The Positive Dimension of Informal Relations on Organizations’ Performance: The Case of KNUST Banks

Dr. Owusu-Boateng William  Samuel Attoh  Acheampong Frank
Department of Sociology and Social Work: Kwame Nkrumah University of Science and Technology, Kumasi-Ghana

Abstract
This study examined the impact of informal relations on banks (Eco bank, Stanchart, United Bank for Africa, Barclays, Ghana Commercial Bank, and Cal Bank) at KNUST campus. Social survey was the design used for this study. The population of study was all workers of all banks on KNUST Campus. The sample size for the study was fifty-four (54) consisting of six (6) managers and forty-eight (48) working staff from the various banks. The simple random sampling technique was employed to select the sample. Additionally, purposive sampling technique, which is a non-probability sampling method, was used to select the various managers who participated in the study. The data used for this study included both primary and secondary. Closed ended questions were used to collect the primary data. In analysing the data collected from the field, both quantitative and qualitative methods of analysis were employed. From the study, it was evident that employees who interacted informally and participated in informal groups increased their capacity to be creative and express new ideas, which positively reflected in their performance. Again, it became known that informal relations complemented the formal structure by safeguarding the organization from self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures. It was recommended that managers should critically look at informal relations and explore means that encourage employees to relate informally in relation to the objectives of the organization. In addition, managers should make efforts to check rumours since untrue information perpetuated by dissatisfied employees can affect the morale of other employees. It must be emphasized that informal relations is a natural, social and psychological need of employees and therefore managers need to study the informal group to discover ways in which the interests of informal groups can combine with the interest of the formal organization for higher productivity.

Keywords: Positive, Productive, Organization, Informal Relations, Performance, Network

1. Introduction
Advancement of technology coupled with vibrant environment have increased the role of the human reserve as capital for an organizations’ competitive advantage. Employees and organizations induce communications with each other that are not formed or predefined by official systems to various causes such as common interests and goals. These kinds of communications are self-oriented and independent of official channels (Farveh, 2012). Organizations create a formal network of communication, which determines the line of authority and activities to achieve organizational goals. Krackhardt and Hanson (1993) argue that formal groups have public identity, which is acknowledged by management. Previous surveys mentioned positive effects of group building and team working on organizations. For instance, Driskell and Salas (1992) argued that groups could solve problems faster and improve efficiency. Therefore, the attention of management to formal groups has increased rapidly. Controversially, informal groups are formed within formal systems and they rise spontaneously as people work together. Informal groups are built on common interests and friendship without management control. Although informal groups play important roles in organizations, managers sometimes fail to realize that there are often informal group pressures within every organization, which influence and determine employees’ behavior (Farveh, 2012). Studies have shown that, a manager’s apparent lack of awareness of the potency of informal networks in work settings significantly decreases performance and has a strong adverse effect on the achievement of formal goals (Hollingsworth, 2008). To take this point a little further, Farris (1979) argues that decisions made in organizations are made by individuals or networks of individuals with goals and aims of their own.

On the other hand, some warn against overstating the importance of the informal networks. Reif & Monczka (2004), among others, have shown that informal networks do not exert as big an influence on individuals as often suggested. Gillespie (1991) regards an informal relation as the network of social or personal and social relations which are not defined or prescribed by the formal organization. Informal groups formulate implied codes of moral rules and establish behavioural standards unofficially in organizations. Mayo’s in his own words mentioned that: “In every department that continues to operate, the workers have; whether aware of it or not; formed themselves into a group with appropriate customs, duties, routines, even rituals; and management succeeds (or fails) in proportion as it is accepted without reservation by the group as authority and leader” (Mayo, 1949). This point to the fact that informal relations do not conform to any set of relationship inherent in the chain of command. Rather it is based on personal friendship and acquaintance or administrative norms as reiterated by
Draper (2006) that informal relations have no official chain of command or span of control.

