Talent swaps are common at Dow Chemical, with 126 employees in 18 countries involved. For example, Giuliano Barolo worked on a business plan in Dow’s business process service center in Mumbai, while Swati Tribedy worked at Dow’s manufacturing plant in Mozzanica, Italy. Giuliano was doing Swati’s old job and she his, swapping jobs, apartments, and even each other’s desks. The swap benefits to employees are wide ranging, from building their professional networks, learning new company software, minimizing cultural stereotypes, and experiencing production challenges firsthand. At Dow, the job swaps usually last less than a year but involve less paperwork and expense than traditional expat assignments and are effective for career development, which in turn, attracts and retains talented employees.1

In the case of job swaps, employees and team members interact with one another in the context of a broader organization. A team’s environment includes the organization to which the team belongs and the clients it serves. This chapter focuses on the team’s relationship with people outside of the team, who nevertheless affect the team’s ability to achieve its goals. Organizations call upon teams to span traditional boundaries both inside companies, where they might provide a closer coupling between functional units, and outside companies, where they might provide links to customers, suppliers, or competitors.2

Leaders play an integral role in connecting a team with their external environment. Some leaders focus all their energy on the internal functioning of the team through one-on-one coaching; other leaders spend most of their efforts on promoting the team within the organization. Teams are dependent on their leaders and members to connect them with the right people in the organization for their needed resources, contacts, and opportunities. In this regard, we examine the external roles that team members adopt within organizations.

In this chapter, we distinguish teamwork from taskwork. We examine taskwork network structures that emerge as members and their teams navigate team and organizational boundaries. We focus on how teams influence networks and how network structures of team members influence team processes and performance. We do an in-depth examination of two leaders and explore their network structures, focusing on boundary spanning. We conclude with an analysis of strategies for increasing social capital in the organization.

**TASKWORK AND TEAMWORK**

**Taskwork vs. Teamwork**

Teamwork and taskwork are related, but they are not the same thing. Teamwork, as we have discussed it in this book, is the process by which team members interact and relate to one another. In contrast, taskwork involves members’ interactions with tasks, tools, machines, and systems to accomplish a team’s mission. A taskwork network emerges as members are jointly involved. For example, a strong taskwork tie indicates that two members of a team share many tasks and tools together. A weaker taskwork tie indicates that two members of a team have fewer tasks or tools in common.

If the taskwork network reflects what the team members do together with regard to the mission, the teamwork network is how they actually interact to accomplish their mission. The taskwork network is based on the tasks members are jointly involved in; the teamwork network is how they interact to accomplish the mission. A teamwork network emerges as members make plans, coordinate, communicate, and assist one another.

**Taskwork and Teamwork Network Structures**

Taskwork networks do not necessarily produce corresponding teamwork networks because members of teams have a great deal of latitude to decide how they will interact and communicate with one another. The relationship between taskwork networks and teamwork networks have implications for team functioning and performance. There are three general types of taskwork and teamwork network structures: simplex taskwork ties, simplex teamwork ties, and multiplex taskwork–teamwork ties.

**Simplex Taskwork Ties**

In this configuration, members share taskwork, but no teamwork tie exists.

**Simplex Teamwork Ties**

In this configuration, members are involved with teamwork, but there is no corresponding taskwork tie.

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MULTIPLEX (BUNDLED) TIES  In this configuration, members share overlapping taskwork and teamwork ties.

FACTORS THAT AFFECT NETWORKS

At least three factors affect the taskwork–teamwork network structure: the level of interconnectedness or closure; the relative centralization of hierarchy, status, position, and power; and the extent of specialization.6

CLOSURE  Closure refers to how interconnected team members are. Higher interconnectedness means that members interact with one another regularly, usually through verbal discussion. At first blush, it would seem that greater interconnectedness among team members would be uniformly advantageous. There is a point however, at which greater interconnectedness (closure) adds little in terms of coordination, but instead imposes greater costs and constraints in terms of communication. Simply put: It takes time and effort to maintain a lot of close relationships, and this outlay can harm team effectiveness.

CENTRALIZATION  Centralization within team networks refers to the extent to which most of the interaction and communication is centered around one or a few core members while more peripheral members are relatively disconnected. A centralized taskwork network can help team performance because it is an efficient method for channeling information among a team. For example, a core member of a team may be able to quickly diffuse best practices, reduce errors, and gain speedy approval. The key disadvantage of such centralized networks is that peripheral members may feel disenfranchised and are largely dependent on central members. Moreover, the central member may become overwhelmed. As team taskwork centralization increases, team performance will be greatest when teams engage in decentralized teamwork.

SPECIALIZATION  Specialization refers to the degree to which team members have unique knowledge and expertise. A cross-functional team would be one example. The key challenge for teams that have highly specialized members is how to integrate the diverse knowledge so it is meaningful. Forming teamwork ties across subgroups requires that integrators and liaisons have communication skills. It is not a good use of time to have all members of the team attempt to act as liaisons. Instead, one member of each subgroup within the specialized (e.g., cross-functional) team can take on the responsibility of accessing and integrating knowledge.

