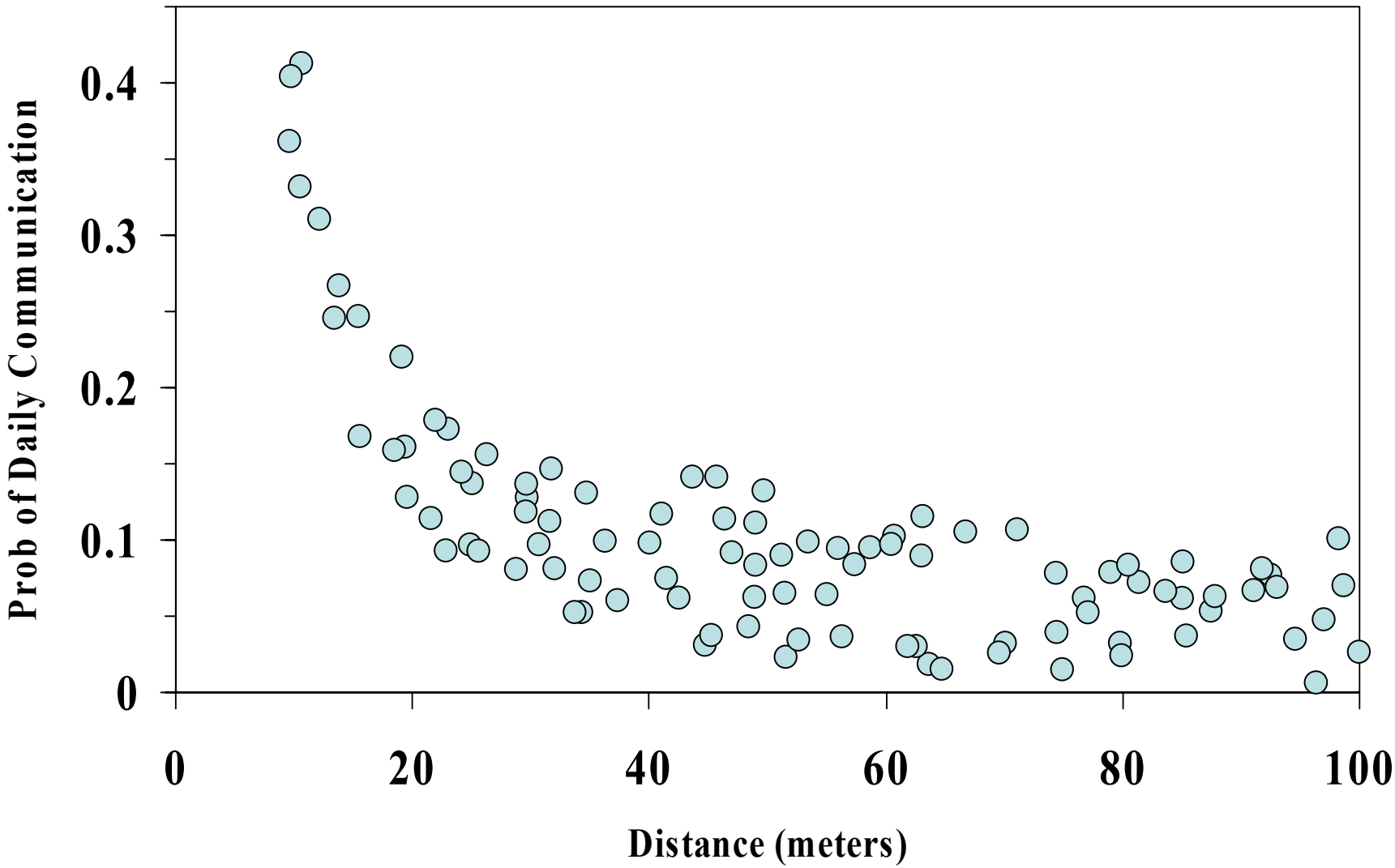
Law of Propinquity



Gender

Sharing Confidential Matters:

	Male	Female
Male	1245	748
Female	970	1515

Race

Race	White	Black	Hispanic	Other
White	3806	29	30	20
Black	40	283	4	3
Hispanic	66	6	120	1
Other	21	5	3	34

Religion

Religion	Protestant	Catholic	Jewish	None	Other
Protestant	2129	305	22	83	30
Catholic	241	790	24	41	13
Jewish	13	7	68	5	1
None	92	66	12	131	14
Other	27	11	1	4	37