When organizations are able to tend effectively informal relations, it complements the more explicit structures, plans and processes of the formal organization. It can hasten and enhance responses to unanticipated events, foster innovation and novelty, enable people to solve problems that require association across boundaries and create footpaths showing where the formal organization may someday need to make changes (Sarkwa, 2011). Evidently, many studies have been carried out demonstrate that informal relations have a strong effect on organizational effectiveness by influencing on both employees and superiors’ functions. However, there are notable gaps in literature on the empirical examination of whether or not informal relations would affect organizational performance positively (Farveh, 2012). Notably, studies by Reif and Moczka (2004) showed that informal relations and networks do not exert as big an influence on organizations as other literature suggests and therefore the controversy of whether informal groups are positive entities in organizations. To this end, this study seeks to identify how informal relations complement the formal structure in banks at KNUST and to what extent it influences the performance of workers at banks at KNUST

2 LITERATURE REVIEW

2.1 Influence of Informal Relation on the Performance of Workers

Blau and Scott (1999) cited in Farveh (2012) declared that workers usually do not accomplish their duties by all of their power because formal authority often cannot motivate employees completely. Additionally, formal authority has forced employees to show certain behaviors standardized by regulations so they contract their efforts and avoid being innovative and creative. On the other hand, informal organizations are the interlocking social arrangement created to answer employees’ social and psychological needs because people need to feel they are part of something. According to the social identity theory, employees would be satisfied by the sense of belonging which stimulates the process of motivation, enthusiasm and improved self-esteem, resulting in high level of performance (Smith, 2008).

Formal communication arranged by management are most likely unidirectional and underprivileged while informal groups develop informal communication net that is spontaneous, interactive, and more effective because of the lack of pre-specification (Ouchi, 1980; Kraut et al, 2002). Furthermore, this informal communication net in informal groups allows members to be informed through the grapevine management actions which will affect them in many ways. Spontaneously, group awareness increases when the sharing and dissemination of information increases so informal communication can add value (Atkinson & Moffat, 2002). Additionally, group members are able to reduce the amount of stress and emotional pressures related to their duties through interactive processes in informal groups thereby improving their efficiency and resulting in increased productivity (Farveh, 2012).

However, ill-informed employees can also use the grapevine to communicate unverified and untrue information that can have devastating effects on employees. This can undermine morale and self-confidence, establish bad attitudes, and often result in deviant or, even violent behaviors which eventually decrease employees’ performance on the job (Sarkwa, 2011).

Gray (1996) cited that informal groups form an innovative environment by sharing and modifying job problems. Similarly, Björk and Magnusson (2008) expressed that the high level of participation and argument in informal groups potentially increases employees’ capacity to be creative and express new ideas which positively reflect in their performance and enhance productivity.

Furthermore, a research conducted by Xu Bi-lin and Zhao Tao (2008) showed that employees who join informal groups in formal organizations get more autonomy and participation in managerial activities in comparison with employees who do not bond with informal groups. Their participation in managerial activities enabled them to take part in the decision making process which had an important implication on their performance. They felt obliged to the decisions made therefore increased the effort they put into work thereby increasing their performance.(ibid)

2.2 How Informal Relations Complement the Formal Structure

Informal relations promote communication among members. The informal group develops a communication channel or system (i.e. grapevine) to keep its members informed about what management actions will affect them in diverse ways. Also, many astute managers use the grapevine to informally convey certain information about company actions which positively complement the formal channels of communication i.e. formal structure. (Davis, 2002 cited in Gillespie, 1993).

Sarkwa (2011) argued that formal plans, policies, procedures, strategies and standards cannot solve every difficulty in a dynamic organization; therefore, informal systems need to blend with formal ones to get work executed. As early as in 1951, Dubin recognized that informal relations in organizations complemented the formal structure by safeguarding the organization from self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures.
Again, informal relations break down noticeable sources of conflict into their basic elements and then build new solutions that neither allow domination nor require compromise. Consequently, integrating the informal organization with the formal organization replaces competition which most often results in conflict with coherence and recognizes the strength and weakness of each other (Follett, 2007 cited in Mayo, 1993).

According to Sarkwa (2011), informal groups in organizations play the role of main carriers of information that maintain, adjust and transmit the organizational culture thereby perpetuating the culture and social values the organization cherishes. The informal group reinforces the pattern of basic assumptions invented, discovered or developed by the organization as it learns to cope with its problem of external adaptation and internal integration that has worked well to be considered valuable and therefore to be thought to new members as the correct way to perceive, think and feel in relation to the organization. (Shain, 1999).

Furthermore, informal group relations complement the formal structure by providing social status and satisfaction that may not be obtained from the formal organization. In a large organization, a worker may feel like an anonymous member rather than a unique individual. Members of informal groups, however, share jokes and gripes, eat together, play and work together, and are friends which contributes to personal esteem, satisfaction, and a feeling of worth (Davis, 2002; Mayo 1993).

