

# Communications in Organisations

Organisations as the context in  
which we live our lives and work  
Formal vs informal  
communications

# Current socio-economic/o' al system :

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- Services society → tasks in hand are mostly ideas and people related
  - Human resources must be qualified and specialised
- Global competition :
  - unpredictability of markets , O's need to adapt
  - ICT's allow for faster transfer of knowledge and information

# Consequences of this socio-economic system on how O's are structured

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## ● Tendencies :

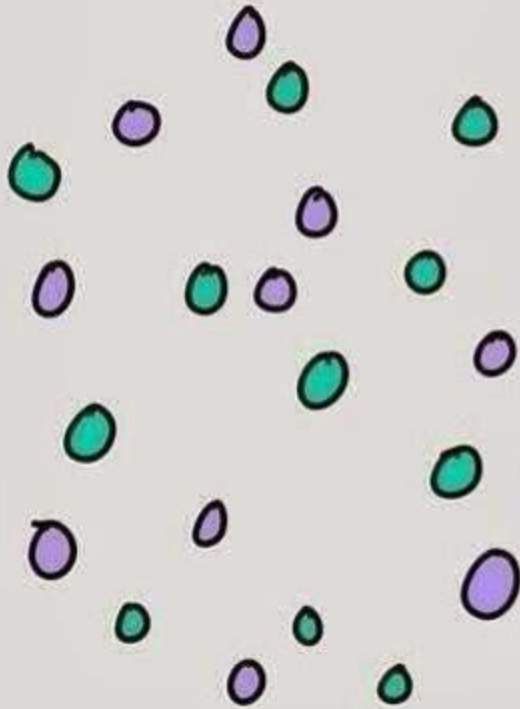
- Greater decentralisation , flatter (= less hierarchical ) O's.
- More flexible O'al structures :
  - Rules not so rigid, less hierarchical levels
- More work done in teams, more cooperation among departments, branches , and with outside O's ( joint ventures, outsourcing, alliances, etc)

# Consequences of this economic system in the design and work conducted in organisations

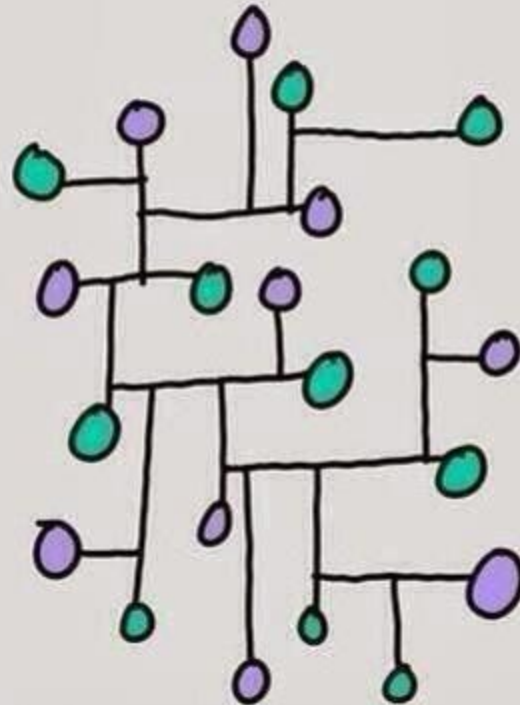
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- Service oriented tasks are frequently more complex with greater degree of unpredictability
  - Greater specialisation
- Greater need of sharing knowledge and resources in general; task has to be carried out in collaboration
  - Each time more information but less time to solidify it → links/relations with other evermore necessary

information:



knowledge:



@gapingvoid

# Consequences of this O'Al system for the control of human resources

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- ◉ Coordination and control based on rules and hierarchy does not work so well → principal-agent problem
  - specialisation also makes controlling difficult
- ◉ Control is more frequently done through peers; coordination of work takes place frequently at the horizontal level
  - Understanding these relationships becomes a fundamental task of the manager



# Informal structure gains weight in face of formal structure

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- ◉ Informal structure : Networks of relationships that cross functions, divisions and hierarchies in a way that are not prescribed by the o' al chart
- ◉ Formal structure : depicted in the o' al chart ; who reports to whom; formal communication based on rules and regulations that should be known by all (company policy)

