The influence of informal structures on corporate strategy: an African perspective

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A B S T R A C T

This paper provides a detailed exploration of the Afrocentric epistemological perspective of socio-cultural constructs that drive the influence of informal structures on corporate strategy and employees. The research focuses on the African context, which has a dearth of studies despite ample research exploring informal structures in Western and Asian socio-ecological contexts. To achieve this, the study employed a systematic literature review through the aid of NVivo 14 and ChatGPT, a language generation model. NVivo 14 provided the study with a tool to manage and analyze the data, and ChatGPT offered a dialogical string that created a clear path for critical analysis. The paper adopted a systematic literature review approach to investigate the origin of the concept of informal structures and their impact on corporate strategy in an Afrocentric context. The findings indicate that informal structures can have a positive influence by facilitating the flow of information, flexibility, and fulfilling social needs and shared values. However, the negative influence of informal structures, including resistance to corporate strategy, social fragmentation, conflict, and political discord, outweighs the positive influence. The study also reveals that there is limited research on the social-ecological context of Africa and its impact on corporate strategy. The paper addresses a contextual gap in the body of knowledge through its contribution that focuses specifically on the Afrocentric context. The research also sheds light on the need for more studies on the social-ecological context of Africa to gain a better understanding of its impact on corporate strategy. Overall, the paper provides a comprehensive and detailed exploration of the Afrocentric perspective of informal structures and their impact on corporate strategy and employees.

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Introduction

This study explores how informal structures impact employees and corporate strategy in Africa. This research is not new, as earlier scholars, such as Munene & Blunt (1985), already highlighted the need for more research in this field. More recently, Mom (2018) reiterated this call due to a lack of subsequent studies that address the contextual gap of organisational research in Africa.

Furthermore, due to the divergence between established and emerging economies, scholars have become more interested in developing management theories that are tailored to African social contexts (Mom, 2018; Akpor-Robaro & Omoyele, 2019). This is particularly essential given that multinational corporations, as noted by Horak et al., (2021) that multinational organisations operate in culturally diverse environments, which adds to the importance of studying informal structures in an African context.

This research focuses on corporate strategy rather than competitive strategy, which Abdulwase et al., (2021) argue lays the foundation for creating a superior competitive strategy. The study aims to examine how informal structures impact corporate strategy and ultimately contribute to achieving corporate goals. The research seeks to provide valuable insights into how informal structures influence strategic decision-making and implementation, with the hope of advancing the existing knowledge on corporate strategy and management in African settings.

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Overall, this study intends to shed light on the importance of informal structures in shaping corporate strategy and help organizations operating in African contexts to better understand how to use informal structures to achieve their goals.

**Literature Review**

The study conducted a systematic literature review and provided a clear, scientific, and transparent analysis that can be reproduced (Lame, 2019). The paper followed the Prisma statement by (Moher et al., 2009) and identified seven essential steps that lead to empirical conclusions. These steps were drawn from the systematic literature review model of Xiao and Watson (2019). The paper compared four papers that had a similar focus on the topic, with one paper that had an Afrocentric perspective on organisational theory. The aim of the systematic analysis of these five papers was to determine whether there were any emerging themes or gaps in the literature, with a particular focus on Afrocentric organisational theory. The ultimate goal was to explore the literature's contextual gap by conducting a thematic analysis of organisational theory publications.

![Figure 1: Systematic Literature Review Model; Source: Adopted from Xiao & Watson, 2019.](image)

**Step 1: Formulation of review questions**

Review questions were formulated using ChatGPT because, according to Alshater (2023), ChatGPT provides elaborate research strings through a collaborative dialogical interface with the model. The research questions derived from ChatGPT provided a coherent context of current and past academic conversations relating to the topic. The main inputs used to probe ChatGPT were derived from social identity theory because, according to Adom et al., (2018), the theory provides grounded map of reasoning and credibility.

**Step 2: Define Inclusion and Exclusion Criteria**

According to Meline (2006), inclusion or exclusion of studies enables the study to pursue a subsequent and transparent scope of enquiry that leads to academic rigour and systematic review of results. The study utilised an inclusion and exclusion matrix, which is given below.

