

Factors Influencing Disintegration of Informal Networks in Organizations

Bala Subramanian R & Sunita Mehta

An informal network satisfies the basic need for affiliation. There are many more reasons for the formation of an informal network. Similarly there is no single reason for the discontinuation of the informal networks. This paper attempts to find out the factors that influence the informal network's disintegration in organizations. From the literature review it was found that experience, extracurricular activities, homophile, organizational change, organizational structure, norms, information or knowledge embedding and group cohesion are some factors that influence the disintegration of informal network within an organization.

Bala Subramanian R (bala.mbahr@gmail.com) is from XLRI School of Business & Human Resources, Jamshedpur. **Sunita Mehta** (sunitamehtasks@yahoo.com) is from Vishwa Viswani Institute of Systems and Management, Hyderabad.

Informal Networks

Network is defined as sets of ties linking several individuals. It may be formal or informal. Informal network could have as much impact on performance as formal network (Dalton, 1959; Mayo, 1945; Roethlisberger & Dickson, 1939). Informal networks play a critical role in transporting information and facilitating work duties. Numerous studies have suggested that social integration is an important component of work satisfaction. Formal network corresponds to organizational units and include everyone working within the unit boundaries. Informal networks which can develop within or across formal networks emerge through voluntary association. They display different patterns of communication and member motivation.

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Krackhardt & Hanson (1993) liken informal network in organizations with the nervous system of a living organism, where as the bones represent the formal

organization. Staying with the analogy, a superficial comparison between the skeleton and the nervous system reveals that where as a skeleton is strong but rigid, a nervous system is fragile, yet flexible. The skeleton is visible (to some degree), where as the nervous system is only felt, as structureless entity without definite subdivisions (Han, 1983). Studies have shown that a manager's apparent lack of awareness of the strength of informal networks in work settings significantly decreases performance and has a strong adverse effect on the achievement of formal goals (Hollingsworth, 1974). What is not fully recognized in the study of formal and informal networks is that they are not mutually exclusive, since there will inevitably be some degree of informal relation between any two or more nodes in a formal network.

Defining Disintegration

Disintegration refers to the partial or full erosion or discontinuity of an informal network within an organization. Central and basic to social network is the concept of tie strength. Granovetter (1973) defined tie strength as frequency of contact, reciprocity (of favors and obligation) and friendship. This concept is easily understood by thinking of a continuum that has weak relationship at one end and strong relationship at the other. Movement along this continuum is a function of the amount of interaction, emotional intensity and reciprocity that takes place between two individuals. Weak ties are defined as direct relationship between two actors at the low end of the tie strength continuum that involve relatively

infrequent interactions, comparatively low emotional closeness, and one way exchanges. Strong ties are defined as direct relationships with relatively frequent interactions, high emotional closeness and reciprocity (Perry-Smith & Shalley, 2003).

Why Do They Exist?

They are not created consciously. They form automatically and evolve over a period of time. Individuals don't stop being social even when placed in a formal setting. Baker (1981) has identified the following psychological functions: affiliation needs, identity and self esteem, social reality, defense mechanism, risk reduction, need to know, greasing the rusty wheels and political maneuvering.

Turnover

Turnover occurs in cluster. Turnover itself causes more turnovers (Krackardt & Porter, 1985). It is being explained by the snowball metaphor. A snowball does not randomly accumulate snowflakes in the area. Rather, snow adheres to the snowball in a discernible path. Similarly, people are not independent actors. They affect each other in their behavior or there is a negative effect of turnover on those who remain. For example, if actors a, b, c, d, and e form a network informally and there is a possibility for any of these actors to leave the organization. When they (one or more) leave the organization (turnover), the informal network formed by them starts to break. When the turnover occurs in clusters, as these authors claim,

there is partial or total destruction of the informal network.

There is a positive effect of turnover on those who remain. It is also possible for any of these actors to get promoted which causes a breakdown of the respective informal network (Krackardt & Porter, 1985). Career events could be expected to affect attachment (Burt, 2001). Hence it is proposed that, turnover is one of the factors that influence the informal network destruction.

Time & Experience

Time period is one of the factors that influence the informal network destruction.

