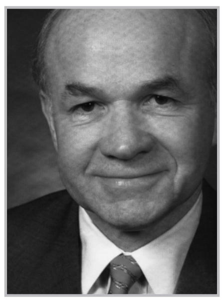
Luckily, research shows that takers leak clues. Well, more precisely, takers *lek* clues.

In the animal kingdom, *lekking* refers to a ritual in which males show off their desirability as mates. When it's time to breed, they gather in a common place and take their established positions. They put on extravagant displays to impress and court female audiences. Some do mating dances. Some sing alluring songs. Some even do acrobatics. The most striking display of lekking occurs among male peacocks. Each mating season, the males assume their positions and begin parading their plumage. They strut. They spread their feathers. They spin around to flaunt their tails.

In the CEO kingdom, takers do a dance that looks remarkably similar.

In a landmark study, strategy professors Arijit Chatterjee and Donald Hambrick studied more than a hundred CEOs in computer hardware and software companies. They analyzed each company's annual reports over more than a decade, looking for signs of lekking. What they found would forever change the face of leadership.

It turns out that we could have anticipated the collapse of Enron as early as 1997, without ever meeting Ken Lay or looking at a single number. The warning signs of Enron's demise are visible in a single image, captured four years before the company unraveled. Take a look at the two pictures of CEOs below, reproduced from their companies' annual reports. Both men started their lives in poverty, worked in the Nixon administration, founded their own companies, became rich CEOs, and donated substantial sums of money to charity. Can you tell from their faces—or their clothes—which one was a taker?



The man on the left is Jon Huntsman Sr., a giver whom we'll meet in chapter 6, from his company's 2006 annual report. The photo on the right depicts Ken Lay. Thousands of experts have analyzed Enron's financial statements, but they've missed an important fact: a picture really is worth a thousand words. Had we looked more carefully at the Enron reports, we might have recognized the telltale signs of takers lekking at the helm.

But these signs aren't where I expected to find them—they're not in the faces or attire of the CEOs. In their study of CEOs in the computer industry, Chatterjee and Hambrick had a hunch that takers would see themselves as the suns in their companies' solar systems. They found several clues of takers lekking at the top. One signal appeared in CEO interviews.

Since takers tend to be self-absorbed, they're more likely to use first-person singular pronouns like *I*, *me*, *mine*, *my*, and *myself*—versus first-person plural pronouns like *we*, *us*, *our*, *ours*, and *ourselves*. In the computer industry, when talking about the company, on average, 21 percent of CEOs' first-person pronouns were in the singular. For the extreme takers, 39 percent of their first-person pronouns were in the singular. Of every ten words that the taker CEOs uttered referencing themselves, four were about themselves alone and no one else.

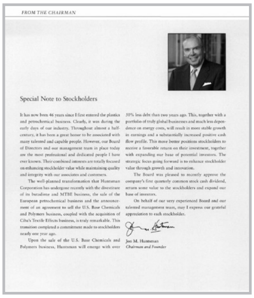
Another signal was compensation: the taker CEOs earned far more money than other senior executives in their companies. The takers saw themselves as superior, so they felt entitled to substantial pay discrepancies in their own favor. In the computer industry, a typical taker CEO took home more than triple the annual salary and bonus of anyone else in the company. By contrast, the average across the industry was for CEOs to earn just over one and a half times the next highest paid. The taker CEOs also commanded stock options and other noncash compensation of seven times higher than the next highest paid, compared with the industry average of two and a half times higher.*

But the most interesting clue was in the annual reports that the companies produced for shareholders each year. At the top of the next page are the pictures of Ken Lay and Jon Huntsman Sr. that I showed you before, but now they're in context.

The photo on the left appeared in Huntsman's 2006 annual report. His image is tiny, taking up less than 10 percent of the page. The photo on the right appeared in Enron's 1997 annual report. The image of Lay takes up an entire page.

When Chatterjee and Hambrick looked at the annual reports from the computer companies, they noticed dramatic differences in the prominence of the CEO's image. In some annual reports, the CEO wasn't pictured at

* In the computer industry study, when taker CEOs were at the helm, firms had more fluctuating, extreme performance, as measured by total shareholder returns and return on assets. They had bigger wins, but bigger losses. The takers were supremely confident in their bets, so they swung for the fences. They made bold, grandiose moves, which included more and larger acquisitions, as well as major upheavals to company strategy. Sometimes these moves paid off, but in the long run, the takers often put their companies in jeopardy.



FROM THE CHAIRMAN

Special Note to Stockholders

It has now been 46 years since I first entered the plastics and petrochemical business. Clearly, it was during the early days of our industry. Throughout almost a half-century, it has been a great honor to be associated with many talented and capable people. However, our Board of Directors and our management team in place today are the most professional and dedicated people I have ever known. Their combined interests are totally focused on enhancing stockholder value while maintaining quality and integrity with our associates and customers.

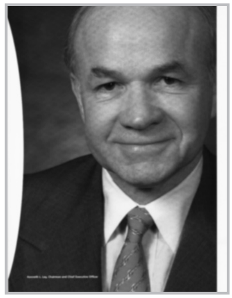
The well-planned transformation that Huntsman Corporation has undergone recently with the divestiture of its butadiene and MTBE business, the sale of the European petrochemical business and the announcement of an agreement to sell the U.S. Base Chemicals and Polymers business, coupled with the acquisition of Ciba's Textile Effects business, is truly remarkable. This transition completed a commitment made to stockholders nearly one year ago.

Upon the sale of the U.S. Base Chemicals and Polymers business, Huntsman will emerge with over 50% less debt than two years ago. This, together with a portfolio of truly global businesses and much less dependence on energy costs, will result in more stable growth in earnings and a substantially increased positive cash flow profile. This move better positions stockholders to receive a favorable return on their investment, together with expanding our base of potential investors. The strategic focus going forward is to enhance stockholder value through growth and innovation.

The Board was pleased to recently approve the company's first quarterly common stock cash dividend, return some value to the stockholders and expand our base of investors.

