20979, NETWORK LEADERSHIP

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Meets from 13:00 – 16:15 on Thursdays in Aula 302

Mission & Content Summary

MISSION
Expanding networks and heterogeneous information are defining elements in our contemporary world. This course is intended to help you understand and benefit from both elements. The core substantive thread to the course is argument and evidence on how networks provide advantage to certain people while holding other people back. An underlying thread through the course is evaluating evidence for arguments about how the social operates. Questions such as the following will be our concern: Given the goals I've been asked to pursue, how should I organize people to better realize the goals? Given the network of people around me, what goals am I well positioned to pursue? How am I limited by the network of people around me? Or, given the behavior of senior people around me, how likely are they to realize the goals they claim to be pursuing? In short, this is a course for people interested in providing or interpreting strategic leadership within social networks.

This course is an elective, not a required course, so my goal is to expose you to possibilities, not beat you up with gratuitous obligations. The core content is my class lectures and your Q&A. If you attend the class sessions and take sufficient notes, you should be well-prepared for the multiple-choice final exam. The exam (for attending students) only covers what is discussed in class. With respect to reading, do what interests you. For heaven's sake, don't do all of it. Of course, you'll have to do some reading so you can complete the written assignments. But I'll give you alternatives. I encourage you to build your strengths by digging into your interests.

CONTENT SUMMARY
The course is in two parts: Contemporary foundations and cases, then historical foundations. Details are given at the end of the syllabus but let me give you a summary sense of the content here.

The **CONTEMPORARY FOUNDATIONS** sessions are a broad review of research in the last three decades. I will lecture from seven handouts containing argument and evidence. You can download the handouts from my teaching website at www.ronaldsburt.com (or from the Blackboard course website once access is fixed).

I'll begin with top-line growth: How are open networks associated with individual creativity and success in terms of more positive work evaluations, higher compensation, recognition of leaders, and faster promotion to leadership positions?

I then discuss how closed networks are associated with personal reputation and team efficiency in terms of faster, higher-quality production. The closed networks associated with comfort and efficiency are also associated with gossip-enforced stereotypes and abuse. We look into witch hunts and diversity issues, ending in

session eight with a network strategy to rigorously identify and correct such problems.

The fifth session is a group project in which you join with two or three colleagues to produce a network map of senior management in a large EU company. We'll use the free software, NetDraw, and you can download the network data from my teaching website. I include this session because I want you to leave the course with at least the one technical skill of being able to produce and interpret a network map. I use a team format for the exercise to allow for some people having less developed data skills.

The next three sessions turn to more complicated issues. In session six, I discuss the jealousy and feelings of inadequacy that can arise in closed networks. In session seven, I describe how people find a balance between the creativity and growth of open networks versus the efficiency and rigidity of closed networks. In session eight, on cases, I use video and lecture to describe some often-discussed examples of people who have used the network principles well (and sometimes not so well).

In the final sessions, **HISTORICAL FOUNDATIONS**, I lay out an understanding of social networks from two classic studies underlying contemporary foundations: Emile Durkheim's analysis of social factors in suicide, and Stanley Milgram's analysis of cruelty by people in an agentic state.

Intended Learning Outcomes

At the end of the course, you should:
- Have better-developed skills in reading and drawing conclusions from social science evidence.
- Have sufficient technical skill to read and generate a network map.
- Distinguish people who have a relatively closed or open network.
- Understand the network foundations for public opinion and personal reputation.
- Understand how closed networks make people feel comfortable and create operational efficiency, at the same time that they foster a cult environment prone to abuse and cruelty toward outsiders.
- Understand how open networks enhance growth and achievement through creativity and innovation.

Teaching Methods

Face-to-face lectures, video cases, and Q&A discussion
Individual reflection assignment
Group data-analysis assignment
Quizzes and final exam

Assessment Methods

Two best of four quiz grades
Individual reflection assignment
Group data-analysis assignment
Active class participation
Multiple choice final exam (during exam period)

ATTENDING STUDENTS

The status of attending student will be granted based on simultaneous satisfaction of three conditions: (1) the average grade on two best individual written assignments should be a passing grade, (2) participation in a group project, and (3) attendance at 75% of class sessions. Attendance is mandatory and will be recorded through the Bocconi online procedure. The following are the grade components for attending students:

