



Universidad de San Andrés

Escuela de Administración y Negocios

Licenciatura en Administración de Empresas

The impact of social relationships on business : case study
"Mad men"

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Case study: Mad Men

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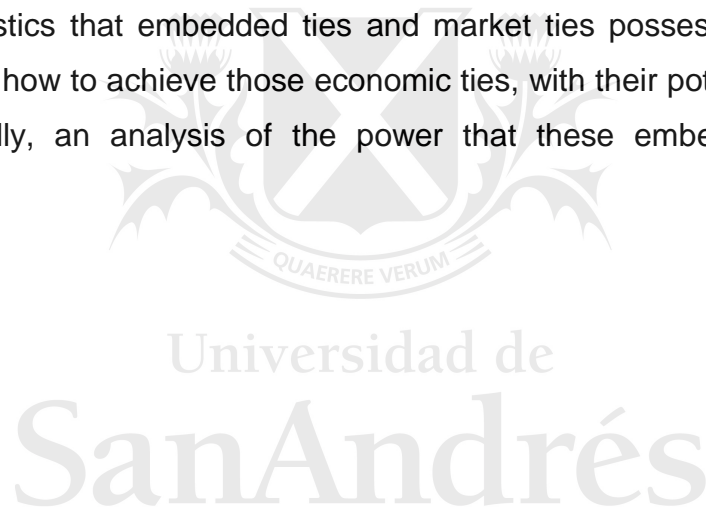
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Abstract

The main focus of this study is to analyse the importance of social relations while doing business. The study will be done by applying the theory of embeddedness to a TV show called *Mad Men*. This TV show is based on an ad agency, so the analysis takes into consideration the relationships that occurred between the admen and their clients and how these affected their economic behaviour.

The objective of this study is to understand and show why economic actors may choose to work with an embedded tie over a market tie, and why this is not irrational from the point of view of economics. To do so, there is a description of the characteristics that embedded ties and market ties possess. Moreover, an explanation of how to achieve those economic ties, with their potential risks and benefits. Finally, an analysis of the power that these embedded ties can provide.



Key Words: Embeddedness, Mad Men, embedded ties, market ties, trust.

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CHAPTER 1: Problem statement and objectives

1.1. Problem statement and its relevance

Human beings are social beings. It is inevitable for them to have ties, which can be strong or distant. Networks are created by family, friends or acquaintances, and these, following Granovetter's (1985) approach, influence the way in which people interact, think and relate. However, the person influenced by the context in which he is embedded can deviate from it too. He also argues that people are rational human beings with the ability to choose and change what they do not like from the things imposed on them. A combination between the influences they have from their own context and the ability to rationally choose between different options available around them shape the way in which people interact. People can be well-connected with others or be more isolated, but ties are unavoidable.

Companies, which are made of people, have the same characteristics. They follow a rational line that enhances economic gains and benefits, but they are also affected by the relationships the workers have. Not only in the way they work, but also the market ties they develop, which could be embedded or arm's length ties. The embedded ties are the strong and deep relationships that people have with others, that go hand in hand with trust, transfer of knowledge, and joint-problem solving. On the other hand, arm's length ties are those in which the relationship is weak and the communication is limited (Uzzi, 1997). Embedded and arm's length ties are not exclusive, one can have a mixture of both. This is the optimum for the success of a business (Uzzi, 1996). These ties can be obtained strictly from the market or from the networks they are embedded in. The reasons why one will count on the market or on their own networks are diverse.

It is important to understand the effect that social ties have on doing business. In the case of some professions it is advantageous to be connected with others in order to have more efficient transactions. Particularly, in the case of

advertising, clients are a fundamental part of the business because the people in the ad agency need to get the accounts and keep them so the business can prosper or even survive. Without clients that hire the agency, they would be bankrupt. This means that, sometimes, companies leave the classic view of relating to others by only using the market.

Besides, these ties cannot be forced. One cannot relate to another person if the other person does not like him. It has to be reciprocal. There are many factors that can affect the accomplishment of these ties, like culture, social norms or activities in common. Things that are shared help the realization of social relations and differences sometimes ends in the exclusion of people from the network (Rivera, 2012). For example, people who know each other from school or university will probably have more things in common and share a group of friends that people who did not.

All of these ties can occur within a network. A social network is a group of people like an organization or an entire society with linked actors that share certain characteristics (Emirbayer & Goodwin, 1994). Industries where embedded ties are crucial can be problematic for people who do not belong to a convenient network or do not have the skills to create bonds with others. At the same time, working with someone you know can bring benefits and risks that strangers do not provide. It is likely that they will understand each other and share the same values than people who they do not know and with whom they have a hard time communicating.

There are many factors that can affect the success of a business. People who are intelligent, efficient, creative and competent can still have problems at doing well in their job. For example, artists who begin working and need exposure for their work can easily get it if they have a resourceful network. On the other hand, artists than live isolated from others will have a hard time finding buyers for their paintings and thrive. The well-connected painter can be artistically worse than the isolated one and still do better. In some professions, the network can be really useful or even fundamental.

1.2. Objectives

The aim of this study is to analyze the social impact on economic behaviour. The study will be done by applying the theory to the TV show *Mad Men*. The series is based on an ad agency that focuses on the creative assignments but, also, on obtaining clients that are essential for their business. Thus, there are many situations where one can examine the behaviour of the characters in relation to the achievement and preservation of the embedded or arm's length ties. There are many cases where embedded ties were used over arm's length ties. The analysis of the TV show can help in the understanding of why this occurs.

The specific objectives of the study are:

1. Describe the difference of embedded and arm's length ties
2. Understand how embedded ties are helpful for an organization
3. Identify the benefits and risks of being embedded

1.3. Questions

From the objectives previously stated, the next questions were raised in order to guide the investigation.

Central question: Why do people sometimes leave the market and turn to their own network? In particular, the analysis will be focused on *Mad Men* and why the characters tend to favourite their networks over the people in the market.

Sub-questions:

1. What is the impact of social relations on doing business?
2. Which are the advantages and disadvantages of embedded ties?
3. Which are the advantages and disadvantages of arm's length ties?
4. Which are the risks and benefits of being embedded?

1.4. Justification of the study

The reasons why I chose to analyse this topic, and use *Mad Men* to do so, are several. To begin with, the topic itself is something that one can see every day. Social relations are inherent to people's lives and to investigate the way they work is really useful. One is not able to consciously understand the context in which one is embedded and the rules and norms it has because it seems natural. Decisions are not entirely rational, because sometimes they are based on the preconceptions that society has imposed on us so, by analysing this topic, one can be more aware of how things work when doing business. One can learn about the importance of social ties and the risks these have.

In addition, analysing a TV show that portrays life in a different generation helps the viewer to put some distance and understand the contrasts in contexts. This TV show is particularly useful because it is very realistic and the development of the character's psychologies is slow and progressive, which helps in the analysis of a very abstract subject. These ideas are hard to analyse because people sometimes do not see these things in themselves, they are installed and it is difficult to separate from them. So, by watching a TV show that illustrates so many social situations that affect the way in which people do business with so many cultural differences facilitates the analysis because it is more explicit.

CHAPTER 2: Theoretical Framework

2.1 Introduction

The theoretical framework will introduce what it means to be embedded, which are the advantages, the disadvantages and how these ties help the accomplishment of businesses in a specific context. In addition, the risks and obstacles that being embedded brings will also be explained. It is interesting to understand how these relationships work, which can be strong or distant, in order to understand the TV show and, potentially, understand what happens in real life. The TV show tries to portray what happens in real life and, by analysing it, it facilitates a more informed view on relationships nowadays.

2.2.1. Introduction to embeddedness

Within economic sociology there were two ways in which one could analyze people's actions (Granovetter, 1990). The first one was the undersocialized approach, which came from the classical and neoclassical economics and suggested that every explanation was based on the idea that economic actors pursue only their self-interest and they do not pay attention to the opinion of others. "In competitive markets, no producer or consumer noticeably influences aggregate supply or demand or, therefore, prices or other terms of trade" (Granovetter, 1985, p. 483-4). Relationships between individuals are not necessary because bargaining, negotiating and mutual adjustment are not needed under perfect competition. Also, they propose that social structure does not shape decisions. However, this view fails to consider the impact that an economic institution has in society. The explanations this view provides do not consider the value of negotiation, trust and expectations when dealing with others (Coleman, 1988).

On the other hand, the oversocialized approach considers that people are susceptible to their context and that every decision they make and every habit they possess are determined automatically from the context they are in. Some sociologists consider that people are "overwhelmingly sensitive to the opinions

of others and hence obedient to the dictates of consensually developed systems of norms and values” (Granovetter, 1985, p. 483). This view eliminates the possibility of the actors to act according to their own ideas and views, and assumes every action and decision is related to the context and social conditions that surrounds them.

Granovetter (1985) was unsatisfied with these tendencies, because he contemplated that both tendencies atomized the individual. In the case of the undersocialized approach, the atomization is more obvious because they considered that the individual decides everything without paying attention to the context and without any exogenous influence. On the other hand, the author considered that in the case of the oversocialized approach the social context has a major influence at the beginning, like a force that molds and constrains the individual. Nevertheless, that force will eventually disappear and the individual will decide everything on its own, according to the impact the social influence had on him, leaving an atomized individual with “different rules of decisions” (Granovetter, 1985, p. 486).

