

**AN ASSESSMENT OF THE EFFECTS OF INFORMAL GROUPS ON EMPLOYEE
PERFORMANCE; A CASE STUDY ON GOVERNMENT EDUCATIONAL INSTITUTE IN SRI
LANKA**

Pramoda Sarojini
Sri Lanka Foundation Institute
Colombo
saro499@yahoo.com

Abstract

The groups are created formally and informally within the organization at different times and for different goals. Those groups have the negative and positive influences on the organization structure and function. In this work, the group concept in the organizations is studied and the influence of group behaviours within the organizations is discussed conceptually. This research investigated the effects of informal groups on employee performance. Under this purpose, the research questions were; what are the effects of informal groups on employee performance? How can educational institute effectively deal with informal groups? A descriptive survey design was used to describe the effects of informal groups on employee performance. Structured interviews and questionnaires were used to collect data. Fifty junior management & senior management employees were included to the sample. Study sought to identify the most popular types of informal groups in the institute. 92% of the respondents indicated that interest groups are common while 8% are friendship groups. Study sought to identify reasons for engaging into informal groups among the junior and senior management were diverse. Junior management belongs to groups for meeting and socialize with friends where as senior management belongs to group to discuss workplace grievances and sharing confidential matters. Research was found that the most common reason for belonging to informal groups is to socialise with friends and this constitutes 61% of the respondents. 23% of the respondents indicated the reasons to discuss workplace grievances and sharing common matters. Frequency distribution of senior management who agree that overall intuitional performance is heavily affected by informal groups. Furthermore, findings that 60% of the respondents indicated that informal groups negatively affect employee performance, while 35% indicated that informal groups positively affect performance and 5% indicated that informal groups have both negative and positive effects on employee performance. When respondents were asked how often they discuss ideas related to their jobs during informal group interaction, 30% indicated that they discuss very often, 50% sometimes discuss work related issues while 10% indicated that they have never discussed work related issues during their informal group interaction. Study sought to find out senior management's perceptions on ways of dealing with or managing informal groups and the findings show that employees have different views on how the institute can manage informal groups.

Keywords: groups, senior, junior, management, performance

Introduction

The human is a social being and survives as the part of a group in every field of life from the birth. Group is a community consisting of one or more individuals who interact with each other in order to accomplish a certain goal. The groups are created formally and informally within the organization at different times and for different goals. Those groups have the negative and positive influences on the organization structure and function. In this work, the group concept in the organizations is studied and the influence of group behaviours within the organizations is discussed conceptually.

In today's organisation, where productivity and efficiency demand collaboration within and across functional, physical and hierarchical boundaries, collaboration in employee networks has become critical to innovation, and to both individual and company performance. This does not apply to companies only but also to institutions such as educational institutes.

According to Parker and Cross (2004), most managers have little understanding of how their

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employees actually interact to get work done. In fact, institutional charts fail to reveal the often-hidden social networks that truly drive or hinder an individual's performance. Most heads of organizations spend little attention to support and assess linkages among employees. Educational Institutions exist in order to promote literacy nationwide and to remain result oriented. Parker and Cross (2004) observe that in achieving institutional mission and objectives, informal groups emerge within the institute which might not be organised around a set of objectives. Mullins (2010) articulates that informal groups are very powerful social networks which are constructed in response to and through actions of their members. Mullins (2010) further articulates that managers and supervisors frequently face problems due to failure to recognise that within every organisation there are often informal group pressures that influence and regulate individual behaviour. Informal groups formulate an implicit code of ethics or undesirable set of standards establishing acceptable behaviours for a group of employees, (Mullins

According to Greenberg (2010), Informal groups can exist in an organisation as a result of the mutually shared interest of the individuals. The concept of informal groups in the Educational sector plays a vital role due to the nature of jobs and the working environment which needs commitment by the employees so as to keep standards. Most leaders have failed to appreciate the existence of informal groups and these calls for the leaders to investigate the reasons for their existence. Therefore, in light of the problems highlighted above, this study sought to investigate the effects of informal groups on employee performance. The study intends to contribute to the knowledge gap by examining the relationship between informal groups and employee performance.