Additionally, informal relations complement the formal structure in organizations through social control by influencing and regulating behaviour inside and outside the informal group. Internal control persuades informal group members to conform to its lifestyle. For instance, if a worker starts to wear T-shirts and jeans to work, informal group members may taunt and convince the worker that such an attire is not acceptable and therefore return to suit and tie to work. (opcit) projects.

3 0 Research Methods

This chapter discusses details of the various research methods, techniques and tools to be employed in achieving the objectives of this study. The study employed the Cross-Sectional design, also known as social survey and the quantitative approach to research. The population of this study was workers of all banks on KNUST Campus. They consisted of branch managers and the working staff of Ecobank, Stanchart, United Bank for Africa (UBA), Barclays, Ghana Commercial Bank (GCB), and Cal Bank. Purposive sampling, which is a non-probability sampling method, was utilized to select the various managers from whom information was gathered. The sample size for this study was fifty-four (54) consisting of six (6) managers and forty-eight (48) working staff from the various banks. This was to ensure a true representation of the population to allow for generalization. Both primary and secondary data were utilized to address the objective of the study. Questionnaires were used to collect data for the study, which were predominantly closed-ended. Data collected were analyzed using inferential statistical tools. Both the quantitative and qualitative method of analysis were effectively done.

With the quantitative method, statistical tools of percentages and proportions were used. This involved transferring raw data from the field into a standard form suitable for machine (computer) processing and subsequently analyzing them. Raw data was simplified in the form of frequency distribution tables and charts including bar charts employing the SPSS. Write ups juxtaposing the findings with the existing literature regarding informal interaction in the formal organizations was done to precede the conclusion and the recommendation of the study.

4.0 DISCUSSIONS

4.1 INFORMAL RELATIONS COMPLEMENT THE FORMAL STRUCTURE

4.1.1 Informal Relations Enhance Communication Among Employees in an Organization.

From the statistics shown in Table 1, out of 54 participants, 43 representing 79.6% asserted that informal relations enhance communication among employees in an organization. On the other hand, 10 representing 18.3% articulated opposing opinions and 1 representing 1.9% was uncertain on the matter. It can be deduced from the finding that majority of the respondents (79.6%) agreed informal relations enhance communication among employees in an organization. This evidence is in line with the study outcome of Davis (2002) that, informal groups develop a communication channel or system (i.e. grapevine) which keeps members informed on all issues including management actions that affect them in diverse ways.

It is an undeniable fact that officials communicate with employees through formal means such as letters, memos, mails, notices among others but informal relations among employees who propagate these information complement this. Thus officials release information but it is disseminated well through informal relations, complementing the formal communication structure.

4.1.2 Informal Relations Safeguard the Organization From Self-destruction.

The information illustrated in Table 1 gives a picture of 25 respondents representing 46.3% of the total number of 54 participants that, informal relations safeguard the organization from self-destruction. All the same, 21 respondents representing 38.9% answered in the negative and 8 participants depicting 14.8% were uncertain about the subject.
After examining the data revealed by the study, it was marked that, a greater portion of the respondents approve informal relations safeguard the organization from self-destruction. This confirms the research finding of Dubin (1951) cited in Sarkwa (2011) that informal relations in organizations complemented the formal structure by safeguarding the organization from self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures. Since formal plans, policies, procedures, strategies and standards alone cannot solve every difficulty in a dynamic organization, it is therefore necessary for informal systems to blend with formal ones to get work executed.

4.1.3 Informal Relations Replace Competition, Which Most Often Results in Conflict with Coherence.
Table 1 showcases results on the statement ‘informal relations replace competition which most often results in conflict with coherence’. The outcome shows that, out of 54 respondents, 35 depicting 66.8% answered in the affirmative. 16 depicting 29.7% gave converse opinions and 3 depicting 5.6% were uncertain about the issue.

The study depicts that the greater portion of the respondents (66.8%) consented informal relations replace competition which most often results in conflict with coherence. This authenticates the observation by Follett (2007) that integrating the informal organization with the formal organization replaces competition which most often results in conflict with coherence and recognizes the strength and weakness of each other. It connotes therefore that informal relations break down noticeable sources of conflict into their basic elements and then build new solutions that neither allow domination nor require compromise.

4.1.4 Informal Groups Carry Information that Maintain and Transmit the Organizational Culture
The study sought to find out whether informal groups carry information that maintain and transmit the organizational culture. Table 1 reveals that out of 54 respondents, 33 representing 61.1% agreed that informal groups carry information that maintain and transmit the organizational culture. This notwithstanding, 14 indicating 25.9% of respondents expressed converse views whereas 7 indicating 13% held that they were uncertain on the matter.