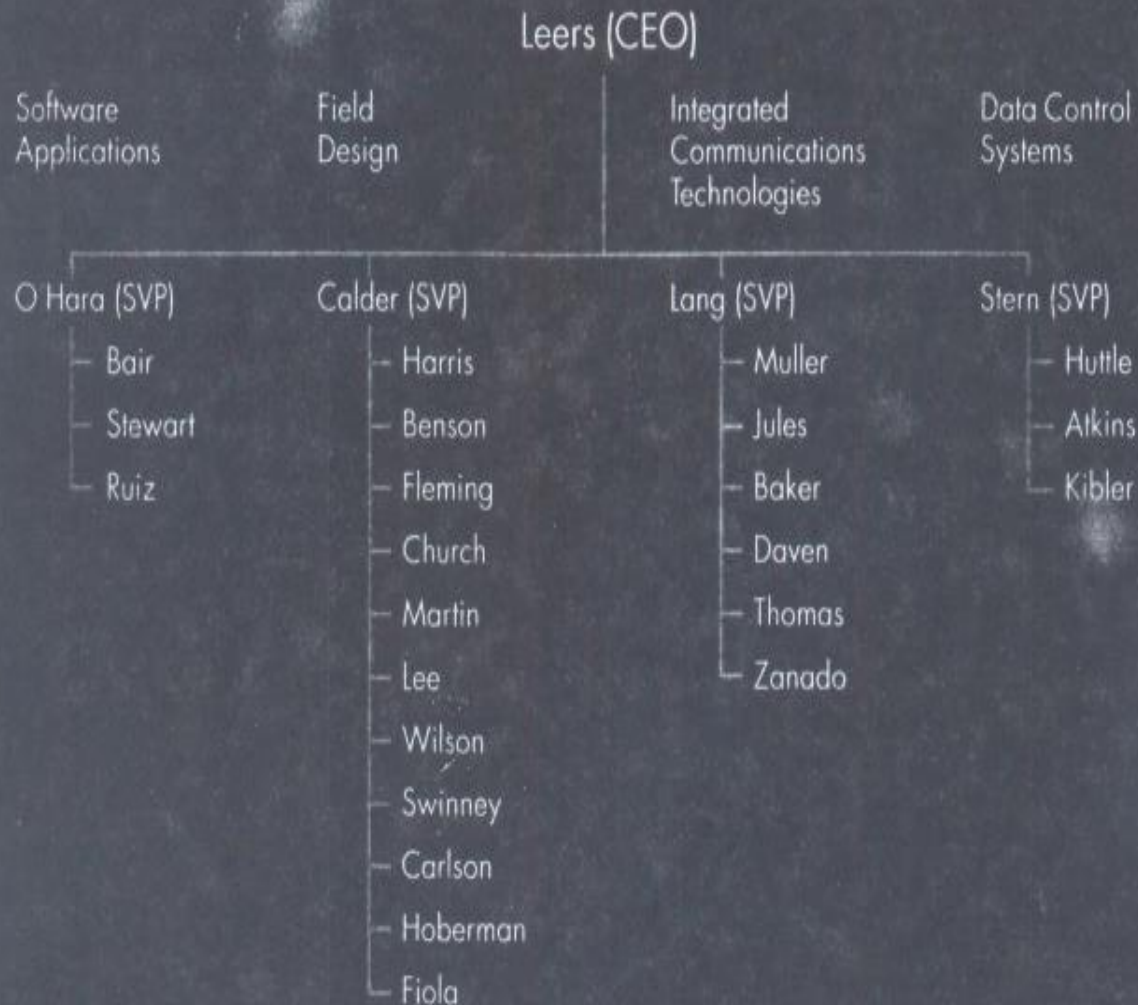
# Informal structure gains weight in face of formal structure

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- Formal/informal distinction appears with the Hawthorne studies (1930's)
  - Before that informal O' was ignored
- Today this distinction is diminishing →
  - there is a tendency for the structure to be more emergent , rather than imposed restrictive (the organization of work has become more flexible)



# The Formal Chart Shows Who's on Top



# How can we know the formal/informal structure?

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- The **Formal structure** is easy to know : it is public , any company has a charter
- This charter shows the prescribed channels of communication/relation in an O'
- Who reports to whom? Who gives orders to whom? Who define work task?
- And the **informal structure** ? How do we get to it ?

# Informal structure

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- Relations which do not necessarily follow the channels prescribed by the O'ral chart
  - These informal networks can increase rapidity and performance but also sabotage the top's plans, and promote opposition to the administration , etc.

(Krakchardt e Hanson, 1993)

# How can we know the informal structure?

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- Sociometric questionnaire :
  - Ask workers with whom they relate informally
- 1- advice network
  - Whom do you go for help in work issues (when you cannot solve problems by yourself )?
- 2- Trust network
  - With whom do you share sensitive information, and difficulties related to work and the O?
- 3- communications network :
  - with whom do you talk about work related matters on a regular basis ?