EXTERNAL LEADERSHIP

In many cases, leaders in organizations are responsible for more than one team and may be responsible for multiple teams. External leaders are people who manage multiple teams or teams that are reconfigured. For example, the leadership team at SumAll social media data analysis decided that team members choose their own leaders. In turn, these leaders are accountable to the team they manage. The logic was that if a team leader

6 Ibid.
couldn’t earn the respect and loyalty of the team, they shouldn’t be leading. Every three months, employees who wish to be a team leader opt in, ballots are cast in secret and a simple majority determines the leader of that team.\(^7\)

**General vs. Differential**

**General external leader behaviors** (or average external leadership) are distinct from behaviors that are directed differently toward the teams that they lead (relative external leadership). An investigation of 101 teams, reporting to 25 external leaders revealed that both average and relative leadership related positively to team empowerment.\(^8\) However, relative external leadership has a significant positive influence on member job satisfaction, but average external leadership does not.\(^9\)

**EXTERNAL ROLES OF TEAM MEMBERS**

Just as members spend time during the formation of a team to determine what role they will play and which members will have power, teams play out these same issues with other organizational entities.\(^10\) Identifying and understanding the roles that team members play vis-à-vis the inflow and outflow of information to the team is an important determinant of team productivity and performance. Often, roles are not formally assigned; rather, members of the group take on roles through an implicit process of team negotiation. Members quickly size up others’ abilities, and tasks are often delegated on the basis of demonstrated performance in these areas.

Exhibit 11-1 lists some of the most common and important roles in work groups.\(^11\) Not all of these roles are identifiable in all teams. An important role is that of external customer relations. An investigation of 403 senior leaders from 42 facilities operating in 16 countries revealed that there was a positive relationship between the senior leadership team’s customer orientation and employee customer orientation.\(^12\) Because the boundary-spanning role has been studied in detail and can significantly affect the course of individuals’ career paths within the organization,\(^13\) we discuss it in more detail.

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\(^9\) Ibid.


• The **boundary spanner** acts as a bridge between units or people in an organization who would not otherwise interact. Boundary spanners are exposed to more ideas than members who do not interact with other groups. Indeed, boundary spanners who spend time with different groups exhibit greater integrative complexity in their thinking (a form of creativity) than people who don’t engage in boundary spanning.\(^a\)

• The **bufferer** protects the team from bad or disappointing news that might cause morale to suffer and volunteers to absorb pressure or criticism from others.

• The **interpreter** shapes the collective understanding of the team. This is important because in many cases, the messages that teams receive from others are ambiguous and open to interpretation.

• The **advisor** informs the team about which options they should consider and what approach they should take in dealing with changing events.

• The **gatekeeper** controls the flow of information to and from a team.

• The **lobbyist** is an extremely critical role, especially for new-product groups. By providing meanings about what the team is doing and how successful it is to people outside the team, the lobbyist controls the interpretation of what the team is perceived to be doing. For example, Tom West, the leader of a team at IBM designing a computer, presented his computer differently to various groups.\(^b\) By presenting it as “insurance” (i.e., we will have it in case the other one designed by another team in the company does not work) to top management, he was allowed to set up a team that competed with another team in the company. By presenting it as a “technical challenge” to engineers, he was able to attract the best ones. By not saying anything at all to external competitors, he protected his company.\(^c\)

• The **negotiator** or mediator is empowered by the team to negotiate on behalf of the group. This person has extraordinary power in terms of garnering resources and defining options. This person may act as a mediator in cases where the team is in conflict with others.

• The **spokesperson** is the voice of the team. This position is determined in two ways: by the group members themselves (e.g., “Talk to Bob if you want to find out what happened in Lois’s promotion decision”) and by the members of the external environment who have their choice in terms of contacting group members.

• The **strategist**, like the negotiator, plans how to approach management for resources and deal with threats and other negative information.

• The **coordinator** arranges formal or informal communication with other people or units outside the team.

### Exhibit 11-1 Common Roles in Work Groups


Despite the benefits of boundary spanning for teams, boundary spanning can be stressful and challenging, requiring significant effort and time.\(^14\) **Role overload** occurs

when a person has too much work to do in the time available.\textsuperscript{15} A study of the impact of individual boundary spanning on role overload and team viability revealed that carrying out boundary-spanning efforts is taxing for team members, but high levels of boundary spanning within the team can mitigate personal costs and improve team viability.\textsuperscript{16}

**ORGANIZATIONAL NETWORKS**

The shift away from top-down management and bureaucratic structures means that team members are increasingly in control of their own movement within the organization. This can bring opportunity for the team, the organization, and its members, but only if this task is handled optimally. The heart of this task involves relationship management. In this section, we describe the key issues that managers should know when building the relationship between their team and the organization.

