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Informational Differences in Organizations



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Synonyms

[Attaching different meaning; Smooth dissimilarities](#)

Definitions

Informational differences	Refer to witnessed smooth dissimilarities of opinion and knowledge among the employees.
Divergent opinions	Refer to thinking in an unusual and unsteretyped way, e.g., to generate several possible solutions to a problem.
New knowledge value	Is when employees observe how new ideas, knowledge, and innovations are formed from divergent opinions in an organization.

Novelty experiments

Are unique trials that have the potential to become seeds for unprecedented organizational action.

Policy

Is a course or principle of action adopted or proposed by an organization or individual.

Introduction

Organizations need information to support the key aspects of running their entities, such as communication, record-keeping, decision making, data analysis, and more. Organizations use this information to improve their business operations, make strategic decisions, and gain a competitive edge. Good information is essential for effective operation and decision-making at all levels in businesses. Management identifies and illustrates the different kinds of information by the complex internal and external communication links of different functions of an organization (Goldstein et al. 2010). Managers use information to clarify roles and tasks; decision-making processes (strategic and operational); rational and alternative behavior; and cognitive style and perception. The effective symbolic use of information is power. Information helps in avoiding the duplication of scarce resources. Information stimulates the thought process of the users, particularly top management and employees. Information about what is happening in the system and in the ecology is widely distributed among individuals and

not immediately accessible for organized solutions. It implies that the system (the organization) is not in position to organize, gather, interpret, synthesize, and disseminate information effectively as a system. Although organizations may have sets of information, different employees attach different meaning which causes informational differences. Previous studies explored informational differences as the amount of information employees have about the markets. Managers assumed that employees have identical information sets, attach the same meaning irrespective of their backgrounds, and that the conditions of information are similar (Diks and Dindo 2008). Over the past few years, there has been a growing interest in informational differences and its predictive potential to enhancing innovation in organizations.

Informational differences refer to witnessed smooth dissimilarities of opinion and knowledge among the employees. In this case, informational differences are so named to reflect Bateson's (2000) well-known definition of information as a difference that makes a difference, in other words, the diversity that fuels creative innovation. The management and employees attach value of dissimilarities in opinion and knowledge that influence their understanding of the business environment, and develop collaborations that connect them to formal and informal resources (Hazy and Uhl-Bien 2015). Informational differences amidst unfolding series of events acquaintance tend to generate opportunity tension, opportunity recognition, trigger opportunity evaluation, and consequently opportunity exploitation.

Informational differences are conceptualized as the real information (not mere data) which is new information. This new information comes out of differences: differences in perspectives, experiences, mental models, et cetera. Thus, informational differences can be considered as the nature and quality of the network of human connections, communication capacity, as well as how cognitive capacity of individuals within an organisation together form another independent constraining factor to achieve the desired objectives (Quintane and Adam 2011). Informational differences lead to some people being better informed on how

desirable outcomes can be achieved than others (Bohnet and Saidi 2019).

Organization leadership that develops enabling initiatives which are linked together as a host of internal processes including human resources, finance, procurement, and information technology, gives these functions added connection to the world outside. All of these initiatives help to bring information into the organization so that informational differences could be exploited down the line. The improved exploitation of informational differences encourages experiments in novelty to exploit internal and external opportunities. At the same time, high levels of connectivity enable vital exchanges of information about opportunity tension felt across the organization. Conditions are that, when opportunity tension interacts with informational differences, it generates criticalization for the cusp of change. In the cusp of change, outcomes are not certain and individuals, even executives, can experience a great deal of uncertainty. Employees feel opportunity tension, but at the same time they are also limited by informational differences which at first appear as differences in perspectives and disagreements in interpretation. Thus, both opportunity tension and informational differences are important factors for leadership to manage during these difficult periods (Mayanja et al. 2019).

The emergence of new attractors is referred to as bifurcation, and the path leading up to the transition to a new attractor is termed criticalization. The movement toward the emergence of innovation in organizations is known as a criticalization within a bifurcation scenario. The particular attractor(s) that defines the system is determined by the conditions constraining the system. For example, the two constraints, namely certain levels of opportunity tension and informational differences across the organization, plus the routines, norms, and functions that have developed in the organization over the years, would determine the attractors operative in the organization. The organization becomes better at making effective use of informational differences through experimentation. Whereby an originary attractor (s) representing "business as usual" gives way to new attractor(s) representing social innovation.