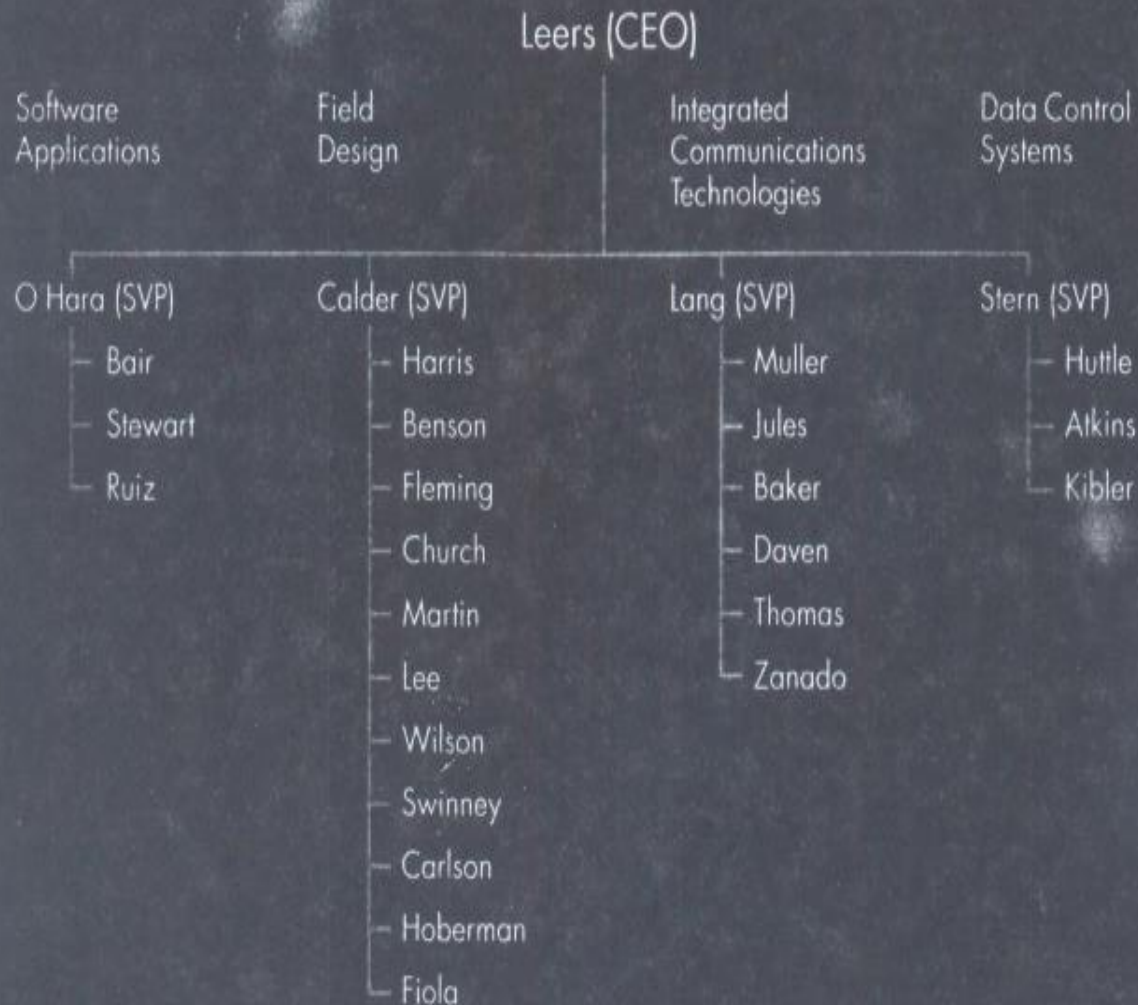
# Case 1: formal vs informal

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- Computing services firm , funded 15 years ago
- High productivity in one department (field design) and low productivity in other departments ;
- CEO decides to invest more in the less productive departments
- While simultaneously giving a sign of encouragement to the most productive one (make everyone happy and the firm more profitable)



# The Formal Chart Shows Who's on Top





# Case 1: formal vs informal

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- The CEO to avoid increasing dissatisfaction with the internal changes involved all the divisions in a task force to lead the changes
- Nominated leader for this task-force: **Harris** (a top professional from the most productive department- field design)

# Case 1: formal vs informal :

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- Outcome :
- the Task-force did not reach its objectives due to bad team work
- In consequence
- Consultants were hired to diagnose the problem : as method they used social network analysis

# Case 1 formal vs informal

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- ◉ Diagnosis of the situation
- ◉ **Harris** – the leader of the task force– has shown to be a weak/deficient leader:
  - its technical competence and seniority – the criteria in the base of his choice – were not sufficient – lacked competences in people management ( solving conflicts , focus the group thinking, and win the commitment of members)