On behalf of our very experienced Board and our talented management team, may I express our grateful appreciation to each stockholder.

Jon M. Huntsman
Chairman and Founder



all. In other reports, there was a full-page photo of the CEO alone. Guess which one is the taker?

For the taker CEOs, it was all about *me*. A big photo is self-glorifying, sending a clear message: "I am the central figure in this company." But is this really a signal of being a taker? To find out, Chatterjee and Hambrick invited security analysts who specialized in the information technology sector to rate the CEOs. The analysts rated whether each CEO had an "inflated sense of self that is reflected in feelings of superiority, entitlement, and a constant need for attention and admiration . . . enjoying being the center of attention, insisting upon being shown a great deal of respect, exhibitionism, and arrogance." The analysts' ratings correlated almost perfectly with the size of the CEOs' photos.

At Enron, in that prescient 1997 report, the spotlight was on Ken Lay. Of the first nine pages, two were dominated by giant full-page images of Lay and then-COO Jeff Skilling. The pattern continued in 1998 and 1999, with full-page photos of Lay and Skilling. By 2000, Lay and Skilling had moved up to pages four and five, albeit with smaller images. There were four different photos of each of them, like a filmstrip—only they were better fit for a cartoon. Three of the photos of Lay were virtually identical, revealing the subtle, smug smile of an executive who knew he was special. A fairytale ending was not in the cards for Lay, who died of a heart attack before sentencing.

So far, we've looked at two different ways to recognize takers. First, when we have access to reputational information, we can see how people have treated others in their networks. Second, when we have a chance to observe the actions and imprints of takers, we can look for signs of lekking.

Self-glorifying images, self-absorbed conversations, and sizable pay gaps can send accurate, reliable signals that someone is a taker. Thanks to some dramatic changes in the world since 2001, these signals are easier to spot today than ever before. Networks have become more transparent, providing us with new windows through which we can view other people's reputations and lekking.

The Transparent Network

In 2002, just months after Enron fell apart, a computer scientist by the name of Jonathan Abrams founded Friendster, creating the world's first online social network. Friendster made it possible for people to post their profiles online and broadcast their connections to the world. In the following two years, entrepreneurs launched LinkedIn, Myspace, and Facebook. Strangers now had access to one another's relationships and reputations. By 2012, the world population reached seven billion. At the same time, Facebook's active users approached a billion, meaning that more than 10 percent of the people in the world are connected on Facebook. "Social networks have always existed," write psychologists Benjamin Crosier, Gregory Webster, and Haley Dillon. "It is only recently that the Internet has provided a venue for their electronic explosion. . . . From mundane communication to meeting the love of one's life to inciting political revolutions, network ties are the conduits by which information and resources are spread."

These online connections have simulated a defining feature of the old world. Before technological revolutions helped us communicate by phone and e-mail, and travel by car and plane, people had relatively manageable numbers of social ties in tightly connected, transparent circles. Within these insulated networks, people could easily gather reputational information and observe lekking. As communication and transportation became easier, and the sheer size of the population grew, interactions became more dispersed and anonymous. Reputations and lekking became less visible. This is why Ken Lay was able to keep much of his taking hidden. As he moved from one position and organization to another, his contacts didn't always have easy access to one another, and the new people who entered his network didn't gain a great deal of information about his reputation. Inside Enron, his impromptu actions couldn't be documented on YouTube, broadcast on Twitter, easily indexed in a Google search, or posted anonymously on internal blogs or the company intranet.

Now, it's much harder for takers to get away with being fakers, fooling people into thinking they're givers. On the Internet, we can now track down reputational information about our contacts by accessing public databases and discovering shared connections. And we no longer need a company's annual report to catch a taker, because lekking in its many sizes and forms abounds in social network profiles. Tiny cues like words and photos can reveal profound clues about us, and research suggests that ordinary people can identify takers just by looking at their Facebook profiles. In one study, psychologists asked people to fill out a survey measuring whether they were takers. Then, the psychologists sent strangers to visit their Facebook pages. The strangers were able to detect the takers with astonishing accuracy.

The takers posted information that was rated as more self-promoting, self-absorbed, and self-important. They featured quotes that were evaluated as boastful and arrogant. The takers also had significantly more Facebook friends, racking up superficial connections so they could advertise their accomplishments and stay in touch to get favors, and posted vainer, more flattering pictures of themselves.

Howard Lee, the former head of South China at Groupon, is one of a growing number of people who use social media to catch takers. When Lee hired salespeople, many of the strong candidates were aggressive, making it difficult to distinguish the takers from the candidates who are simply gregarious and driven. Lee was enamored with one candidate who had an outstanding résumé, aced his interview, and had glowing references. But the candidate could have been faking: "talking to someone for an hour only gives you a glimpse, the tip of the iceberg," Lee thought, "and the references were self-selected." A taker could easily find some superiors to sing his praises.

So Lee searched through his LinkedIn and Facebook networks and identified a mutual connection, who shared some disconcerting information about the candidate. "He seemed to be a taker, and it carried a lot of weight. If he's been ruthless in one company, do I want to work with him?" Lee feels that online social networks have revolutionized Groupon's hiring process. "Nowadays, I don't need to call in to a company to find out about someone's reputation. Everyone is incredibly connected. Once they make it past the technical rounds, I check their LinkedIn or Facebook. Sometimes we have mutual friends, or went to the same school, or the people on my team will have a link to them," Lee explains. "You can understand someone's reputation at a peer level pretty quickly." When your relationships and reputations are visible to the world, it's harder to achieve sustainable success as a taker.