Granovetter proposes a different approach, in which he recognizes the importance of social relations within economic behaviour. He proposes that “actions is always socially situated and cannot be explained by reference to individual motives alone, and social institutions do not arise automatically in some inevitable form but rather are ‘socially constructed”” (Granovetter, 1990, p. 95). Individuals are embedded in certain networks that have a structure in which they adapt themselves to fit in, but they also modify it. “Actors do not behave or decide as atoms outside a social context, nor do they adhere slavishly to a script written for them by the particular intersection of social categories that they happen to occupy” (Granovetter, 1985, p.487). People are embedded in contexts that affects their decisions but they do not have to comply with everything that society in general expects of them. Culture is something dynamic that affects people and vice versa, shaped by the interaction between individuals (Granovetter, 1985). Embeddedness considers the social relations associated with economic actions (Uzzi, 1996).

2.2.2. Uzzi and market ties

According to Uzzi (1997), in business there are two types of relationships between the firm and its suppliers. The first one includes arm's length ties, which means that "[p]ersonal relationships are cool and atomistic" and that "actors regularly switch to new buyers and sellers to take advantage of new entrants or avoid dependence" (p.36). In other words, individuals choose their partners according to their utility and do not have a problem with changing partners constantly to more convenient ones. The main motivation is self-interest and profit. "Typical characterizations focused on the lack of reciprocity between exchange partners, the non-repeated nature of the interaction, and narrow economic matters" (Uzzi, 1997, p. 41), which makes it easy for the actors to switch partners and have new ones. There are usually more arm's length ties relationships in frequency and number, but the significance is less (Uzzi, 1997).

Also, many arm's length ties produces a market-like structure for the firm, making them really useful in contexts where there is mass-standardized production and everything is done in a standard and bureaucratic way. Every role is defined and sometimes negotiations do not make sense because everything is done as it is usually done and there is no uncertainty.

In addition, these are essential for the flow of knowledge, due to the fact that acquaintances move in different networks and social circles than oneself and receive different information that the group or network in which one belongs (Granovetter, 2005). These impersonal ties provide market information and increase efficiency by reducing bargaining situations and coordination costs between firms (Uzzi, 1996).

2.2.3. Uzzi and embedded ties

The second type of relationship possible includes embedded ties, that is to say, "stable networks of exchange partners who maintain close social relationships" (Uzzi, 1997, p. 36). It is used to describe the social relations that are close between two economic agents, in contrast with the arm's length ties, which are distant and atomistic. Different to the previous type of ties explained, these are

motivated by the “enrichment of relationships through trust and reciprocity” (Uzzi, 1996, p. 677). These type of ties have three main components: trust, fine-grained information transfer and joint problem-solving arrangements. According to Uzzi (1996), these characteristics are “mutually reinforcing and are counterparts to the features of arm’s-length ties” (p. 677).

Thanks to **trust**, actors can act faster, there can be more flexibility and the transaction costs are lower because there is less transactional uncertainty. Trust can be seen when actors have the best assumption when analysing their partner’s actions. This is a great benefit when one considers the exchange of goods and services that are hard to price or carry out through contracts (Uzzi, 1996), like the exchange of knowledge or information. Trust gives “access to privileged and difficult-to-obtain price resources that enhance competitiveness but that are difficult to exchange in arm’s length ties” (Uzzi, 1997, p.43). Sometimes the resources obtained are really useful and worthy for the organization and one would not be able to gain them otherwise. According to Uzzi (1996), it “promotes voluntary nonobligating exchanges of assets and services between actors” (p. 678), always considering their partner’s needs when doing the job.

The **exchange of thick information** only occurs in embedded ties because it refers to the type of information that only can be learnt by working with the other. As Polanyi (1974) explained, there is a type of knowledge called “tacit” that people cannot transfer in a written or verbalized way, it can only be absorbed by being in contact with the person who has that knowledge, i.e. by experience and social interaction. The social relationships “imbues information with veracity and meaning beyond its face value” (Uzzi, 1997, p. 46). The knowledge and tacit know-how transferred augments efficiency in a firm, also reducing many problems and negative situations (Uzzi, 1996). For example, firms that share a relationship already know what the other expects, so when there is a problem with the assignment they have the experience to know how to deal with the problem and solve it in a way the other firm would want.

The third component includes **joint-problem solving arrangements**, which means that economic actors working together will try to help each other and give feedback in order to learn from the other, in other words, “expectations of doing more than the letter of a ‘contract’” (Uzzi, 1997, p. 47). Instead of firing the firm to choose another one, both firms keep working together in order to fix any complication that may have risen. By doing so, it can lower production errors and increase innovation by using different solutions and combinations of ideas. Arm’s-length ties would not receive feedback and firms would turn to another partner without an explanation. Besides, “embeddedness creates economic opportunities that are difficult to replicate via markets, contracts, or vertical integration” (Uzzi, 1997, p. 37) and, for example, in the advertising world, it is necessary for the professionals because they need to get new accounts and preserve them, and that is easier by having embedded and strong ties. In this industry in particular, the chances of success are bigger when there are deep bonds because individuals understand each other and they will probably keep the account once they realized there is a common understanding and try to work on it to keep it for the long run.

In order to be able to get these embedded ties, it is necessary to be embedded in the context too, which means that you share the same network with others around you. A shared network is fundamental to be able to understand how others work and what do they expect, taking into account that social norms, culture and education makes people act in different ways. According to Podolny and Page (1998), a shared network gives you tacit knowledge because there is more information available and it brings legitimacy and status to the agents within it, which helps with positive economic outcomes, like enhance productivity and profitability. Being a part of a network can increase the amount of opportunities available (Uzzi, 1996), because the members receive information and knowledge that would be unavailable if they had no contact with the people in that specific network. Also, the legitimacy and status that a network provides increases opportunities by changing the view others have on you.

Embedded ties are convenient when there is transactional uncertainty. Relying on the other is necessary for the success of the business, because there are many situations and moments where your partner could be opportunistic. So these type of ties are practical to avoid potential advantages that one's partner may take. Also, the search for other economic partner and the creation of new ties is costly and unpredictable, so sometimes it is better to rely on the known individuals than look for someone that might be more efficient but it is harder to trust. In uncertain transactions, trust is a fundamental characteristic because without it, a lot of businesses can go wrong. Contracts state several conditions but there are times when things are not contemplated beforehand so, by having a trustworthy partner, one can avoid different problems. For example, governments in developing countries may be more uncertain. So, by having a trustworthy partner, these insecurities disappear because both know that any changes in economic policies will be solved without opportunism and malfeasance.

When people are resourceful, their chances of obtaining better economic benefits are higher. These resources could be "ability, knowledge, class, status, race, prestige and gender" (Davern, 1997, p. 290). These can be individual as well as network characteristics, and when an individual possesses these resources, he is better positioned than others who have a network with lower amount of resources. For example, finding a good job could be easier in a network where people have high-status and are well connected, rather than in a network where these people are low-status (Davern, 1997).

2.2.4. How to achieve economic ties

Economic transactions and social structure cannot be separated. It is considered that the transactions are made within a wide network so that the social structure might determine with whom and how we interact and trade (Di Maggio & Louch, 1998). According to the type of tie one possesses with another agent, there will be a different interaction. In the case of embedded ties, the interaction shifts towards a more sympathetic way and self-interest is not primordial anymore. Trust and reciprocity are more important than immediate economic benefits (Powell 1990, Smitka 1991). By having a trustworthy relation

with someone, some risks can be diminished and some benefits can be obtained.

People who share the same culture, value and norms, usually are embedded in the same context. The people in each network follow the same rules and norms, and usually disagree with others outside of it (Rivera, 2012). They share tastes, lifestyle choices and activities with each other, making it is easier for them to relate with the other. Also, it is easier to work with someone who shares the same values. This enhances understanding and trust, which leads to a deeper and stronger tie. Embedded ties often occur when people knew each other from other social circles (Uzzi, 1996), which could be their school, their university or the club they attend. According to Rivera (2012), in the case of hiring, employers not only check their candidates skills but there is also a “cultural matching”, where evaluators examine if the candidates are culturally similar to them. The author states that “although hiring research has examined similarities in sex and race, similarities in tastes, experiences, leisure pursuits, and self-presentation styles also serve as potent sources of interpersonal attraction and stratification” (Rivera, 2012, p. 1001). In other words, people who share certain elements are easily brought together and it is easier for them to interact and connect with the other.

In the particular case of social norms, “they are a major factor among the elements that shape predispositions, the wants of people, and are the basis of individual choices” (Etzioni, 2000, p. 163). When social norms are shared, the understanding and the perception is similar, which strengthens bonds between individuals. As a consequence, people who share culture and social norms not only have the same predispositions and views, but they exclude people who do not (Rivera, 2012). For example, people who are members of exclusive elite clubs will probably socialize with people in that group and share many interests and characteristics.

2.2.5. Risks of embedded ties

To begin with, the risks of having all embedded ties include a **difficulty to adapt to changes** in the economic environment because organizations become

trapped. Uzzi (1996) states that there is an inverted U-relationship between embeddedness and performance, because these ties can provide the organization with a lot of benefits but when these are the only ties that one has, it is difficult to adapt and the innovation and knowledge is exhausted. "(...) intimate ties are the ones least likely to provide a culturally stimulating flow of nonredundant information. The closer people are, the more similar they tend to be in their social locations and their resources" (Erickson, 1996, p. 236). There is no inflow of new and original information so the organization becomes stagnant and it is trapped in the relationships because of the compromise these entail and it is impossible to adapt and change.

Emotions may win over rational decisions (Molm, Melamed & Whitham). For example, a firm may need to take certain decisions for the firm's survival that can compromise their partner and it can be a very hard decision when there is a deep relation with the other. It can also happen the opposite way, when firms have a negative sentiment over a firm and take irrational decisions to win the competition or try to destroy the other. Emotions like obligation, solidarity or resentment can cause unreasonable decisions with negative outcomes.