# Case 1 formal vs informal

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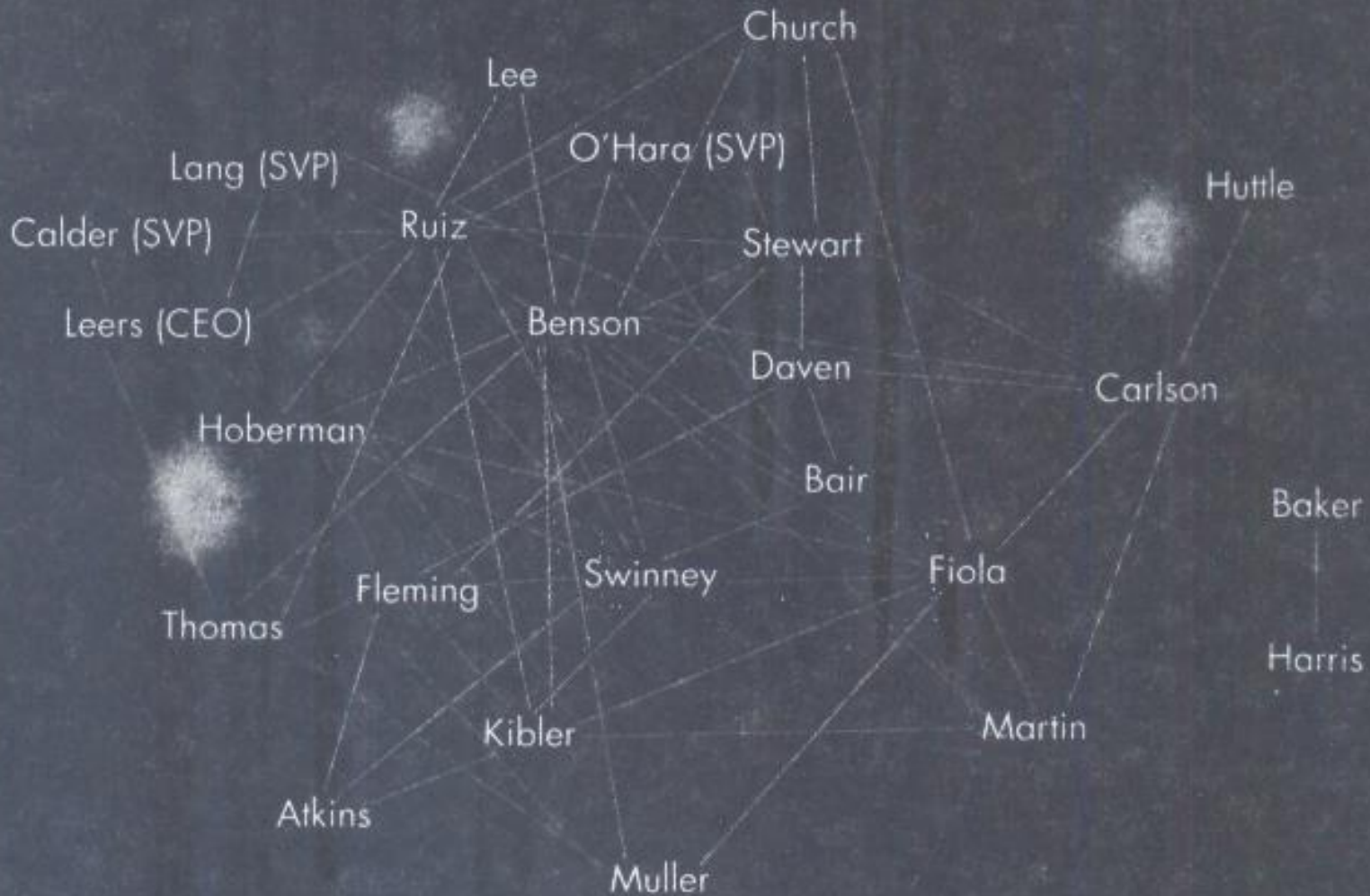
- ◉ How to solve this problem without undermining Harris (leader of the task force)?
  - Solution : find an adequate co-leader. WHO??
- ◉ Consultants , using social network analysis , visualised the advice and trust relations within the O'

