

Leveraging Informal Networks to Enhance Organizational Performance: A Human Resource Management Perspective

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Abstract

In today's dynamic and digitally mediated work environments, informal systems—such as unstructured collaboration, social networks, and spontaneous knowledge exchange—play an increasingly strategic role in shaping organizational outcomes. While traditionally overlooked by formal Human Resource Management (HRM) structures, these informal practices significantly contribute to agility, innovation, and employee engagement. This conceptual paper synthesizes interdisciplinary literature to explore five core dimensions of informal dynamics: informal work practices, social capital and networks, inclusion and access, digital transformation, and institutional embeddedness. Drawing from social network theory and institutional perspectives, the paper develops an integrative framework that explains how informal systems operate alongside formal structures to influence workplace behavior and performance. The analysis identifies three core functions supported by informal mechanisms—collaboration, innovation, and engagement—and outlines strategic HR leverage points, including inclusive network design, digital facilitation of informal ties, mentorship programs, and cultural alignment. These findings suggest that informal systems when deliberately nurtured, can serve as dynamic capabilities that strengthen organizational resilience and responsiveness. However, the unequal distribution of access to informal networks underscores the need for inclusive leadership and intentional HR interventions to mitigate risks of exclusion and information asymmetry. By offering a conceptual model and practical pathways for action, this study contributes to a growing body of work that calls for greater recognition of informal organizational architecture. It provides both theoretical insights and actionable strategies for HR professionals aiming to navigate the complexities of hybrid work, cultural diversity, and institutional change in the 21st century.

Keywords: Informal Work Practices, Social Capital, Human Resource Management, Organizational Performance, Inclusion in Networks

A. INTRODUCTION

In the evolving landscape of modern work, organizations are increasingly shaped not just by formal hierarchies and job descriptions but by the informal interactions that animate daily routines. Beneath the surface of formal policies lies a vibrant web of relationships, spontaneous collaborations, and unstructured knowledge exchanges that critically influence how work gets done. These informal networks—though often invisible in organizational charts—serve as conduits for trust, learning, and adaptive problem-solving, enabling organizations to remain agile and innovative amid growing complexity (Burt, 2004; Coleman, 1988). Informal work practices, such as peer mentoring, casual problem-solving, and spontaneous information sharing, often emerge organically from interpersonal dynamics rather than formal structures. While these interactions are rarely codified, they play a pivotal role in building team cohesion, fostering psychological safety, and unlocking employee creativity (Jain et al., 2022; Price et al., 2022). Studies on peer support have shown how these unstructured systems can buffer against burnout, enhance job satisfaction, and cultivate cultures of care and resilience—outcomes that formal systems alone often fail to deliver (Collier et al., 2023; Ostrow et al., 2022). However, precisely because these practices operate outside formal visibility, they risk being marginalized or misunderstood unless HR systems are designed to support and scale them strategically (Jain et al., 2022).

Scholars in Human Resource Management (HRM) increasingly recognize the strategic value of informal systems—not as peripheral social structures but as essential mechanisms for knowledge flow, collaboration, and inclusive engagement (Grosser et al., 2022; Horak & Suseno, 2022). Informal networks can accelerate decision-making, support career advancement, and enable cross-boundary collaboration. However, their benefits are not evenly distributed. Employees from underrepresented groups often face

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barriers to accessing these networks, with implications for fairness, inclusion, and organizational equity (Jung & Welch, 2022; Roberson & Scott, 2022). Left unchecked, informal systems can entrench exclusion, reproducing the very inequities that formal inclusion policies seek to redress. For HR leaders, this presents a paradox: the same informal forces that drive agility and cohesion may also undermine diversity and transparency if not consciously shaped.

The situation has grown even more complex in the wake of widespread digital transformation. As remote and hybrid work arrangements become standard, organizations are grappling with the erosion of casual, face-to-face interactions—the very foundation of informal engagement. While digital platforms offer technical connectivity, they often fail to replicate the relational richness of in-person collaboration (Cimperman, 2023; Halmen et al., 2024). Informal mentoring, watercooler chats, and spontaneous brainstorming sessions are harder to sustain across screens and time zones. Without deliberate efforts to recreate these touchpoints virtually, organizations risk a silent unraveling of social cohesion and knowledge exchange. Scholars have proposed practical solutions, from virtual coffee breaks to structured informal forums, to sustain the "human infrastructure" that underpins effective teams (Abalaka, 2023; Zhou & Chang, 2023).