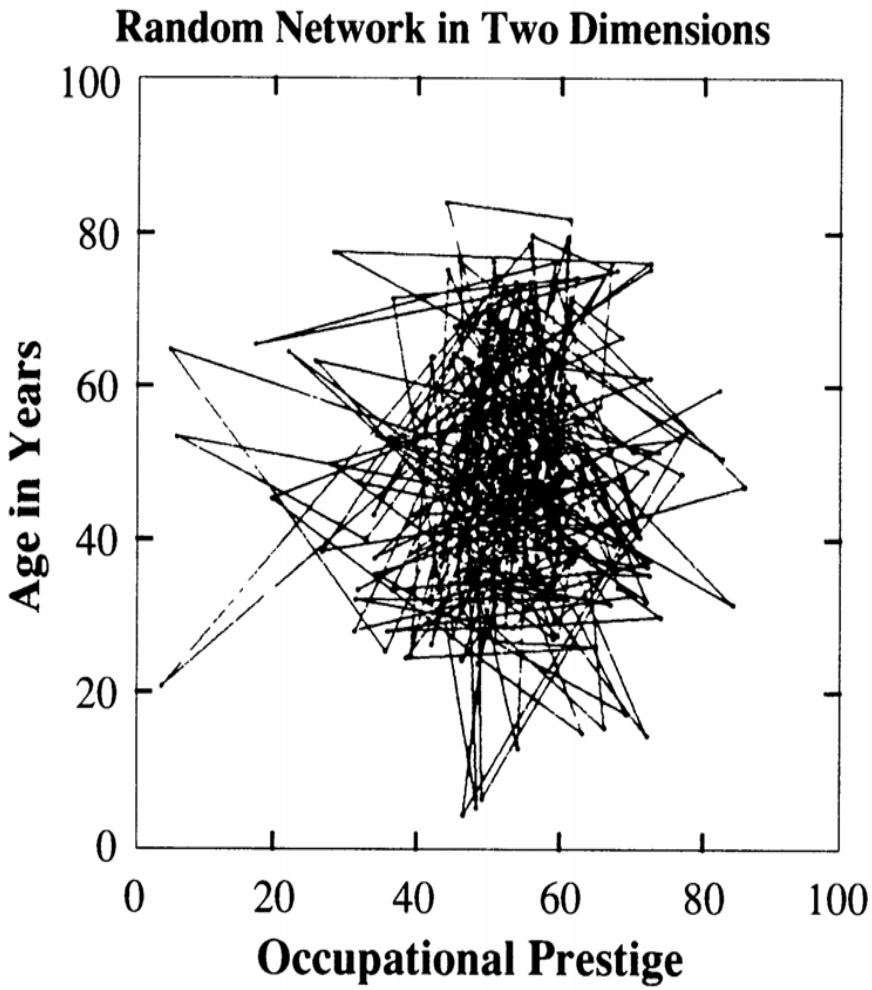
Age

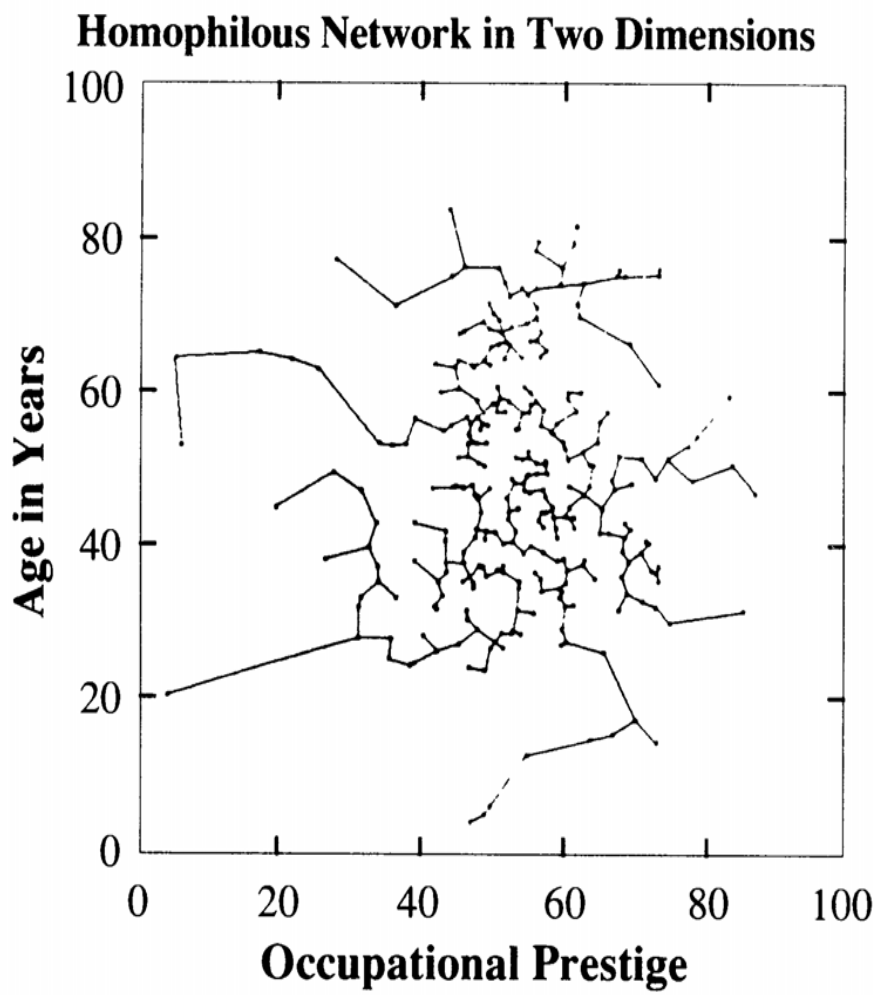
Age	< 30	30 - 39	40 - 49	50 - 59	60 +
< 30	567	186	183	155	56
30 - 39	191	501	171	128	106
40 - 49	88	170	246	84	70
50 - 59	84	100	121	210	108
60 +	34	127	138	212	387