# The Advice Network Reveals the Experts





# But When It Comes to Trust...





# Case 1 formal vs informal

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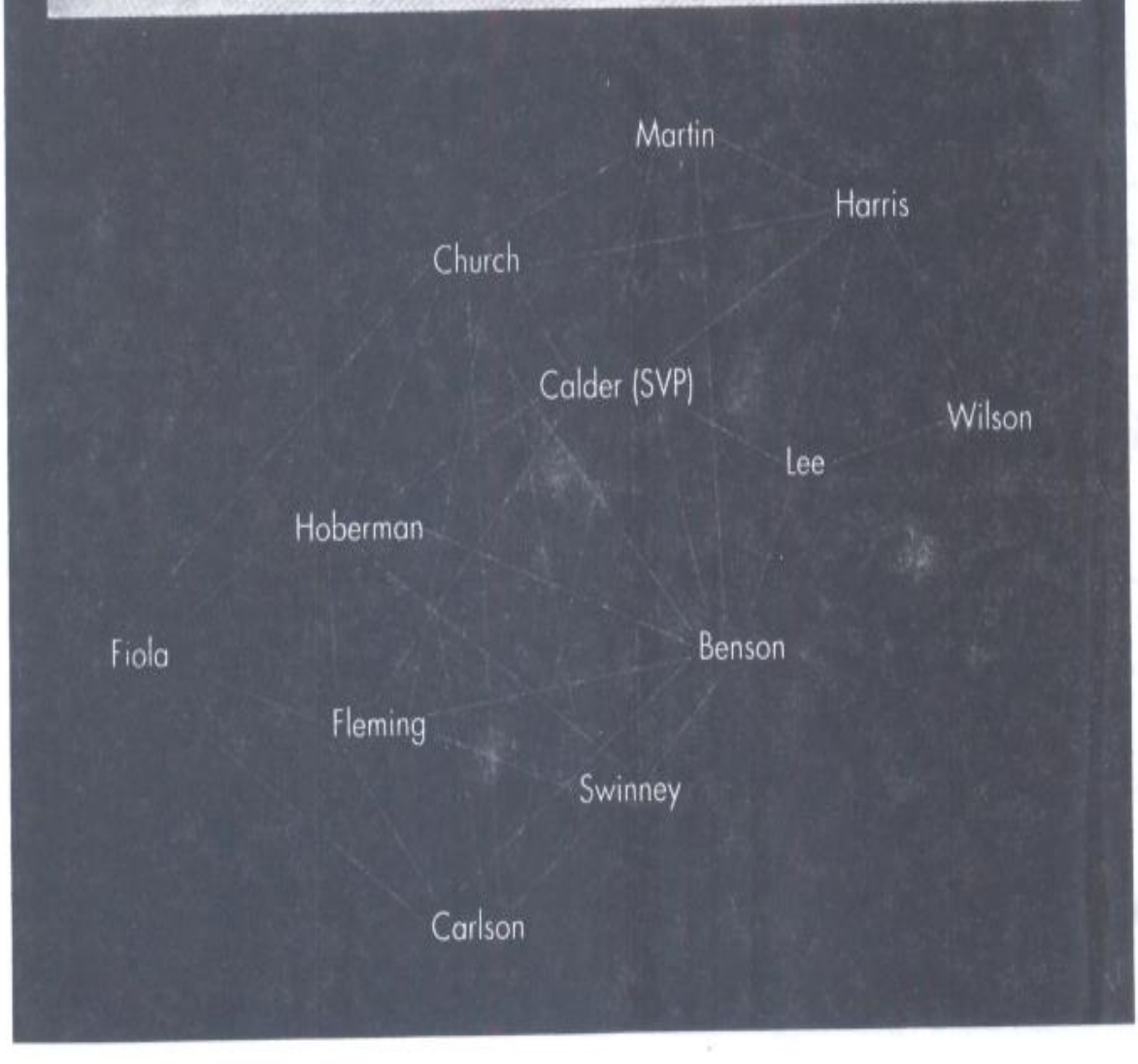
- ◉ Adopted solution by the CEO , based on the mapping of the advice and trust networks )
  - Nominate an assistant to **Harris**:
    - he chose **Benson** who is very central in the trust network (was a warm amiable person with whom Harris had a good work relationship).

# Case 1 formal vs informal

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- Another problem identified through SNA:
- **Calder**, the director of the field design department, had low centrality in the trust network
- **Calder** had been appointed for that position because he was respected as the most technically competent
- The CEO perceived **Calder** as being central in the trust network

# How the CEO Views the Trust Network



How Calder viewed trust relation in his own division....

## The Trust Network According to Calder

Fleming

Hoberman



# Case 1 formal vs informal :

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- ◉ Solution adopted by the CEO
- ◉ **Calder** was relocated in an elite team which only deals with very special situations and reports directly to the CEO
- ◉ **Fleming** was promoted to department director of Field Design
- ◉ Outcomes :
  - Increase of the department performance

# Case 1 : Learned Lessons

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- One can be very important in the advice network but be marginal in the trust network
- No structure of relations (network ) is good or bad in itself → what is crucial is the fit with o'al behaviour



# Case 2: formal vs informal knowledge transfer

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- Knowledge transference and sharing among three departments of a large oil company
- The group was in the midst of implementing a distributed technology to help transfer knowledge across drilling initiatives
- They wanted to assess their ability to create and share knowledge
  - Analysis of social networks among 20 executives

(Cross, Parker, Borgatti, 2002)

