

Management and Organization Review
Special Issue ‘Social Networks – The Dark and
Bright Sides of Informal Networks’

Call for Papers

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Special Issue Theme Background

Research on the mechanisms of organizing and managing via interpersonal relations has a rich history in the management and organization-oriented literature. So far, however, the informal dimension of managing and organizing by drawing on informal networks in an international context has received comparably less attention. Recent research has pointed out that social capital and network theories have largely been developed by Western scholars based on circumstances and social structures that are typical of Western societies. Thus, current theory takes into account to a lesser extent their character and nature and the way in which informal ties and networks are formed in other parts of the world (Ledeneva, 2018; Li, 2007b; Qi, 2013; Sato, 2010). Besides the growing body of literature concerned with informal ties and networks in emerging and transitioning countries, for example *guanxi* (China), *blat/ svyazi* (Russia), and *wasta* (Arab World), a trend for

analyzing pervasive informal networks in advanced and industrialized economies, such as *yongo* (Korea), has arisen. While insights from the latter research stream indicate that informal networks persist, the results generated in both research streams will help in developing the extant informal network theories further.

With this MOR special issue, the guest editors aim to advance these trends by shedding light on the ambivalent operating modes of informal networks. Although informality can be regarded as a normal approach or the status quo of managing and organizing in many parts of the world, it tends to have a bitter aftertaste in the Western world (Ledeneva, 1998), since terms such as favoritism, nepotism, cronyism, or even corruption are at times perceived to be equivalents. Given the importance of informal coordination in many of the largest economies in the world (e.g., China, India, Russia, and the former Soviet Union states, the Arab world, or South America), there is a need to understand better the dark and the bright side of managing and organizing through informal networks.

Theoretical framing to analyze informal networks has been provided by several increasingly intertwined access points with roots in sociology or economics (Hennart, 2015). A typical approach to analyzing informal networks has been to use a social network and/or social capital frame. Granovetter (1973, 2017) sharpened the understanding of social networks by introducing different types (natures) of ties for network organization to the literature. Burt (1995) and Coleman (1988) contributed to it with their work on the specific structures of social networks and their respective parameters. The concept of social capital has been used as a frame to discuss informal ties (Bourdieu, 1986; Burt, 1992; Putnam, 1995; Tsai & Ghoshal, 1998) by addressing the ‘intangible,’ informal mechanisms supporting economic interaction in social networks, for example by means of the shared norms and values that evolve in societies. Viewed from a broader perspective, informal networks can be characterized as an informal institution, since they set ‘the rules of the game,’ as famously described by Douglass North, by drawing on customs and traditions, values, norms, or beliefs that influence behavior and decision making (North, 1990). Typically they are said to be of greater importance for the coordination of activities in transitional economies, where formal institutions (e.g., contracts, formal rules, law, courts, etc.) are ineffective or non-existent (North, 1990; Peng, Pinkham, Sun, & Chen, 2009). This follows the rather popular view that, as soon as formal institutions develop towards effectiveness, informal networks may disappear, as people may rather draw on ways to coordinate activities that are formal and often regarded as more reliable. However, recent research has shown that informal institutions can persist even in environments in which formal institutions have been firmly established, which makes gaining an understanding of informal networks even more important (Horak, 2014; Horak & Klein, 2016; Li, 1998, 2007a, 2007b).

Progress has been achieved in increasing the understanding of informal networks in respective countries, such as *guanxi* in China (Bian, 1997, 2017; Li, 2007a, 2007b; Luo, 2000; Oppen, Nee, & Holm, 2017), *blat* and *svyazi* in Russia (Ledeneva,