Kinds of Homophily

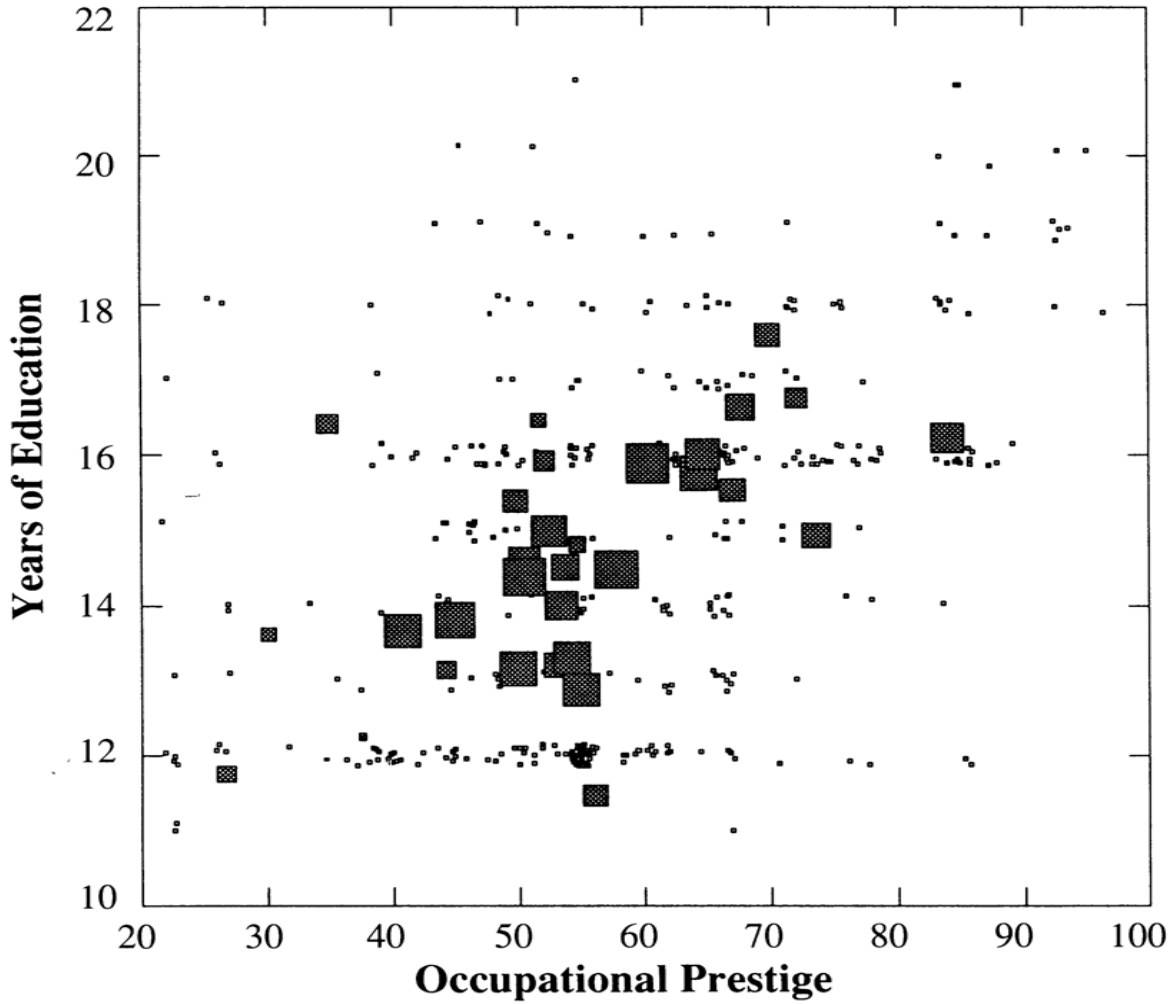
- Choice-based
  - Preference for one's own kind
- Opportunistic
  - Can only interact with those that are available for interaction
  - Demography – relative population sizes
  - Organizational & Event Foci

