



## ORGANISATIONAL NETWORK ANALYSIS

Investigating and overcoming  
the barriers to performance.

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WHITEPAPER //

# Organisational *Network Analysis*: investigating and overcoming the *barriers to performance*.

Complete





Organisational Network Analysis (ONA) is a new way of looking at how companies work. It reveals the *hidden dynamics that drive performance* and clarifies *how information flows and decisions really happen*. In this white paper, we explain when and how to use this precision diagnostic to best effect.

Imagine a technology that can identify your most influential executives and quantify their comparative impact operationally, culturally and strategically. A technology that can save you money by targeting your investment on the people and initiatives that will transform your business. A technology that can uncover the people at high risk of exit or those who need more support to prevent underperformance. A technology that can clarify how well connected the critical divisions of your organisation are and whether those relationships are driven geographically, functionally or hierarchically. A technology that can pin point the best people to bridge gaps between different divisions and improve connectivity where you really need it. A technology that can reveal how well each leadership team is performing and the capability gap between the leader and the rest of the team that must be addressed to accelerate each team's contribution.

This powerful technology is Organisational Network Analysis (ONA) and it is being used by some of the smartest companies in the world to help them drive organisational transformation, optimise their talent pool and step change team and divisional performance.

This white paper explains what ONAs are, when to use them and what you should expect the insights to reveal.

*ONA describes how the communications, information and decisions really flow through an organisation.*



## What is an ONA?

The origins of ONA go back more than fifty years, when sociologists in the 1960s started to use mathematics (graph theory) to understand critical workplace interactions. Since then, ONA has developed into a distinct field within the wider function of people analytics.

Typically, an ONA reveals the informal and often invisible interactions between people in organizations. It also provides insights into the quality of those interactions. The insights from an ONA are generally presented in graphical form, in the case of Complete Coherence as series of dynamic and interactive visualisations.

The visualisations (as in the Figure 1 example) show each person as a dot and their connections as lines.

## Why ONA matters

Organisations spend significant amounts of time and money recruiting the best talent and investing in their development. But that does not guarantee they will work well together to deliver strategic objectives and drive growth. This is where an ONA can provide invaluable diagnostic insights. The charts and scatterplots provide precise data on the quality and pattern of the relationships between individuals that drive individual, team and divisional performance.

The ONA provides the critical link between organisational and people development. The journey of an ONA starts with the identification of a key commercial challenge.

It could be over dominant silos or a lack of organisational integration, inefficiencies, underperformance, excess hierarchy, or retention and engagement issues. The ONA can pinpoint what people interventions are required to tackle these organisational challenges because:

- Organisational performance is a function of how different teams in the organisation work within and between themselves
- Team performance is a function of how different individuals show up and drive collaboration within and between those teams

As a result, the ONA can reduce costs and deliver a significant ROI by enabling leaders to know where to best intervene to drive results and what kind of intervention is required.

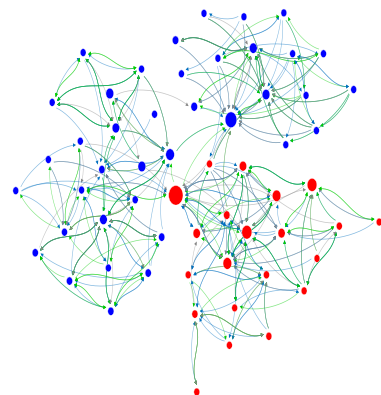


Figure 1. Each dot represents one person and their connections are lines. The blue and red colours signify two different business units in an organisation.

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## Research behind ONAs

The ONA is based on over 50 years of academic research which has demonstrated how networks can highlight the commercial benefit of organisational dynamics to drive:

At Complete Coherence, we have also identified clear ROI around the insights offered by ONA, including:

