

# **Organisation's 'network' influences its 'net-worth'**

## **NETWORK PERSPECTIVE**

The field of human resource development (HRD) needs to focus on the individual as well as the collective; the group, work process, and organization. Whether dealing with an individual, group, or the organization as a whole, an HRD practitioner's aim is to work toward increasing organizational effectiveness through the use of learning and performance improvement methods. Individual behavior is a reflection of the environment and specific behavioral responses cannot accurately be predicted without knowledge of the context in which the individual or group functions. It is therefore important to understand the interpersonal relationships that occur in an organization and the impact contextual factors have on the individual's response to the work environment. Creating a balance between interpersonal dynamics and the working environment is critical to an organization. Studies on system behavior and system dynamics have emphasized the need to look at individual behavior from a contextual and systems perspective. However, we have very few tools that can enhance our understanding of organizations as complex systems. Organization Network Analysis (ONA) is a tool that can help us understand the hidden connected organization and the trusted networks in an organization.

While an organization chart shows the relationship between people, it fails to show the degree of relationships between them. The fact is that managers invariably use their personal connections in the system when they need to say or meet an impossible deadline or get advice on a decision or to learn the truth about their boss – not just through traditional organizational hierarchies. I am remembering a very familiar truism here – 'It's not what you know, it's who you know'. But social networks go one step further – 'It's not what you know, it's who you know and who knows you' that really matters! As organizations these days are becoming more and more virtual, flatter, and with fewer boundaries, subtle elements like trust, communication, and information sharing are becoming more significant. Just as individuals develop a shadow for themselves over a period of time, organizations also develop a shadow of their activities, and the omnipresent pattern of these activities can be seen from a bird's eye view through social network analysis.

## **A COMPELLING BUSINESS CASE FOR ORGANIZATION NETWORK ANALYSIS**

Almost all top organizations invest their time and energy heavily in developing their leaders/senior POs and on succession planning to develop the next generation leaders. To develop future leaders, to build effective teams, to drive innovation, and to execute things faster we need to focus on the 'human capital' and 'social capital' of the system. Human capital focuses on what is 'within' a candidate (the content), while 'social capital' focuses on what is 'between' the candidate and the rest of the

network (the context). Most of us can recall a situation in which a highly ‘talented’ candidate floundered in a leadership role. Why? Because it is often the case the ‘talent’ ingrained within a candidate (i.e. ‘human capital’) has little to no correlation with the ‘trust’ between the candidate and the rest of the network (i.e. ‘social capital’).

In the 21st century knowledge economy, everyone seems to have access to a multitude of ‘content’ at the click of a button. So you cannot compete on what everyone knows. As you move up the hierarchy, it becomes more difficult to compete on individual competency – everyone is highly skilled and experienced at the top. Hence, the new advantage is the ‘context’ – how internal and external content is interpreted and integrated to convert it into new revelations. Creating competitive context is the ability to find, utilize, and combine the skills, knowledge, and experience of others, inside and outside of the organization – through employee networks/social capital.

There is a growing recognition of what makes employees successful at work. It is their personal expertise (content) combined with their networks of professionals inside and outside the organization (context). So, capturing both best practice and employee networks creates a gestalt of how work really gets done within an organization.

#### **DEPLOYING SOCIAL NETWORK ANALYSIS**

Social network analysis is being used in a variety of fields and will be immensely valuable in the business world. For years the National Security Agency (NSA) in the USA has been using social network analysis to evaluate terrorist threats. They employed it after 9-11, which is how they were able to decipher the leadership structure of the terrorist network immediately after the attack.

In organizations, the first step is to identify the social capital in the system. How is the company connected internally? Are the critical people/teams/projects connected? Is information flowing between these entities? Is knowledge being exchanged? So, Organization Network Analysis helps in identifying some of the key people in the organizational system, who are named in the networking terminology as:

- **Central Connectors:** Who link most people in an informal network with one another. They are not usually the formal leaders within a unit or department, but they know who can provide critical information or expertise that the entire network draws on to get work done.
- **Boundary Spanners:** Who connect an informal network with other parts of the company or with similar networks in other organizations. They take the time to consult with and advise individuals from many different departments – marketing, production, or R&D, for instance – regardless of their own affiliations.