SocioDemographic Space





Organizations in Socio-Demographic Space



Some Propositions

- Rate of joining new groups increases with the size of individual's ego network
- Network ties to members increase duration of membership
  - Ties to non-members decrease duration of membership
- Similarity increases strength of tie
  - Dissimilar members more likely to leave
  - Majority will often experience minorities as unstable

Ties Between Groups

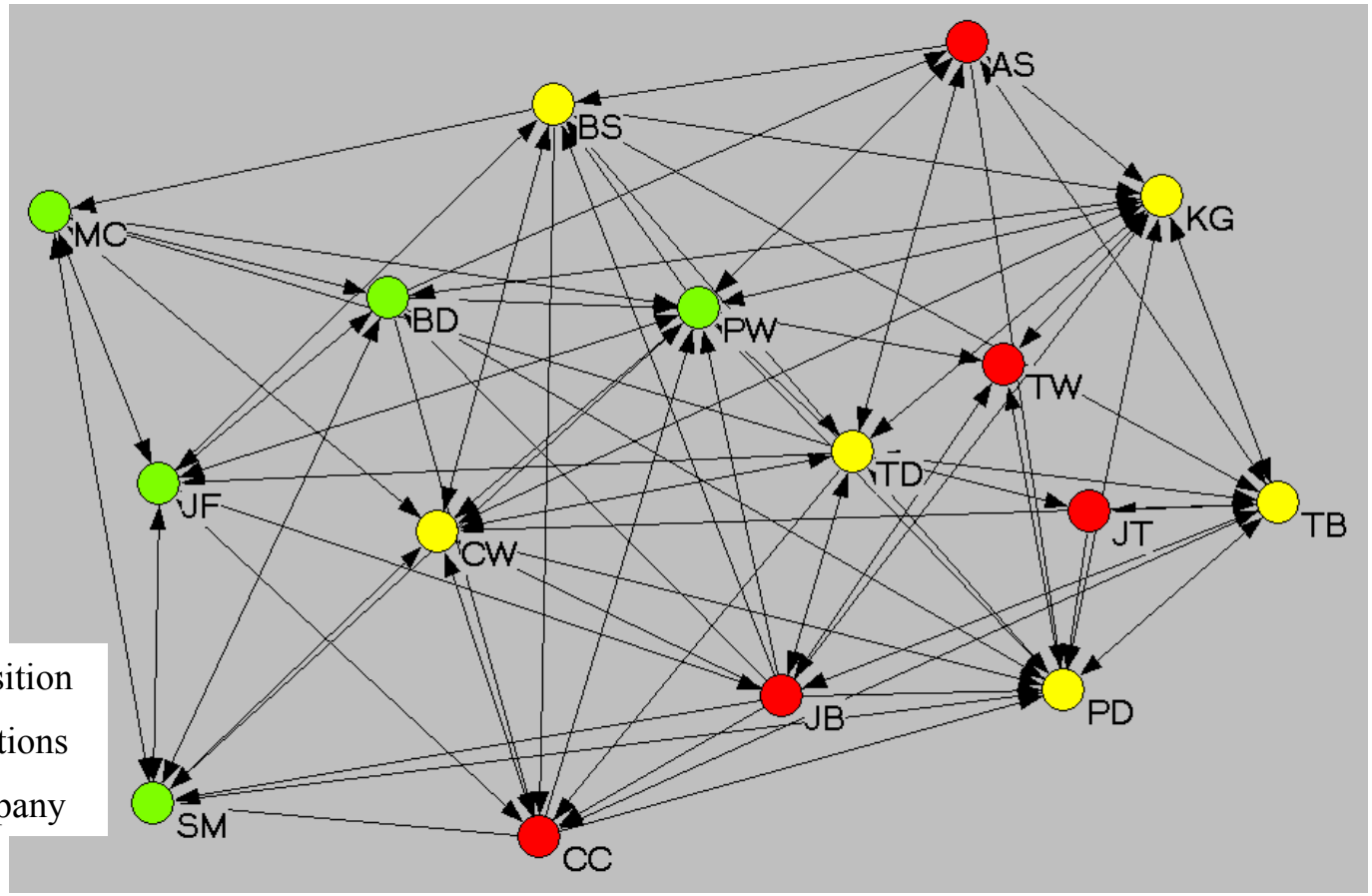
EXHIBIT 2. Collaboration Across Merged Divisions within a Conglomerate

