

Chapter Thirteen

Informal and Formal Groups

Objectives

To develop an understanding of:

- **Nature of groups**
- **Types of groups**
- **Reasons of group formation**
- **Stages of Group Development**
- **Characteristics of groups**
- **Group decision making Techniques**
- **End result of group formation**
- **Effectiveness of Group**

The Nature of Groups

There exists no generally accepted definition of groups. The definition of a group can be viewed from four different approaches as below:

1. Perception approach: people who see themselves as part of group constitute a group. Teams are mature groups with a degree of member interdependence and motivation to achieve common goals. Teams start out as groups, but not all groups become teams.

2. Organization approach: emphasizes group characteristics to define a group: an organized system of individual who are connected with one another.

3. Motivation approach: a group is a collection of individuals whose collective existence satisfies needs.

4. Interaction approach: Two or more individuals interacting with each other in order to accomplish a common goal. This definition specifies three minimum requirements for a group to exist:

- i. Size—must be two or more individuals.
- ii. Interaction—must be some form of exchange or communication.
- iii. Purpose—must be trying to accomplish a goal.

Types of groups

1. Formal groups—established by the organization to perform organizational work.
 - a. Command group—specified by the organization chart and comprised of employees who report directly to a supervisor.
 - b. Task group—comprised of employees who work together to compete a particular task/project; e.g., self managed teams (SMTs).
2. Informal groups—natural groupings of employees that form to fulfill social needs, evolving naturally.
 - a. Interest group—established to meet a mutual objective (a group formed to lobby management for more fringe benefits).
 - b. Friendship group—formed because members have something in common.

The difference between formal and informal groups.

- a. Formal groups are designated by an organization as a means to an end.
- b. Informal groups are important for their own sake.

Why people form groups

1. The satisfaction of needs:
 - a. Social needs—groups provide a vehicle for interacting with other.
 - b. Security needs—groups can act as an effective buffer between the employee and the demands/stresses of the organization.
 - c. Esteem needs—often fulfilled by the prestige of the group that group membership conveys on the member.
2. Proximity and attraction—Two facets of interpersonal relationships.
 - a. Proximity involves the physical walking distance between people performing a job.
 - b. Attraction prompts group formation because of perceptual, attitudinal, performance, or motivational similarities.
3. Group goals—individuals join groups because they're attracted to the group's goals, although group goals are not always identifiable.

4. Economic reasons—individuals join groups because they believe membership will result in economic betterment (e.g., a labor union with a record of securing members higher wages).

Stages of Group Development

Groups proceed through five stages of development. These stages and their characteristics are as follows:

1. Forming

- a. Characterized by uncertainty about the group's purpose, structure, and leadership.
- b. Activities focus on efforts to understand and define their objectives, roles, and assignments.
- c. Interaction patterns tried out, discarded, or adopted.
- d. The more diverse the group, the more difficult is forming; particularly sensitive stage for multicultural groups.

2. Storming

- a. Characterized by conflict and confrontation.
- b. Involves redefinition of group's tasks and goals.
- c. Members may begin to withdraw.
- d. If conflict is not suppressed at this stage, it will hinder future stages.

3. Norming

- a. Characterized by cooperation and collaboration.
- b. Cohesiveness begins.
- c. Open communication, significant interaction, and efforts to agree on goals occur.
- d. Behavioral norms are established.

4. Performing

- a. Group is fully functional.
- b. Structure and roles are set and accepted.

c. Some groups attain a level of effectiveness that remains more or less constant; others continue to change.

5. *Adjourning*

a. Termination of group activities resulting from task completion or goal attainment.

b. May be marked by very positive emotions as well as feelings of loss, disappointment, or anger.

(For details please see exhibit from **Organizational Behaviour, Stephen P.Robbins, Timothi A.Judge and Seema Sanghi, 12th ed, Pearson education, pp336**)

An Alternative Model: Temporary Groups with Deadlines

Punctuated-Equilibrium Model

Temporary groups under time constrained deadlines go through transitions between inertia and activity—at the halfway point, they experience an increase in productivity.

Sequence of Actions

1. Setting group direction
2. First phase of inertia
3. Half-way point transition
4. Major changes
5. Second phase of inertia
6. Accelerated activity

(For details please see exhibit from **Organizational Behaviour, Stephen P.Robbins, Timothi A.Judge and Seema Sanghi, 12th ed, Pearson education, pp338**)

Characteristics of Groups

A. *Composition*: the pattern of relationships among member positions that evolves over time.

B. Status hierarchy: a hierarchy comprised of different status levels assumed by group member positions. Status can be assigned or ascribed. Group member status is defined by power over others, ability to contribute and personal characteristics of members. group member status defines norms and interaction. Other things influencing or influenced by status are status inequality and national culture.

C. Size: Odd number groups do better than even. Groups of 5 to 7 perform better overall than larger or smaller groups. Social Loafing-
The tendency for individuals to expend less effort when working collectively than when working individually is an important concept connected with group size.

D. Roles: a set of expected behaviors assumed by each position in the group.

1. Expected role—behaviors expected by the group or organization.
2. Perceived role—the set of behaviors that the position holder believes he/she should enact.
3. Enacted role—the set of behaviors that the position holder exhibits.