Literature review

The term, group, used in the daily language, defines “to become Plural” in the most general sense. We use the group term for two or more individuals who come together and interact with each other in order to accomplish a certain goal. The group concept is defined diversely in the social psychology and sociology. According to those definitions, the conditions such as joint norms, joint goals and feeling themselves as a group are suggested in order that the crowd becomes a group (Monique & Michael, 2005).

There are many definitions related to the group concept from past to today. The group, consisting of more than one individual, brings up that it is a social being. As in one of the definitions of group, it is stated that the creation of group arises from the perception which the individuals feel themselves as the members of a group, it is mentioned in another definition that the individuals should be together for the purpose of accomplishing the certain functions in order to form a group, the group members should mutually fulfil the liabilities which they assume, and the norms should be developed within the group. At the same time, the group is also defined as a social fact which consists of the individuals who develop the norm and behaviours and interact with each other through the power of communication (Koçel, 2011).

The groups are the factors having the physical and social orders with the constructive and unifying features same as the individuals. They struggle same as the individuals in order to survive and to protect their existence. They take the steps against the risks which are unavoidable for every living being such as separation, disintegration and disappearance, and furthermore, make an effort to grow and develop by using the environmental opportunities with their own possibilities. However, just as being in the living beings and individuals; if there are any problems and risks which they cannot overcome with or they believe that they cannot solve their problems with their own powers and possibilities, then the uneasiness, instability and disturbances may also occur within the group. At the end, the group may separate, disintegrate, unify or merge with other groups or may entirely disintegrate and disappear. Thus, we may describe the group which is not different than any human regarding the living features as the small or big communities that interact with each other, are aware of the existence of each other psychologically and perceive themselves as the group (Schermerhorn, Osborn, Bien, & Hunt, 2012).

There should be the common problems, issues or goals in order to interact with each other. Group work requires some features allowing the groups to meet and organize. Those are the group leadership, authority, role, communication and socio-metric structures. The joint norms of the group

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members play the unifying and moral increasing roles having the ideologies. Beside this, it may be wrong to say that the group features are same as its members. The features of a group are different than the individual features of members which form it. This fact may partly be explained with the synergy concept. Synergy means that the entirety may be different than the pieces forming it. As an example for this concept which is frequently used in the physical sciences; the combined effect (synergy effect), occurred through taking two drugs together, is clearly different than the effect which may occur upon taking them separately (Hunter, Thorpe, Brown, & Bailey, 2009).

So, we may say that each group has a personality specific to it and this personality is completely different than the personalities of individuals forming it. In this regard, as the groups and the individuals forming them are examined, this feature, called “Social Synergy”, should also be considered. The concept of group means the mutual interaction of two or more individuals in order to accomplish a certain goal. The primary reasons of forming the group by the individuals and of the group behaviors are that the individuals have confidence in and esteem themselves, take share from the achievement, and think that this is their fault in case of failure (Judge & Stephen, 2013). We face with many different group types within the organization. Those are Formal, Informal, Task and Control Group Types, Interest and Friendship Groups. When we briefly describe the subject (Judge & Stephen, 2013).

Formal Group means that the group is formed by the organization and the limits of subject, which the group will discuss, are determined.

Informal Group means the groups that are formed in order to meet the social needs and their goals are not determined.

Control Group means the group which is under the responsibility of a manager and the individuals account before the manager only. The example is the manager, responsible for the financial affairs department, and his/her staff working under his/her responsibility.

Task Group means the group which is formed in order to perform the tasks that are determined by the organization. In order to accomplish the goal, the group may have the cross-control relations. If the crime is committed or there is a fault in the institution, then other units should also work in coordination with each other.

Interest Group means the group formed by the individuals who are interested in the certain subjects.

Friendship Group means the group which is formed by the individuals who become close to each other, are interest in the same subjects, and find the many lowest common denominators.

Reasons of Becoming the Member of a Group

As well as the groups formed with the sense of mission, there are

groups which are formed randomly. All individuals in the society are the members of a group somewhat. The individual already becomes the member of a group instinctively once he/she is born; so, the individual already begins to act with the sense of some responsibilities which the society that he/she takes place needs. As the individual gets away from the sense of loneliness upon becoming the member of a group, it helps to him/her to gain his/her self-confidence.