In addition, **others can take advantage** on the trust deposited in them and take the opportunity for malfeasance. The trust that comes with the embedded ties can lead to certain crimes because people have the knowledge available to take advantage of the other and be opportunistic. There is certain information that one only shares with the people one considers to be trustworthy, making it available for the other to misbehave (Granovetter, 1985). Individuals know what to expect from the other side, because they know and expect something.

2.2.6. Benefits of embedded ties

On the other hand, there are many benefits that come with embedded ties. These types of relationships not only secure continuing exchange, but they can also provide new business, legitimacy and status. By being well-connected, people can have more business opportunities and have more influence on others (Jackson, 2014). For example, in the U.S. Senate, there were some senators who belong to "the Senate Club", which meant that some senators

were embedded in the system of credits and debits, making them more powerful than the ones who are not a part of the club (Coleman, 1988).

Moreover, Granovetter (1985) states that the information obtained by continually dealing with the same person is better because of several reasons. The first one is that it is cheap. Secondly, as the information was gathered by individual, it is more precise and suitable for the needs and expectations of that person, rather than if it was gathered by someone else. The third reason is that one the transactions are maintained in the long-run, the motivation to be trustworthy and efficient is higher than if the transactions were just sporadic. The last reason is that when the economic interaction is frequent, social relations may appear making it harder for the other to take the risk of malfeasance or opportunism.

In the case when someone cannot obtain the information first-hand, it is common for individuals to ask the people who they trust more. Di Maggio & Louch (1998) explains that by doing so, they diminish risks because they ask their close ties about the references of the other individual in the economic transaction or a recommendation of someone available to do a certain job. Having this prior knowledge of the other person can help in the economic interaction, rather than having to trust a complete stranger.

Furthermore, the availability of tacit knowledge that every embedded tie brings allows the professionals to make faster decisions. They know how the others work and what the others expect of them. Besides, there is trust so, in the case of emergencies or contingencies, one can make a decision without being obliged to confirm with the other. Every individual is motivated to solve problems the best way possible in order to satisfy both parties. If a member of the organization needs to solve a problem immediately but he cannot reach the other one or does not have time to do it, he might be able to make the decision by himself because he has knowledge of what the other expects of him.

Clustered networks also have benefits. To begin with, misbehaviour can be punished easily because if one misbehaves with the other, the friends of both,

which are all in the same cluster, can help to correct that mistake. In accordance to that idea, if people who have friends in common are working together, they will be motivated to be more efficient and productive in order to avoid a negative judgement from the rest of the group. It is a natural way to enforce trust because both will want to behave correctly and both know that the other will want to behave too, increasing confidence in the other (Gulati, 1995). Furthermore, some people need the approval of their friends so clusters with some individuals adopting a new behaviour can end up with the others accepting it too (Jackson, 2014).

2.2.7. Power through embedded ties

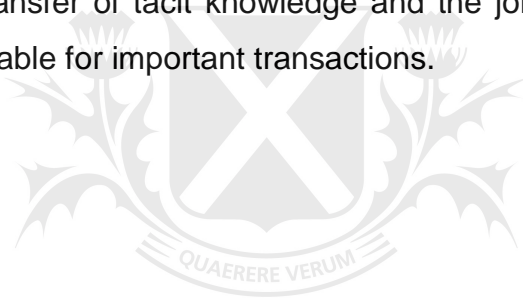
Power can be defined “as a structural capability that promotes unequal resource distribution favoring some actors at the expense of others” (Thye, Lawler & Yoon, 2011, p. 391), in other words, power gives certain advantages to some over the rest. An individual’s connection to the rest of the network and to other networks around him can give him a lot of power. The position in a network can vary between central and more peripheral positions, depending on how many connections one has with the rest and how deep those bonds are. People with a **central position** are the ones in the middle, with connections to everyone in the network and people with **peripheral positions** are the ones that do not know everyone and have influence on just a few people in the network.

According to Marsden and Laumann (1997), “those persons at the center of the network, on whom the more peripheral actors are dependent, are the most powerful actors in the system” (p. 217). This is because the person at the central position is the link and connection between actors and sometimes the network would disappear without them. On the opposite, peripheral positions do not have such influence in the network because they do not interact with all the other members.

Also, being in a network with members which are politically or economically resourceful gives you more power than in a low-resource network. “Better-connected individuals can have greater opportunities for complementarities in behaviors and exude greater influence” (Jackson, 2014, p. 12). So, it can be

inferred that when you are in a resourceful network in a central position, you are more powerful than your peers in a less resourceful network or in a more peripheral position.

Finally, what Uzzi (1997) observed was that “the critical transactions on which firms depend most are embedded in networks of social relationships that produce positive and unique outcomes that are difficult to imitate via other means” (p. 64). In other words, embedded ties are needed for certain transactions because the interaction that they convey is essential for the success of some negotiations. For example, in the case of transactions with manufacturers that are specific regarding quality and time, one needs to know that the other can satisfy certain conditions because, if not, the business can fail. The trust, the transfer of tacit knowledge and the joint-problem solving of arrangements is valuable for important transactions.



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CHAPTER 3: Methodology

3.1 Identification of the unit of analysis

In this study, the main and only unit of analysis will be the TV show *Mad Men*. The reason why it was decided to analyze that specific TV show is because it portrays real life in the 60s in a reliable and credible way. The detailed way in which characters develop and interact unveils the possibility of studying different situations that could occur in real life. Also, *Mad Men* has won several awards and has enough reach to validate its quality and influence in the audience. On the other hand, comparing it to how agencies work nowadays or other agencies at that time was not chosen because it would deviate from the idea that embeddedness and social relations depend on the context which, in this case, closes up to that specific ad agency in the 60s.

Stake (1999) explains that case studies are appropriate when the topic of investigation can be better understood with a particular case. This TV show was chosen because the observation of the characters who work in the agency can help explain and analyze a very abstract topic. The analysis of every interaction displays the reasons why characters do certain things in a clearer way. It is interesting to understand why certain things happen in order to extrapolate that knowledge and apply it in real life. In the agency, there is a specific department that focuses on accounts and clients, i.e. people who only pay attention to the client's needs and wants in order to please them. These characters are in charge of taking them out for dinner, have fun and entertain them so as to create strong and embedded ties. It is relevant to analyze the ability of these characters to engage in these relationships, since it is not possible for all of the workers in the agency.

Even though these characters and plots are fictional, the representation of real life business has to be somehow relatable to the audience. People can interpret the events that occur on the show and compare them to the way they occur nowadays, find connections and differences. By doing so, they can reconsider

the way in which they act and behave (Buzzanell & D'Enbeau, 2013). These reasons justify the investigation because, even though the events in the show did not occur in real life, they could have occurred. The fact that real life was decided to be portrayed that way is also interesting for the analysis.

3.2 Type of investigation

In the case of this analysis, the type of investigation will be descriptive, which means that “the main objective is the description of something, generally its characteristics or functions of the problem in question” (Malhotra, 1997, p. 90). The idea is to obtain information that could help understand why workers choose their network over the market, and usually prefer embedded ties over arm's length ties. A descriptive investigation helps to extrapolate knowledge from a particular case in order to partially understand a more general situation. It is used to describe different tendencies within a group or population.

The analysis will have a qualitative focus because the topic itself has a sociological approach that would be hard to analyse with quantities. A qualitative focus pays attention to the reality of different circumstances in order to obtain the meaning for the people involved (Rodríguez Gómez, Gil Flores & García Jiménez, 1996). A qualitative approach will enable a deeper comprehension of the subject because it provides rich and profound information. In this case, character's actions and decisions are better understood through a qualitative analysis. This is because it pays attention to more detailed information that cannot be obtained through number's analysis.

3.3. Sources of information

Primary

The primary source of information will be the TV show itself, *Mad Men*. The objective after watching every season is to analyse deeply the interactions focusing on the ties that are developed. The show displays the topic of analysis in depth, so its investigation can be fruitful in the understanding of the topic.

Secondary

On the other hand, there will be many secondary sources that will help the development of the analysis. As the main source there will be many papers from sociologists, economists and other professionals that are extracted from different databases, like EBSCO and Jstor. These databases provide articles and books from different journals, like Human Relations, the American Journal of Sociology and the Journal of Economic Perspectives. There will also be articles from professors in different universities that focus on the sociologic topic or on the TV show. Reviews from newspapers and magazines will also be employed for the TV show's analysis.



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Chapter 4: *Mad Men's* analysis

4.1. Introduction to *Mad Men*

Mad Men is a TV show produced by Matthew Weiner that takes place in New York on the 1960s and presents the story of a group of people who work at an advertising company on Madison Avenue. It revolves around the character's sociological and psychological development throughout the whole decade with a lot of historical accuracy. It shows the day-to-day work of people in an advertising agency and all the problems that they have on their lives, related to what was going on at that time in that place. It is a fictional story with a plot that develops in a real and accurate historical period.

The TV show begins with characters working at Sterling Cooper, an ad agency that Roger Sterling's father and Bertram Cooper started several years before. After a few years, they sold the company to an English agency called Putnam, Powell and Lowe, but remained working under the same name. However, both agencies were bought by McCann Erickson, a major ad agency in New York, so some of the main executives with other workers left to start another agency, Sterling Cooper Draper Pryce. They later merged with Cutler, Gleason and Chaough, which remained this way for just one year. Later, after Gleason and Cooper passed away and Draper was about to get fired, Roger Sterling engineered a merger with McCann Erickson. Some of the workers went to work for them but others did not.