It can be inferred from the research outcome that the largest part of the respondents (61.1%) is in accord with the view that informal groups carry information that maintain and transmit the organizational culture. This invertebrates the assertion by Sarkwa (2011) that, informal groups play the role of main carriers of information that sustains, adjust and convey the organizational culture thereby perpetuating the culture and social values the organization cherishes. It implies therefore that, informal groups reinforce the pattern of basic assumptions invented, discovered or developed by the organization as it learns to cope with its problem of external adaptation and internal integration that has worked well to be considered valuable and therefore to be thought to new members as the correct way to perceive, think and feel in relation to the organization.

4.1.5 Informal Group Relations Provide Employees with Social Status, Satisfaction and Self-esteem
Table 1 displays findings on the assertion that informal group relations provide employees with social status, satisfaction and self-esteem. 40 respondents (74.1%) out of 54 respondents affirmed that informal group relations provide employees with social status, satisfaction and self-esteem and this represents a majority response. On the other hand, 7 respondents (13%) articulated converse views and another 7 respondents (13%) were uncertain on the issue.

The finding above validates the view of Davis (2002) that informal group relations complement the formal structure by providing social status and satisfaction that may not be obtained from the formal organization. In a large organization, a worker may feel like an anonymous member rather than a unique individual. Members of informal groups, however, share jokes and gripes, eat together, play and work together, and are friends-which contributes to personal esteem, fulfillment, and a feeling of worth.

Table 1: Informal Relations Complement the Formal Structure

<table>
<thead>
<tr>
<th>Statements</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal relations promote communication among employees in an organization.</td>
<td>5 (9.3%)</td>
<td>5 (9.3%)</td>
<td>1 (1.9%)</td>
<td>17 (31.5%)</td>
<td>26 (48.1%)</td>
</tr>
<tr>
<td>Informal relations can safeguard the organization from self-destruction.</td>
<td>9 (16.7%)</td>
<td>12 (22.2%)</td>
<td>8 (14.8%)</td>
<td>15 (27.8%)</td>
<td>10 (18.5%)</td>
</tr>
<tr>
<td>Informal relations replace competition which most often results in conflict with coherence.</td>
<td>1 (1.9%)</td>
<td>15 (27.8%)</td>
<td>3 (5.6%)</td>
<td>23 (42.6%)</td>
<td>12 (22.2%)</td>
</tr>
<tr>
<td>Informal groups carry information that maintain, adjust and transmit the organizational culture.</td>
<td>6 (11.1%)</td>
<td>8 (14.8%)</td>
<td>7 (13.0%)</td>
<td>25 (46.3%)</td>
<td>8 (14.8%)</td>
</tr>
<tr>
<td>Informal group relations provide employees with social status, satisfaction, and personal esteem.</td>
<td>1 (1.9%)</td>
<td>6 (11.1%)</td>
<td>7 (13.0%)</td>
<td>29 (53.7%)</td>
<td>11 (20.4%)</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Work, (2014)
4.2 INFLUENCE OF INFORMAL RELATIONS ON THE PERFORMANCE OF WORKERS

4.2.1 High Level of Participation and Interactions in Informal Groups Enhance Performance.

The data presented in Table 2 above indicated that, out of 54 respondents, 45 respondents representing 83.3% said high level of participation and interactions in informal groups enhance performance. However, 6 respondents representing 11.2% disagreed whilst 3 respondents representing 5.6% were uncertain that high level of participation and interactions in informal groups enhance performance.

From the available information above, it can be established that majority of the respondents (83.3%) agreed that high level of participation and interactions in informal groups enhance performance. This confirms the view of Björk and Magnusson (2008) that high level of involvement and argument in informal groups potentially increases employees’ capacity to be creative and express new ideas which positively reflect in their performance and enhance productivity. This means that informal groups form an innovative environment by sharing ideas and modifying job problems which augments employees’ performance.

4.2.2 Through the Grapevine, Employees can Establish Bad Attitudes that Decrease Performance.

Table 2 shows that out of the 54 respondents, 40 (74%) affirm that through the grapevine, employees can establish bad attitudes that decrease performance. However, 12 (22.2%) expressed contrary opinions whilst 2 (3.7%) were uncertain that through the grapevine, employees can establish bad attitudes that decrease performance.

