Advanced Topics in Management Networks

The University of Chicago Booth School of Business
39006 Syllabus, Winter 2017

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Download syllabus and main handouts here: http://faculty.chicagobooth.edu/ronald.burt/teaching.
Recommended text: *Neighbor Networks: Competitive Advantage Local and Personal*

This course elaborates quantitatively and qualitatively on topics discussed in the introductory courses, "Strategic Leadership on Management Networks" (course number 39005) or "Strategic Leadership" (course number 39006). Qualitatively, we address the network foundations for coordination challenges due to bigotry, envy, poor leadership, and poor M&A. Quantitatively, we run network diagnostics on yourself and example organizations to study concrete instances of the performance and reputation effects discussed in Strategic Leadership and prepare you to run, or intelligently commission, your own network diagnostics in future.

Completion of 39002 or 39005 is a strict pre-requisite for enrolling in this course. A working familiarity with correlation and regression is strongly recommended (as is a laptop computer that runs Windows software; I use a Windows simulator on my Mac).

COURSE OVERVIEW

Session 6	Session 7	Session 8	Session 9	Session 10
Network Brokerage Cases John Clendenin at Xerox Charlotte Beers at Ogilvy & Mather John Brown at BP Alex Zaffaroni at Affymax	**Bent Preferences: Re-Thinking Motivation** How social networks bend the preferences that guide behavior Social origin of envy Closed networks elicit fear, risk aversion How network buzz works	**Network Diagnostics** We'll discuss a couple of INSEAD diagnostic reports as examples I'll do an example network diagnostic of a European organization to prepare you to do your group project	**Reading the Informal Organization Around You** Interpreting, framing, and timing in colleague debate - British Steel and the Korf Contract	**Network Diagnostics** We'll do the network diagnostic of the company you were assigned to do as a group project. Time allowing, a few INSEAD diagnoses, and a case of career disaster, will be discussed
Nothing due (no reading, see below)	Complete your INSEAD social capital report by 18 February (URL in invitation email)	**Self-Diagnosis** is due by 27 February. Bring laptop, software, & data to class (see next page)	Nothing due (no reading, see below)	**Organization Diagnosis** due before 10 March. Bring laptop, software, & data to class

The SESSIONS

6. Network Brokerage Cases

In the introductory course, Strategic Leadership, principles of network management were introduced as they apply across people and organizations. This course is at once deeper and more advanced. We begin by going deeper into individual cases of network brokerage. The cases merely illustrate the general principles, but they set the stage for the original diagnostic work to be completed in this course. The first case is about a manager who is successful in creating value as a network broker, but can make people uncomfortable. The second case is about a CEO who did a remarkable job re-invigorating a troubled company through her brokerage in her client organizations. The third case will be either of two cases about an entrepreneur who made a company business model out of network brokerage. The cases will all be driven by video. There is nothing to prepare to participate in the session.

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7. Bent Preferences: Re-Thinking Motivation (WARNING: Complete the INSEAD self-diagnostic by the end of 18 February so I can prepare your report for class discussion. All registered students will have received an invitation email message with URL, instructions, and personal password. Auditors send to me your email address to receive an invitation.)

Much of business education is based on the idea that people have personal preferences that guide the choices they make. Given supply and demand, a person prefers this choice over that. So viewed, preferences are exogenous to the market. Alternatively, preferences can be analyzed as endogenous to a situation, "bent" by the situational network. Examples are the relative income hypothesis in economics, social comparison in psychology, and relative deprivation in sociology. Advances in network analysis provide a handle on these concepts so they can guide management. This session is an introduction to the argument, evidence, and application of "bent" preferences. The session is based on material in Chapters 2, 4, and 8 of Neighbor Networks.

8. Network Diagnostics (WARNING: Your Personal Network Diagnostic is due by email to me after this class, before the end of 27 February (see next page). Bring your laptop to this session with the NetDraw software and example1 and example2 data downloaded. Software and data are described in the "network_diagnostic_notes" handout.)

The first part of this session will be spent doing the diagnoses of two INSEAD reports to help you interpret your own report. To be ready for the discussion, have your INSEAD report with you along with the handout: "network_diagnostic_notes." Next, we'll do a network diagnostic of a large European healthcare organization in preparation for the team project due at the end of the quarter. We'll create a network map, generate network metrics for the people to be diagnosed, then analyze the data and draw conclusions. I will use the free software, NetDraw, to do the network computations, STATA for statistical work. NetDraw only runs on the Windows operating system, so you need a Windows machine or a Windows simulator on your Macintosh. I use a simulator. (There is Macintosh software available if you prefer to learn it.) All of the network maps displayed in this course, and in Strategic Leadership, were created with the free software, NetDraw. **It would be wise to sit with your project teammates for this session.**

9. Reading the Informal Organization around You

One of the most important things provided by an M.B.A. degree is confidence — confidence from technical knowledge, and confidence from being able to read a situation to manage complex issues that befuddle colleagues. With time, the former source of confidence fades and the latter becomes your steady ally. This short course is an introduction to some questions about the second kind of confidence, questions at the frontier of research on strategic leadership. We begin as ethnographers, going into an organization to watch executives making sense of one another's statements and behavior. We will talk about "reading" what is not said so as to effectively frame and time your moves as a leader. The issues are nicely illustrated in video coverage of executives in a large organization, British Steel, negotiating with one another as they come to an expensive decision.