In Silicon Valley, a quiet man who looks like a panda bear is taking transparent networks to the next level. His name is Adam Forrest Rifkin, and he has been called the giant panda of programming. He describes himself as a shy, introverted computer nerd who has two favorite languages: JavaScript, the computer programming language, and Klingon, the language spoken by the aliens on *Star Trek*.* Rifkin is an "anagramaniac": he has spent countless hours rearranging the letters in his name to find the one that captures him best, generating candidates such as *Offer Radiant Smirk* and *Feminist Radar Fork*. Rifkin has two master's degrees in computer science, owns a patent, and has developed supercomputer applications for NASA and Internet systems for Microsoft. As the new millennium approached, Rifkin cofounded KnowNow, a software start-up with Rohit Khare, helping companies manage information more efficiently and profitably. KnowNow achieved a decade of success after bringing in more than $50 million in venture funding. By 2009, while still in his thirties, Rifkin announced his retirement.

I came across Rifkin while scrolling through the LinkedIn connections of David Hornik, the venture capitalist whom you met in the previous chapter. When I clicked on Rifkin's profile, I saw that he was coming out of

* This is a nod to a "Weird Al" Yankovic song about nerds, which includes the line, "I'm fluent in JavaScript as well as Klingon." For the record, Rifkin worries about the amount of time that he has wasted in his life typing two spaces after a period, instead of one.

retirement to launch a start-up called PandaWhale, with the goal of creating a public, permanent record of the information that people exchange. Since Rifkin is clearly a staunch advocate of transparency in networks, I was curious to see what his own network looks like. So I did what's only natural in a connected world: I went to Google and typed "Adam Rifkin." As I scrolled through the search results, the sixteenth link caught my eye. It said that Adam Rifkin was *Fortune*'s best networker.

What Goes Around Comes Around

In 2011, Adam Rifkin had more LinkedIn connections to the 640 powerful people on *Fortune*'s lists than any human being on the planet. He beat out luminaries like Michael Dell, the billionaire founder of the Dell computer company, and Jeff Weiner, the CEO of LinkedIn.* I was stunned that a shy, *Star Trek*–loving, anagram-obsessing software geek managed to build a network that includes the founders of Facebook, Netscape, Napster, Twitter, Flickr, and Half.com.

Adam Rifkin built his network by operating as a bona fide giver. "My network developed little by little, in fact a little every day through small gestures and acts of kindness, over the course of many years," Rifkin explains, "with a desire to make better the lives of the people I'm connected to." Since 1994, Rifkin has served as a leader and watchdog in a wide range of online communities, working diligently to strengthen relationships and help people resolve online conflicts. As the cofounder of Renkoo, a start-up with Joyce Park, Rifkin created applications that were used more than 500 million times by more than 36 million people on Facebook and Myspace. Despite their popularity, Rifkin wasn't satisfied. "If you're going to get tens of millions of people using your software, you really should do something meaningful, something that changes the world," he says. "Frankly, I would like to see more people helping other people." He decided to shut down Renkoo and become a full-time giver, offering

* Technically, since LinkedIn employees have a host of advantages in connecting with people on LinkedIn, insiders were excluded from the *Fortune* analysis. Unofficially, it is noteworthy that Rifkin topped every LinkedIn employee except two: founder Reid Hoffman and board member and investor David Sze.

extensive guidance to start-ups and working to connect engineers and entrepreneurs with businesspeople in larger companies.

To this end, in 2005, Rifkin and Joyce Park founded 106 Miles, a professional network with the social mission of educating entrepreneurial engineers through dialogue. This network has brought together more than five thousand entrepreneurs who meet twice every month to help one another learn and succeed. "I get roped into giving free advice to other entrepreneurs, which is usually worth less than they pay for it," he muses, but "helping others is my favorite thing to do."

This approach has led to great things—not just for Rifkin, but also for those he's shepherded along the way. In 2001, Rifkin was a big fan of Blogger, an early blog publishing service. Blogger had run out of funding, so Rifkin offered a contract to Blogger's founder to do some work for his own first start-up, KnowNow. "We decided to hire him because we wanted to see Blogger survive," Rifkin says. "We gave him a contract to build something for our company so we could use it as a demo and he could keep Blogger going." The money from the contract helped the founder keep Blogger afloat, and he went on to cofound a company called Twitter. "There were several other people who also contracted with Evan Williams so he could keep his company going," Rifkin reflects. "You never know where somebody's going to end up. It's not just about building your reputation; it really is about being there for other people."

In the search for *Fortune*'s best networker, when Rifkin popped up as the winner, the reporter on the story, Jessica Shambora, laughed out loud. "Not surprisingly, I had already met him! Someone had referred me to him for a story I was researching on virtual goods and social networks." Shambora, who now works at Facebook, says that Rifkin is "the consummate networker, and he didn't get that way by being some sort of climber, or calculated. People go to Adam because they know his heart is in the right place." When he first moved up to Silicon Valley, Rifkin felt that giving was a natural way to come out of his shell. "As a very shy, sheltered computer guy, the concept of the network was my north star," he says. "When you have nothing, what's the first thing you try to do? You try to make a connection and have a relationship that gives you an opportunity to do something for someone else."

On Rifkin's LinkedIn page, his motto is "I want to improve the world, and I want to smell good while doing it." As of September 2012, on LinkedIn, 49 people have written recommendations for Rifkin, and no attribute is mentioned more frequently than his giving. A matcher would write recommendations back for the same 49 people, and perhaps sprinkle in a few unsolicited recommendations for key contacts, in the hopes that they'll reciprocate. But Rifkin gives more than five times as much as he gets: on LinkedIn, he has written detailed recommendations for 265 different people. "Adam is off the charts in how much he helps," says the entrepreneur Raymond Rouf. "He gives a lot more than he receives. It's part of his mantra to be helpful."

Rifkin's networking style, which exemplifies how givers tend to approach networks, stands in stark contrast to the way that takers and matchers tend to build and extract value from their connections. The fact that Rifkin gives a lot more than he receives is a key point: takers and matchers also give in the context of networks, but they tend to give strategically, with an expected personal return that exceeds or equals their contributions. When takers and matchers network, they tend to focus on who can help them in the near future, and this dictates what, where, and how they give. Their actions tend to exploit a common practice in nearly all societies around the world, in which people typically subscribe to a norm of reciprocity: you scratch my back, I'll scratch yours. If you help me, I'm indebted to you, and I feel obligated to repay. According to the psychologist Robert Cialdini, people can capitalize on this norm of reciprocity by giving what they want to receive. Instead of just reactively doing favors for the people who have already helped them, takers and matchers often proactively offer favors to people whose help they want in the future.* As

* Of course, when takers and matchers give to receive, they do so with different aims. Takers are usually looking to get as much as possible, whereas matchers are motivated to maintain equal exchanges.

networking guru Keith Ferrazzi summarizes in *Never Eat Alone*, "It's better to give before you receive."