This paper explores the strategic interplay between informal work practices, social networks, and organizational performance, with particular focus on their implications for Human Resource Management. Drawing on social network theory and institutional perspectives, it synthesizes current literature. It proposes a conceptual framework for understanding how informal systems can be harnessed—not only to enhance innovation, engagement, and inclusion—but also to build resilient, high-performing organizations in an era of digital transformation and demographic complexity. By illuminating both the potential and pitfalls of informal dynamics, the study aims to equip HR leaders with actionable insights to integrate informal systems into strategic HRM and foster equitable, adaptive, and future-ready workplaces.

B. LITERATURE REVIEW

Informal Work Practices in Organizational Contexts

Informal work practices—ranging from peer mentoring to unstructured collaboration and spontaneous knowledge exchange—constitute an invisible yet indispensable layer of organizational functioning. Rather than prescribed by formal structures, these practices emerge organically through day-to-day social interactions. Recent scholarship has emphasized their role in enhancing organizational agility, enabling continuous learning, and fostering innovation in complex, dynamic environments (Jain et al., 2022; Price et al., 2022). Informal interactions serve as pathways for tacit knowledge transmission, often providing the contextual nuance and experiential insight that formal systems overlook.

(Laily et al., 2023; Masyhuri et al., 2024) Illustrate how such practices empower employees to respond flexibly to real-time challenges, promoting a culture of learning and adaptation. Especially in knowledge-intensive sectors, informal communication often becomes the critical infrastructure for sustained responsiveness and problem-solving. However, the benefits of informal dynamics are not without risk. Without intentional management, informal networks may drift into exclusivity, creating information silos or marginalizing voices not aligned with dominant social groups (Duressa & Kidane, 2024; Liu, 2024). Moreover, in remote and hybrid work settings, the erosion of spontaneous physical interactions necessitates new digital strategies—such as virtual lounges and social collaboration platforms—to preserve informal engagement (Hashim et al., 2022; Sackett et al., 2022). For HR leaders, the imperative lies in aligning informal dynamics with formal objectives, ensuring these rich interpersonal exchanges remain equitable, visible, and strategically harnessed.

The Role of Informal Networks and Social Capital

Informal networks represent the relational architecture of organizations: webs of connection that transcend organizational charts, enabling cross-boundary collaboration and knowledge diffusion. Underpinned by social network theory, these relationships—both strong (trust-based) and weak (diverse, exploratory)—form the bedrock of social capital (Burt, 2004; Granovetter, 1973). As (Coleman, 1988) describes, social capital is the value inherent in relationships that facilitate coordination, trust, and mutual

aid. In organizations, this capital fuels creativity, supports problem-solving, and boosts collective efficiency.

Empirical evidence confirms that diverse and inclusive informal networks correlate strongly with innovation and adaptability (Gu et al., 2022; Lewaherilla et al., 2023). Integrating these social structures into formal systems enhances strategic agility and resilience. For example, (Keshavarzi et al., 2023) emphasize that the (Roberson & Scott, 2022)synergy between human and social capital is essential for sustained performance. (Adekanmbi & Ukpere, 2023) point to the role of intra-organizational social capital in driving productivity, particularly in digital contexts. A study further shows how embedded informal networks enable social innovation by activating collective intelligence. For HRM, this implies a need to nurture and strategically leverage informal networks—not merely as byproducts of organizational culture but as tools for resilience, knowledge mobility, and sustained performance.

Inclusion and Equity in Informal Systems

Despite their utility, informal networks often reproduce the inequities they seek to transcend. Because access to these networks is shaped by social familiarity rather than structural transparency, employees from underrepresented groups—such as women, minorities, or new hires—frequently find themselves on the periphery (Roberson & Scott, 2022). The concept of contributive justice, as articulated by (Roberson & Scott, 2022), highlights how one's perceived ability to participate meaningfully within informal systems significantly influences their workplace experience and sense of belonging. Fostering inclusive, informal networks is thus not optional but essential. (Bodla et al., 2022) demonstrate that climates of inclusion amplify the positive effects of informal interactions, especially for marginalized professionals. Similarly, (Jha et al., 2023; Qi et al., 2023) show that inclusive leadership catalyzes deeper engagement, psychological safety, and active participation in change processes. Mentorship initiatives, when thoughtfully designed, offer underrepresented employees vital access to social capital and informal insight networks (Afridah & Lubis, 2024). (Dhanani et al., 2024) argue that HR must go beyond passive DEI statements, embedding inclusive practices into both formal systems and informal cultures. These insights underscore the critical role of HRM in designing structures where informal engagement is accessible, equitable, and empowering for all members of the workforce.