- **Information Brokers:** Who keep the different subgroups in an informal network together. If they did not communicate across the subgroups, the network as a whole would splinter into smaller, less-effective segments. There are also the peripheral specialists, who anyone in an informal network can turn to for specialized expertise.

- **Influencers:** Who are supposed to have nearly superhuman powers to initiate trends that the rest of us will follow. Specific individuals or groups who are most likely to have the most influence across group borders and boundaries. It may be important to take special steps to retain such people during times of change such as mergers/acquisitions/restructuring.

**ORGANIZATIONS CAN THEN APPLY THE ABOVE INSIGHTS IN VARIOUS WALKS OF TALENT MANAGEMENT SUCH AS-**

#### **LEADERSHIP DEVELOPMENT**

One of the most important roles of the top teams is to make sound strategic decisions, convey those decisions effectively to the broader organization, and inspire to create a buy in on those decisions. Organization Network Analysis provides valuable diagnostic information to leaders and their teams to streamline decision-making, to identify rising stars and the critical mass of people, and to understand how effectively groups are working. By looking inside networks, leaders can improve connectivity at points that ensure strategic alignment.

#### **MAPPING EMPLOYEE COLLABORATION**

This collaborative age calls for an organization's ability to map and analyse the value created (or destroyed) deep within employee networks. So, is there a need to understand and acknowledge how work really gets done in the organization? The first step is identifying the functions or activities where connectivity seems most relevant, and Organization Network Analysis can help in mapping the relationships and silos within those functions and facilitate in building robust, open, and trustworthy networks.

#### **PROMOTING INNOVATION**

Innovation is central to an organization's success. However, innovation efforts must bring together a depth and breadth of expertise in an organization. A network perspective uniquely enables leaders to identify the key knowledge expertise to be leveraged from both inside and outside an organization that generates the likelihood of effective implementation of the ideas.

#### **CHANGE MANAGEMENT**

Executives today must implement large-scale organizational change initiatives in ever tighter time frames with fewer resources. Yet, anticipated performance outcomes often do not materialize as internal resistance slows or derails their change

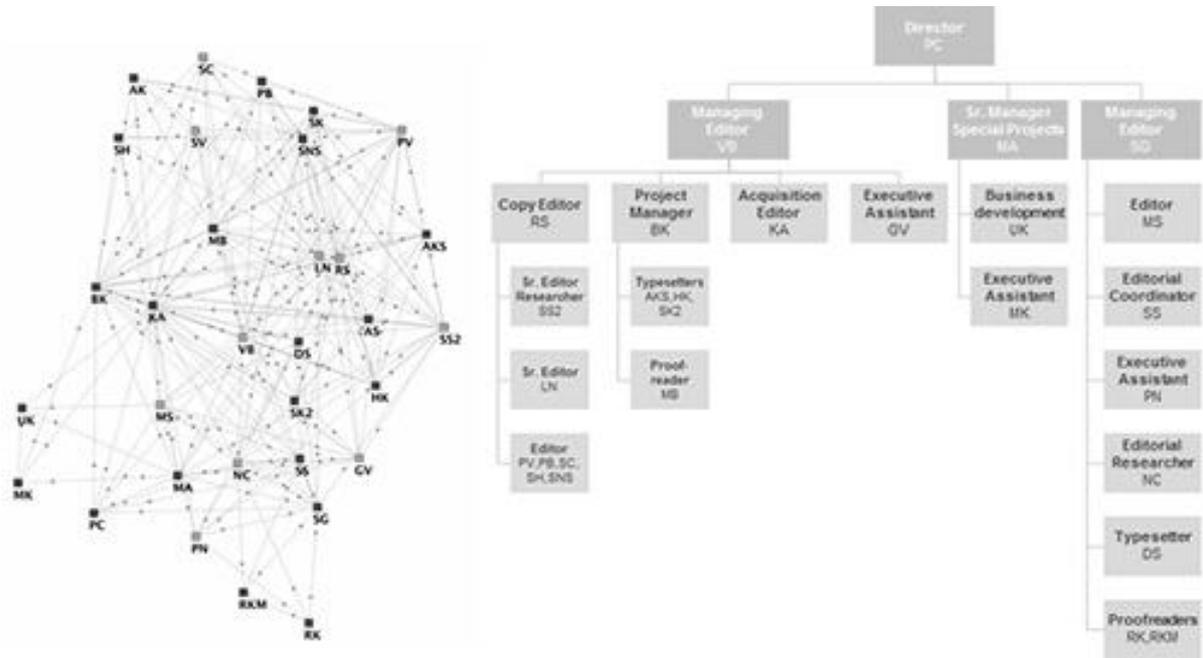
initiatives. An organizational network analysis (ONA) done before a change initiative can help identify barriers to change and facilitate change initiatives by leveraging people and values in certain network positions such as highly central people and those who broker relationships across groups. An Organization Network Analysis can also be done as a follow-up six to nine months after implementation to evaluate the success of the initiatives and areas where further interventions are necessary.

