

Addis Ababa University
College of Educational and Behavioral Studies Department of
Educational Planning and Management

**THE INFLUENCE OF INFORMAL GROUPS ON EMPLOYEE'S AND ORGANIZATIONS'
PERFORMANCE: THE CASE OF AMREF HEALTH AFRICA IN ETHIOPIA**

BY
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A Thesis submitted to the School of Graduate Studies of Addis Ababa University, College of Education and Behavioral Studies, Department of Educational Planning and Management, in Partial Fulfillment of the Requirements of the Degree of Master of Arts in Human Resource and Organizational Development in Education.

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COLLEGE OF EDUCATION AND BEHAVIORAL STUDIES

**DEPARTMENT OF EDUCATIONAL PLANNING AND MANAGEMENT HUMAN
RESOURCE & ORGANIZATIONAL DEVELOPMENT**

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List of Acronyms

NGO.....	Non-governmental organization
OB.....	Organizational behavior
SPSS.....	Statistical Package for Social Sciences
CSO.....	Civil Society Organizations
PVO.....	Private Voluntary Organizations

ABSTRACT

Human is a social being and continues 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 organizations' and employee's performance. Through informal groups in the organization can develop their own norms and influence that may difficulties the objectives of the formal organizational working conditions. The objective of this study was to assess the influence of informal groups on employee's and organizational performance in Amref Health Africa in Ethiopia. Embedded (mixed) survey was the design used for this study. Three departments were selected program department, Finance and HR & administrative departments and used random sampling technique. The population was 165 employees. Out of this, 116 employees were selected as sample size. The data used for this study included both questioner and interview. Questionnaire with both open-ended and close-ended questions was used to collect the primary data. In terms of analyzing the data collected, both quantitative and qualitative methods of analysis were used. Findings from the study confirm that in connection with the status of informal groups and effect of Informal groups on employee's performance was very high influence on employees and organizational performance. Also Informal Groups' for organizational task achievement have no significant contribution on performance. In conclusion therefore the existence of informal groups is risky and influential to hinder employee's and organizations' performance of Amref Health Africa in Ethiopia. It is therefore recommended that in order to enhance employees and organizations' performance, heads of managements should implement proper formal communication channel to make sound decision and to have equal job opportunities within the organization, discourage informal group's participative discussions on employees and organizations' task related issue, eliminate conflict between management and employees in related to informal groups influence and make it transparency an organizational culture and norm

Chapter one

1. INTRODUCTION

Introduction

This research proposal was provided and consists of several sections. The first section was shared the background, statement of the problem, research questions of objectives of the study, significance and delimitation of the study. The second section was focuses on review of related literatures and the third part of this proposal was discussed about the methodology of the research scheme.

1.1. Background of the Study

Human Resources (HR), the people employed by an organization and the use of their skills in that organization is readily acknowledged as the greatest resource that any organization possesses. Human Resource (HR), the people are the most important asset of an organization. It is only through people that other resources of an organization are transformed into service or product. Without Human Resource an organization cannot attain intended goals and objectives. This is the main reason why employees are being hired in an organization. In this perspective, employee performance is strongly related to organizational performance, effective and efficient employee performance will positively influence organizational performance (Overton Rodney, 2007).

Currently Non-governmental organizations (NGOs) are one of the largest sectors that use human resource hiring organization in the world. According to World Bank stated report, Non-governmental organizations (NGOs) have become quite prominent in the field of international development in recent decades. But the term NGO encompasses a vast category of groups and organizations. NGOs as "private organizations that pursue activities to relieve suffering, promote the interests of the poor,

protect the environment, provide basic social services, or undertake community development." A World Bank Key Document, "In wider usage, the term NGO can be applied to any non-profit organization which is independent from government. NGOs are typically value-based organizations which depend, in whole or in part, on charitable donations and voluntary service. Although the NGO sector has become increasingly professionalized over the last two decades, principles of altruism and voluntarism remain key defining characteristics"(Anup Shah, 2005)

Different sources refer to these groups with different names, using NGOs, Civil Society Organizations (CSOs), Private Voluntary Organizations (PVOs), charities, non-profits charities/charitable organizations, third sector organizations and so on. These terms encompass a wide variety of groups, ranging from corporate-funded think tanks, to community groups, grassroots activist groups, development and research organizations, advocacy groups, operational, emergency/humanitarian relief focused, and so on. While there may be distinctions in specific situations, this section deals with a high level look at these issues, and so these terms may be used interchangeably, and sometimes using NGOs as the umbrella term (ibid).

Organizational behavior a field of study that investigates the impact that individuals, groups, and structure have on behavior within organizations, for the purpose of applying such knowledge toward improving an organization's effectiveness (Robbins, Stephen P. et al, 15th ed (2013)). Therefore, organization to retain the best employees should to acknowledging their important role and influence on organizational effectiveness. In order to overcome these challenges, organizations should create a strong and positive relationship with its employees and direct them towards task fulfillment. In order to achieve their goals and objectives, organizations develop strategies to compete in highly competitive markets and to increase their performance. However, just a few organizations consider the human capital as being their main asset, capable of leading them to success or if not managed

properly, to decline. If the employees are not satisfied with their jobs and not motivated to fulfill their tasks and achieve their goals, the organization cannot attain success(Ovidiu-IliutaDobre, 2013:53). Therefore, organizations including NGO's want to be successful, even in current environment which is highly competitive and demanding workplace, it is difficult for managers to succeed on their technical skills alone. They need to have good people skills as well.

Thus, organization also by itself is a group of people brought together for a special purpose; it is a social entity. All people in the organization will therefore be concerned and involved with change in order to achieve the prescribed purpose (Daft, 2002: 129). It is in this interaction of people that formal and informal groups are formed. According to Luthans (2005: 443), organizations are composed of individuals and coalitions that compete for resources, energy, information and influence. They seek to protect their interest through means that are unremarkable when compared to existing controls, norms and sanctions.

Formal groups such as working committees, teams and informal groups like groups are formed because people realize that they might have common goals that they can achieve through dependence on each other. Whatever is done in an organization, in whatever position, it is difficult to avoid being involved with a small group (Daft, 2002: 130). The purpose of this study was therefore to learn and demonstration those effect the influence of informal groups on employee's and organizations' performance.

The above note clearly shows the existence of informal groups in an organization. These groups although not created by the management of the organization are very powerful and have considerable influence on individual members. Members are observed to be often committed to the achievement of

the group objectives. These objectives of the informal groups sometimes go contrary with organizations objectives and organizational performance.

Hence, Informal groups formulate a hidden code of ethics or an unspoken set of standards establishing acceptable behavior in department, the informal group may have established a norm in organization, cleverly exercising control over its members regarding the amount of output. The dynamics of informal groups always arise if opportunities exist. Often, these groups serve a counter organizational function, attempting to counteract the coercive tendencies in an organization. If management prescribes creation norms that the group considers unfair, for instance, the group's recourse is to adopt less demanding norms and to use its originality to discover ways in which it can damage management's imposed standards. Informal groups have a powerful influence on the effectiveness of an organization, and can even undermine its formal goals. The influence of the informal group upon the larger formal group depends on the norms that the informal group sets. So the informal group can make the formal organization more effective, too.

Norms are acceptable standards of behavior within a group that are shared by the members of the group. Norms define the boundaries of acceptable and unacceptable behavior. They are typically created in order to facilitate group survival, make behavior more predictable, avoid embarrassing situations, and express the values of the group. Each group will establish its own set of norms that might determine anything from the appropriate dress to how many comments to make in a meeting. Groups exert pressure on members to force them to conform to the group's standards. The norms often reflect the level of commitment, motivation, and performance of the group.

(<http://www.referenceforbusiness.com/management/Gr-Int/Group-Dynamics.html#ixzz50xYCvAZA>).

In today's organization, where productivity and efficiency demand collaboration within and across functional, physical and hierarchical boundaries, collaboration in employee networks has become critical to improvement, and to both individual and company performance. This does not apply to companies only but also to NGOs (Laurie J. Mullins, (2010). Healso articulates that, informal groups are very powerful social networks which are constructed in response to and through actions of their members. Furthermore, articulates that managers and supervisors frequently face problems due to failure to recognize that within every organization there are often informal group pressures that influence and regulate individual behavior. Informal groups formulate an implicit code of ethics or undesirable set of standards establishing acceptable behaviors for a group of employees.

According to Greenberg (2010) Informal groups can exist in an organization as a result of the mutually shared interest of the individuals. The concept of informal groups in the NGO 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.

Researchers have investigated factors affecting employees and organizational performance over the years with a number of views and theories being generated. It is obvious from various researches that there cannot be uniform definition or standard measure of performance since what constitutes performance varies among different sectors. The influence of informal groups on employee's and organizations' performance in the overall performance of an organization cannot be ignored in times when NGO's globally are faced with challenges on their survival. This study focuses on the main factors that affect informal groups on employee's and organizational performance in Amref Health Africa in Ethiopia. It also aims to look at how the effects of those influencing factors can be mitigated

to allow for improved performance which is critical for the continued existence in Amref Health Africa in Ethiopia

Amref Health Africa, the largest African led international NGO on the continent, provides training and health services to over 30 countries in Africa. Founded in 1957 as the Flying Doctors of East Africa to bring critical health services to remote communities, Amref Health Africa now delivers preventative, community-based health care. With a focus on women and children, Amref Health Africa manages a full range of medical and public health programs tackling the most critical health challenges facing the continent: maternal and child care, HIV & TB, malaria, clean water and sanitation and surgical and clinical outreach.

Thus, Amref Health Africa in Ethiopia Office was registered in Ethiopia and opened its project office in Addis Ababa in 1998 and remained a project office until 2002, when it became a fully-fledged Country Program. Since 2002, the country program has grown from one project in Addis Ababa city to 30 projects in eight regions (Addis Ababa, Afar, SNNPR, Oromia, Amhara, Gambella, BeneshanguleGumuz, and Somali) in 2017. (<http://amref.org/about-us/where-we-are/ethiopia/>)

In light of the concepts highlighted above, informal groups influence has major role on employee performance and organizational task achievement. It is to mean that it creates high turnover, less organizational commitment and less job performance seems to the risk of Amref Health Africa in Ethiopia. With this concept the study will conduct informal groups of Amref Health Africa in Ethiopia office influence on employees and hindering of organizational performance. Therefore, this study proposal sought to assess the influence of informal groups on employee's and Organizations' performance Amref Health Africa in Ethiopia.

1.2. Statement of the Problem

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 (Mehmet Saim Asc, et al, 2015).

Moreover, the theoretical assumption of the persons within the organization will establish the regular relations with each other. In other words, the organizational network and communication network will be the same. However, the groups, which the employees form between themselves in the organization, and informal organization, formed by these groups, may significantly affect the operation of formal organization (Tevrüz, 2012).

Hence, organizations ensuring employees are working hard to contribute to achieving the organization's mission and objectives. So that, performance management sets expectations for employee performance and motivates employees to work hard in ways that is expect by the organization. Moreover, performance management system provides a completed and professional management process for organizations to assess the performance results of organizations and employees. Similarly, Macky and Johnson (2000) pressed that the importance of performance management system is on continuously improving organizational performance, and this is achieve by improve individual employee performance. Therefore, improving employee performance by using performance management system is a way to improve organizational performance.

The formal organization represents management's attempt to specify the way things shall be accomplish in various sections, departments and divisions within the organization. It must however

be note that official structure is one portion of the story. There emerges another structure, existing alongside the formal one, consisting of informal relationships, create not by official designate managers but by members of the organization at every level.

Whenever a set of people meet together and starts interacting on a long term basis, they form an informal group. An informal group is more than just a collection of people. Groups have internal social structure based on dominance and friendship relations with social leaders. Human beings are social animalsthey like respect, power and autonomy. Therefore, there are other needs such as recognition, interaction, and we feeling among others that workers need to fulfill besides the ones that money buys.

Through informal group relations, members of organization can develop their own norms and goals that may counter or complement the objectives of the formal structure.

The influence of informal groups relation effects they can create organizational challenges and cannot be underestimating the influence. Thus, the research questionexplore "what is the status of informal groups and the existence of informal structures in the organization?", "what are the factors to create informal groups in the organization?", "to what extent did informal groups influence the performance of workers?", "Are informal groups beneficial/contribute to organization?", and "to what extent did the informal group affect communication patterns within organizations?"

Studies have been conducted on "the effects of informal groups on employee performance" in educational sector, "informal relations and its effect" on industrial organizations sector and "the influence of job satisfaction" in Ethiopia Management Institute, but there were hardly any studies conducted on the influence of informal groups on employees and organizational performance in non-government organizations.

For example, a study conducted by PrintahNkala&Mbuyisa Barbara (2012-2013) shows that the effects of informal groups on employee performance: A case of High Schools in Bulawayo Province, the study sought to find out school heads' perceptions on ways of dealing with or managing informal groups and the findings show that school heads have different views on how the schools can manage informal groups. The majority of the respondents that constitute feel that the best way in which informal groups can be distributed with is involvement and transparency in decisions that affect teachers.

So, it is recommended that in order to enhance students' academic performance, school heads should implement the following points, ensure that there is proper communication within the school, encourage participative, discussions, eliminate mistrust, encourage transparency, school heads should identify themselves with the group's informal leader to gain the cooperation of the group because if one can move the informal leader, it means that person is able to move the entire group, teachers and support staff should be obedient, for example, they must make it an organizational culture.

Another research finding by John Sarkwa (2011) on informal relations provides satisfaction that may not be obtained from the formal organization. In a large organization (as found in The Coca-Cola Bottling Company and Ghana Breweries Limited), findings show that there is sometimes role conflict at the workplace. The quest for informal group satisfaction may lead members away from formal organizational objectives. What is good for and desire by informal group members is not always good for the organization. Doubling the number of coffee breaks and the duration of the lunch period may be desirable for group members but costly and unprofitable for the firm. Employees' desire to accomplish the requirements and services of both the informal group and management results in role conflict. Role conflict can be reduced by carefully attempting to integrate interests, goals, methods,

and evaluation systems of both the informal and formal organizations, resulting in greater productivity and satisfaction on everyone's part. Another negative effect of informal relations as the findings of this study revealed was rumor mongering of untruths. The gossip dispenses truth and rumor with equal vengeance. Ill-informed employees communicate unverified and untrue information that can create a devastating effect on employees. This can undermine morale, establish bad attitudes and often result in deviant or, even violent behavior.

Research finding of HaygetAdhana(2017) Shows that influence of job satisfaction on organizational commitment has a positive influence, the result improving job satisfaction of employees and helps to enhance employees' organizational commitment by increasing employees' affective and normative.