Digital Transformation and the Future of Informal Work

The transformation to digital and hybrid work has dramatically altered the terrain of informal practices. As physical proximity wanes, so too do the unplanned hallway conversations, peer check-ins, and casual mentoring that once sustained the social fabric of teams (Halmen et al., 2024). Organizations are now challenged to deliberately reconstruct informal spaces in digital form—through virtual coffee chats, collaborative messaging platforms, and asynchronous community-building tools (Abalaka, 2023; Cimperman, 2023). (Zhou & Chang, 2023) stress that digital transitions must be accompanied by HRM strategies that preserve informal connectivity across dispersed teams. Without intentional intervention, digital work may entrench isolation, fragment trust, and erode collaborative momentum. However, with thoughtful design and inclusive cultures, virtual environments can revitalize informal engagement. Research by (Borovyk et al., 2022; Putro, 2023) shows that when digital systems are designed to mimic informal touchpoints, employee creativity, cohesion, and satisfaction remain high. Still, challenges such as digital fatigue and communication asymmetries persist. (Zimin & Kalakutsky, 2024) emphasize that HR must continuously recalibrate engagement strategies to align with evolving digital norms, ensuring informal networks remain resilient and accessible. In short, the future of informal work lies not in reverting to old models but in reimagining human connection through digital tools.

Institutional Contexts and the Persistence of Informality

Informal practices do not arise in a vacuum. They are embedded within larger institutional and cultural frameworks that shape behavior through shared norms, routines, and values. (Dugger, 1995; Williamson, 2000) describe these as "informal institutions"—unwritten rules that govern conduct, often as powerfully as formal regulations. In organizations, these norms influence everything from how relationships are formed to how dissent is expressed, sometimes reinforcing hierarchy but also enabling distributed leadership and silent innovation. (Huo et al., 2024) illustrate how formal systems are shaped—and sometimes constrained—by the informal cultures that permeate teams. A productive organizational

climate, they argue, integrates both formal authority and informal influence. (Elserogy et al., 2022) Likewise, informal support networks boost commitment, especially when formal policies are aligned with relational norms. (Karim et al., 2022) highlight that successful project execution often hinges less on tools and more on interpersonal navigation—trust, intuition, and informal credibility. (Mathiassen et al., 2023) extend this by arguing that heterogeneous work practices—those combining structured and informal elements—yield more actionable insights in complex environments.

In this context, HR professionals must adopt a culturally intelligent approach to informal dynamics, recognizing that the most effective policies do not override informality but work with it. (Zhou & Chang, 2023) advocate for recalibrated HR strategies that acknowledge informal networks as strategic assets, particularly in hybrid settings where cultural coherence can easily fragment. In sum, the persistence of informality is not a problem to solve but a dynamic to understand—and, when correctly managed, a source of strategic advantage.

C. METHODS

This study employs a conceptual and integrative literature review methodology to explore the nuanced interplay between informal work practices, social networks, and organizational performance within the realm of Human Resource Management (HRM). Rather than conducting empirical fieldwork, the research adopts a reflective synthesis of existing literature to construct a coherent theoretical framework and generate strategic insights applicable to contemporary HR challenges. This approach is particularly apt given the study's focus: understanding how informal organizational dynamics—largely undocumented and often overlooked—shape critical outcomes such as innovation, engagement, and inclusion, especially in evolving digital and hybrid work environments. The review process began with a systematic search of peer-reviewed sources using academic databases, including Scopus, Web of Science, and Google Scholar. Search terms such as “informal work practices,” “informal networks,” “social capital,” “organizational performance,” and “HRM strategy” were employed to identify relevant studies published between 2000 and 2024, with particular emphasis on the most recent decade to reflect shifts due to digital transformation and diversity imperatives. Inclusion criteria prioritized works that demonstrated conceptual rigor, empirical grounding, and relevance to HRM, organizational behavior, or management theory. To ensure multidisciplinary depth, the literature base also incorporated contributions from sociology, institutional economics, and digital work studies.

The analytical strategy followed a thematic synthesis approach, in which recurring constructs were extracted, clustered, and refined across multiple rounds of reading and coding. Five core dimensions emerged inductively as organizing lenses for this study: 1) Informal Work Practices; 2) Informal Networks and Social Capital; 3) Inclusion and Equity in Informal Systems; 4) Digital Transformation of Informal Work; and 5) Institutional and Cultural Embeddedness. Each dimension was interrogated in relation to its theoretical lineage, organizational implications, and potential for HR intervention. The aim was not only to categorize but also to connect disparate streams of knowledge, thereby illuminating the interdependencies among informal practices, organizational systems, and strategic outcomes. This integrative methodology enables a holistic and future-oriented understanding of informal dynamics as both a social reality and a managerial resource. By weaving together insights from diverse contexts—public and private sectors, physical and virtual workplaces, and inclusive and hierarchical cultures—the study offers a robust conceptual scaffolding for HR leaders seeking to leverage informality as a strategic dynamic asset. The conceptual orientation also allows for the generation of frameworks and propositions that can guide future empirical inquiry and organizational experimentation.