The achievements, gained collectively by the group members, add many values to the group members such as recognition, recognition socially, obtaining the certain statutes. In this regard, the individual lives as the member of certain groups by the effects of certain belief, attitude and norms from the birth. The real reason of which the individual would like to be the member of a group is that he/she feels intimacy to that group and has the several common characteristics with individual's belief (Eren, Örgütsel Davranış ve Yönetim Psikolojisi, 2010).

General Features of Groups

In order to organize the groups, the features of group leadership, authority, communication, socio-metric structure should be available. It is important to know those features in order to analyse the reasons of group behaviors. The leaders, who know those features, may manage the group

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productively. T.R. Mitchell and R. Steers studied the group factors with a model, and examined the personal, situational and group structure characteristics. They discussed the group structure and processes in the work. The subjects such as group norms, role and statute relations, observance behavior that are the features of group structure are discussed in detail in the below chapters. The group processes consist of the processes of group-in and group-out communication, conflict, decision-making and leadership. The brief descriptions of those processes are provided below: (Ayalp, 2013).

Group Processes Stage: Carrying out all intergroup activities is provided via communication. The individuals obtain the in-group behaviour rules and all solution ways through this way.

Conflict Stage: It is a factor which prevents the individual and group activities. Furthermore, the conflict is not always the negativeness, but leads to the certain developments.

Decision-making Stage: It is defined as the group's correct and efficient decision-making process. Shaw (1978) found that the groups were more influenced by the decisions taken by the group than individually and that the ideas, filtered by many individuals, were noticed fast, even if they were faulty and less error was made in his work.

Leadership Stage: The leaders are the representatives of a group, and the individuals who protect the group's interests and provide the group's solidarity and affect the individuals and direct their activities by keeping them together.

Research problem

Informal groups exist in every organisation characterised by people as this is the interlocking structure that governs and influences how people interact at the work place to get the goals and the objectives of the organisation accomplished. This research is therefore investigating the effects of informal groups on employee performance.

Research Questions

What are the effects of informal groups on employee performance?

Sub questions

- What are the characteristics on informal groups?
- Why do employees engage in informal groups?
- What can be done to ensure that informal groups contribute positively to the educational institutions?

Research Methodology

Research Design

A research design "specifies the objectives of the study, methodology and techniques to be adopted for achieving the objective" (Shajahan S & Shajahan L, 2009). This research adopted a purposive design. A census study was considered because the target population was small to sample. The survey was centred on Sri Lanka Foundation Institute (SLFI) in Colombo.

Target Population

The study targeted all employees of the various sections of SLFI. Survey indicated that SLFI have five departments; Administration, Education, Education marketing, Finance and Hostel with three (3) top senior officers, four (4) heads of departments, Fifteen (15) Lecturers and

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Twenty five (25) management assistants of the staff. The target population of this study was comprised of all the officer level employees totalling to Forty seven (47) personnel as is illustrated in table 3.1 below.

Table 1: Target Population

Designation	No. of participants
Top senior officers	3
Heads of department	4
Lecturers	15
Management Staff	25
Total	47

Source: Field work

Sample size and Sampling Technique

The sample was selected on the basis of non –random sampling. This study was targeted decision making people in the institute rather than the minor staff. Hence officer level employees were included to the sample.

Data collection instruments

Data was collected from both primary and secondary sources. Instruments refer to the tools that will be used to gather information from the respondents. The study relied on primary data, which was gathered using structured interviews observations and questionnaires. Interviews followed by the set of questions for gathering information from individuals. The primary data collection was through self-administered questionnaires. The quantitative measure on the variables was administered by structured questionnaires. In the meantime some interviews and observations were applied for collecting qualitative data when needed to expand the qualitative data at some important points. Secondary data was sourced from SLFI strategic plans and websites. Other related documentations, internal memos and minutes of meetings about organizational performance will also be evaluated.

Data Analysis & Findings

The researcher compiled, sorted, edited, classified and entered the data into the computer for analysis. The statistical package for Social Scientists (SPSS IBM 22) was used in analysing the data.

Findings

Table: 2 shows the distribution of respondents by sex

Sex	Frequency	%
Male	19	40%
Female	28	60%
Total	47	100%

A sample of 47 staff was also selected and males constituted 40% while women constituted 60% of the total sample selected.