However, according to the finding of the study result shows that job satisfaction level of employees is moderate. Though employees are satisfied with nature of work, co-workers, communication, supervision and pay they are dissatisfied with operating procedures, promotion, fringe benefits and contingent reward they receive. Thus, in order to address employee's dissatisfaction with operating procedure, the institute needs to check whether its operating procedures are free from unnecessary rules and procedures, red tapes that block good performance and unnecessary paper work. And to address employees dissatisfaction with promotion opportunities, fringe benefits and contingent reward the institute needs to ensure the availability of enough promotion opportunities, needs to revise its fringe benefits package to make it more equitable and competitive and to make contingent reward more satisfying to employees the institute needs to add additional items and strengthen the performance management system to ensure the system recognizes and rewards the right performance.

Therefore, the above three researches focuses on “the effects of informal groups on employee performance” in educational sector, “informal relations and its effect” on industrial organizations

sector and “the influence of job satisfaction” in Ethiopia Management Institute, and the previously conducted researches were not address the issues the influence of informal groups on employees and organizational performance in non-government organization.

Thus, the gap will filled in the study is to find out the influence of informal groups on employees and organizational performance and what really the major reasons for creation of informal groups, how informal groups affect employees performance and the contribution of informal groups in Amref health Africa in Ethiopia. The answer to this question may be of relevance to higher officials of the organization who are responsible for employees’ task achievement and organizational performance.

In view this, comprehensive investigation was required to examine and understand the various dimensions of these problems and come up with possible solutions. Thus, this study was deals with influence of informal groups on employees and organizational performance in Amref Health Africa in Ethiopia. Hence, the researcher was formulated and tries to answer the following basic questions.

1.3. Research Questions

- What is the status of the informal groups in Amref Health Africa in Ethiopia?
- To what extent do the informal groups affect the employees’ performance?
- What do the existence of informal groups in organizational task achievement in Amref Health Africa in Ethiopia?
- What factors contribute to the creation of informal groups in an organization?

1.4. Purposes of the Study

1.4.1. General Objectives

The main objective of the study was to assess the influence of informal groups on employee’s and organizational performance in Amref Health Africa in Ethiopia.

1.4.2. Specific Objectives

The study was to examine the following:

1. To identify the effects of informal groups on employee performance in Amref Health Africa in Ethiopia.
2. To investigate the contribution of informal groups in the organization task achievement.
3. To assess the level of informal groups existence in Amref Health Africa in Ethiopia.
4. To identify how informal groups formed

1.5. Significance of the Study

It is expect that the findings of this study helps management of NGO Sectors, particularly human resources managers to have a clear understanding on influence of informal groups in Amref Health Africa's in Ethiopia and their effect. This helps them to design the appropriate strategies to minimize informal group influence on employee's and organization's performance. Furthermore, it is expected that the findings of this study is used to policy makers in understanding factors that enhance employee performance, so that effective human relation policies and regulations can be create to increase strong and positive relationship with its employees and direct them towards task fulfillment

It is also expected that the findings of this study was added great deal of knowledge for academicians in understanding various trends and causes of employeesperformance hinder and less organizational performance. It will also allow them to study for improvement and changes especially in performance of individuals that will enable them enhance efficiency and to maximize motivation of employees of Amref Health Africa in Ethiopia.

The results and findings of this research can be used as baseline for future researchers to identify in detail the employees' perspective on turnover. Moreover, the result of the study were countless benefit to the management of Amref and employees. The outcome will be enhancing organizational task achievement. The result and findings of this study will further open up the need for research in this area.

1.6. Delimitation of the Study

Amref Health Africa, the largest African led international organization on the continent, provides training and health services to over 30 countries in Africa. To assess influence of informal group on employee's and organizations' performance overall Africa countries is not practicable within this period as well as cost perspectives. Thus, the propose research intends to study and focus only on Amref Health Africa in Ethiopia, Addis Ababa country office and project areas in Ethiopia.

1.7. Definition of Terms

Informal groups: groups which emerge naturally due to the response and common interests of the members of an organization who can easily identify with the goals or independent activities of the group.

Organizational performance: various activities to accomplish their organizational objectives. Covers the actual output or results of an organization as measured against its intended outputs (or goals and objectives). It is a broad construct which captures what organizations do, produce, and accomplish for the various constituencies with which they interact.

Organizational Behaviour: concerned mainly with employment related matters such as job, work, leaves, turnover, productivity, human performance and management. Organizational Behaviour also includes the core topics like motivation, leader behaviour and power, interpersonal communication, group structure and process, learning attitude, perception, conflicts, work design and work stress.

GROUPS: Two or more employees who interact with each other in such a manner that the behavior and/or performance of a member are influenced by the behavior and/or performance of other members.

GROUP NORMS: Norms are acceptable standards of behavior within a group that are shared by the members of the group. Norms define the boundaries of acceptable and unacceptable behavior. Each group will establish its own set of norms that might determine anything from the appropriate dress to how many comments to make in a meeting. Groups exert pressure on members to force them to conform to the group's standards.

Chapter - Two

2. Literature Review

2.1. Introduction

This section reviews literature related to previous research on influence of informal groups on employee's and organizations' performance as well as literature related to the research questions. The review includes directly related studies and studies that provide additional perspectives to the research objectives. In this chapter influence of informal groups and its challenges in organizations, types of informal group's deals and their influence on performance in an organization as well as the influence of employee performance are covered. Also covered in this chapter is the effect of informal groups on performance and the theoretical foundation.

2.2. Organization behavior and groups

Groups are a characteristic of all social situations and almost everyone in an organization will be a member of one or more groups. The working of groups and the influence they exert over their membership is an essential feature of human behavior and of organizational performance. Members of a group must co-operate in order for work to be carried out, and managers themselves will work within these groups. People in groups influence each other in many ways and groups may develop their own hierarchies and leaders. Group pressures can have a major influence over the behavior of individual members and their work performance (Laurie J. Mullins, 2010).

V.G Kondalkar (2007) Organizations are composed of number of individuals working independently or collectively in teams and number of such teams makes a department and number of such departments makes an organization. It is a formal structure and all departments have to function in a coordinated manner to achieve the organizational objective. It is therefore important for all employees

to possess a positive attitude towards work. They need to function in congenial atmosphere and accomplish assigned goals. It is also important for managers to develop an appropriate work culture. Use of authority, delegation of certain powers to subordinates, division of labour, efficient communication, benchmarking, re-engineering, job re-design and empowerment are some of the important factors so that an organization can function as well-oiled machine. This is not only applicable to manufacturing organizations but also to service and social organizations.

“Organizational behavior is a field of study that investigates the impact that individuals, groups and organizational structure have on behavior within the organization, for the purpose of applying such knowledge towards improving an organizational effectiveness”. The above definition has three main elements; first organizational behavior is an investigative study of individuals and groups, second, the impact of organizational structure on human behavior and the third, the application of knowledge to achieve organizational effectiveness. These factors are interactive in nature and the impact of such behavior is applied to various systems so that the goals are achieved. The nature of study of organizational behavior is investigative to establish cause and effects relationship (V.G Kondalkar, 2007)).

OB involves integration of studies undertaken relating to behavioral sciences like psychology, sociology, anthropology, economics, social psychology and political science. Therefore, organizational behavior is a comprehensive field of study in which individual, group and organizational structure is studied in relation to organizational growth and organizational culture, in an environment where impact of modern technology is great. The aim of the study is to ensure that the human behavior contributes towards growth of the organization and greater efficiency is achieved. Organizational behavior can be defined as “the study and application of knowledge about human behavior related to other elements of an organization such as structure, technology and social

systems (LM Prasad). Stephen P Robins defines “Organizational behavior as a systematic study of the actions and attitudes that people exhibit within organizations”(ibid).

V.G Kondalkar (2007) It has been observed that we generally form our opinion based on the symptoms of an issue and do not really go to the root cause of the happening. Science of organizational behavior is applied in nature. Disciplines like psychology, anthropology and political science have contributed in terms of various studies and theories to the field of organizational behavior. A leader should be able to communicate with his subordinate and keep them in picture as to the happenings in the organization. People promote organizational culture for mutual benefit. Politics is often used to create conflict with the aim of enlarging self-power base to the detrimental of organizational growth. Politics, in Indian context has made inroads based on religion, caste system in the decision making process which has led to formation of informal groups in the organization that often exploit the organization for fulfillment of personal goals at the cost of organizational goals. Conflict and manipulating power bases need to be handled in an appropriate manner to modify human behavior and stimulate various individuals towards achieving higher productivity. Power dynamics plays a significant role in organization situations in different environment (ibid).

2.3. Management and leadership

People are brought together in an organization on the basis of defined roles. Once people are together, groups develop naturally and these are a major feature of organizational life. The organization and its sub-units are made up of groups of people. Most activities in the organization require at least some degree of co-ordination through the operation of group working. An understanding of the nature of groups is vital if the manager is to influence the behavior of people in the work or

organizational situation. The manager must be aware of the impact of groups and their effects on organizational performance (Mullins, 1999:566).

Therefore, the activities of individuals or groups cannot be separated from management and the process of leadership. The form of management and style of leadership adopted will influence the relationship between the group and the organization and it is a major determinant of group cohesiveness. In other words, relationships and cohesiveness will be affected by the way and manner in which the manager gives guidance and encouragement to the group, offers help and support, provides opportunities for participation, attempts to resolve conflict, and gives attention to both employee relations and task problems (Mullins, *ibid*).

Groups, therefore, assist in shaping the work pattern of organizations and the attitudes and behavior of members to their jobs. The formation and operation of work groups and the behavior of their members, has significance for the manager. Group forces are important not only in influencing the behavior in individual work groups with regard to productivity, waste, absence and the like, they also affect the behavior of the entire organization (Mullins, *ibid*).

2.4. Performance

Performance management is one of the crucial functions of Human resource management. Performance management is a crucial function as it increases performance driven behaviour and consequently the results of the organization (Waal & Medema, 2006). According to (Armstrong & Baron, 2004), Performance management is a process which contributes to the effective management of individuals and teams in order to achieve high levels of organizational performance.

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 recognize that within every organization there are often informal group pressures that influence and regulate individual performance. Informal groups formulate an implicit code of ethics or undesirable set of standards establishing acceptable behaviours for a group of employees, (Mullins 2010).

<https://www.termpaperwarehouse.com/essay-on/Effects-of-Informal-Group-in-Organizational-Performance/4>

2.4.1. Theoretical background on performance

(Armstrong, 2010)The earliest reference to Performance Management in the literature was made by Warren (1972). On the basis of his research in a manufacturing company he defined the features of performance management as follows: expectations, skill, feedback, resources and reinforcement. 1990 Performance Management had entered the vocabulary of human resource management in the UK as well as in the United States. Full recognition of the existence of performance management was provided by the research project conducted by the Institute of Personnel management (1992).The following definition of Performance Management was produced as a result of this research: ‘ A strategy that relates to every activity of the organization set in the context of its human resource policies, culture, style and communications systems. The nature of the strategy depends on the organizational context and can vary from organization to organization’ (Armstrong, 2010).

The 1998 IPD research project (Armstrong and Baron, 1998) revealed that in many instances performance management practices had moved on since 1992. Performance Management is regarded as a number of interslinked processes. Performance management is seen as a continuous process and not as a once a year appraisal. The focus was on employee development rather than on performance related pay. There has been a shift towards getting line managers to accept and own performance

management as a natural process of management. The next development was the recognition that Performance management had to focus on organizational as well as individual effectiveness.

Performance management can be regarded as a natural function of managing that involves the activities of planning, monitoring, analyzing and reviewing. It is therefore legitimate to refer to the process of performance management where 'process' is defined as a way of doing things in order to achieve a purpose. There are those who object to associating the word 'system' with performance management because of its connotations with the notion of a sort of mechanism. This may be indisputable but the term 'performance management system' is in general use. Williams (1998) took a systems view when he identified three models of performance management. Performance management as a system for individual performance, performance management as a system for managing organizational performance and performance management as a system for managing individual and organizational performance. A performance management system is a set of interrelated activities and processes that are treated holistically as an integrated and key component of an organization's approach to managing performance through people and developing the skills and capabilities of its human capital, thus enhancing organizational capability and the achievement of sustained competitive advantage (Armstrong, 2012).

2.4.2. Importance of performance

Research shows that the combination of performance driven behavior and regular use of the performance management process leads to improved results. (Waal, 2004) .Thus performance is very important for the success of any organization .The basic premise of the concept of performance management is simple: great performance, whether on the stage or by an agency, whether by an individual or by a team is very unlikely to happen on its own (Halachmi, 2005). Every

organizations should strive for improving the performance of employees in the organization. When the performance of the employees is effective, the company will be successful. There are various factors that contribute towards performance of employees. One important factor that leads to performance is organizational climate.

2.5. Organizational climate and culture

Benjamin Schneider and Karen M. Barbera (2014) Organizational climate and organizational culture are two conceptually distinct yet recently overlapping constructs for understanding the ways employees experience their total work settings. They represent the sense employees make out of their organizations; they represent the essential meaning employees attach to what their work places are in their essence and, in some cases, their essences. Both constructs are seen as having numerous specific attributes but it is the connotations people derive from those attributes that represent the summary meaning or gestalt of the organization for them.

Climate research has pursued the shared meaning employees attach to the policies, practices, and procedures and the behaviors that get rewarded, supported, and expected at work (Schneider & Reichers, 1983; Schneider, White, & Paul, 1998).

Organizational Climate is a management concept that is normally associated with job performance and job satisfaction and morale of the employees. This phenomenon is organizational climate. Various definitions have been advanced for organizational climate and almost all have a degree of commonality. Renate Tagiur (1968) defined organizational climate as a relatively enduring quality of the internal environment that is experienced by its members, influences their behaviour, and can be described in terms of the values of a particular set of characteristic of the organization. By Md. Khaja and Dr. T. N. Murty, Organizational climate refers to perceptions of

organizational policies, its practices and procedures shared by employees. Employees expected to evaluate the characteristics of the organization according to their own values and the importance of these features for their own benefit. It is a moral concept, which indicates the organizational goals and appropriate ways and means to achieve them (Reichers and Schneider, 1990).

2.6. Theories of Group behaviour

V.G Kondalkar, (2007, 148-150) Propinquity means affiliation which may be due to spatial or due to geographical proximity. Group Behaviour refers to activities, interactions and sentiments. In any organization, the behaviour of a group is analyzed based on 'required' behaviour that refers to those actions the organization expects employees to perform effectively. It relates to the job that each group has to perform. The instructions for job performance are communicated to the group by way of job description, meetings, instructions by supervisors to the workers and other formal instructions that may be used from time to time. The managers expect that the employees follow these instructions in letter and spirit. While on the contrary, members of the group display an emergent behaviour. It refers to the activities the members get involved in the workplace which are of private nature and applicable to common interest of the members of the group. Whatever be the type of behaviour, each member is involved in various activities, carry out interaction with group members and develops sentiments. Let us see as to how does this phenomenon occur? Activities are those behaviors when a group member is involved with other member or group to perform his duties as is laid down in the work schedule. More complex the job and critical nature of work more will be the activities involved. These are certain activities like chatting or taking coffee together is called emergent activities that the group often gets involved. Activities that are required to be carried out officially with the other members of the group involve interaction. Group member also interact with other members on social platform, which may be called emergent behaviour that relates to feelings, beliefs and values held by group members. All

these activities require interaction and exchange of knowledge, knowhow and ideas to perform. More of such interactions develop a bond of friendship (or even hate) among the group members. Apart from official side there are certain impersonal side of organizational systems and process that must be promoted for better group member relationship for higher productivity and conflict free organizational work environment.

