



저작자표시-비영리-변경금지 2.0 대한민국

이용자는 아래의 조건을 따르는 경우에 한하여 자유롭게

- 이 저작물을 복제, 배포, 전송, 전시, 공연 및 방송할 수 있습니다.

다음과 같은 조건을 따라야 합니다:



저작자표시. 귀하는 원저작자를 표시하여야 합니다.



비영리. 귀하는 이 저작물을 영리 목적으로 이용할 수 없습니다.



변경금지. 귀하는 이 저작물을 개작, 변형 또는 가공할 수 없습니다.

- 귀하는, 이 저작물의 재이용이나 배포의 경우, 이 저작물에 적용된 이용허락조건을 명확하게 나타내어야 합니다.
- 저작권자로부터 별도의 허가를 받으면 이러한 조건들은 적용되지 않습니다.

저작권법에 따른 이용자의 권리는 위의 내용에 의하여 영향을 받지 않습니다.

이것은 [이용허락규약\(Legal Code\)](#)을 이해하기 쉽게 요약한 것입니다.

[Disclaimer](#)

경영학 석사학위 논문

**Value of Friendship: Instrumental and Sentimental
Motivations for Corporate Executives' Networking
Behavior**

2018년 2월

서울대학교 대학원
경영학과 경영학 전공
남 평

ABSTRACT

Value of Friendship: Instrumental and Sentimental Motivations for Corporate Executives' Networking Behavior

Pyung Nahm

College of Business Administration

Seoul National University

Research on corporate executives' social networks has primarily focused on the consequences of interpersonal ties between corporate executives. Relatively little attention has been paid to the motivation of executives in forming and retaining interpersonal ties. The present study addresses this research gap by showing how executives evaluate the potential economic value of interpersonal tie with another executive and decide to build ties based on that evaluation. Drawing on social exchange theory, we argue that corporate executives have instrumental and sentimental dimensions of networking motivations in building and retaining friendship and advice ties with other executives. Our results show that higher (lower) distance along instrumental (sentimental) motivations of networking between executives increases the likelihood of friendship seeking tie since corporate executives evaluate different dimensions of benefits from interpersonal ties. Furthermore, our findings show that corporate executives seek advice from more competent executives, conditional on the executive being a friend. Over time, the sentimental dimension of motivation loses influence on friendship tie but the instrumental dimension of motivation continues to impact corporate executive's networking behavior. Our empirical study utilizing social network data among Korean corporate executives from 2 time periods provides strong support for our theoretical contribution.

Keywords : corporate executives, social networks, motivations, social exchange theory

Student Number : 2015-20603

TABLE OF CONTENTS

1. INTRODUCTION	1
2. THEORETICAL BACKGROUND	4
2. 1. Instrumental and Sentimental Motivations of Friendship	6
3. HYPOTHESES DEVELOPMENT	6
3. 1. Managerial Characteristics as Instrumental Dimension Predictors	11
3. 2. Personal Attributes as Sentimental Dimension Predictors	14
3. 3. Advice Network of Corporate Executives	15
3. 4. Tie Retention of Corporate Executives	17
4. METHODS	18
4. 1. Sample and Data Collection	18
4. 2. Measures	19
4. 2. 1. Dependent Variables	19
4. 2. 2. Independent Variables	20
4. 2. 3. Control Variables	22
4. 3. Models	23
5. RESULTS	23
6. DISCUSSION AND CONCLUSION	27
REFERENCES	32
TABLES AND FIGURES	35
1. Table 1	35
2. Table 2	36
3. Table 3	37
4. Table 4	38
5. Figure 1	39
국문초록	40

1. INTRODUCTION

Organizational scholars have long been interested in how the corporate executive's personal attributes can affect the firm's policies, resources, and performances. A key attribute that has gradually gained attention is the executive's social networks. A central theme of literature on executive's social networks is that corporate leader's interpersonal ties with other corporate executives influence the behavior of the focal leader, subsequently underlying the focal firm's strategic outcome (Ingram & Roberts, 2000; McDonald & Westphal, 2003; Cohen, Frazzini, & Malloy, 2010; Shue, 2013; Nguyen, 2012; Fracassi, 2017). Studies show that corporate executive's interpersonal ties with other corporate executives affect focal firm's outcomes in the dimensions of merger and acquisition behavior, performance, and responses to poor performance (D'Aveni & Kesner, 1993; Ingram & Roberts, 2000; McDonald & Westphal, 2003).

The focus in this literature has been primarily on the consequences of executive's social networks. Yet, despite the growing consensus that executive's social networks with other executives do matter, motivations to corporate executive's networking behaviors remain relatively unclear. Studies mainly rely on social homophily literature to explain tie formations between corporate executives while assuming that the motivation behind networking is primarily affect-based (Ingram & Roberts, 2000; McDonald & Westphal, 2003). By assuming social homophily as the primary motivation, studies presume trust, empathy, and reciprocity to govern these relationships (Kanter, 1977; Lincoln & Miller, 1979). While social homophily is a valid antecedent of friendships and advice ties, it has not been empirically examined in the contexts of corporate executive's social networks. Additionally, some studies assume the presence of interpersonal ties if executives share educational affiliation or membership to a same social club (D'Aveni & Kesner, 1993; Nguyen, 2012; Fracassi, 2017). Without direct analysis of executives' social networks, these studies have taken for granted that similarity in

characteristics foster interpersonal ties between the executives.

What is surprising is the fact that extant literature offers limited insight into another networking motivations of corporate executives: instrumental motivation. Although some studies acknowledge that opportunity-based network motivation is present in the organizational domain (Ingram & Roberts, 2000; Casciaro & Lobo, 2008; Kleinbaum, 2017), extensive consideration of this type of motivation has been limited. Since these studies also focus on the consequences of tie formations, they lack detail in thoroughly discussing what opportunity-based motivations are or how they form. Even with these limitations, these studies are significant in that they recognize the presence of different dimension of motivations in stimulating social ties. Ingram and Roberts (2000) especially emphasize duality in motivations. According to the study, friendships between managers cannot be solely based on non-instrumental causes, but they are also based on instrumental causes.

Since corporate executives' social networks are influential to firms' policies, it is critical to understand the basis of executive's friendship and advice ties to avoid misconceptions on the nature of the relationships. It is unreasonable to consider that interpersonal ties of corporate executives are only based on social homophily when it is apparent that individuals also act in their own self-interest (Ryan & Deci, 2000). Considering that the purpose of corporate executives is to further the growth of their firm or their career (Jensen & Meckling, 1976; Davis, Schoorman, & Donaldson, 1997), executives would build ties with one another based on economic reasons and purposes. Thus, it is important to differentiate and identify the motivations that foster relationships between the executives to wholly comprehend the course of their actions.

The present study proposes a more comprehensive explanation of networking motivations of corporate executives. Building on social psychological perspectives on

friendship (Silver, 1990), and social exchange theory (Blau, 1964; Molm & Cook, 1995), we suggest that there are two dimensions of networking motivations: instrumental and sentimental. We define the instrumental dimension of motivation as characteristics that provide information on potential relationship's economic benefit and value. On the other hand, we define sentimental dimension of motivation as personal attributes that breed trust, empathy, and reciprocity in friendships. By examining how corporate opportunities stem from interpersonal ties, we explore how instrumental dimension influences networking behavior of corporate executives. We also draw framework from social embeddedness (Granovetter, 1985) and literature on social homophily (Lazarsfeld and Merton, 1954; McPherson and Smith-Lovin, 1987) to directly examine the sentimental dimension of motivation.

Specifically, we attempt to answer the following research questions. First, based on what motivations do corporate executives seek friendship and advice ties with other corporate executives? By analyzing both instrumental and sentimental dimensions of corporate executive's networking behaviors, we seek to close the theoretical and empirical gap in research on networking motivations of corporate executives. Second, why do corporate executives maintain some ties while others decay? Prior studies mainly focused on consequences of network and less on tie formation and retention (Dahlander & McFarland, 2013; Kleinbaum, 2017). While examining motivations to network forming behaviors, we also show how these motivations lead to retention of ties between corporate executives. We try to answer these questions by analyzing friendship and advice seeking behaviors, which are represented by directional dyads. We analyze directional ties instead of mutual ties because we attempt to analyze the behavioral patterns of how one corporate executive evaluates networking opportunity with another.

Overall, our study makes several contributions. First, we contribute to the literature on upper echelons by examining the motivations of top executives in forming interpersonal ties.

Previous literature has been relatively silent on the factors that drive executives' tie forming behaviors. We show that corporate executives evaluate potential ties in terms of corporate opportunities and deliberately selects other executives to network with. We also provide empirical support for the taken-for-granted assumption that social homophily is a valid mechanism that generates friendship between corporate executives. Second, we also enhance understanding of who corporate executives seek advice from. Previous literature on advice tie have offered different arguments to who a focal actor chooses to seek advice from. One stream of research emphasizes that individuals seek advice from their friends (Anderson & Williams, 1996; Fischer, 1982; Rosen, 1983), while the other stream argues that individuals seek advice from others who they perceive to be competent (Lindenberg, 1990; Doreian & Stokman, 1997). We seek to reconcile these two arguments by showing that executives seek advice from alter executives who occupy higher ranks, conditional on the alter being considered a friend of the focal executive. Third, we contribute to the social network literature by suggesting how corporate executives selectively decide to continue some interpersonal ties while letting other ties decay. Tie retention has received limited attention, particularly in the context of executives' social networks. We show that sentimental motivation loses influence on network motivations over time, while instrumental dimension continues to impact executives' networking behaviors.