<table>
<thead>
<tr>
<th>Inclusion</th>
<th>Exclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Literature from 2004 onwards</td>
<td>Literature from beyond 20 years</td>
</tr>
<tr>
<td>Organisational context</td>
<td>Other contexts besides the organisational context</td>
</tr>
<tr>
<td>Social theoretical lens</td>
<td>Other theoretical frameworks besides social theory</td>
</tr>
<tr>
<td>Literature published in a recognised journal</td>
<td>Literature from blogs and unpublished sources</td>
</tr>
<tr>
<td>Published in English or translated into English</td>
<td>Literature should be in English</td>
</tr>
</tbody>
</table>
Step 3: Locate Studies

The research paper utilised the inclusion and exclusion framework available under ChatGPT to narrow down the scope of inquiry, as outlined by Chatterjee et al., (2021). The paper followed the first two steps of the framework to filter through existing literature and identify the most frequently occurring terms. These terms included social ties, culture, values, social identity, social context, and Afrocentric narrative. By using these terms, the paper was able to locate relevant studies that addressed the social antecedents identified through the filtration process.

Step 4: Select Studies

Before selecting the relevant literature to address the institutional and material gap of organizational research in the Afrocentric context, dummy reviews were conducted to establish credibility. The selection strategy for the systematic literature review was informed by guidelines for organizational research. The study also drew insights from Daniels (2019) and utilized several bibliographic databases and software such as Mendeley, Endnote, Zotero, and Read cube Papers to gather current insights and establish a transparent inclusion and exclusion footprint.

Step 5: Assess Studies Quality

Drawing from Gulbrandsen (2015), the paper bases its quality assessment on the following key concepts: solidity, originality, scholarly relevance and utility value. The table below briefly discusses the four concepts.

**Table 2: Quality of Study**

<table>
<thead>
<tr>
<th>Concept</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solidity</td>
<td>This paper provides an assessment of the reliability and validity of a study's methodology, data instruments, data collection, data presentation, and analysis, as well as the relationship between the methodology and theoretical lens employed in the study. By examining these criteria, this paper aims to determine the study's ability to effectively address contextual issues that may pertain to the research.</td>
</tr>
<tr>
<td>Originality</td>
<td>The paper conducts a comprehensive analysis of the research article, with a specific focus on investigating the novelty of the research and its contribution towards the body of knowledge. The paper goes on to critically evaluate the value of the article's findings in terms of its incremental contribution towards the existing body of knowledge in the field. Furthermore, the paper provides a detailed examination of the article's contribution to both theoretical and practical aspects, critically analysing its potential implications for real-world applications.</td>
</tr>
<tr>
<td>Scholarly Relevance</td>
<td>The value of the research to other scholars and the knowledge gap covered by the transitional knowledge gained from the research.</td>
</tr>
<tr>
<td>Utility Value</td>
<td>This pertains to the ease of use or relevance to policy discussions or shortcomings. It also refers to the external significance given to the worth assigned by those who will evaluate the research with the aim of gaining direction or understanding from it.</td>
</tr>
</tbody>
</table>

The figure below illustrates the above-explained, model for determining quality of the research study towards this paper.

![Figure 2: Model for determining quality of the research](image-url)
Step 6: Extract Data

According to Lockwood et al., (2019), extraction of qualitative data should consider the data collection method, theoretical lens and major philosophy underpinning the study to enable a fair comparative analysis of data. The table below presents the 5 key conversants that provide meaningful insights into the notion of informal structures and one (Mom, 2018) of the conversants provides the contextual limitation of organisational theory in the African context.

<table>
<thead>
<tr>
<th>Authors</th>
<th>Method</th>
<th>Sample</th>
<th>Data Collection</th>
<th>Sampling Method</th>
<th>Theoretical Lens</th>
<th>Setting</th>
<th>Main Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Even Horak et al, (2020)</td>
<td>Systematic Literature Review</td>
<td>5</td>
<td>Microsoft Electronic Questionnaire</td>
<td>None</td>
<td>Social Network Analysis</td>
<td>Five locations: guani (China), blat (Russia), clamann (Kazakhstan), and wasta (Arabic-speaking countries)</td>
<td>Informal structures have good and bad attributes (Bright and dark side)</td>
</tr>
<tr>
<td>Toni &amp; Nonino, (2010)</td>
<td>Systematic Literature Review</td>
<td>192</td>
<td>Workplace by Facebook (WFB)</td>
<td>Used structured data</td>
<td>Social Network Analysis</td>
<td>Group analysis of a single organisation</td>
<td>The paper identifies and characterizes the key informal roles</td>
</tr>
<tr>
<td>Hunter, Bentzen &amp; Taug, (2021)</td>
<td>Survey method</td>
<td>484</td>
<td>Emailed Electronic Link</td>
<td>Survey method</td>
<td>Social Network theory</td>
<td>464 employees of one organisation</td>
<td>there is an inverse relationship between the chain of command distance and the likelihood of informal connection forming between a pair</td>
</tr>
<tr>
<td>Whetzel, Kroll &amp; DeHart-Davis, (2021)</td>
<td>Qualitative survey</td>
<td>143</td>
<td>Literature Review</td>
<td>Literature Review</td>
<td>Exponential Random graph Modelling (ERGM)</td>
<td>Single Case Study: City government</td>
<td>Formal structures influence individual and social groups</td>
</tr>
<tr>
<td>Aker-Redaro Mom, (2018)</td>
<td>Literature Review</td>
<td>None</td>
<td>Literature Review</td>
<td>Literature Review</td>
<td>Literature Review</td>
<td>African Context</td>
<td>There is lack of Afrocenric driven theories in organisational research/ theory</td>
</tr>
</tbody>
</table>