D. RESULTS AND DISCUSSION

Dimensions of Informal Dynamics in Organizations

The synthesis of current literature reveals five interrelated dimensions through which informal dynamics manifest within organizations and influence a range of outcomes—spanning innovation, inclusion, agility, and performance. These dimensions include informal work practices, social capital and networks, inclusion and access, digital transformation, and institutional embeddedness. While conceptually distinct, these domains are tightly interwoven in shaping how informal behavior unfolds

across formal boundaries. At the core is the realm of informal work practices, referring to spontaneous, non-institutionalized behaviors such as peer mentoring, unstructured collaboration, and ad-hoc problem-solving. These are often invisible to formal reporting systems yet critically underpin organizational responsiveness and creativity—particularly in uncertain, fast-moving environments (Jain et al., 2022; Price et al., 2022). What makes these practices powerful is their adaptive nature: they enable real-time responses to emergent challenges, often filling the gaps left by rigid procedural structures.

Parallel to these practices lies the infrastructure that enables them: social capital and informal networks. As theorized by (Burt, 2004; Coleman, 1988), social capital encompasses the resources embedded in relationships—resources such as trust, shared norms, and reciprocal obligations—that make collective action more effective—strong ties built on long-standing trust foster cohesion and psychological safety. Weak ties, meanwhile, enable access to novel insights and bridge disconnected knowledge clusters (Gu et al., 2022), thus enhancing the organization’s innovative capacity. However, the benefits of informality are not equally distributed. The dimension of inclusion and access addresses how power and privilege shape who participates in informal systems—and who is left out. (Roberson & Scott, 2022) argue that informal structures may reproduce systemic inequities when participation depends on social similarity or proximity to dominant groups. In contrast, inclusive climates—where belonging and psychological safety are intentionally cultivated—can democratize access to informal learning and collaboration (Bodla et al., 2022), thus amplifying both individual opportunity and organizational cohesion.

These dynamics become increasingly complex in digitally mediated environments. As remote and hybrid work become normalized, the spontaneous proximity that previously sustained informal interaction is diminished. Scholars such as (Cimperman, 2023; Halmen et al., 2024) emphasize the urgent need for the intentional design of virtual “third spaces”—such as informal Slack channels, digital coffee hours, and asynchronous storytelling forums—to replicate the serendipity of hallway conversations and peer coaching. Without such interventions, the erosion of informal bonds risks undermining organizational culture and social integration. The fifth dimension—institutional embeddedness—speaks to the deep, often invisible cultural codes that shape informal behavior across time and context. Drawing on the foundational insights of (Dugger, 1995; Williamson, 2000), this dimension recognizes that norms, values, and unspoken conventions play a central role in guiding informal actions. These institutional forces explain why informality persists even in highly bureaucratic settings and why some informal practices may support innovation while others entrench hierarchy or resistance. For HR professionals, understanding this embeddedness is crucial for designing interventions that are context-sensitive and culturally resonant. The five dimensions outlined above are synthesized in Table 1, which captures their core features and scholarly foundations.

Table 1. Dimensions of Informal Dynamics in Organizations

Dimension	Description	Key Sources
Informal Work Practices	Non-codified actions include peer mentoring, unstructured collaboration, and spontaneous knowledge exchange.	(Jain et al., 2022; Price et al., 2022)
Social Capital & Networks	Trust-based ties that facilitate access to information and resources.	(Burt, 2004; Coleman, 1988; Gu et al., 2022)
Inclusion and Access	Equity of participation in informal systems and perceived belonging.	(Bodla et al., 2022; Roberson & Scott, 2022)
Digital Transformation	The impact of remote/hybrid work on sustaining informal interactions.	(Cimperman, 2023; Halmen et al., 2024)
Institutional Embeddedness	Influence of norms, values, and informal institutions on informal behavior.	(Dugger, 1995; Mathiassen et al., 2023; Williamson, 2000)

Source: Research data, 2025

This classification functions not only as a conceptual map but also as a strategic framework for HR practitioners seeking to enhance organizational effectiveness through informal systems. Importantly, the dimensions do not operate in silos. For instance, digital transformation (Dimension 4) significantly influences how social capital (Dimension 2) is formed and sustained. Likewise, institutional embeddedness (Dimension 5) underpins the norms that shape access and inclusion (Dimension 3). The dynamic interaction among these domains suggests that informal dynamics are best understood as an ecosystem—where structural, technological, and cultural elements mutually reinforce or counterbalance

each other. Critically, this perspective challenges HRM to move beyond a reactive posture toward informality. Instead, it advocates for strategic stewardship—the deliberate cultivation, integration, and monitoring of informal dynamics to support adaptive, inclusive, and high-performing organizational cultures. This requires not only digital infrastructure and inclusive leadership but also cultural intelligence and a willingness to engage with complexity.