**Sharing Knowledge**

In an ideal organizational environment, there is clear and consistent knowledge sharing among the different functional and geographic units. Knowledge-sharing quickly disperses innovation, reduces unnecessary duplication of effort, and facilitates the implementation of best practices. Knowledge sharing among different functional and geographically dispersed units however, does not occur as frequently as it should. An investigation of 219 work teams revealed that two factors—social capital and extrinsic incentives—encourage knowledge sharing.\textsuperscript{17}

**INSIDER VS. OUTSIDER KNOWLEDGE VALUATION**

Members of research groups are often subject to the **not-invented-here (NIH) syndrome**, in which they overvalue knowledge that comes from in-group members.\textsuperscript{18} However, whereas the NIH syndrome applies in some organizations, managers in other organizations confer enormous authority to consultants and carefully monitor the ideas put forth by their competitors in the marketplace—all the while ignoring insiders and their ideas. Managers, particularly those in competitive situations, place greater value on knowledge that comes from the outside (e.g., competitors and consultants) versus the same knowledge that might come from inside (e.g., colleagues and an internal task force).\textsuperscript{19} Consider the acquisition of Zoopa by Fresh Choice. At least up until 1997, Fresh Choice and Zoopa were competitors, both offering quick, cafeteria-style salad buffets and soups.\textsuperscript{20} Prior to and during its acquisition of Zoopa, Fresh Choice scru-

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buffets and soups.\textsuperscript{20} Prior to and during its acquisition of Zoopa, Fresh Choice scrupulously benchmarked and investigated Zoopa’s best practices. After the acquisition, however, the value of the knowledge and information about Zoopa’s best practices, which had become quite easy to obtain, were devalued. Similarly, managers at Xerox displayed very little interest in a new Internet technology that internal scientists at Xerox PARC had developed. However, several years later when an external company developed a similar technology, Xerox, which was considering acquiring the company, responded favorably to the idea and even sent its executives to investigate.\textsuperscript{21}

Why? People are more likely to value knowledge that comes from an external rival or external network and devalue knowledge that comes from an internal member of the team.\textsuperscript{22} Even when the knowledge is identical, the source makes a big difference in whether a teammate feels threatened or intrigued by the information. People often hesitate to embrace the knowledge of network “insiders” because they fear that they will lose personal status if they use that knowledge. To minimize the potential loss of status and to save face, team members can attempt to self-affirm by reminding themselves about their personal accomplishments. When they do this, they are more likely to learn from and incorporate knowledge from insiders.\textsuperscript{23}

Why do people overvalue knowledge from outsiders? Internal knowledge is more readily available and hence subject to greater scrutiny, whereas external knowledge is unique. Thus, managers venerate competitors, whose ideas they see from a distance, while they reject internal ideas that are visible close up, warts and all. They value external ideas, which are seen as final products, while they are critical about internal ideas that they see in their earliest, most unpolished state. And finally, they value scarce, external ideas that are protected by patents and are nearly impossible to acquire, while they reject the internal knowledge that is so easily accessible to them.

Organizational incentives often punish managers by reducing their status when they learn from insiders\textsuperscript{24} and reward them when they learn from outsiders. Managers conducting a performance evaluation rewarded external learners more than they rewarded internal learners.\textsuperscript{25} Specifically, executives participated in a simulation in which they were a manager of a large hotel chain and were asked to evaluate the performance of two individuals who were described as hotel managers within their chain. The two managers had achieved identical performance, but while one manager had learned from insiders within the chain, the other manager had learned from a competitor chain. The executives rated the external learner as more creative and competent, giving him more status, and they were more likely to promote him and reward him with a higher bonus, compared with the internal learner.

The relationship between knowledge messengers and receivers affects knowledge valuation. Rather than a rational perspective in which managers (receivers) are expected to cull the best knowledge from their environments, or a random process in which


\textsuperscript{22}Ibid.

\textsuperscript{23}Ibid.


\textsuperscript{25}Menon, Thompson, & Choi, “Tainted knowledge vs. tempting knowledge.”
managers (receivers) accept knowledge in the more arbitrary “garbage can model,” the relational perspective describes how the social relationship between knowledge messengers and receivers affects how a piece of knowledge comes to be evaluated. Specifically, people pay attention to how “threatening” the information is, resulting one of six relational types: colleagues, deviants, rivals, advisers, enemies, and intruders.

**HUMAN CAPITAL AND SOCIAL CAPITAL**

Why is it that some people or teams are singled out and win more approval from senior management than other people or teams? The typical explanation centers upon human capital: Inequalities result from differences in individual ability. People who are more intelligent, educated, and experienced rise to the top of their organization; those who are less qualified do not.

However, there is another explanation that accounts for the existence of inequality. Social capital is the value managers add to their teams and organizations through their ties to other people. Social capital refers to the resources available through social networks and elite institutional ties—such as club memberships—that people can use to enhance their positions. Social capital is the value that comes from knowing who, when, and how to coordinate through various contacts. While human capital refers to individual ability, social capital refers to opportunity created through relationships. Managers with more social capital get higher returns on their human capital because they are positioned to identify and develop more rewarding opportunities. Certain managers are connected to certain others, trust certain others, feel obligated to support certain others, and are dependent on exchange and reciprocity with certain others, above and beyond those in their immediate functional unit.

To understand the value of social capital within the organization and how it affects team performance, it is necessary to consider the broader organizational environment. Organizational charts are rather crude depictions that reveal the chain of command and report relationships. As many managers can attest however, the way that work gets done and information gets spread within an organization is a far cry from published organizational charts. Instead, informal systems of connections and relationships, developed over time, guide the flow of information between people and teams. Let’s explore these informal networks in detail.