Step 7: Presentation of Data

Drawing from Daniel and Harland, (2018), it was observed that qualitative studies lack proper structure and systematic approach to synthesise research findings with the broader context of research work and the body of evidence. In agreement with the afore mentioned scholars Kazak (2018) cited in Duden (2021) argues that that the heterogeneous perspectives that are abstracted from a single qualitative study require meta synthesis. The meta synthesis process does not seek to absolve the study of its contribution to the body of knowledge but seeks to engage the study with current perspectives to clearly deduce the contribution of the study. Flemming and Noyes (2021) assert that qualitative synthesis is increasingly becoming popular in qualitative studies as this approach enables the studies to compare findings across different contexts and draw conclusions in a transparent manner. Pursuant to the above projection of 5 key scholars that were elected to illuminate on the adjunct tenets of the phenomenon, a comparative thematic analysis the paper provides a conceptual map below in figure 3.
The initial codes from the comparative analysis of codes revealed 25 common codes across the 5 texts stated in step 6. The codes as derived from the diagraph are presented below.

Table 4: Open Codes from Literature

<table>
<thead>
<tr>
<th>Advice-seeking</th>
<th>Informal Structures</th>
<th>Psychological needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affection network</td>
<td>Information network</td>
<td>Social Bonds</td>
</tr>
<tr>
<td>Communication network</td>
<td>Interpersonal relationships</td>
<td>Social status</td>
</tr>
<tr>
<td>Contextual Antecedents</td>
<td>Intraorganizational structure</td>
<td>Sociological needs</td>
</tr>
<tr>
<td>Cultural significance</td>
<td>Knowledge networks</td>
<td>Subgroups</td>
</tr>
<tr>
<td>Fragmentation</td>
<td>knowledge-sharing,</td>
<td>Trust</td>
</tr>
<tr>
<td>Friendship</td>
<td>Organizational structure</td>
<td>Problem solving</td>
</tr>
</tbody>
</table>

Indigenous Organisational theories

**African Context**

The text highlights the crucial socio-ecological factors that impact informal structures and their influence on corporate strategy. However, it has been observed that the African perspective has not been adequately addressed in organizational theory literature. In this regard, Nkomo et al., (2015) study provides an in-depth investigation of the contextual factors unique to the African socio-ecological narrative that are missing from existing literature. Their research findings align with Mom's (2018) discovery of various
social foundations specific to the African context. These socio-cultural issues are fundamental components that have been disregarded in organizational theory literature. Overall, the study by , Nkomo et al., (2015) sheds light on the significant gaps in the current organizational theory literature and emphasizes the need to integrate the African perspective to better understand the socio-cultural dynamics that influence informal structures and their impact on corporate strategy.

**Table 5: Concise Themes from Nkomo and Zoogah (2016)**

<table>
<thead>
<tr>
<th>Political divergence</th>
<th>Rural Life</th>
<th>Patriarchy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lineage systems</td>
<td>Social Cultural traits</td>
<td>Chiefthainship</td>
</tr>
<tr>
<td>Communalism</td>
<td>Gender</td>
<td>Individualistic tendencies</td>
</tr>
<tr>
<td>High volatility</td>
<td>Strong Ethnic identities</td>
<td>Strong social family Institutions</td>
</tr>
<tr>
<td>Rurality</td>
<td>Impact of rural council of elders</td>
<td>Diversity of the African context</td>
</tr>
<tr>
<td>Aggressive inclinations</td>
<td>Insecurity</td>
<td>Fragmentation</td>
</tr>
<tr>
<td>Agentic Behaviour</td>
<td>Cultural distance</td>
<td>Racial division</td>
</tr>
</tbody>
</table>