Conflict and frustration may result when any of the three roles differ from each other.

E. Norms. Norms are standards of behavior shared by the group members. Norms:

- a. Only pertain to behaviors considered important by the group.
- b. Are accepted in differing degrees by different members.
- c. Don't necessarily apply to all members.

"Acceptable" norm behavior may be different, from the group's perspective, than management's view. Norm conformity—the degree to which a member conforms to norms is affected by:

- a. The individual's personal characteristics—more intelligent members conform less than those less intelligent, more authoritarian members conform more than less authoritarian members.
- b. Situation factors—such as group size and structure (group conformity tends to be greater in smaller than larger groups).
- c. Intragroup relationships—such as the degree to which the member identifies with the group, the amount of pressure the group exerts on nonconformists.
- d. Cultural factors—some culture share a more collective tradition than others.

F. Leadership: a critical factor in group performance. The leader:

1. Can reward or punish members for not obeying group norms, especially in a formal group.
2. Some groups, even formal ones, have no single leader, e.g., SMT's.
3. In informal groups, the one who becomes leader is viewed as respected and has a high-status.
 - a. Helps the group in accomplishing group goals.
 - b. Helps members satisfy their needs.
 - c. Represents the group to those outside the group.

G. Cohesiveness—the forces acting upon members to remain in the group that are greater than those pulling members away from the group. The greater the group cohesiveness, the greater the member conformity to group norms. Sources of attraction in group cohesiveness are :a. Goals are clear and compatible

b. Charismatic leader. c. Group reputation as successful. d. Group is small enough to interact effectively. e. Mutual support by members.

Cohesiveness and performance. Degree of cohesiveness can have positive or negative effects. The relationship between cohesiveness and group performance depends on whether the group goals support (are congruent with) organizational goals :

- i. High cohesiveness and congruent group goals results in effective performance. ii. High cohesiveness and incongruent group goals result in negative group performance.
- iii. Low cohesiveness and incongruent group goals probably result in negative group performance.
- iv. iv. Low cohesiveness and congruent group goals probably results in positive (individually based) group performance.

Also, the relationship of the degree of cohesiveness (high/low) of the group and the level (high/low) of performance norm set by the organization may lead to different types of productivity (high/moderate/low) as follows:

- i. High cohesiveness and high performance norms leads to high productivity.
- ii. Low cohesiveness and high performance norms leads to moderate productivity
- iii. High cohesiveness and low performance norms leads to low productivity
- iv. Low cohesiveness and low performance norms leads to moderate to low productivity.

Groupthink: exists in highly cohesive groups when the drive to maintain consensus is so great that it impairs effective group decision-making. Characteristics of groupthink:

- a. Illusion of invulnerability.
- b. Tendency to moralize about the goodness of the group's position.
- c. Illusion of unanimity.
- d. Pressure to conform.
- e. Dismissal of views that oppose the group's position. Some research

indicates that highly cohesive groups are not susceptible to groupthink if the group is comprised of dominant individuals.

Groupshift : A change in decision risk between the group's decision and the individual decision that member within the group would make; can be either toward conservatism or greater risk

Group Decision-making Techniques

Interacting Groups-Typical groups, in which the members interact with each other face-to-face

Nominal Group Technique-A group decision-making method in which individual members meet face-to-face to pool their judgments in a systematic but independent fashion

Brainstorming- An idea-generation process that specifically encourages any and all alternatives while withholding any criticism of those alternatives

Electronic Meeting- A meeting in which members interact on computers, allowing for anonymity of comments and aggregation of votes

Type of Group

Effectiveness Criteria	Interacting	Brainstorming	Nominal	Electronic
Number and quality of ideas	Low	Moderate	High	High
Social pressure	High	Low	Moderate	Low
Money costs	Low	Low	Low	High
Speed	Moderate	Moderate	Moderate	Moderate
Task orientation	Low	High	High	High

Potential for interpersonal conflict	High	Low	Moderate	Low
Commitment to solution	High	Not applicable	Moderate	Moderate
Development of group cohesiveness	High	High	Moderate	Low

Source : based on Murnighan, J.K (1981) Group Decision making: what strategies should you use? Management review, February 1981, p 61.

End Results of Group formation

Synergism—the cooperative action of discrete entities which is greater than the sum of the parts. Synergistic groups can create something greater than individual members independently could create.

1. Potential Group Performance = Individual Performance + Synergy.
2. Actual Group Performance = Potential Performance - Faulty Group Process. Synergistic gains from groups may be lessened by operating failures within groups.

Three criteria of group effectiveness:

1. Extent to which the group's productive output meets the standard of quantity, quality, and timeliness of the users of the output.
2. Extent to which the group process of actually doing the work enhances the capability of group members to work together interdependently in the future.
3. Extent to which the group experience contributes to the growth and well being of its members.

Questions

1. What is the nature of groups? Discuss about the different types of groups with suitable examples
2. State the various reasons of group formation. Discuss about the stages of Group Development.
3. What are the characteristics of groups? Discuss the effect of group size, group norm and cohesiveness on individual/group performance.
4. Critically evaluate the different Group decision making Techniques. In this connection discuss group think and group shift.
5. What is the end result of group formation? Discuss the criteria of effectiveness of Group