Decay is the tendency of the relationships to weaken and disappear. It is the rate of decay overtime. Relationships end in many ways and due to various reasons. The study of the bankers of a financial organization shows that relationship of more experienced bankers is less prone to decay which means that the oldest relationships are more likely to be alive compared to new relationships. Therefore, the newer relations are more prone to get break down than the older ones (Burt, 2001). Hence, 'time period' is one of the factors that influence the informal network destruction.

The vulnerability of decay is lower for relations of more experienced bankers. Age or experience is not a criterion for the formation of informal network relationship but it has an impact on the

continuity or discontinuity of the relationship (network). Those who are more experienced tend to maintain the informal network better than those who are less experienced or fresher (Burt, 2001). Therefore, 'experience' is one of the factors that influences the informal network destruction.

Homophile

Homophile is defined as the tendency of people to develop relationships among socially similar strata (Lazarsfeld & Merton, 1954) which means that socially similar people tend to develop stronger relations than those socially dissimilar (Reagans & Burt, 1998).

Gender could be associated with the development and consequences of informal networks in organizations.

Gender is an often discussed standard for social similarity in organizations and there is adequate evidence to anticipate that gender could be associated with the development and consequences of informal networks in organizations (Kanter, 1977; Brass, 1985; Ibarra, 1992; 1997; Milkman & Townsley, 1994; Burt, 1998). On an average the relationship between men is less prone to decay, than the relationship among women. This means that informal network of women are more prone to decay. The decay function is also slower in relationships among the colleagues working in the same corporate division (Burt, 2001).

Age is another important criterion for social similarity. It is often correlated with time period and cohort effects (Pfeffer, 1983). Decay is also associated with age homophile. There is decreased decay in relations between same age group.

Bachelors tend to develop more attachment to their informal network in the origination than those married. After getting married, the attachment tends to shift to the respective family from the informal network to which they belong (Burt, 2001). One of the important functions of informal network is to satisfy the affiliation need (Baker, 1981). When the bachelors get married, the affiliation need is satisfied by the family. Hence the informal network relationship tends to get decayed.

In studying how network tie varies among different clusters of knowledge pools, Reagans & McEvily (2003) explain that network tie is stronger among chemists than among mechanical engineering. The stronger tie among chemists is due to the fact that there is more internal homogeneity among the chemists than among mechanical engineers (chemists have less diverse knowledge than engineers). From this finding, the following argument is put forth: when the members start to develop diverse knowledge, the respective network's internal homogeneity gets affected which may lead to the weakening of network.

From the above conclusion of the studies, it seems that dissimilar groups (in terms of age, gender, marital status and

knowledge) tend to disintegrate faster than the similar groups. Hence, homophile is one of the factors that influence the informal network destruction.

Embedding Slows Decay

Gossiping may be a function of an informal network.

For reasons of information flow and enforceable social norms, relationships embedded in dense networks are prone to develop tremendous trust and distrust (Bott, 1957; Granovetter, 1985; Coleman, 1990; Burt & Knez, 1995; Burt, 1999). To the extent that embedding aids the development of strong relations, it could be expected to slow their decay. When the embedding starts to diminish or when the information flow over the informal network starts to shrink, the informal network relations begin to get declined. Gossiping may be a function of an informal network. When there is no information for gossiping, the continuation of that informal network is no longer rewarding.

Hansen (1999) argued that strong ties promote the transfer of multifaceted knowledge, while weak ties promote the transfer of simple knowledge. The strength of an interpersonal connection can also affect how easily knowledge is transferred (Szulanski, 1996; Uzzi, 1997; Hansen, 1999). Individuals who converse frequently or who have a strong emotional attachment are prone to share knowledge than those who converse less frequently or who are not emotionally attached. The more emotionally involved

two individuals are with each other, the more time and effort they are willing to put forth on behalf of each other, including effort in the form of transferring knowledge.

Density of information flow is one of the factors that influence the informal network destruction.

From the above argument following proposition is formulated: 'Density of information flow' is one of the factors that influence the informal network destruction.