**Interpretation of Results**

To effectively develop and synthesize theory, it is essential to connect the core categories with relevant literature, context, and theoretical frameworks. As highlighted in the research by Akinyode and Khan (2018) it is crucial to demonstrate how study themes develop, as core categories encompass all other themes to create higher-order abstractions. It should be noted that the development of theory is not solely derived from raw data but also from a broader understanding of contextual frameworks and literature reviews.

Through connecting these various elements, a clear domain analysis and thematic network analysis can be achieved, allowing for themes to converge into higher-order themes. This process involves identifying the most significant themes and subthemes, analysing their relationships, and integrating them into higher-order categories. The integration of these categories is a crucial step in the process of developing theory.

To illustrate this process, Figure 6.3 showcases the synthesis of themes abstracted from field observation, literature review, and theoretical application. The figure highlights how the identified themes converge into higher-order themes, ultimately resulting in the formulation of theory. This process emphasizes the importance of thorough research and analysis to develop sound theories that can be applied in real-world scenarios.

**Main Themes abstracted from the codes.**

During step 7 of the study, open codes were discerned through the consideration of 5 crucial sources of information rather than a predetermined set of codes. These codes ultimately gave rise to 4 prominent themes, which were then meticulously categorized utilizing the methodology prescribed by Dawadi (2020). By deploying this categorization technique, the connection between the different themes could be methodically analysed. As a result of this process, the four primary themes that emerged were as follows.

**Organisational Structure and strategy**

Recent studies have shown that the way an organization is structured and the strategy it employs can significantly impact the development of informal structures within the organization. This means that the organizational structure and strategy that a company adopts play a crucial role in determining the extent of informal engagement and humor within the organization. For instance, a media company that values informal engagement and humor is more likely to have extensive informal structures compared to a bank, which typically adopts a more formal approach in line with its business and corporate strategy. This finding is consistent with the observation made by Kavale (2012), which was based on Chanler’s (1962) theory that structure follows strategy.

The emergence of informal structures within an organization is largely dependent on the complexity of tasks that require extensive consultation. In such cases, an environment that is conducive for informal structures to emerge is created. This is supported by the findings of various studies (Whetseal et al., 2021; Dooley, 2002) which suggest that informal structures are more likely to be present in organizations where there is a need for extensive consultation. Such structures can help to facilitate communication, collaboration, and decision-making, which are essential for the successful execution of complex tasks.

**Social Context**

Akpor-Robaro and Omoyele (2019) argue that contemporary organizational studies fail to incorporate African indigenous theories that align with Afrocentric social ecological narratives. To support this argument, Toni and Nonino (2010) contend that social networks within an organization are heavily influenced by various socio-cultural factors that are specific to a particular location. In addition, Pasick et al., (2000) suggest that diverse background variables, such as social, cultural, historical, organizational, and political factors, shape beliefs that have a significant impact on group and individual behavior.

To gain a deeper understanding of how social connections impact corporate strategy, it is essential to explore these background variables as they affect individuals and groups within the organization. According to Akpor-Robaro (2018), the absence of indigenous
or Afrocentric literature in organizational theory results in cultural imperialism. Therefore, the lack of indigenous organizational theories that conform to the African social ecological narrative is a significant deficiency that must be addressed for the accurate representation of organizational dynamics in Africa.

Social groups/ Friendships

Fu et al., (2019) have argued that hobby and friendship groups become critical in organizations when formal structures are inadequate. These groups typically emerge when there are inadequate recreational facilities available to meet the social needs of employees. According to Wakefield et al., (2017), friendship groups can lead to higher levels of job satisfaction, which can positively impact employee well-being and performance. However, Morrison & Nolan, (2007) have posited that friendships can also negatively affect institutional rules by blurring boundaries, requiring time and attention, and distracting from normal routines and duties. Therefore, friendships can create significant obstacles that hinder natural decision-making processes.

In Africa, friendship circles are more common due to the communal nature of social relationships. However, the literature suggests that organizational theory has limited focus on the social impediments that exist, particularly from an Afrocentric perspective. Afrocentric perspectives are essential in acknowledging the unique aspects of African cultural norms and practices, which can have a significant impact on organizational behavior. Therefore, further research is needed to understand the role of friendship groups and their impact on organizational outcomes, particularly in the African context.

