

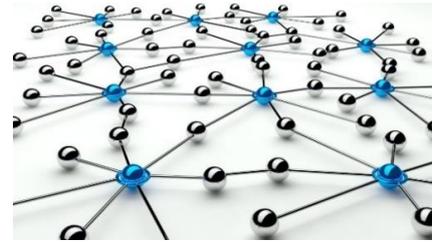
**PROGRAM:** GNAM

**COURSE:**

**Organizational Networks:**

**Maps, Models, and Analysis (ONMMA)**

**PROFESSOR:** Dr. Phokion ‘Ion’ Georgiou



## Course Syllabus

### GENERAL OVERVIEW

One of the major reasons why organizations – such as institutions, industries, markets, blocs, or simply groups of people – emerge as complex systems is because, behind the perceived complexity, there is a network that defines the interactions between the constituent entities. Uncovering the network, mapping it, tackling its complexity through models, and analyzing the results, yields greater understanding of the dynamics that render organizations complex, and opens means for improving their configuration. Since the dawn of the 21<sup>st</sup> Century, network science has emerged as one of the most productive analytical concepts that complements statistical and qualitative approaches.<sup>1</sup> Its effectiveness stems from having reconceptualized the focus of analysis: from entities, to the relations that bind them. The relation has become the variable of interest, and network science has developed a host of methods through which relations can be mapped, modeled, quantified, and analyzed. For these reasons, organizational network analysis has been adopted as one of the management toolkits by international consulting firms such as McKinsey, Deloitte, ATKearney, RobCross Consulting, and Maven7.<sup>2</sup>

Network science is the fruit of at least four forces that arose in the 20<sup>th</sup> Century: advances in graph theory,<sup>3</sup> social network research,<sup>4</sup> communications networks (including the development of the Internet)<sup>5</sup>, and the holistic approach of ecology<sup>6</sup>. Currently, it is broadly divided into two schools. On the one hand, natural scientists apply network concepts and techniques to the fields of physics, chemistry, biology and so forth<sup>7</sup>. On the other hand, organizational theorists are interested in the applications of network science to human contexts. No matter the breadth and depth of interest in such contexts, be it global, regional, industrial, or corporate, organizational networks are formed by, and composed of, people. As such, organizational network approaches take their lead from the field of social network analysis. This is evidenced in organizational network studies of industries<sup>8</sup>, markets<sup>9</sup>, economics<sup>10</sup>, politics<sup>11</sup>, governance<sup>12</sup>, geopolitics<sup>13</sup>, human resource management<sup>14</sup>, social capital<sup>15</sup>, competition<sup>16</sup>, the diffusion of innovations<sup>17</sup>, and even start-ups<sup>18</sup>. All such applications are founded on scholarship that tackles social networks as a general category<sup>19</sup>.

### LEARNING OBJECTIVES

The Course draws from the methodological approaches in social network analysis applicable to organizational issues, in order to furnish students with the latest tools for doing organizational network research. Familiarization, even fluency, with specialized network software is necessary and, in this respect, the Course introduces organizational network models and analysis using the award-winning software *Pajek*. Overall, the Course provides a foundational understanding of network dynamics; advanced abilities in modeling and analyzing network situations; a systemic perspective of the field; and, enhances decision-making skills for situations characterized by complexity and interconnectedness.

## COURSE CONTENT OVERVIEW

The Course focuses on structures of human groups, such as communities, institutions, industries, markets, countries, and blocs. These structures are conceptualized as networks of ties. The ties are the main variable of interest, because they transmit behavior, services, information or materials. The patterns of ties in any one network also provide insights into the entities linked by them. Therefore, the course addresses the concept of network, introducing several types of networks and the ways in which they can be modeled and analyzed visually and computationally. Techniques that combine relational data (such as links) with nonrelational attributes of entities (such as entity-specific economic indices) are discussed. The nonrelational attributes enhance interpretations of network structure and also enable increasingly focused analyses of subnetworks (say, the trade flows between a particular set of countries situated within a wider trade bloc).

