

# Social Network Analysis

## Strategic Leadership in Management Networks

**Period:** a.y. 2023/24

**Class Times:** Wednesday 14:45-18:00,  
6 Sessions, Beginning Sept 13,  
Room 4-E4-SR01

**Instructor:** Ronald S. Burt  
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### Course Description

Whatever the endeavor — business, nonprofit, policy, the arts, the military — people are organized formally and informally. Formally, people report to a boss and supervise some number of others. We derive much of our identity from our title and position in the formal organization. But the bulk of what we get done is through the informal organization composed of colleagues, friends, and strangers with whom we cajole, entreat, pressure, and generally collaborate to get things done. Formal is the skeleton. Informal is the flesh. Together, the two define a social network around you.

This course is an introduction to the ways certain people and groups have a competitive advantage in creating value because of their social network. The advantage stems from the way a person engages the diversity of information in organizations and markets. Half the puzzle is production: Certain people have an advantage in recombining information to produce and deliver on good ideas. The other half of the puzzle is governance: Certain people have an advantage in being accepted as a source of good ideas. This course is about doing research on how the two network mechanisms operate to create advantage for certain people, and ways to enhance and maintain personal and group advantage.

### Course Material

Session handouts are posted on my teaching website (URL above). Related readings are available in the slides. Handout content discussed in the sessions is the only required material for the exam. Data for the required network-performance analysis will be distributed in class.

### Sequence of Topics

#### 1. Network Brokerage and Competitive Advantage

Network bridge and cluster structure

Network brokers are more creative, receive higher evaluations,  
higher compensation, and more likely promotions.

## 2. Brokerage in Practice: Hints and Cautions

Why some benefit from network competitive advantage,  
while others with similar networks do not.

Hints and cautions for getting value from network brokerage.

## 3. Closure, Trust, and Reputation

How it works (echo vs bandwidth): closure, gossip and reputation

Implications for building & managing reputation

## 4. Managing Gossip-Enforced Barriers: Strategic Partners

Gossip-enforced barriers and how to detect them

Working around the problem: reputation borrowed & enhanced

## 5. Coordinating Across the Enterprise

Optimizing case-by-case

More generally “where” and “when”

Network oscillation and managing change

## 6. Network-Performance Reports and Network Frontiers

### Assessment Methods.

Effective class participation includes attendance to the sessions and making an active and constructive contribution to the discussion, asking questions, making constructive comments, and having a positive attitude toward learning. Questions to be addressed in the network-performance analysis will be distributed in class with the data. The written report on your network-performance analysis is due before the final class session. The final exam will be closed book and consist of multiple choice questions. Students will be evaluated as follows:

Class participation:	20 points
Network-Performance Analysis:	30 points
Final written exam:	50 points

### Faculty Bio.

Ronald S. Burt is a Distinguished Professor at Bocconi University, and the Charles M. Harper Leadership Professor of Sociology and Strategy at the University of Chicago. His work describes social networks creating advantage. In addition to computer software and research articles, his last three books include the one that proposed the concept of structural holes, *Structural Holes* (1992, Harvard University Press), a broad review of links between network structure and performance, *Brokerage and Closure* (2005, Oxford University Press), and argument and evidence on spillover from affiliation with advantaged others, *Neighbor Networks* (2010, Oxford University Press). Teaching materials and research can be downloaded from [www.ronaldsburt.com](http://www.ronaldsburt.com). He currently serves on a few journal editorial boards, and co-edits the Oxford University Press book series on Social Network Mechanisms ([www.oxfordSNMseries.com](http://www.oxfordSNMseries.com)).