Roger H. Sterling, Jr. is one of the main characters in the renowned TV show. He is one of the owners of the company and he is a typical businessman whose work focuses on gaining new accounts. He is always occupied with the clients and trying to create strong ties. He inherited his father's company, and worked there until they started another one. He is a really charming man, with a witty sense of humor and endless vices, including drinking, smoking and being as unfaithful as he can. He is always trying to satisfy the clients' needs through

funny and ingenious comments, taking them to an entertaining lunch or an amusing dinner and enjoy a couple of drinks and parties with them.

Peter "Pete" Dyckman Campbell is a spoiled, ambitious but insecure businessman. He was raised in a high class family, where he learnt how to be polite and courteous. Although his first intention was to work as a creative copywriter, he ends up dealing with clients as an account man. He understands their needs, tells them exactly what they want to hear and takes them where they want to go, thus making him excellent at his job as an account man. He is the perfect link between the clients and the rest of the agency.

Donald "Don" Draper has a different background than the others. He comes from a low class family and, after a misunderstanding during the Vietnam War, he adopted another man's name and started a new life far away from where he was born and raised. He got a series of jobs he did not really desire until he convinced Roger Sterling to hire him for Sterling Cooper. From there on, he started to work hard in order to get to the top of the agency as a creative director, the place where he is in when the TV show begins. He is the typical self-made man. He is a really solitary and secretive man, who does not share the same values and interests as the others. He did not have the same education as the rest and one can see how he struggles to understand and adapt to the other's way of living. He is not embedded in the same context as Campbell and Sterling. This might be a reason why he is more creative, because he has a different point of view than the others and he gets to observe their reality with an external perspective.

The advertising context is particularly interesting for this topic because of two reasons. The first one is that the workers need to know and understand their client in order to satisfy them. But the second one, which is particular to this industry, is that their client also has a client that needs to be satisfied, also known as "target". So the admen have two types of clients, a direct and an indirect one. Pleasing their direct client is not enough, because if their client does not sell the product, they will end up firing them. Admen need to

understand their client and people in general, in order to satisfy both and still get the job.

Furthermore, it is really useful to understand economic relationships between individuals because workers at the agency need to get accounts in order to keep the agency afloat. This means that they need to achieve lasting bonds that will give them the security and stability for the business. They get their clients counting on the expertise and creativity they can provide but also with the charm and grace needed to convince clients to hire them. During the TV show, Campbell offers one of his ideas to the clients and, after the rejection because it was related to racial issues, Sterling scolds Campbell telling him that “I don’t know if anyone’s ever told you that half the time this business comes down to, “I don’t like that guy”” (Weiner & Abraham, 2009). Everyone is aware that clients have to like the account man because it might depend on that simple fact if the relation continues or expires.

Deep economic ties are necessary in this industry because the agency can be easily replaced by another. This is why Admen are constantly in need of finding the best idea possible to satisfy their client requisites. If they cannot achieve this, the transaction will fail and the business will be in trouble. This is why there are several examples that show how the professionals interact with their clients, which can be either deep or superficial bonds.

4.2. Uzzi and market ties

In the case of this advertising agency, most of the relationships with clients are not market ties. Clients usually hire them once they got to know and trust them. Afterwards, there are several interactions in order to really get to know each other so as to get better results and understand each other’s needs. Nevertheless, there are a few cases where this is not the rule and they do not know the clients or do not know how to deal with them. These relationships are more distant and, although there is more than one isolated interaction, there is no bond, no trust, no understanding and it is really hard for both sides to deduce what the other side wants.

The main example is the lack of understanding between the Japanese from Honda Motorcycle Corporation and SCDP during the episode "The Chrysanthemum and the sword". The Japanese company is looking for a new ad agency and SCDP decides to try and win Honda as a client. However, Roger is a veteran from World War II and has a deep hate and resentment after what happened in Pearl Harbor and the war. While talking about Honda, he explains to Pete Campbell, another partner, that "I don't expect you to understand this, because you were a little boy, but I used to be a man with a lot of friends and then WWII came and they were all killed by your new, yellow buddies" (Weiner & Glatter, 2010). Roger Sterling has a different context and historical background than the others because he is the only one who fought in that war, and he is the only one who hates the Japanese. The dissimilarity in Sterling's background with the rest of the characters is giving the company a lot of trouble. Later on, the rest of the partners decide to "keep Roger out of the loop" and ask Bert Cooper, another senior partner in SCDP, to help them understand Japanese culture. When the meeting finally takes place, there is a clear contrast between the Americans and the Japanese, showing the different conventions each country has. The situation is really uncomfortable when Pete Campbell is trying to give his client a gift and the other refuses it three times until he agrees because Campbell does not understand the refusal. Afterwards, Roger Sterling appears and tries to cancel everything by intimidation and being disrespectful. When Campbell tells him that the meeting is about to finish, Roger replies that "I have to warn you but they won't know it's over until you drop a big one. Twice" (Weiner & Glatter, 2010), a clear reference to what happened in Hiroshima and Nagasaki. After this series of obstacles produced by Roger Sterling, everyone else in the company decides to go ahead with the deal. Don Draper focuses on winning the account and tries to fix what Roger did. Draper decides to go to a Japanese restaurant, Benihana, and to read the book *The Chrysanthemum and the Sword* in order to understand the cultural and social differences. By reading it, Don Draper learns that they have to follow the rules the Japanese had presented them. They decide not to present a commercial because the Japanese explicitly asked for boards and copy, no finished work. However, they trick the competition to do one by pretending they were shooting one themselves. Although they do not get the account, because Honda was not

supposed to leave the agency they already hired, they received the news that they considered SCDP as the most charming one. So, in the end, thanks to the fact that Draper tries to comprehend Japanese traditions and ways of working, he won over the competition. After Don Draper reads the book about Japan's national characteristics, he could figure out how to win over the competition. By the information provided by the book, he could create the expectations necessary to collaborate and understand the others and satisfy their needs. However, it was really hard at the beginning because they were so different and distant which made it hard for Honda to trust them. It could also be considered a market tie because Honda had created the competition in order to choose between different ad agencies, considering irrelevant who was behind it. Uzzi (1997) stated that in the case of market ties, "actors regularly switch to new buyers and sellers to take advantage of new entrants or avoid dependence" (p.36), which is what happens to Honda, because they are considering the opportunity of choosing between different actors, in case they fire the one they are working with. Although technically they do not switch from the one they had, they are testing different agencies in order to be informed about other options in case they fire the one they already have. They do not care specifically who is the one who works with them, but they care about having the most profitable and efficient partner. They are searching for a potential second option in case the one they have fails, which shows that they can carelessly switch between agencies and take the best opportunity they have.

The other example of market ties is related to the Jentzen account. In the first episode of the fourth season, "Public relations", a family business goes to see Sterling Cooper Draper Pryce because they had heard that Don Draper was excellent at his job. They start the meeting admiring Draper's work with Glo-Coat. However, they do not have a nice surprise. Don does not understand what the clients ask of him, because the clients wanted a conservative ad and Don offers them something different. It is a bikini brand or, how they state it, "a two piece bathing suit" (Weiner & Abraham, 2010), so they wanted to conserve a vision of family business and show girls mostly covered with a less provocative vision. Don knows that the conservative perspective regarding bikinis is a failed market strategy at that time so, in the next business meeting,

he plays with the idea of a girl being covered but in his ad, she is not. She covers her upper part with a sign saying “So Well Built, We Can’t Show You the Second Floor”. All of this shows the audience that Don Draper does not empathize with the client and does what he wants and what he thinks is right according to his job, but he leaves behind the idea of joint-problem solving because he does not pay attention to the client, he is not focused on working together with them in order to achieve a better result. Draper does not like to lose time, so he does not care about this client, because he knows that their idea will not sell. He prefers to follow his selfish instinct because he knows that the client’s regular customer will buy his idea over the conservative “family” concept the client was looking for. Don loses the client’s trust by doing what he thinks instead of attending the client’s wants. He is motivated by selfish reasons rather than the relationship with the client, so he does not care about losing the account by showing what he thinks is the right path instead of what the client asked of him. After the clients refuse Don’s first and only idea, he gets angry and leaves the room. Later on, he kicks them out of the office. They lose their client because of different opinions and Don’s aggressiveness. They did not like each other so they switch towards different partners, there is a lack of trust after these differences that also show that there is no fine-grained transfer of information, both groups do not know how to work with the other, they are embedded in different contexts. In other words, the divergence in thoughts and opinions makes it really hard to create a deep bond between the individuals. They disagree on the main idea of what the ad should show, and Draper does not try to meet them halfway, so he dismisses them from the meeting. It is a case of destroyed market ties because of discrepancies over important matters.

These previous examples show two cases which had opposite endings: one was successful and the other was not. Both scenarios begin with Donald Draper not understanding the client. However, in the Japanese’s case, he made an effort to interpret what they wanted and how to achieve it. He contemplated the challenge and decided to win, he investigated and did some research over the context so as to achieve a fruitful outcome. Moreover, he was intrigued because the account’s billings were enormous. On the other hand, with the Jentzen account he did not even try, he kicked them out even though the others were

eager to work with him. He did not want to submit to their stereotypical ideas because he regarded them as a waste of time. He chose to prioritise what he thought was right without taking into account the client's opinion because he did not mind losing a small account. This shows that in these situations, Donald Draper is a professional who prioritizes his own career and that he has "cool and atomistic" (Uzzi, 1997, p.36) relationships who chooses his partners according to his affinity with them regarding his passion.