Collective norms, shared strategies, industrial cohesion, market attitudes, and similar behavior emerge from relations between organizational entities. A major concern of organizational network analysis is to investigate who is related and who is not, and why. The Course introduces a variety of techniques to detect cohesive subgroups based on the underlying structure of respective networks. These techniques comprise means to various ends, rather than an end in themselves, and are used throughout the Course as complements to advanced analyses. Furthermore, they enable tests of whether structurally delineated groups differ with respect to various nonrelational attributes. The Course tackles the differences between, and the implications of, grouping entities according to structural properties and non-network attributes. It introduces a variety of network and subnetwork measurements of cohesion, as well as analyses that help identify components according to various criteria. Methods are also introduced for analyzing and optimizing the composition of teams, alliances, and coalitions.

Networks are structures that allow for the transport and exchange of information, services, and materials. In this perspective, familiarization with network structure helps explain diffusion of anything, from a product innovation to a disease. Some sections of networks permit rapid diffusion, whilst others act as bottlenecks. In addition, the position of specific entities in networks gives them social capital, competitive advantages, or allows them to assume a variety of brokerage roles. Such positions may put pressure on certain entities, but can also yield power and profit. The Course introduces various indices of centrality and centralization, as well as various interpretations of these important concepts along with their respective computational techniques. The distinction between an ego-centered and a socio-centered approach to centrality analyses is discussed in depth with associated modeling methodology and analytical tools. The quantitative and qualitative value of links between entities is then introduced as a means for understanding and computing various indices of social capital. A structural approach to the analysis of competition is introduced as a significant complement to other approaches toward this issue. Finally, the Course discusses and models diffusion processes that underlie social, organizational, communicative, administrative, and marketing behavior. The modeling of diffusion through networks is introduced, with a focus on investigating structural positions of entities, their relations, and their diffusion and adoption behavior.

## METHODOLOGY

The Course follows the pedagogic approach known as *problem-based learning*.<sup>20</sup> The Course content focuses on practice which enables the simultaneous emergence of theory and methods. Students are given practical assignments covering a range of issues examined in the course, as well as additional challenges that require some independent research. All assignments require the design of maps, models and analyses in the specialized network software *Pajek*. As such, students learn by doing: they acquire knowledge of network concepts by applying network analysis.

There is no shortage of books that can be used as a textbook for this Course, ranging from the most basic<sup>21</sup> to the most advanced<sup>22</sup>, by way of the seemingly intermediate<sup>23</sup>. Given the complex nature of networks, however, any such study must be complemented by training in the use of specialized analytical software. As with books, there are numerous software packages available<sup>24</sup>. Choosing between them should account for the extent to which the user can evaluate the procedures and analyses of a software package, thus enabling control and ownership of its results.<sup>25</sup> What is required is a source that offers a combination of sufficient theoretical and methodological knowledge with hands-on training in a transparent software package.

Such a source is available in its third, revised and updated edition: de Nooy et al's *Exploratory Social Network Analysis with Pajek*<sup>26</sup>. The book covers issues applicable to the widest possible variety of contexts, but especially focuses on human contexts of interest in organizational network analysis. As for *Pajek*, this refers to an award-winning, freely available<sup>27</sup> software package. This software is designed specifically as a network calculator that can handle billions of vertices, and their relations, irrespective of context. It is, therefore, useful for both, abstract and empirical analyses. *Pajek*'s transparency stems from requiring active user engagement, affording precise operational oversight with consequent demystification of the black box. Furthermore, *Pajek* has a long history of published algorithms which are open to evaluation.<sup>28</sup> All this enables users to maintain control of their use of the software instead of being controlled by it. In addition, the software provides outstanding graphics of networks, with multiple means for manipulating their aesthetic presentation, thus allowing for sophisticated visual appreciation to complement analytical results.

## READING LIST

### COURSE TEXTBOOK

de Nooy W, Mrvar A, Batagelj V (2018) *Exploratory Social Network Analysis with Pajek*. Revised and Expanded Edition for Updated Software. 3rd Edition. Cambridge University Press: Cambridge