The originary attractor can be thought of as a mathematical encapsulation of the inadequate prevailing governmental, organizational, and community resources including existing routines, practices, capabilities, social networks, and other facets of “business as usual.” Mathematically, an attractor is understood as stable when small changes in the values of system variables normally do not affect the attractor or lead to criticalization. As the parameter values described above change, the social system can cross such a threshold as not just one but now two attractors that exist simultaneously, since a new one, represented by the knobs in the wells moving from the left to right, is starting to arise in phase space – the second attractor gaining ascendancy as we move from left to right. The minimum point on the curve implicitly represents the attractor for the system that actually includes the combined behavior of many possible variables that are not shown. The first attractor, still hanging on, reflects continued organizing in the old way of doing things. The second is a new way and reflects a different approach to organizing that exploits the possibilities in a better way. The process will go through five panels from the first attractor which is the minimum point of the graphic (Panel 1), through the emergence of a new attractor (Panel 2), passed by a place where two attractors, A1 and A2, are equally strong (Panel 3). The process continues in reverse as the initial attractor diminishes into a small dip (Panel 4) and finally the new attractor (Panel 5) comes to dominate activities within the organization. This wave of change from initial attractor to new attractor that ends up dominating takes place because of informational differences (Fig. 1).

Measures of Informational Differences

Divergent Opinions

Divergent opinions and disagreements create freedom among employees to make use of their ability and judgment innovatively, even when they deviate from the norms. When employees deviate from the norms, they are capable of boosting their creativity while addressing prevailing

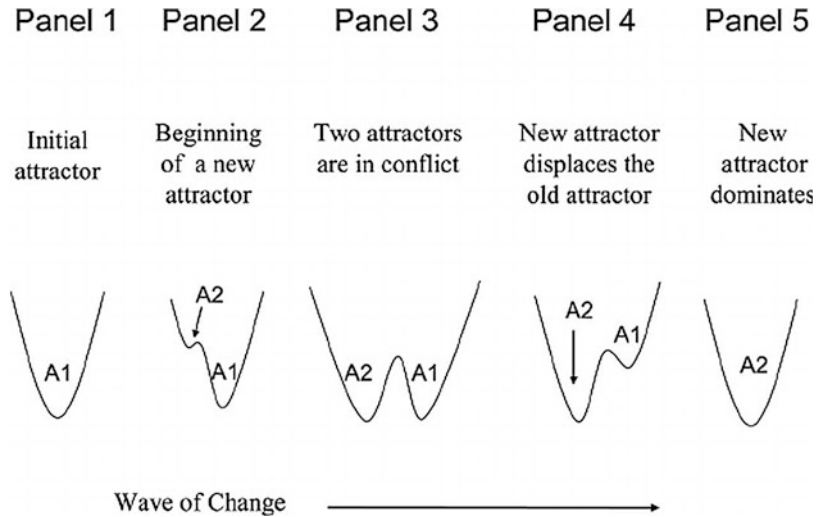
challenges generate more spontaneous ideas, come up with new experiences, and venture creations (Kibirango et al. 2017). Divergent opinions develop a high degree of resonance interaction and not predation that requires individuals with different backgrounds, and sets of experiences, to connect in a very meaningful way to access resources from entrepreneurial network. However, Mertens and Recker (2017) argue that a common assumption in most of these studies is that divergent opinions emerge spontaneously with elements of the environment, the person, or the interaction between both making this emergence more or less likely.

Carnevale et al. (2017) argues that leaders can also actively stimulate divergent opinions, where managers have leadership skills, which may not be the case among small organizations in developing countries because of bureaucratic culture. In this case, heterogeneity, the vast diversity of components, agents, and parts involved in an ongoing variety of distinct interactions with others, is one of the important features of complex leadership systems that manage employees with divergent opinions. This is true for an organization with the presence of leadership that can operate and coordinate different individuals with different backgrounds and information (Frese and Gielnik 2014). This is still a challenge among individuals who happen to possess opposing viewpoints since it is difficult to challenge the structures of small organizations where the business owner is likely to be part of every decision made.

