Two *not* of a kind: Social network theory and informal social networks in East Asia

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Abstract

In this study, we analyze the core assumptions and ideals of social network characteristics in East Asia and the West. By using an analytical frame derived from the literature and consisting of key antecedents of social networks, we find differences between the conventional assumptions of social network characteristics when comparing them with those found in East Asia. Moreover, we find remarkable intra-regional differences. Among these, and contrary to common beliefs about social networks, we find weak ties are neither truly effective nor preferably used in East Asia, where strong ties are both more preferred and more powerful. Further, social ties tend to be rather consummatory and networks rather closed. Also, depending on the nature of the network, bridging either does not work or is not intended. We recommend further studies explicitly taking local context into account in order to refine or reframe extant knowledge on social networks.

Keywords:

Social capital, social networks, informality, China, Korea, Japan

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Introduction

While the importance of social capital for economic development, growth, prosperity and social cohesion, among others, has been stressed, it is still unclear whether the term itself or certain dimensions of it can be universally applied or whether it remains a case study that reflects rather a Western context only (Li, 2007a; Qi, 2013; Sato, 2010). Doubt arises as empirical research indicates that East Asia is little endowed with social capital (Lee, Jeong, & Chae, 2011). On the contrary, although quite collectivistically oriented, countries like Japan, South Korea (hereinafter referred to as Korea) and, recently, China represent excellent role models for rapid economic development. If social capital plays a key role for economic and societal progress, as theory suggests, how could these countries develop so well? Given the collectivistic environment present in all three countries, there is concern that the definitional borders of extant social capital theory may be too narrow or exclude important local context, making its universality claim doubtful.

The question of how social capital is defined has long been a central topic in the literature of sociology and management. Several definitions of social capital exist. According to Bourdieu (1986, 1999), social capital is defined as the total of actual or potential resources which are linked to having access to a network of somehow institutionalized relationships. Further, Burt (1992, 1995, 2000) focuses more on the aspect of brokerage within the network as a form of social capital and Coleman (1988, 1990) and Putnam (1993, 1995), who conceptualize social capital at the community level, regard the closure of the network as a source of social capital. It is generally assumed that when institutions are underdeveloped and ineffective, well interconnected network ties serve to facilitate economic transactions. Granovetter's (1985) well-known embeddedness thesis suggests that actors may not depend too much on institutional arrangement to resolve potential conflicts and opportunism in the market as their embeddedness in a well-connected network provides social norms and obligations that bind people inside of the network. The notion of social capital is therefore linked with the fundamental features of social life—that is, the formation of social networks, social norms and trust, which enable individuals to act more efficiently together realizing common objectives.

Social norms define specific social behavior patterns. Through social networks, the members realize the role and function of social capital, as it usually consists of the means and the result of

its existence and dynamics. Dyadic social ties between actors are the essential elements of a network. Conventionally, they are described as being rather depersonalized and instrumental rather than consummatory (Portes, 1998) or even sentimental (Bourdieu, 1986). According to Granovetter (1973, 1995, 2017), especially weak ties are of particular value to the individual and important for acquiring information or a job as they introduce novelty from the outside to the network. More recent literature, however, also stresses the role of strong ties in high channel-bandwidth constellations for the dissemination of high quality information inside a network (Aral & Van Alstyne, 2011). In principle, social capital highlights the instrumental dimension of social relations and ties, which can, but do not have to, be based on kinship.

In comparison, informal social networks in East Asia (e.g., *guanxi*) are described as being a strongly personalized social tie, emotional and less instrumental. It can be kinship-based or non-kinship-based (Li, 2012; Luo, 2000). Also, advantages derived from bridging structural holes, as proposed by Burt (1995, 2000), may not hold in China (Xiao & Tsui, 2007). These differences spur doubt whether current definitions of informal social networks are rightfully claimed to be universally valid or whether they are valid for Western countries only. Hence, scholars have doubted the unconditional applicability of conventional network theories in East Asia. Sato (2010, 2013), for instance, critically discussed the universal applicability of the concept of social capital and social network in East Asian societies where strong indigenous (i.e., local) concepts of interpersonal relationships exist that are not fully captured by the social capital concept. Further, Li (2007ab) underlines the uniqueness of *guanxi* as the dominant norm within interpersonal relationships in China. “*Guanxi* capital” is said to be in principle strong; it can be both instrumental and consummatory, as well as kinship- and non-kinship-based. Hence, divergence from the conventional assumptions about social network characteristics are obvious.

Departing from the assumption that extant social capital and network theories may include too many ideas of typical Western social ties and network characteristics and too few features that are typical for East Asia, in this study, we systematically analyze typical characteristics of social networks in comparison with their counterparts in East Asia. Thus, the purpose of this research is to extend and further develop social capital and social network theories by identifying as yet unconsidered characteristics using local context. We pursue a comparative research approach in order to shed more light on theoretical dissonances aimed at

enriching and extending extant knowledge. By doing so, our approach follows the “most similar systems design” (MSSD) method proposed by Przeworski and Teune (1970), used to compare similar cases in order to reveal differences. All our three cases—China, Japan and Korea—belong to the same region, narrowly defined as East Asia, and the same cultural sphere of Confucian Asia, as classified by the GLOBE study (House, Hanges, Javidan, Dorfman, & Gupta, 2004).

This study is structured as follows. First, we present the theoretical access point which is the transaction cost theory (Williamson, 1979, 1996), providing the theoretical base in connection to the most commonly mentioned core assumptions on social network characteristics that we derive from the social capital and network literature and apply further as an analytical frame (e.g., Burt, 1995, 2001; Coleman, 1988; Granovetter, 1973, 1983, 2017). In the next step, we apply the established assessment frame to informal social networks in East Asia, that is, China, Japan and Korea. Furthermore, we report on the results by comparing the three examples from East Asia with the core assumptions on social networks as well as each other. Finally, the results are discussed and implications for theory development, the practice of management and future research are given.