Ken Lay lived by this principle: he had a knack for doing unrequested favors so that important people would feel compelled to respond in kind. When he was kissing up, he went out of his way to rack up credits with powerful people who he could call in later. In 1994, George W. Bush was running for governor of Texas. Bush was an underdog, but just in case, Lay made a donation of $12,500, as did his wife. Once Bush was elected governor, Lay supported one of Bush's literacy initiatives and ended up writing him two dozen lobbying letters. According to one citizen watchdog leader, Lay commanded "quid pro quo," helping Bush so that Bush would support utility deregulation. In one letter, Lay subtly hinted at his willingness to continue reciprocating if Bush helped to advance his goals: "let me know what Enron can do to be helpful in not only passing electricity restructuring legislation but also in pursuing the rest of your legislative agenda."

Reciprocity is a powerful norm, but it comes with two downsides, both of which contribute to the cautiousness with which many of us approach networking. The first downside is that people on the receiving end often feel like they're being manipulated. Dan Weinstein, a former Olympic speed skater and current marketing consultant at Resource Systems Group, notes that "some of the bigger management consulting firms own box seats at major sporting events. When these firms offer Red Sox tickets to their clients, the clients know that they're doing so, at least in part, with the hopes of getting something in return." When favors come with strings attached or implied, the interaction can leave a bad taste, feeling more like a transaction than part of a meaningful relationship. Do you really care about helping me, or are you just trying to create quid pro quo so that you can ask for a favor?

Apparently, Ken Lay made such an impression on George W. Bush. When Bush was running for governor, he asked Lay to chair one of his finance campaigns. At the time, Lay didn't think Bush had a chance, so he declined, stating that he was already serving on a business council for the Democratic incumbent, Ann Richards. As a consolation prize, he made his

$12,500 donation. Then, toward the end of the campaign, when it looked like Bush had a good chance of winning, Lay quickly made another donation of $12,500. Even though Lay ended up donating more money to Bush than to Richards, his decision to give only when it was strategic left an indelible dent in the relationship. This decision "relegated him forever to the periphery of George W. Bush's inner circle," wrote one journalist, citing a dozen insiders who confided that Lay created "a distance between them that was never really bridged." Bush never invited Lay to stay in the White House, as his father had. When the Enron scandal broke, Lay reached out to a number of political officials for help, but Bush wasn't one of them—the relationship wasn't strong enough.

There's a second downside of reciprocity, and it's one to which matchers are especially vulnerable. Matchers tend to build smaller networks than either givers, who seek actively to help a wider range of people, or takers, who often find themselves expanding their networks to compensate for bridges burned in previous transactions. Many matchers operate based on the attitude of "I'll do something for you, if you'll do something for me," writes LinkedIn founder Reid Hoffman, so they "limit themselves to deals in which their immediate benefit is at least as great as the benefits for others . . . If you insist on a quid pro quo every time you help others, you will have a much narrower network." When matchers give with the expectation of receiving, they direct their giving toward people who they think can help them. After all, if you don't benefit from having your favors reciprocated, what's the value of being a matcher?

As these disadvantages of strict reciprocity accrue over time, they can limit both the quantity and quality of the networks that takers and matchers develop. Both disadvantages ultimately arise out of a shortsightedness about networks, in that takers and matchers make hard-and-fast assumptions about just who will be able to provide the most benefit in exchange. At its core, the giver approach extends a broader reach, and in doing so enlarges the range of potential payoffs, even though those payoffs are not the motivating engine. "When you meet people," says former Apple evangelist and Silicon Valley legend Guy Kawasaki, regardless of who they are, "you should be asking yourself, 'How can I help the other person?'" This may strike some as a way to overinvest in others, but as Adam Rifkin once learned to great effect, we can't always predict who can help us.

Waking the Sleeping Giants

In 1993, a college student named Graham Spencer teamed up with five friends to build an Internet start-up. Spencer was a shy, introverted computer engineer with a receding hairline, huge glasses, and an obsession with comic books. Looking back, he says Superman taught him justice and virtue, the X-Men kindled concern for oppressed groups, and Spider-Man gave him hope: "even superheroes could have a rough time in school."

Spencer and his friends cofounded Excite, an early Web portal and search engine that quickly became one of the most popular sites on the Internet. In 1998, Excite was purchased for $6.7 billion, and Spencer was flying high as its largest shareholder and chief technology officer. In 1999, shortly after selling Excite, Spencer received an e-mail out of the blue from Adam Rifkin, who was asking for advice on a start-up. They had never met, but Spencer volunteered to sit down with Rifkin anyway. After they met, Spencer connected Rifkin with a venture capitalist who ended up funding his start-up. How did Rifkin get access to Spencer? And why did Spencer go out of his way to help Rifkin?

Early in 1994, five years before seeking Spencer's help, Rifkin became enamored with an emerging band. He wanted to help the band gain popularity, so he put his computer prowess into action and created a fan website, hosted on the Caltech server. "It was an authentic expression of being a fan of music. I loved the music." The page took off: hundreds of thousands of people found it as the band skyrocketed from anonymity into stardom.

The band was called Green Day.

Rifkin's fan site was so popular in the burgeoning days of the commercial Internet that in 1995, Green Day's managers contacted him to ask if they could take it over and make it the band's official page. "I said, 'Great, it's all yours'," Rifkin recalls. "I just gave it to them." The previous summer, in 1994, millions of people had visited Rifkin's site. One of the visitors, a serious punk rock fan, felt that Green Day was really pop music. He had e-mailed Rifkin to educate him about "real" punk rock.

