1. Resistance to change—Most dynamic organisations want change in work methods and routines; informal group have tendency to perpetuate the status quo. Each group tries to maintain equilibrium. In trying to maintain equilibrium, a group develops responses to return to its perceived best way of life whenever any change occurs. Though people perceive the outcome of a change individually if the outcome of change is precise and definite, often they show their reaction in group, and since informal groups are bound by convention, custom, and culture, often they resist any change.  
   2. Role conflict—Since informal organisations try to meet the social needs of their members there is a natural tendency to produce role conflict. An individual perceives role conflict when he has to fulfil conflicting requirements of both his group as well as of organisation as a whole. Such a conflict may be dysfunctional from organisation's point of view. Much of the role conflict can be avoided by carefully cultivating mutual interests with informal groups. The more the interests, goals, methods, and evaluation system of formal and informal organisations can be integrated, the more productivity and satisfaction can be expected.  
   3. Rumour—Rumour is a phenomenon of social communication that supplements the transmission of information through formal communication. Rumour is a specific proposition for belief, passed from person to person, usually by word of mouth, without secure standards of evidence being present. Rumour deals with temporary events in a way that implies that whatever is said is true even though there is not much information to circumstances and relieving of emotional tensions felt by people in those ambiguous situations. Since most of the time rumors carry false information, they become detrimental to organisational functioning. The best course of action to deal with rumour is the identification of their source and course. Getting at causes is wise use of the preventive approach, instead of a tardy curative approach. When people feel secure, understand the things that matter to them, and feel on the team, there are few rumors because there is very little ambiguity in the situation.  
   4. Conformity—The informal groups exert strong pressures for conformity. When conformity is mentioned, a person usually thinks of an autocratic boss and organisational rules. The members identify so much with the informal group that it becomes a part of their everyday life. Accordingly, they hardly realise the powerful pressures which it exerts to group implies that members become subject to willful control of an informal leader who may manipulate the group towards selfish or undesirable ends. The informal leader wields group power without the official control, weight of responsibility, and public regulations that formal leader has. In this way, the informal group can become an instrument of neurotic sources of conflict or non-responsible rabble using the group for their own selfish end.
2. If the formal structure is in conflict with the informal structure, the organisation may end up being inefficient at meeting its objectives. This can arise due to, e.g. formal lines of communication being blocked as informal lines of communication are more efficient and become more important.
3. If managers try to implement change, they may find opposition from not only the formal but also the informal organisation e.g. change in one division, may lead to companywide unrest as word of the changes spread through the informal network, and other divisions start to be concerned that 'they will be next' (the grapevine effect).

* The main problem of informal organizations is that they can make members averse to change. Their social interaction with each other creates lifestyles, [cultures](https://www.toppr.com/guides/history/making-regional-cultures/regional-cultures/), and conventions. People do not positively respond to changes to these things easily.
* For example, employees of many companies organize gatherings and functions for festivals. If the management suddenly decides to ban such social events, it will definitely face resistance.
* Another problem with informal organizations is that members have to conform to a set of togetherness. This, in turn, can lead them away from the larger organizational objectives. A conflict of roles like of this kind can be detrimental to the organization.

1. Informal Groups often establish production norms below the physical capabilities of their members.

2. Groups insist on the observation of the groups norms.

3. Groups cohesiveness impedes acceptance of new employees.

4. Groups often hide their innovations from management and adopt them in their own interest.

5. Groups often oppose the management policies and procedures.

6. Groups often spread rumors affecting the smooth functioning of the organization.

7. Groups often demand a price for co-operation.

8. Jurisdictional disputes among groups create problems for management.

#### Dysfunctions of informal organisations

* May work counter to the purposes of the formal organisations especially when the formal group goals are counter to the organisation's goals.
* Reduces the degree of productivity and control by managers .Due to the influence of the informal group on members behaviour, the manager is unable to control the members, nor predict outcomes
* Reduces the number of practical alternatives.  The solidarity developed in the informal groups strengthens their cohesiveness and thus reduces manager's ability to change the groups of workers.
* Increases the time required to complete activities.Informal workgroup behaviour such as gossiping, consultations, long coffee breaks, e.t.c are time consuming and can lead to delay in task completion.
* Resistance to change.To the extent that change can affect informal groups they will resist change. Therefore assuming change is functional, then any resistance to the change is dysfunctional.
* Source of rumours.
* Group conformity to unacceptable standards.
* Contrary to a formal organization, an informal organization does not depend on relationships of ranks per se. Even functions of people do not define their position within the organization.
* In informal organizations, personal attitudes, prejudices, likes and dislikes determine human relationships. People find a place in the organization depending on these informal factors.

The following guidelines will enable the manager to make effective use of small groups in the organization:

1.                  The informal groups operating in the organization should be identified and their existence recognized.

2.                  The patterns of informal communication should be analyzed carefully. To know the sources of misinformation, rumor, etc. an enlightened manager can use informal channels to plug the loopholes of the formal communication system.

3.                  The management should try to achieve equilibrium between formal and informal organizations. Conflicts between the two should be avoided through two-way communication with he group and their leaders.

4.                  The management should attempt to integrate the interests of informal groups with the objectives of the formal organization. If this could be achieved, much of the role conflict would be avoided.

5.                  The desirable patterns of informal relationships may be incorporated into the formal structure. This will make the organization strong.

6.                  Informal group must be taken into confidence whenever a change in work methods is to be introduced in the organization. It is easier to introduce a change when group norms are changed. For overcoming resistance to change on the part of the groups, the management must share complete information about the change with the groups and try to persuade them to accept change by convincing them of the benefits of the said change.

To sum up, informal groups can be used constructively for attainment of organizational goals. If the interests and goals are integrated with the company's, the groups will work for the company objectives rather than against them.

When the group first comes together, members experience primary tension, which is tension based on uncertainty that is a natural part of initial interactions. It is only after group members begin to “break the ice” and get to know each other that the tension can be addressed and group members can proceed with the forming stage of group development. Small talk and politeness help group members manage primary tensions, and there is a relatively high threshold for these conflicts because we have all had experiences with such uncertainty when meeting people for the first time and many of us are optimistic that a little time and effort will allow us to get through the tensions. Since some people are more comfortable initiating conversation than others, it’s important for more extroverted group members to include less talkative members. Intentionally or unintentionally excluding people during the negotiation of primary tensions can lead to unexpected secondary tensions later on. During this stage people are also less direct in their communication, using more hedges and vague language than they will later in the group process. The indirect communication and small talk that characterize this part of group development aren’t a waste of time, as they help manage primary tensions and lay the foundation for future interactions that may involve more substantive conflict.

Secondary tension emerges after groups have passed the forming stage of group development and begin to have conflict over member roles, differing ideas, and personality conflicts. These tensions are typically evidenced by less reserved and less polite behavior than primary tensions. People also have a lower tolerance threshold for secondary tensions, because rather than being an expected part of initial interaction, these conflicts can be more negative and interfere with the group’s task performance. Secondary tensions are inevitable and shouldn’t be feared or eliminated. It’s not the presence or absence of secondary tension that makes a group successful or not; it’s how it handles the tensions when they emerge. A certain level of secondary tension is tolerable, not distracting, and can actually enhance group performance and avoid groupthink. When secondary tensions rise above the tolerance threshold and become distracting, they should be released through direct means such as diplomatic confrontation or indirect means such as appropriate humor or taking a break. While primary tensions eventually disappear (at least until a new member arrives), secondary tensions will come and go and may persist for longer periods of time. For that reason, we will now turn to a discussion of how to manage conflict in group interaction.