

Informal organizations



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There are two types of organizational structures in any company or business organization: a formal structure, which is defined by the relationships of subordination, organizational hierarchy, seniority and authority, and an informal structure, which is based on personal relationships between the employees of the company or a part of it. At that, the rules and social culture in the framework of informal structure is not established through documentation or company's formal boundaries, but through cultural principles, behavioral norms, routines and other types of “..

implicit understandings, being in most part socially derived” (Zenger, Lazzarini & Poppo, 2002, 276). It is impossible to underestimate the importance of informal structures in business organizations. Informal relationships and interconnections usually make positive influence on organizational performance, improve communication and make it faster, stimulate collaboration and cooperation, help to lower employee turnover, challenge and motivate the employees for better output, as well as for setting up and achieving higher professional goals. Well-established informal ties between the employees are essential for creating positive social climate and environment at the workplace, and also for solving and preventing possible conflict situations or misunderstandings. Besides, in contrast to formal structures, which are considered to be important organizational elements from the perspectives of successful governing, administrative and leadership strategies or effective decision making, informal structures of an organization play absolutely crucial role when a company has to face some changes or transformations, because necessary psychological climate and mutual assistance are usually stipulated by informal interconnections

between the employees. Finally, informal structure as a multifaceted network of influences, communication, relationships, judgments and ambitions, frequently forms the essence of the company and its organizational culture.

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