The fan was none other than Graham Spencer. Spencer suggested that when people searched for punk rock on the Internet, they should find more than Green Day. When Rifkin read the e-mail, he imagined Spencer as a stereotypical punk rock fan with a green Mohawk. Rifkin had no idea that Spencer would ever be able to help him—it would only come out much later that Spencer had just started Excite. A taker or matcher might have ignored the e-mail from Spencer. But as a giver, Rifkin's natural inclination was to help Spencer spread the word about punk rock and help struggling bands build up a fan base. So Rifkin set up a separate page on the Green Day fan site with links to the punk rock bands that Spencer suggested.

There's an elegance to Adam Rifkin's experience with Graham Spencer, a satisfying sense of good deeds rewarded. But if we take a closer look, we find an example of just what makes giver networks so powerful, and it has as much to do with the five years that passed after Rifkin's generosity as with the generosity itself. Rifkin's experiences foreshadow how givers have the advantage of accessing the full breadth of their networks.

One of Rifkin's maxims is "I believe in the strength of weak ties." It's in homage to a classic study by the Stanford sociologist Mark Granovetter. Strong ties are our close friends and colleagues, the people we really trust. Weak ties are our acquaintances, the people we know casually. Testing the common assumption that we get the most help from our strong ties, Granovetter surveyed people in professional, technical, and managerial professions who had recently changed jobs. Nearly 17 percent heard about the job from a strong tie. Their friends and trusted colleagues gave them plenty of leads.

But surprisingly, people were significantly more likely to benefit from weak ties. Almost 28 percent heard about the job from a weak tie. Strong ties provide bonds, but weak ties serve as bridges: they provide more efficient access to new information. Our strong ties tend to travel in the same social circles and know about the same opportunities as we do. Weak ties are more likely to open up access to a different network, facilitating the discovery of original leads.

Here's the wrinkle: it's tough to ask weak ties for help. Although they're the faster route to new leads, we don't always feel comfortable reaching out to them. The lack of mutual trust between acquaintances creates a psychological barrier. But givers like Adam Rifkin have discovered a loophole. It's possible to get the best of both worlds: the trust of strong ties coupled with the novel information of weak ties.

The key is reconnecting, and it's a major reason why givers succeed in the long run.

After Rifkin created the punk rock links on the Green Day site for Spencer in 1994, Excite took off, and Rifkin went back to graduate school. They lost touch for five years. When Rifkin was moving to Silicon Valley, he dug up the old e-mail chain and drafted a note to Spencer. "You may not remember me from five years ago; I'm the guy who made the change to the Green Day website," Rifkin wrote. "I'm starting a company and moving to Silicon Valley, and I don't know a lot of people. Would you be willing to meet with me and offer advice?"

Rifkin wasn't being a matcher. When he originally helped Spencer, he did it with no strings attached, never intending to call in a favor. But five years later, when he needed help, he reached out with a genuine request. Spencer was glad to help, and they met up for coffee. "I still pictured him as this huge guy with a Mohawk," Rifkin says. "When I met him in person, he hardly said any words at all. He was even more introverted than I am." By the second meeting, Spencer was introducing Rifkin to a venture capitalist. "A completely random set of events that happened in 1994 led to re-engaging with him over e-mail in 1999, which led to my company getting founded in 2000," Rifkin recalls. "Givers get lucky."

Yet there's reason to believe that part of what Rifkin calls luck is in fact a predictable, patterned response that most people have to givers. Thirty years ago, the sociologist Fred Goldner wrote about what it means to experience the opposite of paranoia: *pronoia*. According to the distinguished psychologist Brian Little, pronoia is "the delusional belief that other people are plotting your well-being, or saying nice things about you behind your back."

If you're a giver, this belief may be a reality, not a delusion. What if other people are actually plotting the success of givers like Adam Rifkin?

In 2005, when Rifkin was starting Renkoo with Joyce Park, they didn't have any office space, so they were working out of Rifkin's kitchen. A colleague went out of his way to introduce Rifkin to Reid Hoffman, who had recently founded LinkedIn, which had fewer than fifty employees at the time. Hoffman met up with Rifkin and Park on a Sunday and offered them free desks at LinkedIn, putting Rifkin in the heart of Silicon Valley. "In the summer of 2005, one of the companies right next to us was YouTube, and we got to meet them in their infancy before they really took off," Rifkin says.

Rifkin's experience sheds new light on the old saying that what goes around comes around. These karmic moments can often be traced to the fact that matchers are on a mission to make them happen. Just as matchers will sacrifice their own interests to punish takers who act selfishly toward others, they'll go out of their way to reward givers who act generously toward others. When Adam Rifkin helped people in his network, the matchers felt it was only fair to plot his well-being. True to form, he used his newfound access at LinkedIn to plot the well-being of other people in his network, referring engineers for jobs at LinkedIn.

On a Wednesday evening in May, I got to see the panda in his natural habitat. At a bar for a 106 Miles meeting in Redwood City, Rifkin walked in with a huge grin, wearing a San Francisco Giants jersey. He was immediately swarmed by a group of tech entrepreneurs—some smooth, others endearingly awkward. As dozens of entrepreneurs piled into the bar, Rifkin was able to tell me each of their stories, which was no small feat for someone who receives more than eight hundred e-mails in a typical day.

His secret was deceptively simple: he asked thoughtful questions and listened with remarkable patience. Early in the evening, Rifkin asked one budding entrepreneur how his company was doing. The entrepreneur talked for fourteen minutes without interruption. Although the monologue might have exhausted even the most curious of tech geeks, Rifkin never lost interest. "Where do you need help?" he asked, and the entrepreneur mentioned a need for a programmer specializing in an obscure computer language. Rifkin started scrolling through his mental Rolodex and recommended candidates to contact. Later in the evening, one of those candidates arrived in person, and Rifkin made the introduction. As the crowd grew, Rifkin still took the time to have a personal conversation with everyone there. When new members approached him, he typically spent fifteen or twenty minutes getting to know them, asking what motivated them and how he could help them. Many of those people were complete strangers, but just as he had helped Graham Spencer eighteen years earlier without thinking twice, he took it upon himself to find them jobs, connect them to potential cofounders, and offer advice for solving problems in their companies. Each time he gave, he created a new connection. But is it really possible to keep up with all of these contacts?

