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Towards building internal social network architecture that drives innovation: a social exchange theory perspective

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Abstract

Purpose – This paper aims to contribute toward the extension and further development of the social exchange theory. It provides conceptual insights on social networks in geographically dispersed organizations, and how intra-organizational social interactions influence organizational behavior, employees relationship exchange inclination and innovation drive.

Design/methodology/approach – A thematic literature review method was used to conduct an extensive review of relevant literature.

Findings – Guided by the tenets of the social exchange theory, the authors' analysis and discussions elucidate how intra-organizational social network architecture can be developed, supported and utilized to drive innovations in geographically dispersed organizations.

Research limitations/implications – A general limitation and perhaps also a strength of this type of conceptual paper is that it is a synthesis (thematic discursive analysis) of existing theory and published research. Thus, there are no primary empirical content. However, the issue of empirical evidence is nevertheless mediated by the fact that the discussions and argumentation process generate key propositions which could be validated in subsequent research endeavors. Also, the selection of relevant literature is restricted specifically to the topic of the study. The authors strived to ensure rigor through a robust and comprehensive literature review which was organized thematically according to all the key words in the main and sub-topics covered in Section 2.

Practical implications – The insights presented suggest that management should pay serious attention to organizational design – that is, not only from the conventional contractual obligations point of view, but rather, the increasing importance of social capital should also be given some priority when thinking of resilient ways to encourage collaborations and efficient knowledge management. In other words, intra-organizational social network architecture should be considered as organizational capability and utilized as a toolset for the SIHRM to harness knowledge flow and unleash innovation.

Social implications – As both bonding and bridging ties are not only critical for success of project teams but also intensify knowledge symmetry across different units of the organization, they are a major conduit for sustainable open innovation culture within organization. To develop competitive capabilities throughout the organization, it is important for the SIHRM to be involved in global networking, and as a network leader, the human resource management function must have an awareness of leading trends and developments in social networking. The ability to mobilize the appropriate resources and a sense of timing and context in implementing such architecture within the geographically spread organization is crucial.

Originality/value – The novel contribution of this paper is twofold. First, the study provides an implementable framework which scholars and practitioners could use to develop and test the actualization of an intra-organizational social network architecture in a geographically dispersed organization. Second, the study has provided some key propositions and a well-grounded direction for further research to inspire further development/extension of the social exchange theory.

Keywords Social capital, Knowledge sharing, Innovation, Social exchange theory, Organizational capability, Network architecture

Paper type Conceptual paper

1. Introduction

Organizations increasingly operates across multiple national borders. Thus, the geographic spread, local embeddedness and multicultural context (Edwards *et al.*, 2013;

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Meyer *et al.*, 2011) can be both a source of advantage and restraint for the knowledge sharing and management in distributed organizations (Baudry and Chassagnon, 2012). Similarly, recent research has emphasized that in the era of social media, social networking and new information and communication tools present both practical and conceptual milieu for knowledge flow and empowerment of individuals in a geographically dispersed organizations (Palacios-Marqués *et al.*, 2015a, 2015b; van Knippenberg *et al.*, 2015; Parke *et al.*, 2014; Neal, 2014; De Clercq *et al.*, 2013; Colquitt *et al.*, 2012). This paper provides a social networking architecture and social capital perspective on the management of organizational capabilities in geographically dispersed organizations. More specifically, we use the social exchange theory (SET) as the theoretical background for the discussion of how the human resource management (HRM) function could utilize a supportive social network architecture to facilitated knowledge exchange and build efficient relationship exchanges and interactions between various entities in the organization.

Some scholars have conceptualized firms operating across multiple national borders as networks of exchanges and interactions among organizational units that are embedded in a specific structural context(s) (Baudry and Chassagnon, 2012; Möller and Rajala, 2007; Ghoshal and Bartlett, 1990). In such contexts, the relationship exchanges between various entities are, to a great extent, interdependent with the wealth of social capital that exists within the organization (Cropanzano and Mitchell, 2005; Reagans and Zuckerman, 2001; Molm, 1994; Emerson, 1976). The extant social capital is often relational to the quality, as well as frequency, of social interactions between entities (Palacios-Marqués *et al.*, 2015a, 2015b; Jong and Thai, 2008; Bolton and Dewatripont, 1994; Ghoshal and Bartlett, 1990). Thus, it is fair to contend that internal social atmosphere, and the resultant social capital, would have significant implications for the employees' disposition toward collaboration, knowledge sharing and innovation drive in a geographically spread organization (Soto-Acosta *et al.*, 2015; Birkinshaw and Hood, 2001; Burt, 1997).

Some researchers have called for further research on how exchange orientation influences relationships within the organization (Cropanzano and Mitchell, 2005; p. 878). Yet, of crucial interest to many academics and practitioners interested in organizational behavior is to elucidate understanding on how social ties: social interactions and relationship exchanges could be orchestrated, supported and utilized for organizational good (c.f. Palacios-Marqués *et al.*, 2015a, 2015b). In this context, "organizational good" refers to the firm's knowledge capabilities and conduits for supporting, achieving and sustaining expectations and/or entrepreneurial performance goals (cf. Colombo *et al.*, 2011; Almeida *et al.*, 2002, p. 148). Interestingly, it is perhaps common knowledge that employees' attitudinal inclination and capabilities within the organization can be directly linked to the HRM architecture and strategy. For instance, earlier studies have sought to emphasize the HRM function as that of experts in "people management", and that people management has a strong influence on organizational performance (Evans *et al.*, 2010; Björkman and Lervik, 2007). However, existing research has surprisingly neglected (from HRM perspective) the interplay between internal *social network architecture* and innovation drive in geographically dispersed organization. One of the notable exceptions is the work of Collins and Clark (2003), who have used the strategic human resource (HR) perspective to explore the implications of top management teams' social networks on performance within the firm. In their paper, Collins and Clark describe how HR policies and procedures may create organizational competitive advantage from a social network perspective. Additionally, there are few other studies that examine the *general role of social capital in HRM activities*, e.g. Pirkkalainen and Pawlowski (2014) and Espedal *et al.* (2012); *motivation for workplace social networking*, e.g. Kluemper and Rosen (2009) and Baltatzis *et al.*, (2008); and *influence of external and internal social networking on HRM capabilities*, e.g. Sumelius *et al.* (2008). Even though these earlier studies have made great contributions to the literature regarding the increasing importance of social networks in an HRM context; however, there is insufficient knowledge on how social network architecture can be utilized through strategic international human resource management (SIHRM) as

“ . . . existing research has surprisingly neglected (from HRM perspective) the interplay between internal *social network architecture* and innovation drive in geographically dispersed organization.”

organizational capability (similar to other organizational capabilities) to mediate organizational culture, knowledge flow, capacity development and innovation drive.

A key objective of the current paper is to seek theoretical understanding of the role of SIHRM in enabling internal social network architecture that drives innovation. Our goal is to contribute to the research on social networks and how social capital could be harnessed and utilized for supporting organizational performance (Collins and Clark, 2003; Reagans and Zuckerman, 2001). This is a relevant topic to study because how organizations can help create and support resilient and effective social network is a critical issue, especially in the context of distributed organizations – where and when the geographic spread of entrepreneurial activities create additional barriers. Furthermore, social network is an important conduit for knowledge management (Palacios-Marqués *et al.*, 2015a, 2015b), and therefore, examining it through the lens of SET in the context of how social networks impact knowledge transfer and innovation drive within geographically spread entrepreneurial firms is a topic worth studying in this era of social media. In this context, another novel aim of this paper is its contribution to the further development and extension of the SET.

