

## **Informal Leaders**

**Robert C. Miner  
Warner University  
University of Phoenix**

*Informal leadership is a subject of limited study and review. Organizational theory acknowledges its existence, but from a negative connotation. Transformational leadership presents a shift in leadership theory that attempts to incorporate concepts shown by informal leaders that display humanism and concern for followers. This casual recognition of informal leadership identifies the positive aspects and influence informal leaders have on an organization. The real difference between formal and informal leaders is the levels of accountability and authority. Formal leaders should maintain a strong relationship with the informal leader to ensure the greatest social capital, which aids in meeting organizational objectives.*

### **INTRODUCTION**

Informal leadership is a subject that has received little attention and is relegated to that of simple references in studies and articles involving leadership discussion (Antonakis, Cianciolo, & Sternberg, 2004). Recognition of informal leaders exists in documents through the ages, but with little to no understanding of their influence and power within an organization (Pielstick, 2000). Investigating the theories of leadership through a literature review should identify the comparison of formal and informal leaders and allow for the discussion of how to harness the powers of the informal leader power in order to improve production and morale within an organization.

### **DISCUSSION**

The extensive literature on leadership identify the phenomena of leadership as an important concept (Antonakis, et al., 2004), but fail to produce a definitive construct of its nature (Antonakis, et al., 2004; Bass & Bass, 2008). This limitation hampers the understanding of informal leadership to the point that little research exists on the dynamics of a recognized important factor in organizational behavior (Doloff, 1990; Hall, 1986; Han, 1983; Pielstick, 2000; Robbins & Zirinshy, 1996; Senge, 1996; Sink, 1998; Weiss, 1978; Wheelan & Johnston, 1996; Whitaker, 1995). Specifically, informal leadership recognition appears only to be connected to the concept of small groups (Bass & Bass, 2008; Pielstick, 2000). However, the connection recognizes the interpersonal relationship dynamic and influence generated by the informal leader (Bass & Bass, 2008; Hoy & Miskel, 2005).

## **THEORY**

Organizational theory defined the need for “fixing responsibility and authority, clearly defining duties and channels of communication, and providing order and discipline” (Wren, 2005, p. 249), but failed to grasp the concept of informal groups or the informal channels of communication, otherwise known as the grapevine (Crampton, Hodge, & Mishra, 1998; Newstrom, Monczka, & Reif, 1974). The theory does not recognize the positive power of these informal groups or channels; instead, it concludes that the informal groups and channels are disruptive and damaging (Crampton, et al., 1998; Newstrom, et al., 1974). De Mare (1989) identified that the informal communication channel composes 70% of the organizational communication and is up to 90% accurate. At this level of activity and accuracy, dismissing the potential influence is foolish. Communication within an organization is vital to share the vision, values, and beliefs as a method of establishing purpose for everyone involved (Pielstick, 2000; Wheelan & Johnston, 1996). In the absence of perceived formal leadership, followers seek individuals to fill the void (Doloff, 1990; Hongseok, Labianca, & Chung, 2006). Therefore, the absence of formal leadership and channels creates an environment where informal leaders and channels thrive.

Transformational leadership represented a shift in leadership theory (Bass & Bass, 2008) in that it attempted to resolve the lack of humanism and concern for followers from formal leaders, which is typically displayed by informal leaders (Bass & Bass, 2008; Hongseok, et al., 2006). The concept is to create alliances and cultivate inter-dependencies that lead to an elevation of follower’s self-interest for the good of the organization (Bass & Bass, 2008). This provides casual recognition of the good informal leaders provide to an organization through the emotional support rendered to followers for moral improvement.

