

Chart of difference between Formal organization and Informal organization

Points of differences	Formal organization	Informal organization
Formation	The formal organization structure is formed in a planned and systematic manner.	The informal structure is formed or created on the spot without any planning.
Purpose	The purpose of formal organization is to complete the task systematically.	Psychological satisfaction is the main purpose of the informal organization.
Structure	There is a well-defined structure of the organization which clears the scalar chain and defines the superior-subordinate relationship.	It is not fixed that all people follow a specific kind of structure and scalar chain for communication or information.
Communication	Communication is pass through the scalar chain .	There is no fixed path for passing the information.
Suitability	The formal structure is more stable and lasts for a long time.	It is suitable on a temporary basis because people of the organization can change their social groups whenever they desire.
Example	Top-level management, middle-level management, lower or operation level management.	It comprises the social interaction between the people of the organization.
Rules	In a formal organization, people must obey the rules made by the management, in case employees are not following the rules then there will be a penalty on them.	There is no rule for the employees to make the social or friendly groups.