Theoretical foundation

Informal economic transactions and social networks

The study is anchored in the increasingly intertwined reasoning articulated in transaction cost theory and economic sociology (Hennart, 2015). Transaction cost theory as originally brought forward by Williamson (1979, 1996; for a critique see Ghoshal and Moran, 1996) and then explicated to economic clubs (i.e., specific type of networks) by Sandler and Tschirhart (1997), provides the general framework for analysis. By focusing on the different framing constellations and risks associated with the multiple types of (potential) economic interaction, it highlights the need for a broad range of governance modes, taking issue with these and their various emanations of asset specificity in particular. Based on the work by Buchanan (1965) on economic clubs, these concepts have for the first time been brought into a systematic context with networks by Sandler and Tschirhart (1997). These point out the specific impact of fixed and variable costs of transacting for the choice of governance modes in such economic communities

as well as the crucial role of the (limited) number of interacting economic subjects (“club size”) for the viability of such arrangements. Economic sociology has contributed significantly to further hone the theoretical grasp of networks as employed by individual economic subjects in order to organize economic transactions by adding new perspectives to the object of research. Granovetter (1973) has sharpened the understanding of social networks by introducing different types (natures) of ties for network organization to the literature. Burt (1995) and Coleman (1988) have contributed with their work on the specific structures of social networks and their respective parameters. An enlightening (non-economist’s) view on the economic functionality of social networks has been brought forward with the concept of social capital (Bourdieu, 1986, 1999; Putnam 1995; Burt, 1992; Tsai & Goshal, 1998). This concept complements the transaction cost perspective by also addressing the “intangible”, informal mechanisms supporting economic interaction in social networks by means of e.g. shared norms and values evolving in collectivist societies, reputation developing in multiple (multiplex) relations, high information density in closed networks (and corresponding incentives not to cheat). In this perspective economic interaction is not only facilitated by (consciously designed) transaction cost reducing governance modes, but rather emanates from social structures that facilitate voluntary cooperation and information sharing. As such the value of individual human capital is being multiplied as it is put into a corresponding relationship with other individual-based human capital and becomes part of a fabric of social capital (Coleman, 1988, 1990; Putnam, 1993). These approaches go along with an exploration of the cohesive power of social networks—what keeps them stable and functional while integrating a substantial number of individuals into a cooperative community. The more economics-based literature has worked out the key functional parameters relating to threshold levels with regard to the (maximum) number of network participants, efficiency and speed of information transmission among network members; the credibility of sanctioning threats against misbehavior; and the relative value of internal network transactions compared to external (e.g., market, firm) activities—for example, measured via the degree of specialization and complexity of the underlying division of labor (Annen, 2003). Authors more rooted in sociological paradigms have added further important parameters pertaining to the social dimension of human interaction. They show, *inter alia*, that functionally stable social networks feature transparent reputation mechanisms and coalesce toward mutual trust and shared norms

(Coleman, 1990; Jones et al., 1997; Li, 2003; Li, 2007b, 2008). The creation of such stable social networks appears to be bound to starting conditions where the network members interact in a benign atmosphere featuring a neither too high nor too low network diversity as well as channel band-width of information exchange (Aral & Van Alstyne, 2011).

Focusing on the motivations, why individual actors should make their own resources available to others in the first place, Portes (1998) has advanced a differentiation between consummatory and instrumental drivers. Making one's own resources accessible to others in the context of social capital pooling networks can be understood as "consummatory" if this behavior is based on the perception of belonging to and the identification with a group of people upholding the same set of norms and values. The provision of individual resources to the network pool then becomes intrinsically motivated, a manifestation of "correct behavior" that is no longer reflected upon. The creation of individually appropriable utility is not explicitly aspired. Individual utility rather arises by default out of the accumulation of pooled social capital and the perpetual strengthening of shared norms and values which may facilitate additional utility generating interaction. The second driver motivating individuals to allow others to make use of their resources in Portes' classification is a straightforward cost-benefit calculation. Individual resources are contributed to a common pool of social capital, because direct benefits are expected to arise from this move. Shared norms and values of network members are neither a motivating force nor required as such. This latter aspect, however, raises the need for specific arrangements that establish sufficient trust in the value of such transactions.

A defining characteristic of social networks is the lack of a supra-positioned judge for any conflicts arising in network exchanges. Instead, any conflicts must be solved in the realm of bilateral exchange. The standard transaction cost approach is to create a governance mechanism that discourages opportunistic behavior by making a breach of network disciplines more costly (in materialistic terms) than their observance. One solution, for example, might be the exchange of hostages or collateral (Williamson, 1993). Extending this cost-utility concept beyond the sphere of economic goods, the concept of multiplexity provides a further approach for upholding network discipline. Given the non-exclusively economically defined existence of man and the embeddedness in social relations with family, friends, neighbors and others, punishment for misbehavior in the economic sphere can be sanctioned in another (social) sphere, for instance, if

punishment in the economic sphere is impossible or insufficient (Ben-Porath, 1980). Moving even further beyond the cost-utility paradigm, the creation of value communities and the evolution of mindsets, in which the adherence to network norms becomes a source of satisfaction (an intangible value) in itself, constitute a further means of promoting cooperative behavior (Li, 2003; Li, 2008). Such a socialization of network norms can evolve only over longer periods of time in close-knit communities and cannot support network communities in their early stages of development. Once established, however, it can also promote the consummatory injection of individual resources and the accumulation of social capital in the network as outlined above.

A powerful tool for comparative research on the idiosyncrasies of social networks as they have developed in different cultural environments and functional requirements (Adler, Doktor, & Redding, 1986; Dowling & Donnelly, 2013) is provided by the analytical concepts of “structural embeddedness” and “relational embeddedness” (Aoki, 2007; Hennart, 2015). “Structural embeddedness” pertains to the capacity of social networks to discourage opportunistic behavior and uphold disciplined, norm-abiding behavior by all network members. It captures the strength of a network in the sense of structural stability, which is understood to be most pronounced in closed networks in which all members stand in direct relation to all other members. In such an environment, information about breaches of network discipline travels fast, facilitates immediate sanctioning and, most importantly, allows for the fast establishment of positive or negative reputation. Consensus about shared norms and values is quickly established and then perpetually strengthened in iterative transaction patterns among well-informed network members (Aoki, 2007; Burt, 2000).

“Relational embeddedness” is looking at a second structural dimension of social networks by focusing on the nature of the multitude of dyadic ties constituting a specific network, thereby taking up Granovetter’s (1973, 2017) concept of strong and weak ties. To be more precise, the concept of “relational embeddedness” actually focuses on the relative frequency of strong and weak ties in a specific network and the implications of these for the functionality, value-creating capacity and stability of networks. The analytical cornerstone of this approach is the notion that strong ties—that is, frequent dyadic interaction—nurtures the evolution of shared norms and trust, facilitates the establishment of reputation and allows for effective sanctioning of misbehavior. As such, networks predominantly based on strong dyadic

ties should be understood as highly stable and functional. In terms of their ability to create value for network members, however, weak ties might be more instrumental. Weak ties are understood to constitute less frequent interaction among partners that uphold intermittent exchange relations with a multitude of partners. Such ties are certainly less instrumental for the creation of shared norms and trust in a dyadic relationship, but exactly by reaching out of rigid network routines they can introduce new information, tap into new resources and bridge structural holes (Burt, 1995, 2000). Weak ties are better positioned to create new value in a given network and propel its members to higher utility levels.