Thematic Relationships Across Informal Systems

While categorizing the core dimensions of informal dynamics offers valuable conceptual clarity, a more nuanced synthesis uncovers how these dimensions functionally interact to support three critical pillars of organizational performance: collaboration, innovation, and employee engagement. Rather than operating in isolation, informal networks, practices, and institutions interact synergistically, often bridging structural gaps that formal systems leave behind. This interplay is neither accidental nor peripheral—it is central to how organizations adapt, compete, and thrive in uncertain environments. At its foundation, collaboration emerges as a function particularly enriched by informal systems. Formal structures, while necessary for accountability and coordination, often lack the responsiveness needed for rapid decision-making. In contrast, informal channels—such as ad-hoc teaming, peer mentoring, and spontaneous problem-solving—facilitate lateral communication, which in turn accelerates response times and builds interpersonal trust. When communication flows freely outside hierarchical boundaries, cross-functional integration becomes more feasible, allowing teams to navigate ambiguity with greater agility (Gu et al., 2022; Jain et al., 2022).

In the domain of innovation, informal systems act as engines of creativity. Classic network theory (Burt, 2004; Granovetter, 1973) emphasizes the power of weak ties—informal connections between disparate groups—to introduce novel ideas and foster knowledge recombination. These connections often serve as hidden conduits for experimentation and learning, circumventing the constraints of formal R&D structures. Empirical studies confirm that organizations with robust informal knowledge-sharing cultures are more adaptable and capable of producing breakthrough solutions (Lewaherilla et al., 2023). Beyond operational efficiency and novelty, informal systems also play a transformative role in driving engagement and psychological well-being. Social identity and inclusion theories suggest that employees derive a sense of belonging not only from official roles but also from being seen, heard, and valued in informal settings. Casual recognition, social rituals, and non-hierarchical support networks reinforce commitment and reduce attrition. (Islam & Ahmed, 2023) found that inclusive, informal interactions correlate strongly with organizational citizenship behavior and retention, while (Bodla et al., 2022) underscore the importance of informal inclusion climates in promoting morale and participation. These strategic functions and their supporting informal mechanisms are distilled in the following table:

Table 2. Thematic Linkages Between Informal Mechanisms and Organizational Functions

Function	Informal Mechanisms	Expected Outcomes	Supporting Sources
Collaboration	Peer support, informal mentoring, spontaneous teaming	Enhanced agility, faster decision-making, trust	(Gu et al., 2022; Jain et al., 2022)
Innovation	Knowledge sharing, weak ties, cross-unit dialogue	Creative ideas, knowledge recombination, adaptability	(Burt, 2004; Lewaherilla et al., 2023)
Engagement	Inclusive social ties, informal recognition, social cohesion	Higher morale, participation, retention, psychological safety	(Bodla et al., 2022; Islam & Ahmed, 2023)

Source: Research data, 2025

As illustrated in Table 2, informal systems are not merely incidental but strategically consequential. They function as organizational middleware—connecting formal processes with human experience, translating structural intent into lived engagement, and surfacing latent knowledge that structured systems may overlook. However, the effectiveness of these mechanisms hinges on the quality of informal interactions. Trust, psychological safety, and accessibility are not just desirable—they are essential mediators that determine whether informal dynamics generate positive outcomes or exacerbate fragmentation and exclusion. From a strategic standpoint, these findings call for a reframing of HRM priorities. Rather than viewing informal systems as chaotic or uncontrollable, they should be seen as leverage points—assets that, when aligned with formal goals and nurtured through inclusive leadership and digital design, can significantly amplify innovation, cohesion, and commitment across all levels of the organization. The thematic relationships explored here reinforce a central proposition of this study: informal systems, when intentionally cultivated and structurally supported, constitute a powerful engine

of organizational performance. Their integration into HR strategy is not merely a question of culture—it is a question of competitive advantage.

