

## Bureaucracy – the parasitic dead hand that kills off performance – and the host organisations that allow it to take over their bodies

In the third chapter of the Janus<sup>1</sup> series, the conclusion was that although intentional human intervention by individuals can have big advantages for organisations – by speeding up adaptive change processes – the, sometimes over-sized, egos of business 'leaders' can bring with them more difficulties than benefits. Of the many, difficulties the blocking of the feedback that is essential to all growth and development is perhaps the most fundamental.

In this chapter, the focus shifts to how bureaucratic rules and procedures, that start out life as necessary for the pursuit of efficiency, can degenerate into a deadly disease that threatens the survival of the host organisation.

The underlying link with the Janus model is taken from chapter one in the series. This noted that a key challenge for organisations is that new sets of rules cannot emerge in an organisation governed by detailed, bureaucratic procedures. Neither can they emerge in an organisation that is heavily controlled as vertical silos. Equally serious is a management focus on short term results, especially of the monthly or quarterly budget variety.

What is actually required is a set of simple principles that enable people to use their experience and intuition to interpret incoming signals and respond appropriately. In this way, complex adaptive strategies emerge, and enable the organisation to survive and prosper in a changing environment.

First, a few labels, taken from the work of Max Weber<sup>2</sup> and Robert Michels<sup>3</sup>:

**Bureaucracy:** any system of administration in which matters are complicated by complex procedures and trivial rules.

**Bureaucrat:** an official who follows rules rigidly, so creating delays and difficulties.

**Oligarchy** is a form of government where political power effectively rests with a small, elite segment of a society or of an organisation. The word oligarchy is from the Greek words for "few" and "rule".

**Robert Michels'** "iron law of oligarchy" states that all forms of organisation, regardless of how democratic or autocratic they may be at the start, will eventually and inevitably develop oligarchic tendencies,. This makes true democracy theoretically and practically impossible, especially in large, complex organisations. The relative structural fluidity in a small-scale democracy succumbs to social viscosity in a large-scale organisation - the flexibility of roles in small organisations moves inexorably towards more rigid definitions and demarcation issues, with greater size. According to the "iron law," democracy and large-scale organisations are incompatible.

<sup>1</sup> Janus – the Roman God of doors – which mean that Janus had to face both ways at once

<sup>2</sup> Economy and society – Max Weber – 1922 – see Appendix C for detailed extracts from Weber's and Michel's work

<sup>3</sup> Political parties – Robert Michels - 1915

The iron law was expressed in short form as “Bureaucracy happens. If bureaucracy happens, power rises. Power corrupts.” (Darcy L Leach after Michels) As a generality, power exists at or near the centre of organisations – and that is also where most bureaucracies are located.

This is the (almost?) inevitable echo of another expression of the principle - "Power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men." Lord Acton in a letter to Bishop Mandell Creighton in 1887.

Finally, continuing the theme of parallels between biological systems and organisations:

**Parasite:** plant or animal that for all or part of its life obtains food or physical protection from a living organism of another species (the host) which is usually damaged by and never benefits from its presence. A person who lives at the expense of others, contributing nothing in return.

Here are some thoughts on the significance of the ideas expressed above.

### **Earners and spenders**

One way of classifying the types of job roles that exist in all organisations is that of 'earners and spenders'. In its simplest sense, earners are those roles that generate income for the organisation, or provide services to the public in the case of a public sector body. Spenders are those roles that do neither but that are, more often than not, concerned with regulating the internal affairs of the organisation, and the supply of products and services. In other words, spenders are roles that consume the organisation's income, without adding to it or value to the delivery of its services.

If the balance of employment of people resources shifts too far in the direction of spenders, then, only assuming that the income of the organisation is not infinitely extendible, (as appears to be the naive belief of some politicians about Government income), the organisation becomes impossible to sustain, and collapse will follow. There are various reasons for this, the simplest of which is the shift from profitability to loss. Another, and neither uncommon nor the least important, is the reduction in resources available for earners, followed by a consequential reduction in product or service quality – which in a highly competitive market is normally a killer. As a final example, as the proportion of spenders increases so does the loss of good people – as it becomes increasingly frustrating and hard for the remaining good souls (earners) to operate productively.

Sadly, the drift of expenditure from earners to spenders is just one of a series of frequently observed examples of drift in organisations<sup>4</sup>. In this context, it is not too difficult to see the reasons why this happens. The clue is given by the short form of the iron law of oligarchy noted above. As the drift of decision power is towards the centre, where most of the spenders are to be found, the control of resources drifts with it. This includes all those critical recruitment decisions, and the control of the selection decision criteria and selection methods used.

The favoured candidates are those who think in a way similar to those making the selection decisions, and so the whole process becomes a corrupted, self-fulfilling prophesy.

### **Efficiency and effectiveness – which contains a contradiction in a volatile world**

Many bureaucracies bandy about these two terms as if both are achievable in one organisation at the same time. This is one of the many delusions that attach to bureaucracies.

Maximum efficiency is achieved when a 'best way' of doing something is discovered, and the 'best

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<sup>4</sup> For other examples, see Appendix A

way' is enshrined in a detailed process description. Borrowing an engineering concept, to qualify as a 'best way,' the chosen method must be able to operate at close to an ideal ratio of output to input. This implies a minimal level of waste – energy devoted to the input side of the equation nearly all gets converted to the output. The aim of the process description is to ensure perfect replication of the process model, thus ensuring consistent, repeatable outputs at minimum cost.