1998, 2006; Smith et al., 2012; Yakubovich, 2005), *yongo* in South Korea (Horak, 2014; Horak & Klein, 2016; Horak & Taube, 2016), *clanism* in Kazakhstan (Minbaeva & Muratbekova-Touron, 2013), or *wasta* in the Arab world (Abosag & Lee, 2013; Al-Husan, Al-Hussan, & Fletcher-Chen, 2014; Hutchings & Weir, 2006). Though recent insights have complemented the extant knowledge, informal network research in an international context is still in its infancy, with the bulk of the research interest concentrating on *guanxi*. Despite the progress that has been achieved, there is a need to broaden the scope by taking a holistic and more inclusive view of informal networks, thereby extending the knowledge base upon which an integrative informal network theory can emerge. To achieve this, there is still a knowledge gap to fill concerning both sides of the coin, that is, the *dark side* and *the bright side* of informal networking. The latter refers, for instance, to an often-high level of trust between network members, a high level of sociability, a reduction of transaction costs, and a reduction of the risk of free riding of network members. The dark side of informal networking, on the contrary, relates to its vulnerability to corruption in any form, favoritism, and nepotism, to name a few examples. Important theoretical questions in this regard remain unanswered so far, such as:

- When and under which conditions are informal networks perceived positively or negatively? Which factors influence the positive versus negative perception of informal networks?
- When and under which conditions do informal networks support illegal or unethical practices?
- How do informal institutions (e.g., corruption) and formal institutions (e.g., laws) interact? How do they influence each other?
- How can positive network effects be nurtured and negative ones extinguished?
- What are the implications for international business ethics theory as a consequence of the dark side–bright side discussion concerning informal networking?

In addition to the theoretical knowledge gaps mentioned above, multinational corporations (MNCs) deal either consciously or, more likely, unconsciously with informal networks in respective markets worldwide. However, we do not know much about how MNCs manage informally, that is, whether systematic processes are in place to manage informal ties, as reported by Kim (2007) in the case of Samsung, or whether they are hidden and treated discretely or even avoided or intentionally ignored. In any case, MNCs must decide whether engaging in informal networking is ethical, given the ambivalence of informal networks, that is, the existence of a dark and a bright side.

The special issue aims to add, extend, and complement the current theory. We expect manuscripts to bring strong empirical contributions that develop and extend theory as well as more conceptual papers that integrate critique and expand existing theory. We encourage the use of methods that are appropriate to both the research context and research questions and therefore welcome both

qualitative and quantitative methods of investigation and analysis. Contributions should report original research that is not under consideration at any other journal.

Papers should fit but are not limited to the following themes:

- How can the *dark side* of informal networks be described in its respective local or an international context? How are informal networks misused?
- How can the *bright side* of informal networks be described in its respective local or an international context? How do positive features turn into negative ones?
- Construct knowledge: How can respective informal networks be characterized in terms of their structure and nature? What are the differences from the extant theory?
- How can foreign staff (e.g., expatriates) become members of respective informal networks? Can these networks be used without becoming members?
- Which questions important to international business ethics arise in connection to the involvement in and usage of informal networks? Should informal networks be judged through the ethical lens at all? How is culture intertwined with respective informal networks?
- How do local or multinational firms deal with informal networks in respective markets? Can they be ‘formalized’ and managed?
- Does engaging in informal networking oppose the corporate code of conduct of MNCs?
- How do and/or should firms deal with potential information flowing or being exchanged through informal networks in cases in which employees are more loyal to their informal networks than to a firm’s code of conduct? Can intellectual property be protected in such a dynamic environment?

Submission information:

This call for papers is open and competitive, and all submitted papers will be subjected to anonymous review by referees with expertise in the field.

Full paper shall be submitted by 31 January 2019 via the MOR (Cambridge) website: <https://mc.manuscriptcentral.com/mor>

It is important that all papers for the special issue conform to MOR’s submission requirements published under the following link: <https://www.cambridge.org/core/journals/management-and-organization-review/information/instructions-contributors>

Special Issue PDW Workshop

Consistent with the new MOR Special Issues process, the guest editors will organize a PDW workshop as part of a major conference in the Summer of 2019. The Editor in Chief of MOR will attend this PDW. The workshop is central to the process of finalizing the papers to be included in the special issue and provides

the guest editors and authors further help in framing the special issue and final guidance for revisions for papers that will be published in the special issue or in a regular issue of the journal. The guest editors will update the authors on where the event will be held once the time and place is decided.

Timeline (plan):

January 31, 2019 – Deadline for uploading full paper.

April 15, 2019 – 1st round decision (revise & resubmit /reject)

Summer 2019 – Special PDW Workshop (time and place to be announced)

Tentative publication date – end of 2020

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