



## STRUCTURAL HOLES: Shifting Sands of Loyalty

by Kathy Graham

**How can you trust a country, an organization, a company, or an individual who today is your ally—loyal and aligned to your interests—yet who tomorrow might be your adversary?**

The answer lies in Ana Dutra's July 8, 2019 *Forbes* article "The 3 Flavors of Trust in the Workplace" and also in The University of Chicago Professor Ronald S. Burt's "structural holes" research into the ways that social networks create competitive advantage in careers, organizations, and markets.

### WHY LOYALTIES SHIFT

Opportunities occur in markets and organizations where there is an opening for an idea, a different approach...and a country, an organization/company, or an individual(s) seizes that opportunity, filling the "hole" in the structural organization. People—be they a "country," an "organization/company," or "individual(s)," negotiate relations with other people to gain benefits from those relationships that are more beneficial than what they could have alone and are more than what other people have—hence, they are in competition with other people for those valuable productive relationships.

The "structural holes" filled by these countries, organizations/companies, individual(s) may last a long time. The Republic of San Marino has been continuously in existence since its founding in 301 BCE and Nishiyama Onsen Keiunkan, a company founded in 705 AD, is still run by the same family today. More often, structural holes are replaced or absorbed by another opening for an idea, a different approach—a competing structural hole identified and filled by another country, organization/company, or individual(s) with its talented relationships.

"Competition is an intense, intimate, transitory, invisible relationship created between players [people] by their visible relations with others," states Burt in his book *Structural Holes: The Social Structure of Competition*. **Change that structural hole in any way** (one country/company/person walks away to pursue other structural holes offering more benefits or another competitor captures the valuable relationships in a manner that eliminates the other competitors, etc.) **and the people who were competitors may no longer be competitors.**