For the purpose of this paper, the term “socializing” is used in several instances to refer to activities and events that engage employees in social interactions with each other, in which the building of social capital is often a key aim/outcome of such interactions. Thus, the notion of intra-organizational socializing conceptualized in this study should not be confused with the related domain of “organizational socialization”, which refers to the process through which an employee acquires the skills and knowledge necessary to assume his or her organizational role (Van Maanen and Schein, 1977).

The remainder of this paper is organized as follows. In the next section, we introduce the concept of SIHRM in the context of this paper. This is followed by the presentation of the literature background on SET viewed from the organizational capabilities perspective. A network perspective is used to review and discuss salient issues. Some emergent propositions are presented and barriers to intra-organizational social networking are discussed. The paper concludes with summative highlights of the assumptions derived. The study implications and direction for further research discussed.

2. Literature background and theory

2.1 Strategic international human resource management

SIHRM gained research interest in the late 1980s and early 1990s in reaction to the then buzz around the globalization of businesses (Schuler *et al.*, 1993). In line with its growing scholarly popularity, different frameworks and theoretical models emerged for studying SIHRM and capturing its emergent importance and implications, for both practitioners and academia (Taylor *et al.*, 1996; Schuler *et al.*, 1993; Milliman *et al.*, 1991). For instance, earlier studies examined the role and importance of firms’ SIHRM through the theoretical lens of, among others, *resource-based view of the firm* (Hannon *et al.*, 1995; Taylor *et al.*, 1996), *organizational knowledge management and firm performance* (Kasper *et al.*, 2009; Tsai, 2000; Huselid *et al.*, 1997; Milliman *et al.*, 1991). The central phenomenon relevant to the different perspectives through which scholars have approached SIHRM is the notion

that SIHRM aligns corporate strategy with the HR functions of firms operating across multiple national borders. Building on this shared perspective, [Taylor et al. \(1996\)](#) defined SIHRM as follows:

[...] the set of distinct activities, functions, and processes that are directed at attracting, developing, and maintaining [...] human resources. It is thus the aggregate of the various HRM systems used to manage people [...], both at home and overseas (p. 960).

A noteworthy characteristic of SIHRM is that it adds the complexity of differentiation and integration of organizational capabilities in a multinational context ([Lengnick-Hall et al., 2009](#), p. 75). As organizations increasingly operate across different cultural, institutional and social boundaries, organizations become successful by developing and implementing strategies that provide competitive advantage; and by recognizing their HR potential in the process ([Pfeffer, 1998](#)).

[Ghoshal and Bartlett \(1990\)](#) portray the multinational corporation (MNC) as relationship exchange networks among different organizational units (p. 605). These networks can be enabled by the HRM function through various strategic tools and practices ([Gratton, 2005](#); [Collins and Clark, 2003](#)). Global networking among professionals in the same function area is important for the development of capabilities ([Sumelius et al., 2008](#), p. 2298). Networks in the perspective of inter-organizational relationships are a conduit for facilitating organizational engagement and achievement of empowered organization ([Neal, 2014](#)). The SIHRM function is particularly crucial, not only for managing organizational knowledge and personnel performance across borders ([Kasper et al., 2009](#); [Tsai, 2000](#); [Huselid et al., 1997](#); [Milliman et al., 1991](#)), but it is also crucial for the challenging responsibility to find ways to manage the cognitive aspect of organizational behavior that enforces, or hinders, employee collaboration and norms of relationship exchanges.

2.2 Social exchange theory

SET emphasizes “interdependent and contingent” exchanges by individuals as the bedrock for all societal transactions and relationships ([Cropanzano and Mitchell, 2005](#), p. 874; [Emerson, 1976](#)). In other words, a key assumption of SET is that different forms of social interactions are built upon reciprocal exchanges and which also facilitates reciprocity, psychological contracts and mutual obligations ([Colquitt et al., 2013](#); [Molm et al., 1999](#)). The potency of social transactions to generate high-quality relationships or vice-versa has been especially delineated by [Cropanzano and Mitchell \(2005\)](#). Furthermore, the authors argue that “*SET is among the most influential conceptual paradigms for understanding workplace behavior*” (p. 874). Both inter- and intra-organizational relationships are guided by different social exchange norms – by inter- and intra-organizational relationships, we mean the relationship between two or more organizations and relationships within one organization, respectively. Arguably, SET provides a framework for deciphering the rules and norms that shape organizational transactions, resource exchanges and quality of the reciprocal obligations that is reflected in the emergent relationship behaviors in organizations ([Lioukas and Reuer, 2015](#); [van Knippenberg et al., 2015](#); [Elstad et al., 2011](#); [Tekleab and Chiaburu, 2011](#); [Cropanzano and Mitchell, 2005](#)). In essence, this suggests that with SET, we are not only able to understand the different forms of social transactions that result in a perceived organizational culture but also able to understand the mechanism through which specific transactions take form and

“... unique knowledge and resources are important assets which organizational performance and competitive advantages are often built upon.”

“ . . . organizational silos, lack of supporting organizational culture and psychological biases are major barriers to healthy internal social networking within a geographically spread organization.”

how relationships emerge in such contexts. As such, different forms of social transactions or social exchanges could be purposefully mediated and/or orchestrated through firm-specific architectures (Cross and Cummings, 2004) and leadership (Walumbwa *et al.*, 2011). Hence, SET provides an excellent backdrop for exploring how intra-organizational social networking architecture may influence capabilities and knowledge management through employees' attitudinal inclinations about collaboration and shared culture toward organizational citizenship (Colquitt *et al.*, 2012).

Cook and Whitmeyer (1992) have highlighted that convergences exist between social exchange and network analysis; and, as we cited earlier, geographically spread organizations are best mirrored as network of interactions and exchanges (Palacios-Marqués *et al.*, 2015a, 2015b; Torkkeli *et al.*, 2012; Ghoshal and Bartlett, 1990). In the ensuing discussions, we adopt the unified view of organizations as exchange networks in which the resource exchanges and relationships are guided by the social exchange tenets (Neal, 2014). Based on these background assumptions, we will now in the following subsections explore different organizational capabilities through the SET lens.

2.3 Knowledge flow and integration of unique resources

When entrepreneurial organizations expand internationally and enter new markets, they often seek to harness the unique potentials generated, or facilitated, by the constellation of cultural, legislative and natural resource differences, among others, that shape the economic systems of a specific geographic location. The conversion and development of such distinctive attributes into specific resource capabilities that give competitive advantage to the organization in the presence of changing environments can be characterized as part of the dynamic capabilities of the firm (Eriksson, 2013). Dynamic capability is rooted in the resource-based view of the firm. Penrose's (1956) seminal work laid the foundation for the emergence of the domain (Eriksson, 2013, p. 66). Generally, research on dynamic capabilities of the firm has centered on the firm's reliance on internal set of unique resources for its operative capabilities and competitiveness; however, firms rely on both knowledge and unique resources within, and outside of, the firm to achieve competitive advantage and as a means for sustaining innovative capacity (Ambrosini and Bowman, 2009; Möller and Svahn, 2003). According to Teece (2007), the tenets of dynamic capability are sensing, seizing and reconfiguration. Eriksson (2013, p. 66) has pointed out that:

[. . .] sensing capability builds on individual's capacities and organizational process linked to discovering opportunities, whereas the antecedents of seizing capability reflect the selection of product architectures, business models, organizational boundaries, decision-making protocols and the building of loyalty among employees. And the reconfiguration capability concerns decentralization, governance and knowledge management.