#### **OD ALTERNATIVES' ENCOUNTER WITH SOCIAL NETWORK ANALYSIS/ORGANIZATION NETWORK ANALYSIS FOR A LEADING PUBLISHING HOUSE**

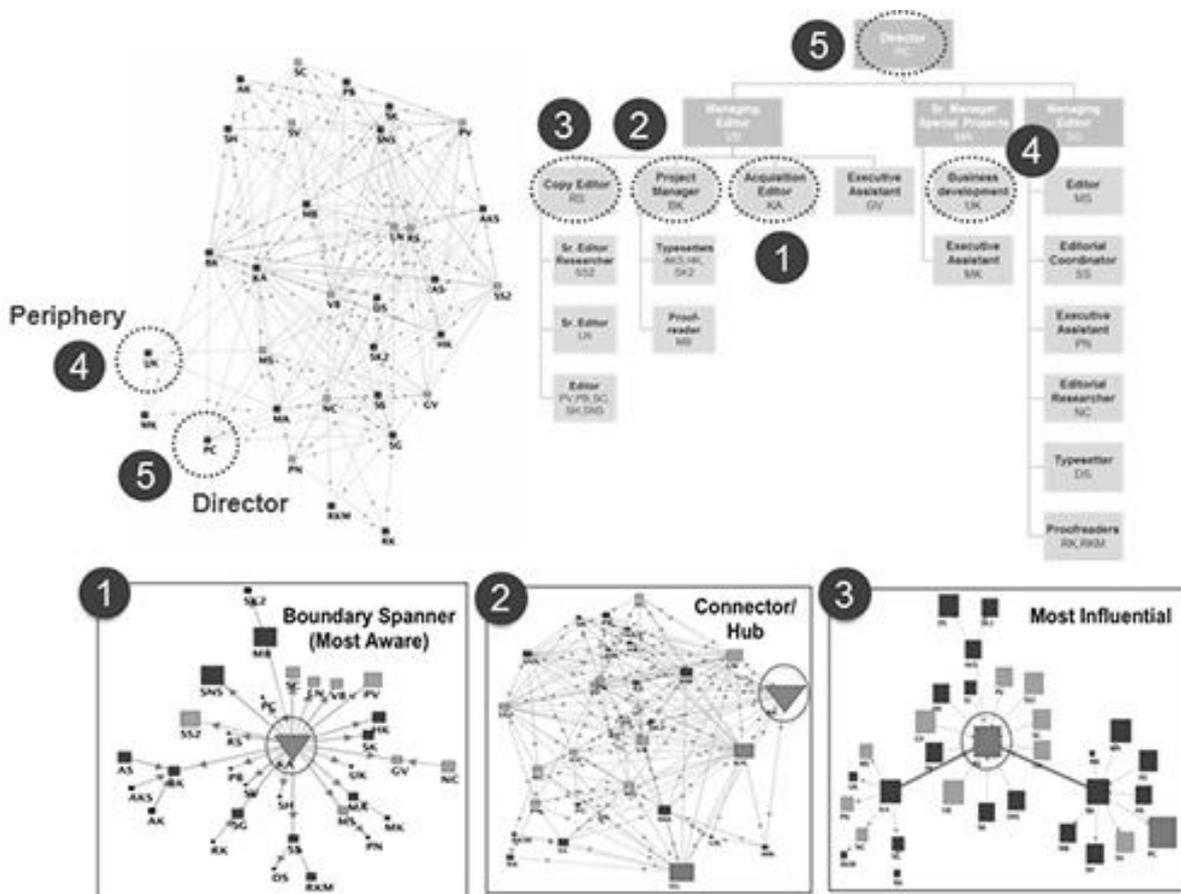
This publishing house was one of the most well-known and respected names in the world of educational publishing. The organization wanted to understand the relationships that fostered direction, alignment, and commitment within their organization. ODA was asked to conduct an organizational network analysis (ONA)