2.6.1. Balance Theory

Balance theory was proposed by Theodore Newcomb that states “persons are attracted to one another on the basis of similar attitudes and common interest relevant to some object or a group goal”. As long as there is a balance, the relationship lasts. If due to some reason an imbalance is created efforts are made by both to restore the balance by compromising. If that does not work the relationship breaks. Reasons for maintaining relationship is based on common interest in politics, religion, similar life style, authority etc. In the Organization interest, it is the responsibility of the manager to ensure effective functioning of the group (V.G Kondalkar, 2007).

2.6.2. Exchange Theory

Exchange theory is based on cost-reward relationship. Every individual before joining the group evaluates its outcome. If he feels that the outcome (reward) is greater than the cost he joins the group, he will form the part of the group. It should be noted that an individual joins group if a minimum positive level of outcome exists in order to establish attraction and affiliation to take place. The cost of relationship or affiliation is measured in terms of outcome that relates to fulfillment of various levels of needs of an individual (V.G Kondalkar, 2007).

2.3.3. Group Dynamics

Group dynamics is concerned with interaction and forces between group members in a social situation. Concept of group dynamics was first evolved by Kurt Lewin in 1930s who viewed the concept from the perspective of internal nature of group, why they form, how they form, the structure of group, how they function and its effect on other group members, other groups and the organization. Following concepts are relevant for the study of group dynamic (ibid).

According to Luthans (2005: 441) group dynamics is about how a group should be organized and conducted. Another view of group dynamics is that it consists of a set of techniques, like role playing, focus groups, team building and leaderless groups. Group dynamics is viewed from the perspective of the internal nature of groups, how they form their structure and processes, as well as how they function and affect individual members, other groups, and the organization

2.6.4. Norms

Group Norms are set of beliefs, feelings, and attitude commonly shared by group members. These are also referred to as rules of standards of behavior that apply to group members.

These are prescriptions of behavior accepted and determined by the group. Norm is defined as “acceptable standards of behaviour that are shared by the group members.” All groups have established norms that tell members what they ‘ought’ and ‘ought not’ to do a thing under certain circumstances. From an individual stand point, they tell what is expected of them in certain situations. When agreed to and accepted by the group, norms act as a means of influencing the behaviour of group members with a minimum of external control. Norms differ among groups, communities and societies, but they all have them (V.G Kondalkar, 2007).

2.7. The nature of groups

Luthans (2005: 440) state that groups and group dynamics are like the weather which is something that nearly everyone talks about and only a few can do something about. The author argues that research, practice, and education about group dynamics are currently in a state of ferment. He further state that in the world ' of work, leaders encourage teamwork and support to empowering people and to establish an organizational culture that promotes total quality management. Each of these initiatives depends on understanding groups well and acting effectively with them.

2.8. Definition of a group

The term group can be defined in a number of different ways, depending on the perspective that is taken. There are different views on what group and group dynamics mean. A comprehensive definition can be that if a group exist in an organization, its members are motivated to join, perceive the group as a unified unit of interacting people and contribute, share and rely in the group successes (Luthans, *ibid*).

2.9. Formal and informal groups

Groups in organizations can alter the individual's motivations or attitudes and can influence the behavior of individuals in an organizational setting. Organizational behavior is more than the logical composite of the behavior of individuals; it is also the behavior of groups that interact and the activities within groups.

Also Johon R. Schermerhorn, JR, et al, (2002: 100), groups defined as a collection of two or more people who work with one another regularly to achieve common goals. In a true group, members are mutually dependent on one another to achieve common goals, and they interact with one another

regularly to pursue those goals over a sustained period of time. Groups are good for both organizations and their members, helping to accomplish important tasks and to maintain a high-quality workforce.

Formal group is officially designated to serve a specific organizational purpose. An example is the work unit headed by a manager and consisting of one or more direct reports. The organization creates such a group to perform a specific task, which typically involves the use of resources to create a product such as a report, decision, service, or commodity. The head of a formal group is responsible for the group's performance accomplishments, but all members contribute the required work. Also, the head of the group plays a key "linking-pin" role that ties it horizontally and vertically with the rest of the organization. Formal groups may be permanent or temporary. Permanent work groups, or command groups in the vertical structure, often appear on organization charts as departments (e.g., market research department), divisions (e.g., consumer products division), or teams (e.g., product-assembly team). Such groups can vary in size from very small departments or teams of just a few people to large divisions employing a hundred or more people. In all cases, permanent work groups are officially created to perform a specific function on an ongoing basis. They continue to exist until a decision is made to change or reconfigure the organization for some reason. In contrast, temporary work groups are task groups specifically created to solve a problem or perform a defined task. They often disband once the assigned purpose or task has been accomplished. Examples are the many temporary committees and task forces that are important components of any organization. Indeed, today's organizations tend to make more use of cross-functional teams or task forces for special problem-solving efforts. The president of a company, for example, might convene a task force to examine the possibility of implementing flexible work hours for non-managerial employees. Usually, such temporary groups appoint chairpersons or heads who are held accountable for results, much as is

the manager of a work unit. Another common form is the project team that is formed, often cross-functionally, to complete a specific task with a well-defined end point. Examples include installing a new E-mail system and introducing a new product modification. Information technology is bringing a new type of group into the workplace. This is the virtual group, a group whose members convene and work together electronically via networked computers. In this new age of the Internet and intranets, and more, virtual groups will become increasingly common in organizations. Facilitated by ever-advancing team-oriented software, or groupware, members of virtual groups can do the same things as members of face-to-face groups (Johon R. Schermerhorn, JR., et al, 2002: 102).

James L. Gibson; et al., (2012) an organization has technical requirements that arise from its stated goals. Accomplishment of these goals requires that certain tasks be performed and that employees be assigned to perform these tasks. As a result, most employees are members of a group based on their positions in the organization; these are formal groups. In addition, whenever individuals associate on a fairly continuous basis, groups tend to form whose activities may be different from those required by the organization; these are informal groups.

Formal and informal groups form for various reasons. Some reasons involve needs, proximity, attractions, goals, and economics (ibid).

2.9.1. The Satisfaction of Needs

The desire for need satisfaction can be a strong motivating force leading to group formation. Specifically, some employees' security, social, esteem, and self-actualization needs can be satisfied to a degree by their affiliation with groups (James L. Gibson; et al., 2012).

2.9.2. Security

Without the group to lean on when various management demands are made, certain employees may feel they are standing alone, facing management and the entire organizational system. This feeling can be even stronger for new employees. This “aloneness” leads to a degree of insecurity. By being a member of a group, the employee can become involved in group activities and discuss management demands with other employees who hold supportive views. In situations solely affecting the individual employee, the member can still count on the group to support her actions. 9 Interaction and communication among the group’s members serve as a buffer to management demands. The need for a buffer may be especially strong in two cases. First, a new employee may depend heavily on the group for aid in correctly performing his job. Second, as a result of many corporate downsizing efforts, individuals depend on group support as a means to adjust to new demands and overcome feelings of insecurity (James L. Gibson; et al., 2012).

2.9.3. Social

The gregariousness of people stimulates their need for affiliation; a desire to be part of a group points out the intensity of social needs. The need to socialize exists not only on the job but away from the workplace, as evidenced by the vast array of social, political, civic, and fraternal organizations people can join (James L. Gibson; et al., 2012).

2.9.4. Esteem

For a variety of reasons, a certain group in a particular work environment may be viewed by employees as having a high level of prestige (technical competence outside activities, etc.). Consequently, membership in this group carries with it a certain status not enjoyed by nonmembers.

For employees with high esteem needs, membership in such a group can provide much-needed satisfaction (James L. Gibson; et al., 2012).

2.9.5. Proximity and Attraction

Interpersonal interaction can result in group formation. Two important facets of interpersonal interaction are proximity and attraction. Proximity involves the physical distance between employees performing a job. Attraction designates the degree to which people are drawn to each other because of perceptual, attitudinal, performance, or motivational similarity. Individuals who work in proximity have numerous opportunities to exchange ideas, thoughts, and attitudes about various on- and off-the-job activities. These exchanges often result in some type of group formation. Proximity also makes it possible for individuals to learn about the characteristics of other people. To sustain the interaction and interest, a group is often formed. For example, space station crews need to be trained in interpersonal, emotional support, and group interaction skills. Because of proximity and attraction due to the nature of the work task, group formation is inevitable. Whole-crew training is indispensable for crew productivity and well-being. Such training circumvents many problems faced by long-duration space flights, where reliance on ground-based professionals is impractical (James L. Gibson; et al., 2012).

2.9.6. Group Goals

A group's goals, if clearly understood, can be the reasons an individual is attracted to that group. For example, an individual may join a group that meets after work to become familiar with new production methods to be implemented in the organization over the next year. The person who voluntarily joins the after-hours group believes that learning the new system is a necessary and important goal for employees. Identifying group goals is not always possible. The assumption that

formal organizational groups have clear goals must be tempered by the understanding that perception, attitudes, personality, and learning can distort goals. For example, a new employee may never be formally told the goals of the unit that he's joined. By observing the behavior and attitudes of others, individuals may conclude what they believe the goals to be. These perceptions may or may not be accurate.

2.9.7. Economics

In many cases, groups form because individuals believe that they can derive greater economic benefits from their jobs if they organize. Indeed, group pay incentives can be extremely valuable in supporting the way management wants to run the company. For example, individuals working at different points on an assembly line may be paid on a group incentive basis in which the group's production determines each member's wages. By working and cooperating as a group, the individuals may obtain higher economic benefits. Conversely, by paying for individual performance, the structure may get in the way of group productivity by stressing individual, versus group, dependencies. By matching incentive plans with a company's work culture and the type of group being used, the group's processes can be better aligned with those of the organization (James L. Gibson; et al., 2012).

2.10. Groups, group dynamics, and intergroup processes

Joseph E. Champoux (2011) Groups, group dynamics, and intergroup processes are inevitable and critical aspects of organizations and their management. A group is an interdependent set of people doing a task or trying to reach a common goal. Group members regularly interact with each other and depend on each other to do their tasks. Job and organizational design can affect the degree of mutual dependence. A group is a complex, adaptive system that can change its membership, goals, and structure over time. Groups can powerfully affect people's behavior. Knowledge of how and why

groups form, and an understanding of their dynamics, can help you function better within a group or manage group activities. They are inevitable and ubiquitous; they mobilize powerful forces having profound effects upon individuals; these effects may be good or bad; and through knowledge of group dynamics there lays the possibility of maximizing their good value.

Formal groups are either functional group within an organization or task groups. Functional groups are clusters of people formed by the organization's design, such as divisions, departments, sections, and work units. They are a product of the organization's division of labor, the way the organization has divided its total work to reach its goals. Such groups are often permanent, but can change if the organization redesigns its structure. Organizations form task groups as temporary groups to carry out specific duties, usually special projects. Committees, project teams, and task forces are examples of task groups. Other examples from quality management are process action teams and continuous-improvement teams. Temporary task groups do not have the enduring qualities of permanent groups, because they usually disband when they finish their assignment(Joseph E. Champoux, 2011).

Virtual groups and self-managing teams are emerging types of formal groups. Networked computers and workstations link members of virtual groups. Self-managing teams typically have high internal autonomy and decision authority about work scheduling, team member assignments, and the choice of a team leader. Later sections examine both virtual groups and self-managing teams in detail (ibid).

Interaction patterns within organizations can affect the formation of informal groups within and across formal groups. Informal groups can form along interest lines, such as the task specialization of individuals, hobbies, or other concerns. They might be friendship groups whose members associate with each other both at work and away from work. Outsiders and newcomers cannot readily see

informal groups, which are part of an organization's background. These informal groups form a "shadow organization" that applies good and bad powerful forces to the organization (ibid).

2.10.1. Formal Groups

Joseph E. Champoux (2011) the demands and processes of the organization lead to the formation of two types of formal groups: Command and Task. Command Group The command group, specified by the organization chart, comprises the subordinates who report directly to a given supervisor. The authority relationship between a department manager and the supervisors or between a senior nurse and her subordinates exemplifies a command group. Task Group A task group comprises the employees who work together to complete a particular task or project. For example, activities of clerks in an insurance company are required tasks. When an accident claim is filed, several clerks must communicate and coordinate with one another if the claim is to be handled properly. These required tasks and interactions facilitate the formation of a task group.

2.10.2. Informal Groups

Whereas formal groups are established by organizations to achieve some specific objectives, informal groups are formed by the members of such groups by themselves. They emerge naturally, in response to the common interests of organizational members. They are formed spontaneously, without any formal designation, and with common interests such as self-defense, work assistance and social interaction.

They exist outside the formal authority system and without any set rigid rules. Though officially unrecognized, they exist in the shadow of the formal structure as a network of personal and social relations that must be understood and respected by the management.

Informal work groups are based upon socio-psychological support and reasoning and depend upon member's interaction, communication, personal likings and dislikings and social contacts within as well as outside the organization. How powerful these informal groups can be seen from the fact that if one member of the group is fired, sometimes all workers go on strike in support of that member of the group.

The bonds between members are very strong and bring in a sense of belonging and togetherness. This togetherness can have a powerful influence on productivity and job satisfaction, since employees motivate each other and share each other's burden by training those who are new and by looking up to old timers for guidance, advice and assistance.

Informal groups may have their own leaders and followers, group goals, social roles and working patterns. They have their own unwritten rules and a code of conduct that every member implicitly accepts.

The leadership of the informal groups develops from within rather than a formal election. An individual, who is working in a group for a long time and has a good rapport with other members, may emerge as a leader due to his technical expertise and his seniority. For any problem within the group, either technical or social, the members would go to this leader rather than the formally assigned supervisor.

Some other aspects of Informal Groups are as follows:

Group Norms: Parallel to performance and other standards established by the formal organization all structure, the informal groups have their own norms as rules of conduct and a standard of behavior that is expected of all members.

Groups Roles: - There is an unwritten assignment within the group as to which task will be done by whom and under what conditions. Some job roles are assigned by the management by matching the job description with the person's qualifications and some other roles develop within the group. For example, some members may informally be technical advisors to others as to how to do the job better and others may act as arbitrators in social problems or other differences that may arise among members.

Group Goals: The goal of the informal group, whether it be profitability that conflicts with the organizational goals or customer service which is in accord, heavily influences productivity. It is necessary to integrate the group goals with the organizational goals for the purpose of improvement and success.