Notable from the Teece (2007) and Eriksson (2013) characterization of these three tenets of the dynamic capability of the firm is the interpersonal attributes and the contingency of the interactions of various elements of these capabilities which can be linked within SET's explanatory power (Weber and Göbel, 2010; Cropanzano and Mitchell, 2005). Zollo and Winter (2002) have underlined the systematic and resilient character of the firm's dynamic capabilities, and thus, they argue that “*dynamic capability is a learned and stable pattern of*

collective activity through which the organization systematically generates and modifies its operating architectures in pursuit of improved effectiveness” (p. 340).

Often in geographically dispersed organizations, SIHRM has a strong role in bringing strategy and people management together to ensure access, development, protection and efficient utilizations of the firm’s knowledge and other unique resources capabilities. On the other hand, the SIHRM function is often more context-specific than many other departments within the organization; in that the SIHRM must not only understand the interplay between the unique constellations of a particular economic system and its labor market, but, more importantly, the HRM practices and their utilization of the combinations highlighted above are bound by the prevalent local institutional framework (Oparaocha, 2013; Lengnick-Hall *et al.*, 2009). Hence, this suggests the existence of interdependence between local responsiveness and resource integrations across national borders (Evans *et al.*, 2010). Yet the HRM practices of many distributed organizations are often handed over to the local subsidiary (Björkman and Lervik, 2007), thus, reflecting a top-down knowledge flow which characterizes multinational organizations’ foreign expansion behavior (Cameron and Quinn, 1999; Luo, 2001; Brock and Siscovick, 2007; Evans *et al.*, 2010). From the top-down knowledge flow perspective, the HRM practices and organizational architecture often imply that the development of new knowledge usually originates from the headquarters or parent organization (Evans *et al.*, 2010; Kasper *et al.* 2009). However, the social exchange view on dynamic capabilities suggests that organizational interdependency on knowledge management through resource exchanges and the integration of organizational citizenship in a reciprocal relationship is key to organizational performance, thus resulting in high-quality innovations drive within the corporation (Neal, 2014; Phene and Almeida, 2008; Birkinshaw and Hood, 2001; Ghoshal and Bartlett, 1988).

In a nutshell, unique knowledge and resources are important assets which organizational performance and competitive advantages are often built upon. Thus, organizations depend on these resource capabilities, both within and outside the firm, to maintain desired operative capacity. However, the transfer and management of both tacit and non-tacit knowledge within a geographically dispersed organizations are to a large extent influenced by the principles of social exchange and reciprocal transaction norms (Ellison *et al.*, 2014; Neal, 2014). Similarly, from the SET perspective, even access to resources outside each organizational unit can be mediated by informal social capital or reciprocal predispositions (Cropanzano and Mitchell, 2005; Molm, 2000; Emerson, 1976). Hence, SIHRM has a role in setting up the appropriate organizational architecture capable of facilitating and supporting high-quality interpersonal relationships as a foundation for organizational citizenship rather than reliance on contractual obligations.

2.4 The resource-base-view and social exchange theory

The way an organization is able to combine and leverage its resources to bring about a desired end could be referred to as *architecture* for organization-specific capabilities (Evans *et al.*, 2010, pp. 45–46). A key organizational capability for geographically dispersed organizations is how to manage global control and coordinate knowledge and innovation. According to Evans *et al.* (2010), the core of HRM is about strategy implementation and organizational capabilities. Huselid *et al.* (1997) divides the capabilities of HRM into professional and business-related capabilities, whereby the professional capabilities relate to technical HRM activities, whereas business-related capabilities are linked to strategic HRM activities (Lengnick-Hall *et al.*, 2009). Technical HRM activities include “*recruitment and selection, performance measurement, training, and remuneration*” (Huselid *et al.*, 1997, p. 172). Meanwhile, the strategic HRM activities help a firm to ensure that its HRs are not easily imitated; peak performance of employees; and managing work–life balance and diversity which adds to competitive advantage (Huselid *et al.*, 1997, p. 172). Furthermore, Ulrich and Brockbank (2005, p.199) defined five roles for the HRM function: employee advocate, human capital developer, functional expert, strategic partner and leader. As a

strategic partner, the HR function is expected to help formulate winning strategies, focus on execution of strategies, integrate and coordinate the interplay between social and operational strategies in the organization (Ulrich and Brockbank, 2005, p.212-214). The strategic partnership should also involve the spreading of learning across the organization, as identifying and sharing knowledge become a source of strategic advantage. Sharing knowledge can take place within a network, and strategic HRM policies can enhance this sharing through different practices, such as building a supporting social architecture. This is also important regarding organizational empowerment (Neal, 2014) and knowledge absorption across the units of an organization (Tsai, 2000).

Innovation is critical for international competitiveness of the firm (Palacios-Marqués *et al.*, 2015a, 2015b; Konsti-Laakso *et al.*, 2012; Zeng *et al.*, 2009), and innovations are often influenced by the organizational knowledge flow and knowledge management (Kasper *et al.*, 2009; Cross *et al.*, 2001; Tsai, 2000; Huselid *et al.*, 1997). Thus, managing innovation in a geographically spread organization is often a necessary, but difficult, task that requires collaboration among different entities across the entire organization.

Many existing studies seem to suggest that *contractual obligations*, also referred to as *negotiated rules*, have been mostly the *de facto* principle in formal organizational transactions; on the other hand, *reciprocity* is ascribed to informal intra-organizational social exchange behavior (cf. Elstad *et al.*, 2011; Sørensen and Reve, 1998). However, in our view, the distinction on which principle(s) of social exchange or aspect of SET explains either formal or informal organizational transactions is a blurry one. The distinction can be said to be arguably non-existent in many cases whereby reciprocity based on informal social capital paves the way for formal organizational transactions (with negotiated rules playing a minor or supporting role) as compared to cases where even the informal social exchanges between employees are mediated by elements of contractual obligations (Weber and Göbel, 2010; Flynn, 2005; Hu and Korneliusson, 1997).

