

Formal versus Informal Organizational Networks: Conflicts and Trade-Offs in Goal Attainment Propensities

David Coldwell and Chris Callaghan

*University of the Witwatersrand, Private Bag x3, Johannesburg, Gauteng,
Republic of South Africa*

KEYWORDS Bureaucracy. Adhocracy. Game Theory

ABSTRACT Axelrod's seminal work describes circumstances in which the goals of the formal organization's military network become derailed by powerful informal networks built up amongst soldiers during the First World War. This paper considers payoffs of both informal soldiers' network and that of the formal military bureaucracy. The paper aims to analyze specific factors and circumstances that allow informal networks to dominate formal goals using a model that incorporates analyses regarding: calculated pay-offs, division and homogeneity of labor, powers of sanction, strength of norms and goals, and duration of existence. These aspects are considered in terms of bureaucracy and adhocracy and types of subversive group activity. Various testable propositions regarding informal and formal goals' dominance are considered in the discussion of the model.