As such, the relative prevalence of strong and weak ties, and by the same logic the high or low degree of structural embeddedness, indicates a tradeoff between the ability to quickly establish and uphold stable network structures on the one hand and the capacity to dynamically develop new spheres of interaction and utility for network members on the other. Similarly, these different types of networks react differently to exogenous shocks. Structurally highly stable networks dominated by strong ties feature a pronounced inertia toward shocks and will be able to perpetuate their functionality even in highly adverse environments. At the same time, however, they have little capability for adaptive change toward new exogenous challenges and stand in danger of losing their functionality over time. Networks with lower structural stability but a high share of weak ties face a higher danger of quick disintegration in the face of exogenous shocks, but also have a higher capability of adapting to changing environments, integrating new impulses and reinventing themselves. If they have sufficient time to adapt, such networks are less prone to becoming extinct but instead evolve toward new forms adapted to new worlds (Hennart, 2015).

Characteristics of social networks

Inspired by a scheme as applied, for instance, by Li (2007a) or Horak and Taube (2016), we discuss six critical core assumptions of informal social networks in the following and utilize these antecedents as the basis for comparison in later sections.

Emotional involvement. Social ties in business and management studies are typically distinguished according to the emotional involvement of actors. Influential work for the management discipline proposed personal ties in business to be more rational and free of emotional involvement (Blunt & Merrick, 1997). The Weberian approach to management had a

lasting influence on the practice of (Western) management, represented by a powerful and authoritative leader and work organization relying on rather bureaucratic, formal and depersonalized processes (Blau & Meyer, 1971; Weber, 1922). Because in the West a management ideal has been objective decision-making—free from emotional bias, cronyism and any related doubtful practices—the idea that weak ties are a better choice for instrumental action comes as no surprise (Granovetter, 1973, 1983; Lin, 1999). Used instrumentally, weak ties lead to positive outcomes for job acquisition (e.g., Granovetter, 1973) and individual career success (Ibarra, 1995; Seibert, Kraimer, & Liden, 2001). Typically, in the West a business relationship is rather cognitively based upon the perception of the counterparts' competence, ability and integrity (McAllister, 1995; Jeffries & Reed, 2000; Parayitam & Dooley, 2009). Hence, the establishment of a sentimental relationship usually starts after a deal is concluded rather than before (Ambler, 1994; Lovett, Simmons, & Kali, 1999; Park & Luo, 2001). In sum, social network theory tends to regard social ties in social networks as rather instrumental in nature without a need for a consummatory basis or even a friendship-like emotional involvement (see also Adler & Kwon, 2002; Burt, 2001; Portes, 1998).

Relative tie strength. Granovetter (1973) distinguishes between strong and weak ties and tends to ascribe higher importance to the latter in interpersonal transactions. By nature, strong ties are informal and considered emotional and intimate; trust is said to be pronounced. On the contrary, weak ties are largely non-affective, utilitarian and infrequent as actors are usually not closely related; these ties are rather loose (Nelson, 1988). Strong ties are assumed to be unable to connect different network communities since by nature they cannot establish bridges between networks, as “all bridges are weak ties” (Granovetter, 1973: 1364). It is assumed that particularly weak ties exert long-range influence by e.g. enabling information to travel to distant parts of the network. In order to characterize the nature of typical group-based social ties in the West that form social capital on an aggregate level, Li (2012) suggested that they are generally weak, depersonalized and usually non-kinship-based. In sum, it follows that while most authors consider diverse ratios of strong and weak ties as ideal, weak ties are usually understood to contribute most to the advancement and “wealth” of a specific network as well as to strengthen its capability to adapt to exogenous shocks and changing environments. At the core to this proposition lies the assumption that weak ties are especially suited to introduce new ideas to a

network from the outside. However, while the ‘strength of weak ties’ argument (Granovetter 1973, 1983) has been very influential, it has to be noted that some scholars put forward important counter-arguments supporting a ‘strength of strong ties’ thesis for China (Bian, 1997) as well as for a Western environment. Studies on conflict in organizations, for instance, show that weak ties alone are not sufficient to reduce conflicts. It is rather the strong ties that are dominant in low-conflict organizations. They support cooperation and hence increase organizational effectiveness (Nelson, 1989; Krackhardt & Stern, 1988). Krackhardt (1992) underlines the importance of friendships (or ‘*philos*’ in Greek) as an important and strong-tie-based resource in major organizational change processes that require confidence of whether they will be successful before they occur. These predictions can be made best by relying on friendships or strong ties. A further example is the study of Rost (2011) on the creation of innovation. In this study it is argued that the influence of weak network ties is generally overestimated in innovation research. Rather weak and strong ties are connected in a sense that weak network ties leverage the strength of strong ties in creating innovation. Aral & Van Alstyne (2011) go one step further by arguing that weak ties are restricted in terms of frequency and band-width resulting in low quality information being transferred at a slow rate. As a result they argue that over time stronger ties might provide greater total novelty to network members than weak ties.

Openness. By the openness of networks, we mean whether individuals can get access to them or are per se excluded. In other words, are social networks rather open or closed by nature? In fact, they can be characterized as being both (e.g., Son & Lin, 2008), depending on the strengths of ties. Networks consisting of strong ties tend to be more closed, while those with weak ties are more open. However, research tends to postulate the “utility of open networks and weaker relations, because such extensive relations afford reaching others with richer and more diverse resources” (Son & Lin, 2008: 334). Especially the assumption that weak ties are most valuable leads to the picture that everyone who has additional resources to contribute to a network—thus increasing the social capital endowment of the whole—would or should be granted access to some extent (Burt, 2001; Granovetter, 1983). Further, striving for the maintenance of diverse ties, in order to increase the overall values of an actor’s social capital endowment (Burt, 1997), implies that though networks can be more or less open or closed, they are in principle receptive to new entrants. From a Western point of view, it can be regarded a

core assumption that social capital tends to be accessible, once actors possess social skills that enable them to access and develop social capital (Baron & Markman, 2000; Glaeser et al., 2002; Sander & Lowney, 2006).

Bridging. A further core assumption in social network theory is that unconnected networks can be bridged or connected through a broker (the “tertius gaudens”, i.e., the third who benefits). It is observed that so-called structural holes (Burt, 1995) can be filled with a node in the form of a broker. The broker has an informational advantage by drawing on different sources and by sharing this advantage with other network members, who in turn benefit by a larger amount of information available. Due to the benefits that social ties to several networks bring, it is recommended that organizations establish a mix of ties, both weak and strong, to several actors. However, it is finally assumed that the weak ties appear to be more influential and beneficial (Burt, 1997, 2000). Hence, a core assumption is that unconnected communities in a network sense can be connected in principle through a broker.