Dormant Ties

Because he maintains such a large network, Adam Rifkin has a growing number of dormant ties—people he used to see often or know well, but with whom he has since fallen out of contact. According to management professors Daniel Levin, Jorge Walter, and Keith Murnighan, "adults accumulate thousands of relationships over their lifetimes, but, prior to the Internet, they actively maintained no more than 100 or 200 at any given time." For the past few years, these professors have been asking executives to do something that they dread: reactivate their dormant ties. When one executive learned of the assignment, "I groaned. If there are dormant contacts, they are dormant for a reason, right? Why would I want to contact them?"

But the evidence tells a different story. In one study, Levin and colleagues asked more than two hundred executives to reactivate ties that had been dormant for a minimum of three years. Each executive reached out to two former colleagues and sought advice on an ongoing work project. After receiving the advice, they rated its value: to what extent did it help them solve problems and gain useful referrals? They also rated the advice that they received from two current contacts on the same project. Surprisingly, the executives rated the advice from the dormant ties as contributing more value than the advice from the current ties. Why?

The dormant ties provided more novel information than the current contacts. Over the past few years, while they were out of touch, they had been exposed to new ideas and perspectives. The current contacts were more likely to share the knowledge base and viewpoint that the executives already possessed. One executive commented that "before contacting them I thought that they would not have too much to provide beyond what I had already thought, but I was proved wrong. I was very surprised by the fresh ideas."

Dormant ties offer the access to novel information that weak ties afford, but without the discomfort. As Levin and colleagues explain, "reconnecting a dormant relationship is not like starting a relationship from scratch. When people reconnect, they still have *feelings of trust*." An executive divulged that "I feel comfortable . . . I didn't need to guess what his intentions were . . . there was mutual trust that we built years ago that made our conversation today smoother." Reactivating a dormant tie actually required a shorter conversation, since there was already some common ground. The executives didn't need to invest in building a relationship from the start with their dormant ties, as they would with weak ties.

Levin and colleagues asked another group of more than one hundred executives to identify ten dormant ties and rank them in order of the likely value they would provide. The executives then reactivated all ten dormant ties and rated the value of the conversations. All ten dormant ties provided high value, and there were no differences by rank: the executives got just as much value from their tenth choice as from their first choice. When we need new information, we may run out of weak ties quickly, but we have a large pool of dormant ties that prove to be helpful. And the older we get, the more dormant ties we have, and the more valuable they become. Levin and colleagues found that people in their forties and fifties received more value from reactivating dormant ties than people in their thirties, who in turn benefited more than people in their twenties. The executive who groaned about reconnecting admitted that it "has been eye-opening for me . . . it has shown me how much potential I have in my Rolodex."

Dormant ties are the neglected value in our networks, and givers have a distinctive edge over takers and matchers in unlocking this value. For takers, reactivating dormant ties is a challenge. If the dormant ties are fellow takers, they'll be suspicious and self-protective, withholding novel information. If the dormant ties are matchers, they may be motivated to punish takers, as we saw in the ultimatum game. If the dormant ties are smart givers, as you'll see later in this book, they won't be so willing to help takers. And of course, if a taker's self-serving actions were what caused a tie to become dormant in the first place, it may be impossible to revive the relationship at all.

Matchers have a much easier time reconnecting, but they're often uncomfortable reaching out for help because of their fidelity to the norm of reciprocity. When they ask for a favor, they feel that they'll owe one back. If they're already indebted to the dormant tie and haven't yet evened the score, it's doubly difficult to ask. And for many matchers, dormant ties haven't built up a deep reservoir of trust, since they've been more like transactional exchanges than meaningful relationships.

According to networking experts, reconnecting is a totally different experience for givers, especially in a wired world. Givers have a track record of generously sharing their knowledge, teaching us their skills, and helping us find jobs without worrying about what's in it for them, so we're glad to help them when they get back in touch with us. Today, Adam Rifkin spends less time networking with new people than he did earlier in his career, focusing instead on a growing number of dormant ties. "Now my time is spent going back to people who I haven't talked to in a while." When he reactivates one of his many dormant ties, the contact is usually thrilled to hear from him. His generosity and kindness have earned their trust. They're grateful for his help, and they know it didn't come with strings attached; he's always willing to share his knowledge, offer advice, or make an introduction. In 2006, Rifkin was looking for a dynamite speaker for a 106 Miles meeting. He reconnected with Evan Williams, and although Williams had become famous and was extremely busy with the launch of Twitter, he agreed. "Five years later, when we asked him to speak to the group, he never forgot," Rifkin says.

The type of goodwill that givers like Rifkin build is the subject of fascinating research. Traditionally, social network researchers map information exchange: the flows of knowledge from person to person. But when Wayne Baker collaborated with University of Virginia professor Rob Cross and IBM's Andrew Parker, he realized that it was also possible to track the flows of energy through networks. In a range of organizations, employees rated their interactions with one another on a scale from strongly de-energizing to strongly energizing. The researchers created an energy network map, which looked like a model of a galaxy.

The takers were black holes. They sucked the energy from those around them. The givers were suns: they injected light around the organization. Givers created opportunities for their colleagues to contribute, rather than imposing their ideas and hogging credit for achievements. When they disagreed with suggestions, givers showed respect for the people who spoke up, rather than belittling them.