Leadership: The informal leader emerges from the group either because of his personal charisma, his social status or his technical expertise. He is not formally elected but is accepted in the minds and hearts of the workers. These leaders influence the behavior of others and remain leaders as long as they are sincere to the group interests.

Group Cohesiveness: Cohesiveness refers to the degree and strength of interpersonal attraction among members of the group. High degree of cohesion is highly motivating in achieving the group goals. Members help each other and support each other. The degree of cohesiveness depends upon the commonness of the perceived group goal, the size of the group and the ability of the group leader to facilitate cohesion. Group cohesion also has synergetic effects where, together they produce much more by the collective efforts than the sum product of the individual efforts.

Informal groups are powerful instruments in all organizations and sometimes can make a difference between success and failure. A cooperative group makes supervision easier, thus lengthening the

effective span of management. The group is also there to make sure that the basic principles of the formal organization are not violated.

For example, if a manager misuses his authority and promotes an unqualified person, the informal group may use its influence in making sure that it does not happen. The informal group also serves as an additional channel of communication to the management about conditions of work when such information may not be available through official channels.

One problem with an informal group is that it is primarily centered towards human elements, which can be highly unpredictable affecting the smooth operations of the organization. Due to rules and procedures being unwritten, they can change from situation to situation. Also the informal group can be considered subversive in nature if their goals conflict with the formal organizational goals.

In such situations, managers often view them with doubt and suspicion. They tend to see informal groups as potentially harmful to the formal organization. For that reason, some managers seek the support of informal groups and their leaders in order to reduce such a threat. They tend to view such informal groups as valid, stable, and structurally sound and hence show consideration and respect for their existence and their views.(www.managementstudyhq.com/types-of-groups.html),(21/12/17).

Johon R. Schermerhorn, JR., et al, (2002: 102) Informal groups emerge without being officially designated by the organization. They form spontaneously and are based on personal relationships or special interests, and not on any specific organizational endorsement. They are commonly found within most formal groups. Friendship groups, for example, consist of persons with natural affinities for one another. They tend to work together, sit together, take breaks together, and even do things together outside of the workplace. Interest groups consist of persons who share common interests. These may be job-related interests, such as an intense desire to learn more about computers, or non-

work interests, such as community service, sports, or religion. Informal groups often help people get their jobs done. Through their network of interpersonal relationships, they have the potential to speed up the work flow as people assist each other in ways that formal lines of authority fail to provide. They also help individuals satisfy needs that are thwarted or otherwise left unmet in a formal group. In these and related ways, informal groups can provide their members with social satisfactions, security, and a sense of belonging.

According to V.G Kondalkar, (2007, 147-149) Informal groups are groups that are not formally organized in the work system to get the job done but develop on their own randomly at workplaces because of common interest and mutual liking of the group members. For example members of production department, body manufacturing department, HR department members and few individual from finance department may form a friendship group. This development takes place because of the interaction they have with each other during the official work. Members from within one group or members from different departments or even an organization can form an informal group.

The features of such groups are as under:

- (a) Informal groups are formed by various members themselves, it has no official sanctity.
- (b) These groups are formed based on commonality of culture, religious function, liking for each other and common interests.
- (c) Their contribution for success of formal group is immense if properly handled by official authority.
- (d) These groups evolve their own structure, elect their own leaders and have followers. They work based on group norms, social norms and code of conduct.

(e) They represent the human side of an organization.

(f) The group exists without any rigid rules. Their common interest is bond for existence.

Joseph E. Champoux (2011) also stated that Informal groups are natural groupings of people in the work situation who come together in response to social needs. In other words, informal groups do not arise as a result of deliberate design but rather evolve naturally. Two specific informal groups exist: interest and friendship.

Informal organizations benefit the organization in many ways. They help in the development of an effective organizational system and reduce the workload of managers. Informal organizations also provide employees with an outlet to express their anxieties and problems, improve job satisfaction, and reduce employee turnover. In spite of its merits, informal organizations, at times, also create many problems. It may act as a barrier to organizational change. Conflicts may also arise between the members of the informal organization. Sometimes, its members may experience a conflict due to the diverse roles they have to play as members of the formal work group and the informal group. The biggest problem an informal organization faces is to ensure that the members conform to its norms and the use of penalties and sanctions to punish those who deviate from these norms.

(www.managementparadise.com/forums/principles-management-perspective-management/25733-informal-organization-effective-team-work.html)

2.10.2.1. Interest Groups

Individuals who may not be members of the same command or task group may affiliate to achieve some mutual objective. The objectives of such groups are not related to those of the organization but are specific to each group. Employees banding together to present a unified front to management for

more benefits and waiters pooling their tips are examples of interest groups (Joseph E. Champoux, 2011).

2.10.2.2. Friendship Groups

Many groups form because members have something in common, such as age, gender, political beliefs, desire to play the same sport, or ethnic background. These friendship groups often extend their interaction and communication to off-the-job activities.

If employees' affiliation patterns were documented, it would become readily apparent that they belong to numerous and often overlapping groups. A distinction has been made between two broad classifications of groups: formal and informal. The major difference between them is that formal command and task groups are designated by the formal organization as a means to an end. Informal interest and friendship groups are important for their own sake. They satisfy a basic human need for association. Even though friendship groups are informal, managers should make efforts to become aware of and, if possible, positively influence such groups, directing efforts toward organizational goals. Indeed, in some organizations, the associations that individuals form through friendship groups are more powerful than formal affiliations. Some suggested ways to influence these groups are through building good relations with the informal group's leader, providing group behavior and human relations training for the leader, and supporting members' efforts in sustaining the group relationship (Joseph E. Champoux, 2011).

2.11. Stages of group development

Joseph E. Champoux (2011:239-240) All types of groups (face-to-face, virtual, and self-managing teams) can develop in a series of stages, with each stage emphasizing something different. Early

aspects of development focus on the social structure of the group: norms, social status, roles, and role relationships. Each stage has different implications for member behavior and group performance. The stages are not discrete, clearly identifiable states. They are plateaus in the group's evolution from beginning to end. Groups of strangers that have not done the group's task before are most likely to experience all stages of development. The stages of group development are a controversial area of group and group dynamics research. Little research has examined the stages in organizational settings. A conservative conclusion from the research evidence says the stages apply only to newly formed groups. That conclusion suggests that knowledge about group development could be especially important in an organization that deliberately uses groups to do work.

During the group formation stage (forming), group members meet each other for the first time and learn about the group's tasks. The group defines its social and task boundaries. People who have never been together before introduce themselves to each other. They reveal their characteristics and abilities to other group members, sometimes slowly. The members also discuss preliminary ideas about how to do the group's task (ibid).

The intragroup conflict stage (storming) begins to evolve. Discussions focus on behavior, roles, and social relationships that are right for doing the group's task. Informal leaders begin to emerge, even if a formal leader exists, as is often true for a formal task group. Power struggles might erupt between competing informal leaders. Conflict arises about how the group should do its tasks. People often struggle to keep their identity and autonomy as the group tries to give an identity to the individual. New members entering an existing cohesive group experience the power and force of the group's socialization process at this stage (ibid).

By the group cohesion stage (norming), the group has defined its roles and role relationships. The group agrees about correct member behavior. Members accept each other, and an identifiable group culture emerges. Conflict is less intense at this stage than during the preceding stage. If conflict is accepted as part of the group's norms, the group defines acceptable conflict behavior. The conflict at this stage focuses less on the social structure of the group than on different ways of doing the group's task. The way group members perform their tasks might be evaluated. Conflict can arise if an individual sharply deviates from the group's norm about task behavior (ibid).

Group members become comfortable with each other at the task orientation stage (performing) and have accepted the group's norms. Members have settled upon their goals and worked out their division of labor. The task or tasks are now defined, and energy focuses on doing the group's work.

Some groups reach their goals, disband, and end their existence as an identifiable group (termination or adjourning stage). Other groups redefine their task and membership. If either event happens, the group returns to the first stage of development and restarts the process.

Functional groups and cohesive informal groups reach the task orientation stage of development and plateau there. Under certain conditions, such groups repeat the stages and experience redevelopment. When newcomers join an established group, the group's social structure and ways of doing its task often are altered. Established members of the group, especially formal or informal leaders, socialize the new member to the group's norms. All the forces and dynamics of socialization processes come into play for the newcomer.

Organizations that undergo a major redesign often redistribute existing organization members into new formal groups. The people are not new to the organization, but they are new to the groups in which they find themselves (Joseph E. Champoux, 2011).

2.12. Interrelationship between Formal and Informal Organization

Ljubljana, September,(2013)The organizational structure can be seen that it consists of three factors: the overall structure of the organization, the roles the members are linked to within the organization, and the processes which are happening within the organization. The management is defining these factors formally, while the employees perceiving and exercising it. Although the organization is formally established and rationally designed, it depends on the characteristics of the subordinates how they will follow the official blueprint of the management and execute it (Östergren, 2010, p. 6). As Wagner and Hollenbeck describe it, every formal organization of prescribed jobs and structural relationships includes an informal organization characterized by unofficial rules, procedures, and interconnections(Wagner, 2010, p. 283). The informal organization shows up when the subordinates get their work done beside the official procedure, perceive spontaneous, and change routines unauthorized. The informal organization roots mainly from the interaction between the employees working in the organization (bid).

According to Mullins, their psychological and social needs, and the development of groups with their own relationships and norms of behavior, irrespective of those defined within the formal structure“ (Mullins, 2010, p. 94)are the main factors for the rise of an informal organization within a company.

As Östergren points out:” The actual organization is construed by individuals and referred to as the informal organization. In every formal organization, there will be informal organizations, regardless of time and effort spent on rationally designing the organization, its members will always behave differently“ (Östergren, 2010, p. 6).

2.12.1. The informal organization: Disadvantages

Kathryn Hegar (2011) shows in her book “Modern Human Relations at Work“ the four most common disadvantages associated with an informal organization: Resistance to change, goal conflict, conformity problems, and rumors.

Because of informal structures within an organization it can be very hard to change the “status quo”. The informal organization ignore “systematically or only partially carries out directives related to such changes as new work procedures or rules” (Hegar, 2011, p. 193), because their subordinates want to maintain things as they were in the past and don't want their work environment to be disrupted. Examples for changes which will be fought against can be technical innovations because of the potentiality that organization members will be fired, or increased quotas.

Another disadvantage of informal organization is goal conflicts, when the formal quota is higher than the quota the informal structure wants to achieve. An employee cannot be loyal to both.

He finds himself in a goal conflict, because the subordinate has to play two different roles: the formal role and the informal role. If he or she only plays the formal role, he or she will have problems with the informal structures who are surrounding him or her, and vice versa.

The next disadvantage can be seen as part of the goal conflict the problem of conformity: Group norms and sanctions are used in persuading members to accept informal goals. Sometimes, these norms and sanctions are so strong that individuals feel compelled to go along with the group despite their own inclinations“

(Hegar2011, p. 94) Even if the members don't want to conform to the informal rules, these norms can be so strong that the member is unaware that he or she is controlled by them. As last disadvantage,

Hegar discovers rumors as most undesirable feature (Hegar, 2011, p. 194) of informal structures. The biggest problem is that many members of the organization believe that rumors are true. But in demarcation to the grapevine, rumors can be completely baseless and false, and therefore can cause a lot of trouble in the organization providing the members with wrong information's. Selective filtering and elaboration are the maintained of rumors, and the member who is spreading the rumor adds details and rearrange the content according to his own point of view. As shown in the last two chapters, the informal organization can be a worthwhile to an organization, but on the other hand it can be a detriment for the managers. (ibid)

2.12.2. The relationship of management to informal organization

The main goal of the management should be to unify the formal and informal organizational goals. Therefore it has to accept that both structures can coexist within the organization. Harris and Hartman describe five conditions, under which the two systems can be pulled together more favorably. First the management must ensure that the employees can trust them, and that it considers their needs and desires before decisions are made. To build up such an atmosphere of trust, the manager must be discerned to be fair considerate, and favorably orientated toward the worker (Harris, 2001, p. 111). As second condition, the formal objectives must be known and accepted by the subordinates. The management must communicate the formal organizational goals in an understandable way and with simplified terminology. If the goals are consistent with the values of the informal organization, the employees will support it. Otherwise the management must implement the acceptance of reasonable goals into the informal structure. Third, the management has to ensure participation in the determination of formal objectives, goals, and policies. It must allow some kind of representation, so the workers will accept the management's decisions and execute them because of increasing confidence and support. Also it can be worthwhile to identify

and utilize the informal leaders, and maintain good rapport with them. This informal leader usual feel a great amount of responsibility for the well-being of their peers and perform conscientiously for them“ (Harris, 2001, p. 112). This can be beneficial both for the managers as well for the group. Fourth, the workers must be informed regularly with facts and policies which could concerning for them. It is very important to maintain these information’s thought official channels so rumors and the grapevine are kept low and become unnecessary. Last, the management must try to listen to the feelings and sentiments of the subordinates.

It can be a good source of information and can help the management to integrate the informal structures to the formal organization, and it can better figure out the reasons for the formation of informal structures and try to solve them(Hegar, 2011).

2.12.3. Factors that influence organizationalbehaviour

According to Mullin (2010), the main factors that influence the way individuals and groups in organizations behave can be listed as follows: Individual differences,Organizational culture, Information technology, Organizational structure, Organizational mission statement, Learning.

2.12.3.1. Individual Differences

According to Griffin (1999), as a starting point of understanding human behaviour in organizations, it is important to consider the basic nature of the relationship between individuals and organizations. This is essential in gaining the appreciation of the nature of individual differences which significantly influence organizational behaviour. This is emphasized by Mullins (2010) who advanced that the individual is a central feature of organizationalbehaviour whether they act in isolation or as part of a group.

Griffin (1999) further identified personality, attitudes, perception, diversity, multiculturalism and stress as the fundamental elements of individual behaviors in organizations. Where the needs of the individual and the organizational demands are incompatible, it can result in frustration and conflicts. It is therefore the task of management to integrate the individual and the organizations needs to provide a working environment that promotes the satisfaction of individual needs as well as the attainment of organizational goals (Mullins 2010).

2.12.3.2. Organizational Culture

Organizational culture plays a major role in shaping the behaviors in an organization. It is a system of shared meaning within the internal environment of a business atmosphere. Griffin (1999) defined organizational culture as the set of values, beliefs, behaviors, customs, and attitudes that help members of organization to understand what it stands for, how it does things, and what it considers important. Furthermore Griffin also noted that organizational culture determines the feel of the organization. It is a powerful force that shapes the overall effectiveness and long-term success of the organization (Popper and Lipshitz, 1998). It can also impact unfavorably on organizational behaviour creating barriers to change, diversity, mergers and acquisitions.

2.12.3.3. Information Technology

Information technology affects the behaviors of people in organizations. This impact can be positive or negative. According to Laudon and Laudon (2006), information technology improves individual efficiency and organizational excellence as a whole. However on the negative side, Griffin (1999) argued that information technology can lead to isolation as people do their job without physically interacting with others; and redundancy as a number of people's work are taken over by computers.