	Div. 1	Div. 2	Div. 3	Div. 4	Div. 5	Div. 6	Div. 7	Div. 8
Division 1	**33%**							
Division 2	5%	**76%**						
Division 3	11%	18%	**45%**					
Division 4	2%	11%	21%	**38%**				
Division 5	6%	7%	12%	6%	**75%**			
Division 6	7%	2%	13%	7%	2%	**76%**		
Division 7	1%	3%	16%	6%	8%	2%	**36%**	
Division 8	10%	2%	9%	6%	3%	10%	0%	**90%**

Simple Answers

Who you ask for answers to straightforward questions.

HR Dept
of Large
Health Care
Organization

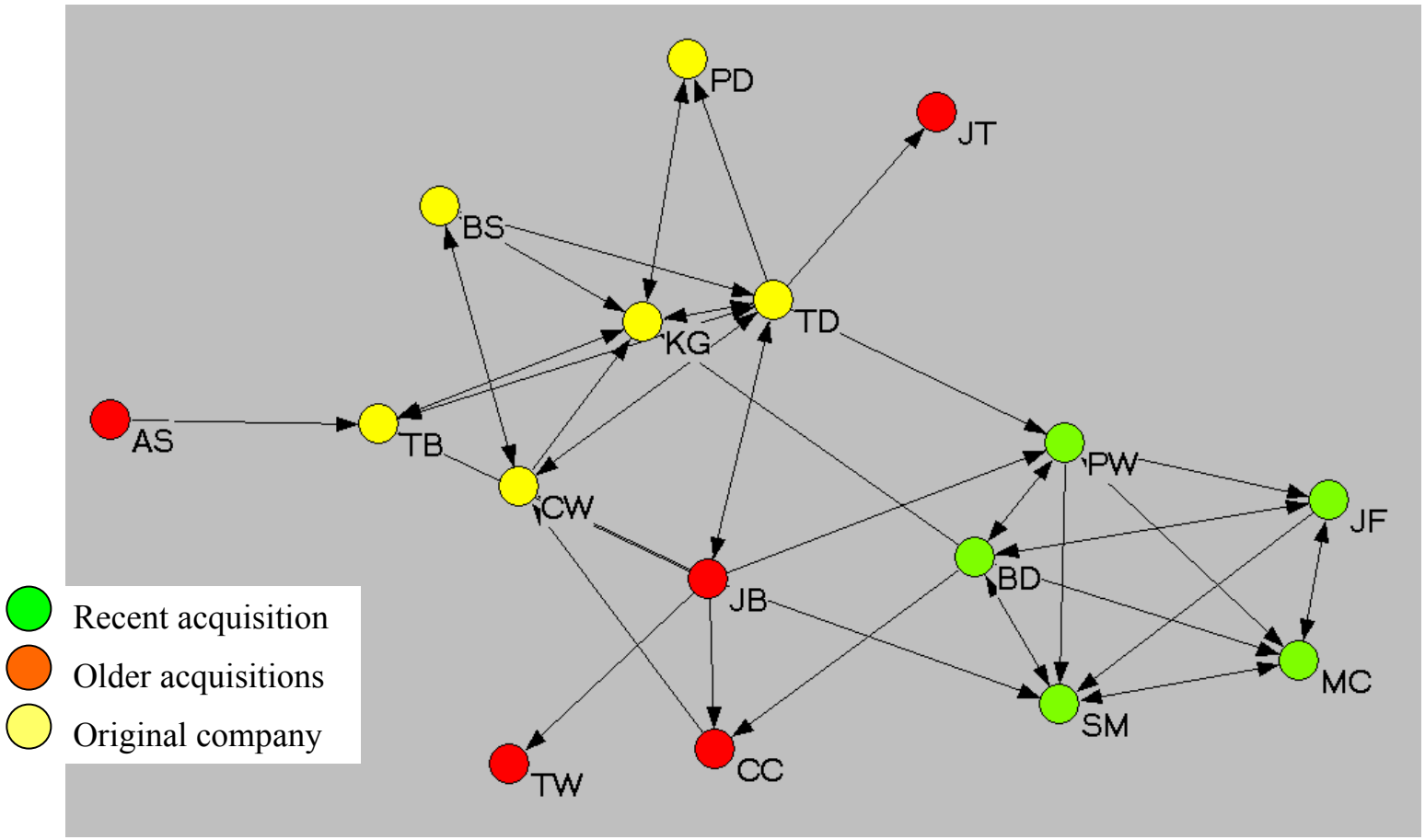


Recent acquisition
Older acquisitions
Original company

Data drawn from Cross, Borgatti & Parker 2001.