Types of informal groups

The study sought to identify the most popular types of informal groups among the selected staff. It was found that 92% of the respondents indicated that interest groups are common in most of staff while 8% are friendship groups.

Reasons why employees engage in informal groups

The study sought to identify the most popular reasons for engaging into informal groups among the selected staff of SLFI

Table: 3 Frequency of the reasons for engaging into informal groups

Reason	Frequency	Frequency in Percentage
To meet and socialise with friends	21	45%
To discuss work place grievances	20	43%
To share knowledge, identity & self esteem	3	6%
Other reasons	3	6%
Total	47	100%

Table 3 presents a summary of the findings. It was found that the most common reason for belonging to informal groups is to socialise with friends and this constitutes 45% of the respondents. 43% of the respondents indicated the reason to discuss workplace grievances. 6% pointed out that they form informal groups in order to share knowledge, for identity and self-esteem, while the other 6% highlighted other reasons such as just to follow others.

Effects of informal groups on employee performance

Having inquired about the reasons why employees engage on informal groups and to determine the effects on informal groups on employee performance.

Figure: 1 Effects of informal groups on employee performance

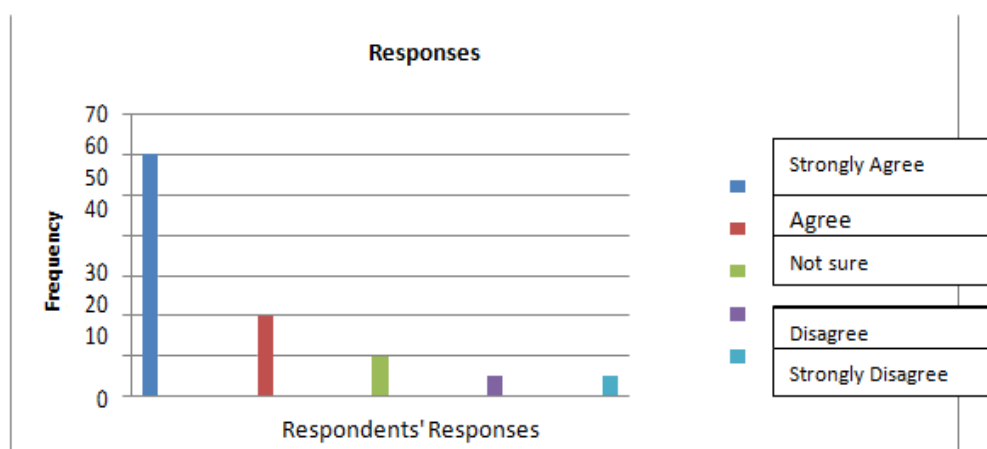


Figure 1 shows the frequency distribution of all Lecturers who agree that overall institutional

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performance is heavily affected by informal groups. 60% of the respondents strongly agree, 20% agree, 5% disagree while the other 5% strongly disagree that informal groups affect the level of employee performance.

Furthermore, The findings indicate that 60% of the respondents indicated that informal groups negatively affect employee performance, while 35% indicated that informal groups positively affect performance and 5% indicated that informal groups have both negative and positive effects on employee performance.

