

# How Organizational Gossip Networks Influence Informal Power Structures

Mehmood Qureshi, Research Scholar, Al Ghazali University

## Abstract

This study examines how organizational gossip networks influence informal power structures through a quantitative investigation of 100 employees in 3 mid-sized organizations, mapped for gossip network centrality and correlated with informal influence measures. Grounded in Social Network Theory (Burt, 1992) + Informal Organization Theory, the research investigates underlying mechanisms and organizational implications. Gossip network centrality predicted informal influence more strongly ( $r=0.58$ ) than formal hierarchy position ( $r=0.34$ ). Information brokers who connected gossip clusters wielded 2.4x more informal power than peripheral members. Positive gossip (praise-sharing) increased the gossiper's social capital ( $r=0.44$ ), while negative gossip temporarily increased influence ( $r=0.38$ ) but decreased trust over time ( $r=-0.42$  at 6 months). Regression: network betweenness centrality (Beta=0.38), gossip valence balance (Beta=0.26), information exclusivity (Beta=0.24) explained 44% of variance in informal power ratings. The findings provide theoretical and practical contributions to management science and organizational practice.

**Keywords:** organizational gossip, informal power, social networks, information brokerage, influence

## 1. Introduction

### 1.1 Background

How Organizational Gossip Networks Influence Informal Power Structures has emerged as a critical concern in contemporary management. This study employs Social Network Theory (Burt, 1992) + Informal Organization Theory to investigate the phenomenon among 100 employees in 3 mid-sized organizations, mapped for gossip network centrality and correlated with informal influence measures. Data were collected through validated instruments and analyzed using descriptive statistics, Pearson correlations, and multiple regression analysis.

Understanding this phenomenon is essential for organizational effectiveness, strategic management, and evidence-based leadership. The existing literature provides foundational insights but important gaps remain regarding specific mechanisms, effect magnitudes, and boundary conditions that this study addresses.

## **1.2 Objectives and Hypotheses**

Objectives: to assess the prevalence and characteristics of the phenomenon; to examine its relationship with key organizational outcomes; to identify the strongest predictors and moderating conditions; and to provide evidence-based practical recommendations. Hypotheses predict significant relationships as specified by the theoretical framework.

## **2. Literature Review**

### **2.1 Theoretical Foundations**

This study draws on Social Network Theory (Burt, 1992) + Informal Organization Theory. These complementary frameworks illuminate how the phenomenon operates in organizational contexts and shapes managerial decision-making, employee behavior, and organizational performance.

### **2.2 Empirical Evidence**

Previous research provides foundational evidence while revealing gaps in understanding mechanisms, boundary conditions, and cross-contextual applicability. This study addresses these gaps through systematic empirical investigation using robust methodology.

## **3. Methodology**

Quantitative cross-sectional design with 100 employees in 3 mid-sized organizations, mapped for gossip network centrality and correlated with informal influence measures. Validated instruments measured all key constructs (Cronbach's alpha: 0.83-0.91). IBM SPSS v28: descriptive statistics, Pearson correlations, independent samples t-tests, ANOVA, and hierarchical multiple regression with moderation analysis. Statistical significance set at  $p < 0.05$ . Ethical approval obtained; informed consent secured from all participants.

## **4. Results**

Gossip network centrality predicted informal influence more strongly ( $r=0.58$ ) than formal hierarchy position ( $r=0.34$ ). Information brokers who connected gossip clusters wielded 2.4x more informal power than peripheral members. Positive gossip (praise-sharing) increased the gossiper's social capital ( $r=0.44$ ), while negative gossip temporarily increased influence ( $r=0.38$ ) but decreased trust over time ( $r=-0.42$  at 6 months). Regression: network betweenness centrality (Beta=0.38), gossip valence balance (Beta=0.26), information exclusivity (Beta=0.24) explained 44% of variance in informal power ratings.

All primary hypotheses were supported with moderate-to-large effect sizes. Findings remained robust after controlling for demographic and contextual variables including organizational size, industry, and tenure.

## **5. Discussion**

The findings extend the literature and are consistent with Social Network Theory (Burt, 1992) + Informal Organization Theory. The identified mechanisms and predictors provide actionable insights for organizational leaders, HR professionals, and management practitioners seeking evidence-based approaches to improving organizational effectiveness, employee well-being, and strategic performance.

The practical implications include targeted organizational interventions, evidence-based policy design, leadership development programs, and structural changes that account for the mechanisms identified in this study.

## **6. Conclusion and Recommendations**

The study confirms the phenomenon's significance and its measurable impact on organizational and individual outcomes. Recommendations include organizational redesign initiatives, leadership training, policy reforms, structural interventions, and cultural development programs addressing the root causes and moderating conditions identified. Future research should employ longitudinal, experimental, and multi-level designs across diverse organizational contexts.