Conceptual Framework: Informal Dynamics and Organizational Performance

The synthesis of literature across the five key dimensions of informal organizational dynamics—informal work practices, social capital and networks, inclusion and access, digital transformation, and institutional embeddedness—reveals a complex, multi-level architecture through which informal systems influence organizational behavior and performance. These dynamics are not isolated phenomena. Instead, they function interdependently, exerting influence across individual, team, and organizational levels. At the center of this system is the reciprocal interplay between informal practices and social networks, both of which act as enabling platforms for collaboration, innovation, and employee engagement—foundational components of sustainable organizational performance. Informal work practices refer to non-codified routines—such as peer mentoring, tacit knowledge exchange, and spontaneous collaboration—that support real-time problem-solving and learning. However, these practices do not occur in a vacuum. They are embedded within and transmitted through informal networks: webs of interpersonal ties that define the pathways through which influence, information, and support travel. As theorized by (Burt, 2004; Coleman, 1988), these networks constitute the infrastructure of social capital, offering both bondings (through strong ties) and bridging (through weak ties) capabilities essential for trust-building and innovation.

Two critical contextual forces mediate this foundational relationship: 1) Digital transformation: While digital platforms have expanded the reach and immediacy of informal interaction, they also introduce fragmentation and relational distance. The loss of physical proximity can erode the trust and spontaneity central to informal ties unless organizations design intentional digital social spaces (Cimperman, 2023; Halmen et al., 2024); and 2) Institutional embeddedness: Informal systems are shaped by unwritten cultural norms and behavioral expectations, often codified in the form of informal institutions (Dugger, 1995; Williamson, 2000). In hierarchical cultures, for instance, informal networks may entrench power asymmetries, while in egalitarian contexts, they may facilitate flatter collaboration. Understanding these cultural undercurrents is vital to designing interventions that reinforce equity rather than reproduce exclusion. Critically, the inclusiveness of informal systems is neither automatic nor guaranteed. Without deliberate organizational intervention, access to these networks may reflect and reinforce social privilege, marginalizing underrepresented employees (Roberson & Scott, 2022). Therefore, inclusive leadership and HR strategies must be deployed to ensure that informal spaces are open, accessible, and equitable. The integration of these insights results in a conceptual model that clarifies the strategic importance of informal dynamics in shaping organizational performance.

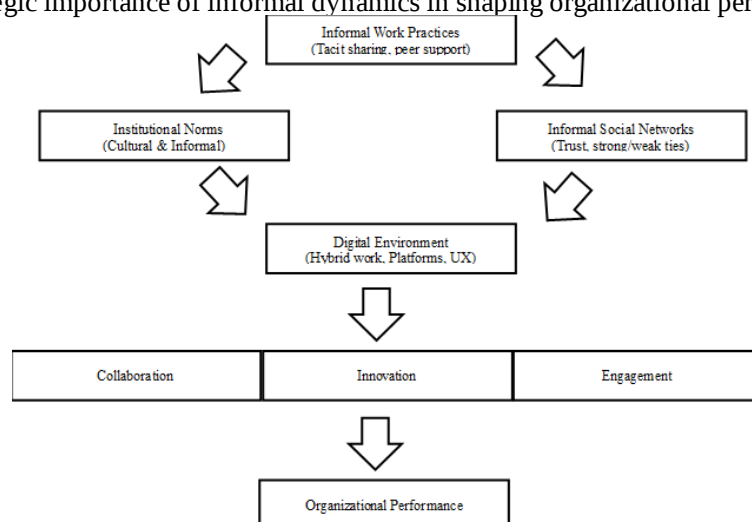


Figure 1. Conceptual Framework: Informal Dynamics and Organizational Performance

Source: Research data, 2025

Figure 1 visually represents the model's core propositions. At its center lies the mutual reinforcement between informal practices and social capital. Radiating from this core are the three

strategic performance domains—collaboration, innovation, and engagement—which are activated through the mechanisms enabled by informal systems. Encircling this is digital transformation and institutional context, which shape the boundaries and possibilities of informal behavior. Finally, inclusion and access act as a cross-cutting variable, determining the extent to which informal systems advance equity and participation or exacerbate existing disparities.

Strategic Leverage Points for HRM

Although informal practices and social networks often function outside the bounds of formal hierarchies and policies, they are far from being beyond the reach of strategic management. In fact, one of the most critical and often underutilized roles of Human Resource Management (HRM) is to act as a bridge between formal strategy and informal culture. Informal systems, while emergent and decentralized, can be purposefully guided—not by rigid control but through thoughtful intervention. By understanding the mechanics of informality, HR professionals can embed strategic influence at key leverage points to enhance inclusion, innovation, and engagement across the organization. This study identifies four key strategic leverage points where HRM can shape informal dynamics: 1) Inclusion in informal networks; 2) Digital facilitation of informal engagement; 3) Structured mentorship and sponsorship; and 4) Institutional-cultural alignment. These points are not siloed tactics but interdependent drivers that interact with formal systems to produce ripple effects across collaboration, innovation, and workforce resilience.