2.5 Social exchange theory and the network perspective

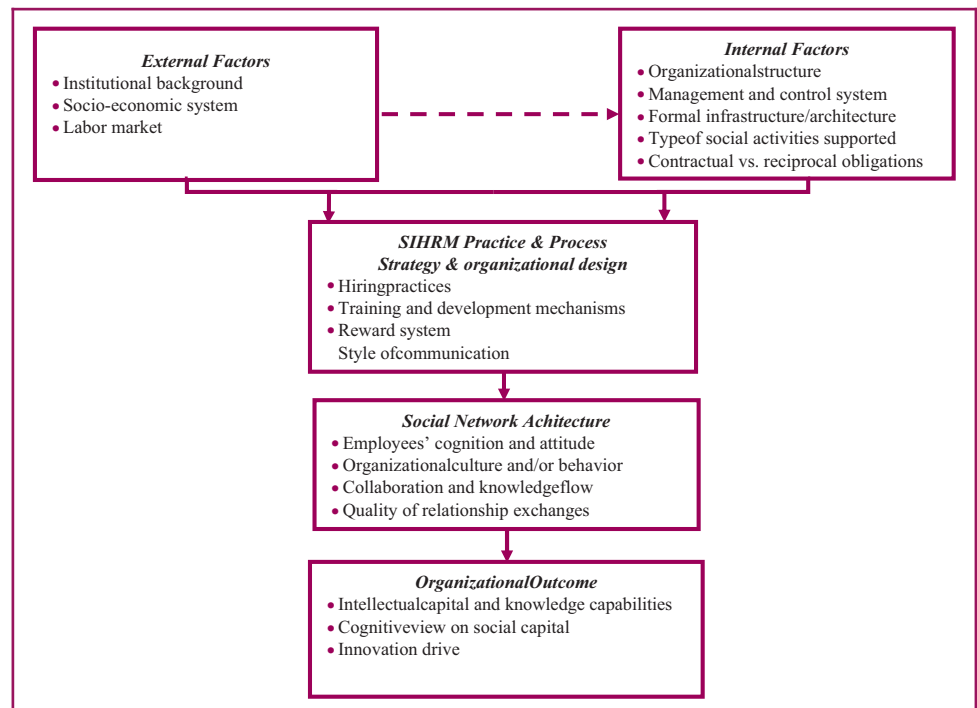
This section will explore the pros and cons of internal social networking within the geographically dispersed organization. Here we make an effort to highlight the building blocks of social network architecture and the significance of the interplay between social networking architecture and SIHRM processes.

2.5.1 Internal social networks. Work across boundaries is largely influenced by the relationship between employees. The quality and extent of these relationships are of paramount importance to the success of teams and project groups (Gratton, 2005). Gratton defines the ties within networks as bonding ties, and ties between groups as bridging ties. Ties can, according to the author, be enabled, but not forced – this view is supported by Lengnick-Hall and Lengnick-Hall (2003). Möller and Svahn (2003) have provided a “network-capability-base framework” in which value creation in the network context is rooted in a firm’s managerial and organizational processes. In other words, organizational architecture aimed at the creation, coordination, integration, reconfiguration or transformation of its resource position (p. 211). Moreover, according to Gratton (2005), HRM can, through the organizational architecture and processes, enable ties and networks to form. There is no best way to build internal social networks; however, intra-organizational socializing plays a crucial role in ensuring ties and social capital accumulation. Gratton (2005) proposes a model through which the HRM function can create sufficient ties in networks. The model stipulates that guided by the organizational goals, HRM should decide upon if the best way is through bonding or bridging ties; HRM should provide sufficient time and motivation, but also have a regard to the cultural aspect; and HRM should review the practices and processes in place, so they are not contradicting the goals of the network (pp. 152-154). These three elements are captured in Figure 1, and the figure presents an overview on how external and internal factors may influence the SIHRM function, and its subsequent interplay with the innovation drive within the organization.

In the process framework presented in Figure 1, it is evident that factors external to the organization, such as local institutional environment and type of labor market, have a significant influence on the organizational practices and process architectures. Often, for instance, specific local legislation defines acceptable reward and control systems, and even the firm's social events must be legally accepted in the prevalent institutional context. The nature of the local labor market determines who is hired and the skillsets and interpersonal backgrounds they bring with them. Therefore, external factors have both direct and indirect influence on factors internal to the firm and the SIHRM function in particular. Similarly, internal factors such as organizational structure, leadership and control system inform SIHRM's strategy, policies and choice of platforms used to drive expectations. Thus, for our purpose, the choice of SIHRM imputes will define the nature of networks, relationship exchanges and employees' mindset. Eventually, this transpires into type/quality of social capital and organizational culture, and is reflected in the overall innovation drive within the organization. We will consider these assumptions in some depth in the rest of this paper.

2.5.2 Boundary spanning. Organizational empowerment is mediated by both internal and external alliances, relationships and resource exchanges (Neal, 2014). Intra-organizational socializing matters when it comes to adapting to the so-called "best practices" and organizational changes, and this is especially important for HRM, as HRM departments "have long played an important role in prescribing what is 'best' in people management" (Evans *et al.*, 2010, p. 112). Ulrich and Brockbank (2005), Lengnick-Hall and Lengnick-Hall (2003) describe the strategic HRM role as a partnership in relation to defining vision and setting goals. For a partnership to be effective, it should, be characterized by interdependent exchanges based upon respect, trust and reciprocal obligations (Lengnick-Hall and Lengnick-Hall, 2003, p. 55). Open communication, with a sharing of inside information and resources, and commitment of entities to the benefit of each other are important aspects of social relationships between different entities and units of the firm.

Figure 1 A process framework for understanding the interplay between external/internal influences on SIHRM process, and social network architecture that drives innovation



Knowledge flow often requires interpersonal interactions and, thus, is indicative that being involved in networks enables access to knowledge. Therefore, SIHRM's role can enable and manage social relationship architectures which, in turn, will create the culture and organizational capabilities that help managers and employees in developing their organization-wide innovation drive.

2.5.3 Social architecture, social capital and networks. In the context of this paper, an organizational social architecture is viewed as a conscious design of a social environment; norms and practices to facilitate social exchanges; and interactions that enable the development and use of social capital (cf. [Palacios-Marqués et al., 2015a, 2015b](#); [Evans et al., 2010](#), pp. 45-46). We argue that it is the duty, and in the interest, of SIHRM to be involved in setting up organizational social architecture which results in building social capital, organizational culture and global mindset among the various interacting entities in a geographically dispersed organization. Whether the HRM creates it consciously or not, an organizational culture and subcultures will in any case emerge ([Gabriel, 1995](#)).

Social capital can broadly be described as advantages that participants in social contexts gain from their interactions ([Ellison et al., 2014](#); [Lengnick-Hall et al., 2009](#); [Waldstrøm, and Svendsen, 2008](#)). According to [Ellison et al. \(2014\)](#):

[. . .] social capital describes the ability of individuals or groups to access resources embedded in their social network, and which can be converted to other forms of capital [. . .]. Reciprocity is a key construct in many treatments of social capital, both at a generalized or individual level (p. 2).

A more specific view is the differentiation between social capital as either private or public good ([Kostova and Roth, 2003](#)). [Burt \(1992\)](#) viewed social capital as private good, which means that the possessor of the social capital gets the main benefits ([Burt, 1992](#), cited in [Kostova, Roth, 2003](#)). Proponents of the view of social capital as a public good such as [Putnam \(1993\)](#) argue that successful groups gain advantage of trustful relationships and social norms through network interactions. Thus, the view of social capital as a public good assumes that all relational goods and social capital accumulated, especially in a network, are for the benefit of the entire entities involved in the specific social interactions. Hence, individuals may acquire social capital; however, reciprocation converts its benefits into a public asset for a specific group (cf. [Cropanzano and Mitchell, 2005](#); [Emerson, 1976](#)). Additionally, some scholars have distinguished three dimensions of social capital:

1. the *structural dimensions* describe social interaction ties;
2. the *rational dimension* describes the assets which are created in relationships like trust and trustworthiness; and
3. the *cognitive dimension* stands for shared mindsets and visions ([Nahapiet and Ghoshal, 1998](#); [Tsai and Ghoshal, 1998](#)).

