SYNOPSIS
Synopsis of the Ph. D. Thesis in Sociology

INFORMAL RELATIONSHIPS IN FORMAL ORGANIZATIONS:
RELEVANCE OF INFORMAL RELATIONSHIPS TO
DECISION MAKING IN A STRUCTURED ORGANIZATION

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Introduction:

An organization is viewed as a social system comprising of formal, hierarchical relationships. It lays down rules and regulations for interaction among the members. Informal relationships tend to develop as natural and spontaneous phenomena in the formal structures. These relationships develop among individual members of the organization irrespective of their position and designation in the structure. Though they may not have personal, intimate contacts regularly, these networks of relationships may go beyond products and functions in the organization. Often they include friendship groups having closer association and compatibility among working associates.

The informal relationships within the formal structure may evolve due to factors like proximity at the workplace, similarity in attitudes, values, perceptions, and job profiles. Common problems in the organization may also lead to the emergence of these networks. The informal relationships are characterized by relatively uninhibited behavior. It may help in familiarizing members on pertinent issues and policies about organizational goal and expectations from their fraternity. It may also evolve into cooperative relationships among diverse, multifunctional work groups.
The informal networks perform a number of functions with respect to enhancing sociability of the members and developing a sense of belongingness among them. The quality and nature of informal relationships established among the members in a given organisation may take various forms of manifestation in their activities. It may range from disruptive activities to working in cooperation towards organizational goal including developing a pressure group in the organization. A cursory look at different organizational structures in recent times observed that ‘healthy climate’ is consciously being promoted by these managements to better intimate inter-personal relationship among their members.

Statement of the problem:

This study investigates the dynamics of informal relationships in formal structured organizations. Attempt has been made to understand the nature and extent of informal relationships among employees and other members of the organization that affect the process of decision making in the organizational management. The impact on employees’ perceptions of work–related issues and other decisions concerning managerial control has been explored in this study. This study examines the hypothesis that informal relationships affect decision making in structured organizations not only in terms of employees’ performance but also the administrative control by the employers and management in the formal organization.

Objectives of the study

The main objectives of the study are the following:

- To understand the nature and importance of informal relationships in an organization for its members.

- To locate the factors leading to the emergence of the informal relationships in any organisation.

- To find out the patterns of communication among members in their informal networks and understand how they differ from those in formal relationships.

- To identify the process of decision making in the informal relationships.
- To assess the impact of decision making process in informal relationships on the organization and members.

Research Methodology:

The researcher used secondary data from published books, journals and working papers including the website material to obtain a theoretical background on the topic and locate gaps in the theoretical paradigm. Apart from the secondary source data available through libraries and research institutions traversed by the researcher, a detailed study of six organizations was taken up in this research. All the organizations selected were formal and structured in their constitution. Two of these organizations represented were providing medical services; next two were involved in providing educational services; and, the remaining two were involved in industrial production. All the six organizations selected for the study were located in the metropolitan city of Mumbai.

The researcher had carefully selected required sample from among the middle and senior level functionaries and personnel employed here. Thus the sample included middle – level employees like junior medical doctors, executives, nurses and administrative staff in hospitals, lecturers at undergraduate and degree colleges and officers and executives from selected industrial units. Apart from these, seniors in terms of heads of teaching departments, vice – principals and principals from colleges were contacted. Managers, supervisors and top management in hospitals and industries were also contacted for details.

The primary data was thus collected with the help of rating scale and carefully designed questionnaire. The questionnaire was prepared using open-ended and closed-ended questions as well. The study used non-probability sampling design as the researcher approached these respondents in the organizations mainly by way of snowball technique. A combination of non-probability sampling, accidental / convenience sampling, judgmental / purposive sampling, and quota sampling were used in an attempt to contact 118 respondents (63 for middle level and 55 senior levels) and obtain first hand data on the subject.

