

# The Quality of Organization

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January 22, 2010

## Abstract

I study a model of organization in which all individuals share a common goal to adapt to unknown state of the world. Individuals engage in costly information acquisition (inquiry), and they exchange information (communication). I analyze how the structure of communication network affects the incentives to engage in information acquisition and the quality of the organization, measured as an expected loss from inappropriate decisions.

**Keywords:** Communication, Network, Political party.

**JEL Classification Numbers:** D83, H11.

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