

The roles of actor characteristics and network multiplicity

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Question 1:

Do characteristics of nodes matter?

- Social structure is assumed to drive its own future evolution and single-handedly render performance benefits to organizations
- Emergent research on psychology of networking and networkers (e.g. Mehra, Kilduff and Brass, ASQ 2001) suggests that characteristics of individuals are important, consequently individuals will differ in how they build and benefit from social networks
- Research examining relationships between firm characteristics, firm network position and firm performance (Lavie, AMR 2006; Shipilov, AMJ 2006; Shipilov, Org Sci forthcoming) also shows that organizations' characteristics are important

Recent work on nodal characteristics

- Two different firms in the same network position will extract different rents from structural holes:
 - Absorptive capacity, ability to protect from non-cooperation and bargaining power (Lavie, AMR 2006; Shipilov, Org Sci forthcoming)
- Firms will differ in their propensity to build network positions:
 - A well performing firm has opportunities to build network positions rich in structural holes, which are not available to poorly performing firms (Shipilov and Li, ASQ 2008)

Questions to ask:

Nodal Characteristics

- Which firm characteristics are important for a firm's ability to build and sustain its network position?
- Do firm characteristics change as a result of pursuing a certain network building strategy?
 - If so, how will that affect future network building strategies?

Question 2: How do multiple networks interact?

- Firms are assumed to be embedded in a single network at a time (e.g. Gulati, ASQ 1995; Gulati and Gargiulo, AJS 1999; Baum, Shipilov and Rowley, ICC 2003)
- However, firms can be embedded in multiple networks simultaneously and these networks seem to influence each other (e.g. alliance of one kind can lead to an alliance of a different kind)

Recent work on network multiplicity

- Clients retain investment banks to lead their IPOs if these banks have provided clients with commercial banking services (e.g. Jensen, ASQ 2003)
- Companies that share a board interlock are likely to form a strategic alliance in the future (Gulati and Westphal, ASQ 1999)
- Companies that have a corporate venture capital investment in each other are more likely to form a strategic alliance (Dushnitsky and Lavie, 2008)
- Investment banks co-advising on M&A deals are more likely to form a PO syndicate. This relationship is moderated by the dependences of banks upon each other and upon M&A (PO) markets (Shipilov and Li, 2008)

Questions to ask...

- What are the contingencies that affect the transferability of relationships across networks?
- What intra-organizational mechanisms affect transferability, given that organizations manage their dependences across networks with different departments?
- How do we know if we are looking at different networks or at different aspects of the same network?

To summarize..

- We need to bring a firm back into the social network analysis
- ... and...
- We also need to examine interdependences between different networks