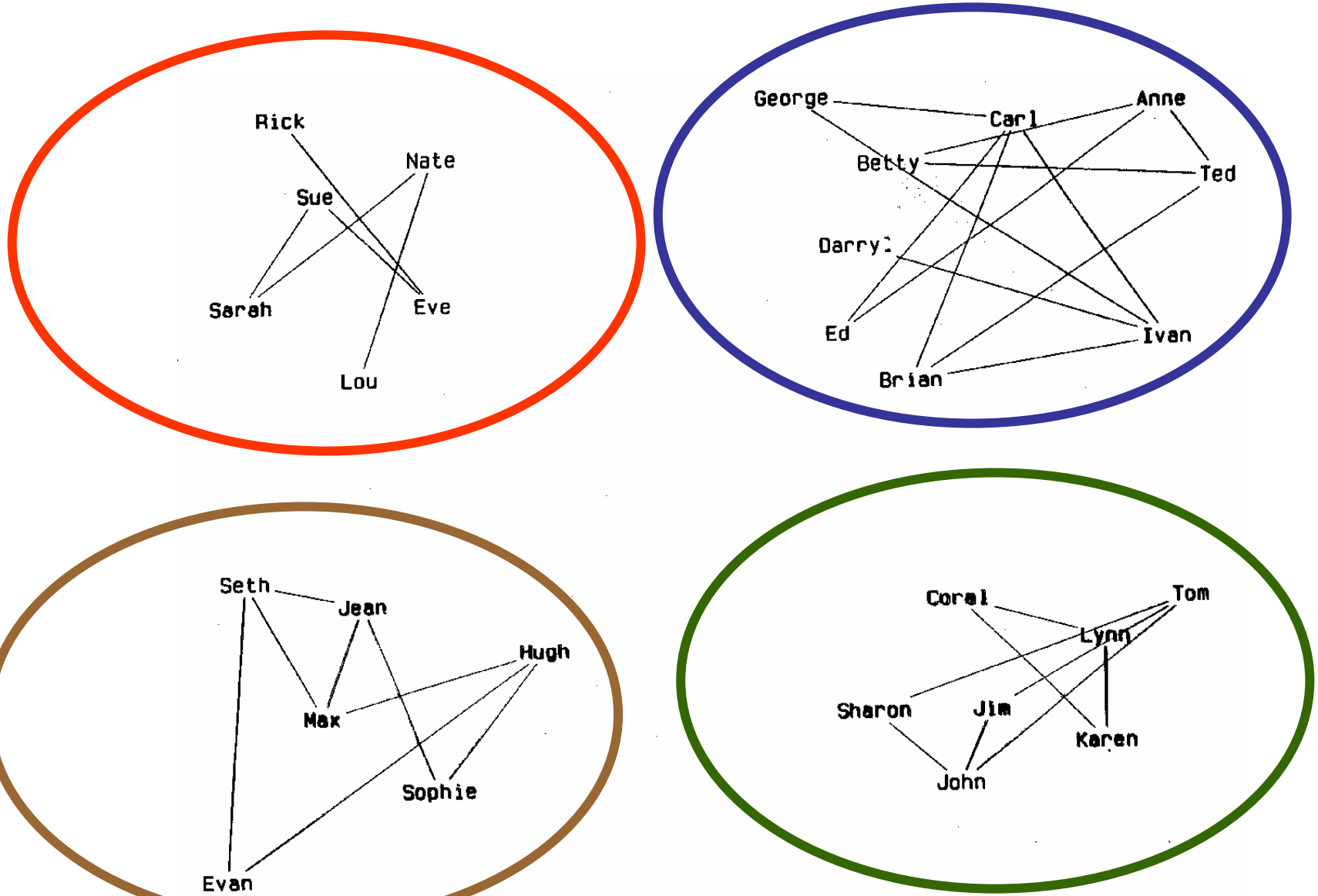
Problem Reformulation

Who you see to help you think through issues