Exhibit 11-2 is a somewhat crude depiction of two social networks in an organization. The dots represent people. The lines that connect the dots are the communication networks between people in the organization—simply, who trusts whom. To be sure, members of a given department or functional unit are more interconnected than are members of completely different functional units. However, even within particular departments, there is a high variation in communication. Moreover, there is high variation among organizational members in terms of who reaches beyond the walls of the functional teams and communicates with others.

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Perceived networks may predict performance more than actual networks. The accuracy of perceived advice networks is related to increased power in organizations. People who have an astute knowledge about network links are in a position of power. First, this information provides a good assessment of who is powerful in the organization. Second, this information can be used to identify where the coalitions are in an organization, their size, and their sources of support. Third, an accurate assessment of the network can expose the weaknesses in other groups by exposing holes, gaps, and lack of support.

Consider the two different panels in Exhibit 11-2. Panel A depicts the network (or communication) structure of a manager, Gregory, who has a network of relatively

Exhibit 11-2 Social Networks of Two Managers within the Same Company


close colleagues—most likely from the same functional unit. This type of close-knit, self-contained network is a **clique network** and is reminiscent of the traditional family unit. In the clique network, groups of people, all of whom know one another quite well, share largely redundant communication structures. At the extreme, members of clique networks are aware only of others with whom they have direct contact.

When we contrast Gregory’s communication network to Berta’s in Panel B, we notice some striking differences. First, Berta’s network is much less tightly knit than is Gregory’s network. Second, Berta’s network spans what appears to be more functional units than does Gregory’s network. In a sense, Berta knows more people who don’t know each other. Third, Berta’s network is structurally more unique than is Gregory’s network. Simply stated, Gregory’s network is highly similar to the networks of all the other people in his clique. In contrast, Berta’s network does not look like anyone else’s, in terms of the connections she has. Before reading further, how do you think that these differing network structures affect the performance of the team, the individuals involved, and the larger organization?

**Boundary Spanning**

Individuals (and teams) who span organizational divides and integrate the knowledge and best practices from different areas of the organization (who otherwise have little incentive to do so) are extremely valuable for the organization. These people, known as boundary spanners, bridge the functional gaps, or the **structural holes**, that exist in organizations. Structural holes separate nonredundant social contacts in the organization. A person who bridges or spans a structural hole fills a unique spot in the organizational network: bringing together people, knowledge, and information that would otherwise not be connected. This of course, is critical for maximizing diversity of ideas and setting the stage for creative thinking in the organization—not to mention avoiding duplication of effort and speeding along organizational innovations to relevant units. Teams whose members have access to different social networks, independent of their individual knowledge and skills, may be more likely to learn through relationships than teams whose members’ social ties are redundant. The value of a boundary spanner is the ability to capitalize on the social structure of the organization that, as we have seen, is structurally imperfect.

When we again compare the networks of Gregory and Berta, we see that Gregory has a network that spans one structural hole (i.e., the relatively weak connection between a cluster reached through contacts 1, 2, and 3 versus the other cluster that is reached through contacts 4 and 5). In contrast, Berta preserves the connections with both clusters in Gregory’s network but expands the network to a more diverse set of contacts. Berta’s network, adding three new clusters of people, spans 10 structural holes.

The structural holes that exist between people, functional units, and teams represent opportunities for teams and their leaders. Boundary spanners broker the flow of information between people on opposite ends of a structural hole and control the nature of projects that bring people together on opposite ends of the structural hole. In interlocking teams, the functional teams are networked to other teams in different functions via a supervisor who coordinates activities. In this way, the structure of a network is a competitive advantage for certain people and certain teams in the organization.

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Managers with contact networks rich in structural holes are the people who know about, have a hand in, and exercise more control over rewarding opportunities. They have broader access to information because of their diverse contacts. They are more aware of new opportunities and have easier access to these opportunities than do their peers—even their peers of equivalent or greater human capital. For this reason, they also are more likely to be discussed as suitable candidates for inclusion in new opportunities. They are also likely to have sharpened and displayed their capabilities because they have more control over the substance of their work defined by relationships with subordinates, superiors, and colleagues. A study of 64 software development teams revealed that boundary spanning, buffering, and boundary reinforcement were positively related to team performance and psychological safety.33

**Boundary Loosening versus Boundary Tightening**

**Boundary-loosening** activities focus team members outside the team and organization; **boundary-tightening** activities focus inward. Boundary-tightening and boundary-loosening activities are both important for team and organizational effectiveness and are synergistic. A team’s boundary activities are related to team innovation.34 An investigation of 196 team members and their 60 team leaders and unit managers in a high-tech company revealed that inter-team goal interdependence (the extent to which a team perceives that its goals and/or feedback it has received are congruent with the organization’s goals) and team functional heterogeneity (the diversity of organizational roles embodied in the team) are associated with boundary-loosening activities that ultimately lead to greater team innovation.

