

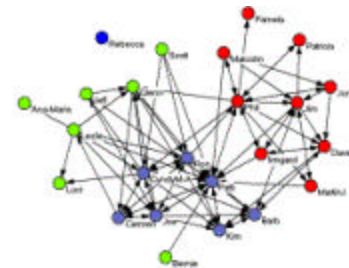
## Social Network Analysis

The effectiveness and efficiency of an organization – innovation, productivity, and employee satisfaction – hinges on the strength of the relationships of its people. When you understand the patterns of interaction among the people, you can leverage this knowledge to:

- ◆ Accelerate the flow of knowledge and information across boundaries
- ◆ Identify the thought leaders, key information brokers and bottlenecks
- ◆ Target opportunities where increased knowledge flow will have the most impact

### About the Social Network Analysis Method

Social network analysis comprises diagnostic tools that provide managers with both a visual map of the connections among their employees and quantitative data that substantiate the maps and their underlying patterns. Interviews conducted before and after the data gathering analysis ensure that the data are positioned in the *context* of the organization and will not be misinterpreted or misused.

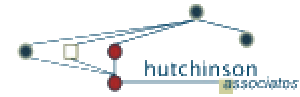


The data gathering and analysis processes provide a baseline against which you can plan and prioritize the appropriate changes and interventions that will increase the social connections within the organization – improving communications, knowledge transfer, collaboration, and mutual understanding of shared business goals.

### Business Benefits

A social network analysis by itself is merely a diagnostic – the business benefits accrue from the actions taken as a result of what’s learned in the process. For example, a social network analysis in a consulting environment often uncovers lack of collaboration across practice areas – even though the combination of skills and services of two groups is assumed to be an important differentiator. In one such case, interventions following a social network analysis resulted in increased sales of work that integrated the two practice areas. Some of the key benefits that have been demonstrated include:

Benefit	Achieved By
Retention of people with vital corporate knowledge.	Increasing the social capital in the organization. People who are more connected are more likely to be satisfied with their work and more likely to stay.
Increased innovation, productivity, and responsiveness.	Closing gaps in people’s knowledge of one another’s experience and expertise. Decreasing the amount of time it takes for people to locate and access needed knowledge.
Smarter decisions about changing the formal organization structure or introducing new processes into organizations.	Understanding the structure of the existing social networks. SNA gives insights into how work is really accomplished in an organization, how decisions are made, and the effectiveness of the existing organizational structures.
Insight into the challenges of integration following restructuring, mergers, or acquisitions.	Identifying 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 people who are key to a network.



Any of these benefits can be associated with real cost – whether it be the cost of replacing a valuable employee, the cost in increased time in bringing a new product to market (or missing an opportunity altogether), or shortening the time to implement new programs and procedures

### Project Elements

A social network analysis project typically includes the following elements.

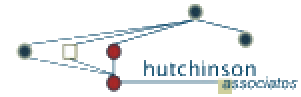
Context-setting	Interviews to determine the business context and opportunity, and the enrollment of senior management commitment to the project.
Survey design	Deciding whom to survey and what dimensions their relationships to survey. Dimensions can include the frequency of information seeking, the quality of communication, the paths for decision-making, and so on.
Survey communication and distribution	Communicating the purpose and value of the survey to the people who will be receiving the survey, addressing concerns and questions.
Preliminary analysis and interpretation	Data analysis and production of visual maps and quantitative views of the data. Interviews with project sponsors to interpret and validate the preliminary results. Interviews with project sponsor to validate and provide context for the findings.
Work analysis	Interviews with selected individuals, to determine the actual content and context of interactions.
Communication of results	Consultation and interpretation, including executive and employee presentations or facilitated workshops with the findings and recommendations for interventions.

### Interventions

The power of social network analysis is in its ability to present data to people that represents the pattern knowledge seeking and sharing interactions in an organization. During the consultation following an analysis, the insights turn quickly into action. Interventions – actions that will disrupt or change the patterns – fall into three categories:

- ◆ **Organizational.** An analysis may indicate gaps or overlaps in the reporting structure in an organization, or indicate individuals who are playing crucial knowledge brokering roles. Organizational changes – or changes in the reward structure – may be the best way to change some of these patterns.
- ◆ **Network development.** If a network analysis reveals that there are poorly connected subgroups in a business setting where collaboration among groups is important, it will be important to find ways to get people connected. Many knowledge management techniques and tools, and team building or collaborative exercises may be brought into play to improve the connectivity of individuals and groups.
- ◆ **Personal commitments.** The analysis may suggest that a network is overly reliant on some core individuals, or that some individuals are isolated. Managers and individuals often respond to their own interpretations of the analysis by committing to behavior changes. In other cases, managers need to take action to work with individuals to understand how to change behavior.

The effects of the interventions can be measured either by the alterations in the business results – as summarized in the business benefits charts, above. It is also a good idea to repeat the social network analysis to confirm the impact of changes.



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Social network analysis is, of course, itself an intervention. It need not be a one-time project. In fact, many organizations have developed the capability to perform the analysis and use it on an ongoing basis as part of their organizational development and management effectiveness work.

### **Cost and Duration**

Hutchinson Associates uses its standard consulting rate of \$2,000/day in social network analysis projects. The exact cost of delivering a social network analysis project depends on the size of the network (number of people to be surveyed), and context-specific factors such as the communication and preparation time needed, the number of interviews, requests for analysis of different demographic factors, and so on. The elapsed time for a project depends on how long it takes to collect all the surveys. Thus, a project may take a total of five to ten actual working days, but require an elapsed time that may be as much as three to four weeks. Analysis of networks of up to 80 people typically require six or seven days.