**Sr. Vice President**

Jones

**Exploration**

Williams

**Drilling**

Taylor

**Production**

Stock

**Gas & Gauge**

**Petrophysical**

**Production**

**Reservoir**

Cohen

Smith

Hughes

Ramirez

Bell

Cole

Hussain

Kelly

Cross

Andrews

Sen

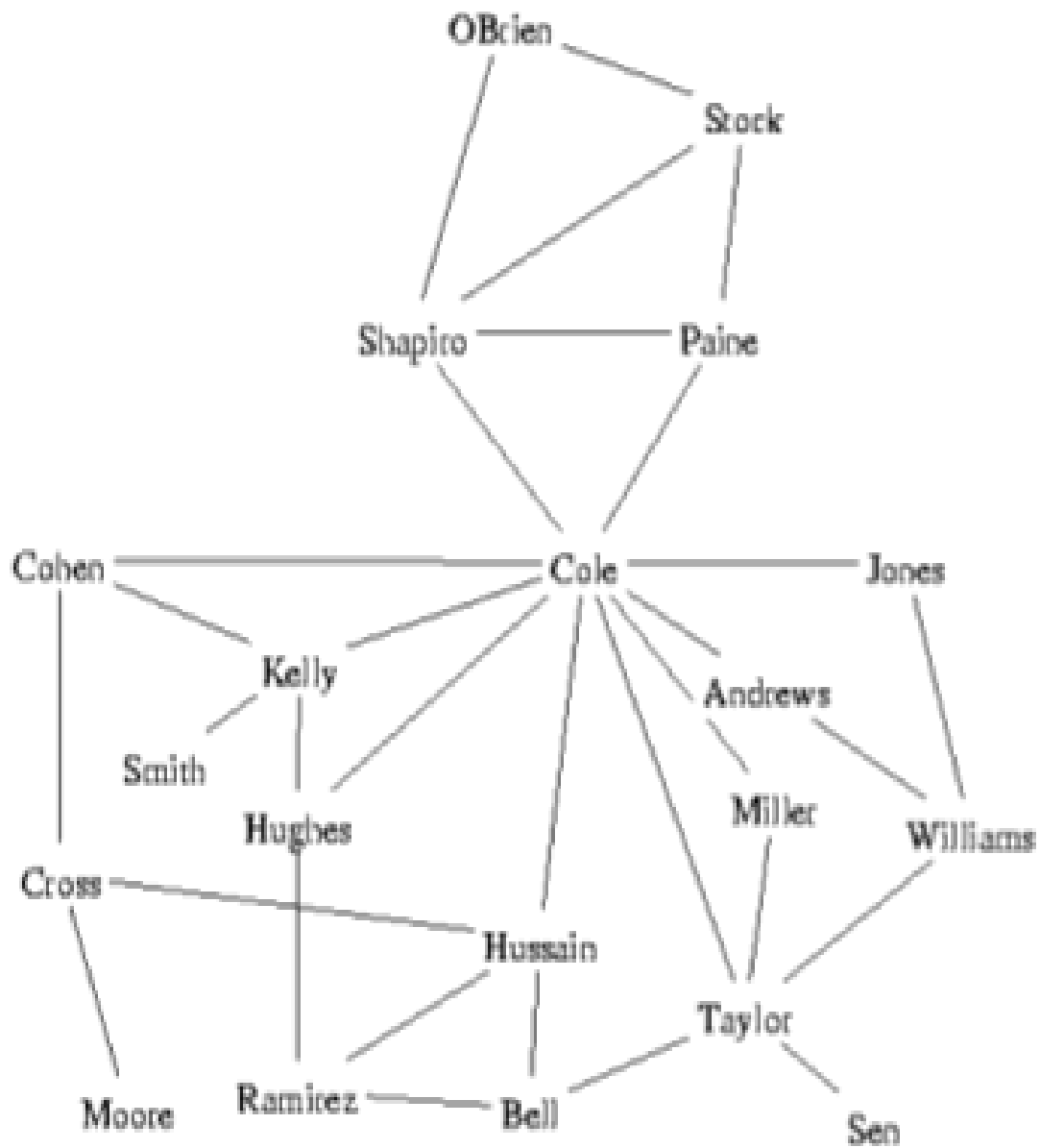
Moore

Miller

O'Brien

Paine

Shapiro



# Case 2: formal vs informal knowledge transfer

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What was learned through Social network analysis

1- identification of a middle manager that is crucial for the information flow

**Problem** : he is a bottleneck (one central node that is the only connection between different parts of the network)

# Case 2: formal vs informal knowledge transfer

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What was learned through Social network analysis

2 – marginal role of senior executives

**Problem:** waste of knowledge resources

# Case 2: formal vs informal knowledge transfer

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What was learned through Social network analysis

3- lack of communication between the department of production and the O'  
- reason: recent physical separation (they were moved to another floor)



# CASE 3 Going into greater depth into the issue of knowledge and information sharing

## ○ Analysis of information networks

- Object of study: 37 system analysts of large pharmaceutical firm

Going into greater depth into the issue of knowledge and information sharing:

focus less on communication and more on the knowledge based dimension of relationships that make them useful in sharing and creating knowledge