- 20% **Class participation.** Research shows that participation in the course significantly improves the career benefit (covered in the handout for session six). You are expected to participate in class discussion of concepts, evidence, and illustrative cases. 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.
- 15% **Two best of four quizzes.** Four short quizzes will occur in class. If you do all four, I only include your two best in your quiz grade. If you do two of the four, those two define your quiz grade. If you only do one, your grade is the average of a zero and whatever score you received on the one you did.
- 10% **Individual Reflection Assignment**. The group report is due on or before the scheduled exam session. The assignment should be no more than two pages in length (single-spaced, Arial 12 font). I stop reading at the end of the second page. The assignment is your answer to two questions: What did you learn in the course that you expected to learn? What did you learn in the course that you did not expect to learn?
- 15% **Group project.** Together with two or three classmates, you will begin in session five to generate and analyze a network map of senior management in a leading EU company. Analysis and writing are likely to continue past the session, but you should be able to make good progress within the session. We will use the free mapping software, NetDraw. I will provide the management data. The group report is due on or before the scheduled exam session. The report contains your answers to three questions about the company: What is the network structure of the company's management? Are company managers rewarded for brokerage activity? Is there a gender diversity problem in the company? The report should be no more than two pages in length (single-spaced, Arial 12 font). I stop reading at the end of the second page. I will offer more details before we reach session seven.
- 40% **Final exam.** This will be a multiple-choice exam held during the exam period as scheduled by Bocconi staff.

NON-ATTENDING STUDENTS

Assessment of non-attending students will be based on a multiple-choice final exam at the end of the course. The exam will cover the two classic studies on which the first four lectures are based, and the three overviews from which most of the subsequent class sessions are drawn:

- Ronald Burt (2005), *Brokerage and Closure: An Introduction to Social Capital*.

Oxford University Press.

- Ronald Burt (2010), *Neighbor Networks: Competitive Advantage Local and Personal*. Oxford University Press.
- Ronald Burt (2021), "Structural holes: Capstone, Cautions, and Enthusiasms," in Mario Small et al. (eds.), *Personal Networks: Classic Readings and New Directions in Egocentric Analysis*. Cambridge University Press. (A preprint copy can be downloaded for free from my research page.)
- Emile Durkheim (1951) [1897], *Suicide: A Study in Sociology*, translated by John Spaulding and George Simpson. (We'll use the Routledge Classic edition, published in 2002.)
- Stanley Milgram (1974), *Obedience to Authority: An Experimental View*. Harper & Row. (We'll use the Harper Perennial Modern Thought edition, published in 2009.)

Teaching Materials in Detailed Syllabus (12 sessions)

CONTEMPORARY FOUNDATIONS: In these sessions I review what we know about network advantage and leadership. For each session I have created a handout containing basic argument and evidence. The handouts can be downloaded from my teaching website at www.ronaldsburt.com. In addition, there are various short videos on the website that introduce selected topics in this section. The handouts contain references to the following three reviews (and other work) in case you want to dig deeper into what is discussed in class: Burt (2005), *Brokerage and Closure: An Introduction to Social Capital*. Oxford University Press. Burt (2010), *Neighbor Networks: Competitive Advantage Local and Personal*. Oxford University Press. Burt (2021), "Structural holes: Capstone, Cautions, and Enthusiasms," in Mario Small et al. (eds.), *Personal Networks: Classic Readings and New Directions in Egocentric Analysis*. Cambridge University Press. (A preprint copy of this chapter can be downloaded for free from my research page.) Here again, attending students do not need to read the material because I will go through it in class. In addition to the above, I list below two or three example pieces of work for people interested in further reading in case you want to dig deeper into what is discussed in class or you plan to do a written assignment on a session topic.

1. **Brokerage: The Network Structure of Competitive Advantage**. Download the "Brokerage.pdf" handout from my teaching website. The many studies of returns to brokerage are well covered in the above reviews and other reviews. Here are two example works if you're interested in illustrative research details on this subject:
- R. Burt (2004) "Structural holes and good ideas," *American Journal of Sociology.*
- G. Soda, P. V. Mannucci, and R. Burt (2022) "Networks, Creativity, and Time: Staying Creative through Brokerage and Network Rejuvenation," *Academy of Management Journal*.

2. **Harvesting Value: Brokerage in Practice**. Download the "Harvesting.pdf" handout. Contingent returns to brokerage are documented in a variety of studies. Here are three example works if you're interested in research details on this subject:
- R. Burt and D. Ronchi (2007) "Teaching Executives to See Social Capital: Results from a Field Experiment," *Social Science Research*.