Kinship base. According to classic social science theory, kinship and pseudo-family ties are said to diminish along with increased democratization and economic development as well as the reliance on formal institutions and more open networks (Durkheim, 1933). That means it is assumed that relationships in developed economies are largely based on formal contracts and weak ties among actors. Family or quasi-family ties (i.e., strong ties) are expected to successively diminish and will not play a strong role in the long run. Social network theory contains much of that idea and influences the assumptions about whether people use a greater number of strong or weak ties. Further, by drawing on Pool (1980), Granovetter suggests that people using predominately strong ties “may be socially isolated and forced to fall back on weak ones” (Granovetter, 1983: 210). Again, relying only on strong ties has a rather negative connotation and is assumed not to work out successfully for the benefit of the actor. Finally, Li summarizes the core assumption in social network theory that regards ties typically as “largely depersonalized and primarily non-kinship-based” (Li, 2012: 853).

Purposiveness. Based on the above, it becomes obvious that social networks, especially as described in the business and management literature, are predominately used to acquire material or non-material benefits or resources. While acknowledging different types (Claridge, 2004), it can be claimed that social capital is usually seen as instrumental in achieving a purpose

in some form. Several definitions underline the purposiveness and put forward, for instance, its facilitative function needed for “coordination and cooperation for mutual benefit” (Putnam, 1995: 67). Social capital is said to consist of “friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital” (Burt, 1992: 9) or is characterized by pointing out “the brokerage opportunities in a network” (Burt, 1997: 355), just to name a view prominent definitions. In sum, it can be said that, conventionally, social networks serve a material or non-material purpose. Table 1 summarizes what has been discussed. Having clarified the core assumptions of social networks, we analyze below informal social networks in China, Korea and Japan by using the framework devised.

Table 1: Informal social networks - Selected antecedents and typical characteristics

<i>Dimension</i>	<i>Dichotomy</i>	<i>Core assumption</i>
Emotional involvement	Instrumental – consummatory	Dominant ideal: instrumental/ utilitarian
Relative tie strength	Strong – weak	Weak ties characterize social networks
Openness	Open – closed	Generally accessible, receptive for new entrants
Bridging	Connected – disconnected	Bridging between separate networks works and is beneficial
Kinship base	Kinship-based – non-kinship-based	Predominantly non-kinship-based
Purposiveness (gain)	undesignated – (non-) material	Social networks are predominantly used to acquire gains

Characteristics of informal social networks in East Asia

The case of China: Guanxi

Social networks in China are first and foremost associated with the notion of *guanxi*. Other concepts like *yuan* (缘) or *yuanfen* (缘分), expressing the perception of a shared destiny or fateful bond, and *renmai* (人脉), which indicates ego-centered networks based on personal trust, have been either marginalized (*yuan*, *yuanfen*) or have become integrated in the larger *guanxi* discourse (*renmai*) (Luo, 2006). *Guanxi* (关系, in simplified characters) means first and foremost relation or relationships; however, this definition is almost too loose to grasp the real meaning of this uniquely Chinese phenomena (Li, 2007a). *Guan* (关) basically means “a pass or barrier” as a

noun and “to close” as a verb, whereas the second part of the word, *xi* (系), means “a system” or, if read as a verb, “to tie up” or “to link” (Bian, 1994).¹ The term embodies the Confucian norm of reciprocity and is focused on family and kinship (Chen et al., 2013; Li, 2007a, 2007b; Luo, 2011). Simplified, *guanxi* depicts the relationship between people, objects and forces (Yang, 1994), and relies on formed mutual obligation and reciprocity with a rather flexible time frame for repayment of certain favors (Gold, Wank & Guthrie, 2002). It can also be defined as a sort of friendship implicating a continued exchange of favors (Pye, 1982). Due to a lack of obligation toward other impersonal groups such as political institutions (Weber, 1951), *guanxi* has served to provide certain goods and welfare (Fan, 2002a, 2002b) and has been employed as a substitute for an established rule of law (Xin & Pearce, 1996; Taube & Schramm, 2003). *Guanxi* is a “typical social tie in the East, is a dyadic social tie, both sentimental and instrumental, strongly personalized, kinship- or non-kinship-based” (Li, 2012: 853). Nowadays however, *guanxi* is also used to generate trust for illegal exchanges and stands in contrast to newly established rules and regulations about to become stronger (Ledeneva, 2008).

The *emotional involvement* in *guanxi* relations and/or networks can be either instrumental or consummatory (sentimental), depending on their origin and intent (Li, 2012, see also Bian, 1997). It can be seen as friendship with a mainly social component (Pye, 1982) but also as a platform for the exchange of certain goods and favors, yet with an emotional component (Barbalet, 2015). China’s transition from being a communist society with Confucian heritage to becoming more capitalist opened up further venues for more opportunities where solely instrumental connections are necessary (Ledeneva, 2003, 2008; Taube & Schramm, 2003; Zhan 2012). Nowadays *strong and weak guanxi ties* coexist in Chinese society. The strength of *guanxi* ties also depends on the specific origin of the network and/or relationship and its intent. *Guanxi* evolved from clan-based structures and was determined by strong ties shaped by family and geographic origin during the Qing dynasty, though it gradually changed (Barbalet, 2015). With the economic reforms in the 1980s came more geographical mobility and also weaker *guanxi* ties (Chang, 2011). *Guanxi* networks can be either *closed or open*, depending on their origin and nature. Whereas village- or family-based networks are rather difficult if not impossible to get into (Lin, 1995), networks formed at the workplace or for a specific purpose, on the other hand, are easier to get access to. Due to the different levels of tie strength as well as

the diverse levels of network openness, *bridging* is possible to a certain extent. Every Chinese person belongs to at least one *guanxi* network, and usually to more since certain characteristics (heritage, job, family) can allow access to different networks that sometimes overlap (one can be born to family X and also in village Z with school affiliation Y and a job in Q). There is no such thing as open rivalry between the networks. Even though *guanxi*'s origins are traditionally *kin- and family*-based, those terms are more flexible than in the Western sense. Family ranges from the nuclear family to very extended familial relations such as distant cousins who are also embraced as family members. Family association can be inherited by birth or by marriage (Tsui & Farh, 1997). With the emergence of a more capitalist society and a slow erosion of traditional bonds, *guanxi* networks can also be composed of people who went to the same school or university, work at the same company or simply have shared goals to achieve. In general, it can be stated that *guanxi* networks first and foremost serve the *purpose* of generating trust between their members by executing social control in a setting where rule of law and formal institutions such as courts are non-existent or underdeveloped. They also provide a sense of belonging in a collectivistic society (Tsui & Farh, 1997). However, historically—and even up until the time of Mao—*guanxi* networks served as a means of facilitating trust but also of combating material shortages and allocating and redistributing state-owned goods, thus supporting the status quo (Ledeneva 2003, 2008). With the economic reforms and the rise of a more capitalist worldview, *guanxi* relations have become more purpose-based, inter alia paving the way to corrupt exchanges (Leung, 2008; Taube & Schramm, 2003; Taube, 2013). Table 2 summarizes what has been discussed.

