The Role of Formal and Informal Social Networks in Social Capital Acquisition: An Investigation on Women Board Directors

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Extensive Summary

Introduction

The social capital theory has been described in many ways by different disciplines and different researchers. In this study, it was aimed to reveal the formal and informal social networks of social capital in terms of relations and connections. Social capital is defined as the internal social and cultural coherence of society, groups and individuals the norms and values that govern interactions among people and the institutions in which they are embedded. There are network relationships and relationship ties at various levels and characteristics within the individual and within a social network. Although social capital and social network theories have given women a comprehensive view of the process of coming to senior management positions, the impact of social capital and social networking on women's career progression is one of the subjects ignored by researchers (Hawarden, 2010). Social networking features are important for women to reach higher levels as a hierarchy. In addition to the researches that reveal gender differences in social networking relationships, few studies have shown that there is no difference between male and female networks. It was observed that in these studies women were more likely to focus on informal network relationships of social and professional club memberships in social capital creation and to spend more time creating new connections and memberships (Cromie, 1992). The first aim of networking activities is to acquire social capital. Networking takes the form of formal and informal relationships involving professional associations, looking for high-level tasks that are becoming more prominent, participating in social activities, and establishing professional communications (Forret and Dougherty, 2004).

Formal and Informal Networks

The distinction between social networks as formal and informal networks is the most widespread categorization that social networks can be developed both within

organizations and outside organizations (Bourdil and Géraudel, 2016; Livesey and Rotheroe, 2007). According to Van-Emmerik et al. (2006), social work meetings held several times a year in an organization are also examples of formal network relations. Because their history is clear, the participants are defined and the purpose of the meeting is definite. Women's informal networks are scarce because they can not afford leisure time for home and child care (Kanter, 1977; Hansen et al, 2010). Women who are constantly behind the scenes to get involved in important networks and benefit from networks are trying to complete these shortcomings by connecting them with their male colleagues. Van Emmerik et al. (2006) calculated the formal formations in the networks to identify formal network memberships. The informal networks are provided information resources by heterogeneous groups formation. It is stated that men have the networks comprised of memberships of voluntary associations and social life with various social institutions (Davidsson and Honig, 2003). Because of the difficulties and obstacles women are exposed to, the inability to enter formal business networks dominated by men leads to their inability to reach the career advantages of formal networks (Coleman, 2010). Women who are able to enter formal networks can be examined under formal and non-formal relationship classifications of network relations they have or trying to have in their career development and when they are elected to senior management levels such as board directors. It is estimated that the greater the number of informal networks that are included relationships and contacts developed by women, the more work and career-oriented benefits they will have. So, the research proposal is as follow;

Proposition: Women are expected to have a lot of informal relations and contacts in their social network for their career development and to have access to senior management level.

Methodology

With this study, the independent women's board of directors of the organizations that are traded in BIST (Borsa İstanbul A.Ş.) have been researched. A total of 588 organizations were surveyed and social capital and networks of 70 independent women board directors were researched. Social network analysis is a way of visualizing the connections between people and the properties of those links. The weighted matrix method is used for social network analysis. The network relations of independent women board directors were obtained from secondary data sources. Archive data, resumes, newspaper news, personal web sites, personal information, schools, company and experience, family ties, friends, volunteer activities were investigated. UCINET version 6.0 (Borgatti et al., 2002) was used for network analysis. It is evaluated that every independent women board member included in the survey has a name in the country and is thought to be working on the boards of established companies, and that their awareness will be high and can be reached through a lot of information or secondary data sources. In this study, the network classification used by Van Emmerik et al. (2006) and the formal and unformal network classification generated by Bourdil and Géraudel (2016) are used. The degree centrality values and the averages (UCINET-Network> Centrality> Degree centrality) of the matrix of the formal and informal networks created for testing the proposal are calculated.

Conclusions

This study is revealed that the progress of the social capital acquisition via social network relations. It hopes to contribute to the international debate on the role and importance of informal social networks as an element of career improvement. With this theoretical work, it is essential that independent women board directors should enter the boards and act to maintain their statues for a long time, taking into account the priority tasks of organizations such as reducing the risk of uncertainty and loss of legitimacy and the necessity of fulfilling the conditions of change. This study is revealed that the social capital levels and social network relations are very important. As a result of examining women relationships in formal and informal classification of relationships they have and are trying to have in their ascendancy in the workplace and in their election to senior positions such as membership in the board of directors, it has been examined what kind of ties will have more benefits for them. In this context, it can be said that the more numerous informal links are developed; the more job-oriented benefits will be obtained. It has been observed that the network relationships of the members with the most informal network associations are more than those of members X54, X56, X46, X28, X47, X14, X29, X69 and X18 respectively. The proposition that women will lead to higher levels of higher-level tasks, which is too much of informal network relations, has been confirmed.