If you mapped energy in Adam Rifkin's network, you'd find that he looks like the sun in many different solar systems. Several years ago at a holiday party, Rifkin met a struggling entrepreneur named Raymond Rouf. They started chatting, and Rifkin gave him some feedback. Six months later, Rouf was working on a new start-up and reached out to Rifkin for advice. Rifkin replied the same day and set up a breakfast for the next morning, where he spent two hours giving more feedback to Rouf. A few months later, they crossed paths again. Rouf had gone two years without an income, and the plumbing in his house wasn't working, so he bought a gym membership just to shower there. He ran into Rifkin, who asked how the start-up was going and offered some invaluable insights about how to reposition his company. Rifkin then proceeded to introduce Rouf to a venture capitalist, who ended up funding his company and becoming a board member. "The two of them would have meetings about me, to discuss how they could help me," Rouf says. Rouf's company, Graph-Science, has become one of the top Facebook analytics companies in the world—and he says it never would have happened without Rifkin's help.

Rifkin has even managed to light up projects for a Hollywood writer/director. As you'll see in chapter 8, they met because Rifkin shared his contact information openly on the Internet. In a casual conversation, the Hollywood director mentioned that he had just finished production on a Showtime series and asked Rifkin for help. "Although he is quite successful in his chosen field, I didn't put too much credence in his skill as a Hollywood publicist," says the director. "Boy was I wrong!" Within twenty-four hours, Rifkin set up meetings and private screenings of the show with top-ranking executives at Twitter and YouTube. The Hollywood contact explains:

> It's important to emphasize: Adam had absolutely no stake in my show's success. Sink or swim, he wouldn't benefit or suffer either way. But true to his genuine joy of giving, he went out of his way to introduce us to countless media opportunities. When the dust had settled, he was singlehandedly responsible for positive and glowing articles in countless national media outlets as well as incredible social media publicity. In the end, his generosity was more far reaching and far more effective than our show's highly paid Hollywood publicist. As a result, the show enjoyed the highest ratings ever received in its time slot in Showtime's history! Showtime, so impressed with our modest show's numbers, has already given the green light to another series. His generosity is responsible for the show being a hit and Showtime saying yes to my current series.

For someone who gives off these vibes and inspires such goodwill, reconnecting is an energizing experience. Think back to the 265 people for whom Rifkin has written LinkedIn recommendations, or the hundreds of entrepreneurs he helps in 106 Miles. It's not a stretch to imagine that every one of them will be enthusiastic about reconnecting with Rifkin, and helping him out, if they happen to lose touch.

But Adam Rifkin isn't after their help—at least not for himself. Rifkin's real aim is to change our fundamental ideas about how we build our networks and who should benefit from them. He believes that we should see networks as a vehicle for creating value for everyone, not just claiming it for ourselves. And he is convinced that this giver approach to networking can uproot the traditional norm of reciprocity in a manner that's highly productive for all involved.

The Five-Minute Favor

In 2012, a LinkedIn recruiter named Stephanie was asked to list the three people who had the most influence on her career. Adam Rifkin was shocked to learn that he appeared on her list, because they had met only once, months earlier. Stephanie was searching for a job and met Rifkin through a friend of a friend. He gave her advice, primarily by text message, and helped her find job leads. She e-mailed him to express her gratitude and offered to reciprocate: "I know we only met in person once and we talk only occasionally, but you have helped me more than you know . . . I really would like to do something to help give back to you."

But Stephanie wasn't just looking to help Adam Rifkin. Instead, she volunteered to attend a 106 Miles meeting of Silicon Valley entrepreneurs so she could help Rifkin help them. At the meeting, Stephanie would give entrepreneurs feedback on their ideas, offer to test their product prototypes, and facilitate connections with potential collaborators and investors. The same thing has happened with many other people whom Rifkin helps. Raymond Rouf often drops by 106 Miles meetings to assist other entrepreneurs. So does an engineer named Bob, who met Rifkin in a bar in 2009. They struck up a conversation, and Rifkin learned that Bob was out of work, so he made some introductions that landed Bob a position. The company went out of business, and Rifkin made more connections that resulted in a job for Bob at a start-up, which was acquired six months later by Google. Today, Bob is a successful Google engineer, and he's paying the help he received forward across the 106 Miles network.

This is a new spin on reciprocity. In traditional old-school reciprocity, people operated like matchers, trading value back and forth with one another. We helped the people who helped us, and we gave to the people from whom we wanted something in return. But today, givers like Adam Rifkin are able to spark a more powerful form of reciprocity. Instead of trading value, Rifkin aims to add value. His giving is governed by a simple rule: the five-minute favor. "You should be willing to do something that will take you five minutes or less *for anybody*."

Rifkin doesn't think about what any of the people he helps will contribute back to him. Whereas takers accumulate large networks to look important and gain access to powerful people, and matchers do it to get favors, Rifkin does it to create more opportunities for giving. In the words of Harvard political scientist Robert Putnam, "I'll do this for you without expecting anything specific back from you, in the confident expectation that someone else will do something for me down the road." When people feel grateful for Rifkin's help, like Stephanie, they're more likely to pay it forward. "I have always been a very genuine and kind-hearted person," Stephanie says, "but I had tried to hide it and be more competitive so that I could get ahead. The important lesson I learned from Adam is that you can be a genuinely kind-hearted person and still get ahead in the world." Every time Rifkin generously shares his expertise or connections, he's investing in encouraging the people in his network to act like givers. When Rifkin does ask people for help, he's usually asking for assistance in helping someone else. This increases the odds that the people in his vast network will seek to add value rather than trade value, opening the door for him and others to gain benefits from people they've never helped—or even met. By creating a norm of adding value, Rifkin transforms giving from a zero-sum loss to a win-win gain.

When takers build networks, they try to claim as much value as possible for themselves from a fixed pie. When givers like Rifkin build networks, they expand the pie so that everyone can get a larger slice. Nick Sullivan, an entrepreneur who has benefited from Rifkin's help, says that "Adam has the same effect on all of us: getting us to help people." Rouf elaborates: "Adam always wants to make sure that whoever he's giving to is also giving to somebody else. If people benefit from his advice, he makes sure they help other people he gives advice to—it's creating a network, and making sure that everybody in his network is helping each other, paying it forward."