Table 2: *Guanxi* - Selected antecedents and typical characteristics

<i>Antecedent</i>	<i>Characteristic</i>
Emotional involvement	Consummatory and instrumental
Relative tie strength	Strong ties and weak ties
Openness	Varying degrees of openness
Bridging	Bridging between separate networks is possible
Kinship base	Traditionally kinship-based, but open to non-family members today
Purposiveness	Exists in the first place to serve a relationship and to facilitate trust. Also, to provide a platform for exchange of certain goods and favors

The case of Korea: Yongo

Three forms of common networks are distinguished in the literature: *Inmaek* (인맥), *yonjul* (연줄) and *yongo* (연고). *Inmaek* can be directly translated into the English term “network” and as such it does not imply or indicate a special characteristic. It describes relationships that an individual develops in the course of life. *Yonjul* denotes ties used to achieve a goal. The word has a negative connotation and is widely seen as unethical as it is often connected to dubious transactions (Horak, 2016). Whereas the word *guan-gye* (or *kwan'gye*) is used to refer to relationships, *Yongo* is usually considered the most typical Korean network form that characterizes Korean society (Horak, 2014; Lew, 2013; Renshaw, 2011; Yee, 2000). *Yongo* embodies the trustful and emotional ties existing in Korea, a society deeply embedded with a Confucian value system (Kim & Bae, 2004; Kim, 2000). The term *yongo* represents informal ties in Korea, where the syllable *yon* stands for “tie,” signifying an bond between individuals based on shared norms and or experiences. This consummatory connection or bond, represented by the syllable *go* is based on a shared background. This shared background is due to a shared geographical origin (*jijon*, 지연), affiliation with the same family (i.e., being connected by blood ties; *hyulyon*, 혈연), or having attended the same high school and/or university in Korea (*hakyon*, 학연) (Horak & Yang, 2016). *Yongo* is defined as “the term for personal relationships in Korea that are attached to affiliation to an informally organized group. [...] *Yongo* derives its main cohesion power from strong particularistic ties, based on kin, educational institution (school/university) and region” (Horak, 2014: 87). *Yongo* networks already existed during the *Choson* dynasty (ca. 1392–1910), when the ruling *Yangban* class “grouped itself into mutually exclusive factions and clans that engaged in fierce rivalry. The fragmentation of the *Yangban* society along the line of scholarly association, kinship and region gave rise to purges and factional strife.” (Sik, 2005: 84). A very distinctive characteristic of *yongo* ties is the circumstance that they are mostly acquired by birth, with the exception of the *hakyon* ties since the university association can be chosen freely (Horak, 2014). Hence, *yongo* is immutable and irreversible. All these bonds last for life and are maintained by informal meetings of the respective network members (Horak, 2014). However, it has to be pointed out that defining a

multidimensional and dynamic construct like *yongo* can be tricky. It can be assumed that, for instance, not all *jiyon*-based ties are per se and equally strong. Rather, as *jiyon* is ascribed it can be developed towards a stronger tie, depending on how much effort the parties put into them or how important and influential individuals are perceived. As for *hakyon*-based ties, that are certainly not ascribed, as explained above, it should be noted that they may be strategically nurtured and build over time. Parents may select universities for their children with high *yongo*-endowment, so that they benefit by growing early into an existing network to potentially become part of the future ‘upper echelon’ network of the Korean society. Thus, *yongo* can be alternatively seen as very long term strategic investment into becoming a part of existing networks, although initially individuals may not be fully aware of this at young age. However, as management research has so far explored *yongo* to a lesser extent, future research may verify the assumptions made above.

In principle, *yongo* is not formed due to an instrumental interest per se, as it derives from one’s ascription to these ties (*jiyon*, *hyulyon* and *hakyon*, the last in an ex-post sense). Lew (2013) proposes the rather generic term “affective network” for *yongo*, which clearly implies that affection is a fundamental social cohesion element of *yongo*. Hence, it can be regarded as a ***consummatory type*** of social tie.

Since *yongo* affiliation cannot be freely chosen, in principle (with the exception of *hakyon* nowadays), there is a sense of quasi-family belongingness among its members, supported by the strong Confucian heritage of the Korean environment (Kim & Bae, 2004; Kim, 2000). Hence, norms of behavior are pronounced and informally enforced by peer pressure. Often *yongo*-based ties are maintained and last for life. Compared to the strength of typical network ties in the West, *yongo*-based ties can be regarded as ***strong ties*** in principle. However, it has to be mentioned that there is a research gap leaving important questions in relation to *yongo* unanswered. These are, among others: Can *yongo* ties in retrospect acquired through marriage (*hyulyon*, or blood ties) be regarded strong per se? Do they lead to access to the network and can they penetrate the network deeply? Can *jiyon* be acquired through living in a certain place for a long time without being born there? If so, are these ties as strong as congenital *jiyon*? In order to measure and quantify *yongo* more precisely, a dedicated indigenously-oriented research agenda is urgently needed.

As mentioned above, one of the distinctive features of *yongo* is its predefined nature, with *hakyon* ties being the only exception, since university affiliation can be chosen more or less freely. *Yongo* networks are rather ***closed*** to outsiders and membership based on qualities such as merit is almost impossible to acquire.

Bridging networks within a different line of ties (for example *hakyon*, between university A and university B) is difficult since there can be fierce rivalry between both networks. On the contrary, bridging networks within the same line of ties works very well as this is considered an “intra-family” affair. According to Kim (2000), within the same line of ties there is “flexibility, tolerance, mutual understanding as well as trust. Outside the boundary, on the contrary, people are treated as ‘nonpersons’ and there can be discrimination and even hostility” (Kim, 2000: 179).

In essence, *yongo* is primarily (quasi-) kinship-based with the spirit of ***familial ideals*** of belongingness and mutual obligation shaping the culture of social ties and networks as they are embedded in a Confucian value frame.

