Managers in a Network Organization: Re-Thinking the Boss
Where Should the Boss be in Your Network?
No Spillover Effect, so no guidance by that criterion — boss could be close or distant.

These results were in the "Brokerage" handout, from Figure 4.6 in *Neighbor Networks*. Each dot in the graph is a population average on the Y axis and X axis for a five-point interval on the X axis (HR employees, product-launch employees, and supply-chain managers). Correlations and test statistics are estimated across individuals.
These results were in the "Partners" handout, from Burt, "Gender of social capital" (1998, *Rationality and Society*) and Figure 7.4 in *Neighbor Networks*. Bars show average number of years managers with each kind of network, in a large computer firm, were promoted to senior rank before peers.

No Partner Benefit to Outsiders, and Side-Kick Cost to Insiders, so you don't want the boss to be your partner (though if a partner is needed, the boss can be helpful in finding partners, e.g., "Jane," a manager in the "Partner" session).

Kinds of Networks Have Different Consequences for Kinds of Managers

(F = 3.77, 5-278 d.f., P < .01)
At the same time, you want the boss close enough to be an informed source to senior colleagues about your achievements.

Additionally, supervision over a bridge relationship can be alienating and performance eroding.

Graph results were in the "Closure" handout. Vertical axis is reputation persistence from one year to next. Horizontal axis is average number of third party connections in the networks around banker's contacts (rounded to nearest whole number). Brokers are bankers with below-median network constraint this year. Regression lines in graph go through averages. Regression equations estimated from 894 year-to-year banker transitions. Sociograms are from a working paper with Jen Merluzzi on "Bridge Supervision."
Anticipating Google disdain for managers, there can be emotional tension in supervision: "leaders" are recognized as monopolist network brokers, which can demote colleagues.

Data are from Leavitt (1949:38, “Some effects of certain communication patterns upon group performance,” N = 100). Solid dots are mean number of citations for subjects at the same level of network constraint. “Did your group have a leader? If so, who?” (This graph was discussed in “Bent Preferences” session.)

Data are from Burt and Reagans (2020, “Causation and structural holes,” N = 385). Solid dots are mean number of citations for subjects at the same level of network constraint. Same name generator. (-19.69 test statistic for Poisson regression, citations predicted by log constraint, P << .001)
There is no authoritative answer to the "where should the boss be" question, or most other management questions

<table>
<thead>
<tr>
<th>TABLE I. Whom Should You Believe? Clashing Business Book Titles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In Search of Excellence:</strong> Lessons from America’s Best-Run Companies</td>
</tr>
<tr>
<td><strong>Charisma: Seven Keys to Developing the Magnetism That Leads to Success</strong></td>
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<tr>
<td><strong>Leading the Revolution: How to Thrive in Turbulent Times by Making Innovation a Way of Life</strong></td>
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<td><strong>Love Is the Killer App: How to Win Business and Influence Friends</strong></td>
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<tr>
<td><strong>The Peaceable Kingdom: Building a Company Without Factionalism, Fiefdoms, Fear and Other Staples of Modern Business</strong></td>
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<tr>
<td><strong>Managing by Measuring: How to Improve Your Organization’s Performance Through Effective Benchmarking</strong></td>
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<tr>
<td><strong>The Quest for Authentic Power:</strong> Getting Past Manipulation, Control, and Self-Limiting Beliefs</td>
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<tr>
<td><strong>Thinking Inside the Box:</strong> The 12 Timeless Rules for Managing a Successful Business</td>
</tr>
<tr>
<td><strong>Built to Last: Successful Habits of Visionary Companies</strong></td>
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</tbody>
</table>

Table 1 in Pfeffer & Sutton (2006 California Management Review), "Management half-truths and nonsense: how to practice evidence-based management."
So, you've got to figure out an answer productive for your situation — "evidence-based management."

**TABLE 2. Current Standards versus Evidence-Based Management**

<table>
<thead>
<tr>
<th>Current Practice</th>
<th>Evidence-Based Management</th>
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<tbody>
<tr>
<td>Treat old ideas as if they are brand-new.</td>
<td>Treat old ideas like old ideas.</td>
</tr>
<tr>
<td>Glorify, celebrate, and apply breakthrough ideas and studies.</td>
<td>Be suspicious of breakthrough ideas and studies—they almost never happen.</td>
</tr>
<tr>
<td>Celebrate brilliant individuals like management gurus, thought leaders, and star performers.</td>
<td>Celebrate communities of smart people and collective brilliance, not lone geniuses or gurus.</td>
</tr>
<tr>
<td>Emphasize only the virtues of the research methods and the management practices you use. Don’t mention drawbacks or uncertainties.</td>
<td>Emphasize the virtues and drawbacks (and uncertainties) of your research and proposed practices.</td>
</tr>
<tr>
<td>Use success and failure stories about companies, teams, and people to uncover best and worst practices.</td>
<td>Use success and failure stories to illustrate practices supported by other evidence, not necessarily as valid evidence.</td>
</tr>
<tr>
<td>Use popular ideologies and theories to generate and justify management practices. Ignore or reject all clashing evidence (no matter how strong).</td>
<td>Take a neutral approach to ideologies and theories. Base management practices on the best evidence, not what is in vogue.</td>
</tr>
</tbody>
</table>

Specifically, combine effective communication with the rules of scientific inference.

- Define a baseline for the target issue — the null hypothesis of what you expect if no action is taken, or what you expect if a specific alternative action is taken.

- State your proposed action as a solution to the issue. Why should your proposed action work?

- How will you demonstrate to the audience that your intervention worked or should work? ("magic picture" "killer graphic") What are the relevant target audience concerns? What kind of evidence will they find compelling; stories, focus groups, facts?
For Example, consider Raytheon's collaboration with the University of Chicago Booth School of Business School to train executives in network coordination across the enterprise.