- **Sales:** Burt found that individuals who form networks across many different parts of an organisation (brokers) perform better, improve sales, and are more likely to innovate
- **Communication:** We demonstrated a management team's communication was only reaching 9% of the business. The ONA identified the five additional names that would double this reach
- **Collaboration and innovation:** Mishra found that Formula 1 teams that leveraged their network brokers performed better in World Championships than those teams that did not
- **Decision making:** We showed that 75% of an executive team's information was coming from within the team. This created an 'echo chamber' that was damaging the quality of decision making
- **Efficiency:** Dyer found Toyota's competitive advantage arose from how effectively it managed its engineering network. By encouraging knowledge sharing between different teams, it increased the efficiency and innovation of engineers
- **Cross-functional working:** We revealed 18% of business units had zero or just one connection with other business units resulting in poor collaboration and sub-optimal outcomes
- **Mergers and acquisitions:** Vanhaverbeke et al examined what differentiated successful from unsuccessful M&A activity through the network of firms in an industry
- **Talent:** The ONA identified 15% 'hidden talent' for leadership positions that had not already been spotted by traditional HR protocols



## When to use ONA

The ONA can add significant value during periods of change and transformation. However, there are some clear organisational 'symptoms' that benefit from ONA insights:

- **Silo working:** The ONA can quantify how siloed and hierarchical your business may be and how to break down such silos and hierarchy through targeted intervention
- **Communication:** The ONA can identify how many innovators you really have and where they are to enable them to be leveraged for enhanced growth
- **Variable or poor productivity:** The ONA can guide performance improvements by identifying which parts of your business may be overloaded and which teams may have spare capacity
- **Decision making:** The ONA can reveal why really good people are leaving, identify causes of sickness absence levels and presenteeism (people turning up for work, but not operating at their best)
- **Wellbeing:** The ONA can identify the wellbeing hotspots in your organisation where individuals are under excessive demand and poorly supported. This enables rapid corrective intervention which can save significant subsequent health care costs.
- **Talent gaps:** The ONA can rank the influence of each individual to reveal where most of your talent is concentrated within the organisation and if induction is working

*The forensic diagnosis offered by ONA can identify the exact cause of these symptoms.*



## How an ONA is undertaken

There are five key steps to the implementation of an ONA:

### Step 1: Define the *need*



The ONA often starts with a short session with key stakeholders (usually the CEO and HRD) to establish the key commercial questions to be answered by the ONA. These questions include reference to the 'symptoms' outlined above. At the end of step one the scope of the survey will be clarified, including the size of the survey population, the number of divisions involved etc.

### Step 2: Collect the *data*



In the Complete Coherence ONA there are just nine questions that participants need to answer via an online survey platform. With automated 'chasing' the data collection step should take no more than two weeks to complete. We average a completion rate of 90% enabling us to provide extremely robust data on an organisation.

### Step 3: *Analyse* the data



It usually takes around two weeks to mine the data and produce an initial set of headlines that can be reviewed to determine the final output and the precise analytics required to generate a comprehensive report that answers the key commercial questions and provide powerful, actionable strategic insights.





## Step 4: *Feedback* at multiple levels



Feedback of the insights generated by the ONA can be provided to individual leaders, teams, divisions or the whole organisation. The decision will depend on how the data-driven insights intend to be used to drive development and change. Feedback of the ONA data set is highly visual and interactive. A data dashboard allows you to interrogate the data yourself.

## Step 5: Act to *change the outcome*



The precision insights from an ONA are only of value if an organisation uses them to drive action. There are few, if any, organisational assessments that offer such precise guidance on what action is needed to address the issues identified in step one.