As *yongo* is cause-based (rather than acquired through merit and achievement) and ***not purpose-based*** (since it traditionally consists of the aforementioned three mostly pre-existing ties), it is immutable and irreversible (Horak, 2014). It can be regard as the typical concept that shapes the Korean society and thereby defines social relationships. As scholars used to call Korea a network society (e.g., Lew, 2013; Kim, 2000), *yongo* (as well as *inmaek*) would be the terms to define what network society actually means in a local context. Thus, as a societal form, it does not in principle imply a purpose per se. However, it can serve as a platform for achieving a purpose, if needed. We summarize the key findings of this section in Table 3.

Table 3: *Yongo* - Selected antecedents and typical characteristics

<i>Antecedent</i>	<i>Characteristic</i>
Emotional involvement	Consummatory
Relative tie strength	Comparably strong to very strong
Openness	Closed
Bridging	Bridging only between networks that are not in the same tie-line
Kinship base	Network is historically kinship-based, but other forms are also possible
Purposiveness	Cause-based

The case of Japan: Kankei, jinmyaku, en, aidagara

Different from both Chinese *guanxi*, which becomes the representative expression in describing relationships in the Chinese context, and the rather closed and ascribed *yongo* in Korea, there are various words to support the importance of relationships in Japan, including *kankei* (かんけい: 関係) and *jinmyaku* (じんみゃく: 人脈) as well as *en* (えん: 縁) and *aidagara* (あいだがら: 間柄). First of all, *kankei* has the same Chinese characters as *guanxi*, which means relationship. *Kankei* is often used with another word, *ningen* (人間) which indicates people or, more precisely, people (人) in-between (間). *Ningen kankei* involves closeness and cooperation between people in mutually beneficial relationships. Shared experiences create special bonds between people that are part of *ningen kankei* (Cheung, Wu, & Wong, 2013). *Ningen kankei* could include people from the same town, former classmates or coworkers. Similarly, *jinmyaku* is another Japanese word illustrating the social networks of people. Developing social and professional networks of contacts is a very important custom in Japan and the length of a relationship almost always correlates with the depth and importance of the relationship (Sharp, 2013). While the direct translation of *en* is connection, it describes a momentum, or “fate”, that makes two persons encounter. If a person happens to get acquainted with another person, for example, he or she would say, “We got to know each other due to some *en*, so why don’t we keep a good relationship?” (Sato, 2010: 193). With *en*, people are essentially connected to one another. In a similar vein, *aidagara* or being between indicates social relations or contexts. It signifies subsystemic connections between people that are formed within the extremely large system of human causal chains—the system of *en*. Relationships within *aidagara* are based on mutual favors since the parties involved are not considered mutually separate entities (Hamaguchi, Kumon, & Creighton, 1985). People have always been seen in their “in betweenness” in relationships with others as *ningen* (people) because the *jibun* (自分) or the self has a relational and relative character shared by both oneself and other actors (Hamaguchi et al., 1985). The communal takes priority over the individual or *jibun* (Watsuji, 2007), and the social system demands self-restraint as the self is dependent upon other actors (Hamaguchi et al., 1985).

These Japanese concepts of *kankei*, *jinmyaku*, *en* and *aidagara* are quite similar to each other, although there are subtle differences in their focus, namely experience-based relations,

intensity of networks, a fate-like connection and interdependent betweenness, respectively. We adapt these Japanese notions interchangeably in discussing their characteristics in detail below.

Japanese social ties are to a great extent *emotionally driven* rather than instrumentally motivated. The affective nature of social networks can be easily observed from the *kankei* relationship, for example. Japanese *kankei* supervisors are expected to help their subordinates learn the requirements of a particular job as well as to look out for the interests of their subordinates and take responsibility for their subordinates' errors (Cheung et al., 2013; Clark, 1979; Cole, 1971). Whereas Japanese *kankei* subordinates expect protection from their supervisors if something goes wrong (Chen, 1995; Clark, 1979), the subordinates are obligated to return the favor by working hard and displaying loyalty. Likewise, Japanese *kankei* blurs the distinction between cognitive work and affective private lives (Cheung et al., 2013). A *kankei* relationship tends to be more natural as it involves a concern for human feelings and dependence (Clark, 1979), and after-hours social gatherings are important for the development of *kankei* (Cheung et al., 2013). Consummatory factors weigh strongly in Japan (Fukuda, 1993; Yazawa, 2006), and exchange relations do not necessarily take the form of simultaneous, equal transactions. The know-how for getting along well in life involves the ability to assume an attitude of self-deprecation to treat one's partner with due respect (Hamaguchi et al., 1985). Norms and unwritten law (Hirt & Schneider, 2003) also characterize *kankei* relationships as moral and contractual obligations which favor the weaker party (e.g., subordinates) in gaining access to the support from the stronger party (e.g., supervisor) (Cheung et al., 2013).

Interpersonal links in Japan can be described as having *strong ties*. Once a *kankei* relationship is established, members regard each other as lifelong members and will protect each other's welfare by all means. It is also argued that *kankei* has a longer orientation than *guanxi* (Cheung et al., 2013).

Social networks in Japan are considered to be *closed*, working via long-standing relations of mutual trust (Kumon, 1992). Japanese expect relationships to grow and develop by playing the long game and to be continuously rewarding. They put in the time and effort to demonstrate their loyalty in line with the urge to develop deeper long-term relationships or *jinmyaku*. *Jinmyaku* is about trust shared between members (Sharp, 2013). In a similar vein, the use of *kankei* is to deny access to outsiders and to grant access to the close *kankei* for retrieving valuable information

(Cheung et al., 2013). Accordingly, social networks in Japan are criticized for not being flexible, causing them to become alienated and bureaucratized (Yazawa, 2006). **Bridging** between separate networks does not work in principle, nor is it intended to. In line with the Asian qualities of emphases on the *family*, respect for elderly and face-saving (Giridharadas, 2011; Shirahase, 2014), mutual monitoring among kin and coworkers makes for a Japanese society based on strong ties (Chua & Wellman, 2015). In accordance with Japanese promotion of group and community orientation, *kankei* subordinates are willing to stay loyal to their organizations and obey the work orders of supervisors (Cheung et al., 2013). Those who experience *ba* (場), or a shared context in which participants create new meanings through interactions (Nonaka & Toyama, 2002), would mutually construct a collective self (Yazawa, 2006). In a similar vein, *kankei* is largely formed on the basis of social factors rather than on similarities in visible and common backgrounds (Xie, 2012). Network structures such as kin-centeredness, hierarchy and work orientation illustrate how personal connections are embedded in several Asian societies, including Japan (Chua & Wellman, 2015).