2. THEORETICAL BACKGROUND

Research effort has been directed to understanding the effect of executives' social networks on firms' policies and outcomes. Previous research have indeed found that executives' social networks influence firms' strategies (D'Aveni & Kesner, 1993; McDonald & Westphal, 2003; Shue, 2013; Nguyen, 2012), performance outcomes (Ingram & Roberts, 2000) and establishment of economic ties (Siegel, 2007; Vissa, 2011). Prior studies also suggested that

CEOs' interpersonal ties with board director members impacts the CEO's political power within the firm (Westphal & Zajac, 1997; Westphal, 1999). These studies identified social and psychological processes such as peer effect, normative control, and in-group identification that explain how social networks of executives affect the focal executive's decision-making process. For example, Shue (2013) found that executives that were placed in the same executive program section are more likely to display similar policies in compensation and acquisitions strategy due to peer effect. Since executives continue social interactions with their peers even after executive program ends, corporate policies converge by program sections, especially the year after alumni reunions. As this study demonstrates, social process embedded in social interactions of corporate executives are likely to influence the decisions that focal executive makes.

Work in this domain primarily operationalized interpersonal ties of corporate executives in two ways. First, a bulk of research considered executives to be connected if they shared past employment, educational affiliation or memberships in clubs (D'Aveni & Kesner, 1993; Cohen, Frazzini, & Malloy, 2010; Nguyen, 2012; Shue, 2013; Fracassi, 2017). While these studies have offered considerable findings on firms' strategic outcomes, they have assumed that friendship or advice ties exist between the executives without direct analysis. They account for motivations and antecedents to social ties and infer the ties to be present. If executives shared one or more of the above characteristics, the presence of social tie was assumed between the executives. This assumption, however, is problematic and the validity of the results can be questioned. For example, in Fracassi (2017), top executives are assumed to have interpersonal ties if they share educational affiliation and past employment. The study shows that if more interpersonal ties are shared between two firms' top executives, it is more likely that the two firms would implement similar corporate investment policies. Yet, an alternative explanation could be that people cultivate similar values when they share common experiences, and this value, instead of social ties might be the cause to similar policies being

implemented. Thus, without direct examination of whether interpersonal ties actually exist, it might be difficult to project that similarity in corporate policies is caused by interpersonal ties.

Second, some researchers have managed to conduct network surveys on executives regarding their friendship and advice relationships with other executives (Westphal, 1999; Ingram & Roberts, 2000; McDonald & Westphal, 2003; Vissa 2011). With their empirical data on social networks, this domain of research provides more plausible results of how executives' social networks affect firms. While the presence of interpersonal ties is supported by social network data, less is known about the antecedents that created these ties. Most studies have mainly assumed that social homophily is the primary antecedent to friendship formation and relied on affect-based motivation to explain why friendship ties between executives were present. Yet, as Ingram and Roberts (2000) emphasized, hotel managers also consider opportunity-based motivation in generating friendships with other managers. Thus, the picture is half-complete and half-clear, if studies only consider one dimension of motivations as antecedents to executives' social ties.

2. 1. Instrumental and Sentimental Motivations of Friendship

Theoretical support for multi-dimensions of motivations is rooted in social psychological perspective on friendships. Silver (1990), in the paradigmatic study of friendship, emphasizes the distinction between sentimentality (personal) and instrumentality (impersonal) in friendships. The two dimensions are differentiated based on the reasons why the friendships are constructed. The study notes that in personal friendships, the instrumental conditions of the bond are collateral or inessential because this aspect of friendship is based on true affect. Since this study suggests that instrumental conditions of friendships are insignificant when constructing sentimental friendships, it implies that an individual does not engage in relationships with the goal of achieving personal objectives. In contrast, a relationship is

instrumental to the extent that the substitution of persons is inconsequential for its constitutive features. Impersonal friendships are guided by instrumental conditions and in this type of friendship, individuals can be easily substituted since such relationships were formed with personal objectives. In other words, friendship based on instrumentality sees the relationship with a certain individual as a tool to achieve a personal objective.

The distinction between sentimentality and instrumentality in friendships resemble how social psychologists distinguished different types of motivations leading to an action. One aspect of self-determination theory emphasizes the difference between intrinsic and extrinsic motivation (Deci & Ryan; 1985). Intrinsic motivation implies taking action because it is inherently interesting or enjoyable while extrinsic motivation refers to taking action to attain a separable outcome (Ryan & Deci, 2000). This simple dichotomy in motivation can be applied to social relationships. Since sentimentality in friendships emphasizes the importance of individuals and the relationship, rather than personal objectives, this dimension is represented by intrinsic motivation. On the contrary, instrumentality in friendships reflects extrinsic motivation since relationship target is only significant in terms of whether personal objectives to attain a separable outcome can be achieved by the presence of relationships. This implication of friendship seems controversial since the more traditional definition of friendship emphasizes trust, empathy, and reciprocity.

Nonetheless, social exchange theory shows how relationship building process may be guided by instrumental concerns. The heart of exchange theory lies with reward and value. This theory suggests that relationships are pursued in a self-interested manner, seeking to maximize the benefits and minimize the costs of their social relationships (Blau, 1964; Molm & Cook, 1995). Blau specifically defined exchange behavior as “voluntary actions of individuals that are motivated by the returns they are expected to bring.” (Blau 1964:91). In accordance with Blau, Homans (1974) puts forth two propositions regarding the “degree of reward” (1974:25) in social

exchange behaviors between individuals. One proposition is ‘value proposition’ which states that “the more valuable to a person is the result of his action, the more likely he is to perform the action.” (p. 25) This proposition suggests that probability of establishing a social relationship with an alter increases if the potential value of the relationship increases. It indicates that by pursuing value maximization even when forming relationships, people attempt to act in an economically rational and profitable fashion.

The second proposition is the ‘rationality proposition’ that posits that in selecting among alternatives, a person is more likely to choose the one that is most likely to bring value. This interpretation of the second proposition is based on economic decision theory. It is generally understood in economic theory that an intelligent and well-informed actor formulates probabilities and estimates expected utilities for alternative actions prior to deciding and acting. These cognitive processes prior to making a decision are referred as the “rationality” aspect along with the calculation of probabilities of attaining value (Emerson, 1976). This implies that people generally calculate the possibility of attaining value before making a decision to establish a social tie.

In social networks literature, researchers have tended to overlook individual cognition in building ties (Kilduff & Krackhardt; 1994; Kwon & Adler, 2014) and focused more on the structure of the network. Kilduff & Krackhardt (1994) has, however, emphasized the importance of cognitive process similar to economic decision theory by arguing that “pricing” of individuals occur in organizational context. Within an intra-organizational network, individual’s performance is hard to assess, so people seek for signals of quality (Spence, 1973), such as who the actor is friends with. In this study, performance reputation of an individual depended on the prominence of individual’s most prominent friend, regardless of actor’s status and actual performance. This study implies that there are certain characteristics, prominence of individual’s friend in this case, that signal the value of a focal individual to other actors.

According to “rationality proposition”, similar cognitive process of “pricing” is likely to occur based on other focal actor’s characteristics and individuals’ decisions to engage in relationship with the focal actor would depend on this value evaluation.

In instrumental relationships, studies indicate that value and reward are represented by monetary concerns and they are naturally the subject of exchanges (Sahlins, 1972; Bearman, 1997; Flynn, 2005). To corporate executives, monetary means could be represented by various components, such as corporate opportunities, job offers, status and prestige enhancement, and alliance offers. In addition to monetary means, Casciaro & Lobo (2008) posits that a critical component of organizational life is that people seek relationships with others whom they believe to have valuable and complementary task-related skills. In the corporate executive context, valuable and complementary skills could be represented by accessibility to information and experience in leading a firm. To corporate executives, both monetary and non-monetary concerns are valuable since they can expand executive’s position both within the firm and in the industry in general. Thus, based on Silver (1990) and social exchange theory, we define the instrumental dimension of motivation as characteristics that allow assessment of potential relationship’s economic value in terms of corporate opportunities and information.

Some scholars contend with the economic based theory interpretation of rationality proposition (Bierstedt, 1965; Emerson, 1976) and argue that social exchange theory cannot be narrowed down to actions based on deliberate economic rationality. This perspective argues that value is not the condition of relationship-building that requires calculation, but instead, the condition of retaining relationship (Emerson, 1976). Rather, value only matters once the relationship becomes susceptible to norms of reciprocity because if value is not exchanged or one-sided after the relationship is established, the relationship might not persist. This contradicts economic decision theory as this perspective does not consider value as the primary means that influence individual’s decision to build relationships.

Moreover, according to this perspective, “goods” exchanged in social exchange include not only extrinsic economic benefits but also intrinsic benefits such as assistance and socioemotional support (Foa & Foa, 1974). Individual’s goal in building a relationship may not be to achieve personal objectives, but to meet people whom one could trust and rely on. Friendships between individuals that share similar beliefs, opinions, and value are likely to generate relationships of trust, empathy, and reciprocity (Kanter, 1977; Lincoln & Miller, 1979). This perspective, therefore, suggests that relationships would be established based on similarity in personal attributes, and value would be generated once trust forms.

This interpretation of ‘rationality proposition’ of social exchange theory is similar to what social embeddedness literature argues. This literature suggests economic value would only be realized in exchange relationships once a close social relationship is established. This argument posits that corporate executives may approach and seek ties with other corporate executives after assessing the potential economic value of the relationship, but such benefits will not be realized in relationships formed for purely instrumental purposes (Granovetter, 1995; Burt, 1992). Instrumental objectives may affect networking behavior but it cannot necessarily be the sole reason for friendship seeking. Individuals pursuing and maintaining relationships as a means to material gain will obtain neither sentimental nor instrumental benefits because they will fail to evoke trust, empathy, and reciprocity (Granovetter, 1995). We define these personal attributes that generate trust, empathy, and reciprocity as the sentimental dimension of motivation.