Through the study of group social capital, Hongseok, et al., (2006) identified key aspects of the informal leader that could aid formal leaders in generating change and improving productivity. The first is recognition that subgroups, or informal groups, exist within an organization (Hongseok, et al., 2006). Second, they affect social capital and operations and the informal structure may vary greatly from the formal organization structure (Morey & Luthans, 1991). Third, informal leaders have access to power and can facilitate or impede change (Hongseok, et al., 2006). Fourth, informal leaders already earned the credibility and respect of followers (Pescosolido, 2001; Peters & O’Connor, 2001), which may affect the level of trust with formal leaders due to specific attitudes influenced by the informal leader (Butler Jr, 1991).

## **THE INFORMAL LEADER**

The informal leader wields a level of control that formal leaders underestimate or ignore (Crampton, et al., 1998), but shares many of the qualities recognized in formal leaders (Pielstick, 2000). These include “intelligence, self-confidence, commitment, professional expertise, and perseverance” (Pielstick, 2000, p. 12). The difference is that informal leaders display higher levels of humility, fairness, and altruistic behavior, which leads to a higher inclination of team building and diversity (Pielstick, 2000). Further, the informal leader understands and relates to the needs of the followers at a level that the formal leader cannot compete with or may not comprehend (Hongseok, et al., 2006), which may identify one of the short-comings of transformational leadership theory. However, informal leaders can easily be defined as transformational leaders, but at a higher level (Pielstick, 2000).

The reason for the differences between formal and informal leader attitudes towards followers may lie in the level of authority and accountability. Informal leaders generally have little to no authority and limited accountability (Pielstick, 2000). However, informal leaders influence morale and opinions in that they “reach into every conversation, every meeting, and every decision made in an organization” (Peters & O’Connor, 2001, p. 37). This emphasizes the need to recognize, acknowledge, and work with informal leaders.

Informal leaders generally develop as individuals become central to organizational activities (Freeman, Roeder, & Mulholland, 1980). The development and intensity increases during times of

setbacks or unexpected tragedies as the developing informal leaders generate emotional support (Ibarra, 1993; Wellman, 1992). Hongseok, et al., (2006) states that there is a possibility that the formal leader and the informal leader are one and the same and as such tend to be leaders that are more effective. An argument exists that a formal leader cannot be an informal leader if the individual manages the same group due to the formal title and authority (Wren, 2005). This possibility can only occur when a leader has formal title over one group and is an informal leader of another within the organization. There is a probability that another informal leader will emerge from the group as the dynamics develop.

Having recognized and acknowledged the existence of informal leaders, organizations need to embrace these individuals to maximize their competitive advantage (Peters & O'Connor, 2001). As stated previously, informal leaders can facilitate change (Hongseok, et al., 2006) due to their existing credibility and respect (Peters & O'Connor, 2001). Further, they can help to remove the ambiguity in formal organizational messages, by revealing employees' disbelief and misconceptions (McMurry, 1955). It is unlikely that a formal leader will maintain relationships with every member of a group, but must maintain a strong relationship with the informal leader of each group (Hongseok, et al., 2006). Additionally, by recognizing and engaging the informal leader, the dyadic relationship between the informal and formal leaders generates the greatest social capital and improve group performance (Hongseok, et al., 2006).

## CONCLUSION

Informal leadership is a subject of limited study and review. Organizational theory calls for clearly defining structure and defining responsibility and authority, but fails to acknowledge the importance and the potential positive impact informal leaders and informal communication have on an organization. Transformational leadership provided a shift in leadership theory in that it attempted to instill a level of humanism and concern for followers. This provided a casual recognition of informal leaders and the part they play in an organization.

Through the study of group capital, informal leaders may improve productivity by recognition of key aspects. First is recognition that informal leaders exist. Second is that the formal and informal organizational structures may differ. Third is that the informal leader can either facilitate or impede change. Fourth is that the informal leader already earned credibility and respect, which could affect organizational attitudes and trust levels. Acknowledging these four points minimizes the potential of underestimating the control and power informal leaders have over followers.

Differences between formal and informal leaders may be due to the levels of authority and accountability. This allows informal leaders more latitude with showing levels of compassion and altruism to followers. Nonetheless, informal leaders must be recognized as leaders and as such, the formal leader should maintain a strong relationship to maintain the greatest social capital. This should greatly enhance productivity and aid the organization in meeting its objectives.