Stable human relations provide communities and their inhabitants with security and assurance (Sato, 2010). Social ties in Japan do not regard an equal exchange as a primary concern since human relations are not mere temporary reciprocal interactions (Hamaguchi et al., 1985). Hence, serving the relationship can be regarded the prior ***purpose*** of the tie. Networks of relational contracting in Japan are characterized by risk-sharing, long-term advantage and goodwill. It is that sense of duty over and above the terms of a written contract which gives the assurance of the payoff (Dore, 1983). Here, *on* (恩) and *giri* (義理) may be regarded as moral sanctions that are directly related to such forms of exchange (Hamaguchi et al., 1985). *On* means unilateral and voluntary services given to one by members of society, and *giri* means duty or obligation. With *aidagara* relations, preference is given to mutual favors between persons who are connected, and effort is expended to maintain the relationship itself, thus transcending individual interests (Hamaguchi, 1985). The relationship itself is considered to be intrinsically invaluable, and it is more important to give consideration to others to the point of ignoring one's own gains (Hamaguchi et al., 1985). Table 4 provides an overview of the discussed antecedents and characteristics.

Table 4: Japan - Selected antecedents and typical characteristics

<i>Antecedent</i>	<i>Characteristic</i>
Emotional involvement	Consummatory
Relative tie strength	Strong ties
Openness	Low degree of openness
Bridging	Bridging between separate networks is not intended
Kinship base	Strong quasi-familistic ties prevail
Purposiveness	Serving a relationship is the prior purpose

Results

Comparing the three East Asian social networks to the typical characteristics conventionally ascribed to social networks reveals remarkable differences. Also, an intra-regional comparison shows that there is a noteworthy heterogeneity among the East Asian networks (see Table 5). In what follows, we point out differences in characteristics between the three East Asian networks and the core assumption about social networks in general, followed by an intra-regional comparison.

Social networks, especially in the management literature, are implicitly and explicitly characterized as being predominantly instrumental or utilitarian in nature. In East Asia, on the contrary, the **emotional involvement** of actors is far more pronounced; it is rather the norm than the exception. East Asian networks can be, by trend, predominantly described as consummatory by nature, especially those in Korea and Japan. However, research on *guanxi* in China finds both characteristics: instrumental and consummatory. While the social network literature acknowledges **strong and weak ties**, the weak ties in particular are not only important to the individual to, for example, progress professionally, they are also seen as the source for a civil society to further develop and flourish. Whereas *guanxi* ties can be strong or weak, social ties in Korea and Japan, two of the most industrialized countries, can be characterized as rather strong. The literature indicates that weak ties are seldom used because people in Korea (e.g., Yee, 2000) as well as in Japan (e.g., Watanabe, 1987) would rather rely on strong ties. Instead, the ideal is to have or develop strong ties since weak ties are not deemed useful. Further, the social network literature indicates that networks are **receptive** in principle, that is, to varying degrees they are open to new entrants. Whereas this corresponds to what is known about *guanxi* ties, Korean *yongo* ties are rather closed and certain ties in Japan also show a rather low level of openness.

Hence, **bridging** of networks by a broker may work well in China in principle (see also Xiao & Tsui, 2007), but it goes against the logic of *yongo*-based ties in Korea, where bridging of the same tie line is nearly impossible as communities of the same tie line (e.g., *hakyon*, *hyulyon* or *jiyon*) may feel discomfort toward each other or even hostility (Kim, 2000). Similarly, in Japan, bridging between separate networks is not intended. Whereas social network theory tends to focus on typical (weak) social ties to be conducted voluntarily among a group actors, in contrast to family, quasi-family or clan or **kinship ties**, we see in all three East Asian network forms a strong connotation of pronounced family or quasi-family ties. Especially in China, strong kin and non-kin *guanxi* ties are pervasive (Li, 2007b). The simple question of what **purpose** social networks serve would likely be answered in the West with arguments such as gathering information, acquiring a job or becoming part of a circle that makes oneself more relevant and poised for the next promotion. In any case, social networks fulfill in the first place a purpose. Although at times they overlap, there is a distinction between social networks and friendships. In contrast, in East Asia, social networks primarily serve a relationship and establish trust. In Korea, it can be said that *yongo* ties are preset (except university-based ties), and hence exist already without a purpose per se, though they can be used for a purpose.

Comparing networks in East Asia with each other reveals certain similarities but also large differences. Most similarities occur in terms of emotional involvement, relative tie strength, openness and bridging of ties that are relatively similar in Japan and Korea; however, both are more pronounced than in the case of China. In China, *guanxi* ties can be instrumental and weak, whereas in Japan and Korea ties are predominately strong and consummatory. Likely because of these characteristics, ties in Japan and Korea tend to be more closed, whereas becoming a member and establishing *guanxi* in China can be easier.

In sum, we see in part fundamental differences between the core assumptions of social network theory when compared to key characteristics of social networks in East Asia, but there is also heterogeneity among the latter. Although they share the same regional origin (i.e., East Asia), the characteristics of the three are partly similar but not exactly the same. Surprisingly, we see most similarities between the networks in Korea and Japan (see Table 5), contrary to the expectation that mainland social networks (e.g., China and Korea) would show more similarities compared to island countries (e.g., Japan). This observation might not be that surprising if one

follows the proposition that Korean and Japanese social networks should be more similar to each other than vis-à-vis Chinese networks as the former are on a higher level of economic development and further apart from traditional family-based economic structures. This proposition certainly needs further research. But inter-temporal observations of the nature of social networks in these three societies show little changes, despite of dramatic changes in economic structures and welfare levels.

Table 5: Overview - Core assumptions and key characteristics of social networks in East Asia

<i>Dimension</i>	<i>Core assumptions</i>	<i>China (guanxi)</i>	<i>Korea (yongo)</i>	<i>Japan (various)</i>
Emotional involvement	Dominant ideal: instrumental/ utilitarian	Consummatory and instrumental	Consummatory	Consummatory
Relative tie strength	Weak ties characterize social networks	Strong ties and weak ties	Comparably strong to very strong	Strong ties
Openness	Generally accessible, receptive to new entrants	Varying degrees of openness	Closed	Low degree of openness
Bridging	Bridging between separate networks works and is beneficial	Bridging between separate networks is possible	Bridging only between networks that are not in the same tie-line	Bridging between separate networks is not intended
Kinship base	Predominantly non-kinship-based	Traditionally kinship-based, but open to non-family members today	Network is historically kinship-based, but other forms are also possible	Strong quasi-familistic ties prevail
Purposiveness	Social networks are predominantly used to acquire gains	Exist in the first place to serve a relationship and to facilitate trust. Also, to provide a platform for exchange of certain goods and favors	Cause-based	Serving a relationship is the prior purpose

Discussion

Despite research on *guanxi* that can look back on decades of prior research that has already entered the mainstream debates, we still know comparably little about informal social networks in East Asia and Asia at large. While recent studies explore this subject deeper and show that some notions of “trust and achievement in China has the same network correlations associated

with trust and achievement in the West” (Burt & Burzynska 2017: 222), Burt and Burzynska (2017) believe that Chinese informal social networks (i.e. *guanxi*) are still “fundamentally different from networks in the West” (Burt & Burzynska 2017: 222). *Guanxi* research shows us that there are structural and characteristic differences between *guanxi* and social network theory, and this research has shown that by including Korean and Japanese informal networks the deviation is even larger; also, there are remarkable differences between Chinese informal networks on the one hand and Japanese and Korean networks on the other. Hence, a pressing question is why we still know so little about this important theme, including why scholars from East Asia appear to be hesitant to contribute, correct and enrich social network theory based on research on local phenomena.