4.3. Uzzi and embedded ties

4.3.1. Trust:

The first characteristic that is observed in the embedded ties is trust. This usually occurs naturally when the relationship between two agents is constant and genuine. The actors share information with each other and get to know each other deeply. They share their strengths and weaknesses, counting on the other not to take advantage of them. On the TV show, we can see how the account men work hard on getting the others to trust them. They try to satisfy their needs and show them that they are reliable and devoted so the clients will continue hiring them and sharing information with them. They focus on finding shared interest or activities in order to relate. Every meeting ends up with an entertaining dinner or an amusing show. Whatever the clients ask for, that is what they get. In addition, they help the creative workers to present their ideas, by praising them and by setting a more amicable mood.

Every account man in this TV show spends its days trying to find clients, generating trust and deep bonds with them by entertaining and seducing them. Roger Sterling and Pete Campbell are two classic examples. Throughout every season, we can see Roger Sterling in action. He is portrayed as a lazy businessman who spends his days drinking whiskey and smoking cigarettes. Nevertheless, his work is really important for the company. He has to get and nurture every account he can. He is always trying to satisfy the clients' needs by entertaining them with meals or parties and his adorable presence, with amusing jokes and humorous comments. One of his most important clients is Lee Garner Jr., the heir to the Lucky Strike fortune. Both inherited the account from their respective fathers which lasted for over 25 years, now a big

percentage of the company's income. Sterling's job consists of satisfying Garner's needs, not only regarding business but also social matters. In "Christmas Comes but Once a Year" (Weiner & Uppendahl, 2010), Garner announces he wants to go to the Christmas party that will take place at the company, so Roger Sterling tells Lane Pryce, the Financial Director, to increase the budget spent on the party. When Pryce refuses, because of the financial troubles the company is going through, Sterling answers "[i]f Lee Garner Jr. wants three wise men flown in from from Jerusalem, he gets it" (Weiner & Uppendahl, 2010). Afterwards, during the party, Garner asks Roger Sterling to dress up as Santa Claus. Although the businessman begins by trying to decline three times, he ends up following Garner's wishes, after the client stares at him with a really serious look insisting that he should put it on. He complies with Garner and accepts the embarrassment of dressing up as Santa Claus only because the client asked for it. In addition, he does not say anything after Lee Garner Jr. flirts with Sterling's second wife, Jane. He allows him to do anything he wants. Roger Sterling is always trying to please Lee Garner Jr. and all of his clients because he wants to build embedded ties and increase the trust that clients have in him. In "Public Relations", a client asks if he can put his feet on the table and Sterling answers "[p]retend like it's your living room" (Weiner & Abraham, 2010), making sure the client feels comfortable. He needs them for his business, and by having strong ties he knows that the relationship will last and be more fruitful. But, in order to achieve this strong ties, he decides to spoil and entertain his clients, so they will feel relaxed in his presence and trust him, share knowledge and help each other.

Moreover, Peter Campbell is another account man in the agency. He follows the same rules as Roger does. During an award ceremony, Don's father-in-law, Dr. Emile Calvet, asks Peter about his job, and he gives him an example, without Emile realising he is:

Dr. Calvet: But I don't understand. What do you *do* everyday.

Pete: Well what do you do? You're a scholar and an intellectual, right?

Dr. Calvet: Yes...

Pete: Actually from what I hear, you're a bit of a trailblazer.

Dr. Calvet (timidly): I don't know if it's true...

Pete: I bet the world would be better off if they knew about the work you were doing."

Dr. Calvet (flattered): You're very kind...

Pete (bragging): *That*, Emile, is what I do every day. (Weiner & Uppendahl, 2012)

In this conversation, we get a brief but clear explanation of how Peter begins every relationship with others around him. He flatters and adulates them in order to gain their trust for the future. He does it in a really conscious manner. Besides, he is always ready to entertain his clients and to make them enjoy the time spent together. By doing so, he knows the clients will feel comfortable around him and will prefer him over his competition.

The account men care a lot about image because they know that it will affect the trust clients have on them. They do not only think about current clients but also about future ones. Because of this, Roger Sterling hires a reporter to interview Don Draper, the creative genius that works in the company, in order to present him to the world and to improve the firm's image, an advertisement to the firm. Nevertheless, Draper is too secretive and mysterious, so the interview leads to a really critical article. They describe him as a "handsome cypher" (Weiner & Abraham, 2010) which, according to Lane Pryce, is a problem because "you're a salesman, you don't want to be known as mysterious" (Weiner & Abraham, 2010). Sterling and the other partners are really angry with Draper after he ruined this opportunity, especially because there is an account who fired them after they were not mentioned in the article. When Don tries to justify what happened, Bertram Cooper tells him that "turning creative success into business is your work. And you failed" (Weiner & Abraham, 2010). The firm needs to get more clients and by showing a negative image of one of their most important employees, people will not trust them. So, if they do not trust them, they will not hire them. Draper's personality gets in the way with the firm's ability to bond with new economic actors, weakening future possible ties. He had a different upbringing than Roger and Peter so it is clear that, for him, image is not important. He does not understand the context as the rest does, he just

thinks about creative work, not about image and bonding with the rest of the businessmen in the city.

There is another example that shows Don's inability to generate trust in others. This is the time when Lucky Strike, SCDP's biggest account, fires them. After this, agencies that were working with them assumed they did not have the possibility of surviving so they dismiss them, like Glo-Coat, an agency that won an award with the ad SCDP created for them. Also, agencies that are interested preferred to wait and see if they are still working in the long-run to hire them. So, by following his own recommendation that states that "if you don't like what they say about you, just change the conversation" (Weiner & Taylor, 2007), Don posted a polemic letter occupying a full page in the New York Times criticising the smoking industry and, in particular, Lucky Strike. Although it seemed a terrible idea, it miraculously worked because the American Cancer Society called them for an anti-smoking campaign and afterwards, business started to flow normally again. However, later, in an award ceremony, where they gave Don Draper a prize after the letter because he went against the smoking industry, he starts talking with one of the company's father-in-law, Ed Baxter, an important businessman. Baxter explains to him why it would be a waste of time to introduce Don to a member of the board, because they do not like him. "This crowd, they'll bury your desk in awards but they'll never work with you. Not after that letter. I mean, how can they trust you after the way you bit the hand?" (Weiner & Uppendahl, 2012). Don lost the trust that people had in them or that they could potentially have by criticising an account that fired them. Businessmen in their social circle found out what happened by being in the same network and ended up doubting Draper's integrity.

These examples show the differences between the account men and Don Draper. It is not easy to bond with others when you do not share the same values and the same context. Also, Roger and Peter have more advantage because that is what they do everyday. It is necessary that Draper leaves that area for them because he does not know how to play that game with those rules. He is a secretive and mysterious man who focuses on the ads instead of the clients. However, it is decisive for the company that the account men

generate trust in the clients because, if not, the business fails. People might fire them or stop hiring them, and that would bankrupt the company. Also, it is easier to work with someone who trusts you because you get more inside information of what they really want and what they expect from you.

4.3.2. Fine-grained transfer of knowledge:

This characteristic is seen after the agents get together several times because both parties start to understand what to expect and how to act and react with the other. The account men and their clients usually understand each other and know how to work jointly because relationships have been around for a long time. For example, Sterling and Lee Garner Jr., the Lucky Strike executive, have been working together for a really long time and Sterling knows exactly how to entertain and work with him. Garner is a really spoiled and unpredictable man but, for Sterling, he is not. He gives him everything he wants and he treats him marvelously.

In “New business”, Roger is talking with both her secretaries and when one of them tells him that a client called, he asks if he is a “NAC”. One of the secretaries asks what that is, so he explains that he is a “No Afternoon Calls”, which means that he drinks too much during the day and afterwards he does not make sense, so he should be called in the morning, when he is more productive. This information comes after a while of interaction with the other individual, because a person who does not know him might call him in the afternoon and he would not get any of the information needed. It is really useful to know, because the cooperation is more profitable.

During “The suitcase”, Freddy Rumsen appears, a freelance agent that used to work for Sterling Cooper. He offers the Pond’s account to the company. Pond’s executive and Rumsen do not drink alcohol because they both went to rehab, the place where they actually met. Roger is angry because he cannot drink and the meeting is during the same night as the Liston vs. Clay fight, a famous and entertaining boxing match. He knows his client and how to handle him, so he avoids drinking in front of him. He is respectful with the other, even though he is bored and annoyed. He knows how to treat his client because, if not, he might

lose the account, so he does what it is expected of him in order to maintain that tie with the other.

This characteristic is hard to find because it is subtle and implicit, but one can easily interpret that Sterling is not only charismatic and sociable, but that he has the advantage of knowing their clients in order to offer the correct treatment. He might know his clients for a long time or just a few days, but he is really cautious and thoughtful with them. He shows interest in the others, even though he might not be genuinely intrigued, in order to find out what he needs so as to offer a proper treatment to the others.

4.3.3. Joint-problem solving:

This is a characteristic that can be seen every time the people in the agency gather with their clients. They show them their idea and try to sell it to them but they also debate and discuss that idea so as to find the best way that can gratify both parties. They also try to understand what the client wants and to understand the opinion on the other side. They do not work individually. The employees who work at the creative department try to pitch their ideas but if the client does not like it, he tries to explain why and what is the main strategy in order to find the best solution. It is a process that may take a long time, and if it does not work the first time, there is always a second try.

There are cases when the creative agents show their work to the clients and they do not like it. When this is the case, the clients explain why they do not appreciate it, so that the employees can improve their work for the next time they get together. Every meeting includes both parties' employees, and it is a place where they discuss ideas and points of view according to the client's strategy for their business. The idea of advertising is to convince clients that their client's brand is better than the others, according to the main strategy. There is a need for coordination between the ads and the client's plan.