# Knowing which someones know network

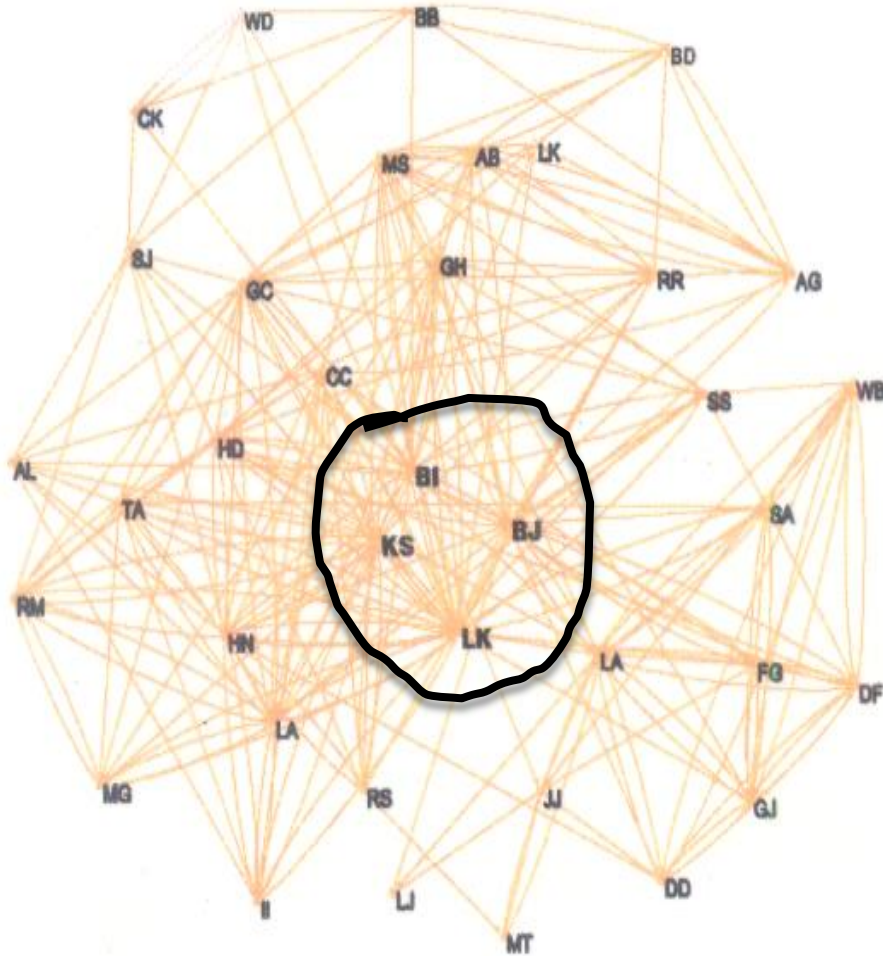


Figure 2: Knowing what someone knows is only half the battle.

Source: IBM Institute for Knowledge-Based Organizations.

## Case 3: Going into greater depth into the issue of knowledge and information sharing

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Four dimensions that are critical for effective knowledge creation and sharing :

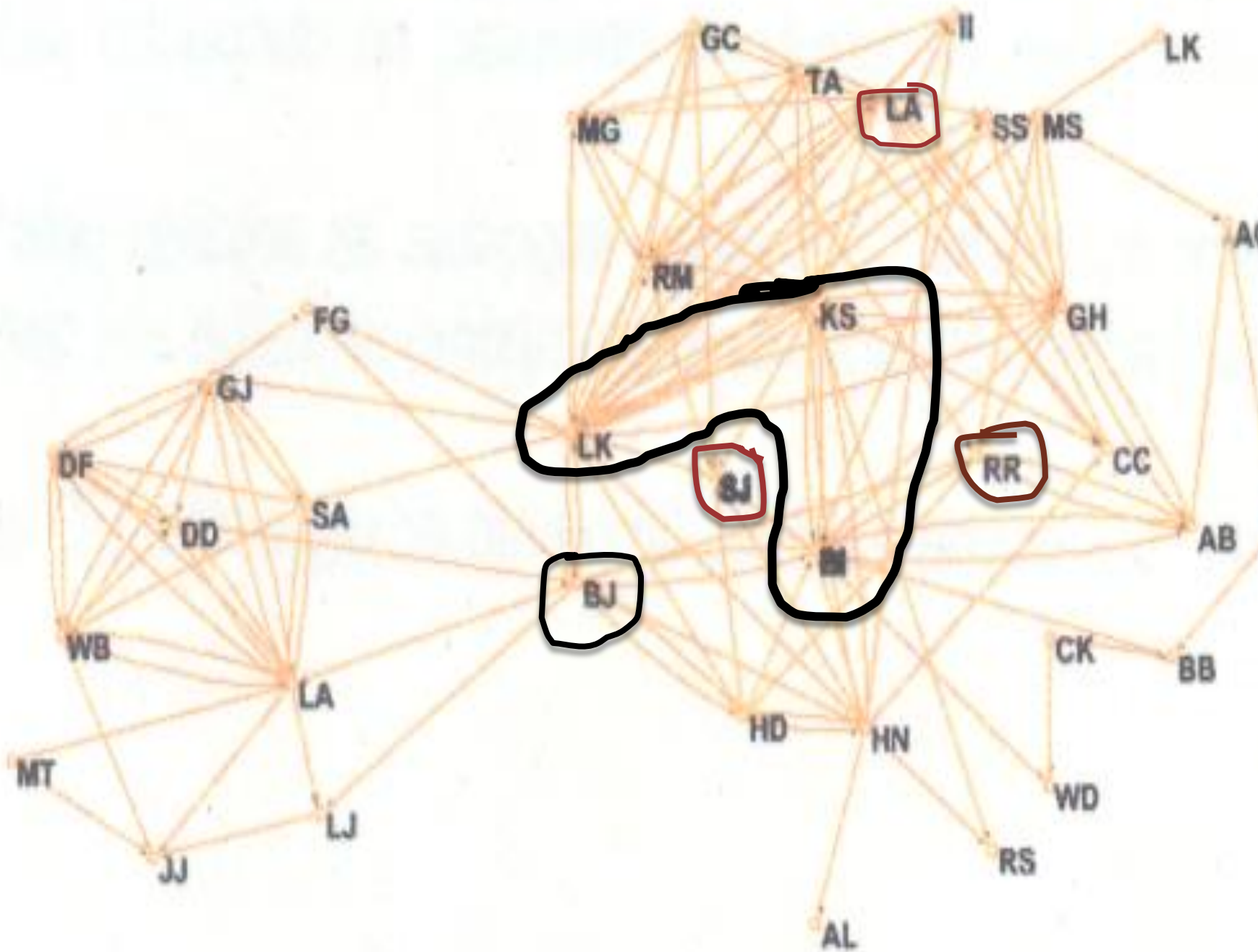
- 1) Knowing what someone knows
- 2) Gaining timely access to that person
- 3) Creating viable knowledge through cognitive engagement (getting other engagement in problem resolution )
- 4) Learning from a safe relationship  
(ref: Bird's-eye view)