- To identify the key people in the organization – their strengths and expertise and how they can be leveraged.
- To recognize the level of trust and reciprocity in sharing knowledge and information.
- To discover silos and strategies to engage those people.
- To create support champions for all the various initiatives in the organization.
- OD Alternatives collected the responses online on the various parameters mentioned below, and used organizational network analysis software to create insights.
- From whom do you get work done?
- With whom do you discuss what's going on in the organization and who is doing what?
- From whom do you seek input and ideas before making any key decisions?

# FORMAL VS INFORMAL ORGANIZATION



## INSIGHTS:



- KA – Seems to be the ‘most aware’ person in the network, with great networking ability and hence can be a liaison of information between various groups. In SNA he is called the ‘Boundary Spanner’.
- BK – Is a project manager with the role of ‘Central Connector/Hub’ in the organization, to whom a lot of people go to get work done.
- RS – Is very influential in the network as a ‘Hub and Spoke’ between BK and KA, who are already well connected, and hence can be a great resource of information, ideas, and knowledge in the network.
- UK – Has a business development function; he may be a specialist in that area but seems to be more peripheral, less connected to the entire organization, and hence there is a need to increase his connectivity in order to open up new market areas.
- PC – Is the Managing Director and has many people coming in to him by virtue of his position in the organization. But his awareness and connectivity with the entire organization could still be better in order to facilitate meaningful dialogues.

#### **THE FUTURE OF SNA**

A recent study shows that by 2020, workplaces will be highly personalized and social. Social networks will be the first point of contact between companies and their future employees, and internal social networks will be the primary way that workers communicate, connect, and collaborate. As the first step towards this change, organizations are already investing in Enterprise Social Network (ESN) platforms to enable rapid communication and collaboration between employees and across groups, departments, and business units, and to eliminate organizational silos and boost productivity. As ‘Facebook’ is for the world, ‘Yammer’ is for Microsoft and ‘Memes’ for HCL. But the ESN’s flip side is that it only allows employees to quickly share Content (articles, documents, videos/podcasts/slides), or Communications (instant messaging, statuses, etc.), or Community Building (profiles, activity streams, forums, blogs, etc.), or even Collaboration (whiteboards, conferencing, task lists) –leaving it as just another communication / information/ knowledge sharing platform.

So where is the ‘Context’ here? Unless we create meaning from the patterns of to whom, what, and how these interactions happen, organizations still do not stand to benefit from this networking space. Also, a Social Network Analysis/Organization Network Analysis may come handy here in decoding these patterns and providing insights in order for organizations to make the right moves. Unless the HRs, L&Ds and CEOs of organizations are sensitive to this fact, their human resources will

remain untapped to their full potential – ‘Things work best for those who make the best of how things work out’ – John Wooden.