Social Fragmentation

The issue of sustaining development within an organization can be a complex one, as pointed out by Morrison and Nolan (2007). One of the key challenges in this regard is when the employees of an organization are disconnected from its corporate strategy. To ensure sustainable development, it is crucial to integrate the internal sociological narrative with the organizational strategy infrastructure. This means that the corporate strategy must take into account the social needs of both internal and external stakeholders. Failure to do so can result in a fragmented approach to corporate strategy that does not address the social needs of stakeholders. This can lead to a lack of support and possible failure of the corporate strategy, causing instability and poor financial performance.

Oghojafor et al., (2012) have further emphasized that social fragmentation can prevent an organization from achieving its objectives and negatively affect its stability. Therefore, it is crucial to manage social fragmentation to ensure the continued growth of the organization. However, Rahman, (2020) argues that the after-effects of colonialism have heavily polarized and divided African society, creating a fragmented population that struggles to unite behind a common vision. Unfortunately, literature on organizational theory often overlooks the social reality and complexity of corporate strategy within the socio-ecological narrative of Africa. Therefore, it is vital to understand the social reality and complexity of corporate strategy within the context of Africa to ensure sustainable development.

Contribution of findings to the body of knowledge

According to Tesch et al., (2015) contribution to the body of knowledge is dimensional and should be expressed from the dimensions of methodological, practical and theoretical contributions. The contributions are discussed below.

Methodological Contribution

The importance of methodological advancements in research cannot be overstated. Bergh et al., (2022) and Chowdhury (2015) have emphasized the significance of such contributions in enabling scholars to explore the fundamental principles of a phenomenon and provide academic rigor to address related inquiries.

In this particular study, a wide range of contexts and trusted data sources were utilized to facilitate the identification of trends and novel insights from the literature. The research was conducted with a strong emphasis on academic integrity, ensuring that the findings were credible and reliable.

Despite the extensive review of literature, the results indicated a significant gap in the current organizational theory, specifically the absence of Afrocentric context. This gap highlights the need for further research to explore this aspect and provide a more comprehensive understanding of organizational theory. The findings of this study provide a strong foundation and motivation for future research in this field.

Theoretical Contribution

Scholarship and research are two broad categories that can be differentiated into variance and process-driven theorizing. According to Cloutier and Cloutier and Langley (2020) research, variance theorizing focuses on identifying and analyzing variables to establish propositions based on the different results of studies. On the other hand, process-driven research aims to transparently illustrate the various phases of data analysis, thus providing a rationale for the subsequent explanation of the antecedents that form the basis of a phenomenon.
In their comprehensive research paper, Cloutier and Langley provide an in-depth demonstration of the processes involved in process-driven research, offering fresh perspectives into Afrocentric organizational theories. By transparently illustrating the various phases of data analysis and explaining the antecedents that form the basis of a phenomenon, the research paper highlights the importance of process-driven research in developing a comprehensive understanding of organizational theories. This research paper is a valuable contribution to the field of scholarship and research, providing insightful knowledge into the different approaches to theorizing.

**Practical contributions**

Scholars have consistently expressed concern about the exclusion of Africa in organizational theory, as evidenced by Munene and Blunt (1985) and Mom (2018). This paper presents valuable insights that could be used to conduct further scientific research in Africa, with the aim of developing empirically sound Afrocentric, indigenous, and context-specific organizational theories.

**Conclusion**

The thematic analysis of a particular issue has identified several crucial psychological and social factors that significantly impact the comprehension of the issue. Amongst these factors, the social context emerges as the most influential. Unfortunately, the organizational literature and theory have overlooked the African context, resulting in a research and theory gap in this area. To address this issue, it is imperative to develop theories that are tailored to specific regions or countries, taking into account both environmental and sociological elements. By examining social and cultural beliefs, social values, economic complexity, and political landscape, a comprehensive social ecological narrative can be constructed, which will enable the development of context-specific theories. This approach will help researchers and theorists to gain a better understanding of the specific context and create theories that are more relevant and effective in addressing the social and psychological issues in the region.

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**Data Availability Statement:** The data presented in this study are available on request from the corresponding author. The data are not publicly available due to restrictions.

**Conflicts of Interest:** The authors declare no conflict of interest.

**References**


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