## REFERENCES

- Antonakis, J., Cianciolo, A., & Sternberg, R. (2004). *The nature of leadership*. Thousand Oaks, CA: SAGE Publications.
- Bass, B. M., & Bass, R. (2008). *The Bass handbook of leadership theory, research, & managerial applications, (4th ed.)*. New York: Free Press.
- Butler Jr, J. K. (1991). Toward understanding and measuring conditions of trust: Evolution of a conditions of trust inventory. *Journal of Management, 17*(3), 643.
- Crampton, S. M., Hodge, J. W., & Mishra, J. (1998). The informal communication network: Factors influencing grapevine activity. *Public Personnel Management*(Winter 1998 ), 569.

- De Mare, G. (1989). Communicating: The key to establishing good working relationships. *Price Waterhouse Review*, 33, 30-37.
- Doloff, P. G. (1990). Beyond the org chart. *Across the Board*, 36(2), 43-47.
- Freeman, L. C., Roeder, D., & Mulholland, R. R. (1980). Centrality in social networks: Conceptual clarification II. *Social Networks*(2), 119-141.
- Hall, C. (1986). The informal organization chart. *Supervisory Management*, 31(1), 40-42.
- Han, P. E. (1983). The informal organization you've got to live with. *Supervisory Management*, 28(10), 25-28.
- Hongseok, O., Labianca, G., & Chung, M.-h. (2006). A multilevel model of group social capital. *Academy of Management Journal*, 31(3), 569-582.
- Hoy, W. K., & Miskel, C. G. (2005). *Educational research: Theory research and practice* (7th ed.). New York: McGraw Hill.
- Ibarra, H. (1993). Personal networks of women and minorities in management: A conceptual framework. *Academy of Management Review*, 18(1), 56-87.
- McMurry, R. N. (1955). War and peace in labor relations. *Harvard Business Review*, 33(6), 48-60.
- Morey, N. C., & Luthans, F. (1991). The use of dyadic alliances in informal organization: An ethnographic study. *Human Relations*, 44(6), 597.
- Newstrom, J. W., Monczka, R. E., & Reif, W. E. (Writer) (1974). Perceptions of the grapevine: Its Value and Influence [Article], *Journal of Business Communication: Association for Business Communication*.
- Pescosolido, A. T. (2001). Informal leaders and the development of group efficacy. *Small Group Research*, 32(1), 74-93.
- Peters, L. H., & O'Connor, E. J. (2001). Informal leadership support: An often overlooked competitive advantage. *Physician Executive*, 27(3), 35.
- Pielstick, C. D. (2000). Formal vs. informal leading: A comparative analysis. *Journal of Leadership and Organizational Studies*, 7(3), 99-114.
- Robbins, B., & Zirinsky, D. (1996). Growing into leadership: Profiles from a 'good' department. *English Journal*, 85(5), 34-39.
- Senge, P., Kruschwitz, N., Laur, J., & Schley, S. (1996). Leading learning organizations. *Training and Development*, 50(12), 36-37.
- Sink, D. S. (1998). Who will lead the transformation? *Training*, 35(1), s5.
- Weiss, A. J. (1978). Surviving and succeeding in the "political" organization: Becoming a leader. *Supervisory Management*, 23(8), 27.

Wellman, B. (1992). Which types of ties and networks provide what kinds of social support. *Advances in Group Processes*(9), 207-235.

Wheelan, S. A., & Johnston, F. (1996). The role of informal member leaders in a system containing formal leaders. *Small Group Research*, 27(1), 33-55.

Whitaker, T. (1995). Accomplishing change in schools: The importance of informal teacher leaders. *Clearing house*, 68(6), 356-357.

Wren, D. A. (Ed.). (2005). *The history of management thought* (5th ed.). Hoboken, NJ: John Wiley & Sons, Inc.