In this study, we use survey data on top executives’ friendship and advice seeking interactions in an executive program context to explain motivations of executives in seeking interpersonal ties. By conducting network surveys twice on a particular cohort, we also examine our proposed theoretical framework on networking motivations in continued friendship seeking. Overall, with this dataset, we provide insights on who corporate executives decide to form and

continue interpersonal ties with.

3. HYPOTHESES DEVELOPMENT

3. 1. Managerial Characteristics as Instrumental Dimension Predictors

Building on these two dimensions of networking motivation, the aim of this paper is to elucidate mechanisms behind focal executive's decision to form and retain ties with alter executives. We have suggested that instrumental dimension of networking motivation refers to seeking friendships that may increase their economic value. From previous literature, we believe instrumental motivation of executives in forming networks would be to advance their objectives of growth of the firm or their career. As economic actors in the business society, corporate executives' main objective is to enhance firm's performance and meet shareholder's demands (Davis, Schoorman, & Donaldson, 1997). Successful performance of their firm also enhances the social prominence, public prestige, and political power of the senior executives, in addition to the increase in compensation and bonus. Personal benefits to the executives, therefore, also follows the goal of meeting shareholder's demands. Corporate executives, however, may directly attain personal benefits by setting advancement in career and social standing as primary objective. Agency view suggests that corporate executives could divert from the objectives of enhancing firm's performance and utilize the firm's resources to enhance one's personal pursuit of perquisite or prestige (Jensen & Meckling, 1976).

The potential presence of opportunities, both for the firm and the executive, could be inferred from the managerial characteristics of the alter executive. As corporate executives are rely on simplified mental models of reality to organize their knowledge (Cyert & March, 1963; March & Simon, 1958), executives evaluate potential relationship's economic value based on characteristics that signal quality (Spence, 1973). Additionally, powerful individuals like

executives tend to objectify others, as objectification is a process that interprets others as tools in attaining personal gain (Gruenfeld et al., 2008; Casciaro, Gino, Kouchaki, 2017). Thus, we believe focal executive would evaluate and objectify alter executive based on managerial characteristics such as corporate rank and the firm's size, which signals the presence of corporate opportunities.

Personal attributes such as values, age, and place of birth is less likely to provide any information that individuals need to assess a potential relationship's benefits. Information on opportunities is more likely to come from executives who occupy higher positions in the firms since these executives are able to influence their firm's policies (Quigley & Hambrick, 2015) or influence the appointment of executives and directors of other firms (Useem, 1984; Finkelstein, 1992; Westphal, 1999). Executives in lower ranks would, therefore, build friendships with higher ranked executives to establish alliance or collaboration or receive board appointments. Thus, the hierarchical distance in rank in their respective firms shows whether an alter executive is a valuable source to form a tie or not.

Additionally, according to the balance theory (Heider, 1958), an individual connected to another individual who is perceived positively is also likely to be perceived positively. Similarly, literature in status dynamics indicate that status would be transferred from higher status actor to lower status actor if both actors are engaged in alliance or collaboration (Podolny, 1993, 2001; Podolny & Phillips, 1996). These studies infer that lower ranked top executives have much to benefit by seeking friendships with higher ranked executives. By instrumentally seeking friendships with relatively higher ranked executives, executives can enhance their perception of influence and status.

As with executive's rank in a firm, the size of the firm that the executive represents also signals instrumental opportunities. Holl and Pickering (1988) note that a firm's size reflects resource availability, larger the firm, the more resources at their disposal, implying that larger

firms have more resources that they could invest. Additionally, since larger firms are more visible, they draw more spotlight from external stakeholders such as the state, the media, and the general public (Edelman, 1990; Dobbin, Sutton, Meyer, & Scott, 1993; Waddock & Graves, 1997). If executives of small firms are able to build an alliance or collaborate with large firms, their firms would also gain the attention of other stakeholders. In addition, the larger the size of the firm, the more power this firm has over its network partners (Shipilov, 2006). Larger firms are therefore more able to impose favorable conditions of exchange on its partner firms and make demands. Executives of smaller firms can benefit from this power imbalance by seeking friendship with executives from larger firms. For instance, executives from larger firms may force its partner firms to establish an exchange relationship with the firms that are led by close friends. In another note, since larger firms occupy the central position in the collaborative networks, executives of large firms would have greater access to novel information and knowledge than executives from smaller firms. Thus, corporate executives from smaller sized firms would seek friendship with executives from larger sized firms for the potential opportunities of obtaining resources, social capital, information, and knowledge.

The managerial characteristics of corporate rank and firm size portray the availability of numerous potential corporate opportunities such as board appointments, alliances or resource exchange. As Kilduff and Krackhardt (1994) suggests, the same set of nodes and relationships can be perceived differently by different individuals and these perceptions would influence focal actors' decisions on who to become friends with. Thus, the focal executive would evaluate alter executives based on the characteristics that the focal possess. As the relative difference in these characteristics increases between the focal executive and his/her potential network alter, more opportunities would be present. The value of friendship, therefore, increases and the focal executive would likely seek the friendship with the alter executive. Thus, we propose the following hypothesis:

Hypothesis 1: The higher the distance along the instrumental dimension of motivation (corporate rank and firm size) between the focal and alter executive, the more likely focal seeks a friendship of alter.

3. 2. Personal Attributes as Sentimental Dimension Predictors

Social homophily literature provides that close friends share similar characteristics (Lazarsfeld and Merton, 1954; McPherson and Smith-Lovin, 1987) and also share similar beliefs, opinions, and values (Ibarra, 1992; Sutor and Keeton, 1997). Friendships formed from these similarities are believed to increase the ease of communication, the predictability of behavior, and the likelihood of relationship with trust, empathy, and reciprocity (Kanter, 1977; Lincoln & Miller, 1979). Since similarity generates trust, empathy, and reciprocity, sentimental dimension reflects social homophily.

As mentioned above, the interpersonal similarity of personal attributes such as age, religion, and values fosters a relationship of trust and reciprocity (Kanter, 1977; Lincoln & Miller, 1979). Additionally, sharing educational affiliation is also a salient basis for sentimentality in relationships. Shared educational background imprints individuals with similar beliefs which subsequently facilitates trusting interpersonal relationships (Marsden, 1988; Rider, 2012; Fracassi, 2017). While these attributes may signal executive's preferences and personalities, they do not provide any information on whether such friendships would result in economic benefits or values. These attributes only display information about who the person is. As these studies suggest, we believe corporate executives would also seek friendships with other executives with similar values (political ideology, and religion), age, and educational affiliation, because these similarities are likely to foster trust, empathy, and reciprocity.

In addition, in our empirical context, the region of origin is another important factor that breeds social homophily. Regionalism has a long history in Korea (Siegel, 2007), so

Koreans were taught from an early age about discrimination that their regional compatriots had endured over the ages and that people from other regions should not be trusted (Yu, 1990). An individual's region of origin is, therefore, an additional factor in seeking trust-based network ties. We posit that executives would be able to approach and communicate more easily with other executives who have similar age, value, and region of origin. Thus, we propose the following hypothesis:

Hypothesis 2: The lower the distance along the sentimental dimension of motivation (age, values, university and region of origin) between focal and alter executive, the more likely focal seeks a friendship of alter.

3. 3. Advice Network of Corporate Executives

Advice network is defined as network “comprised of relations through which individuals share resources such as information, assistance, and guidance” (Sparrowe et al., 2001: 317). Although advice ties of corporate executives have been relatively less explored than friendship ties, advice networks of corporate executives are as influential as the corporate executive's friendship network. For example, McDonald and Westphal (2003) analyzed how CEO's advice networks are likely to cause firm's strategic inertia in times of low performance. The study suggested that poorly performing CEOs may seek advice from executives of other firms whom they socially identify with to restore their confidence in decision-making. As this study shows, focal CEO's personal advice networks with other CEOs may impact the focal firm's strategic policy more than the members of the focal firm.

Our theoretical perspective would again suggest that corporate executives would seek advice from other executives that they consider to be more valuable. Studies on advice network highlight the importance of individual's perception of potential contacts' characteristics and abilities when seeking advice (Lindenberg, 1990; Doreian & Stokman, 1997). Revered

characteristics and abilities would be the primary standards that executives seek in advisors since individuals who possess characteristics that make them valued sources of information and insight, also gain positions of advice network centrality (Klein et al., 2004). These studies suggest that people seek advice from others who are valued sources of information or have higher abilities. In the corporate executive context, valued information is more likely to come from executives who are ranked higher or represent firms that are larger. High-rank executives, by the virtue of their title, holds higher status (Mills, 1958; Giddens, 1972) while executives from larger firms occupy more central positions in the collaboration networks of firms (Shipilov, 2006). These executives are therefore more likely to receive valuable information than smaller firms. Thus, we expect the distance along the instrumental dimension of friendship between executives to be positively associated with the likelihood of advice seeking.

Prior studies on advice seeking, however, have diverged in explaining from whom individuals would seek advice. Another stream of research suggests that individuals would seek advice from others who they consider to be their friends (Anderson & Williams, 1996; Fischer, 1982; Rosen, 1983). We reconcile the two arguments by showing that advice seeking ties is contingent on friendship seeking tie. We argue that executives seek advice from their other executives whom they were instrumentally motivated to become friends with. Friendship ties would, therefore, mediate the relationship between the instrumental dimension and advice seeking ties. Thus, we propose the following hypotheses:

Hypothesis 3a: The higher the distance along the instrumental dimension of motivation (corporate rank and firm size) between focal and alter executive, the more likely focal seeks an advice of alter (main effect).

Hypothesis 3b: Friendship seeking ties that are formed by instrumental motivations will mediate the main effect.

