FORMAL AND INFORMAL ORGANIZATIONS

FORMAL ORGANIZATION

The formal organization is the one in which two or more than two people come together

-to accomplish a common objective

-they follow a formal relationship, rules and policies are established for compliance and

-there exists a system of authority.

In this way, all business organizations are formal organizations they have a system of well-defined jobs bearing a definite measure of authority, responsibility and accountability.

INFORMAL ORGANIZATION

There is an informal organization which is formed

-under the formal organization as a system of social relationship

-which comes into existence when people in an organization meet, interact and associate with each other.

-