Figure 2 shows results on the effects of informal groups on employee performance

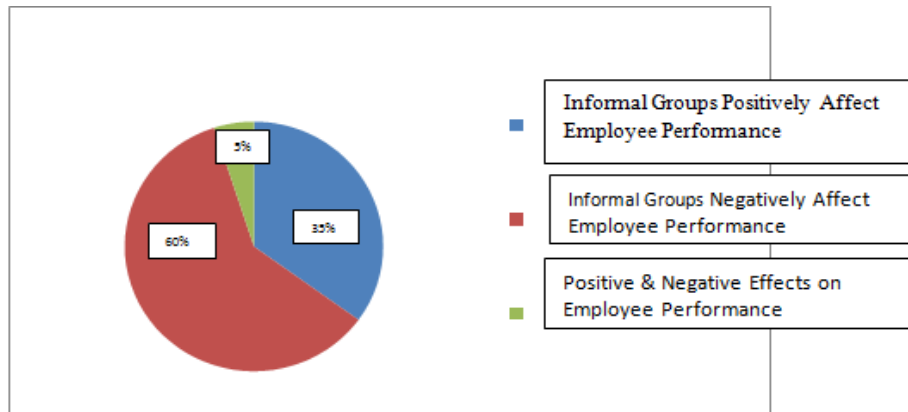
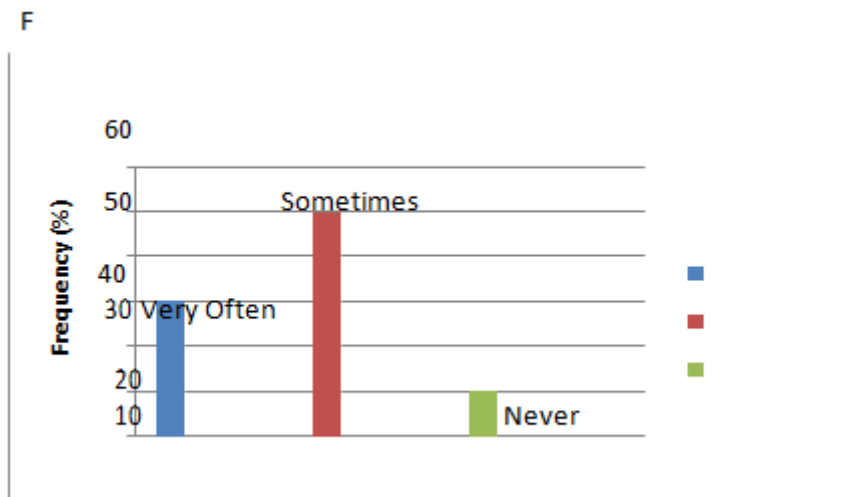


Figure 3 shows the frequency of discussing work related issues in informal groups.

Figure: 3 Discussion of work related ideas in informal groups



When respondents were asked how often they discuss ideas related to their jobs during informal group interaction, 30% indicated that they discuss very often, 50% sometimes discuss work related issues while 10% indicated that they have never discussed work related issues during their informal

group interaction.

Discussion

Informal groups create an opening for frustrations and dissatisfactions of employees to be cleared

'informal groups create an opening for frustrations and dissatisfactions of employees to be cleared'. The outcome shows that, out of 47 respondents, 38 depicting 70.3% gave a positive response. 11 depicting 20.4% answered in the negative and 5 depicting 9.3% were uncertain about the subject. It can be deduced from the finding that majority of the respondents (70.3%) agree that informal groups create an opening for frustrations and dissatisfactions of employees to be cleared.

This confirms the view of Simon (1999) that, in a formal organization where rigidity of rules sometimes creates tension and frustrations, informal relationships has frequently been instrumental if not helpful in overcoming this obstacle, easing strain and the flow of work. It connotes therefore that informal groups can serve as a medium to ease stress, tension and disappointments experienced by employees and in the process provide them with clear minds to concentrate and execute tasks at their best.

This substantiates the research finding of who asserted that, informal groups use the grapevine to make members aware of managements intended actions, policies, processes and standards which enable employees to position them tactically to effectively execute tasks expected of them. This means that, when employees receive certain information before hand through the rumour mill, they can adjust to the impending change that might accompany the hearsay and strategically position themselves to perform better.

This finding corroborates the research outcome that directors who comprehend the power of the informal organization recognize that it is a check and balance on their use of control and authority. Thus, management with more careful thought and consideration, knowing that the informal organization can easily kill a poorly planned project, introduces changes and projects. This encourages managers to prepare, plan, organize, and control in a more professional fashion.

Informal groups present employees with free minds to imagine and generate new ideas to perform better

From the statistics shown out of 47 participants, 38 representing 70.3% asserted that informal groups present employees with free minds to imagine and generate new ideas to perform better and this represents majority response. On the other hand, 12 representing 22.3% articulated opposing opinions and 3 representing 5.6% was uncertain on the matter. This evidence is in line with the study outcome of that, candid and open interactions in informal groups provide a means for relieving emotional and psychological pressures (such as frustration, tension, and emotional problems) among employees that inhibit gratis thinking and creativity. This means that, employees who through informal groups get rid of these emotional and psychological pressures have free minds to imagine and generate new ideas, concentrate and approach their duties with clear unambiguous thoughts and therefore perform better.