3. 4. Tie Retention of Corporate Executives

According to social exchange theory, cost of the relationship is defined in the form of rewards forgone (Emerson, 1976). For example, individuals could have spent their time and effort in some other relationships where the return of value is more probable and high. In the context of corporate executive's networks, we believe executives would retain valuable ties while letting less valuable ties to decay. Since tie maintenance depends on tie existence, deliberate and selective choice plays a more prominent role in tie retention (Kleinbaum, 2017), leading to discontinuity of less valuable ties. In addition, it takes resources to retain relationships. Based on social exchange theory, individuals would minimize the cost of their relationships by discontinuing less valuable relationships (Blau, 1964; Molm & Cook, 1995). Thus, since both value and cost determine the instrumental motivations of the executives, among the ties that exist, ties that are more valuable are likely to be continuously sought, while less valuable ties are not. We argue that instrumental dimension would be positively related to the likelihood of tie retention. Furthermore, sentimental motivation would negatively moderate this relationship since similarity in personal attributes would enhance the likelihood of continuance of ties based on instrumental dimensions. Thus, we propose the following hypotheses:

Hypothesis 4a: The higher the distance along the instrumental dimension of motivation (corporate rank and firm size) between focal and alter executive, the more likely focal continues to seek a friendship of alter.

Hypothesis 4b: Sentimental dimension negatively moderates the relationship between the instrumental dimension and the likelihood of focal continuously seeking a friendship of alter.

4. METHODS

4. 1. Sample and Data Collection

We collected survey data from Advanced Management Program (AMP), a semester-long executive program for corporate executives held in a large university in South Korea. This program is specially designed to enrich the corporate executive participants with practical business knowledge and provide a context for corporate executives to meet and build networks with executives from other industries. This program began in 1976, and since then, it has produced more than 5,200 alumni. Each cohort of the program span around 6 months and participants come to the university to take classes at least twice a week. In addition to classes, social events and program trips are organized, creating numerous networking opportunities.

This semester-long program generates advantages in analyzing executives' networking motivations for two reasons. First, participants of each cohort are a representative sample of South Korean corporate executives. We interviewed with the director of the AMP program, who stated that in the application screening process, they look for diversity in industry, positions and firm sizes. Admission is determined by program directors with the goal of creating balanced cohorts so applicants are not admitted just because they are from more prominent firms or because they are CEOs of their firms. Thus, we believe we can generalize our results to the corporate executives in South Korea. Second, in a relatively short period of time, corporate executives generate abundant friendship and advice ties with other participants in the cohort. Thus, this is a good context to observe what principles guide executives' behavior in building ties. Additionally, since most of the participants have not known each other prior to the program, we can make relatively accurate inferences on how the executives formed network ties.

Our sample frame consists of 71 corporate executives from a single cohort. The analysis required collection of three different data sets. First, from the program registrar office,

we collected each participant's demographic, academic and work-related variables. Second, we conducted two network surveys to measure executives' social networks in two time periods: once roughly 5 months after the program commenced (Time 1), and again one year after the program ended (Time 2), which is 13 months after Time 1. Network surveys measured friendship and advice relationships between executives. At Time 1, executives were informed about the survey in class and they were given sufficient time to complete the survey towards the end of the class. Time 1 survey was completed by 50 executives, a response rate of 70.4%. At Time 2, same network surveys were distributed to executives via mail. We distributed the surveys only to the executives that participated in Time 1 survey to examine how their social network ties evolved from Time 1 to Time 2. Out of 50 executives, 29 executives responded and mailed back their surveys, recording 58% response rate for Time 2 survey. Finally, our last set of data are psychometric variables. At Time 1, along with the network survey, we distributed personality and value survey in which we collected each executive's self-reported score on self-monitoring, charisma, and achievement motivation. This survey was also completed by 50 executives at Time 1.

4. 2. Measures

4. 2. 1. Dependent Variables

Following the roster model of Marsden (1990), our network survey questionnaire included an alphabetical list of the entire cohort and the executives were asked to provide responses to the following questions for the entire cohort: (1) "Is this person a good friend of yours, someone you would engage in social activities with?" (2) "Do you go to this person for work-related advice?" The first question constructs the friendship network while the second question constructs the advice network. The wordings of the two questions are adapted from Baldwin, Bedell, and Johnson (1997), Ibarra (1995) and Klein et al. (2004). Responses were

given on a Likert-type scale ranging from 0 (no friendship) to 3 (very good friends) for the friendship network and for the advice network, responses ranged from 0 (never asked advice) to 3 (asked advice frequently). The survey scores are then dichotomized to construct dependent variables, friendship and advice seeking ties; response of 0 and 1 indicates no tie (0) is sought from focal executive to alter executive, while 2 and 3 indicate a tie (1) is sought by the focal to the alter. These responses are preserved in a directional matrix for Time 1 and Time 2 to reflect the ties that one executive indicated for the other.

Our dependent variables are *friendship tie seeking*, *advice tie seeking* and *continued friendship tie seeking*. All variables are directional dyads and binary indicators. Friendship seeking tie indicates that focal executive considers the alter executive as a friend at Time 1 and advice seeking tie shows that focal executive seeks advice from alter executive at Time 1. Our third dependent variable, continued friendship tie seeking, integrates friendship seeking ties at Time 1 and 2. Conceptually, this tie occurs when focal executive continues to consider alter executive as a friend over time. We operationalize continued friendship tie seeking as occurring when focal executive A reports having friendship tie to alter executive B at Time 2, conditional on A having reported to have friendship tie with B at Time 1.

4. 2. 2. Independent Variables

To obtain independent variables, the distance along the instrumental and the sentimental dimension of friendship between focal and alter executives, we subtracted the focal's value from the alter's value for each variable following Rider (2012). For constructing distance in instrumental dimension, we utilized executive's corporate rank and firm size. Corporate ranks were coded from 1 to 6 with 6 indicating CEO or chairman of the firm and 1 indicating department head of a firm. Other corporate ranks include senior executive vice president, executive director, and managing director. *Corporate rank difference* between the

two executives is the alter's rank code minus the focal's rank code, so positive values indicate the alter executive to be positioned at a higher rank. Firm size was operationalized by firm sales in the previous year. *Firm size difference* between the two executives is the natural log-transformed difference in sales, subtracting focal's firm size from the alter's, so positive values indicate alter's firm size to be greater than the focal executive. We utilized principal component analysis to attain uniform measure for distance in instrumental dimension. *Combined rank and size difference* is a product of principal component analysis that combined difference in corporate rank and firm size into one variable.

For constructing distance in sentimental dimension, we utilized personal attributes such as age, region of origin, university affiliation, religion and political ideology. *Age difference* indicates the absolute difference in age between focal and alter executive. We operationalized region of origin with high school location. *Region of origin difference* is a binary indicator of whether or not two executives are from the same origin: "1" indicates difference and "0" indicates that both are from the same region. For university affiliation, I aggregated all schools each individual attended at each higher education institution to the institution level as in Rider (2012). *University difference* is a binary indicator of whether the two executives share the same higher education institution or not. For religion, we asked the executives if they believe in a religion and if so, what religion they believe in. The three popular religions in Korea, Christianity, Buddhism and Roman Catholic, were listed with a choice of other religions or no religion. *Religion difference* is a binary indicator of whether two executives share the same religion or not. Similarly, for executive's political ideology, we asked the executives to identify political parties that they support in South Korea. Four political parties with seats in the Congress were listed and a choice for others or none was given. *Political ideology difference* is a binary indicator of whether the two executives support the same political party or not. Following Belliveau, O'Reilly, and Wade (1996), we obtained *dyadic social similarity* measure

by combining the results of 5 variables to form the index of distance in sentimental dimension.

4. 2. 3. Control Variables

We include a number of variables in our models to control for tie seeking behaviors that may be driven by contextual and/or empirical effects. To capture the effect of industry, we control for *industry difference* in the dyad. To capture the effect of being publicly listed, we control for *listed firm difference*. The proximity of firms' location between two executives provides more opportunities for meeting and engenders lower cost for maintaining ties. We therefore construct for *firm location difference* which measures whether the two executives' firms are located in the same administrative district and control for this variable. Similarly, we control for current residence location as the proximity of residences also affects the chances of establishing and maintaining ties. *Current residence difference measures* whether the two executives' residences are located in the same district or not. We also control for placement of program group and project group in the AMP. Previous research on MBA program suggested that being placed in the same section increases the likelihood of friendship formation and retention among the members of the same group (Shue, 2013; Kleinbaum, 2017). Program and project group are formed by AMP registrar office with two principles: balancing the group in terms of industry, firm size and corporate rank, and minimizing overlap between program and project group. There are 5 program groups, each consisting roughly 15 executives and there are 10 project groups, each consisting roughly 7 to 8 executives. Many social events are planned in group levels and executives spend most of their time at the AMP with their program group members according to our interviews with a former AMP participant and AMP director. Thus, it is critical to control for *program group difference* and *project group difference*.

4. 2. 4. Models

All models were estimated on dyad-level data with binary dependent variables using

logistic regression. We constructed all possible dyadic ties between the executives and analyzed the likelihood of friendship seeking and advice seeking. Continued friendship seeking tie analysis was based on friendship seeking ties that existed in Time 1.

5. RESULTS

Descriptive statistics and bivariate correlations are shown in Table 1 and Table 2 reports the results of our logit regression analysis for hypotheses 1 and 2. Models 2-4 in Table 2 test our hypothesis 1 with respect to instrumental dimensions. It is important to recall that our independent variables measure the distance between the focal executive and alter executive in managerial characteristics. The interpretation of the regression is fairly straightforward when considering distance in instrumental dimension because high values of corporate rank difference and firm size difference indicate alter executive as higher than the focal executive. Thus, our prediction would anticipate a positive regression coefficient for this variable with respect to the likelihood of friendship seeking tie from the focal to the alter. Model 2 displays a significant positive effect of corporate rank difference ($\beta=0.076, p < 0.01$). In model 3, we enter both corporate rank difference and firm size difference. The coefficient for corporate rank difference remains significantly positive ($\beta=0.144, p < 0.01$) and the coefficient for firm size difference is also significantly positive ($\beta=0.0718, p < 0.01$). This offers preliminary support for Hypothesis 1. In model 4, we test the combined measure of corporate rank difference and firm size difference. The model displays a strong positive significant effect of the combined measure on friendship seeking likelihood ($\beta=0.420, p < 0.01$). In total, the results of model 2-4 show strong support for Hypothesis 1.