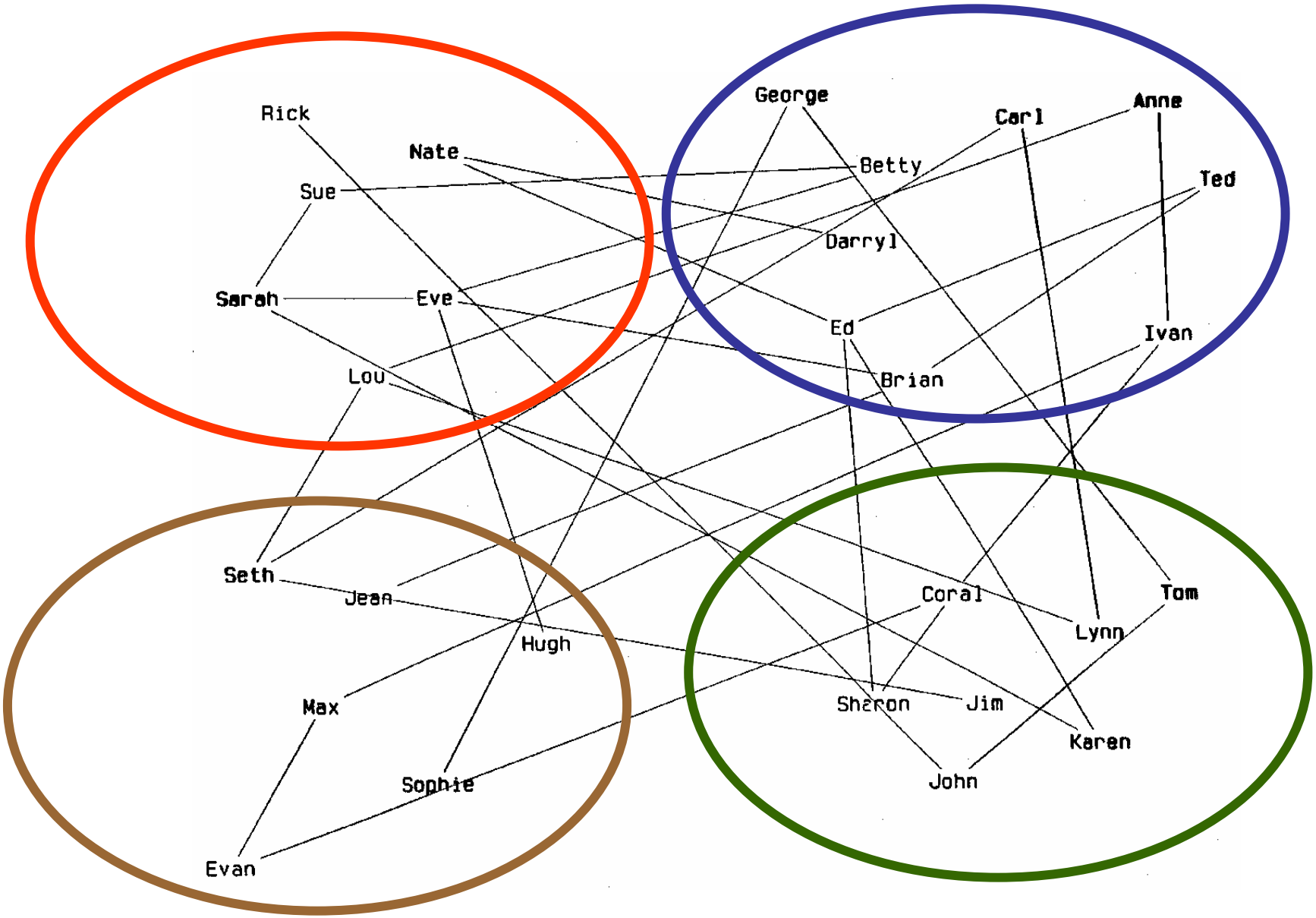


Data drawn from Cross, Borgatti & Parker 2001.