The data thus collected by the researcher with the help of primary and the secondary sources was thoroughly analyzed with the help of available quantitative and qualitative research techniques to arrive a logical and reasoned conclusion. It was further processed using the analytical techniques of frequency distribution, cross-tabulation and factor analysis.
Chapter Scheme:

The thesis has been divided into five chapters to discuss in detail the important aspects of the study. It provides a theoretical background, clarifies methodological issues of the study, elaborates empirical data studies, analyses the data in the light of available theoretical paradigm and attempts to bridge the gap between available knowledge and empirical facts. Thus it attempts to contribute to the existing knowledge on relevance of informal relationships in the process of decision making in a formal structured organization. The chapter scheme is as follows:

➢ CHAPTER ONE – INTRODUCTION:

The chapter explains different dimensions related to informal relationships in formal, structured organizations. The researcher has highlighted the objectives of the study in this chapter. The basic concepts concerning the subject matter have been spelt out here. It elaborates on informal networks system that develops in any organization, the reasons for its emergence, the functions that it performs for members, the nature of informal communication among members, the role played by members, the nature of decision making process in these networks and its impact on the members as well as the organization has been detailed in this chapter.

➢ CHAPTER TWO – LITERATURE REVIEW:

The chapter contains the critical review of the secondary source literature related to the study. The researcher has discussed the contributions of some of the sociologists including Emile Durkheim, Ferdinand Tonnies, Talcott Parsons and Charles Horton Cooley to the study. The contributions of Classical theorists including Elton Mayo’s contributions and Behavioral School adopting a flexible approach to work, and the post – modern theory have been referred to in this section. The empirical studies that highlight various dimensions of informal relationships in formal organizations have also been mentioned in this chapter:

• The emergence of informal relationships – The studies highlight the different factors that lead to the emergence of informal networks of relationships for example the need for belongingness, physical proximity at work, common as well as diverse interests
and goals. The self-categorization and the optimal distinctiveness theories that elaborate on concepts discussed in social identity theory have a bearing on informal networks.

- **The structure of informal networks** – The studies have revealed the different kinds of roles that members in these networks play. The studies on group norms have been mentioned.

- **Problems in informal social networks** – The configurations which are found in the informal networks like huddling of the employees of a department with each other and less interaction with others have been highlighted.

- **Informal relationships in formal organizations** – The studies deal with formal and informal power in organizations, the coexistence of informal relationships with the formal aspects of organizations and the contributions of these relationships to the formal organizations.

- **Informal communication** – The studies focus on informal social interactions and informal networks of communication.

- **Impact of informal relationships on workers and management** – The studies deal with the positive and negative impact of these relationships on employees and management in terms of decision making. The effect of informal relationships on job satisfaction, commitment, performance, turnover and managerial control has been highlighted.

- **Decision making** – A theoretical background to decision making has been referred to. Empirical studies on problem solving groups, conformity, group think, social loafing, group polarization or risky shift, social facilitation, group and individual decision making have been mentioned.

➤ **CHAPTER THREE – DATA COLLECTION:**

The chapter focuses on how the researcher has undertaken the study in terms of six formal organizations in Mumbai (two representing the field of health, two representing education and two being representative of industry). The researcher has elaborated on the nature of sample used for the study in terms of middle-level employees, managers/supervisors/heads of departments/top management from specific organizations for the purpose of this study. The study has used non-random or non-probability
sampling design. The study focused on junior medical doctors, executives, nurses and administrative staff in hospitals, lecturers at junior levels and degree colleges, officers and executives from selected industries. Apart from these, some of the heads of departments/vice-principals/principals and in industry by managers/supervisors and top management were contacted for comprehension of the process of decision making in their respective organizations.

The researcher has defined the key variables in the study. The chapter also elucidates the construction of the rating scale and questionnaires (using open-ended and closed-ended questions) as tools of data collection in the study.

➢ **CHAPTER FOUR – DATA ANALYSIS:**

The chapter focuses on the responses dealt in keeping with the organizations studied. It gives an overview of the responses in terms of frequency distribution and cross-tabulation. Frequency distribution has been used to give an overall view of the number and percentage of responses according to each variable. Cross-tabulation has linked different variables used in the rating scales. However, the researcher has used the technique of factor analysis to derive the most important factors for both middle-level employees and seniors that would enable the affirmation or rejection of the hypothesis. These techniques have been used only for the data which is quantifiable. The quantifiable responses have been tabulated using the SPSS (Statistical Package for Social Sciences) software. The researcher has also analyzed the responses to open-ended questions by using coding, categorization of responses and content analysis.