** Cliques versus Entrepreneur Networks**

In Exhibit 11-2, Gregory is in a tightly constructed, dense clique network. In contrast, Berta’s network is much less dense and more varied. Members of clique networks consider one another to be their closest contacts, and because they focus their efforts primarily on internal communications, they are often sequestered from the larger organization. The loyalty and cohesiveness of inner circles can be both comforting to those situated securely in them and intimidating to those who stumble into them without a real ally. Berta’s entrepreneur network is a less tightly knit group, with contacts in a variety of disparate organizational areas. In fact, Berta does not appear to be housed in any particular network. On the surface, it might seem that Gregory would feel more secure, nestled in his cohesive group, and hence, be more successful. Berta however, is a boundary spanner, a link between different subgroups and functional units that would not be connected without her. Berta occupies a unique position in her network as she singlehandedly bridges these separate groups. In this sense, Berta is an information broker because she alone is at the critical junction between these networks and serves the important role of brokering information. The people in Berta’s functional group are more dependent on Berta for information than Gregory’s group is on Gregory. In a very crude sense, Gregory is an organizational clone—expendable—at least on a

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sociostructural level. In contrast, Berta is a critical player; remove her and the organization may suffer serious consequences and lost opportunities. Berta serves an important team and organizational function by garnering information that would otherwise be unavailable to the team or the organization.

Gregory is in a highly cohesive group, which can be advantageous when it comes to managing the internal team environment. Gregory does not really learn anything new by interacting with the members of his group. In contrast, because Berta’s contacts do not know one another and therefore, cannot apply social pressure on each other—as they can in clique networks—Berta is potentially privy to a greater amount of accurate and nonredundant information. Berta’s position as a structural hole spanner is an indicator that people on either side of the hole circulate in different flows of information. The structural hole between two clusters (or teams) does not mean that people in the two clusters are unaware of one another. Rather, people are so focused on their own activities that they have little time to attend to the activities of people in the other cluster.

In comparing Gregory’s and Berta’s networks, the information benefits in Berta’s network are enhanced in several important ways that go a long way toward furthering individual, team, and organizational goals—which are critical measures of performance. From Berta’s view, more benefit is reaped because more contacts are included in the network. The diversity of contacts enhances the quality of benefits because each cluster of contacts is an independent source of information. One cluster (e.g., a team), no matter how numerous its members, is only one source of information because people connected to one another know about the same things at approximately the same time. Because nonredundant contacts are linked only through the leader at the center of the network, the leader is assured of being the first to see new opportunities created by the need of one team that could be served by skills in another team. Berta has the opportunity of bringing together otherwise disconnected individuals. Furthermore, having more diverse contacts means that the manager is more likely to be among the people discussed as suitable candidates for inclusion in new opportunities. Because people communicate through Berta, she can adjust her image with each contact. Berta is able to monitor information more effectively than is possible with typical bureaucratic control; she is highly mobile relative to bureaucracy. For a summary of the advantages and disadvantages of cliques and boundary-spanning networks, see Exhibit 11-3.

In comparison with others who are equal in human capital, boundary spanners enjoy more organizational success. Managers with larger networks of disconnected contacts get promoted earlier than comparable managers with smaller networks of more interconnected contacts. In an investigation of 3,000 senior managers in a high-technology company with more than 100,000 employees, those promoted early had more social capital—as determined by their social network analysis. The CEO’s compensation is predicted positively by the social capital of the chairman of the compensation committee and the CEO’s social capital relative to the chairman’s. The success of Broadway musical

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36Burt, *The Social Structure of Competition*.

teams from 1945 through 1989 revealed that the “small world” (connected quality) of creative artists directly affected the financial and artistic success of the show as well as the percentage of hits, flops and raves.\(^3\) Similarly, the success of scientific teams in social psychology, ecology, and astronomy is also directly predicted by the structure of the creative collaboration network of the scientists in these communities.\(^4\)

However, a study of 525 companies that went public revealed that their boards were best when composed of a majority of the original top management team (TMT) members, rather than independent outsiders.\(^5\) Board members possess valuable tacit knowledge of the company; outsiders should provide resources for the TMTs to execute strategies, rather than monitor them.

The network structure of team members affects how much information they share in common with others in a team. For this reason, boundary spanners are more cognitively central (i.e., aware of what other people know) than are non-boundary spanners. This awareness affects their ability to influence the team. The more information team members share with others, the more cognitively central they are in the team. Also, cognitively central members acquire pivotal power in a team and exert more influence on consensus than members who are not cognitively central.\(^6\) Thus, those who are connected are more influential.

### Team Social Capital

**Team social capital** is the configuration of team members’ social relationships within a group and in the social structure of the broader organization.\(^7\) Although

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boundary-spanning activities can benefit team performance, pursuing social relationships outside one’s team might decrease the group’s internal cohesiveness, which in turn, can have a negative effect on performance. Some teams have greater social capital “liquidity” because their members have positions in the overall social structure of the organization. For example, rapid access to information and political support is greater for teams whose members socialize during their free time with organization’s upper management. In an investigation of work-related ties that extend into social realms outside of work, the optimal configuration was a moderate level of internal closure within the group and a large number of “bridging” relationships to other groups’ leaders. It is actually counterproductive for a team when all of the members socialize informally outside of the organization. It is better for the team members to socialize outside of the team and outside of work. Such ties are particularly critical because the shift in focus from work to social interaction invites a shift in the types of resources that are transferred among members. A meta-analysis of 37 studies of teams in real organizations indicated that teams with densely configured interpersonal ties attain their goals better and are more committed to staying together. In another investigation involving 51 teams working in two wood composite plants, external coordination (extra-team relationships) had a significant, positive impact on team performance.