Cutting-edge research shows how Rifkin motivates other people to give. Giving, especially when it's distinctive and consistent, establishes a pattern that shifts other people's reciprocity styles within a group. It turns out that giving can be contagious. In one study, contagion experts James Fowler and Nicholas Christakis found that giving spreads rapidly and widely across social networks. When one person made the choice to contribute to a group at a personal cost over a series of rounds, other group members were more likely to contribute in future rounds, even when interacting with people who weren't present for the original act. "This influence persists for multiple periods and spreads up to three degrees of separation (from person to person to person to person)," Fowler and Christakis find, such that "each additional contribution a subject makes . . . in the first period is tripled over the course of the experiment by other subjects who are directly or indirectly influenced to contribute more as a consequence."

When people walk into a new situation, they look to others for clues about appropriate behavior. When giving starts to occur, it becomes the norm, and people carry it forward in interactions with other people. To illustrate, imagine that you're assigned to a group of four. The other three people are strangers, and you'll each make anonymous decisions, with no opportunity to communicate, during six rounds. In each round, each of you will receive $3 and decide whether to take it for yourselves or give it to the group. If you take it, you get the full $3. If you give it to the group, every group member gets $2, including you. At the end of each round, you'll find out what everyone decided. The group is better off if everyone gives—each member would end up receiving $8 per round, for a maximum total over six rounds of $48. But if you give and no one else does, you only get $12. This creates an incentive to take, which will guarantee you $18.

Since you can't communicate with one another, giving is a risky strategy. But in the actual study, 15 percent of the participants were consistent givers: they contributed to the group in all six rounds, making a personal sacrifice for the benefit of the group. And it wasn't as costly as you'd expect. Surprisingly, the consistent givers still ended up doing well: they walked away with an average of 26 percent more money than participants from groups without a single consistent giver. How could they give more and get more?

When the groups included one consistent giver, the other members contributed more. The presence of a single giver was enough to establish a norm of giving. By giving, participants were able to make their group members better off and managed to get more in the process. Even though they earned 50 percent less from each contribution, because they inspired others to give, they made a larger total sum available to all participants. The givers raised the bar and expanded the pie for the whole group.

In this experiment, the consistent givers were doing the equivalent of a five-minute favor when they contributed their money every round. They were making small sacrifices to benefit each member of the group, and it inspired the group members to do the same. Through the five-minute favor, Rifkin is expanding the pie for his whole network. In 106 Miles, the norm is for all five thousand entrepreneurs to help one another. Rifkin explains that "you're not doing somebody a favor because you're getting something in return. The goal of the group is to instill the value of giving: you don't have to be transactional about it, you don't have to trade it. If you do something for somebody in the group, then when you need it, someone in the group will do something for you."

For takers and matchers, this type of relentless giving still seems a bit risky. Can givers like Adam Rifkin maintain their productivity, especially when there are no guarantees that their help will come back around to benefit them directly? To shed light on this question, Stanford professor Frank Flynn studied professional engineers at a large telecommunications firm in the Bay Area. He asked the engineers to rate themselves and one another on how much they gave and received help from one another, which allowed him to identify which engineers were givers, takers, and matchers. He also asked each engineer to rate the status of ten other engineers: how much respect did they have?

The takers had the lowest status. They burned bridges by constantly asking for favors but rarely reciprocating. Their colleagues saw them as selfish and punished them with a lack of respect. The givers had the highest status, outdoing the matchers and takers. The more generous they were, the more respect and prestige they earned from their colleagues. Through giving more than they got, givers signaled their unique skills, demonstrated their value, and displayed their good intentions.

Despite being held in the highest esteem, the givers faced a problem: they paid a productivity price. For three months, Flynn measured the quantity and quality of work completed by each engineer. The givers were more productive than the takers: they worked harder and got more done. But the matchers had the highest productivity, beating out the givers. The time that the givers devoted to helping their colleagues apparently detracted from their ability to finish jobs, reports, and drawings. The matchers were more likely to call in favors and receive help, and it appeared to keep them on track. On the face of it, this seems like a stumbling block to the giver style of networking. If givers sacrifice their productivity by helping others, how can it be worth it?

Yet Adam Rifkin has managed to be a giver and stay highly productive as the cofounder of several successful companies. How does he avoid the tradeoff between giving and productivity? He gives more.

In the study of engineers, the givers didn't always pay a productivity price. Flynn measured whether the engineers were givers, matchers, or takers by asking their colleagues to rate whether they gave more, the same, or less than they received. This meant that some engineers could score as givers even if they didn't help others very often, as long as they asked for less in return. When Flynn examined the data based on how often the engineers gave and received help, the givers only took a productivity dive when they gave infrequently. Of all engineers, the most productive were those who gave often—and gave more than they received. These were the true givers, and they had the highest productivity and the highest status: they were revered by their peers. By giving often, engineers built up more trust and attracted more valuable help from across their work groups—not just from the people they helped.

This is exactly what has happened to Adam Rifkin with his five-minute favors. In the days before social media, Rifkin might have toiled in anonymity. Thanks to the connected world, his reputation as a giver has traveled faster than the speed of sound. "It takes him no time to raise funding for his start-ups," Rouf says with a trace of astonishment. "He has such a great reputation; people know he's a good guy. That's a dividend that gets paid because of who he is."

Rifkin's experience illustrates how givers are able to develop and leverage extraordinarily rich networks. By virtue of the way they interact with other people in their networks, givers create norms that favor adding rather than claiming or trading value, expanding the pie for all involved. When they truly need help, givers can reconnect with dormant ties, receiving novel assistance from near-forgotten but trusted sources. "I'll sum up the key to success in one word: generosity," writes Keith Ferrazzi. "If your interactions are ruled by generosity, your rewards will follow suit." Perhaps it's not a coincidence that Ivan Misner, the founder and chairman of BNI, the world's largest business networking organization, needs just two words to describe his guiding philosophy: "Givers gain."

After years of rearranging the letters in his name, Adam Rifkin has settled on the perfect anagram: *I Find Karma*.