The concept of social capital as private versus public good denotes that when social capital is viewed as a private good in the organizational setting, individuals are mainly interested in social exchanges and acquisition of social capital for the purpose of their personal benefits (i.e. whether the benefits are formal, such as job-related favors, or informal, such as friendship and favors outside the organizational context; [Flynn, 2005](#)). Meanwhile, the public good perspective to social capital emphasizes in-group focus of its benefits because of the bonding ties mentality discussed by [Gratton \(2005\)](#). Both views on social capital could be equally disappointing for the innovation drive and collaboration across geographically spread organizations. For instance, the private good perspective might increase the job satisfaction and dyadic rapport of a few individuals; however, in the long run, it might even create a negative organizational atmosphere – one that is characterized by nepotism. Similarly, the public good perspective may create inward-looking group norms capable of inhibiting knowledge flow and efficient resource

interaction between entities. Thus, a key challenge for SIHRM is to facilitate the building of networks that encompass both bonding ties and bridging ties, where social capital is developed on a cognitive level and its benefits resulting in shared values and quality relationship exchanges across boundaries (Cropanzano and Mitchell, 2005).

There are different theoretical views about the development of social capital within the organization. Some scholars are of the opinion that social capital results from direct interactions between social actors (Burt, 1997; Granovetter, 1973). Others are of the opinion that social capital is formed because of strong, shared and overarching social norms; common goals; and closure (Elsstad *et al.*, 2011). Kostova and Roth (2003) do not fully agree with either view because spatial, cultural, distance and language barriers between members of distributed organizations limit the possibility for strong interaction or shared norms and values. Peng and Luo's (2000) micro-macro model for social capital formation suggests that social capital occurs primarily on an individual level. In this view, "boundary spanners" – which are managerial employees of various units engage in social interactions and initiates social relationship exchanges between headquarters and other subsidiaries – are mostly in charge of the creation of social capital across the organization. Therefore, boundary spanners are crucial for the extent and efficacy of intra-organizational social relationship (Reiche *et al.*, 2009; Kostova and Roth, 2003).

Our view of social capital as a cognitive good for the organization postulates that social capital as an informal mechanism is essential for the coordination of cross-border activities of the organization. High social capital in relationships enhances desirable behavior and lowers costs for the cultivation of new relationships. It also lowers the probability of opportunistic behavior (Reiche *et al.*, 2009). This, in turn, can help reduce financial costs because there is less need for monitoring (Adler and Kwon, 2002) and the use of formal interventions to manage collaborations across boundaries.

Social interaction and trustful relationships between business units encourage informal networks, cooperative behavior and resource exchange (Palacios-Marqués *et al.*, 2015a, 2015b; Tsai and Ghoshal, 1998). Evans *et al.* (2010) found that people who interact in different social networks have superior access to information. This can be an essential business advantage for the unit's key work. Extensive information flow is important for the sharing of complex and tacit knowledge, and it can also be used to resolve conflicts and tensions. Social capital can also have negative effects. For instance, strong intra-group ties can create an insiders and outsiders type of segregation. This might lead to difficult situations for new organizational members or units, who are not yet accepted by the majority of a group. However, in-groups and out-groups can also develop because of language barriers, gender and cultural differences; thus, social networking at the cognitive and boundary-spanning level is most likely to bridge these gaps rather than inflict tension (Evans *et al.*, 2010). More importantly, Tsai and Ghoshal (1998) revealed that different dimensions of social capital are affecting resource exchange, and Reiche *et al.* (2009) asserted that social capital affects intellectual capital in organizations. Thus, it could be argued that social capital on the cognitive level is a resilient conduit for the intellectual capital and knowledge capabilities which are the key resources enabling the creation and sustenance of innovation drive across the entire organization.

Strong intra-organizational relationships can lead to narrow-mindedness and inward-looking behavior within the organization, which might cause the "not invented here syndrome"[1] – NIHS. NIHS is a mindset and type of organizational culture that favors internally developed solutions against accepting innovative ideas from the environment, even when the external solution is superior (Spender and Grant, 1996). The syndrome can be felt among subsidiaries and operative units of geographically spread organizations. Often the most common occurrences of NIHS take place between headquarters and oversea units (Assink, 2006; Adler and Kwon, 2002). NIHS can have various negative effects on the employees' mindset and the overall competitive capability of the firm, especially when different project groups, oversea units, functional departments and even

specific cross-border networks engage in protection of “own” group’s interests (Burcharth *et al.*, 2014; Agrawal *et al.*, 2010). Internal competitive atmosphere can to some extent have a positive impact on a firm’s performance (Cameron and Quinn, 2011/1999; Steven, 1995); however, NIHS goes way beyond healthy competition, and as such, the protection of “own” interest(s) leads not only to the different entities ignoring potentially brilliant innovation ideas and solutions, but more detrimentally, NIHS may result in the blocking of knowledge flow and the cannibalization of progress (Burcharth *et al.*, 2014). Arguably, the organizational view on social capital as private or public good is a key antecedent as well as aftermath of NIHS. Because NIHS functions at the cognitive level – that is, mindset (Spender and Grant, 1996), our position suggests that an organizational network architecture that reinforces the cognitive perspective on social capital development will be effective in preventing NIHS. We suppose, it will take bonding ties to create trust within different units and bridging ties to interlink the bonding trusts between entities, thus, ensuring the cognitive level of trust and psychological contracts that allow entities to come up with substantively new insights, enthusiasm and openness to the knowledge flow.

As social capital stands and falls with the individuals who are engaged in networks, the building and management of network architecture can primarily be seen as a key function of the HRM, which traditionally manages organizational talent and aligns it with corporate strategy (Taylor *et al.*, 1996). In geographically spread organizations, SIHRM could encourage the building of social capital through rewarding boundary-spanning networking skills in performance evaluations and promotion decisions (Reiche *et al.*, 2009; Kostova and Roth, 2003). Such practice will, in turn, encourage boundary spanning – which interlinks bonding ties with bridging ties and facilitates better sharing of social capital across all levels of the organization (Kostova and Roth, 2003).

The SIHRM can enhance internal networking, not only through the provision of formal incentives, international assignments and cross-functional project teams, but SIHRM could also encourage development of other intra-organizational social interaction platforms. The HRM function should already consider social capital aspects in the recruitment and selection process, by taking the organizational culture and social fit into account (Evans *et al.*, 2010; Katz and Lazer, 2004), especially, when recruiting leaders, because leaders are key boundary spanners (Reiche *et al.*, 2009; Kostova and Roth, 2003).

2.5.4 Strategic international human resource management and social architecture: some examples. Sumelius *et al.* (2008) have studied the influence of internal social networks on HRM capabilities in MNC subsidiaries in China. Their study showed that subsidiaries having managers involved in internal social networks gained social capital that impacted on the unit’s technical and strategic capabilities. The strategic capabilities were positively influenced by social interactions with counterparts and colleagues from the headquarters through internal networks. Tregaskis (2003) focused on networks architecture and relationships of three foreign-owned subsidiaries in the United Kingdom. In addition, the empirical findings showed that subsidiaries used learning networks to share and create social capital. According to the author, the implications of the findings are important for the HRM function, as the network exchanges were affected by interpersonal relations and communications skills. An important observation in their empirical result pertains to project-driven networks in which the HRM function usually did not play any significant role, and thus, the lack of structure and/or organizational architecture for orchestrating and harnessing the potential benefits of the social capital created in such networks led to missed opportunities in learning benefits and knowledge capture (p. 445).