=====

Insert Table 1 here

=====
=====
Insert Table 2 here
=====

Models 5-10 test our hypothesis 2 with respect to sentimental dimension. Low values in distance in sentimental dimension indicate that the focal and alter corporate executives are similar. Thus, our prediction would anticipate a positive regression coefficient for variables in this dimension with respect to the likelihood of friendship seeking tie. Models 5 to 9 enters age difference, region of origin difference, university difference, religion difference and political ideology difference one by one. Each variable in sentimental dimension displays anticipated negatively significant effect except political ideology difference, which is positive and insignificant. In model 10, we test the dyadic social similarity variable that combined all the variables in sentimental dimension. The model displays a strong negative significant effect ($\beta = -.209, p < 0.01$). In total, the results of model 5-10 show strong support for Hypothesis 2.

Table 3 reports the results of our logit regression analysis for hypothesis 3a and 3b with advice-seeking as the dependent variable. Models 2-4 in Table 3 test our hypothesis 3a with respect to instrumental dimensions. Model 2 shows a positive effect of corporate rank difference ($\beta = 0.0931, p < 0.01$), indicating that as the alter executive's corporate rank is higher than the focal executive's corporate rank, the focal executive is more likely to seek advice from the alter. In model 3, however, we do not observe the anticipated positive effect of firm size difference while corporate rank difference maintains positive effect ($\beta = 0.0672, p < 0.1$). We observe a positive effect for the combined measure of corporate rank difference and firm size difference in model 4 but this effect is insignificant. Thus, we only see preliminary support for Hypothesis

3a with respect to the corporate rank difference. Models 5-10 show further analysis of the likelihood of advice seeking tie with respect to sentimental dimensions. Unlike our results for instrumental dimensions, we only observe negative significant effect for age difference and positive significant effect for political ideology difference. This also supports our underlying mechanism for Hypothesis 3a which emphasizes that focal individual's perception of alter's competence and ability primarily decides who to seek advice from.

=====
Insert Table 3 here
=====

Figure 1 shows our result for Sobel-Goodman mediation test in testing Hypothesis 3b that examines friendship seeking tie as a mediating variable between distance in instrumental dimension and likelihood of advice seeking tie. We only utilized corporate rank difference variable, which showed a significant effect on the likelihood of advice seeking. Our results show that there is partial mediation, with 40% of the effect of rank difference on advice seeking tie is mediated by friendship seeking tie. Thus, Hypothesis 3b is partially supported.

=====
Insert Figure 1 here
=====

Table 4 reports the results on the likelihood of continued friendship tie seeking with respect to distance in instrumental dimension. Model 1-3 show that we do not have

hypothesized results as the results for variables in instrumental dimension are not significant. Nonetheless, our control variable of program group difference shows a strong effect. Since there is a strong effect of program group, we further divided the ties into ties between the same group members (intra-group) and ties between different group members. Model 4-6 show intra-program group ties while model 7-9 show inter-program group ties. In model 4, we see that coefficient for a combined measure of rank and size difference is positively associated with continued friendship seeking and this coefficient is statistically significant ($\beta= 0.250, p < 0.1$). Thus, hypothesis 4a is partially supported by continued friendship seeking ties within program-group. To test hypothesis 4b, we add distance in sentimental dimension to examine its effect on continued friendship. We do not observe a statistically significant effect. In model 6, the main effect of combined rank and size difference ($\beta= 0.237, p < 0.1$) and the interaction effect with dyadic social similarity ($\beta= -.0978, p < 0.1$) are both significant. This negative interaction effect shows that the main effect becomes weaker when sentimental dimension increases. In terms of the context, corporate executives are likely to continue seeking friendship ties with other corporate executives who occupy higher ranks or belong to bigger firms when personal attributes are similar. This gives partial support for Hypothesis 4b. Model 7-9 that examine inter-program group ties do not provide any significant coefficients.

=====

Insert Table 4 here

=====

6. DISCUSSION AND CONCLUSION

In this study, we extended research on corporate executive's social networks by examining the corporate executives' instrumental and sentimental dimensions of networking motivations. Whereas the burgeoning literature on executive's social networks focuses on the consequences of interpersonal ties with other executives, we examined the antecedents, the factors that foster ties between the executives. Prior studies have either assumed interpersonal ties between executives that shared similar characteristics (D'Aveni & Kesner, 1993; Cohen, Frazzini, & Malloy, 2010; Nguyen, 2012; Fracassi, 2017) or mainly relied on social homophily to explain interpersonal ties that formed between executives (Westphal, 1999; Ingram & Roberts, 2000; McDonald & Westphal, 2003; Vissa 2011). To address this gap, we utilized the novel dataset of corporate executives in AMP program to offer new perspective to antecedents of executives' interpersonal ties and analyze the assumptions made in the prior studies. This research also built on the growing interest in understanding the outcome of network evolution and the antecedents underlying tie retention (Westphal, Boivie & Chng, 2006; Dahlander & McFarland, 2013; Kleinbaum, 2017). By attaining social network data in two time periods, we distinguished the ties that continued from the ties that decayed to explore which motivations guide tie retention.

Overall, the results provided strong support for our theoretical perspective on the instrumental and sentimental motivations of corporate executives. Our theory and supportive findings make a significant contribution to the study of corporate executives' interpersonal ties and to the larger literature on social networks. By examining the motivations of executives in terms of instrumental and sentimental dimensions, we elucidated much overlooked research on why and how executives form interpersonal ties with other executives. In addition to directly analyzing sentimental motivations of executives, we contribute by examining instrumental motivations of executives in forming ties. This study also reconciles the two perspectives on advice tie antecedents by showing that friendship formed by instrumental motivation is a

necessary aspect for advice seeking. Lastly, we contribute to the much growing literature on tie retention by exploring which ties persist and why they persist.

The results showed that executives' networking behaviors are affected by both instrumental and sentimental motivations. Instrumentally motivated corporate executives are likely to use differences in corporate rank and firm size as signals of quality in assessing the value of potential relationship with another executive and seek friendship ties based on that assessment. By evaluating other executives based on relative corporate rank and firm size, executives consider potential corporate opportunities that could further their primary objectives of firm growth or career advancement. Both differences in corporate rank and firm size are positively associated with the likelihood of focal executive seeking friendship with the alter executive. The results of this study also validated sentimental motivation as antecedents to executives' social networks, suggesting that executives are likely to seek friends with others whom they can trust and rely on. In an executive program context, corporate executives face uncertainty regarding whether other executives are trustworthy individuals. They are therefore likely to friend other executives based on similarity in attributes which foster trust, empathy, and reciprocity. The empirical results suggest that the more similar the two executives are in age, educational background, region of origin and political ideology, the more likely the focal executive seeks friendship with the alter executive.

For advice seeking ties, instrumentally motivated executives are likely to rely on other executive's managerial characteristics to judge whether the executive holds valuable information and experience on strategies. Their priority in evaluating advice givers would be potential contact's competence and abilities, instead of trust. The results indicate that corporate rank difference is positively associated with the likelihood of seeking tie, implying that executives tend to seek advice from executives occupying higher rank. Against our expectation, however, the relationship between firm size difference between the executives and the

likelihood of advice seeking tie is negatively associated and it is not statistically significant. We believe that corporate rank difference is a more robust signal of quality than firm size difference for executives seeking other executives who they can get advice from. Higher ranked corporate executives have more access to valued information and tend to have more experience, while firm size does not necessarily display potential executive's abilities or competence in decision-making. In our analysis of antecedents to advice seeking ties, factors in sentimental motivation, other than age difference, do not show any meaningful results.

Prior studies on advice ties diverge in explaining how individuals decide who to seek advice from. While one perspective argues that people seek advice from friends, another perspective contends that advice is sought from individuals who display adept skills and abilities. We investigated friendship seeking tie as a mediator between corporate rank difference and advice seeking. The results suggest that friendship seeking tie partially mediates the relationship between corporate rank difference and advice tie seeking. Thus, our study reconciled the two perspectives on advice network by showing that friendship tie between executives is a strong condition to advice seeking.

Finally, results showed that social homophily loses influence over time while the potential value of the relationship continues to impact executive's decision on continuous friendship seeking. Instrumental dimension such as corporate rank and firm size difference continued to affect corporate executives' decision-making in building social networks within program group networks. Inter-program group networks, however, did not show statistically significant results for both sentimental and instrumental dimensions.

From a methodological standpoint, our analysis relies on unique dataset that includes survey data on the friendship and advice ties of corporate executives from executive program at two points in time. We therefore offer unique empirical contribution to the studies of

corporate executives' social networks. Like all research, however, the present study is not without limitation. The most notable limitation is the size of our sample. Our sample for Time 1 ties consisted of ties among 50 executives and Time 2 ties consisted of ties among 27 executives. If more executives participated in the surveys, a more comprehensive dataset could have been analyzed. Additionally, we cannot generalize our results to organizational context. Although the empirical setting require executives socializing in a closed community, this setting is different from inter-organizational arrangements between firms. Furthermore, executives are required to spend social time with their cohort members in proximity in school and in social events, while this is not the case in organizational context. Nonetheless, we believe that this could have affected our results if we were examining tie formation in Time 2 but since we were examining ties based on the ties that existed in Time 1, we are confident that small changes would not have distorted the results.