➢ **CHAPTER FIVE – FINDINGS:**

The chapter has focused on the factors that have been deduced in case of seniors and middle-level employees using the method of factor analysis. The responses from open-ended questions have been analyzed and related to the factors deduced. The perspectives on seniors in the hierarchy and other employees in the organizations have been developed to arrive at conclusions.
Findings of the study:

In particular the study draws the following observations concerning the decision making process within the hierarchy in any organization:

* At the level of senior executives and top management – It may be observed that the senior management personnel in all the organizations have felt that employees communicate better not only among themselves but also with them when there is unrestricted informal relationship established over a period of time. In all the organizations the senior executives endorse that their employees endeavor for better performance. They keep the suggestions of junior employees in mind during the process of decision taking in the organization. The seniors believe that employees give in their creative inputs prior to the final decisions and therefore participate in healthy discussions with them. Their ideas and suggestions become valuable while formulating decisions on behalf of the organizations. Generally collective decisions are taken in the interest of the organizations. The findings point out that the employees may engage in informal interactions among themselves. However, they do not conspire against their seniors. Performance gains an edge. Communication (among employees and between employees and seniors) is directed towards attaining targets and maintaining standards rather than informally developing norms to counter this.

   At the level of middle-level employees - The middle-level employees in all the organizations consider sense of belongingness, a sense of accomplishment, recognition and self – respect to be important workplace goals. However, it is self–respect which they value more followed by a sense of belongingness. The tendency to identify not only with the organization that one belongs to but also to different networks is inevitable. In all the organizations the employees reveal the desire to relate to their co-workers informally. Maintaining warm relationship with colleagues becomes important. They are satisfied in their relationships with their peers. They are satisfied with the communication with their seniors and how seniors appraise their performance. According to them, their seniors help them in solving their difficulties. They perceive their seniors as leading their departments and organization effectively. They are satisfied with their workload
and work–schedules. In case the problems emerge, they are resolved amicably keeping in mind the betterment of the organization. When it comes to decision making, they prefer to think independently for themselves and make their own decisions. They feel that they are capable of handling their own problems and do not desire interference from any quarter. They do what they feel like doing and develop their own perspectives. They do not mind listening to others but the final decisions should be their own. Even as a part of informal networks, they are not dominated by one leader. Everyone contributes with his/her ideas. In the event of a decision reached by consensus everyone is accountable for the decisions made.

The responses to the open – ended questions reveal that the choice of partners by the employees is from same and different departments. Physical proximity at work can play a key role in the setting up of these networks. However, people from different departments can also possess similar ideas and values which are what can bring members together in these networks of relationships. Within the formal setup, the informal networks in the organizations studied have performed a vast array of functions for the employees. For instance, they chat on current topics and on issues related to work as they share problems that are related to work. However, they also share non–work related problems. They also discuss things in general like current affairs, sports and cinema. They gossip, socialize with each other, exchange views, greet each other, joke with each other, share tea, coffee and food. They also work together as they plan out programs and exchange notes. However, these relationships do not extend to their families. The researcher found that though collectivities were formed, individualistic tendencies in decision making were strong enough for members to assert themselves. Everyone wanted to be heard. Everyone wanted to have a share in the decision making process. They did not mind taking advice from their group members.

The researcher thus negates the hypothesis that informal relationships affect decision making in structured organizations in terms of employees’ performance and administrative control by the employers and management in a formal organization. The researcher concludes this study on the basis of findings in formal organizations engaged in educational services, medical services and industrial production units.
Researchers' contribution to knowledge:

The researcher has attempted to observe the linkages between development of informal relationships and decision making processes not only at the level of the organizational decisions but also at the level of individual and friendship groups including other forms of human collectives. The findings will contribute to the development of the newer frontiers in sociology that is sociology of management. It would also contribute to the furtherance of industrial sociology and social psychology. The researcher has sought to examine the way in which informal relationships at the level of employees affect perceptions of work-related problems faced by employees and consequently the decisions made by them. The researcher also establishes a direct relationship of interpersonal networks and the organizational decisions at the macro level.

Scope of the study:

There is a need to probe further to analyze the other variables which have not been taken into account in the present study. The analysis of the variables like gender and years of experience of the organizational staff may shed light on the aspects of the decision making in the context of prolonged informal relationships in the organization. That could be probed into further studies. Thus the factor scores analyses of the other variables may be able to fine tune the outcome of this study. Further it would be interesting to study the kinds of informal relationships that exist in virtual work arrangements in the present era of globalisation and 'outsourcing' mechanisms in the production processes of the given organizations. A study of the group structures and group processes within the informal structural relationships may also be taken up for further probing in this area of research.
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