Ghoshal *et al.* (1994) investigated some of the organizational factors that influence the communication between the subsidiaries and headquarter and the inter-subsidiary communication. The findings of Ghoshal and colleagues suggest that lateral networking mechanisms have a positive effect on the communication between units. A key implication of their findings is that investment in lateral networks is well-advised, as it facilitates the information exchange. However, our discussions above have opined that lateral networking

is not sufficient in driving organization-wide performance. Rather, the cognitive perspective which we propose allows for a circular web of network exchange relationships among all the different entities – thus creating individual-level mindsets which collectively transforms into shared organizational culture, resilient organization-wide social capital and a dynamic capability of the firm (Neal, 2014; Gratton, 2005).

2.6 Barriers to intra-organizational social networks

Having emphasized the importance of intra-organizational social networking in building, and sustaining, organizational innovation drive and capabilities, it is crucial for us to have a deep understanding of the major issues that may inhibit intra-organizational social networking, and/or encourage NIHS. Hence, in this section, we explore some of the main structural and psychological obstacles to social networking, especially in the context of geographically spread organization. The barriers to intra-organizational social networks will be approached from the following three standpoints: organizational silos, culture and employees' mindset.

2.6.1 Organizational silos. Innovation and knowledge management is the lifeblood of entrepreneurial organizations operating across multiple national borders. Organization-wide collaborations and knowledge flow are crucial ingredients in this process. In addition, interactions and relationships between various entities (Cohen and Prusak, 2001) facilitate both knowledge flow and collaborations (Gratton, 2005). Therefore, it is safe to expect organizational configurations for social exchange through various intra-organizational socializing. However, in contrast to the supposed social interactions and open relationships between entities, is what is known as “organizational silos” (Mohamed *et al.*, 2004). “Silo effect” in the organizational sense refers to an invisible barrier between different entities, resulting in lack of communication and no shared goals between entities in the organization (Mohamed *et al.*, 2004). Silos have a detrimental impact on the possibility for networking and socializing within the organization (Gray *et al.*, 2007; Hoffman *et al.*, 2005; Tsai and Ghoshal 1998).

Silos are often common in organizations with high internal competition, rigid functional departmentalization or an overly national focus (Mohamed *et al.*, 2004). These serve as barriers to essential organization-wide knowledge flows, and thereby eventually resulting in sub-optimal performance. However, “merely bringing members of formerly isolated departments together may at best produce only marginal increases in performance” (p. 127). Therefore, as we have emphasized in the preceding discussions, social networking is an important conduit for knowledge capabilities, and is also necessary to avoid potential silo problems. For instance, Evans *et al.* (2010) noted that one of general electric's (GE's) most underlying competitive advantages resulted from their boundaryless organization strategy – (i.e. the ability to destroy silo-barriers enabled the firm to cultivate a synergistic borderless organization architecture) where collaboration, learning and knowledge-sharing freely flow across units.

SIHRM can have an influence toward the avoidance and elimination of organizational silos through technical and strategic practices that encourage interdependence and boundary spanning among various entities in the organization. Also, through people management, the SIHRM function should align the reward and recognition system to enforce collective performance and overall results (Zollo and Winter, 2002) instead of rewarding individual or unit performance. The work of Steven (1995) titled “*the Danger of Rewarding A, While Hoping for B*” clearly illustrates the implications of reward mechanisms in shaping people's mindset and the emergent organizational culture. On the other hand, we emphasize that collaborative-organization culture empowered by good social network architecture allows seamless communication and networking between colleagues, as compared to the mindset of separation where each entity works in isolated goal and value orientation often in competition to others. A positive experience in one endeavor builds trust, social ties and information sharing that facilitates future interactions and collaborations among individuals

and groups (Colquitt *et al.*, 2012; Timberlake, 2005, p. 35; Cohen and Prusak, 2001; Sarkar *et al.*, 1998). This leads to the first proposition:

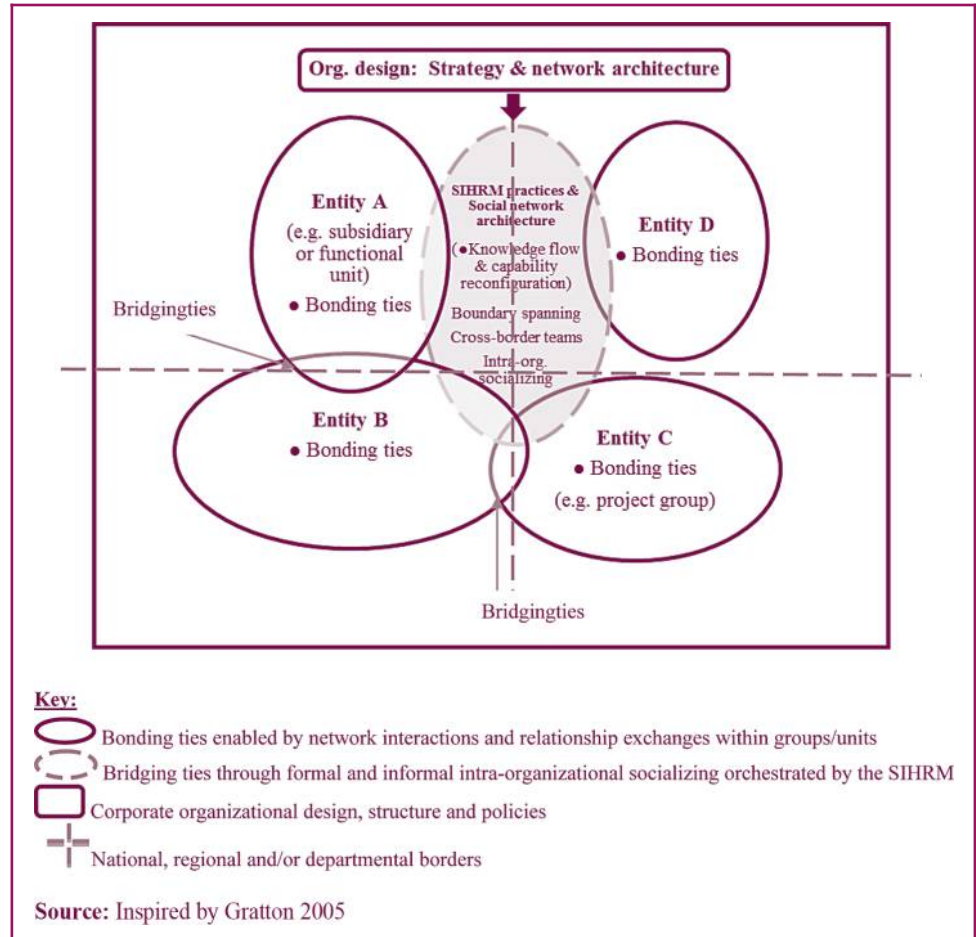
P1. Improved boundary-spanning activities lead to a better social capital accumulation and exploitation within geographically spread organizations. Resilient organization-wide social capital eliminates organizational silos and prevents the NIHS.