The Natural Organization



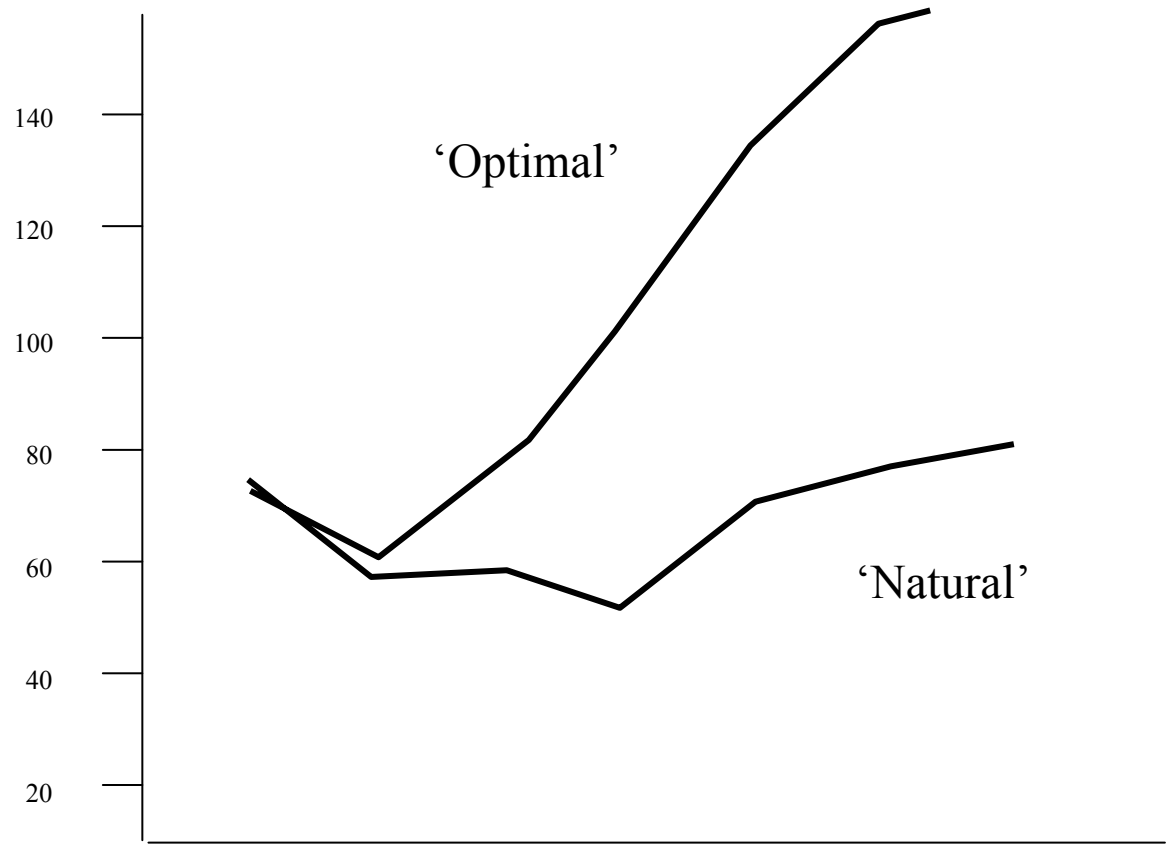
The Optimal Organization



The Experiment - Setup

- Weekend class exercise
- Class divided into two independent organizations
  - Each subdivided into 4 departments, with some interdependencies
- A measure of overall performance which included financial performance, efficiency, and some human resource metrics
- Staffing was controlled by the experimentor
  - “natural org” placed friends together within departments
  - “optimal org” separated friends as much as possible (high E-I value)
- As they went along, the experimenter introduced organizational crises, such as imposing layoffs

Experimental Results



6 trials at 3 universities. Results shown for most dramatic trial only.

Why?

- In crisis, the organization needs to pull together* across departments
- But when you have few close ties across departments
  - The tendency is opposite – start retrenching, pointing fingers
- When you have lots a friends across departments,
  - you trust them not to screw you, and
  - you are more inquiring and willing to share needed information than blaming and hoarding