PEOPLE IN ORGANISATIONS

Organisational Structure

Organisations: Formal and Informal

Advantages of Informal Organisation

1. Policies of strategies can be explained to each other through discussion.
2. Improves relations between departments
3. Satisfies security needs in Maslows hierarchy through groups such as football groups.
4. Reduces frustration as people are able to easily communicate their views.
5. May help easy setting of new workers in the organization.

Disadvantages of Informal Organisation

1. Policies can be misunderstood if the people discussing have not understood it themselves.
2. Breach of privacy can lead to leaking of information between departments.
3. Too strong informal organization can cause difficulty for new managers to settle down.
4. Grapevine which may be scandals can cause negative publicity as it is spread across very quickly.