2.6.2 Culture and mindset. Culture has been described in terms of “Software of the Mind” – it is the collective programming of the mind which distinguishes the members of one group or category of people from another (Hofstede and Hofstede, 2004). Wilson (2000) refers to organizational culture as something which may be influenced, changed and manipulated and, in turn, the emergent organizational culture will influence, change and manipulate members and features of the organization (Wilson, 2000, p. 275). Every organization has a unique cultural personality which comprises the shared assumptions, values, norms and behaviors of members of the organization (Morgan, 1998, pp. 119-152). However, what is important here for our purpose is how certain organizational cultures may either induce or obstruct internal networking and the type of social capital accumulation, which is thus reflected in the relationship exchanges between employees. Cameron and Quinn’s (1999) “competing values framework” have underscored the inter-link between organizational design and organizational culture. For instance, studies using the competing value framework have shown that organizational design which puts great emphasis on “structure and control” tends to result in a hierarchical/top-down chain of command, and a culture of bureaucracy (Cameron and Quinn, 2011; Panayotopoulou *et al.*, 2003; Goodman *et al.*, 2001). Thus, when viewed from the social exchange theoretical perspective, such “structure and control” mechanisms in organizational architecture transpires into the conventional overreliance on contractual obligations as means for insuring exchange transactions between entities (Cropanzano and Mitchell, 2005; Molm, 2003; Emerson, 1976). This could be detrimental to the firm’s knowledge flow, capability development and innovation drive. If the rules and structural design become more important to employees than working together to achieve common goals, then the amount and quality of social capital within the organization may become very poor; employees will most likely mind their own individual contractual obligations and, thus, will not take the extra initiative to help/support others (i.e. organizational citizenship will suffer negatively); and new employees joining the company may be consciously or unconsciously indoctrinated into the hierarchical and “mind-your-own-business” culture – thus, making access to their colleagues hard to come by. Hence, it is self-evident that when people at a particular level in the organizational hierarchy do not have quality and frequent access to, and support from, the upper hierarchies, they themselves are most likely to frustrate contacts with their subordinates (Škerlavaj and Dimovski, 2007). These insights lead us to the second proposition:

P2. Organizational cultures that support hierarchy might inhibit intra-organizational social networking. Consequently, lack of access and quality social interactions and relationship exchanges with other, particularly higher-ranking, entities will also inhibit effective knowledge management, collaborations and/or innovation drive.

Foreign subsidiaries and geographically dispersed units of firms tend to suffer from a lack of intra-organizational network connections when the HRM system has no established structure and platforms that promote social interactions between units. A few cross-border project teams might not be enough to bridge the networking requirements within geographically spread organizations; hence, SIHRM should enable the creation of both formal and informal social architecture as means for intra-socializing employees separated by geographic distances, national cultures and even departmental barriers. We contend that an organizational design characterized by the lack of adequate infrastructural and social resources for facilitating relationship exchanges and interactions within the social network context will apparently distort both organizational citizenry and knowledge management (cf. Škerlavaj and Dimovski, 2007). Figure 2 provides a concise framework on how the SIHRM can implement an organization-wide social networking architecture that

Figure 2 A conceptual model for organization-wide social capital and prevention of NIHS in geographically dispersed organizations



utilizes a boundary-spanning mechanism for capturing, managing and sustaining the knowledge flow and innovation drive. This is an especially important organizational empowerment tool because it will facilitate efficient social capital accumulations on the cognitive level and positive organizational mindset across both bridging tie and bonding ties.

Individual mindsets strongly influence the general tendency toward intra-organizational networking. Lafley and Charan (2008) explains that a key tool that propelled Procter & Gamble toward collaborative advantage was the mental change that individual employees underwent in the process of their organizational culture redesign. Perlmutter's (1969) three-part typology model concludes that MNC's senior management are imbedded in one of three primary mindsets which influences multinational capability building. These are ethnocentric, polycentric and geocentric orientation – the ethnocentric, polycentric, and geocentric (EPG) framework (Rosenzweig and Nohria, 1993). In the following paragraphs, we will take a closer look at the EPG framework in the context of this study.

Ethnocentric mindset may inhibit valuable intra-organization networking where the general attitude of a firm's management is that nationals from the organization's country of origin are more capable to drive international activities forward as compared to employees with other national origins. From our perspective, ethnocentrism is a form of organizational silo which, in turn, results in a dual dimensional unwillingness for cross-collaboration between foreign and parent company nationals, and thereby potentially undermining knowledge flow and

innovation drive within the organization. The assumption might be that no valuable leadership, knowledge and innovation could be generated via networking; this may generate animosity and result in lack of mutual trust (Perlmutter and Heenan, 1979; Perlmutter, 1969).

Polycentrism, on the other hand, suggests a one-size-fits-all approach – this is practically unrealistic in corporations operating across multiple national borders. Polycentrism suggests that each local unit or subsidiary is given freedom to run their affairs as they see fit. Such a view will both alleviate and confound the chances for cultural myopia; and the drawbacks of this mindset are that it can limit mobility for both local and foreign nationals; isolate headquarters from foreign subsidiaries and reduce opportunities to achieve synergy through extensive cross-border collaborations and knowledge capture. Again, in light of our arguments, polycentrism is a key organizational design and mindset that enforces NIHS (Cummings and Teng, 2003).

Geocentric orientation manifests a universalistic, supra-national mindset and attitudes which downplays the significance of nationality and cultural differences (Levy *et al.*, 2007, p. 237). Geocentrism suggests that:

[. . .] within legal and political limits, management should seek the best capabilities and ideas (regardless of the national/institutional constellations as we described earlier in Section 2), to solve the company's problems anywhere in the world (Perlmutter, 1969, p. 13).

Geocentric orientation could be seen from a network perspective as less inhibiting. When linked to our purpose, geocentrism implies that the SIHRM should ensure that no unnecessary superiority is given to particular national or functional unit of the organization, as good ideas and innovations can come from anywhere and go to any location within the organization (Levy *et al.*, 2007). However, this begs the question whether geocentric orientation is sufficient for ensuring high-level relationship exchanges and optimal organizational knowledge management? In our view, geocentrism might, to a certain extent, undermine trust-building, as it most probably tramples upon the very essence of bridging ties (Gratton, 2005), and in the worst case, we could imagine it evoking resistance and unhealthy internal atmosphere of competition rather than cooperation (Mohamed *et al.*, 2004; Steven, 1995). Thus, in terms of mindsets, ethnocentrism and polycentrism may prevent effective networking, as all entities do not enjoy same relationship as equals irrespective of their national origins. Meanwhile, geocentrism is likely to undermine boundary spanning, and thereby damage both bridging and bonding ties (Ghoshal and Bartlett, 1998).

3. Discussion and conclusion

The extant study sets out to elucidate the role of SIHRM in internal social networking within geographically dispersed organizations. Our primary focus has been to explore and expand theoretical understanding and to contribute to the SET on how social networks and social capital could be harnessed for supporting organizational capabilities and exchange relationships – including knowledge sharing between various entities (cf. Collins and Clark, 2003; Reagans and Zuckerman, 2001).

In general, our discussion and arguments are consistent with existent social capital and social exchange theories. In this sense, we convincingly underline the theoretical proposition that SIHRM has a vital role in building and encouraging internal social networking. In addition, through the specific organizational architecture (whether strategic or relational), SIHRM can influence the organizational culture and employees' cognition toward collaboration, thereby impacting on their innovation drive and knowledge sharing. Thus, the HRM function should help formulate, execute and coordinate internal social networking across the entire distributed organizational units.