Business Leadership Program (BLP)

. . . enhances transition to leading other leaders in strategic thinking about markets, competitors, customers, suppliers, and the Raytheon businesses, while building personal connections across the businesses. The program is (a) a week at the University of Chicago consisting of project work on Raytheon strategy issues combined with debate over video, written cases, the latest theory-research on business and corporate strategy, (b) a mid-course session in Waltham about six weeks later at which Bill Swanson leads a Q&A with the participants, and (c) a graduation session in Waltham about three months after Chicago for project-team presentations, with Bill Swanson leading the discussion.

The BLP is aimed at Directors and Vice-Presidents, but open to promising people in other ranks. Participants are selected in consultation with business leaders, guided by the HR review process and performance in the Strategic Leadership Program, then invited to a specific program by the CEO.
Brokerage for Detecting and Developing Opportunities

Manifest as better ideas, more-positive evaluations, higher compensation, earlier promotion, and faster teams.

**A. Brokers Are More Likely to Detect & Articulate Good Ideas**

\(r = -0.80, t = -9.67, n = 54\)

**B. Yielding Performance Scores Higher than Peers**

\(r = -0.58, t = -6.78, n = 85\)

These results were in the "Foundations" handout. Graph A shows idea quality increasing with more access to structural holes. Circles are average scores on the vertical axis for a five-point interval of network constraint among supply-chain managers in a large electronics firm (page 92 Brokerage and Closure). Bold line is the vertical axis predicted by the natural logarithm of network constraint. Graph B shows performance increasing with more access to structural holes. Circles are average scores on the vertical axis for a five-point interval of network constraint within each of six populations (analysts, bankers, and managers in Asia, Europe, and North America; page 56 in Brokerage and Closure).
ROI on Executive Education:
Initial Results, Flawed Evidence

from Figure 5 in Burt & Ronchi, "Teaching executives to see social capital: results from a field experiment" (2007, Social Science Research). Outcomes are up to four years after program, with exact time after held constant.
Table 1 in Burt & Ronchi, "Teaching executives to see social capital: results from a field experiment" (2007, Social Science Research).
ROI on Executive Education: Advantage Can Be Learned

Figure 5 in Burt & Ronchi, "Teaching executives to see social capital: results from a field experiment" (2007, Social Science Research).
More, Personal Engagement Matters

Figure 6 in Burt & Ronchi, "Teaching executives to see social capital: results from a field experiment" (2007, Social Science Research).
Photos are from CNBC's 2010 original broadcast, "inside the mind of google."
Now to Project Oxygen, combine effective communication with the rules of scientific inference.

- Define a baseline for the target issue — the null hypothesis of what you expect if no action is taken, or what you expect if a specific alternative action is taken ("tried to prove the opposite case; that managers don't matter").

- State your proposed action as a solution to the issue. Why should your proposed action work? ("What if everyone had an awesome manager — not just a good one or a competent one, but a truly amazing manager? What kind of results would we see?")

- How will you demonstrate to the audience that your intervention worked or should work? ("magic picture" "killer graphic") What are the relevant target audience concerns? What kind of evidence will they find compelling; stories, focus groups, facts?
Google’s Project Oxygen was launched late in 2009 with the goal of answering the question: “Do managers matter?” The multi-year research project ultimately led to a comprehensive program, built around eight key management attributes, intended to help Google’s managers become more effective. The “Project Oxygen” case shows how companies can use data-driven, evidence-based approaches (often termed “big data”) to improve the practice of management. By November 2012, the eight attributes had been widely adopted within Google, and the company was able to show significant improvements in manager effectiveness and performance. Now, the question is how to build on that success to improve management on other dimensions — such as the effectiveness of senior executives, the composition and functioning of teams, and the employee life cycle at Google. The brief “Googley” case in the course materials sets the 2008 context for the 2009 Project Oxygen.

1. How would you describe Google’s culture? What kinds of people work at Google?

2. How were managers viewed before Project Oxygen? What should be the role of HR in such a setting. What should be the role of managers?

3. What is the key bit of evidence in Project Oxygen?

4. Describe three aspects to the execution of Project Oxygen that we have discussed in this course (there are several).
Distinguishing Good from Better Google Managers

Neal Patel, PiLab: "The team had to be careful. Google has high standards of proof, even for what, at other places, might be considered obvious truths. Simple correlations weren’t going to be enough."

These are peer-evaluation data not from Google, but like the data used by the people in Google’s PiLab ("People & Innovation Lab") to distinguish good from better managers, these evaluations are concentrated in the high scores with a long tail into the low scores. The score difference is not large between the bottom of the top 25% and the top of the bottom 25%. Googlegeist Survey is an annual 30-minute survey of all employees about career development, perks, benefits, company culture (90% average response rate). The key evidence for managers making a difference is discussed on pages 5-6 of the Oxygen case. After distinguishing high from low managers (above) and showing that the difference mattered for employee morale and performance, the PiLab team interviewed award-winning managers and representative managers both high and low to learn how the managers managed.
Standing back from the details:

- Is Google better off because of Project Oxygen?
- Do you see any feature of the Project as particularly critical to its success?
- If you were Prasad Setty, where would you be looking next?
  
  — Move up to do a Project Oxygen on Google senior management — the directors, vice presidents, and other senior executives.
  
  — Expand the Project Oxygen cross-sectional analysis of middle managers to cover the manager life cycle, from hire to departure.
  
  — Apply Project Oxygen methodology to the study of teams, their composition and process.
  
  — Build on Project Oxygen success in improving managers on average, and low-performing managers in particular, to focus on getting more managers from good to great ("How do we create truly amazing managers?")