Vadera et al. (2013) proposed that employee empowerment leads to divergent opinions and that empowerment can be stimulated by transformational leadership behaviors: inspirational motivation, idealized influence, individualized consideration, and intellectual stimulation. They argue that these behaviors demonstrate to employees that honesty poses no risk, which creates the psychological safety and strength that allows employees to engage in positive deviance. The SME owners/managers need management and type of leadership that can operate and coordinate different individuals with different backgrounds and information to access resources.

Informational Differences in Organizations,

Fig. 1 Adopted from Goldstein, Hazy and Linchtensein (2010)



This in turn allows employees with divergent opinions to interact with different network actors to access intangible and tangible resources when management creates enabling environment (Kibirango et al. 2017). SME managers need to learn from organizational structures about managing divergent opinions if they do strive in competitive environment. Divergent opinions play a primary role in determining the kind of networks and individuals to connect with to access resources for business competitiveness.

New Knowledge Values

New knowledge values are when employees observe how new ideas, knowledge, and innovations are formed from divergent opinions in an institution. Employees value existing opinions and knowledge dissimilarities among themselves. Employees, who notice and observe new ideas, create new knowledge for innovations and attach different meaning to information. Employees, who notice and observe how new ideas, knowledge, and innovations evolve, are likely to attach different meaning to information. Without new ideas, employees with no information differences, social network agents would disseminate the same information within the organisation. However, organization employees tend to have difficulties to join different entrepreneurial networks to access resources because of inadequate management of new knowledge values (Mayanja et al.

2019). It is worth noting that not all managers have leadership skills to manage new knowledge values. This means that managers need to develop leadership skills if they are to manage new knowledge values arising from employee differences.

The new knowledge value created by management and employees help in identifying new opportunities, which are exploited using the interactions, ties, and networking style within entrepreneurial network. When managers and employees share with one another the information and meaning attached to differences in perception, this is likely to influence the choices and actions that connect people and create new knowledge (Von Krogh et al. 2012).

When managers and employees value new knowledge, management puts systems in place to gather information that can support access to resources from networks. The administered informational differences (AID) foster these “events” to be known, get selected, and then reinforced through series of additional events. Employees with that type of AID are key antecedents for entrepreneurial networking. Informational differences can generate opportunity tension in an organization that needs resources and social support from networks (Goldstein et al. 2010).

Informational differences facilitate organization learning as employees learn from each other the tools for personal discovery. This platform can be used to promote rational thinking and creativity

by adopting practices from one another. Employees tend to be informed when they learn from their social network agent's differences depending on an enabled environment, which provides a platform for enhanced rational thinking and creativity about accessing resources and mitigating negations from network members.

Novelty Experimentation

Individuals, with uncommon sets of experiences and information, connect in a very meaningful way to have novelty experiments. They generate and share informational differences in ways that will move the organization's members from an old attractor to a new one. But for this to happen, the organization's members must first see the benefit accruing to them of making the change. They must recognize that there are two options for them, either staying with their current daily activities and thereby sticking with their earlier attractor, or choosing to band together with others to try a different strategy with a greater promised payoff, jumping, if you will, to a new attractor (Mertens and Recker 2017).

Informational differences arise simply due to the different working of different markets. Each market may need a different approach based on the information available. Informational differences influence the transformation process of any organization if it is to achieve its objectives. Transformation requires a high degree of opportunity tension, a pressure for others to come along, that is, to join the team and organize cooperatively, and a condition where there is a great deal of informational differences, i.e., many different experiments in novelty, which is capable of being acted upon due to enough resonant connectivity. Both the movement toward team interaction and the experimentation in novelty within the group are important, because they allow the group's members to learn from one another and to move together as a team rather than as individual agents. Organizations with generative leadership are an encouragement of experiments in novelty as a way to generate and share informational differences in ways that will move the organization's

members from an old attractor to a new one. But for this to happen, the organization's members must first see the benefit accruing to them of making the change. Management and employees must recognize that there are two options for them, either staying with their current daily activities and thereby sticking with their earlier attractor, or choosing to band together with others to try a different strategy with a greater promised payoff, jumping, if you will, to a new attractor (Goldstein et al. 2010).