In the case of Heinz Beans, when they show the client what they had in mind and the client does not like it, he says "I'm really sorry about that" (Weiner & Hamm, 2012), and he actually is. Draper comforts him telling him that "it's a

process” (Weiner & Hamm, 2012) so he should not worry. However, in the second meeting, when the Heinz executive still did not like their ideas, Peggy Olson gets really angry. She loses her temper and insists on that he should run with it (Weiner & Hornbacher, 2012). Even though she was rude because of her frustration, they did not lose the account, although Peggy was left out of the project. Heinz executives prefer not to fire the agency just because Peggy was disrespectful with them, they choose to give them another opportunity and replace the creative copywriter with another one. They stay with them because they believe that their success is at SCDP.

With the Royal Hawaiian account, a hotel, the same thing happens, the clients did not like Draper’s idea because they consider it to be too morbid (Weiner & Hornbacher, 2013). The clients insist that it is good but they do not like it, so they are waiting for more ideas. They are not planning on changing agencies, they are giving them another try. Clients are conscious that it is a process that takes time and commitment, communication and planning, so they give the agency the opportunity to prepare something different instead of firing them. They are aware that efficiency is not immediate.

Additionally, in a meeting with a Belle Jolie client, they showed him a really famous and controversial TV show that most women were watching at the time, offering him the idea to include their ad in the show. However, the client does not like the suggestion because he does not want the company to be linked to something so political, so SC accepts their opinion. They try to make both sides win. SC is thinking on their partners, so the minute they find a TV show that works for Belle Jolie, they offer their ideas to them. Both sides respect the other’s opinion and they are both thinking on how to improve their work. Although sometimes the ideas are not right, they keep trying to progress together. They go through failed attempts together in order to achieve great success.

4.4. How to achieve economic ties

The account men are always trying to find ways in order to show they share a lot of interests and cultural institutions with their clients. This is the way they manage to get clients to trust them, so as to have a deeper and lasting

relationship. Both sides will try to solve their problems together and learn how to work with each other.

There are several examples showing how Roger Sterling and Pete Campbell try to gain their clients' respect by making emphasis on the shared interests, values or activities. They understand that, by finding these links, it is easier for them to build a stable relationship. They create or insist on the connections with the others in order to begin a successful exchange. The clients will feel understood and will probably trust them even more. For example, in the first episode of the TV show (Weiner & Taylor, 2007), Roger Sterling asks Don Draper if there are any Jews in the agency, because he arranged a meeting with a Jewish woman and he wants to show her that, in the agency, they are open with Jews and they understand them. However, there are none, so he has to find someone elsewhere and hire him just for the meeting. The same thing happened when they had the Monarch account, that also included Jewish people. Although Roger Sterling had divorced his second wife, he asked her if she could go with him because she had Jewish family. Also, he included a copywriter that was Jewish in order to show that they were on the same side. Jewish people used to work in a closed circle, but the market was big, so Sterling tries to make some links and connections with them by showing the superficial connection he has with Jewish people.

In the episode "Signal 30" (Weiner & Slattery, 2012), Lane Pryce, the Financial Chief, meets Edwin Baker, the Senior Vice President of Public Relations for Jaguar Cars Inc. and a fellow Englishman, in a bar while watching the final match between Germany and England. Pryce, happy with his new account, tells the rest in SCDP about it, so Roger later offers him some advice on how to achieve that economic bond. He advises him not drinking so much so as to be lucid and to try to find things in common. He tells him to "let them know you've got the same problem as he has (...) and then you're in a conspiracy. The basis of a "friendship"" (Weiner & Slattery, 2012). Roger knows that the best way to generate trust and a deep relationship with someone starts after finding things that are shared. Roger shares Rivera's (2012) ideas, which state that shared tastes, lifestyle choices and activities makes it easier to relate with the other.

However, Lane Pryce could not apply successfully Roger's advice because Edwin Baker is a really positive man, and Lane Pryce has a lot of problems finding points in common. He says "I haven't a complaint in the world" (Weiner & Slattery, 2012), which conflicts Pryce, who is following Roger's literal advice. Afterwards, Roger and Pete tell Lane that they will solve the problem by organizing a meal with him. They end up going to a restaurant with Draper too, in which Edwin Baxter asks for a little "fun", so they finally go to a party. It ends up being a fiasco because Baxter's wife finds out he cheated on her and decisively fires them. However, if the misunderstanding had not occurred, the account would have worked. This example shows how Roger and Pete usually handle accounts, by seducing their clients in order to trust them and accepting and fulfilling their client's needs, even if that means to cheat on their wives. Sterling's advice on how to achieve economic ties reveals that he is not randomly charismatic but that he has a whole technique in order to achieve the client's trust. He finds things in common with them, like interests or social norms, and deepens on them.

Incidentally, we must not forget that, back then, men usually went to the same places for lunch and dinner, they were members of the same clubs and they used to attend the same events. Hence, when Peter Campbell goes to return a wedding gift to the store, he starts talking with a lady that tells him that her husband works in advertising and, when she tells him his name, and Peter answers that he does not know him, she answers "that's because you're here at lunch" (Weiner & Hunter, 2007). This example is useful to understand how important it was to be there for lunch instead of returning a gift, because one could get to know people that could be very advantageous for their career. If not, one would be left out of the network, making it really hard to get in.

Another example of how account men work begins when the Englishmen arrived at Sterling Cooper after the merger, when they changed the hierarchy in the company because they introduced some of their own English account men on the top, lowering the rest ones down. One of this employees had great social skills, so everyone knew he was great for his job. Nevertheless, after an accident at the office, he lost his foot. When Draper and Joan, the main

secretary, were at the hospital to see what happened, the Englishmen, Saint John Powell and Harold Ford, had bad news:

Saint John Powell: He was a great account man. A prodigy. He could talk a Scotsman out of a penny. Now that's all over.

Don Draper: I don't know if that's true.

Harold Ford: The man is missing a foot. How is he going to work? He can't walk.

Saint John Powell: The doctor said he'll never golf again. (Weiner & Glatter, 2009)

This is a subtle example of the importance of being outgoing and sociable for the account men. If they cannot play golf, how are they going to relate with their clients? If they cannot walk, what image will they give? They need to have the best image possible and be the most friendly and fun person they can be because, if not, the client will get bored or will not trust them with their money. Something that might seem an accessory to the job turns to be extremely important, because if he cannot attend leisure activities, he does not have the time quality with their clients and he cannot achieve deep bonds with them, so he better look for another job.

All of these examples show how the account men have to get those accounts and handle them afterwards. They need to be polite, outgoing, sociable and engaging because they need to be around people all day, making them feel comfortable and satisfied. Account men have to modify their way of behaving according to the person they have in front, making more or less emphasis on their interest or values depending on the person they are talking with in order to find things in common with the others. Once they find this shared interests, norms or values, it is easier for them to connect and relate with the other.

4.5. Risks of embedded ties

There are three main risks that embedded ties may bring. The first one includes **a difficulty to adapt to changes** (Uzzi, 1996). During season six, Raymond Geiger, a Heinz Beans executive, presents Timmy, the executive in Heinz Ketchup, to the rest of SCDP because Timmy was really interested after Heinz

Beans' success (Weiner & Hamm, 2013). However, when Raymond does this, he genuinely did not want Timmy to hire them because he is jealous of him, he does not want him to win. Timmy is arrogant and wanted to steal Raymond's idea. As Geiger trusts SCDP's employees, because he was there when the company was in a shaky position, he introduces Timmy but he asks them not to meet him again or even talk to him. The problem here is that, as Heinz Ketchup is a more profitable account than Heinz Beans, Draper and Campbell do not really care about what Raymond asked for, so they meet anyways, although they do it in secret. They do not tell Raymond because they know that they were not doing the correct thing, that they were supposed to respect him and follow his rules but they reunited with Timmy anyways. Raymond was counting on them and they chose the most potentially profitable way. Either way, they did not get the account because Raymond found out so he fired them. They were really opportunistic and unloyal, which ended up being very harmful for them. They took advantage of Raymond's trust by trying to win the account secretly, which was risky for SCDP. However, they lost. If they would not have been committed to Raymond, he would not have asked for that favor and they would be available for the Ketchup account. Having that strong tie did not allow them to progress or develop further relationships with the others. Unfortunately, they not only did not get the new account but they lost the one they already had.

The second risk possible is that **emotions may win over rational decisions**. In the TV show, this can be seen when Campbell was working with Tom Vogel, Vick's executive and Peter Campbell's father-in-law. He fires the company after they run into each other in a party where it was obvious both had been unfaithful to their wives (Weiner & Getzinger, 2013). Vogel was a hypocrite who judged Campbell even though he did the same thing. Vogel justifies that he cannot allow Campbell to be unfaithful with his daughter. He is mixing his job with his life and reacting through his power over the account. Following that, Campbell might be a terrible husband but he is a great account man, who does everything in his power to satisfy his clients. However, Vogel wants to punish him and fires the company, i.e. through his professional life.

That was not the first time Vogel mixed things. Once, he called Peter trying to cancel the account just because Peter did not want to adopt a child:

Vogel: Well, we've been thinking about things over here, and we're going to have to put Clearasil up for review.

Campbell: Really? That's a shock, Tom. Now, why would you do that? Sales have been spectacular.

V: All right, calm down. I said review, not that we're moving. You'll have 90 days to turn it around.

C: Turn what around?

V: You're distracted.

C: What are we talking about, Tom?

V: Look, son. Every good businessman knows that if his wife's unhappy, his work suffers.

C: Yes, they seem very directly related in this case. Don't they, Tom?

V: Trudy's happiness should be your first priority.

C: I think you should pull Clearasil right now.

V: I don't think you're going to get what you want. What about my daughter?

C: She's my wife. That's between us. (Weiner & Taylor, 2008).