Promoting inclusion in informal networks, for example, goes beyond traditional diversity programs. It requires mapping the social architecture of organizations—using tools like social network analysis (SNA)—to reveal who is structurally excluded from informal influence and opportunity flows (Roberson & Scott, 2022). Once identified, organizations can implement interventions such as cross-functional task forces, network-building events, and inclusive peer recognition programs to democratize access and amplify underrepresented voices. In hybrid and remote work settings, digital facilitation of informal interaction becomes essential. Spontaneous hallway chats and lunchroom conversations must be reimaged through virtual "watercooler" platforms, casual chat spaces, and unstructured team rituals that recreate informality in distributed environments (Cimperman, 2023). Such practices must be intentionally designed—not merely encouraged—to ensure that trust and social cohesion are not casualties of digital convenience.

Another critical area is mentorship and sponsorship, especially for early-career professionals or those from historically marginalized groups. Informal mentorship alone often reproduces existing power structures. However, structured matching programs, supported by active leadership participation, can institutionalize access to tacit knowledge and career support, thereby expanding social capital equitably across the workforce (Afridah & Lubis, 2024). Finally, institutional alignment ensures that informal behaviors are not at odds with formal values. Informal systems often carry "hidden scripts" that reinforce norms—either positively (through trust and collaboration) or negatively (through exclusion or resistance). HR must embed psychological safety, openness, and participatory norms into both formal policy and everyday organizational narratives. This alignment is particularly crucial in digitally transforming or cross-cultural organizations, where informal expectations can diverge rapidly without shared cultural anchors (Dugger, 1995; Williamson, 2000).

Table 3. Strategic Leverage Points for Managing Informal Dynamics

Leverage Point	Strategic HR Intervention	Expected Impact
Inclusion in Informal Networks	Network mapping, cross-functional teams, inclusive recognition	Reduces exclusion, increases access to information
Digital Informal Engagement	Virtual social spaces, informal chat platforms, unstructured team time	Sustains trust and connectivity in hybrid teams
Mentorship and Sponsorship	Structured mentor programs, peer matching, visible leadership engagement	Expands social capital and career support
Institutional Alignment	Culture audits, narrative alignment, psychological safety training	Ensures consistency between formal and informal systems

Source: Research data, 2025

Rather than viewing informality as an unpredictable variable, HRM should reposition it as a strategic asset—a source of adaptability, innovation, and organizational resilience. When navigated with intention, informal systems become levers of transformation, not just relics of culture. They carry the

emotional infrastructure of organizations—the trust, reciprocity, and inclusion that formal structures alone cannot deliver. As work becomes increasingly distributed, digital, and knowledge-driven, the ability to shape what is unwritten but powerful—informal relationships and trust-based influence—will define the next frontier of strategic HR leadership.

Discussion

The findings from this conceptual synthesis reaffirm a critical yet frequently understated proposition in organizational theory: informal systems are not marginal but foundational to how modern organizations function, adapt, and evolve. By weaving together five interdependent dimensions—informal work practices, social capital, inclusion, digital transformation, and institutional embeddedness—this review challenges the traditional boundaries between the formal and informal and positions informal dynamics as a strategic infrastructure within contemporary Human Resource Management (HRM). A central insight is the role of informal work practices as a reservoir of adaptive capacity. Employees engage in daily, spontaneous acts—such as unstructured collaboration, peer mentoring, and real-time problem-solving—that enable them to operate fluidly in complex and uncertain environments (Jain et al., 2022; Price et al., 2022). These behaviors are not only more responsive than rigid protocols but often precede formal innovation or change initiatives. However, their informal and unregulated nature renders them invisible primarily to managerial dashboards, making them vulnerable to oversight or neglect. Organizations risk underutilizing their most dynamic capabilities simply because they exist outside formal reporting lines.