## Case 3: Going into greater depth into the issue of knowledge and information sharing

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### ◉ Knowledge transfer network (one **dimension**)

- Cohesive network
- Most central individuals – LK, BJ, KS, BI
- In the periphery : some individuals with 3 or 4 links = underutilised knowledge





## Case 3: Going into greater depth into the issue of knowledge and information sharing

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### ◉ Knowledge transfer network (four dimension)

- Main Changes concerning the most central actors :
  - LA, RR, SJ – new central actors
  - BJ loses centrality (importance )
    - was the head of the group so due to time constraints was not accessible
- Arises a subgroup of 10 actors :
  - linked to LK and BJ
    - Inefficiency in knowledge utilization

# Case 3: Lessons learned

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- By looking at the network in the four dimensions it is possible to determine which factor is the most common impediment to knowledge sharing :
  - is it being accessible to each other ? Is it not knowing what other know? Is not being able to commit others in our problem? Is it not being comfortable in transmitting other our work problems?



Aspects	Objectives	Technical interventions	Social interventions
<b>Knowledge</b>	<ul style="list-style-type: none"> <li>• Increase awareness of who knows what and who is working on what within the company</li> </ul>	<ul style="list-style-type: none"> <li>• Skill profiling system</li> <li>• Corporate yellow pages</li> </ul>	<ul style="list-style-type: none"> <li>• Communities of practice</li> <li>• Thematic help desks manned by knowledge-area specialists</li> <li>• Knowledge fairs</li> </ul>
<b>Access</b>	<ul style="list-style-type: none"> <li>• Add speed of access to knowledge sharing</li> <li>• Target accessibility as a critical behavior</li> </ul>	<ul style="list-style-type: none"> <li>• E-mail</li> <li>• Cell phones</li> </ul>	<ul style="list-style-type: none"> <li>• Peer feedback forums</li> <li>• Periodic SNA</li> </ul>
<b>Engagement</b>	<ul style="list-style-type: none"> <li>• Increase ease of interaction, add a dimension to more-conventional communication that engages people</li> <li>• Enhanced performance</li> <li>• Increased awareness of skills, abilities and knowledge of co-workers</li> </ul>	<ul style="list-style-type: none"> <li>• Synchronous technologies (such as Lotus® Sametime® or AOL Instant Messenger)</li> <li>• White boarding applications</li> <li>• Video conferencing</li> </ul>	<ul style="list-style-type: none"> <li>• Peer reviews</li> </ul>
<b>Safety</b>	<ul style="list-style-type: none"> <li>• Allow safe relationships to develop over time</li> <li>• Increase visibility of relationships that are not safe so they can be discussed by the group</li> </ul>	<ul style="list-style-type: none"> <li>• Any form of communication technology used throughout the company</li> </ul>	<ul style="list-style-type: none"> <li>• Face-to-face interactions such as work sessions or “brown bag” lunches</li> <li>• SNA</li> </ul>

Analysis of social network diagrams helps determine the extent to which certain people are central to the effective functioning of a network, regardless of whether or not divisive subgroups in a network exist or what the overall connection of a given network is. Things to look for in SNA:

- Bottlenecks – Central nodes that provide the only connection between different parts of the network.
- Number of links – Insufficient or excessive links between departments that must coordinate effectively.
- Average distance – Degrees of separation connecting all pairs of nodes in the group. Short distances transmit information accurately and in a timely way, while long distances transmit slowly and can distort the information.
- Isolation – People that are not integrated well into a group and therefore, represent both untapped skills and a high likelihood of turnover.
- Highly expert people – Not being utilized appropriately.
- Organizational subgroups or cliques – Can develop their own subcultures and negative attitudes toward other groups.

# Bibliography

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