Future research may examine whether the ties from executive programs evolve into economic ties. It would be interesting to explore whether ties that involve high distance in instrumental dimension or low distance in sentimental dimension evolve into economic ties. Evolution of social ties from executive programs to economic ties might involve both sentimentality and instrumentality in friendships. Researchers can also examine other antecedents of executives' social networks. Alternate factors of instrumental dimension of friendship such as network status and reputation can be studied as variables that affect focal executives' behavior in seeking interpersonal ties. In a similar vein, future research may analyze whether instrumentally constructed friendship ties are weak ties. A potential research question would ask whether information on corporate opportunities spread through friendships build on instrumental dimension or sentimental dimension. It would also be interesting to examine the cultural or institutional difference in networking behaviors. By conducting network surveys of corporate executives in executive programs of different countries, researchers can identify

environmental differences in networking behaviors.

REFERENCES

- Anderson, S. E., & Williams, L. J. (1996). Interpersonal, job, and individual factors related to helping processes at work. *Journal of Applied Psychology, 81*(3), 282.
- Andrews, K. M., & Delahaye, B. L. (2000). Influences on knowledge processes in organizational learning: The psychosocial filter. *Journal of Management studies, 37*(6), 797-810.
- Baldwin, T. T., Bedell, M. D., & Johnson, J. L. (1997). The social fabric of a team-based MBA program: Network effects on student satisfaction and performance. *Academy of management journal, 40*(6), 1369-1397.
- Bearman, P. (1997). Generalized exchange. *American Journal of Sociology, 102*(5), 1383-1415.
- Belliveau, M. A., O'Reilly, C. A., & Wade, J. B. (1996). Social capital at the top: Effects of social similarity and status on CEO compensation. *Academy of management Journal, 39*(6), 1568-1593.
- Bierstedt, R. (1965). Review of Blau's "Exchange and Power." *American Sociological Review, 30*(5), 789-90.
- Blau, P. M. (1964). *Exchange and power in social life*. Transaction Publishers.
- Burt, R. S. (1992). *Structural holes: The social structure of competition*. Harvard university press.
- Casciaro, T., & Lobo, M. S. (2008). When competence is irrelevant: The role of interpersonal affect in task-related ties. *Administrative Science Quarterly, 53*(4), 655-684.
- Cohen, L., Frazzini, A., & Malloy, C. (2010). Sell-side school ties. *The Journal of Finance, 65*(4), 1409-1437.
- Dahlander, L., & McFarland, D. A. (2013). Ties that last: Tie formation and persistence in research collaborations over time. *Administrative science quarterly, 58*(1), 69-110.
- Deci, E. L., & Ryan, R. M. (1985). The general causality orientations scale: Self-determination in personality. *Journal of research in personality, 19*(2), 109-134.
- D'Aveni, R. A., & Kesner, I. F. (1993). Top managerial prestige, power and tender offer response: A study of elite social networks and alter firm cooperation during takeovers. *Organization science, 4*(2), 123-151.
- Davis, J. H., Schoorman, F. D., & Donaldson, L. (1997). Toward a stewardship theory of management. *Academy of Management review, 22*(1), 20-47.
- Doreian, P., & Stokman, F. N. (1997). *Evolution of social networks* (Vol. 1). Psychology Press.
- Emerson, R. M. (1976). Social exchange theory. *Annual review of sociology, 2*(1), 335-362.
- Finkelstein, S. (1992). Power in top management teams: Dimensions, measurement, and validation. *Academy of Management journal, 35*(3), 505-538.
- Fischer, C. S. (1982). *To dwell among friends: Personal networks in town and city*. University of Chicago Press.
- Foa, U. G., & Foa, E. B. (1975). *Resource theory of social exchange* (Vol. 10). Morristown, NJ: General Learning Press.
- Fracassi, C. (2017). Corporate finance policies and social networks. *Management Science*.
- Giddens, A. (1972). Elites in the British class structure. *The Sociological Review, 20*(3), 345-372.
- Gouldner, A. W. (1954). Patterns of industrial bureaucracy.
- Granovetter, M. S. (1973). The strength of weak ties. *American journal of sociology, 136*-1380.
- Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American journal of sociology, 481*-510.
- Granovetter, M. S. (1995). *Getting a job: A study of contacts and careers*. University of Chicago Press.
- Gruenfeld, D. H., Inesi, M. E., Magee, J. C., & Galinsky, A. D. (2008). Power and the

- objectification of social targets. *Journal of personality and social psychology*, 95(1), 111.
- Heider, F. (1958). *The psychology of interpersonal relations*. Psychology Press.
- Holl, P., & Pickering, J. F. (1988). The determinants and effects of actual, abandoned and contested mergers. *Managerial and Decision Economics*, 9(1), 1-19.
- Homans, G. C. (1974). Social behavior: Its elementary forms.
- Ibarra, H. (1992). Homophily and differential returns: Sex differences in network structure and access in an advertising firm. *Administrative science quarterly*, 422-447.
- Ibarra, H. (1995). Race, opportunity, and diversity of social circles in managerial networks. *Academy of Management journal*, 38(3), 673-703.
- Ingram, P., & Roberts, P. W. (2000). Friendships among competitors in the Sydney Hotel Industry¹. *American journal of sociology*, 106(2), 387-423.
- Jensen, M. C., & Meckling, W. H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of financial economics*, 3(4), 305-360.
- Kanter, R. M. (1977). *Work and family in the United States: A critical review and agenda for research and policy*. Russell Sage Foundation.
- Kilduff, M., & Krackhardt, D. (1994). Bringing the individual back in: A structural analysis of the internal market for reputation in organizations. *Academy of management journal*, 37(1), 87-108.
- Klein, K. J., Lim, B. C., Saltz, J. L., & Mayer, D. M. (2004). How do they get there? An examination of the antecedents of centrality in team networks. *Academy of Management Journal*, 47(6), 952-963.
- Kleinbaum, A. M. (2017). Reorganization and tie decay choices. *Management Science*.
- Kraatz, M. S. (1998). Learning by association? Interorganizational networks and adaptation to environmental change. *Academy of management journal*, 41(6), 621-643.
- Krackhardt, D. (1988). Predicting with networks: Nonparametric multiple regression analysis of dyadic data. *Social networks*, 10(4), 359-381.
- Lazarsfeld, P. F., & Merton, R. K. (1954). Friendship as a social process: A substantive and methodological analysis. *Freedom and control in modern society*, 18(1), 18-66.
- Lincoln, J. R., & Miller, J. (1979). Work and friendship ties in organizations: A comparative analysis of relation networks. *Administrative science quarterly*, 181-199.
- Lindenberg, S. (1990). Towards the construction of interdisciplinary theoretical models to explain demographic behaviour: A comment. *Emerging issues in demographic research*, 199-217.
- Marsden, P. V. (1988). Homogeneity in confiding relations. *Social networks*, 10(1), 57-76.
- Marsden, P. V. (1990). Network data and measurement. *Annual review of sociology*, 16(1), 435-463.
- McDonald, M. L., & Westphal, J. D. (2003). Getting by with the advice of their friends: CEOs' advice networks and firms' strategic responses to poor performance. *Administrative science quarterly*, 48(1), 1-32.
- McPherson, J. M., & Smith-Lovin, L. (1987). Homophily in voluntary organizations: Status distance and the composition of face-to-face groups. *American sociological review*, 370-379.
- Mills, T. M. (1958). Some hypotheses on small groups from Simmel. *American Journal of Sociology*, 63(6), 642-650.
- Molm, L. D., & Cook, K. S. (1995). Social exchange and exchange networks. *Sociological perspectives on social psychology*, 2, 209-235.
- Nguyen, B. D. (2012). Does the Rolodex matter? Corporate elite's small world and the effectiveness of boards of directors. *Management Science*, 58(2), 236-252.
- Podolny, J. M. (1993). A status-based model of market competition. *American journal of sociology*, 98(4), 829-872.

- Podolny, J. M. (2001). Networks as the pipes and prisms of the market. *American journal of sociology*, 107(1), 33-60.
- Podolny, J. M., & Phillips, D. J. (1996). The dynamics of organizational status. *Industrial and Corporate Change*, 5(2), 453-471.
- Della Porta, D., & Pizzorno, A. (1996). Business Politicians: Reflections from a Study of Political Corruption, *The. JL & Soc'y*, 23, 73.
- Quigley, T. J., & Hambrick, D. C. (2015). Has the “CEO effect” increased in recent decades? A new explanation for the great rise in America's attention to corporate leaders. *Strategic Management Journal*, 36(6), 821-830.
- Rider, C. I. (2012). How employees’ prior affiliations constrain organizational network change: A study of US venture capital and private equity. *Administrative Science Quarterly*, 57(3), 453-483.
- Rosen, S. (1983). Perceived inadequacy and help-seeking. *New directions in helping*, 2, 73-107.
- Ryan, R. M., & Deci, E. L. (2000). Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being. *American psychologist*, 55(1), 68.
- Sahlins, M. (1972). *Stone age economics*. Taylor & Francis.
- Shipilov, A. V. (2006). Network strategies and performance of Canadian investment banks. *Academy of Management Journal*, 49(3), 590-604.
- Shue, K. (2013). Executive networks and firm policies: Evidence from the random assignment of MBA peers. *The Review of Financial Studies*, 26(6), 1401-1442.
- Siegel, J. (2007). Contingent political capital and international alliances: Evidence from South Korea. *Administrative Science Quarterly*, 52(4), 621-666.
- Silver, A. (1990). Friendship in commercial society: Eighteenth-century social theory and modern sociology. *American Journal of Sociology*, 1474-1504.
- Suitor, J., & Keeton, S. (1997). Once a friend, always a friend? Effects of homophily on women's support networks across a decade. *Social networks*, 19(1), 51-62.
- Useem, M. (1984). *The inner circle* (Vol. 617). New York: Oxford University Press.
- Uzzi, B. (1996). The sources and consequences of embeddedness for the economic performance of organizations: The network effect. *American sociological review*, 674-698.
- Vissa, B. (2011). A matching theory of entrepreneurs' tie formation intentions and initiation of economic exchange. *Academy of Management Journal*, 54(1), 137-158.
- Westphal, J. D. (1999). Collaboration in the boardroom: Behavioral and performance consequences of CEO-board social ties. *Academy of management Journal*, 42(1), 7-24.
- Westphal, J. D., Boivie, S., Chng, M., & Han, D. (2006). The strategic impetus for social network ties: Reconstituting broken CEO friendship ties. *Strategic Management Journal*, 27(5), 425-445.
- Westphal, J. D., & Milton, L. P. (2000). How experience and network ties affect the influence of demographic minorities on corporate boards. *Administrative Science Quarterly*, 45(2), 366-398.
- Westphal, J. D., & Zajac, E. J. (1997). Defections from the inner circle: Social exchange, reciprocity, and the diffusion of board independence in US corporations. *Administrative science quarterly*, 161-183.
- Yu, E. Y. (1990). Regionalism in the South Korean job market: An analysis of regional-origin inequality among migrants in Seoul. *Pacific Affairs*, 24-39.