The research depicts that the greater portion of the respondents 40 (74%) out of 54 consent that through the grapevine, employees can establish bad attitudes that decrease performance. This authenticates the observation by Sarkwa (2011) that, ill-informed employees can use the grapevine to communicate unverified and untrue information that can have devastating effects on employees’ performance. This finding implies that fictitious information through the grapevine can undermine morale and self-confidence, establish bad attitudes, and often result in deviant or, even violent behaviors which eventually diminish employees’ performance on the job. Nonetheless, 12 (22.2%) expressed contrary opinions that, through the grapevine, employees can also receive unofficial information faster which may enable them to adjust and prepare ahead of time for changes that may affect them.

4.2.3 Informal Groups Reduce Employee Stress and Improve Morale for Better Performance

The information illustrated in Table 2 gives a picture of 36 respondents representing 66.7% of the total number of 54 participants that, informal groups reduce employee stress and improve morale for better performance. Nevertheless, 16 respondents representing 29.7% answered in the negative and 2 participants depicting 3.7% were uncertain that informal groups reduce employee stress and improve morale for better performance.

Considering the outcome of the study, it was marked that, the best part of respondents (66.7%) concurred that informal relations reduce employee stress and improve morale for better performance. This substantiates the research finding of Farveh (2012) that through interactive processes, informal group members are able to reduce the amount of strain and emotional pressures related to their duties thereby improving their efficiency and resulting in increased productivity. It connotes therefore that, since conventional formal organizations tender little room for emotions, feelings or sharing of personal thought, informal groups serve as an agent for structuring and supporting a shared social reality. By relying on this social reality, individuals can reduce uncertainty and stress.

4.2.4 Informal Relations Stimulate Motivation and Self Esteem for High Performances

From the data showed above in Table 2, out of 54 participants, 37 indicating 68.5% of respondents insisted that informal relations stimulate motivation and self-esteem for high performances. This notwithstanding, 12 indicating 22.3% of respondents expressed converse views whereas 5 indicating 9.3% held that they were uncertain as to whether informal relations stimulate motivation and self-esteem for high performances or not.

After examining the data revealed by the study, it was clear that the largest part of the respondents (68.5%) is in accord with the view that informal relations stimulate motivation and self-esteem for high performances. This evidence validates the assertion by Smith (2008) that employees would be satisfied by the fact that employees in informal groups get more autonomy and participation in managerial activities.

4.2.5 Employees in Informal Groups Get More Autonomy and Participation in Managerial Activities

From the statistics shown in Table 2, out of 54 participants, 32 representing 59.3% asserted that employees in informal groups get more autonomy and participation in managerial activities. On the other hand, 13 representing 24.1% articulated opposing opinions and 9 representing 16.7% were uncertain as to whether employees in informal groups get more autonomy and participation in managerial activities or not.

The study discovered that quite a considerable number of employees (59.3%) are in agreement with the fact that employees in informal groups get more autonomy and participation in managerial activities. This is supported by a research conducted by Feaver, (2009) which showed that employees who join informal groups in
formal organizations get more independence and involvement in managerial activities in comparison with employees who do not bond with informal groups. This implies that when employees are involved in management decision making, they become obliged to the decisions made and therefore have to increase the effort they put to work in order to attain the set target which will in effect increase overall employee performances.

Table 2 Informal Relations on the Performance of Workers

<table>
<thead>
<tr>
<th>STATEMENTS</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Uncertain</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>High level of participation and interactions in informal groups enhance performance.</td>
<td>3 (5.3%)</td>
<td>3 (5.3%)</td>
<td>3 (5.3%)</td>
<td>29 (53.7%)</td>
<td>16 (29.6%)</td>
</tr>
<tr>
<td>Through the grapevine, employees can establish bad attitudes that decrease performance.</td>
<td>8 (14.8%)</td>
<td>4 (7.4%)</td>
<td>2 (3.7%)</td>
<td>22 (40.7%)</td>
<td>18 (33.3%)</td>
</tr>
<tr>
<td>Informal groups reduce employee stress and improve morale for better performance.</td>
<td>3 (5.3%)</td>
<td>13 (24.1%)</td>
<td>2 (3.7%)</td>
<td>25 (46.3%)</td>
<td>11 (20.4%)</td>
</tr>
<tr>
<td>Informal relations stimulate motivation and self-esteem resulting in high level performances.</td>
<td>3 (5.3%)</td>
<td>9 (16.7%)</td>
<td>5 (9.3%)</td>
<td>29 (53.7%)</td>
<td>8 (14.8%)</td>
</tr>
<tr>
<td>Employees in informal groups get more autonomy and participation in managerial activities.</td>
<td>3 (5.3%)</td>
<td>10 (18.5%)</td>
<td>9 (16.7%)</td>
<td>25 (46.3%)</td>
<td>7 (13.0%)</td>
</tr>
</tbody>
</table>