Knowledge of the Existence of Informal Relations to staff

This invertebrate the assertion by that, although informal groups play significant roles in organizations, senior members sometimes fail to realize that there are often informal group pressures within every organization which influence and determine employees' behavior. This means that, a director's apparent lack of awareness of the potency of informal groups in work settings can significantly decrease performance and have a strong adverse effect on the achievement of formal goals.

The finding above validates the view of that staff that make out informal groups are able to situate measures to control the probable difficulties and problems these networks pose. Thus, it implies therefore that, potential problems such as resistance to change, role conflict and communication of unverified and untrue information that may have devastating effects on

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employee performance can be controlled if directors are able to spot informal networks in their organization.

Staff who identifies informal groups can align their goals and objectives to the organization

From the statistics shown out of 47 participants, 39 representing 72.2% asserted that staff identifies informal groups can align their goals and objectives to the organization. Alternatively 7 representing 13.0% articulated opposing opinions and 8 representing 14.8% were uncertain on the matter.

Considering the outcome of the study, it was marked that, the best part of respondents (72.2%) concurred that staff that identify informal groups can align their goals and objectives to the organization. This substantiates the research finding of who argued that directors who recognize the existence of informal groups and the influence they can exert on the organizational activities are at an advantage. These directors may have the power to influence and partly control the flow of informal communication in these informal groups in order to attempt to align it to the goals and objectives of the formal organization.

It is dangerous for directors to overestimate the importance of informal groups in their organizations

The data indicated that, out of 47 respondents, 39 respondents representing 72.2% agreed that it is dangerous for staff to overestimate the importance of informal groups in their organizations. However, 14 respondents representing 25.9% disagreed whilst 1 respondent representing 1.9% was uncertain on the issue. It can be inferred from the finding that preponderance of the respondents (72.2%) is of the same mind that it is dangerous for directors to overestimate the importance of informal groups in their organizations. This is supported by a research by who stated that considering the prospective negative influence informal groups can have on workers performance and in the achievement of organizational aims as a whole, it is precarious for directors to overestimate the value of informal groups though they may act to complement the formal structure.

The research depicts that the greater portion of the respondents 40 (74.1%) out of 47 see eye to eye with the researcher that staff who spot informal groups reap the benefits informal groups contribute to their organizations. This confirms the view of who emphasized that, managers obtain benefits such as a reduction of workload due to delegation as well as the filling gaps in administrative abilities when they identify informal groups in their organizations. It implies therefore based on this finding that informal relations should be encouraged but should be done when necessary by management.

Conclusions

The study showed that informal relations have certain constructive contributions to the formal organization. For instance members of informal groups are friends, share jokes and gripes, eat together, play and work together which contribute to personal esteem, satisfaction and a feeling of worth that may not be obtained from the formal organization. Furthermore, informal relations promote communication among employees through the grapevine which keeps employees informed on management's actions that would affect them in diverse ways. Again, informal relations help to complement inadequacies of members as revealed by the findings of this study. Employees experience frustration, anxiety and emotional problems with management and other employees. The informal group provides a means for relieving these emotional and psychological pressures by allowing a person to discuss them amid friends openly and truthfully. Another aspect of the study disclosed that there is sometimes role conflict in the organization due to informal relationships. The quest for informal group satisfaction may lead members away from formal organizational objectives; as what is good for and desired by informal group members is not always good for the organization. What's more, the study revealed that ill-informed employees communicate unverified and untrue information through the grapevine and this can undermine morale, establish bad attitudes and often result in deviant or, even violent behaviours. Furthermore, it was apparent through the study that directors sometimes fail to

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realize there are often informal group pressures within every organization which influence and determine employees' behavior. This notwithstanding, it later became evident that directors who make out informal groups were able to situate measures to control the probable difficulties and problems these networks posed. It can therefore be concluded that the research findings have adequately satisfied the objectives of the study and justified the research questions posed by the researcher 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.

Recommendations

It is therefore recommended that directors 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, directors should make efforts to check rumours since untrue information perpetuated by dissatisfied employees can affect the morale of other employees. Rumours 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, directors may possibly hold meetings with employees on areas of informal relations they are not comfortable with the Management.

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