Thus information systems change the organizational balance of rights, privileges, obligations, responsibilities and feelings that have been established over a long period of time.

2.12.3.4. Organizational Structure

The structure and design of organizations have implications for individual and group behaviors. As it has been rightly stated by (Mullins, 2010), behaviour is affected by patterns of organizational structure through which organizational processes are planned, directed and controlled. This means how job tasks are divided, grouped, and coordinated in an organization can shape the behaviors and therefore very important cause of individual and group behaviors (Popper and Lipshitz, 1998). Hence, the decisions about structure are key to implementing strategy and may affect individual and group motivation and commitment in organizations.

2.12.3.5. Organizational Mission Statement

This refers to the core purpose of the organization. According to Reeves (2006), the mission of the organization can influence individual and group behaviors; performance; and self-initiative. The clarity and sincerity of this statement does not only motivate staff but also sets the service expectations for the customer (Perrin and Tavakoli, 1997). The culture created by the mission plays a key role in the effectiveness of employees and therefore, management must strive to embrace the core values of the statement so that others will inherently exhibit these values (Griffin, 1999).

2.12.3.6. Learning

Learning frequently occurs when an individual has to deal with a new situation. It is about developing new skills, competencies and attitude to meet new situations. It is a change in behaviour that occurs as a result of one's interaction with the environment. (Torrington, et al., 2005) defined learning as the

changed or new behaviour resulting from new or reinterpreted knowledge that has been derived from an external or internal experience. Learning is a powerful incentive for many employees to stick to certain organizations and has significant impact on individual behaviour as it influences abilities, role perceptions and motivation. Organizations can therefore influence these factors in their bid to promote and encourage learning initiatives.

2.13. Informal structures

Within the formal structure of the organization there will always be an informal structure (Mullins, 1999: 459). Schermerhorn (1996: 231), state that behind every formal structure typically lies an informal structure which is a set of unofficial working relationships among organizational members. Whereas the formal structure officially designates who report to whom, the informal structure is based upon who actually talks to whom and interacts regularly.

Informal groups are based more on personal relationships and agreement of group members than on defined role relationships. They serve to satisfy psychological and social needs not related necessarily to the tasks to be undertaken (Mullins, 1999: 459). Informal groups emerge naturally as a result of common interest as people interact, they are based on interpersonal relationships in the organization, but not based on defined role relationship (Mullins, *ibid*).

Unlike formal groups, informal groups are not deliberately or officially formed by the organization, they have implied or implicit goals which are frequently interpersonal in nature. They are basically interest or friendship groups. They provide the need for association where members can easily and confidently express their social satisfaction and status. Informal groups can be effectively used but they can also be damaging to the organization (Donnelly et al., 1998: 346) defined the evolution of informal groups, defined them as evolving from sentiments, interactions and activities of formal

groups. Their existence is to be a forum for propagating and gaining support for certain views (Principles of Management Course Objectives \MGMT 2017).

According to Laurie (1999: 459), informal groups' membership can cut across the formal structure. They may comprise of individuals from different parts or levels of the organization. An informal group could also be the same as the formal group, or it might comprise a part of the formal group. On the negative side, the unofficial and informal structures may work against the best interests of an organization as a whole. They can be susceptible to rumor, breed resistance to change and even divert effort from important objectives. People left out of informal groupings, that is, the outsiders, may feel less a part of the daily activities and become dissatisfied with their work. In most cases they have a powerful influence on the organization's operations, both for the good of the organization or to its detriment. Informal groups, for example, can set standards high or low that govern the amount of work its members will accomplish, despite formal policies and standards set by management (Bowditch and Buono, 2001: 221).

2.13.1. Hidden agendas

Informal structures, particularly groups are characterized by hidden agendas and people can be reserved from openly expressing their thoughts and feelings. Schultz et al, (2003: 244) state that hidden agendas include rivalries, distrust, ambitions and critical attitudes, the author argues that progressive members of the organization require a set of attitudes and behaviours that include a willingness to conform to all decisions made by the team, to co-operate with other organizational members without unnecessary conflict, to contribute their talents without holding back for selfish reasons and to collaborate with others in the team. Where informal groups exist there is potential for inter-group conflict because of hidden agendas, Bowditch and Buono (2001: 157) state that

intergroup conflict refers to the disagreement or differences between the members or representative of two or more groups over authority, goals, territory, resources, or values. They further argue that conflict can occur for a variety of reasons such as dispute over roles, scarcity of resources, structures, diversity and interpersonal relationship, power and positions. Managers and leaders should be very sensitive to groups once formed and harness their goodwill and cooperation and make use of their leadership to achieve the formal organization aims (www. teambuilding - informal group dynamics.htm: 15/01/18).

2.13.2. People join informal groups

People join informal groups for a number of reasons, including attraction to group's goals, because they are attracted by similarity in attitudes, beliefs and opinions, like extremist, rightwing, leftist, self-enrichment, status and power. Usually they join to satisfy the need to be affirmed, to belong, and be seen to agree with certain individuals (Bowditch and Buono, 2001: 158). In many instances group activities may be rewarding, the group may be aiming high; the goal may be attractive, for example, securing business, political position, promotion, self-enrichment, protection of members' positions, power, access to opportunities and status (www.Principles of management Group processes. Htm: 9/01/18).

2.13.3. Power and politics

Power, politics and conflict in organizations can increase productivity and efficiency, or reduce it substantially. Political processes can even determine the existence and strategic direction of the entire organization. Restructuring for example is often stimulated by an internal power struggle (Wagner and Hollenbeck, 2005: 344). Power and politics are powerful forces that informal structures usually use as tools to achieve their objectives. The presence of organizational politics in any institution leads

to the play of power and influence in an organization. Politics has a tendency to arise most often when people in the organization compete for scarce resources or when important decisions are about to be made that affect the work, status, power and positions of individuals or groups (Schermerhorn, 1996: 268). Although political behaviour can be disruptive, it is not necessarily bad because it keeps the organization on alert and enhances communication. But because politics has a negative connotation, political behaviour is seldom discussed openly in organizations. Wagner and Hollenbeck (ibid) argue that managers and organizational members or employees may even deny that politics influence organizational activities.

2.14. Development and nature of Informal groups

2.14.1. Informal social relations

According to Mullins (2010, pp. 309) stated the group developed its own pattern of informal social relations and codes and practices ('norms') of what constituted proper group behaviour. Not to be a 'rate buster' – not to produce at too high a rate of output compared with other members or to exceed the production restriction of the group.

Not to be a 'chiseller' – not to shirk production or to produce at too low a rate of output compared with other members of the group.

Not to be a 'squealer' – not to say anything to the supervisor or management this might be harmful to other members of the group.

Not to be 'officious' – people with authority over members of the group, for example inspectors, should not take advantage of their seniority or maintain a social distance from the group.

The group had their own system of sanctions including sarcasm, damaging completed work, hiding tools, playing tricks on the inspectors and ostracizing those members who did not conform with the group norms. Threats of physical violence were also made and the group developed a system of punishing offenders by 'binging' that involved striking someone a fairly hard blow on the upper part of the arm. This process of binging also became a recognized method of controlling conflict within the group (Mullins, 2010).

Helliegel and Slocam (2007), an informal group is a type of social network that emerges without any guidance from the organization and develops out of their daily activities, interactions and sentiments that the workers have for each other.

According to Jonhson and Scholes, (2004), informal groups consist of employees from different departments, irrespective of their positions with common interest. Lewin (1997) articulates that most informal groups are controlled through a leader and these groups have the capability of either supporting or opposing organizational objectives. Greenberg and Baron, (2007) argue that informal groups cannot be established nor be destroyed by the organization but have a strong influence on the organization. Organizations have considerable influence on the development of informal groups through organizational atmospherics the leadership practices and technology used.

2.15. Major functions of informal groups

Lysons suggests four main reasons for informal groups are the perpetuation of the informal group 'culture'. Culture in this context means a set of values, norms and beliefs which form a guide to group acceptance and group behaviour. Unless you broadly subscribe to the group culture, you will not belong and will be an 'outsider' or 'isolate', the maintenance of a communication system. Groups want all the information that affects their welfare, either negatively or positively. If groups are not

apprised of policies and motives behind actions, they will seek to tap into formal communication channels and spread information among group members, the implementation of social control. Conformity to group culture is enforced by such techniques as ridicule, ostracism and violence and the provision of interest and fun in work life. Many jobs are monotonous and fail to hold workers' attention. Work may also offer few prospects. Workers may try to compensate by interpersonal relations provided by the group and in such activities as time wasting by talking, gambling, practical joking and drinking.

2.16. Reason for formation of groups or team

Laurie J. Mullins, (2010 pp. 314) Individuals will form into groups or teams, both formal and informal, for a number of reasons; certain tasks can be performed only through the combined efforts of a number of individuals working together. The variety of experience and expertise among members provides a synergetic effect that can be applied to the increasingly complex problems of modern organizations, Collusion between members in order to modify formal working arrangements more to their liking, for example, by sharing or rotating unpopular tasks. Membership therefore provides the individual with opportunities for initiative and creativity, Companionship and a source of mutual understanding and support from colleagues. This can help in solving work problems and also to militate against stressful or demanding working conditions, Membership provides the individual with a sense of belonging. It provides a feeling of identity and the chance to acquire role recognition and status within the group or team, Guidelines on generally acceptable behaviour. It helps to clarify ambiguous situations such as the extent to which official rules and regulations are expected to be adhered to in practice, the rules of the game and what is seen as the correct actual behaviour. The informal organization may put pressure on members to resist demands from management on such matters as higher output or changes in working methods. Allegiance to the

group or team can serve as a means of control over individual behaviour and individuals who contravene the norms are disciplined and Protection for its membership. Group or team members collaborate to protect their interests from outside pressures or threats.

Individuals have varying expectations of the benefits from group membership, relating to both work performance and social processes. However, working in groups may mean that members spend too much time talking among themselves rather than doing. Groups may also compete against each other in a non-productive manner. It is a question of balance. It is important, therefore, that the manager understands the reasons for the formation of groups and is able to recognize likely advantageous or adverse consequences for the organization(Mullins, 2010).

One of the major factors that determines the formation of the groups is the sense of belonging it is important to note the fact there are several kinds of functions that are performed by the informal groups and it is important to note that the group should be in a position so as to satisfy the affiliation needs of its group members like the friendship and a backup support. It is important to note the fact that the members of the group need to belong to it, they also need to be liked by it and even like it, they need to feel a part of it and they also need to rely on the fact that they are affected by its functioning and their work also effects the group as such.

The next factor that determines the effective functioning of the team or the development of an informal group is the identity and self-esteem. It is a common scenario which prevails in the organization that the groups act as a means of developing, enhancing and even confirming a person's sense of identity and self-esteem. Although there are many organizations that take the initiative to have a catch of these higher needs of their employees but the nature of some of the jobs- their

technology and the prevailing environment restricts this from happening. The long communication channel further adds to a greater sense of depersonalization.

Another important factor that adds to the development of the informal groups is the impact of stress. For example one of the functions of the groups is to serve as an agent for the testing of the social relations, for instance all the group members will share the feeling that the supervisor is a slave driver and with the development of the consensus of this feeling, the informal group members are in a position to develop a unity on this feeling and reduce their anxiety associated with the job.

(<http://www.streetdirectory.com/etoday/factors-determining-the-formation-of-informal-groups-ujujlw.html>)

Chapter Three

Research Design and Methodology

3. Research Approach

Research approach is to be selected based on the research purpose, the nature of the research, the problem area, and research questions (Alhamadni et al. 2006). According to Creswell (2003), there are three basic types of research approaches including quantitative, qualitative, and mixed approach.

Qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem. The process of research involves emerging questions and procedures, data typically collected in the participant's setting, data analysis inductively building from particulars to general themes, and the researcher making interpretations of the meaning of the data. The final written report has a flexible structure (Creswell, 2003).

Quantitative research is an approach for testing objective theories by examining the relationship among variables. These variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures (ibid).

Mixed methods research is an approach to inquiry involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks. The core assumption of this form of inquiry is that the combination of qualitative and quantitative approaches provides a more complete understanding of a research problem than either approach alone (ibid).

A mixed approach is useful to capture the best of both quantitative and qualitative approaches. Thus, in order to achieve the objective of this study and answer the research questions mixed research approach was used.

3.1. Research Design

A research design is a set of advance decisions that makes up the master plan specifying the methods and procedures for collecting and analyzing the needed information (Burns & Bush, 2003). Saunders, Lewis and Thornhill (2007) indicate that research design is the general planning about how the researcher will go about answering his or her research questions.

This study was carry out based on a mixed method design. A mixed methods research design is a procedure for collecting, analyzing, and mixing both quantitative and qualitative methods in a single study or a series of studies to understand a research problem (Creswell & Plano Clark, 2001).

In addition, mixed methods research is a good design to use if we seek to build on the strengths of both quantitative and qualitative data. Quantitative data, such as scores on instruments, yield specific numbers that can be statistically analyze, can be produce results to assess the frequency and magnitude of trends, and can provide useful information to describe trends about a large number of people.

Therefore, the researcher was used embedded design for the study. Because the purpose of embed design is to collect quantitative and qualitative data simultaneously or sequentially, but to have one form of data play a supportive role to the other form of data (Creswell, 2012:534).

The supportive data for this study used qualitative data. The strength of this design is that it combines the advantage of both quantitative and qualitative data. Quantitative data are more effective at

recording outcomes of the experiment than identifying through qualitative data how individuals are experiencing the process (ibid).

3.2. Participants

The sample size was determined from total population. The total population of employees currently working at Amref Health Africa Office in Ethiopia in nine region (Addis Ababa, Afar, SNNPR, Amhara, Gambella, BeneshanguleGumuze, Somali, and Oromia) are 165 (Annual report of human resource, December, 2017).

3.3. Sample and Sampling technique

3.3.1. Sampling

As per the HR 2017 record data the organization has 165 employee works throughout in the country. To determine the sample size the researcher will use the formula derived by Kothari (2004).

For N is Finite Population then,
$$Z^2 \cdot p \cdot q \cdot N / e^2 (N-1) + z^2 \cdot p \cdot q$$

Where:

N= Population size = 165

n= Sample size

Z = Standard normal variable (at 95 percent confidence level, which is 1.96)

p = Estimated characteristics of the target population

q= 1- p

e= Level of statistical significance set (5% margin of errors)

The researcher considers 95% which is representative and manageable with the given time and budget. Therefore, assuming that the proportion of the sample population is 0.5, the Z – statistics as 1.96 and the desired accuracy at 0.05 levels, then the sample size of the population will be:

$$n = \frac{Z^2 \cdot p \cdot q \cdot N}{e^2 (N-1) + Z^2 \cdot p \cdot q} = \frac{1.96^2 \cdot 0.5 \cdot 0.5 \cdot 165}{0.05^2 (165-1) + 1.96^2 \cdot 0.5 \cdot 0.5} = 158.466$$

$$e^2 (N-1) + Z^2 pq = 0.05^2 (165-1) + 1.96^2 \cdot 0.5 \cdot 0.5 = 1.3704$$

$$n = 158.466 / 1.3704 = \mathbf{115.63}$$

Accordingly, a sample size of is 116. Therefore, the questionnaire will be distributed to all operation and Program staffs.