Working with a close member of your family is a potential risk because it brings within the difficulties of embedded ties. People tend to mix things and, if they want to punish you, they will do it however they can. Campbell is a victim of this type of actions, because Vogel is pressuring him on adopting a child by putting the account on review, which he knows that may potentially harm Campbell's career.

In the third season, while Roger Sterling is happily married with his second wife, a former lover appears, Anabelle, looking for an agency that can change her company's image (Weiner & Getzinger, 2009). Alone, they go for dinner and Anabelle confesses her love for him, but he turns her down. Later, she goes to the agency for a meeting but leaves bitterly after they advised her to change the name of her company. Roger goes after her and they have a short conversation, where she makes it clear that she is not hiring them because she is angry with what happened the night before, and that not wanting to change

the name was just an excuse. She wants to be with him but he rejected her, so she does not want to work with him. She fires them and ends contact with the agency. It is clear how emotionally-driven she was, because she decided upon her humiliation and frustration over the potential benefits of her own company. She prefers to find some other advertising agency, rather than facing Roger, even though SCDP may have what she needs.

The third type of risk **others take advantage** (Granovetter, 1985) of the trust deposited in them. In the third season, Conrad Hilton, the executive from the Hilton Hotels, finds out that McCann Erickson is going to buy Sterling Cooper, so he immediately warns Draper. They had an extremely close relationship. Once, Hilton literally told Don that:

Hilton: You're my angel, you know that? You're like a son. In fact, sometimes you're more than a son to me because you didn't have what they had, and you understand.

Draper: Thank you.

Hilton: I mean it. (Weiner & Hornbacher, 2009)

They were really close because Hilton values the fact that Draper comes from a low class family and that he could work his way up, as Hilton did too. A similar life story makes Hilton appreciate Don's company. However, when Draper finds out that the agency is being bought, he is really angry with Hilton because he had obliged him to sign a contract with a non-compete clause and now he is tied with McCann Erickson. He blames Hilton because now he has to stay working for McCann Erickson for three years.

Draper: You don't give a crap that my future is tied up in this mess because of you?

Hilton: You wanted my account, and you were lucky to get it.

Draper: And you wanted to play with me. Kick me around, knock me down to size while you called me "son". I get it now, Connie. It's business.

(Weiner & Weiner, 2009)

Hilton believes in meritocracy. Although Draper and him had a great relationship, he is not going to feel bad with what happened. He is thinking only

about himself and he is aware he did not everything for free, because Draper was also benefitted with the Hilton account. He understands that the transaction went both ways and that he does not owe Draper. However, this was a great risk for Draper because he believed that the deep relationship entailed trust and a long-term bond. He accepted to sign the contract because he thought that Hilton will appreciate and care about it. It is a risk because Draper expected something from Hilton that did not occur. He wanted more than the letter of the contract, and now he is conflicted because of it.

4.6. Benefits of embedded ties

Throughout the seasons, one can observe different types of benefits that embedded ties bring within. For example, as Sterling and Lee Garner Jr. were so close, there was a lot of stability and the guarantee that the business will survive in the long-run. The continuing exchange is visible through the four seasons. They do not have to be scared that they potentially will have to end their business, because they know that Lucky Strike will support them, even though they eventually fire them. In season four, after Draper and Sterling were having a telephone call with Lee Garner Jr., Sterling told the rest that “Lucky Strike noticed that they're being billed for all the work we do for everybody else at this agency” (Weiner & Slattery, 2010). As the relationship is strong, Lucky Strike does not fire them. They just warn them that they noticed but everything is fine and it will continue working. Moreover, Sterling is talking directly with Garner, who is a high executive. He has direct contact with Lucky Strike's executives, so it is easier for them to understand the strategy and decide what they want to do, considering that everything is more straightforward. Granovetter (1985) would justify that it is more precise to get that information from the person directly, rather than by someone else who is a weaker bond.

When Sterling Cooper was bought by McCann Erickson, Draper, Sterling, Cooper and Pryce decided to leave the company and start a new one. However, to do so, they needed to secure accounts in three days in order to be sure that it was possible. Sterling and Campbell, two account men, called their clients in order to be certain that their clients would follow them. It actually happened, and they left SC to start Sterling, Cooper, Draper, Pryce. Having

those deep relationships with clients, allowed the businessmen to leave the agency and start a new one, because they were sure that the clients will back them up. Also, clients trusted them because of the long relationships they had so they accepted the offer. In this case, clients gave them power and the possibility of new business. They did not need a contract or a long meeting to be convinced, because they trusted the businessmen and followed their advice.

4.7. Power through embedded ties

In *Mad Men*, there are two different types of actors, according to their ties and their involvement in New York's social circle. The first type of actor is the one who has ties with a lot of important people so as to get the clients. These relationships makes them powerful and valuable for the company. The second type of actor includes the individuals who have position outside the network. Usually, these workers are valuable because of their talents instead of their relationships. They have less power than the others because, although they might be creative, they cannot get accounts. Marsden and Laumann (1997) named them central actors and peripheral actors, respectively.

4.7.1. Central actors

On the one hand, Roger Sterling and Peter Campbell are two individuals who were raised in that city and in the same social circle. They go to the same clubs and restaurants as the rest of the businessmen who share the same social class. They are really good with people because they are similar to them, they share the same interests, values and tastes, they had similar lives and they do the same activities. These account men are really valuable for the business because they are the ones who bring in the clients and who have the connections with the other economic agents. They are considered to be in a central position in a network, because they are the ones who connect the agency with the clients.

In the beginning of the show, Don fires Pete because he told a client his idea instead of consulting it with Don first (Weiner & Hunter, 2007). However, Bertram Cooper does not let him fire Peter because of his mother's connections with the rest of New York businessmen. He tells Don that "I don't want Dorothy

Dykeman Campbell standing on the dock at Fisher's Island this summer talking about how badly Sterling Cooper treated her son. (...) We lose him, we lose our entree to Buckley, DKE, the Maidstone Club, the Century Club, Dartmouth, Gracie Mansion sometimes. It's a marquee issue for us" (Weiner & Hunter, 2007). Don considers it to be really unfair, so he complains but ends up accepting it because it is the way most of the agencies work. Cooper tells him "Don't fool yourself. There's a Pete Campbell at every agency out there" (Weiner & Hunter, 2007), so he better prepare for it. These shows Peter Campbell's power, although he is not conscious of it. They do not fire him because of his mother's connections with the rest of the potential or actual clients, instead of his talents and skills. Thanks to his mother, he is in a really important position in the network, so he better stay at the company to avoid any harm that could happen to them. He is in highly resourceful network, which gives him more opportunities and influence over others (Jackson, 2014).

Also, Roger Sterling is considered to be a central agent for the company, because of all his ties with the clients and, especially, with the Lucky Strike account. When he got a heart attack, he went to the meeting anyway so as to show them he was fine and not alarm them. However, the same thing happened while he was with them and Lee Garner, the Lucky Strike businessman, was suspicious of what might happen. Without Sterling, the account might not stay with Sterling Cooper. He is the main bridge between both parts and Lucky Strike's board counts on him.

However, when Roger Sterling loses the Lucky Strike account, he starts to feel worthless to the company. Even though he is a senior executive, he does not have that economic tie that used to give him power, and he has a lot of trouble finding new ones, so he turns to be in a really vulnerable position. He meddles in Peter Campbell's meeting with the Mohawk Airlines account in order to have the ties himself too. He lost so much power and status around the company that Peter Campbell, who is a junior executive, actually dares to ask the partners if they could switch offices with Roger, which is a symbol of prestige.

Later, when Peter Campbell finally gets the Mohawk account, he lets Roger handle it. However, when Campbell presents the news that they finally obtained an airline in front of Roger and the rest of the agency, he says:

I'm just pleased that after a long effort, I was able to sign them. I've also hired a new copywriter and look forward to great success, with your help. And, of course, Mr. Sterling will be handling the day to day. But rest assured, everything he knows, I'll know. (Weiner & Hamm, 2012).

By pointing out that it was him who got the account and he will have the final say, even though Roger will be managing the clients everyday, he downgraded Roger. He achieved the most important part but now it is Roger Sterling's turn to handle the little things. This new tie he gained gives him power over Roger, even though Roger is higher in a hierarchical position. Roger understood Campbell's message, and left for his office completely irritated. Don followed him, and after complaining about how disrespectful and unloyal Campbell was after all of what Sterling did for him, he tells Don "I'm tired of trying to prove I still have any value around here" (Weiner & Hamm, 2012). He perceives that he is losing status and prestige around younger people in the agency, and it all started out when he lost the Lucky Strike account.

4.7.2. Peripheral actors

On the other hand, Don Draper does not have these benefits because he is outside the network. He is in a peripheral position because he does not belong to that social circle. He would be considered powerless, because he does not have any important tie with anyone outside the company. Except when he was close with Conrad Hilton, he barely had deep and meaningful ties with other businessmen. In the agency, they knew that if he gets fired, the company would not lose any clients. However, he is really valuable for the company because of his creative skills and his capacities. He is exceptional at his job, which makes him unique. He becomes a partner in the first season because of his great accomplishments.

However, when they need to fire him, they do. There is a point in which Don starts drinking and taking “questionable” decisions, which makes the rest get really angry at him. They do not hesitate to act on it, because they know that if they get rid of him, no one knows him or really cares about him. If he loses his talents, he is nothing.