**Friendship, Trust, and Advice Ties**

People in teams bond along three specific types of ties: friendship, trust, and advice. Friendship ties are close interpersonal ties between people, characterized by positive, amicable relationships. Friendship ties are voluntary and often communal in nature, such that people provide for one another without expectation of reciprocation of benefits. Friendship facilitates performance because of consensus and information sharing but hinders performance when people focus more on social aspects than getting the work done. Idiosyncratic deals (i-deals) are personalized employment arrangements negotiated between individual workers and employees and intended to be of mutual benefit. In a study of 20 R&D groups, acceptance of i-deals was greater for group

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45Oh, Chung, & Labianca, “Group social capital and group effectiveness.”
members who were personal friends. The friendship network is critical for acceptance of i-deals, but the advice network is negatively related.52

**Trust ties** involve both an affective (emotional) and a cognitive (task) perspective. The affective aspect is based on principles of social exchange. The cognitive perspective is based on reliability. Trust does not have a direct effect on performance.53 Strong, dense ties, such as **guanxi networks** in China however, strongly increase retention and commitments in teams and organizations.54 Third parties play a key role in enhancing managers’ reputations for trustworthiness among their peers.55 The dilemma is that large, open networks provide access to new knowledge, but such networks impair knowledge sharing because of lack of trust and reciprocity. However, a study of 705 consultants revealed that motivation and ability can overcome such threats.56

**Advice (or Instrumental) ties** represent instrumental rather than expressive relationships. Advice ties represent the exchange of expertise and information necessary to complete one’s task. Unlike the voluntary nature of friendship and trust ties, advice ties may be dictated by the demands of the team task. Although both friendship and advice ties are severely decimated in the aftermath of a layoff, advice networks regenerate more quickly than friendship networks.57 Advice seekers on teams weigh the costs of obtaining knowledge with the expected value of the knowledge itself.58 Offering advice (even unsolicited) is one way of expanding your network. Tools such as Slack, HipChat, and Internet Relay Chat are online communities where peers can communicate and talk about issues that are important to them and receive instant feedback.59

Personality and education affect network relationships. In particular, the personality construct of **neuroticism** (i.e., how much people worry) predicts their centrality in their social networks. People who are highly educated and do not worry (i.e., are low in neuroticism) are high in advice and friendship centrality.60 Team members who have similar values to their teammates also have more central advice and friendship networks.

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59Kneece, R. (2015, April 29). 5 tips to create effective internal communications with your team. *Fast Company. fastcompany.com*

Advice, friendship, and trust ties are not mutually exclusive. For example, friends can be trusted and approached for advice. An investigation of 35 groups of MBA students revealed that high-performing strong-relationship groups (groups with numerous, intense internal friendship ties) engaged in greater constructive controversy than low-performing strong-relationship groups. These results suggest that successful, strong-relationship teams use processes that capitalize on the positive affective interchanges among members and minimize the negative consequences of group cohesion.

While much research has focused on the relationship between positive relations among group members (e.g., friendship and trust), the question about how negative ties affect performance is equally intriguing. Just as a financial ledger records financial assets and liabilities, the social ledger is a theoretical account of social assets, derived from positive relationships, and social liabilities, derived from negative relationships. While all relationships have some negative attributes, a negative relationship represents an enduring, recurring set of negative judgments, feelings, and behavioral intentions toward another person. Typically, negative relationships make up only 1 to 8 percent of the total number of relationships in an organization. Four interplaying characteristics determine the extent to which negative relationships hurt team and organizational effectiveness: relationship strength, reciprocity, cognition, and social distance.

- **Relationship strength** refers to the intensity of dislike. As intensity increases, people may find it increasingly difficult to focus on interdependent goals.
- **Reciprocity** refers to whether an individual is the object or source of dislike or if dislike is reciprocated. Negative outcomes exist when dislike is reciprocal and even unreciprocated.
- **Cognition** refers to whether the person knows the other person dislikes him or her. Awareness of the negative relationship will cause more discomfort and may exacerbate reciprocation.
- **Social distance** refers to whether the negative tie is direct or indirect. If someone is directly involved in a negative relationship, the social liabilities are larger than when someone is indirectly involved in a negative relationship (e.g., a friend of someone who is intensely disliked by their superior).

**Leadership Ties**

If leaders fail to manage the relationship between the team and the external environment effectively, the team may be regarded as ineffective, regardless of its actual productivity. However by placing constraints and barriers upon the team’s ability to control and gain access to resources, such as education, knowledge, and economic resources, team effectiveness may be hindered. Thus, the network structure of team leaders is important for

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64Labianca & Brass, “Exploring the social ledger.”
team performance. Teams with leaders who are central in their teams’ intragroup networks and teams that are central in their intergroup network perform better. According to the leader centrality–performance hypothesis, team leaders from whom subordinates seek advice or friendship tend to have relatively comprehensive views of the social structures of their teams. Such a perspective helps them make better decisions. Central leaders occupy structurally advantageous positions in their social networks and often act as gatekeepers and regulators of resource flow. In a study of 300 self-managing teams at a large manufacturing plant of a Fortune 500 corporation, leaders who contributed most to their team’s success excelled at managing the boundary between the team and the larger organization. This boundary-management behavior involved four key skills: relating, scouting, persuading, and empowering (see Exhibit 11-4). Teams with more prestigious formal leaders (i.e., leaders whom a high proportion of subordinates sought out for advice) experienced lower levels of conflict and had higher levels of team viability. In contrast, leaders who had advice ties with subordinates (who did not have advice ties with each other) had elevated levels of team conflict and lower levels of team