No	Proportion Selected employees	No of employees	Sample taken
1	Operation staffs	48	43
2	Program staffs	117	73
	Total	165	116

3.3.2. Sampling Techniques

Sampling techniques can be divided into two types, probability or representative sampling and non-probability or judgmental sampling (Saunders, Lewis and Thornhill, 2007). Probability Sampling is a selection of sampling techniques in which the chance or probability of each case being selected from the population is known. While, non-probability sampling is a selection of sampling techniques in which the chance or probability of each case being selected is not known.

In this study Random sampling method was used, because the method gives equal chance to the organization and the participants. The other reason for using this method is that, it enables the researcher to include the organization field office and country office which is convenient to access.

3.4. Data Collection Methods and Instruments

Data collection plays an important role in research as it is the most essential information for a study. Besides, the accuracy of a result is based on the precision of the data and this study used the data collected for analyzing purpose. In order to collect data from the primary sources, this research was used questionnaire and interview, which help the researcher to draw the appropriate information.

Questionnaires are a particularly suitable tool for gaining quantitative data but can also be used for qualitative data (Walliman, 2011). In order to generate both qualitative and quantitative data that provides comparable results and obtain in-depth information, open/close ended questionnaires for a sample of 116 employees of Amref Health Africa of nine offices in Ethiopia will distribute and analyze.

The questionnaire was distributed to the respondents in the target area (nine regional offices). The questions were designed to facilitate the respondents to identify the various variables contributing towards influence of informal groups in the organization. The respondents was requested express their opinion and views freely. Both closed ended/Likert type /and open ended type questionnaire will prepare. The five point Likert scale response in the questionnaire are: 1 = strongly disagree, 2= disagree, 3= undecided, 4= agree, 5= strongly agree.

3.4.1. Instruments of Data Collection

To collect data questionnaire and interview was employed in the study.

3.4.1.1. Questionnaire

Questionnaire was help to get pertinent and first-hand information about the issue of the study, and it will be employed for collecting data from large number of respondents at a time and for its convenience in processing the data. Besides, it will allow respondents to express their opinion and views freely. Both closed ended/ likert type/ and open ended type questionnaire will be prepare. Five point likert scale responses ranging from 1= strongly disagree to 5= strongly agree (1 = strongly disagree, 2= disagree, 3= neutral, 4= agree, 5= strongly agree).

Therefore, the researcher was able to draw the factual, opinion and views of the respondents. The questionnaire was arranged according to the four (4) basic questions of the study. The questionnaire had four parts. The background section focuses on demographic information about respondents including their gender, age, educational level. The general information section was asked information related to respondents year of service. Moreover, there was another section that focuses the influence of informal groups on employee`s and organizations` performance in Amref Health Africa in Ethiopia, in this section 29 closed and open ended question that are relate to interest, friendship and reference groups. The questionnaire was distributed to 116 staff of the nine regional offices of the organization.

3.4.1.2. Interview

Interview is an adaptable way of finding things out. The human language is very useful in opening of what lies behind people`s action (Zikgmund, 1994). Interview allows person-to-person discussion that can lead to increase insights in to respondents` thoughts, feelings and behavior on important issues of informal groups influence employee`s and organizations` performance. Another advantage that can be derived from the interview is its flexibility in expressing different viewpoints on the subject under

study. Its purpose is to cross check responses gathered from participants through the questionnaire and it will help to get more supplementary information about the data that will be collected by the questionnaire. The interview was conducted with 9 project managers (who lead the nine projects), 1 finance manager and 1 human resource and administration manager who have deeper knowledge and experience about informal group's influence on their employees. The interview was semi-structured because it allows more flexibility and will give a chance to forward new questions based on the response of the interviewee.

3.5. Data Collection Procedure

In the study organization, all employees of the organization should have information access and to do the organization duties should create outlook account through IT unit before on track the assigned job. So that, more than 95% of employees use intranet (outlook service) daily to communicate within the organization. Email communication is also the most used and preferable communication channel. Therefore, in the data collection procedure, intranet (outlook service) and hard copy were used to contact respondents and gather information.

To determine the validity of the instruments, a pilot study was conducted. If there were any issues that may be a concern for the validity of the instruments, the study was reformatted to correct these issues. The researcher sent the questionnaire to every respondent through outlook service. However, those few participants who didn't have access to intranet were given the hard copy questionnaire.

Therefore, the data gathering tools were tested for their validity and understandability to respondents. The questionnaire was distributed to ten employees and one project manager of Amref Health Africa in Ethiopia in Addis Ababa country office. The reliability of the questionnaire was calculated by using Statistical Package for Social Sciences (SPSS) version 22.

After amendment on the data gathering tool the researcher will ask permission from Amref regional offices and distributing the questionnaire to the sample respondents to fill and will proceed the project manager for the interview. Both the quantitative and qualitative data will collect at the same time.

3.6. Mode of Data Analysis

The raw data was collected from different sources through both close-ended and open ended question was carefully tally, tabulate and organize depending on the question and the nature of the data. Thus, the analysis of the study was consistent with the objective of the research. The data gathering through questionnaire was analyzed using Statistical Package for Social Sciences (SPSS) version 22 software. Accordingly, descriptive (Frequency, Percentage and Mean) analysis was use to analyze the quantitative data that collects from the questionnaire. The researcher used weighted mean approach, because it helps to weight the cell means equally, regardless of the number of observations in those cells (Howell, 2008; p 444). The analysis of the qualitative data (words, text or behaviors) typically follows the path of aggregating it into categories of information and presents the diversity of ideas gathering during data collection.

3.7. Ethical Considerations

The subjects in this study the participants were first communicated as to the purpose and significance of the study and that their responses were used only for academic purpose and keep confidential. They were also assured that their name and their organization identity were remaining anonymous. They have taken this for guarantee and take part in the study voluntarily.

CHAPTER FOUR

RESULTS AND DISCUSSION

4. Introduction

This chapter deals with presentation and analysis of the data gathered from the sampled respondents. The main objective of this part is to seek appropriate responses for the basic questions raised at the beginning of this research. One of the tools used to collect data was questionnaires that were distributed to employees of Amref Health Africa in Ethiopia and interview has also been conducted with program managers/department heads of the organization. Therefore, the analysis and interpretation of the data are presented based on the responses obtained from the questionnaire, the interview and the document analysis.

Furthermore, the chapter consists of two major parts, the first section deals with the characteristics of the respondents; the second section presents the results and discussion of data gathered through questionnaire and the analysis and interpretation of interview responses.

A total of 116 copies of questionnaire were distributed to the employees, 97 were filled and returned, of which 19 (16.38%) were not returned.

The return rates of the questionnaire were 97 (83.62%), which is reasonable amount in case of survey study to conduct the analysis. Consequently, based on the responses obtained from the selected sample employees as well as program managers/department heads of Amref Health Africa in Ethiopia were interviewed; the results and discussion of the data are presented.

In analyzing the findings of the study, the following techniques, statistical methods procedure were applied. Collected data were organized and compared based on percentages of five likert scale points Where 1 = strongly disagree 2= Disagree, 3 = Undecided, 4= agree, 5 = strongly agree. In order to make the

data analysis simple, convenient and manageable, interpretation were made based on the percentage and mean (weighted mean).

Characteristics of Respondents

The selected sample employees were asked to indicate their background information. The details of the characteristics of the respondents are given in Table 1 below.

Table -1 Characteristics of the Respondents

No	Items		TOTAL RESPONDENTS`	
			# 97	
			No of Respondents	(%)
1	Gender	Male	69	71.1
		Female	28	28.9
2	Educ. background	12 complete/10+3	13	13.4
		Diploma	10	10.3
		BA/BSc degree	37	38.1
		MA/MSc degree	37	38.1
3	Work experience	Less than 3 years	33	34.0
		3-5 years	28	28.9
		6-10 years	25	25.8
		11-15 years	11	11.3

Source: *computed from questionnaires, April, 2018*

As shown under item 1 of Table -1 above, the majority of employees representative are males that is, 69 (71.1%). On the other hand 28 (28.9%) are female.

Item 2 of Table-1 shows the level of educational background of the employees, 13(13.4%) of the respondents were 12 complete/10+3, 10 (10.3%) diploma holders, 37 (38.1%) had first degree, and (38.1%) holds masters` degree.

Regarding work experience of the employees, 33 (34%) served less than three (3) years, 28 (28.9%) served from 6-10 years and 11 (11.3%) served 11-15.

This indicates that there is no big significant association demographic factor on variables Gender and educational background. However, when examining in connection to lengths of stay, 62.9% of employees are less than 5 years` experience. This therefore means that employees in the organization not served long years. We can conclude that this situation is true reflection of high employee`s turnover rate in the organization and difficult to retain employees.

4.2. Data presentation and analysis

4.2.1 The Status of Informal Groups

One of the methods to assess the status of informal groups in Amref Health Africa in Ethiopia is using in accordance with a five-point Likert scale ranging from strongly disagree (1), disagree (2), undecided (3), agree (4), strongly agree (5) by employees of the organization based on the following question.

Table-2 Employees response on the status of informal groups

No	Items	N=97										M
		SA		A		UD		DA		SD		
		F	%	F	%	F	%	F	%	F	%	
1	informal groups existences noticed	6	6.2	65	67.0	4	4.1	19	19.6	3	3.1	3.54
2	decision making power to create organizational change	4	4.1	59	60.8	6	6.2	25	25.8	3	3.1	3.37
3	The existence is create less motivation of employees working condition	3	3.1	63	64.9	5	5.2	23	23.7	3	3.1	3.41
4	Influence power are presented to others employee's			68	70.1	9	9.3	16	16.5	4	4.1	3.45
5	have a decision making power on employees than supervisory	3	3.1	56	57.7	4	4.1	29	29.9	5	5.2	3.24
6	created a risk in the organization	2	2.1	61	62.9	10	10.3	20	20.6	4	4.1	3.38
7	have favors/ facilitate the group members to have better job opportunity	3	3.1	63	64.9	6	6.2	22	22.7	3	3.1	3.42

Source: computed from questionnaires, April, 2018.

As shown in item 1 of table 2, the respondents indicated that whether the informal group's existence noticed in the organization, about 6 (6.2%) strongly agree, 65(67%) agree, 4(4.1%) undecided, 19(19.6%) disagree and the rest 3(3.1%) strongly disagree. Thus, the existence of informal groups in

the organization is with high mean value 3.54. From this analysis it implies that more than 71 (73.2%) of employees noticed the existence of informal groups.

Regarding informal groups power to create organizational change in Table 2 item 2, 4(4.1%) strongly agree, 59(60.8%) agree, 6(6.2%) undecided, 25(25.8%) disagree and 3(3.1) strongly disagree. Concerning the power of informal groups to create organizational change about 63(64.9%) of the respondents were agreed. As the data indicates the informal groups has a decision making power for organizational change with the high mean value of 3.37.

Item 3 of Table 2 shows, 3(3.1%) strongly agree, 63(64.9%) agree, 5(5.2%) undecided, 23(2.7%) disagree and 3(3.1%) of the respondents strongly disagree with the issue of existence of informal groups create less motivation of employee working conditions. As data indicated 66(68 %) of the respondents have agreed with the high mean value of 3.45. It is to mean that the existence of informal groups creates less motivation of working condition on the employees in the organization.

As shown item 4 of Table 2, 68(70.1%) of respondents agreed for the question that the informal group's power displayed on others employees but 20(20.6%) disagreed and the remaining 9(9.3%) are undecided. Hence, the majority of respondents agreed on influence of informal group's power displayed over the employees in the organization. This implies that the influence of informal groups seems to affect the performance of the organization.

In table 2 item 5 revealed 3(3.1%) of the respondent strongly agree, 56(57.7%) are agree with the idea of informal groups decision making power in the organization. In contrast, 29(29.9%) of the respondents were disagreed and 4(4.1%) of the respondents were undecided. So that, 59(60.8%) of the respondents have agreed that the power of informal groups decision making in the organization influence than supervisor with the mean value of 3.24.

As shown item 6 in Table 2, 2(2.1%) of the respondent strongly agree, 61(62.9%) are agree where informal groups create risk in the organization, differently 20(20.6%) that are disagree and 4(4.1%) that are undecided. As data shows that, 63(64%) of the respondents have agreed with the statement informal groups creates risk in the organization with the high mean value of 3.38. This implies that the informal groups may influence on employees and organizational performance.

Concerning the group's members favors/facilitate to have better job opportunities, the respondents indicated in Table 2, item 7, 3(3.1%) strongly agree, 63(64.9%) agree, 6(6.2%) undecided, 22(22.7%) disagree and 3(3.1%) of the respondents strongly disagree. The existing status of informal groups are favors member job opportunity with mean value of 3.42.

In general, the assessment on the status of informal groups investigates whether informal groups exists in Amref Health Africa in Ethiopia. Based on the given items and from the responses of the employees, we can see that the highest mean value was 3.54 for the question informal groups existences noticed in the organization. This indicates that, the respondents highly agreed on the existence of informal groups within the organization. Furthermore, 3.45 higher mean values were obtained for the question informal groups power displayed and influence on other employees. Moreover, high mean value of 3.41 for the question the existence of informal groups is create less motivation of employees working condition. In addition, respondents expressed in the open-ended questions, there seems the existence and decision power of informal groups influence to create less motivation of employees working condition. The above fact was also very well confirmed by department heads of the organization interview, they explained that, there is informal groups influence within the organization. As a result, it can be concluded that, the existence and decision power of informal groups influence employees and organization work condition in different sections.

This signifies that, the organization did not give much attention for informal groups influence or less attention for the employees as well as the working condition of the organization.

4.2.2 The effect of Informal groups on employee's performance

This part explains that, the descriptive statistics calculated to examine the effect of Informal groups on employee's performance in Amref Health Africa in Ethiopia. There were five items presented to investigate the informal groups influence on employee's performance.

Table-3 Employees responses on the effect of Informal groups on employee's performance

No	Items	N=97										M
		SA		A		UD		DA		SD		
		F	%	F	%	F	%	F	%	F	%	
8	The existence of informal groups influence in the employee's and organizations' performance	4	4.1	67	69.1	4	4.1	19	19.6	3	3.1	3.52
9	I do only the job minimum performance required	1	1.0	36	37.1	8	8.2	34	35.1	18	18.6	2.7
10	My job performance under the influence of informal groups	1	1.0	35	36.1	4	4.1	38	39.2	19	19.6	2.6
11	Regarding job performance my supervisor is fair to me rather than the informal groups	2	2.1	53	54.6	5	5.2	33	34.0	4	4.1	3.16
12	My supervisor is become biased on performance rating	1	1.0	35	36.1	9	9.3	38	39.2	14	14.4	2.7

Source: computed from questionnaires, April, 2018.