10. Network Diagnostics (WARNING: Your group <u>Organization Network Diagnostic</u> is due by email before March 10th. The deliverable is described below. Bring your laptop to this class session with the NetDraw software and example3 data downloaded. There is also an extra-credit exercise if you're interested. Do an organization diagnostic on the example4 data on the course website to get a one grade increase on your Organization Network Diagnostic.)

  I will begin by doing the network diagnostic of leadership in the electronics organization described by the data in example3. Please have a copy of your group report with you so we can discuss alternative answers. After we finish the organization network diagnostic, time allowing, we'll return to the personal network diagnostics using some of the INSEAD reports on people in the class, or a case of career disaster. To be ready for the discussion, have your INSEAD report with you.

DELIVERABLES

INSEAD Social Capital Report
This will be a dummy variable equal to 1 if you completed the INSEAD social capital report with 4 or more contacts.

Class Participation
Research shows that participation in this course significantly improves the career benefit (see "brokerage" handout for the introductory course 39005). You are expected to participate in class discussion of concepts, evidence, and illustrative cases. To assist you, handouts are online for each class session (URL on first page of syllabus). I encourage you to contribute to class discussion throughout the course with clarifying questions, personal experiences related to the class material, and critical evaluations of arguments or evidence under discussion. Constructively evaluate positions taken by your classmates. It is not likely that everyone will participate in a significant way in every case discussion. Nevertheless, you are expected to be able to participate. I will cold call on students in class.

Personal Network Diagnostic
This is a report in which you answer the six questions on page two of the "network_diagnostic_notes" handout, based on your INSEAD social capital report and your personal familiarity with your job and aspirations. Your report should be written in WORD or some other text software (not PowerPoint). Submit your report to me by email. I will confirm receipt of all reports received. Page length will depend on your analysis, but aim for a text somewhere between three and five pages in length, including at least one figure showing the network map for your diagnosis.

Organization Network Diagnostic (Group Project)
This is a report in which you answer the three questions on page seven of the "network_diagnostic_project" handout, based on your analysis of the network data in the "example3.txt" file. Page length will depend on your analysis, but aim for a text of about five pages beyond the cover page, plus at least one figure for your network map of the organization (question 1), and at least one graph/table to back up your answer to each of the other questions. This project should be completed as a team. You'll form your own team. The ideal team size is four people. Five is the maximum. Three is ok. Put on your report cover page

the names of everyone in your team. Your text and support exhibits are likely to be in different formats, so please convert the whole report into an Adobe .pdf file and submit your report to me by email before the beginning of the final class session. I will confirm receipt of all reports received.

Teammate Evaluations

After the final class session, send an email message to me listing each person in your team for the group project (excluding yourself), followed by your evaluation on a 1 to 5 scale of how much contribution each person made to the final report delivered; 1 for very little, up to 5 for a great deal. I will use the evaluations to compute a z-score for each person's contribution. The z-score will be zero if every person on a team was felt to make equal contribution. Nonresponse will be assumed to mean you felt that everyone made equal contribution.

GRADES

(Provisional grades will be based on first three items.)

Your grade will be calculated as follows:

5%	INSEAD Social Capital Report
20%	Class participation
30%	Personal Network Diagnostic
40%	Organization Network Diagnostic (group project)
5%	Teammate evaluations

Grade components will be converted to z-scores before they are combined (i.e., mean of zero across students and standard deviation of one) and, in accordance with Chicago Booth policy, the maximum average grade-point for the course will be 3.33. Thus, your final grade is based on your performance relative to other students. Any requests for re-grading must be submitted in writing within one week of the receipt of the grade. The request must include an explanation of why you believe the grade to be in error. Grades can go up or down after a re-grade. INSEAD social capital report, class participation, and teammate evaluations are not open to re-grading.

HONOR CODE

Students are expected to adhere to the standards of conduct in the Chicago Booth Honor Code and Standards of Scholarship. In my experience, Honor Code violations most often involve time-pressed students crossing a line in the amount of material they borrow from published or colleague work. Copying material from other people, either current students or graduates, is a clear violation of the Honor Code. Submitting someone else's answers to questions as your own answers is a clear violation of the Honor Code. To prevent students from worrying about their class comments becoming public, and to avoid intellectual property complications, there will be no recording during the class. Recording class discussion will be treated as a violation of the honor code. Thank you for bearing the Chicago Booth Honor Code in mind.

DISABILITIES

If you require any accommodations for this course, as soon as possible please provide your instructor with a copy of your Accommodation Determination Letter (provided to you by the Student Disability Services office) so that you may discuss with him/her how your accommodations may be implemented in this course.

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