Challenges of Managing Informational Differences

- (i) Informational structures – organizational structures may not allow smooth flow and sharing of information, sharing experiences, feedback, and attaching meaning. This could be based on failure to align employee attitudes, behavior, and organization structures to learn from each other to achieve organization competitiveness through innovations.
- (ii) Managing the transition of attractors – new opportunities arise over time. Stimulating niche development at the microlevel, finding new attractors at the macrolevel by developing a sustainability vision, creating diversity by setting out experiments, and selecting successful experiments that can be scaled up may not be embraced by all employees.
- (iii) Recombination between advances in technology and practical genius – the aggregate effects of recombined technologies from different sources may cause to overlook the negative effect of recombining firm-developed technology in generating breakthrough inventions and organization learning by attaching meaning to events and feedback.
- (iv) Lack of generative leadership to coordinate, harmonize different perspectives, opinions, and information from employees to attach

meaning for strategic thinking and planning to attain competitiveness.

- (v) The organization may have inadequate capacity to create a conducive environment for innovation and creativity in absence of flexible structures, policies, and systems to manage administered informational differences (AID).
- (vi) Management may fail to harmonize information due to differences in individual backgrounds, skills, opinions, perspectives and surprises from events, experiences, and experiments, which help to drive innovation.
- (vii) Managing departures from currently accepted and conventional ways. Not every management innovation creates competitive advantage. Traditional management principles, processes, and practices or a departure from customary organizational forms may significantly alter the way the work of management is performed; therefore, employees may end up resisting it based on the different meaning attached.

Strategies of Managing Informational Differences

In order to tap into the potential of information differences, organizations should create favorable policies, processes, and systems to enhance creativity and innovation arising from differences in opinion and ideas. In addition, organizations operating in a complex business environment should often carry out their operations in a consultative and inclusive manner to cater for the deviant views of the different stakeholders. Organizations, with positive deviants, should cultivate a culture of team work and networking in executing their operation. This will enable individuals with different views and opinions to be listened to and add value to the organization processes and outcomes. Last, organizations should instill the discipline of respect of other members' views in their debates at work environment. This will encourage individuals to suggest new ideas and views different from others to grow and develop the organization.

Recommendations

Management and employees tend to learn from informational differences, and at the same time endeavor to share their conceived ideas. Even when they tend to instigate one another from their respective positions, their creativity and innovativeness cannot be enhanced without a conducive internal environment. However, employees should be empowered through a degree of freedom along with tolerance of trials and error type of governance; as such opportunistic surrounding landscape promotes innovation.

Organization leadership and employees should understand that emerging new ideas originate from divergent opinions and disagreements within the institutional situation. It is the employees' divergent opinions that motivate organization's members to organize in new and different ways, and new structures would emerge to address complex situations that are not routine.

The huge amount of difference that distinguishes an individual employee from another in a given organization structure is another opportunity to engage novelty to address such nonlinear interchanges of information. The divergent views emerging from various or double interactive connections are beneficial to organization if favorable policies, structures, and governance are put in place. Organization environment enables interactions and intersections, and in so doing, exhibits various transport rates of nutrients, information, and wastes.

Experimentation with learning in mind, networking, interactions, and adaptability is key to organization networking. This, therefore, requires the trial and error type of governance with tolerance by management. Such degree of freedom not only stimulates innovative employees' behavior, but it is also a learning experience from which ideas are examined before adaption. To ensure such experimentation, organizations should endeavor to develop relevant policies and flattened structures (novelty ecosystems). These are required to guide the revolutionary process or avenues. Employees, who are empowered through a conducive working environment, engage in sharing opinions generated from experimentation practices.

In this case, organization leaders ought to provide a flexible platform for enhanced rational thinking and learning. Positive deviance is used to develop interventions and implementation process based on the successful behaviors and strategies of individuals at risk. Despite their circumstances, they perform better than their peers do.

Cross-References

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