As shown in Table-3, item 8, 4(4.1%) of the respondent strongly agree, the majority of respondents 67 (69.1%) of respondent are agree, 4(4.15) undecided, 19(19.6%) disagree and 3(3.1%) of the

respondents strongly disagree. As the data indicates 71(73.2%) were agreed on the existence of informal groups influence on employee's and organizations' performance with the high mean value of 3.52. Therefore, based on the data obtained one can conclude that, there were informal groups are influential within the organization.

Concerning the job required performance the respondents, as shown in Table 3 item 9, 1(1%) of the respondent strongly agree, 36 (37.1%) of respondent are agree, 8(8.2) undecided, 34(35.1%) disagree and 18(18.6%) of the respondents strongly disagree with the mean value of 2.7. As data shows that, employees which are interrelate their job performance doesn't influenced by informal groups.

Table 3 item 10 shows on the question my job performance are under the influence of informal groups, 1(1%) of the respondent strongly agree, 35(36.1%) of respondent are agree, 4(4.1%) undecided, 38(39.2%) disagree and 19(19.6%) of the respondents strongly disagree with the mean value of 2.6, and from this we can understand that employees who interacted under informal groups are more affect than others staff of the organization.

As shown in Table-3 item 11 the respondents, 2(2.1%) of the respondent strongly agree, 53(54.6%) of respondent are agree, 5(5.2%) undecided, 33(34%) disagree and 4(4.1%) of the respondents strongly disagree. As data indicated that, 55(56.7%) of the respondents have agreed on the issue that employees fairly treated by supervisors with the mean value of 3.16. Therefore, the data shows, supervisory activity were fair in the organization, but 38.1% of the employees seem to be treated unfairly.

Regarding performance rating by the supervisor, the respondents responds for item 12 in Table 3, 1(1%) strongly agree, 35(36.1%) agree, 9(9.3%) undecided, 38(39.2%) disagree and 14(14.4%) of the

respondents strongly disagree. The meaning that almost close to 36(37.1%) of the respondents supervisors are biased by informal groups on performance rating with mean value of 2.7.

According to the frequency distribution analysis was made for the selected questions (Table-3) of influence of informal groups that is, influence on employees and organizational performance, fairness or biasness of supervisory activities. As can see that, employees agreed on two items, the existence of informal groups influence on employee's and organizations' performance and supervisor is fair rather than the informal groups with the highest mean value 3.52 and 3.16 respectively. However, employees were disagreed on three items, employees do only the job minimum performance required, job performance is under the influence of informal groups and supervisor is become biased on performance rating with the low mean value 2.7, 2.6 and 2.7 respectively.

This implies that, employees minimum job performance, biasness of supervisor and performance rating were under the influence of informal groups. In addition, the respondents mentioned in the open ended question, there were informal groups' influences in day to day activity of employee's and organizations' job performance. Therefore, based on the findings, we can conclude that, minimum performance and unfair performance rating may indeed affect the job performance of the employees as well as the organization.

4.2.3 Informal Groups' Contribution to Organizational Task Achievement

The other mechanism to assess informal groups' contribution to organizational task achievement, the employees was asked regarding what informal groups crates for better task achievement, benefits, creativity and their contribution in the organization. Four items were presented to investigate the contribution of informal groups.

Table-4 Respondents response on informal groups' contribution to organizational task achievement

No	Items	N=97										M
		SA		A		UD		DA		SD		
		F	%	F	%	F	%	F	%	F	%	
13	create better organizational task achievement			8	8.2	11	11.3	66	68.0	12	12.4	2.15
14	Structure are created for the benefit of management or the groups			19	19.6	8	8.2	62	63.9	8	8.2	2.39
15	Positive opportunities for individuals creativity to achieve more tasks			9	9.3	11	11.3	70	72.2	7	7.2	2.23
16	Big contributions to improver for organizational behaviors			20	20.6	9	9.3	58	59.8	10	10.3	2.4

Source: computed from questionnaires, April, 2018.

In terms of informal groups create better organizational task achievement, the respondents responds for item 13 in Table-4, 12 (12.4%) strongly disagree and 66 (68%) disagree, while, 8 (8.2%) agree and the rest 11 (11.3%) of the respondents were undecided with the statement. From this we can understand that informal groups not create better organizational task achievement for employees of Amref with the mean value of 2.15.

As shown in item 14 of Table4, the response indicated that on the above question" informal group structure are created for the benefit of management or the groups", 8(8.2%) strongly disagree, 62 (63.9%) disagree, 8 (8.2%) undecided, 19(19.6%) agree. This indicated that the majority more than,

72.1% of Amref employees respondents assumed that the structure not create for the benefit of the management or groups with average mean value 2.39.

Relating to existence of this groups have positive opportunities for individual creativity to achieve more task the respondents indicated in Table-4, item 15, the majority 77 (79.4%) of the respondents were strongly disagreed and disagreed, while 9(9.3%) disagree and the remaining 11 (11.3%) was undecided. Positive opportunities for individual task achievement are with low mean value 2.23, which mean there are low informal groups' existence has positive opportunity to individual creativity for more task achievement.

In the same Table-4, item 16, when respondents were asked “informal groups have a big contribution to improve for organizational behaviors “, 20(20.6%) agreed, 9(9.3%) undecided, 58 (59.8%) disagree and 10 (10.3%) strongly disagreed. The majority, 68 (70.1%) of the respondents was disagreed with the statement informal groups have a big contribution to improve for organizational behavior with mean 2.4.

Table - 4 exhibits that, the arithmetic means for what the informal groups crates for better task achievement, benefits of informal groups, their level of creativity to achieve more tasks and their contribution to improve organizational behavior in the organization. As it shown in the analysis, the employee respondents disagreed on four of the questions with low mean value of 2.15, 2.39, 2.23 and 2.4 respectively. In addition, the employee respondents mentioned in the open ended questions, the informal groups did not have special role for the task achievement of the organization, because every duties and tasks has their own performer.

This implies that the informal groups did not play important role and contribution for better task achievement in the organization.

4.2.4 Factors that contribute to the formation of informal groups

In this part there were eight items presented to investigate the reasons offactors that contribute to the formation of informal groups in Amref Ethiopia. The questionnaire have also been designed in Likert-scale ranging from strongly disagree (1), disagree (2), undecided (3), agree (4), strongly agree (5).

Table-5 Factors that contribute to the formation of informal groups

No	Items	N=97										M
		SA		A		UD		DA		SD		
		F	%	F	%	F	%	F	%	F	%	
17	Information gap is a major reason	1	1.0	49	50.5	11	11.3	34	35.1	2	2.1	3.13
18	Different experience and expertise exist it created informal groups			68	70.1	7	7.2	20	20.6	2	2.1	3.45
19	development of informal groups is one-sided leadership practices	1	1.0	64	66.0	15	15.5	16	16.5	1	1.0	3.49
20	organizational structure's contribute for creation of informal groups			48	49.5	7	7.2	41	42.3	1	1.0	3.05
21	the organizational culture and norms are a reason for the creating of informal groups	2	2.1	52	53.6	7	7.2	33	34.0	3	3.1	3.18
22	Unfair leadership power is using can create informal groups	4	4.1	72	74.2	10	10.3	10	10.3	1	1.0	3.70
23	Management and employee's internal conflict create informal groups	5	5.2	71	73.2	11	11.3	10	10.3			3.73
24	promotion is one of the reason to create informal groups	5	5.2	61	62.9	8	8.2	21	21.6	2	2.1	3.47

Source: computed from questionnaires, April, 2018.

As shown in Table-5, item 17, respondents that accounts for 1 (1.0%) of respondent were strongly agree, 49(50.5%) agree, and 11 (11.3%) undecided, 34 (35.1%) of respondent were strongly disagree and 2 (2.1%) disagree on the statement Information gap is a major reason for the creation of informal groups. As data indicates 50% of employee respondents agreed, 36% disagreed and the rest 11% undecided with low mean value 3.13. This implies that information gap seem to be one of the factor to create informal groups in the organization.

Respondents were asked to respond about the existence of different experience and expertise reason for creates informal groups. As Table-5, item 18, indicates that, 68 (70.1%) of the respondent are agree, 20 (20.6%) disagree, 2(2.1%) of respondent were strongly disagree, while, 7 (7.2%) of respondents were undecided with high mean value of 3.45. Based on the data we can conclude that, the majority of employee respondents were agreed different experiences exercised in the organization seem to be the reason for creation of informal groups.

As table-5, item 19 shows, 1(1.0%) and 64 (66%) strongly agree and agree respectively. 15 (15.5%) were undecided, 16 (16.5%) disagree and 1 (1%) of the respondents strongly disagree with the statement, development of informal groups is one-sided leadership practices in Amref Ethiopia. As data indicates 67% of employees have responded that they are agreed and the mean value of one-sided leadership practices in Amref was 3.49 mean values.

Concerning organizational structure's exists in the organization contribute for creation of informal groups, the above Table-5, item 20 indicates that, 48 (49.5) of the respondents agree and, 41(42.3%) disagree and 1(1%) strongly disagree and the rest 7 (7.2%) of the respondent were undecided with statement. The mean value of employee respondents was 3.05. Therefore, from the data obtained one

can deduce that, the structure of the organization may one of the trigger to crates informal groups in the organization.

In the same Table-5, item21, when respondents were asked to rates on the organizational culture and norms are a reason for the creating of informal groups, 2 (2.1%) strongly agree, 52 (53.6%) agree, 7 (7.2%) undecided, 33 (34%) disagree and the rest 3 (3.1%) strongly disagree. The majority, 55(55.7%) of the respondents was agreed with the statement with high mean value of 3.18. This implies that, Amref Ethiopia did not give much attention for organizational culture and norms for better organizational achievements.

As shown in item 22 of Table 5, the response indicated on unfair leadership power reason for informal group creation4 (4.1%) strongly agree, 72 (74.2%) agree, 10 (10.3%) undecided, 10 (10.3%) disagree and the rest 1 (1%) strongly disagree. Unfair leadership power is with average mean value 3.70. From this analysis it would understand that, the majority 78.3% of the respondents agreed on there were unfair leadership power exercise leader of the organization.

Concerning management and employee's internal conflict create informal groups, as shown in Table 5 item 23, 5(5.2%) of the respondent strongly agree, 71 (73.2%) of respondent are agree, 11(11.3) undecided, 10(10.3%) disagree and 1(1.0%) of the respondents strongly disagree with the high mean value of 3.73. As data shows that, 76% of employee respondents agreed on the presence of conflicts between the management body and employees. This implies that the issue is one factor to create informal groups in the organization.

Table 5 item 24 shows on the question promotion is one of the reason to create informal groups, 5(5.2%) of the respondent strongly agree, 61(62.9%) of respondent are agree, 11(11.3%) undecided, 21(21.6%) disagree and 2(2.1%) of the respondents strongly disagree with high mean value of 3.47,

and from this we can understand that promotion process practiced in Amref Ethiopia is a reason for creation of informal groups in the organization.

The assessment concerning reasons for factors that contribute to the formation of informal groups includes, information gap, different experience and expertise existed, development of one-sided leadership, organizational structures, organizational culture and norms, unfair leadership power, management and employee's internal conflict and promotion. As can see from the findings (on Table-5), employee respondents were agreed with all eight questions with average mean value of 3.4. This implies that, the aforementioned reasons are the causes to create informal groups in the organization.

As the finding reveals that, one side leadership, unfair leadership power, management & employee's internal conflict and promotion with the high mean value of 3.49, 3.7, 3.73 and 3.47 respectively, This finding confirmed that reason for creation of informal groups is a major source in the organization.

In addition, related to different experience and expertise existence it create informal groups this shows that 70.1% employees agreed, 7.2% undecided and 22.7% disagreed. Mullins, (2010), pp. 314) note that individuals will form into groups or teams, both formal and informal, for a number of reasons; certain tasks can be performed only through the combined efforts of a number of individuals working together. The variety of experience and expertise among members provides a synergetic affect that can be applied to the increasingly complex problems of modern organizations, Collusion between members in order to modify formal working arrangements more to their liking. Information gap, organizational structures and organizational culture & norms was moderately disagreeing among other reason for creation of informal groups, with high mean value 3.13, 3.05 and 3.18 respectively. This also means that interested have a potential to create informal groups in the organization. Therefore, it can be conclude that reason for formations of informal groups against the work, one side

leadership, management & employee conflict, information gap, unfair leadership power and promotion are high influence in the organization as a whole. Furthermore, the above fact was confirmed by selected Amref program managers and department heads in the interview about reason of creating of informal groups in the organization related the above issues.

4.3. Discussion of the findings

On the interview session held with Amref Health Africa in Ethiopia managers and department heads reflection to find out the influence of informal groups. They admitted that there was informal groups influence in the organization.

4.3.1. The status of the informal groups in Amref Health Africa in Ethiopia

The study confirmed that Amref Health Africa in Ethiopia was not comfortable with their current status of informal groups. In addition, the majority of employee's responded that the organization had clearly failed under the influence of informal groups and the organization existing situation decreases working motivation, unfair decision making and favored better job opportunities for group's members. Moreover, a manager reflects in the interview that they admitted the existence informal groups in the organization and it has been increased. Helliegele and Slocam (2007), note that an informal group is a type of social network that emerges without any guidance from the organization and develops out of their daily activities, interactions and sentiments that the workers have for each other. Lewin (1997) also articulates that most informal groups are controlled through a leader and these groups have the capability of either supporting or opposing organizational objectives. This signifies that, the organization did not give much attention for informal groups influence or less attention for the employees as well as the working condition of the organization.

4.3.2. The effect of Informal groups on employee's performance

Mullins (2010) also articulates that informal groups are very powerful social networks which are constructed in response to and through actions of their members. Further articulates that managers and supervisors frequently face problems due to failure to recognize that within every organization there are often informal group pressures that influence and regulate individual performance. Informal groups formulate an implicit code of ethics or undesirable set of standards establishing acceptable behaviors for a group of employees. From the study findings respondents said that employees agreed the existence of informal groups influence on employee's and organizations' performance and supervisor is fair rather than the informal groups 73.1% and 56.7% respectively. However, employees were disagreed on three items, employees do only the job minimum performance required, job performance is under the influence of informal groups and supervisor is become biased on performance rating 38.1%, 37.1% and 37.1% respectively. In relation to this the department heads in there indicate that informal groups dominate on the performance of employees who were working in different units/departments especially in operational area. In addition, the influence of informal groups shows minimum job performance and unfair employee's performance rating appraisal. This mean confirmed that we cannot be ignored when focusing on performance improvement of the employee's as well as the organizations'.