There is another example that shows the complications that being in a peripheral position might bring. It is the case of Salvatore Romano, an Italian-American who works at Sterling Cooper in the Art Department. He is an employee who gets fired just because Lee Garner Jr., a Lucky Strike executive, asked for it. This happened because Romano is homosexual who hides it from everyone in the agency. However, Garner realised it, so he made a casual proposal which Romano declined. Garner felt so embarrassed that he wanted Romano to get fired, because he knows that his account is so important for the company that they will do anything that is possible to please him. The company had no other choice than to fire him. Besides, they did not care so much because Romano is easily replaceable. Even though he is really good at his job, he is not unique and the Lucky Strike account is. They prioritized the account and fired him, even though what happened was not his fault and it was really selfish and senseless. Lee Garner Jr. took advantage of the situation because he knows he can. He knows how valuable the Lucky Strike account is, and that the people at Sterling Cooper will do anything they can to satisfy his requirements.

Joan Harris knows and understands why ties are important, and that is why she lies to Peter Campbell about the meeting with the Avon executive. She goes to the meeting herself, inviting Peggy Olson. She justifies her act by telling Peggy that “all that matters now is who has a relationship with that client. Who is the client going to call?” (Weiner & Slattery, 2013). She had no choice because she knows that, in order to be fully considered and treasured, she needs to have strong ties with clients.

In conclusion, there is a certain need of achieving embedded ties because they provide a great reputation among the others and the security that they are not

going to be easily fired. The ones that did not have these bonds are excluded without hesitation, in contrast with the others who might be fired but, finally, they are not, because it means a great harm for the company.



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Chapter 5: Conclusions

5.1. Preliminary Conclusions:

The main objective here is to understand the behavior of *Mad Men's* characters when doing business. Specifically, why do businessmen in the TV show choose people they know over market ties and how do they achieve these bonds.

Networks are formed with individuals or organizations who have interaction between each other. These networks shape but do not constrain the way individuals act and react to different situations. They form the individual, but they do not force him. This also occurs when people do business with others. They work differently according to the type of tie they possess. When bonds between individuals are tight, i.e. embedded ties, they share different characteristics than individuals with distant ties, i.e. market ties.

In this study, the focus was set on embedded ties, which leaves the classical view of businessmen only relating to others just because they are efficient and productive. The analysis tried to narrow down and understand the reasons why businessmen choose individuals that are in their own network and why do they stay with them, even though there might be a better option.

In *Mad Men*, the company usually deals with clients who they know and trust rather than clients that are unknown and distant. These molds the type of interaction that account men have with their clients, because they know how to deal with the others and what the others expect of them. However, as Granovetter pointed out, clients may also take advantage of these situation.

To begin with, there was an explanation of the difference between market ties and embedded ties. In the series, the agency has several clients with different types of relations. First, there were examples of market ties. These occur when the relationship is cold and distant, when individuals do not share the same values or interest and when the interaction is minimal. In *Mad Men*, there are

two examples that show how do professionals deal with these situations. In both cases, they do not get the account, but the reasons are different. Even though both cases are hard for Don Draper, because he does not understand what the others expect of him, he deals with them in a different way. In the case of the Japanese, they did not get the account because the others were not really planning on leaving the agency they were already working with, although Draper really tries hard to understand how to work in a different way in order to satisfy their request. The Japanese were impressed with Draper's actions. However, with the Jentzen account, he does not try to understand the others and satisfy them because he does not respect them. This leads to a failed deal, in which Draper dismisses them. These cases are different because we can see how Draper deals in a profit-seeking way, focusing on the big and expensive accounts over the cheaper ones. He is careless with the Jentzen account because he does not value it, different to how he performs with the Japanese. It is observable how difficult it is to work with people outside one's circle. Even though both sides can be really efficient and each side has what the other needs, it is hard to interact and work together because each one has different rules and ways of working. It is essential to understand what the other wants and expects, but it is hard to figure it out when both sides are so different and communication is so little.

On the other hand, we can observe the embedded ties the agency possess with the rest of their clients. Most of the accounts they have includes people who share their same values, the same way of working and the same interests. They rely on their clients because most of them are from their same social circle and their same social class. It is different from the market ties, because they do know what the other wants and expects and they know how to handle them. These type of relationships have three different characteristics: trust, fine-grained transfer of information and joint-problem solving.

First, we can observe how the agency and their clients trust each other. This is achieved by the account men by satisfying their clients requests. They present themselves as outgoing and enjoyable, so clients enjoy their presence. The main examples are Roger Sterling and Peter Campbell. They know how to

approach their clients so as to get what they want from them. They are always pleasing and entertaining them, so clients are engaged by them and always expect the best from them. By trusting each other, they know that the other is not going to deceive them. However, Draper is not as successful as the others because he does not know how to handle actual and potential clients. He is more transparent but more selfish, so he does not care about their clients' trust or his own image, he only cares about himself and his ads. He is not really sociable, which is a great conflict for the agency, because everyone is interested by him and cares about what he does. It is really problematic because trust is necessary for transactions considering that it avoids uncertainty and opportunism. This is why Draper is not supposed to handle accounts, his job consists on the creative side of the agency. On the other hand, Sterling and Campbell are really good with people so they manage the clients and how to satisfy them.

Secondly, embedded ties includes fine-grained transfer of information. In the agency, as they mostly have embedded ties with their clients, one can observe the knowledge that they could obtain over the years. Professionals know how to treat them because they know what the others expect, specifically. They know that one could be more demanding or more flexible or that one is more closed-minded than the others. They achieve this knowledge by working with them over the years, and it is a great advantage to possess this knowledge because they can offer a better treatment.

Thirdly, people with embedded ties can appreciate the joint-problem solving arrangements. This can be seen every time that the agency has a meeting with their clients, where they show what they produced for them. Later, clients display their opinions so, together, they can achieve a better outcome. Both sides try to do the best for themselves and for the other, by achieving the best arrangement possible. When one makes a mistake or misinterprets what the other wanted, they give them a second chance and the opportunity to improve. They do not fire them or look for someone better, because both sides know that in the advertising industry, success comes with compromise and patience.

These economic ties are created through different ways. In *Mad Men*, each case is different, but what all of them have in common is that there is a mutual understanding between both sides once they start to interact. Both sides share values, norms and interests so, once they start communicating, it is really easy for them to confide in the other. Account men need to be entertaining, courteous and outgoing, and they need to please their clients with interesting activities and events. They make emphasis on things they share with the other and leave aside whatever they do not, so as to relate deeply.

However, these embedded ties obviously have disadvantages. There are three main types of risks: a difficulty to adapt to changes, that emotions may win over rational decisions and that others may take advantage of the situation. These risks are inherent and unavoidable, because having deep relations with people who have their own perspective means that it is impossible for the economic actors to blindly rely on the other. In the examples previously explained, one can observe that embedded ties require commitment and honesty and, in the case of Heinz beans, as they did not follow those rules, they lost the account. Moreover, emotions may win over rational decisions because characters like Campbell's father-in-law chooses to prioritize his daughter over professionalism, pushing Campbell to decide over important matters. Thirdly, when people are related through embedded ties, one might take advantage over the other. This occurs when Hilton takes advantage of Draper's trust and makes him sign a contract that would later cause problems for him, and Hilton does not care and does not try to help him. He leaves him behind and continues with his projects, because he is more motivated over profit than what Draper believed. These risks can potentially occur in any embedded relationship, they are difficulties that economic agents should be aware of so as to avoid its occurrence.

On the other hand, these economic relationships have benefits. Most of these benefits arrive with the main characteristics that embedded ties provide, like joint-problem solving or trust. Individuals in the company know that they have second chances without being fired and they know that clients are going to stay with them in the long-run. When Draper, Campbell, Sterling, Cooper and Pryce they want to start a new agency, they ask the clients Campbell and Sterling if

they would leave with them. The clients accepted because they trust and confide in them. That would not happen if they barely knew each other.

Another main characteristic that comes with these relations is that they can provide power to the individuals. Depending on the position one has in a certain network, one can be considered a central actor or a peripheral one. Being in a central position, like Sterling with his relations with Lucky Strike's executive, or Campbell with his clients, gives them the power and prestige that lets them know that they are essential for the company. However, other members of the agency who do not possess deep ties with other businessmen lack the status and are not necessary for the company. They all know that they cannot fire Sterling or Campbell because the clients are going to leave with them. However, Draper or Romano are completely disposable because, if they stop providing the creative skills they have, they are replaceable and the company can exist without them.

5.2. General Conclusions:

Regarding what was previously explained, it is possible to conclude that it is not economically illogical for the characters to work with people within their network rather than working with people from the market. Considering that embedded ties entail certain characteristics that are beneficial for the businessmen, it is consistent that they are going to choose that way of relating with others.

In the advertising industry, at the time the TV show is set, the way of working that admen had was compatible with the embedded ties they possessed. Everyone knew each other, the social circle was small, and, mostly, white men were the only ones that had those professional possibilities, so it was really easy for them to connect with each other. They had several things in common and they knew what to expect and how to react to the others. All of these explain why they had so many embedded ties and not so many arm's length ties.

For them, embedded relations were really useful because they had the stability and tranquility of knowing that clients would support them and would not fire them every time they did not like their work. They had their trust and the knowledge to accomplish the best outcome possible, thanks to the communication and interaction both sides had. In addition, they gave them power, prestige and status in the agency. When Draper befriended Hilton, he knew he could do anything he wanted that they would forgive him. The same happened with Sterling and the Lucky Strike executive. Embedded ties gave them the huge benefit of security within the agency and authority over the others.

Although those type of relationships bring possible risks for the agency, individuals know that it is easier for them to understand their client and what they want in every ad when they really know them. Ads can be more specific, according to their strategy, when they comprehend what they client really desires. This is because there can be more genuine communication with someone who is closer than with someone you barely know. In order to achieve more efficiency and provide a superior service, it is fundamental that the professionals interpret who they are dealing with.

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