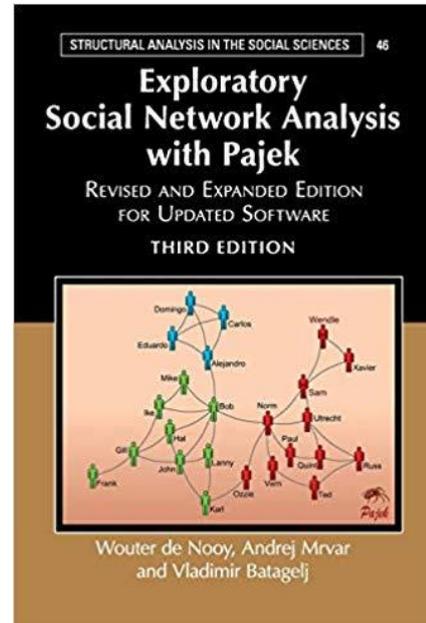
ISBN-13: 978-1108462273

Amazon Link:

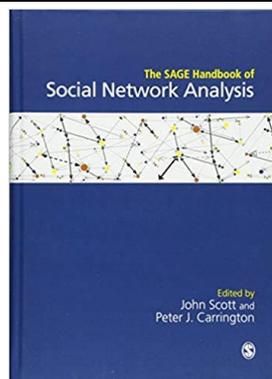
<https://www.amazon.com/Exploratory-Social-Network-Analysis-Pajek/dp/1108462278/>

Acronym: *ESNAP*

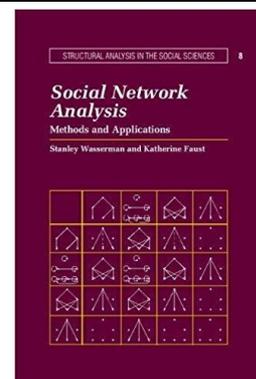
**Students must acquire the course textbook since it is central to the content and approach of this course.**



The following optional texts are recommended as complementary readings:



Scott JP, Carrington PJ (2011) *The SAGE Handbook of Social Network Analysis*. Sage: London



Wasserman S, Faust K (1994) *Social Network Analysis: Methods and Applications*. Cambridge University Press: Cambridge

An extended list of context-specific texts (in areas such as economics, politics, markets, etc.), will be made available at the beginning of the Course. Students are encouraged to examine such texts in order to enhance their appreciation of the interdisciplinary applicability of network science.

## EVALUATION

Evaluation is based on two assignments and participation.

First Assignment (40%):

The first assignment will cover aspects of *ESNAP* chapters 1-4.

Second Assignment (40%):

The second assignment will cover aspects of *ESNAP* chapters 6-9.

Assignments are due by 21:00 hours, São Paulo Time, on the due date announced by the Professor.

Participation constitutes 20% of the final mark. The course content and the assignments are designed to elicit active student involvement throughout the course. Students are expected to attend all online sessions and participate actively, including through questions and comments online. Students are expected to maintain a regular regime of studious reading from the textbook, and other assigned material, and to demonstrate such study through their online participation. The professor is also available to respond to queries by email throughout the course.

## SCHEDULE

The course comprises:

- Pre-produced videos
- Online sessions for group discussion with the professor

Figure 1 shows the topics, the corresponding online discussion sessions with their associated dates, and the corresponding textbook chapter.

Section	Topic	Online Discussion		ESNAP Chapter
		Session	Date	
Fundamentals	Introduction to network modeling	1	09/09/2020	1
	Multiple relation networks			
	Basic automated outputs			
	Visualization techniques			
	Partitioning and categorization for analysis	2	16/09/2020	2
	Local, global, and contextual subnetworks			
Modeling continuous properties				
Cohesion	Introduction to basic network components	3	23/09/2020	3
	Cohesive subgroups: Cores			
	Cohesive subgroups: Cliques			
	Modeling alliances and teams (1)	4	30/09/2020	4
	Modeling alliances and teams (2)			
Brokerage	Measuring importance (1)	5	07/10/2020	6
	Measuring importance (2)			
	Brokerage (1: bridges and bicomponents)	6	14/10/2020	7
	Brokerage (2: ego-networks)			
	Brokerage (3: social capital)			
	Affiliation and Brokerage roles	7	28/10/2020	
Diffusion	Introduction to diffusion modeling	8	04/11/2020	8
	Diffusion as contagion modeling			
	Diffusion: Exposure and adoption thresholds	9	11/11/2020	
	Diffusion: Critical mass and threshold lags			
Prestige	Popularity	10	18/11/2020	9
	Domains			
	Proximity prestige			

Figure 1: Course Schedule

The duration of each online session is 1 hour and 30 minutes. Sessions are scheduled to begin at 21:00 hours, São Paulo time. All class sessions are recorded and made available for subsequent viewing.