- R. Burt (2007) "Secondhand Brokerage: Evidence on the Importance of Local Structure for Managers, Bankers, and Analysts," *Academy of Management Journal*.
- G. Soda, M. Tortoriello, and A. Iorio (2018) "Harvesting Value from Brokerage: Individual Strategic Orientation, Structural Holes, and Performance," *Academy of Management Journal*. (I cannot post this article on my website since I am not an author, but it is a nice piece of work and all three authors are Bocconi professors, so they or the library can provide a copy.)

3. **Closure: Trust, Reputation, *Guanxi*, and Ignorant Certainty**. Download the "Closure.pdf" handout. This topic is receiving a great deal of attention. Here are three example works if you're interested in research details on this subject:
- R. Burt, S. Opper, and H. Holm (2022) "Cooperation Beyond the Network," *Organization Science*.
- R. Burt and R. Reagans (2022) "Team Talk: Learning, Jargon, and Structure versus the Pulse of the Network," *Social Networks*.
- R. Burt and S. Opper (2024) "*Guanxi* and Structural Holes," *American Journal of Sociology*.

4. **Partners: Managing Gossip-Enforced Barriers to Coordination**. Download the "Partners.pdf" handout. Here are two example works if you're interested in research details on this subject:
- R. Burt (1998) "The Gender of Social Capital," *Rationality and Society*.
- R. Burt (2019) "The Networks and Success of Female Entrepreneurs in China," *Social Networks*.

5. **Network Diagnostics: Pre-Strategy Making and Analyzing a Network Map**. Come to class with your group of two or three colleagues, plus at least one laptop in your group with NetDraw downloaded and operational. NetDraw requires a Windows operating system, so you'll need a simulator if you run an operating system other than Windows. On my Macintosh, I use the Parallels simulator. No problem if you are computer illiterate, but have at least one person in your group who is literate sufficient to have NetDraw operating. Further details are in the "Diagnostics.pdf" handout. The NetDraw software can be downloaded at no cost here (click on "installation package"): https://sites.google.com/site/netdrawsoftware/download

6. **Bent Preferences: Network-Induced Motivation**. Download the "BentPref.pdf" handout. This topic is out at the frontier of what we know. See the handout for references, especially Chapter 8 in my *Neighbor Networks* book. Here are two example works if you're interested in research details on this subject:
- R. Burt (2012) "Network-Related Personality and the Agency Question: Multi-Role Evidence from a Virtual World," *American Journal of Sociology*.
- R. Burt and S. Opper (2021) "Social Network and Temporal Myopia," *Academy of Management Journal*.

7. **Balance: Finding a Balance between Brokerage and Closure**. Download the "Balance.pdf" handout. This topic is also out at the frontier of what we know. See the handout for references. Here are two example works if you're interested in research details on this subject:

- R. Burt and Jennifer Merluzzi (2016) "Network Oscillation," *Academy of Management Discoveries*.
- R. Burt (2019) "Network Disadvantaged Entrepreneurs: Density, Hierarchy, and Success in China and the West," *Entrepreneurship Theory and Practice*.

8. **Cases: Illustrative Network Leadership & Success**. Download the "Cases.pdf" handout. If you're interested in further details, here are three cases available from Harvard Business School on people discussed in the session:
- Charlotte Beers at Ogilvy & Mather (HBS case 9-495-031, "Charlotte Beers at Ogilvy & Mather Worldwide")
- John Brown at BP (Stanford case S-IB-16B, distributed by HBS, "British Petroleum: Focus on Learning")
- John Clendenin at Xerox (HBS case 9-490-047, "Managing Xerox's Multinational Development Center")

9. - 12. **HISTORICAL FOUNDATIONS**: Key elements in the history of this area have been covered in the above handouts, but as time allows, we can discuss two classic studies that used network-related social factors to explain two emotional topics: suicide and cruelty. For the former, I draw from the first 276 pages of Emile Durkheim (1951) [1897], *Suicide: A Study in Sociology*, translated by John Spaulding and George Simpson. Free Press. (We'll use the Routledge Classic edition, published in 2002.) For the latter, I draw from pages 1-152 of Stanley Milgram (1974), *Obedience to Authority: An Experimental View*. Harper & Row. (We'll use the Harper Perennial Modern Thought edition, published in 2009.) For attending students, you do not need to read the material because I will go through it in class. The reading is there in case you want to dig deeper into what is discussed in class or you plan to do a written assignment on a session topic.