The Benefits of Informal Networks

by

Troy Stempfley

MGMT 672 Project
Submitted to ERAU Worldwide
in Partial Fulfillment of the Requirements of the Degree of
Master of Science in Management

Embry-Riddle Aeronautical University
Worldwide
Mountain Home AFB, Idaho, World Campus
June, 2014

Robert Cross, Salavatore Parise and Leigh Weiss in their article *The Role of Networks in Organizational Change,* declares " A network approach can help companies to make change stick by working through influential employees, to focus on points in the network were relationships should be expanded or reduced and to measure the effectiveness of major initiatives."(2007) To me the point which stood out as the most obvious was the need for vibrant and open communication up and down channels to facilitate growth, reduce redundancy and build awareness trust and teamwork among an organization.

We noticed in the article that several of the struggling organizations were found to have informational bottle necks were information was not effectively being disseminated due to an overreliance on a few key people.

The use of use formal networks seems help develop the organizational bounds and formal communications structure which are necessary for an effective strategy to be implemented. The development and implementation of strategy within multi divisional, matrix and network structures require a great deal of coordination to operate effectively. A traditional up and down channel communications structure can leave out or isolate individual talents and problems alike.

With the speed and diversity of business it is imperative that information flow freely. This provides a means for managers to make informed decisions and allows employees ownership in the process. Informal networks promote comradery and a greater sense of team, helping invigorate the players to be more actively involved in these processes and promote a healthier internal business structure.

In my organization more recently we had examples of the good and bad when it comes to informal networks. On the positive side, while functioning as a team synergistic flows of information help point out possible threats aircraft safety and help to suggest possible fix actions

in a timely manner. In the Air Traffic Control radar approach there are teams assigned to monitor and control traffic within an assign geographic area at certain altitude. Each has a function with an overall mission of keeping aircraft from colliding into each other, avoid hazardous airspace and develops a logical flow of travel. In this team there are two levels of supervision. The Coordinator coordinates between the internal teams and outside agencies while overseeing the operation and a primary and Watch Supervisor that monitors the overall operation. When one or more of these teams become isolated or fails to communicate trouble is brewing for the entire operation.

Everyone makes mistakes; so solid interpersonal relationships usually develop allowing direct communications between team members for instant correction of situation and if needed or more off line discussion on less critical errors.

Informal networks and communications allow the team members to fix issues among themselves without having to refer to management; this how we've used informal networks positively.

We have also seen that informal networks without positive supervision develop in to cliquish behavior. Cliques of individuals can form from common interest, inside and outside of work, which can limit effective communication to within an organization. This type of cliquish behavior is counterproductive; it isolates individual or groups and promotes distrust and disunity.

We had an individual make an error and instead of the person assigned to assist, who caught the error, bringing it to their attention and fixing the problem they had a side discussion with a person from their clique. This allowed the error to persist into a failure to maintain a safe altitude for an aircraft executing an approach. Although this was an example of a failure to

communicate within the current network it was promoted by the feeling of loyalty to the

informal network or clique that had previously developed.

   As you can see there are positive and negative effects of the informal network which can

all be managed by good leadership. When flexibility creativity and team work are necessary this

type of organizational structure can be the most effective.

References:

Carpenter, M. A., & Sanders, W. G. (2009). Strategic management: a dynamic perspective :

concepts and cases (2nd ed.). Upper Saddle River, N.J.: Pearson Prentice Hall.

Cross, R., Parise, S., & Weiss, L. (2007, April 1). The role of networks in organizational change.

Retrieved July 24, 2014, from

http://www.mckinsey.com/insights/organization/the_role_of_networks_in_organizational

_change