At the heart of these informal dynamics lies social capital, which enables the flow of trust, knowledge, and resources across boundaries. Classical frameworks by (Burt, 2004; Coleman, 1988) emphasize the instrumental value of both strong (trust-based) and weak (information-rich) ties. In the organizational context, these ties underpin collaboration, problem-solving, and even ethical climate. However, access to these networks is often asymmetrically distributed. The literature warns against the emergence of exclusive informal cliques that consolidate power and limit visibility for those on the periphery—especially women, minorities, and newcomers (Roberson & Scott, 2022). Without intentional design, informal networks may mirror and magnify structural inequalities, undermining the very inclusion that formal HR policies aim to promote. The rise of digital and hybrid work arrangements further complicates this dynamic. On one hand, technology can facilitate unprecedented levels of connectivity, removing spatial and temporal barriers to collaboration. On the other, the erosion of spontaneous, face-to-face interactions can weaken the “social glue” that holds informal systems together (Cimperman, 2023; Halmen et al., 2024). The findings indicate that maintaining informal cohesion in virtual environments requires more than just communication tools; it demands deliberate architectural choices that embed informal socialization into digital workflows. HR’s role, therefore, expands from merely managing tasks to curating environments for relational richness—in both physical and virtual spaces. Importantly, these relational dynamics are not culturally neutral. The study’s inclusion of institutional embeddedness highlights how national cultures, organizational histories, and normative frameworks profoundly shape informal behaviours. In high power-distance cultures, informal networks may reinforce existing hierarchies, while in egalitarian contexts, they may foster democratic dialogue and cross-functional bonding (Dugger, 1995; Williamson, 2000). This underscores the need for context-sensitive HR strategies that recognise how informality is locally constructed, culturally encoded, and often politically charged.

From a strategic HRM perspective, this reconceptualization of informality as a latent organizational capability presents a significant opportunity. Rather than attempting to suppress or formalize informality—which is often futile—HR leaders are better positioned to enable and shape it. The four leverage points identified in this study—inclusion in informal networks, digital facilitation, structured mentorship, and institutional alignment—offer concrete mechanisms for guiding informal systems toward desired outcomes. They shift the HR function from compliance to capability-building, from control to context curation. Nevertheless, this study is not without limitations. Its conceptual nature precludes empirical testing, and while the synthesis spans disciplines and sectors, its generalizability may be limited by cultural and organizational idiosyncrasies. Future research should prioritize empirical validation of the proposed framework—using social network analysis, ethnographic methods, or longitudinal case studies. Additionally, the intersectional effects of gender, ethnicity, class, and age on

informal access and participation remain underexplored. Understanding how these identities interact with informal systems is critical for operationalizing inclusive HR practices in practice—not just in principle.

The evidence suggests that the most impactful elements of organizational life may be the least visible. Informal systems—when nurtured and aligned with organizational goals—enable the emergence of creativity, cohesion, and commitment. As organizations face volatility and transition, their ability to harness the informal may well distinguish those that adapt and thrive from those that stagnate. This study contributes to a growing body of work that calls for a rebalancing of attention in HRM: from what is formal and measurable to what is lived, relational, and emergent.

E. CONCLUSIONS

This study has brought to light the pivotal—yet frequently underestimated—role of informal dynamics in shaping the fabric of organizational life and performance. An integrative, interdisciplinary literature review identifies five interlocking dimensions that structure these dynamics: informal work practices, social capital and networks, inclusion and access, digital transformation, and institutional embeddedness. These elements, often operating beneath the surface of formal hierarchies, collectively create a hidden architecture that profoundly influences how organizations collaborate, innovate, and engage their people. The conceptual framework presented in this paper reframes informality not as an operational irregularity but as a strategic asset. Informal systems support rapid problem-solving, enable the transfer of tacit knowledge, and strengthen trust—capacities that are increasingly essential in agile, hybrid, and knowledge-intensive workplaces. Far from being ancillary, these informal mechanisms complement and often exceed the adaptability of formal systems, particularly in times of uncertainty and change.

However, the benefits of informality are not evenly distributed. Without intentional guidance, informal networks can reproduce exclusionary dynamics and reinforce inequalities, leaving underrepresented individuals disconnected from critical resources and opportunities. This insight underscores a central imperative for Human Resource Management (HRM): to move beyond transactional practices and assume a proactive stewardship role in designing inclusive and responsive informal systems. By identifying four strategic leverage points—network inclusion, digital facilitation, structured mentorship, and institutional-cultural alignment—, this study offers actionable pathways for HR practitioners seeking to harness informality for competitive advantage. These interventions are not merely operational tweaks but foundational shifts toward recognizing the relational and cultural dimensions of organizational performance. The future of work demands that organizations look beyond what is formally measurable and begin to manage what is relationally meaningful. Informal dynamics are the connective tissue of modern organizations. Managing them with intention, equity, and cultural awareness is not just a human capital necessity—it is a strategic imperative for building resilient, inclusive, and high-performing institutions in the 21st century.

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