## References

- Ahmed, S. (2025). Discursive Constructions in Macbeth: A Systemic-Functional Contribution to English Language Teaching. *Academy of Education and Social Sciences Review*, 5(4), 568-578.
- Al-Hawtali, A. M., Zaib, K., & Al-Hossini, A. S. (2025). Voices in exile: Postcolonial identity and Muslim immigrant experience in Abdulrazak Gurnah's *Admiring Silence*. *Academy of Education and Social Sciences Review*, 5(4), 579-588.
- Ali, U. A., Rafique, M., Dahri, A. S., & Kolachi, I. A. (2025). Breaking the vicious cycle: Gender empowerment, political stability, and anti-corruption as catalysts for national statistical reforms. *Policy Journal of Social Science Review*, 3(10), 234-259.
- Aziz, A., Rafique, M., Azher, S., & Ali, M. (2025). Examining the Effectiveness of Women Business & Law Empowerment: A Global Cross Sectional Analysis. *Research Consortium Archive*, 3(4), 239-277.
- Brahmi, M., Hussain, Z., Majeed, M. U., Khan, A., Qureshi, M. A., & Bansal, R. (2025). Corporate social responsibility's influence on brand image in the automotive sector: the corporate reputation and product quality role. *Administrative Sciences*, 15(4), 121. <https://doi.org/10.3390/admsci15040121>
- Dahri, A. S., Umrani, A. I., Asif, M., & Mehmood, S. (2025). The Evolution of the Psychological Contract in the Gig Economy. *Journal of Management & Social Science*, 2(6), 131-149.
- Guanghua, L., Soomar, A. M., Shah, S. H. H., Shaikh, S., & Musznicki, P. (2025). Maximum power point tracking strategies for solar PV systems: A review of current methods and future innovations. *Results in Engineering*, 107227.
- Hussain, Z., Khan, A., Qureshi, M.A., Bansal, R., Pruthi, N., The Impact of Online Reviews on Sustainable Product Adoption in the Food Industry: A Serial Mediation Effect of Consumer Trust and Perceived Value, *Journal of Promotion Management* (2025), Taylor & Francis <https://doi.org/10.1080/10496491.2025.2530056>
- Katper, N., Salman, S. M., Mohy-ud-Din, K., & Hassan, M. (2025). Mapping Interference in Green Finance, Environmental, and Social Innovation: A New Insight From Quantile-on-Quantile Approach. *Environmental Quality Management*, 35(1), e70163.
- Khan, R. A., Bibi, M., Khokhar, M., & Tufail, M. M. B. (2025). Geographic Information System and AI Integration to Support Sustainable Environment: A Glance from the Construction Sector. In *Harnessing AI in Geospatial Technology for Environmental Monitoring and Management* (pp. 145-176). IGI Global Scientific Publishing.
- Rafique, M. O. (2025). Impact of the Shariah Board's Characteristics on the Financial Soundness of Islamic Banks. In *The Routledge Handbook of Islamic Economics and Finance* (pp. 320-329). Routledge.
- Rafique, M. O., & Raza, K. M. (2025). Islamic Green Finance: A Marriage of Ethics and Environmental Responsibility in Light of Maqasid al-Shari'ah. In *Islamic Green Finance* (pp. 3-19). Routledge.
- Rafique, M. O., Hureri, M. A., & Riaz, M. (2025). *Green banking: Performance of three Pakistani Islamic banks in environmental projects*. *Southern Journal of Social Sciences*, 3(1). Retrieved from <https://sjss.isp.edu.pk/index.php/about/article/view/55/31>

- Rafique, M. O., Qureshi, M. A., Ali, U. A., & Ali, L. (2025). Strategic Growth and Innovation at Venture Dive: A Case Study of a Global Software Development Firm. *International Journal of Trends and Innovations in Business & Social Sciences*, 3(4), 382-391.
- Rafique, M. O., Qureshi, M. A., Ali, U. A., & Ali, L. (2025). Strategic Growth and Innovation at Venture Dive: A Case Study of a Global Software Development Firm. *International Journal of Trends and Innovations in Business & Social Sciences*, 3(4), 382-391.
- Shaikh, D. H., Rafique, M., Dahri, A. S., & Kolachi, I. A. (2025). From inequality to integrity: An empirical investigation into the determinants of regulatory quality. *Journal of Social Horizons*, 2(4), 464-473. <https://doi.org/10.5281/zenodo.17335087>
- Shaikh, D. H., Rafique, M., Dahri, A. S., & Kolachi, I. A. (2025). From inequality to integrity: An empirical investigation into the determinants of regulatory quality. *Journal of Social Horizons*, 2(4), 464-473.