TABLES AND FIGURES

Table 1. Descriptive Statistics and Bivariate Correlations – Dyad Level

Variable	Mean	S. D.	Min	Max	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
1 Friendship Seeking Tie (Time 1)	0.31	0.46	0.00	1.00	1.00																	
2 Advice Seeking Tie (Time 1)	0.12	0.32	0.00	1.00	0.45	1.00																
3 Combined rank and size diff.	0.00	0.58	-1.99	1.99	0.08	0.01	1.00															
4 Corporate Rank diff.	0.00	2.41	-5.00	5.00	0.06	0.07	0.41	1.00														
5 Firm Size diff.	-0.01	3.44	-9.38	9.38	0.00	-0.06	0.41	-0.66	1.00													
6 Dyadic Social Similarity	0.00	2.41	-8.33	6.62	-0.15	-0.01	0.00	0.00	0.00	1.00												
7 Age diff.	4.93	3.86	0.00	23.00	-0.21	-0.13	0.00	0.00	0.00	0.48	1.00											
8 Political Ideology diff.	0.69	0.46	0.00	1.00	0.00	0.01	0.00	0.00	0.00	0.46	-0.03	1.00										
9 Religion diff.	0.72	0.45	0.00	1.00	-0.01	0.01	0.00	0.00	0.00	0.47	-0.01	0.06	1.00									
10 University diff.	0.86	0.35	0.00	1.00	-0.08	0.04	0.00	0.00	0.00	0.50	0.12	0.01	0.04	1.00								
11 Region of Origin diff.	0.80	0.40	0.00	1.00	-0.07	0.03	0.00	0.00	0.00	0.50	0.07	0.08	0.03	0.03	1.00							
12 Project Group diff.	0.93	0.25	0.00	1.00	-0.15	-0.05	0.00	0.00	0.00	-0.03	-0.01	-0.03	-0.01	-0.01	-0.02	1.00						
13 Program Group diff.	0.81	0.39	0.00	1.00	-0.47	-0.25	0.00	0.00	0.00	-0.03	-0.03	-0.05	0.03	-0.01	-0.02	-0.09	1.00					
14 Current Residence diff.	0.94	0.25	0.00	1.00	-0.01	0.02	0.00	0.00	0.00	0.10	0.06	-0.01	0.12	0.03	0.03	-0.02	-0.01	1.00				
15 Work Location diff.	0.91	0.29	0.00	1.00	-0.04	-0.01	0.00	0.00	0.00	0.02	0.05	-0.01	-0.07	0.07	0.01	-0.05	-0.02	-0.02	1.00			
16 Industry diff.	0.87	0.34	0.00	1.00	-0.01	-0.04	0.00	0.00	0.00	-0.02	0.04	-0.01	-0.02	-0.02	-0.03	-0.06	-0.04	-0.03	0.16	1.00		
17 Listed Firm diff.	0.57	0.49	0.00	1.00	0.03	-0.02	0.00	0.00	0.00	-0.06	-0.09	0.07	0.00	-0.10	-0.04	0.01	-0.01	0.00	0.01	0.07	1.00	

Note. N = 2,446

Table 2. Models of Friendship Tie Seeking as a Function of Instrumental and Sentimental Dimensions

VARIABLES	Dependent Variable: Friendship Seeking Tie (Time 1)									
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
Control Variables										
Industry diff.	-0.299** (0.148)	-0.303** (0.148)	-0.303** (0.149)	-0.302** (0.148)	-0.278* (0.153)	-0.302** (0.153)	-0.323** (0.154)	-0.322** (0.154)	-0.326** (0.155)	-0.344** (0.151)
Listed Firm diff.	0.151 (0.104)	0.150 (0.104)	0.152 (0.104)	0.151 (0.104)	0.0279 (0.108)	0.0235 (0.108)	-0.0102 (0.109)	-0.00928 (0.109)	0.00339 (0.110)	0.0808 (0.106)
Work Location diff.	-0.561*** (0.168)	-0.564*** (0.168)	-0.568*** (0.169)	-0.565*** (0.169)	-0.525*** (0.175)	-0.528*** (0.175)	-0.481*** (0.176)	-0.469*** (0.177)	-0.476*** (0.177)	-0.551*** (0.172)
Current Residence diff.	-0.307 (0.198)	-0.310 (0.198)	-0.315 (0.199)	-0.314 (0.198)	-0.156 (0.206)	-0.138 (0.209)	-0.105 (0.210)	-0.131 (0.212)	-0.139 (0.212)	-0.0912 (0.207)
Program Group diff.	-2.742*** (0.129)	-2.763*** (0.130)	-2.783*** (0.130)	-2.777*** (0.130)	-3.127*** (0.146)	-3.164*** (0.147)	-3.185*** (0.148)	-3.191*** (0.149)	-3.217*** (0.150)	-2.940*** (0.136)
Project Group diff.	-1.792*** (0.172)	-1.805*** (0.173)	-1.818*** (0.174)	-1.815*** (0.174)	-1.978*** (0.185)	-2.019*** (0.187)	-2.036*** (0.188)	-2.036*** (0.188)	-2.062*** (0.189)	-1.959*** (0.179)
Instrumental Dimensions										
Corporate Rank diff.		0.0766*** (0.0212)	0.144*** (0.0284)							
Firm Size diff.			0.0718*** (0.0198)							
Combined rank and size diff.				0.420*** (0.0880)						
Sentimental Dimensions										
Age diff.					-0.208*** (0.0174)	-0.206*** (0.0175)	-0.201*** (0.0176)	-0.201*** (0.0176)	-0.203*** (0.0176)	
Region of Origin diff.						-0.515*** (0.129)	-0.509*** (0.129)	-0.513*** (0.129)	-0.488*** (0.130)	
University diff.							-0.473*** (0.148)	-0.481*** (0.148)	-0.482*** (0.148)	
Religion diff.								0.106 (0.123)	0.119 (0.123)	
Political Ideology diff.									-0.248** (0.116)	
Dyadic Social Similarity										-0.209*** (0.0220)
Constant	3.944*** (0.358)	3.976*** (0.360)	4.006*** (0.361)	3.997*** (0.361)	5.231*** (0.401)	5.707*** (0.423)	6.074*** (0.443)	6.024*** (0.447)	6.223*** (0.458)	4.085*** (0.370)
Observations	2,446	2,446	2,446	2,446	2,446	2,446	2,446	2,446	2,446	2,446
Likelihood Ratio χ^2	620.64	633.77	647.15	643.86	800.02	816.82	826.53	827.17	831.41	717.20

Standard errors in parentheses,
 *** p<0.01, ** p<0.05, * p<0.1

Table 3. Models of Advice Tie Seeking as a Function of Instrumental and Sentimental Dimensions

VARIABLES	Dependent Variable: Advice Seeking Tie (Time 1)									
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
Control Variables										
Industry diff.	-0.464** (0.183)	-0.469** (0.184)	-0.471** (0.184)	-0.464** (0.183)	-0.440** (0.187)	-0.432** (0.187)	-0.422** (0.187)	-0.419** (0.187)	-0.422** (0.188)	-0.473*** (0.183)
Listed Firm diff.	-0.129 (0.133)	-0.133 (0.133)	-0.137 (0.134)	-0.129 (0.133)	-0.241* (0.136)	-0.234* (0.136)	-0.204 (0.137)	-0.203 (0.137)	-0.200 (0.137)	-0.146 (0.134)
Work Location diff.	-0.132 (0.227)	-0.130 (0.228)	-0.129 (0.228)	-0.132 (0.227)	-0.0618 (0.231)	-0.0578 (0.231)	-0.106 (0.233)	-0.0978 (0.234)	-0.0984 (0.234)	-0.121 (0.227)
Current Residence diff.	0.108 (0.288)	0.104 (0.289)	0.105 (0.289)	0.108 (0.289)	0.215 (0.293)	0.200 (0.293)	0.183 (0.294)	0.168 (0.296)	0.166 (0.296)	0.154 (0.290)
Program Group diff.	-1.661*** (0.139)	-1.670*** (0.140)	-1.671*** (0.140)	-1.661*** (0.139)	-1.761*** (0.143)	-1.759*** (0.143)	-1.770*** (0.144)	-1.773*** (0.144)	-1.776*** (0.144)	-1.672*** (0.139)
Project Group diff.	-0.979*** (0.224)	-0.982*** (0.224)	-0.982*** (0.225)	-0.979*** (0.224)	-1.021*** (0.227)	-1.015*** (0.227)	-1.033*** (0.227)	-1.033*** (0.227)	-1.036*** (0.227)	-0.992*** (0.224)
Instrumental Dimensions										
Corporate Rank diff.		0.0931*** (0.0274)	0.0672* (0.0366)							
Firm Size diff.			-0.0274 (0.0257)							
Combined rank and size diff.				0.0491 (0.113)						
Sentimental Dimensions										
Age diff.					-0.152*** (0.0220)	-0.153*** (0.0220)	-0.160*** (0.0223)	-0.160*** (0.0223)	-0.160*** (0.0223)	
Region of Origin diff.						0.240 (0.179)	0.210 (0.179)	0.205 (0.180)	0.209 (0.180)	
University diff.							0.645*** (0.221)	0.643*** (0.221)	0.642*** (0.221)	
Religion diff.								0.0682 (0.154)	0.0726 (0.155)	
Political Ideology diff.									-0.0619 (0.147)	
Dyadic Social Similarity										-0.0419 (0.0274)
Constant	0.559 (0.470)	0.558 (0.471)	0.559 (0.471)	0.559 (0.470)	1.194** (0.487)	0.994* (0.509)	0.548 (0.537)	0.510 (0.545)	0.554 (0.555)	0.541 (0.470)
Observations	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439	2,439
Likelihood Ratio χ^2	146.45	158.27	159.52	146.64	202.46	205.15	213.57	213.86	214.15	148.55