Prior to attending an online session, students should have studied the associated videos and textbook chapter, as well as practised the examples therein.

## PROFESSOR RESUMÉ AND CONTACT

This course is taught by Professor Dr Ion Georgiou, a full professor at the Fundação Getulio Vargas (Escola de Administração de Empresas de São Paulo).

<u>About</u>	
<p><b>Outlook:</b> Methods do not solve problems. Methods offer different kinds of explanation. Humans solve problems.</p>	
<p><b>Approach:</b> The essential difficulty with complexity is not in its resolution, for complexity is not irresolvable. Complexity is irresolvable only when accompanied by disorder. Hence, the road toward resolving complexity does not lie with approaches focused upon problem solving. The road lies with approaches that can, first and foremost, transform the disorder into some order. This implies the imposition of structure. Ergo: the need for problem structuring methods.</p>	
<p><b>Focus:</b> Creative human-centered approaches that methodologically address complex problems through bridging scientific research with applied interdisciplinary consulting and training, in order to facilitate decision-making that results in systemically desirable and culturally feasible change.</p>	<p style="color: red; font-weight: bold; font-size: 1.2em;">CONTACT</p>  <ul style="list-style-type: none"> <li>• <a href="mailto:iongeorgiou@gmail.com">iongeorgiou@gmail.com</a></li> <li>• <a href="mailto:phokion.georgiou@fgv.br">phokion.georgiou@fgv.br</a></li> </ul> <p style="color: blue; font-weight: bold; font-size: 1.2em;">LinkedIn</p> <p><a href="https://www.linkedin.com/in/ion-georgiou/">https://www.linkedin.com/in/ion-georgiou/</a></p>
<p><b>Professional Fields of Interest:</b> Network Science/Social Network Analysis/Graph Theory/Sociometry; Problem Structuring Methods; Design Science/Thinking/Methods; Strategic Options Development and Analysis; Soft Systems Methodology; Strategic Choice Approach (Tavistock version). <b>Complementary Professional Fields of Interest:</b> Economic and Political History of 20<sup>th</sup> Century Europe; History of Management; Personal Construct Psychology; Cartography.</p>	
<p><b>Personal Interests:</b> Historiography; Classical Greek History; Origins and Consequences of First World War; History of Science; Florentine Renaissance; 19th-20th Century English and French Literature; Chess Theory; Alpine hiking.</p>	
<p>Proficient in five languages. Experience across four continents (Europe, Africa, North America, South America).</p> <p>Author of the book <i>Thinking Through Systems Thinking</i> (Routledge 2007)<sup>29</sup> that sets out a complete epistemology for systemic approaches to problematic situations, along with their consequent practical and ethical implications. Regular contributor to top international scientific journals. Examples include the use of network science to: (i) solve one of the 20th Century's outstanding analytical problems in decision-making;<sup>30</sup> (ii) map a fundamental issue at the heart of public administration;<sup>31</sup> (iii) uncover the structure and consequences of decision-making in infrastructure development;<sup>32</sup>; and, (iv) build compatibility and/or diversity in teams.<sup>33</sup> Dr. Georgiou is currently working on methods for designing, constructing, and analyzing bibliographic atlases using network science.</p> <p><i>Academic Background</i>            PhD Lancaster University, UK (Organizational Behavior)            MSc London School of Economics, UK (Operational Research)</p>	

## REFERENCES

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- On how it complements statistical and other mathematical approaches, see: Kolaczyk ED (2009) *Statistical Analysis of Network Data: Methods and Models*. Springer: New York; Kolaczyk ED, Csárdi G (2014) *Statistical Analysis of Network Data with R*. Springer: NY; Pattison P (1993) *Algebraic Models for Social Networks*. Cambridge University Press: Cambridge.
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- <sup>2</sup> See, for example:
- McKinsey: <https://www.mckinsey.com/business-functions/organization/our-insights/the-role-of-networks-in-organizational-change>
- Deloitte: <https://www2.deloitte.com/us/en/pages/human-capital/articles/organizational-network-analysis.html>
- AT Kearney: <https://www.atkearney.com/leadership-change-organization/network-navigation>
- RobCross Consulting: <https://www.robcross.org/research/what-is-ona/>
- Maven7: <http://maven7.com/>
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