

Performance improves when the enemy of an enemy is a friend

June 17 2019, by Kayla Stoner



Credit: CC0 Public Domain

New research from Northwestern University finds that balanced professional networks are more important than individual talent when it comes to high-risk decision making.

The study, published in *Nature Communications*, is the first longitudinal study to prove several key tenants of structural balance theory (SBT), which provides an analytical framework to characterize how relationships change over time. SBT consists of four primary rules for relationships among individuals:

1. A friend of a friend is a friend
2. A friend of an enemy is an enemy
3. An enemy of an enemy is a friend
4. An enemy of a friend is an enemy

When all of these conditions are met, a network is said to be balanced. Through a two-year study of day traders, the researchers found that (A) workers gravitate toward a state of balance in their relationships; and (B) performance improves when there is a high level of balance.

"This data shows that companies reap the benefits when [conflict](#) among employees is reduced," said corresponding author Brian Uzzi, the Richard L. Thomas Professor of Leadership and Organizational Change in Northwestern's Kellogg School of Management. "There are certain types of conflict that can't resolve themselves. This work can help managers identify those conflicts and actively step in to resolve them, ultimately leading to [better performance](#)."

From 2007 to 2009, researchers analyzed day traders' instant messages to determine the relationships among traders and compared those relationships to performance data for individual traders, controlling for factors including market volatility and work days. They found that the traders with the highest level of [balance](#) in their networks also made the best trades, regardless of the objective level of talent of any individual [trader](#).

"We suspect that conflict in networks monopolizes some portion of

workers' mental energy," Uzzi said. "Resolving that conflict frees up mental energy to make better decisions and perform at a higher level."

The findings of this study apply to individuals who engage in extensive high-risk decision making, particularly in situations where polarization is common, such as politics or in the military.

Further research is needed to determine whether the same rules hold in other work situations, such as creative and innovative endeavors.

Omid Askarisichani and Jacqueline Ng are co-first-authors of the paper, titled "Structural Balance Emerges and Explains Performance in Risky Decision-Making." Francesco Bullo, Noah Friedkin and Ambuj K. Singh also contributed.

More information: Omid Askarisichani et al. Structural balance emerges and explains performance in risky decision-making, *Nature Communications* (2019). [DOI: 10.1038/s41467-019-10548-8](https://doi.org/10.1038/s41467-019-10548-8)

Provided by Northwestern University

Citation: Performance improves when the enemy of an enemy is a friend (2019, June 17)
retrieved 24 April 2024 from <https://phys.org/news/2019-06-enemy-friend.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.