Norms

Individual behavior is directed by norms defining what is considered to be desirable or undesirable behavior (Portes & Sensenbrenner, 1993). People often cooperate with others because it symbolizes a shared value in the network. In the course of time, the informal networks also extend cooperative norms with a range of motivations. In case of knowledge transfer, cooperative norms present senders of knowledge with some promise that if they share knowledge with somebody today, someone else will be willing to do the same for them in the future (Uzzi, 1997). When these norms are conked out (that is, when a node in the network declines to share the knowledge with any one of the other nodes) the respective network begins to crumple. Rules (maintenance rules and reward rules) function to continue the relationship so that it is easier for goals and needs to be met. Rules endow with the frame-

work in which the relationship is given permanence by regulating probable sources of conflict that might disrupt the relationship. Non compliance with these rules results in reported discontent by nodes. It leads to conflict and thereby disintegration (Henderson & Argyle, 1984; 1986). Hence, operative norms are one of the factors that influence the informal network destruction.

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Organizational Change

There is a widespread consensus in the literature that the informal network and the formal structure coexist together. The informal network is heavily influenced by formal structure and the dynamics of the organization is dependent on the informal networks (Reif & Monckza, 1973; Simon, 1976).

Large, complex formal organizations lead to sophisticated informal structures (Groat, 1997). At the intuitive level it is probable that bigger organizations provide a greater opportunity for bigger and more complex informal structures to expand (Mintzberg, 1983). When the same organization, in the course of time, get downsized (right sized) or parted into smaller organization, the complex structure becomes a simple one. That is when the larger organizations collapse or become smaller organizations, the large informal networks tend to collapse. Downsizing drastically disturbs the ex-

isting network (Waldstrom, 2001; Shah, 2004). Organizational change is one of the factors that influence the informal network destruction.

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Organizational Structure

The weak and formal structures guide an informal structure to fill the gaps (Groat, 1997). When the organizations are not highly formalized in terms of rules and regulations and the channels of communication are not well defined, informal networks will expand as essential and become the necessary means of communication within the organizations (Mintzberg, 1983; Farris, 1979). Here, the role of informal network is to transfer information as there is absence of clear and established communication channels.

That is, when the weak formal structure develops into fully formalized structure. The informal networks that were developed as the part of the organization tend to get eroded partially if not fully since it's (informal network's) purpose (of serving as a communication channel for which it was originally evolved) is now being replaced by the formal structure having clear communication network.

So, organizational structure is one of the factors that influence the informal network destruction.

Organizational Socialization

When the larger organizations collapse or become smaller organizations, the large informal networks tend to collapse.

Organizationally based extracurricular groups such as sports teams, clubs and hobby groups may contribute to organizational socialization (Finholt & Sproull, 1990; Lincoln & Kalleberg, 1985.). Extracurricular groups might be more active because they would give a 'break' from the workday and because their members would have fewer non-electronic occasions to interact with one another. Extracurricular activities promote the formation and sustenance of informal network. When such extracurricular activities start to get reduced, the respective networks start to disintegrate. Hence, extracurricular activity is one of the factors that influence the informal network destruction.

Group Cohesion

Cohesive groups are better able to defy disruptive forces and thus, evade disintegration (Olmsted & Hare, 1978). It takes more force to disrupt or pull a cohesive group apart (Ridgeway, 1997). The greater the extent to which stress is identified by members as a group problem, the more group members are willing to sacrifice themselves for the survival of the group, especially when threatened by conflict with another group. Sports group having greater level of cohesion, especially task cohesion, rated

their team as more defiant to disruption compared to groups having lower levels of cohesion (Griffith & Vaitkus, 1999). Hence, group cohesion is a factor that influences the disintegration of informal network within an organization.

Conclusion

Though we can name many factors for the formation of informal networks, the main cause underlying all the factors is the basic need for affiliation (McClelland, et.al., 1953) or 'social need' (Maslow, 1943). The conclusion of Hawthorne experiments also supports the same. An informal network is created (evolved) for a purpose like extracurricular or gossiping. When the purpose ceases to exist, the respective network also starts to collapse. It does not mean that members are free of any network. They try to form some other network with new members for a different cause or the same. From the literature it is found that the factors influencing the disintegration of informal network within an organization are time, experience, extra-curricular, homophile, organizational change, organizational structure, norms, embedding and group cohesion.

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