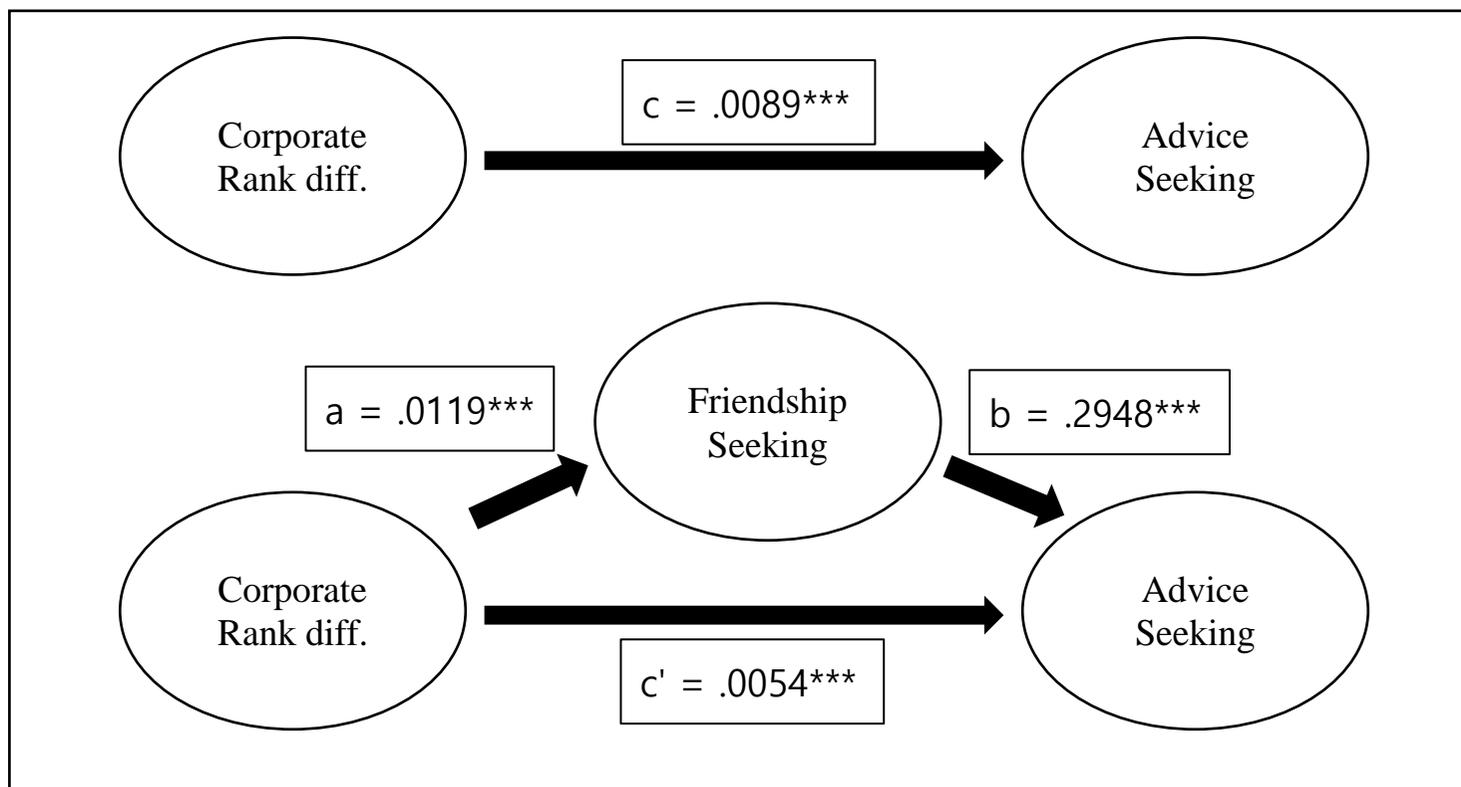
Standard errors in parentheses,
 *** p<0.01, ** p<0.05, * p<0.1

Table 4. Models of Continued Friendship Tie Seeking as a Function of Instrumental and Sentimental Dimensions

VARIABLES	Dependent Variable: Continued Friendship Seeking			Intra-program group			Inter-program group		
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9
Control Variables									
Industry diff.	0.291 (0.355)	0.315 (0.359)	0.279 (0.358)	-0.556 (0.732)	-0.381 (0.715)	-0.498 (0.736)	0.687 (0.455)	0.558 (0.449)	0.663 (0.461)
Listed Firm diff.	-0.628** (0.266)	-0.636** (0.267)	-0.629** (0.265)	-0.138 (0.438)	-0.104 (0.439)	-0.251 (0.450)	-0.945*** (0.337)	-0.935*** (0.338)	-0.865** (0.343)
Work Location diff.	0.253 (0.408)	0.249 (0.408)	0.257 (0.408)	0.139 (0.748)	0.125 (0.756)	0.0888 (0.765)	0.193 (0.519)	0.287 (0.518)	0.217 (0.527)
Current Residence diff.	-0.190 (0.453)	-0.180 (0.454)	-0.194 (0.453)	0.423 (0.721)	0.496 (0.728)	0.463 (0.724)	-0.548 (0.561)	-0.645 (0.564)	-0.599 (0.566)
Program Group diff.	-1.084*** (0.265)	-1.081*** (0.266)	-1.087*** (0.266)						
Project Group diff.	0.406 (0.373)	0.413 (0.373)	0.404 (0.373)				0.575 (0.397)	0.611 (0.401)	0.672* (0.406)
Instrumental Dimensions									
Corporate Rank diff.	0.00604 (0.0513)	-0.0202 (0.0750)							
Firm Size diff.		-0.0252 (0.0527)							
Combined rank and size diff.			0.0220 (0.0759)	0.250* (0.129)		0.237* (0.133)	-0.120 (0.100)		-0.153 (0.108)
Sentimental Dimension									
Dyadic Social Similarity					0.00551 (0.0807)	-0.0389 (0.0865)		0.0719 (0.0690)	0.0878 (0.0712)
Combined Rank and Size diff. X Dyadic Social Similarity						-0.0978* (0.0586)			-0.0374 (0.0467)
Constant	1.374* (0.785)	1.350* (0.787)	1.388* (0.786)	1.809 (1.213)	1.540 (1.196)	1.879 (1.235)	0.400 (0.824)	0.527 (0.821)	0.420 (0.825)
Observations	373	373	373	183	183	183	187	187	187
Likelihood Ratio χ^2	30.32	30.79	30.78	1.97	1.53	5.28	11.92	10.84	14.28

Standard errors in parentheses,
 *** p<0.01, ** p<0.05, * p<0.1

Figure 1. Result of Friendship Seeking Tie as a Mediator



국문초록

Value of Friendship: Instrumental and Sentimental Motivations for Corporate Executives' Networking Behavior

서울대학교 대학원
경영학과 경영학 전공
남평

최고경영자들의 사회 연결망에 대한 기존 연구들은 최고경영자들간의 대인관계가 가져다 주는 결과에 초점을 맞추었다. 이에 반해 최고경영자들이 어떠한 동기에 의해 대인관계를 맺고 유지하는지에 대한 연구는 제한적이었다. 따라서 본 연구는 최고경영자들이 대인관계를 맺을 때 어떠한 요인에 영향을 받는지를 살펴본다. 본 연구는 사회적 교환이론에 의거하여 최고경영자들이 대인관계를 맺을 시 도구적 동기와 정서적 동기를 갖고 친분관계와 조언관계를 맺는다는 것을 보인다. 도구적 동기로 관계를 맺는 최고경영자들은 다른 최고경영자들과의 관계의 잠재적 경제적 가치를 평가하고 그 평가를 기본으로 하여 대인 관계를 맺는다는 것을 보인다. 본 연구는 동기를 도구적 차원과 정서적 차원으로 나누어 분석한다. 연구 결과는 최고경영자들간의 도구적 차원의 거리가 클수록 그리고 정서적 차원의 거리가 작을수록 친분 관계를 맺을 확률이 높다는 것을 보인다. 또한 최고경영자들은 도구적 차원의 거리가 큰 최고경영자들에게 조언을 구할 확률이 높고 친분 관계의 여부가 이 상관관계를 매개할 확률이 높은 것으로 나온다. 마지막으로 시간이 흐름에 따라 정서적 동기는 친분 관계에 주는 영향이 사라지는 반면 도구적 동기는 지속적으로 영향을 주는 것으로 나타난다. 실증 분석에는 최고경영자 과정 한 기수를 2번 설문조사를 하여 사회 연결망을 구성한 데이터를 활용하였다.

주요어 : 최고경영자, 사회 연결망, 동기, 사회적 교환이론

학번: 2015-20603