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65Balkundi & Harrison, “Ties, leaders, and time in teams.”
viability. Coworkers tend to place more trust in fellow coworkers who are trusted by the
team’s formal leaders than in those who are less trusted by the leader.\textsuperscript{70}

\textbf{INCREASING YOUR SOCIAL CAPITAL}

How can managers best expand their network and link their team within the organization? Strategic network expansion involves connecting to people and teams in such a way that the manager (and the team) fills a structural hole. To see the difference between typical network expansion and strategic network expansion, see Exhibit 11-5.

We advocate a team-based view of structural positioning within the organization. That is, teams are more likely to achieve their goals and stay in touch with the needs of

the organization if they have connections with others within the organization. Thus, the structural positioning of an entrepreneurial, as opposed to clique, network has benefits for individual team members, the team, and the organization.

From the point of view of the employee, organizational benefits are maximized in a large network of nonredundant contacts, meaning that it is better to know a lot of people who don’t know one another. The opportunity is there because most people are too busy to keep in touch directly. Furthermore, people in organizations display a type of functional ethnocentrism, believing that their own functional area is of key importance and that the other units do not matter as much. Entrepreneurs such as Berta, take advantage of functional ethnocentrism and act as critical go-betweens to bring individuals, teams, and units together in ways that are profitable to themselves and the organization.

**ANALYZE YOUR SOCIAL NETWORK**

Organizational actors who hold an accurate perception of their own social network are more effective than those who hold inaccurate perceptions. People’s perceptions of their organizational networks are not necessarily independent perceptions. An investigation of teams in public and private organizations revealed that team members’ perceptions of organizational support are similar to those of coworkers with whom they seek advice and those who hold equivalent positions in the organizational network.

Everyone cannot be a boundary spanner or information broker. Managers who are aware of their information brokers are more effective in using their own networks. (As an exercise, follow the three-step guide in Exhibit 11-6.) Just because you know who the brokers are in your network does not automatically entitle you to rely on them. Some people have been able to rely on networks by putting forth a meaningful goal or mission. With the generational shift of millennials changing jobs more often than in previous decades, firms such as McKinsey & Co. and Ernst & Young maintain relationships with employees offering incentives such as in-person networking events, informational webinars, and access to firm research.

**IDENTIFY STRUCTURAL HOLES**

Structural holes are the gaps that are created when members of cliques (closed networks) do not connect. The challenge is to identify those gaps and find a way to bridge them. When a manager identifies structural holes, he or she recognizes and overcomes the clique network system. Clique networks contain a number of disadvantages for the organization and the team. People in clique networks fall prey to the homogeneity bias. For example, men in clique networks include significantly fewer women among their contacts. This situation can stifle creativity, propagate prejudice, and hinder the benefits of diversity.

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71 Krackhardt, “Assessing the political landscape.”
74 Burt, *The social structure of competition.*
Part 3 • Teams in Organizations

Expand the Size of the Network

Expanding the size of the network does not mean increasing the size of the team but rather, increasing the number of people with whom the manager and the team come into contact. Speed interviewing is an example of maximizing contacts. Companies can’t evaluate finance candidates over weeks or months because other companies will hire them first. In one survey, 100 executives reported spending an average of 60 minutes when interviewing staff-level candidates and 103 minutes for management-level job candidates. The face-to-face interview was almost inevitably followed by a much shorter phone interview. In our simulations of people who have experienced job threat, such as loss of employment, those with higher self-rated socioeconomic status report having broader and more expansive networks than those with lower socioeconomic status.

Exhibit 11-6 Six Degrees of Separation Worksheet


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75Montesanto, A. (2012). Making a good first impression is crucial in a job interview. BC Jobs. bcjobs.com
DIVERSIFY NETWORKS

The homogeneity bias pulls people toward developing cliques of like-minded people. It may be more comfortable in the short run, but it will have long-term negative consequences for the individual, the team, and the organization. A better alternative is to develop a diversified network, which means crossing organizational boundaries and functional areas. People who have a close friend in an ethnically different group are more likely to perceive an association of the friend’s ethnicity with the self and have positive expectations about the out-group.77

According to Uzzi, the optimal composition of ties at the network level is achieved when a network has an integrated mix of embedded (social ties) as well as arm’s length (nonsocial, purely business) ties.78 Embedded ties and arm’s length ties offer complementary benefits when combined, just as the overall value of a portfolio increases when it is composed of complementary assets that offset each other’s inherent weaknesses and strengths. Networks dominated by one type of tie produce fewer benefits, which partly accounts for the negative effects of overly embedded (e.g., “old-boy”) networks, or overly disembodied exchange networks (e.g., whipsawing of suppliers by large manufacturers).79 A study of 375 managers over an 8-month period revealed that the more embedded managers perceived themselves to be, the more likely they were to show declines in social capital development over time, and declines in social capital behaviors were directly related to declines in human capital development.80 Moreover, another investigation of the strategic and operational effectiveness of 96 self-managing teams in a large multinational organization revealed that a combination of autonomy and external knowledge allowed teams to capture the benefits while offsetting their risks. Specifically, teams with high levels of autonomy and external knowledge delivered more strategically and operationally effective projects than did teams with high autonomy but low external knowledge or high external knowledge but low autonomy. However, the complementarity between autonomy and external knowledge depended on what the teams were doing and what they knew: When content knowledge was scarce (e.g., country knowledge), autonomy and knowledge improved strategic and operational effectiveness but not when content knowledge was common (e.g., technical knowledge).81