The conceptual framework presented in [Figure 2](#) illustrates how SIHRM can enable organization-wide social network architecture. In our model, the nature and type of network architecture or platforms which the SIHRM decides to implement is influenced by the external and internal forces that define the organizational design as captured in [Figure 1](#). [Figure 2](#) highlights the crucial role of organization-wide networking architecture as evident in enabling bridging ties (e.g. between entity “A” and “B”), and bonding ties, as well as mediating social capital and relationship exchanges even between entities where boundary spanning does not exist (e.g. between entity “D” and “C”). Ultimately, SIHRM processes and investments in the organization’s social network architecture have significant impact on knowledge flow, innovative capabilities and the firm’s performance.

Based on our focus, it has been identified that organizational silos, lack of supporting organizational culture and psychological biases are major barriers to healthy internal social networking within a geographically spread organization. Consequently, silos, inhibiting organizational culture and psychological barriers have negative implications for information sharing and knowledge management. Interestingly, our discussion and analysis suggests that these three barriers are somewhat interlinked. For example, silos could be a product of the organizational design which is rooted in the firm’s culture or vice-versa. Meanwhile, organizational culture invokes psychological attitude toward individual mindsets being either biased against or receptive to collaborations leading to intra-organizational social capital accumulation and sharing of know-how. Following the aforementioned assumptions, this paper has put forward two robust and falsifiable propositions concerning how intra-organizational social networks architecture may facilitate or inhibit social capital, knowledge flow and the overall innovation drive. Our propositions have several implications for practitioner and for theory development. We elaborate on these propositions in Section 4.

In our view, the concept of exchange in an organizational context can be guided by reciprocity, contractual obligations or a hybrid mix of both and so on ([Baudry and Chassagnon, 2012](#); [Flynn, 2005](#)). As we emphasized earlier, exchange orientations are the bedrock for almost every societal interaction. Therefore, in organizational settings, each specific exchange orientation have fundamental significance and implications for the type(s) of resources that are shared, cognitive norms guiding behavioral inclinations and an individual’s willingness to participate in, and/or the actual reception to the offerings in, an exchange interaction ([Colombo et al., 2011](#); [Walumbwa et al., 2011](#)). Thus, we contend that the HRM function have a key role in setting an organizational architecture that facilitates either reciprocal or contractual exchange orientations. This is a key resource for information exchange and sharing of knowledge that could lead to both greater innovations and better competitive advantage or promote NIHS within the geographically dispersed organization. We now discuss the implications of our propositions and conclusions.

4. Implications and direction for future research

4.1 Practical implications

Our propositions suggest that intra-organizational socializing would be positively related to innovation drive. This has promising managerial implications, as both bonding and bridging ties are not only critical for success of project teams but also intensify knowledge symmetry across different units of the organization; and thus, they are a major conduit for sustainable open innovation culture within the entrepreneurial organization.

The headquarters and corporate leadership need to understand the interplay between social capital and employees’ cognitive inclination. The firm should, therefore, empower the SIHRM function to make investments in intra-organizational social networking through the development, implementation and moderation of various organizational architectures. The insights presented suggest that management should pay serious attention to organizational design – that is, not only from the conventional contractual obligations point of view, but rather, the increasing importance of social capital should also be given some priority when thinking of resilient ways to encourage collaborations and efficient knowledge

management. In other words, intra-organizational social network architecture should be considered as organizational capability and utilized as a toolset for the SIHRM to harness knowledge flow and unleash innovation.

To develop competitive capabilities throughout the organization, it is important for the SIHRM strategy to be involved in global networking; and as a network leader, the HRM function must have an awareness of leading trends and developments in social networking. The ability to mobilize the appropriate resources and a sense of timing and context in implementing such architecture within the geographically spread organization are crucial.

4.2 Implication for theory and future research directions

In this final section, we offer a research agenda and direction for future studies in conjunction with our earlier propositions which could help enrich the further development of SET. Moreover, we feel compelled to provide a breakdown of the propositions into a number of specific hypotheses and potential research questions to inspire further debate to future research that will provide a richer understanding of the socio-cognitive perspective on the use of, and the role of, intra-organizational social networks as a key organizational capability for shaping attitudes toward knowledge sharing and innovation drive within a geographically dispersed organization (Neal, 2014). These may include, but not limited to, the following exemplar hypotheses:

H1A. Improved boundary-spanning activities will lead to a better social capital accumulation and exploitation within geographically spread organizations.

H1B. Resilient organization-wide social capital (i.e. on the cognitive level) will eliminate organizational silos and inhibits NIHS.

Examining the suggested potential hypotheses/research questions *H1A* and *H1B* quantitatively with large-scale empirical data will be a robust approach to either falsify these assumptions and/or provide a solid generalizable conclusions that will affirm the relationships and specific impact of intra-organizational social networking architecture (including boundary-spanning mechanism and silo-resistant functional design) on the following:

- employees' attitude toward knowledge sharing;
- reciprocal obligation toward organizational citizenry;
- enthusiasm and innovation drive; and
- shared trust and mutual respect – irrespective of the geographic and functional disposition of the entities (van Knippenberg *et al.*, 2015).

Furthermore, *P2* could lead to the development of the following suggestions of hypothesis and research questions:

H2A. Organizational cultures that support hierarchy might inhibit intra-organizational social networking.

H2B. A lack of quality social interactions and relationship exchanges with other entities will also inhibit effective collaborations and/or innovation drive.

H2C. Restricted access to particularly higher-ranked entities in the organization will result in negative organizational justice – whereby other employees will also seek to frustrate access/contact to their subordinates and fellow employees.

Organizational empowerment is achieved through a dynamic combination of seamless resource flow, quality communication, alliances and various forms of relationship exchanges with both internal and external stakeholders of the firm. An important research question that may drive the enquiry of potential *H2a-H2c* is how can the organizational corporate architecture influence how the firm harnesses its resource constellations and the development of organizational-specific capabilities? Secondly, future studies should consider (what is) the specificity of social affordances on organizational empowerment,

social justice and job insecurity and uncertainty (Lioukas and Reuer, 2015). Indeed, these research questions are suitable for both quantitative enquiry and mixed-method approach. In addition, *H2A* may be studied as a standalone research question(s) (e.g. how/when/why/does hierarchal organizational culture inhibits intra-organizational social networking?). The specific research question is suitable for either a qualitative multiple case studies and/or a comparative case study to provide important rich evidence and deeper insights on factors and contexts that will enrich theoretical interpretations and conceptual modeling of hierarchal organizational structure within the SET framework.

5. Study limitation

A general limitation and perhaps also a strength of this type of conceptual paper is that it is a synthesis (thematic discursive analysis) of existing theory and published research. Thus, there are no primary empirical content. However, the issue of empirical evidence is nevertheless mediated by the fact that the discussions and argumentation process generate key propositions which could be validated in subsequent research endeavors. Also, like in all scientific research efforts, the selection of relevant literature is often restricted specifically to the topic of the study. In the case of the current study, we strived to ensure rigor through a robust and comprehensive literature review which was organized thematically according to all the key words in the main and sub-topics covered in Section 2.

Note

1. NIHS includes the following: not valuing the work of others, fear of not understanding the work of others, avoiding or unwillingness to participate, being convinced that there will be benefits to "reinventing the wheel", greediness, jealousy and the belief that, e.g. head quarter (HQ)-developed solutions would be superior. (For more details, refer to Spender and Grant (1996), Knowledge and the Firm: Overview. *Strategic Management Journal*, (17), Winter 1996, pp. 5-9)

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