Source: Researcher’s Field Work, (2014)

CONCLUSIONS
With reference to the research question “To what extent can informal relations influence the performance of workers at banks on KNUST campus”, the following were evident:

It was realized that, employees who interacted informally and participated in informal groups increased their capacity to be creative and express new ideas which positively reflected in their performance. In addition, 66.7% of the employees were of the view that through interactive processes, informal group members are able to reduce the amount of tension, strain and emotional pressures related to their duties; thereby improving their efficiency and resulting in increased performances. The study again showed that through informal group interactions, employees are satisfied by the sense of belonging which encourages the process of motivation, enthusiasm and improved self-esteem, resulting in high level performances. This finding is similar to what Davis (2002) cited in (Gillespie, 1993) explains “Members of informal groups, however, share jokes and gripes, eat together, play and work together, and are friends which contributes to personal esteem, satisfaction, and a feeling of worth.” Furthermore, the study showed that employees who join informal groups in formal organizations get more independence and involvement in managerial activities in comparison with employees who are not members of informal groups. This implies that when employees are involved in management decision making, they become obliged by the decisions made and therefore have to increase the effort they put to work in order to attain the set target. This in effect increases the overall performance of employees. findings support the assumption of this research that “informal relations help to assist workers in the performance of their duty”. Nonetheless, it was also realized that through informal relations, employees can use the grapevine to communicate unverified and untrue information that can have devastating effects on employees’ performance. 74% of employees stated that fictitious information through the grapevine can undermine morale, self-confidence and establish bad attitudes. This often results in deviant or, even violent behaviors which eventually diminish employees’ performance on the job.

The study also marked that, informal relations complemented the formal structure by safeguarding the organization from self-destruction that would result from literal obedience to the formal policies, rules, regulations, and procedures. Again, 66.8% of the respondents were of the view that, informal relations in formal organizations replace competition which most often results in conflict with coherence by breaking down noticeable sources of conflict into their basic elements and then build new solutions that neither allow domination nor require compromise. Additionally, it was realized from the study that informal groups complemented the formal structure by playing the role of main carriers of information that sustains, adjust and convey the organizational culture; thereby perpetuating the culture and social values the organization cherishes. These findings validate another research assumption that “informal relations directed positively complements the formal structure of banks”. It can therefore be concluded that so far as the organization is concerned, informal relations cannot be ignored.
RECOMMENDATIONS

Findings from the study showed that employees have a positive attitude towards the use of informal relations. This is because 83.3% of participants were of the view that informal relations improve their performance. It is therefore recommended that managers should critically look at this area and explore means that encourage employees to relate informally in relation to the objectives of the organization.

In addition, managers should make efforts to check rumors since untrue information perpetuated by dissatisfied employees can affect the morale of other employees. Rumors at the workplace should be nipped in the bud, as the spread of false information could divert employees’ attention on reasons for which they were employed.

Again, managers may possibly hold meetings with employees on areas of informal relations they are not comfortable with. Management actions should be taken with the consensus of employees. Employees should also be made to understand areas where informal relations are detrimental to the organization. Any attempt to ignore this imperative exercise may demoralize workers since informal relations is a natural need of man and people do not want to be alienated from their fellow men.

The study showed that employees in informal groups in formal organizations got more independence and involvement in managerial activities in comparison with employees who do not bond with informal groups. However, the study did not examine how informal group members were able to gain more autonomy and participation in managerial activities. It is to this regard that the researcher has suggested further studies into how informal group members gain more autonomy and participation in managerial activities.

Additionally, informal groups often have very strong norms which are implicit and ensure that members perpetuate the ideals of the group which most often contradicts the organizations goals and objectives. However, on other occasions, the same values allow members to be innovative and creative to initiate change in tasks they perform. The researcher therefore suggests that further studies be made to examine the impact (both positive and negative) of informal group norms on the performance of informal group members.

Finally, the study marked that managers who identified informal groups were able to situate measures to control the probable difficulties and problems these networks pose. The study did not examine the measures that managers used to curb the potential difficulties informal relations posed. It is based on this that the researcher suggests that studies be made to identify and examine measures managers can use curb the potential problem and difficulties informal relations may pose to organizations.

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