Organizational demography refers to the composition of teams in terms of their proportion of majority and minority members.82 (see Exhibit 11-7). The majority is an identity group that typically has enjoyed access to power and authority in the organization. The minority represents an identity group that has been marginalized from a position of power and authority. The model distinguishes three types of team

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79Ibid.
demographics: homogeneous majority teams, homogeneous minority teams, and diverse teams. Homogeneous majority teams are predominantly composed of people belonging to a high-status majority identity group. Homogeneous minority teams are composed of members belonging to a single-identity group that is not that of the larger organization. Diverse or heterogeneous teams represent both majority and minority members equally. According to the model, homophilous ties may limit the extent to which team members have access to diverse perspectives in homogeneous majority teams. As organizations move toward pluralistic settings, these teams may lose support and information from minority peers. In terms of homogenous minority teams, lack of networking opportunities with peers and upper management can be detrimental; such teams need to devise strategies to compensate for the numerical scarcity of minority members. Diverse teams can gain centrality in external networks through homophilous interactions of its majority team members. To maximally use the benefits of their external networks, diverse teams need to focus on building trust and cooperation internally in monolithic and pluralistic settings.

**Build Hierarchical Networks**

In bureaucratic organizations, boundary spanners need to network not only laterally but also hierarchically. Coca-Cola practices “reverse mentoring,” in which high-potential millennial employees share their perspectives, ideas, and knowledge with more seasoned...
managers. Employees use LinkedIn to develop a new idea, assemble a team, and pitch
ideas to the executive team. If the team’s idea is endorsed, they are allowed three months
to network with other departments and leaders to develop the idea.83

RECOGNIZE GENDER SCRIPTS IN NETWORKS

Quite often, business opportunities are conducted in the context of social relations-
ships.84 Many social relationships are common and therefore highly scripted or routin-
ized, such as conducting a business meeting on the golf course. These scripts are
significant because they define the conditions under which networks are most effec-
tive.85 For this reason, it is difficult to form close relationships across gender lines if they
are built through socializing activities such as playing golf, going to the theater, or
evening dinner gatherings because these practices often have a different meaning
between men and women than they do between persons of the same gender.86 One
study investigated why women scientists with human capital equal to, or better than,
their male counterparts do not do as well in graduate school and are thereafter disad-
vantaged by a lack of contacts to the resources and tacit information important for
identifying, developing, and following through on leading-edge research projects.87 The
differential performance of women followed from their disadvantaged position in a
social structure of relations, not their human capital endowments. By actively managing
social networks, key barriers to the advancement of women in science can be
overcome.

REPUTATION MANAGEMENT

People readily communicate reputational information about others (via gossip), and
recipients use this information to interact selectively with those who are viewed as
“cooperative” and ostracize those who are viewed as “selfish.”88 Reputations may persist
over time, despite efforts to change them. Moreover, just as people develop reputations
and make impressions on others in the organization within the first few months of their
arrival, so do teams. Often, teams want to get down to work and not waste time with
how they are perceived by others. On the basis people’s initial impression of a team, a
negative or positive escalating cycle of team reputation and team performance begins.
Teams that do not overcome a negative initial evaluation may be perceived as

hrccloud.com
84Uzzi, “Social structure and competition in interfirm networks.”
85Uzzi, B., & Gillespie, J. J. (1999). Access and governance benefits of social relationships and networks: The
case of collateral, availability, and bank spreads. In H. Rosenblum (Ed.), Business access to capital and credit.
86Etzkowitz, H., Kemelgor, C., & Uzzi, B. (1999). Social capital and career dynamics in hard science: Gender, networks,
and advancement. New York: Cambridge University Press.
technology. New York: Cambridge University Press.
failures—even if they eventually achieve their goals. “The inability to influence top management early on can be devastating to a team. In short, labeling creates self-fulfilling prophecies.”

Chapter Capstone

A traditional view of teamwork focuses on human capital or the team members’ talents and abilities. A more accurate view of teams in organizations focuses both on teamwork and on taskwork. Depending upon how members interact and communicate with regard to the task at hand, they may simply share a taskwork tie, a teamwork tie or a multiplex (bundled tie). Team networks differ in terms of three key aspects: the level of interconnectedness among members (closure), the centralization of relationships, and how specialized members are. Sharing knowledge within and across team boundaries is essential for successful team performance. A bias toward outsider-versus insider-information, however, may lead teams to devalue internal knowledge. Boundary spanning within the organization is critical for teams to be successful. Teams and members should begin by analyzing their own network structures and identifying structural holes or gaps between relevant teams in the organization.

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90 Ibid.