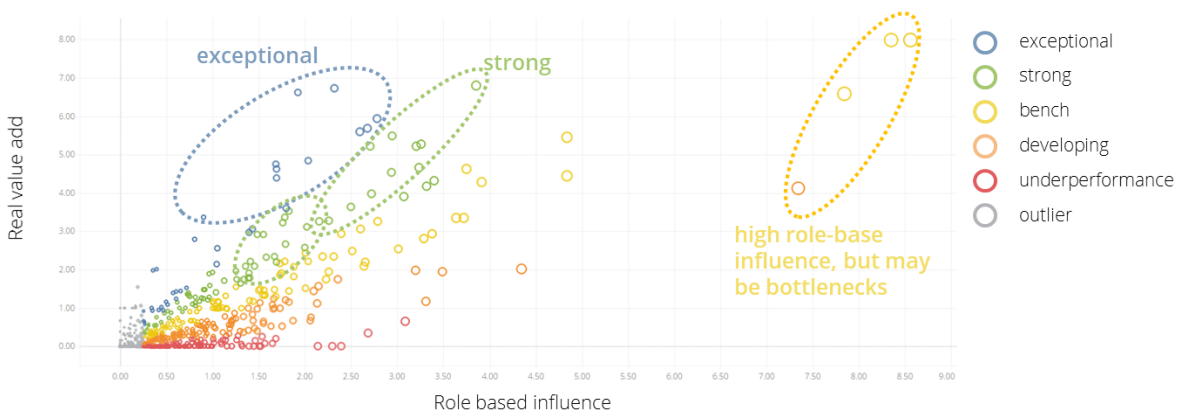


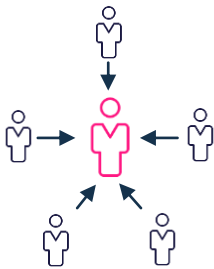
Figure 2. Example ONA output for performance

The *forensic diagnosis* offered by  
ONA can identify *the exact*  
*cause* of organisational  
symptoms.



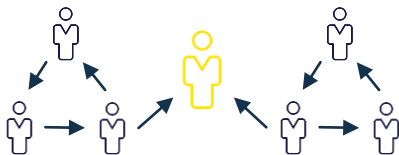
## What relationship dynamics does the ONA work from?

The ONA insights are driven by investigation of the patterns of connections between people and how these connections drive organisational, team and individual performance. The ONA considers:



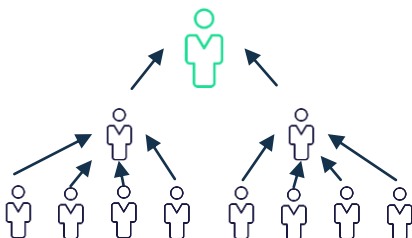
### Demand

the reality of individuals' workloads and whether an individual is underutilised, poorly deployed, under excess pressure, close to burnout or even on the brink of quitting



### Brokerage

how individuals effectively link different parts of the organisation and facilitate undiscovered commercial opportunities, knowledge flows and innovation



### Influence

how people create influence and impact in the organisation, which provides insights into succession planning, talent management and leadership development



## Conclusion

With the right analytical support and high-quality expert consulting, the ONA can be the single most impactful assessment an organisation can undertake. Not only can it reveal the hidden pressure points that could be hindering performance, it can also highlight the hidden talent that may be embedded in your organisation just waiting to be identified and unleashed. It is a truly transformational technology that can be your game changer and provide you with a significant commercial advantage.

## Further Reading

For more background on Organisational Network Analysis (ONA), you might like to read:

1. Sparrowe, R.T., Liden, R.C., Wayne, S.J. and Kraimer, M.L., 2001. Social networks and the performance of individuals and groups. *Academy of management journal*, 44(2), pp.316-325.
2. Scott J. Social Network Analysis. See: [https://www.amazon.co.uk/Social-Network-Analysis-John-Scott/dp/1473952123/ref=sr\\_1\\_1?s=books&ie=UTF8&qid=1542027137&sr=1-1&keywords=social+network+analysis](https://www.amazon.co.uk/Social-Network-Analysis-John-Scott/dp/1473952123/ref=sr_1_1?s=books&ie=UTF8&qid=1542027137&sr=1-1&keywords=social+network+analysis)
3. Serrat, O., 2017. Social network analysis. In *Knowledge solutions* (pp. 39-43). Springer, Singapore.

## References

- <sup>1</sup> Burt, R.S. (2005). *Brokerage and Closure: An Introduction to Social Capital*. Oxford University Press, Oxford.
- <sup>2</sup> Mishra D (2017). Tacit knowledge transfer in inter-organisational networks: A social network analysis of Formula 1. Retrieved from University of Bath Library. 44BAT\_ALMA\_DS 2156360520002761
- <sup>3</sup> Dyer, J. H. & Nobeoka, K. (2000). Creating and managing a high-performance knowledge-sharing network: the Toyota case. *Strategic Management Journal*. 21: 345-367.
- <sup>4</sup> Vanhaverbeke, W., Duysters, G., & Noorderhaven, N. (2002). External technology sourcing through alliances or acquisitions: An analysis of the application-specific integrated circuits industry. *Organization Science*. 13(6), 714-733.



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