

# Location matters when it comes to deal-making, says new study

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Christopher Liu is an assistant professor of strategy at the University of Toronto's Rotman School of Management. His research explores spatial networks: how geography shapes the ability of individuals and firms to enter into some (but not other) relationships and networks. Empirical settings for his work have ranged from scientists working within a biotechnology firm to the US Senate Chamber. He also has a long-standing interest on scientists, innovation and productivity, and continues to actively conduct research in this area. Credit: Rotman School

Even six-year-olds know who you sit beside matters, whether you're in first grade or at a high-powered dinner.

But now a new study, using the U.S. Senate Chamber as its laboratory, provides documented evidence of that phenomenon. It shows that where a person is located influences who they interact with and who they will turn to in order to build support for their own agenda.

For the powerful however, seating arrangements don't make much of a difference. That's because the people they need support from usually come to them.

The study's researchers chose the Senate as "a window into how people rally support for their initiatives," said Christopher Liu, an assistant professor of [strategic management](#) at the University of Toronto's Rotman School of Management. Prof. Liu conducted the study with Rotman PhD student Jillian Chown.

The Senate was ideal for study because of its rich record-keeping. The researchers analyzed co-sponsorship patterns for bills proposed between 1979 and 2001. This was compared with seating charts kept for the same period. Detailed analysis was done on the distance between specific senators' desks to test for the likelihood that senators sitting closer to each other might co-sponsor similar bills.

The study found that co-sponsorship of a senator's bill was more likely to come from those sitting near them. Senators sitting close together were also more likely to co-sponsor the same bills. More senior—and therefore more powerful—senators however were not dependent on their senate location for support on legislative initiatives.

Although the study took place in a political forum, its findings have implications for other organizations that are trying to better understand

the importance of where their employees are located and how to foster interactions between them.

"Geographic location is a managerial lever," said Prof. Liu. "You can't force people to work with one another. But you can make them share a bathroom, or pass one another in the hall."

The study is forthcoming in the *Strategic Management Journal*.

Provided by University of Toronto

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