4.3.3. Informal groups contribute to organizational task achievement in Amref Health Africa in Ethiopia

From the forum notes, informal groups benefit the organization in many ways. They help in the development of an effective organizational system and reduce the workload of managers. Informal organizations also provide employees with an outlet to express their anxieties and problems, improve job satisfaction, and reduce employee turnover. In spite of its merits, informal organizations, at times,

also create many problems. It may act as a barrier to organizational change. Conflicts may also arise between the members of the informal group. Sometimes, its members may experience a conflict due to the diverse roles they have to play as members of the formal work group and the informal group. The biggest problem an informal organization faces is to ensure that the members conform to its norms and the use of penalties and sanctions to punish those who deviate from these norms.

(www.managementparadise.com/forums/principles-management-perspective-management/25733-informal-organization-effective-team-work.html)

In this study focused and assessed on the contribution of informal groups to organizational task achievement. When asked informal groups have better to create task achievement 80.4% of the respondents confirmed that were not created better organizational task achievement, 72.1% respondents responses on the organization structure not to be created for the benefit of management or the groups, 79.4% informal groups not to have positive opportunities for individuals creativity to achieve more tasks and 70.1% responses there is no big contributions to improve for organizational behaviors for Amref employees as well the organization. As the manager in their interview indicates the informal groups has less contribution for individual creativeness, improving organizational behavior and for better organizational task achievement. These findings define that the informal groups don't have played significant role to contribute for better task achievement in the organization.

4.3.4. Factors that contribute to the formation of informal groups

Laurie J. Mullins, (2010 pp. 314) note that, individuals will form into groups or teams, both formal and informal, for a number of reasons; certain tasks can be performed only through the combined efforts of a number of individuals working together. The variety of experience and expertise among members provides a synergetic effect that can be applied to the increasingly complex problems of modern organizations, Collusion between members in order to modify formal working arrangements

more to their liking. This confirms that formations of informal groups against the work, one side leadership, management & employee conflict, information gap, unfair leadership power and promotion are high influence in the organization as a whole. Furthermore, managers and department heads depicts that informal groups, organizational culture and norms, management bodies and employees internal conflict were the major factors for the appearance of informal groups in the organization. Similarly, they reflects unfair leadership power and absence of transparent promotion existed in the organization creates informal groups.

In general, the degree of influence dimensions of informal groups which have includes in the questioners, the status of informal groups, the effect of Informal groups on employee's performance, contribution to organizational task achievement and factors that contribute to the formation of informal groups on the measured variables which are shown in the results, highly risk for the employee's and organizations' performance declines in Amref Health Africa in Ethiopia.

CHAPTER FIVE

Summary, Conclusion and Recommendation

5.1 Introduction

The purpose of the study was to assess the influence of informal groups on employee's and organizations' performance by taking as a case of Amref Health Africa in Ethiopia. The specific objectives of this study were, to identify the effects of informal groups on employee performance in Amref Health Africa in Ethiopia, to investigate the contribution of informal groups in the organization task achievement, to assess the level of informal groups in human relation and to identify how informal groups formed. In addition, four research questions were raised. These were the following:

1. What is the status of the informal groups in Amref Health Africa in Ethiopia?
2. To what extent do the informal groups affect the employees' performance?
3. To what do informal groups contribute to organizational task achievement in Amref Health Africa in Ethiopia?
4. What factors contribute to the creation of informal groups in an organization?

The research was held basically using quantitative and qualitative research method. The data gathered from closed ended questionnaires was analyzed and interpreted using different statistical tools such as percentage and mean. The analysis was supported by the computer Statistical Package for the Social Sciences (SPSS Version 22) program. The data gathered through interview was analyzed qualitatively using narration. Hence, based on the analysis of the data, the study revealed the following findings:

Hence, based on the basic research questions data, the analysis of data revealed the following major findings:

5.1.1. Status of the informal groups in Amref Health Africa in Ethiopia

The study confirmed that the majority 73.2% of the respondents were informal group's existences noticed that in the organization.

The findings also showed that 64.9% of respondents believed informal groups have decision making power to create organizational change.

The study showed that, 68% of the staff were strongly agree and agree with the existence of informal groups in the organization create less motivation of employee's working environment.

The study indicated that 70.1% of the influence of informal group's power is presented to others employees of Amref Health Africa in Ethiopia.

The study founds more than, 60.8% of the respondents were strongly agree and agree. Informal groups have a decision making power on employees than supervisory.

In regards to informal groups created a risk in the organization, 65% replied strongly agree and agree. This indicates that the organization might turn into performance trouble.

The study revealed that, 68%) of the respondents responded that, informal groups have favors/facilitate the group members to have better job opportunity.

5.1.2. The effect of Informal groups on employee's performance

The majorities, 73.2% of the respondents were strongly agreed and agree that the existence of informal groups in the organization influence employee's and organizations' performance.

As the study found out that, 38.2% of employees were strongly agree and agree, employees which are interrelate their job performance doesn't influenced by informal groups.

In related to job performances are under the influence of informal group respondents 37.1% of employees included in the study indicated were strongly agreed and agreed. The result shows that, we understand that employees who interacted under informal groups are more affect than others staff of the organization.

The study revealed more than, 56.7% of employees regarding job performance my supervisor is fair to me rather than the informal groups responded strongly agree and agree. Therefore, we can understand that supervisory activities were fair in the organization, but 38.1% of the employees seem to be treated unfairly.

It was found that, 37.1% of employees were biasness of performance rating by the supervisor strongly agreed and agreed, this showed that there were supervisors are biased by informal groups on performance rating.

5.1.3. Informal groups contribute to organizational task achievement

In regards to informal groups' contribution to organizational task achievement majority 80.2% respondents were strongly disagree and disagree. From this the result shows that informal groups not create better organizational task achievement for employees of Amref.

The study founds out, 72.1% of employees of Amref were strongly disagreed and disagreed the structure are created for the benefit of management or the groups. This implies that the structure not create for the benefit of the management or groups.

Informal groups contribute to organizational task achievement and findings from this study indicate that 79.4% of the respondents strongly disagree and disagree on the existence of informal groups within the organization it has positive opportunities for individuals creativity to achieve more tasks and 70.1% of the respondents strongly disagree and disagree on informal groups have a big

contributions to improve for organizational behaviors. These mean that there is no positive opportunities for individual creativity and also have no organizational behavior contribution improvement.

5.1.4. Factors that contribute to the formation of informal groups

In the study factors that contribute to the formation of informal groups was assessed and 51.5% strongly agree and agree on the statement of information gap major reason for the creation of informal groups. This shows that information gap seem to be one of the factor to create informal groups in the organization.

The study revealed, about the existence of different experience and expertise reason for creates informal groups. 70.1% of the respondent is agreed. We concluded that, the majority of employee respondents were agreed different experiences exercised in the organization seem to be the reason for creation of informal groups.

As the study found out that, 66% strongly agreed and agreed with the statement; development of informal groups is one-sided leadership practices in Amref Ethiopia. This shows us one-sided leadership practices one of the reasons to create informal groups in Amref.

One of the reasons that contribute to the formation of informal groups and findings from this study indicates that 49.5% of the respondents were agreed on organizational structures and also 55.7% of the respondents strongly agreed and agreed on organizational culture and norms are a reason for creation of informal groups. These mean that the structure of the organization may one of the trigger to crates informal groups in the organization and Amref Ethiopia did not give much attention for organizational culture and norms for better organizational achievements.

In related to reasons formation of informal groups, the view is not any different from the study findings were respondents 78.3% strongly agreed and agreed and confirmed that unfair leadership power is using can create informal groups, 78.4% of management and employee's internal conflict agreed leads to informal groups creation and 68.1% strongly agreed and agreed on promotion process is creation of informal groups.

On the interview sessions held with Finance department head and program managers to find out the influence of informal groups on employee's and organizations' performance. It has been found out that, program managers admitted that there was influence of informal groups and their decision making power, favors/ facilitate the group members to have better job opportunity, biased on performances rating, one-sided leadership practices, internal conflict and promotion.

5.2. Conclusions

This provides the picture of the respondents from the basic four questions and who was interviewed to get their perceptions on the influence of informal groups on employee's and organizations' performance. From the data collected, the findings were that informal groups existence in organizations', they have decision making power to create organizational change, they favors/ facilitate the group members to have better job opportunity, they push to one side leadership practice and they have the potential to cause management and employee inter-group conflict because they neglect organizational processes and procedures in order to serve their own interest. The majority of respondents indicated that influences of informal groups were affecting the employee's and organization's work performance. From the findings we concluded that the existence of informal groups is risky and influentialto hinderemployee's and organizations'performance of Amref Health Africa in Ethiopia.

5.3. Recommendations

It is recommended that in order to enhance employees and organizations' performance, heads of managements should implement the following:

Ensure that there is a proper formal communication channel to make sound decision and to have equal job opportunities within the organization.

Discourage informal group's participative discussions on employees and organizations' task related issues.

Eliminate conflict between management and employees in related to informal groups influence.

Make it transparency an organizational culture and norm

Ensure that employee motivation is healthier in an organization by creating a conducive working environment, provision of clear job descriptions, as well as ensuring timely feedback is provided to employees on issues touching on work performance. These coupled with laying down foundations of a good team environment will enhance employee performance.

5.3.1 Suggestions for further study

The current study was limited in several ways. First, identifying cooperative and convinced employees was a challenge. The other factor was the nature and the topic of the studies which were challenging to the respondents and also was big challenge to receive from other field office inside Amref. The period and time in branch field office were challenging because fear was very high and informal groups were very active. The study was limited and generalizations should be treated with care.

Therefore, I recommended for future researchers to assess the influence of informal groups on employee's and organizations' performance.

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APPENDIX: 1

LETTER OF TRANSMITTAL

Dear colleagues,

I am a post graduate student of Human Resource and Organizational Development in Addis Ababa University College of Education and Behavioral Studies. Currently I'm carrying out a research project on the topic **“The influence of informal groups on employee's and organizations' performance: The case of Amref Health Africa in Ethiopia.”**

Therefore, kindly request to participate in this research project by filling out a short research questionnaire attached herewith.

The result of the study is expected to improve the knowledge and our understanding of informal groups influencing employee's and organizations' performance in the NGO sector.

Thus, your participation in this study will be crucial and I guarantee that responses will remain confidential and results of the study will be used purely for academic purpose.

If you have any questions or concerns about completing the questionnaire or about being in this study, you may contact me through the email address provided below

I greatly appreciate your participation in this endeavor.

Sincerely

Million Abera

Million.abera@amref.org

APPENDIX: 2
QUESTIONNAIRE FOR Amref EMPLOYEES
SECTION: A

Instructions

- No need of writing your name
- For Likert scale type statements indicate your answers with a check mark (✓) in the appropriate box.
- Where your opinion is asked for, write down in the spaces provided.

General information: To select your responses, check mark (✓) in the appropriate box.

What is your gender? Male Female

What is your age? Your age _____ year

Educational background:

(a) 12 complete/10⁺³ (b) Diploma (c) B.A/BSc Degree (d) MA/MSc

Other, please specify _____

How long have you been working in the Amref?

Less than 3 years 3-5 years 6-10 years 11-15 years 16-20 years

Greater than 20 years

SECTION: B

Dear respondents,

The following questions focus on the influence of informal groups on employee's and organizations' performance in Amref Health Africa in Ethiopia. Therefore, I kindly request you to indicate your response with a `√` in the appropriate answer box, according to the following code definitions:

(1 = strongly disagree), (2= disagree), (3= Undecided), (4= agree) and (5= strongly agree).

No	The status of the informal groups	1 (SD)	2 (DA)	3 (UD)	4 (A)	5 (SA)
1	informal groups existences noticed that in the organization					
2	Informal groups have decision making power to create organizational change					
3	The existence of Informal groups in the organization create less motivation of employee's working environment					
4	influence of Informal groups power are presented to others employee's					
5	informal groups have a decision making power on employees than supervisory					
6	Informal groups created a risk in the organization					
7	informal groups have favors/ facilitate the group members to have better job opportunity					

No	Informal groups affect employee's performance	1 (SD)	2 (DA)	3 (UD)	4 (A)	5 (SA)
8	The existence of informal groups in the organization influence employee's and organizations' performance					
9	I do only the job minimum performance required due to informal group influence					
10	My job performances are under the influence of informal group					
11	Regarding job performance my supervisor is fair to me rather than the informal groups					
12	My supervisor is become biased on performances rating by informal groups influences					

No	informal groups contribute to organizational task achievement	1 (SD)	2 (DA)	3 (UD)	4 (A)	5 (SA)
13	Informal groups it crates better organizational task achievement.					
14	In the organization informal group structure are created for the benefit of management or the groups.					
15	The existence of informal groups within the organization it has positive opportunities for individuals creativity to achieve more tasks.					
16	Informal groups have a big contributions to improve for organizational behaviors					

No	Reason for creation of informal groups	1 (SD)	2 (DA)	3 (UD)	4 (A)	5 (SA)
17	Information gap is a major reason for creation of informal groups					
18	Different experience and expertise exist it created informal groups within the organization					
19	development of informal groups is one-sided leadership practices					
20	organizational structure's contribute for creation of informal groups					
21	the organizational culture and norms are a reason for the creating of informal groups					
22	Unfair leadership power is using can create informal groups					
23	Management and employee's internal conflict create informal groups					
24	promotion is one of the reason to create informal groups					

25. How do you view these groups? Are informal groups negative or have a positive influence on the organization's performance?

26. Does the existence of informal groups in the organization influence?

27. How influential are they in the organization?

28 Do you think due to these influence decrease individual performance?

29. Is there any other thing you want to add?

Thank you for completing the questionnaire!

APPENDIX: 3

INTERVIEW QUESTIONNAIRE FOR Amref MANAGERMENTS

SECTION: C

Interview questions prepared for Program managers, Finance manager and HR and Administrative manager Amref Health Africa in Ethiopia bureau officials.

Dear participant,

I want to conduct research on the influence of informal groups on employee's and organizations' performance in Amref Health Africa in Ethiopia as a requirement of my MA. Your genuine response for the interview will have paramount importance as a basic source of data.

Dear respondent, this interview remains confidential and secured. You are kindly requested to give valid and reliable information by answering the interview questions in a considerable and responsible manner. Your participation will have its own contribution for the successful accomplishment of the research.

Thank you in advance!

Interview Questions are about the informal groups that exist in Amref, what do you think about them?

1. Do you think informal groups exist in organization?
2. How did you see informal group influence in the organization?
3. Did you believe that informal groups having obstacle in the organization? How?
4. Which working area mainly affects these difficulties?
5. Do you think that organization performance can decrease due to informal groups?
6. Can you say how to remove informal group's in the organization difficulties?
7. After going through these question, Is there anything that you might not added about after this interview?
8. Is there anything you would like to ask me?

THANK YOU