One explanation could include the argument that we may not have the appropriate methods in place to investigate uniquely local phenomena. For instance, referring to Japanese behavioral patterns, Hamaguchi et al. (1985) doubt that social science has appropriate methods for studying local phenomena “because the social science method that originated in Western Europe has only limited applicability to the study of Japan” (Hamaguchi et al., 1985: 289). In particular, researchers unfamiliar with the research environment run the risk of being blind toward certain phenomena that are difficult to include in a quantitative research design just because they are new and under researched. Here scholars would do well to apply qualitative methods over the dominant and far more popular quantitative approaches (a mixed-methods example combining qualitative and experimental methods in indigenous management research can be found in Horak, 2016). Besides the debate on appropriate methods, a more recent argument focuses on the lack of local initiatives to develop their own theories; instead, more “scholars primarily utilize existing management theories whose substance is based on Western firms [...]. It appears that original theorizing on Chinese business organizations and management is still in a primitive stage, especially in the behavioral areas” (Tsui, Schoonhoven, Meyer, Lau, & Milkovich, 2004: 137). An explanation for this status is proposed by Mayer (2006) who believes that many Asian scholars just lack the self-confidence to challenge existing theories where they are unsuitable and to push locally-relevant research agendas.

We would like to draw attention to two other arguments of relevance to this discussion. First, another explanation could be that a lack of self-confidence, as Mayer called it, may not be

the sole reason why Asian scholars engage so little in research on local behavioral phenomena. More likely is that there is a lack of awareness toward the importance and uniqueness of local phenomena. When a researcher is socialized in a certain environment, it easily becomes the “norm” that just isn’t very special or interesting to do research on because it is considered “normal.” As Ledeneva (1998) explains in relation to her research on interpersonal networks in Russia (*blat*): “I grew up in such an environment [*i.e., an environment in which informal exchange is common*], and took most of it for granted. What made me think about *blat* as something specific was my experience in the West, where I felt things were done differently” (Ledeneva, 1998: 4). Second, a further explanation may be that talking about and revealing information in connection to informal social networks is in some countries a delicate subject and is often even considered a taboo (e.g., in Korea; Horak, 2015). Both facts make an exploration into the structure and characteristics of informal social networks difficult.

Since it is in some way quite remarkable that dominant theories and wisdom on social ties and networks were born in highly individualistic environments, there is an urgent need to understand the social mechanisms in place in countries that are traditionally collectivistic and relationship-oriented. It would be negligent to exclude the latter from any theoretical development claiming universality on the nature of social capital and networks. Future research should first engage in generating more knowledge on the anatomy of local social ties and networks. Second, it should clarify the relationship between local concepts and social capital and networks—and third, enrich, extend or even reject social capital theory depending on the outcome of the analysis (see also Sato, 2013).

Furthermore, the results of this study have important implications for the practice of management. Given that social ties and networks in East Asia predominantly consist of strong ties, are more closed than easy to access, and are to a greater extent driven by a consummatory disposition than strictly instrumental, how can managers gain access to and make use of them? This question is not only of importance for local managers who don’t possess influential ties but also for foreign managers (e.g., expatriates) whose task success is often mediated by the receptiveness or openness of the environment. Practical questions of high importance are less about what ties to choose (*i.e., strong or weak*) and more about how to get access at all, how to

establish emotional ties and what strategies to pursue in case local access to networks cannot be realized in a satisfactory way.

Conclusion

By identifying the lack of a contribution of the structure and characteristics of local social ties and networks to core assumptions on social capital and network theory, we analyzed informal social networks in East Asia and performed an intra-regional comparison as well as a comparison to core assumptions of social network theory. We conclude that there are remarkable differences within regional networks as well as when compared with the core assumptions of the conventional social network theory. While instrumental and weak ties do exist, certainly, they cannot be considered the most powerful type of social tie that promises the most benefits to the individual. Social networks in East Asia characteristically consist of strong ties over which resources, benefits and favors are acquired and exchanged. These ties are to a great extent consummatory (and strong) rather than purely instrumental (and weak). Also, the bridging of unconnected networks which results in benefits for the broker and network members is often not intended (e.g., as in Japan) or goes against the ideals in the case of closed and homogenous networks, among which animosities and partial hostility or competition toward each other exist (e.g., as in Korea). Furthermore, gaining access to or acquiring membership is more difficult. There are intra-regional differences. Whereas *guanxi* is rather open and can be more easily penetrated by outsiders in the long run, *yongo* in Korea is rather closed and partly predefined. These differences have implications. First, social network research urgently requires further contributions from local phenomena in order to draw a more realistic picture of the true characteristics and nature of social networks, and to go beyond representing a Western case only. Second, while networks in East Asia tend to consist of strong ties and are rather consummatory and closed, foreign firms (especially Western) need to establish appropriate policies for their managers in order to penetrate local networks.

Endnotes

1. The terminology for (social) networks in China, Korea, and Japan is often based on the same Chinese characters [Before the introduction of phonographic letters in the 15th century written Korean was based on Chinese characters, which continued to dominate written Korean well into the 19th century. All three Japanese “alphabets” *Kanji*, *hiragana*, *katakana* are based on Chinese characters]. *Guanxi*, *guan-gye*, *kankei* (関係); *renmai*, *inmaek*, *jinmyaku* (人脈), *yuan*, *on*, *en* (縁) are the most prominent examples. This implies that mainland Chinese (cultural) traits have been transferred and absorbed in Korean and Japanese societies during various historical episodes. Since their reception, these concepts, however, have been adapted to local circumstances and in the language the respective terms have developed idiosyncratic connotations, significantly deviating from the original Chinese concepts. As such, the authors do not intend to explain differences and commonalities between (social) network designs in China, Korea, and Japan by similarities or differences in their names respectively the underlying Chinese characters.

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