When the aim of greatest possible, and repeatable efficiency comes up against the need for an organisation to be effective, the problems begin to emerge. There are several, but two will suffice here to make the point. We begin with what is meant by effectiveness. This is about achieving a desired end result. What are employees supposed to do when pursuit of perfect efficiency means achieving the wrong end result?

The first problem is the old trap that bureaucrats the world over fall into time and again. 'It is impossible to legislate for every exception', and that observation implies that the rigid rules describing process behaviour will immediately break down when the test of operational realities is applied. At which point, brave souls decide to ignore the rule book, in the pursuit of effectiveness, in which case efficiency falls away. If the people involved are less brave, they stick to the rule book, in which case effectiveness goes out of the window.

The second problem is that, in a volatile business world, the desired outputs themselves keep right on changing. Good employees face the same dilemma – stick to the rule book and achieve the wrong end result, or ignore the rule book to try to deliver needed value to a customer. The risk of 'doing the right thing' is the wrath of the bureaucrat who gets excessively exercised over 'out of control' employees. Sensible employees look after customers and hide the reality about how they achieved it – hardly a sensible way to run a business, but it happens. The need to force employees to make the call between 'Doing things the right way vs. doing the right things' may be a call too far for some of them, some of the time – with a consequent loss of customer value.

While placing employees in this position has always been pretty silly, with the increasing number of knowledge workers being employed, it gets even sillier. Knowledge workers – and how many employees do not fall into this category? - demand a different managing style, and that has little to do with detailed prescription of their tasks.

(See the notes on pages 7 and 8 extracted from chapter one of the Janus series for ideas on why style is so important with knowledge workers).

## **Complexity and chaos**

There are several possible explanations for the growth of bureaucratic systems and thinking in organisations. Not least among these is regulatory pressure from governments and their agencies. This couples neatly with risk aversion, and the fear of public exposure that drives the development of defensive measures. As one person who is in the risk-avoidance business, recently expressed it "My job is to keep the CEO's ass out of court".

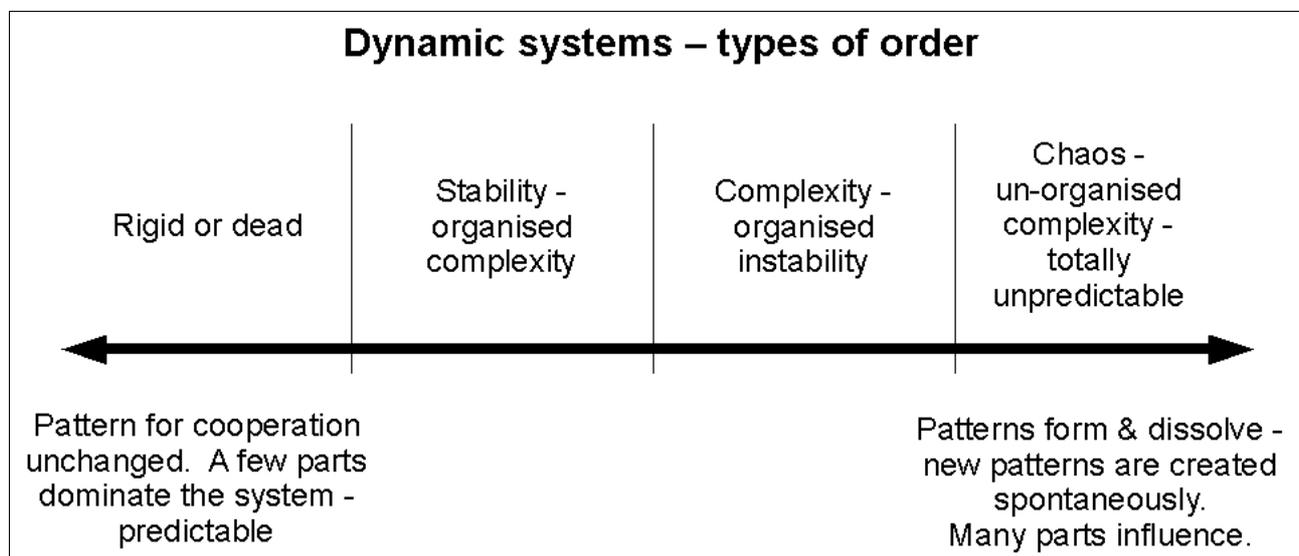
Another is the 'self-fulfilling prophecy' nature of bureaucracy. As more rules are written, and as more exceptions are discovered, more amendments to existing rules are needed, driving a demand for the resources to do the checking and updating work. As more rules are produced, more bureaucrats are needed to operate them; and even more are needed to ensure that ordinary mortals in the organisation are complying with the rules. And finally, there are the bureaucrats needed to define and operate the procedures to handle cases of non-compliance - the enforcers.

That word 'compliance' and its cousin 'conformance' point to an enabler of the growth of

bureaucracy, if not an actual driver. When management confuses two concepts, 'compliance' and 'performance', then the door is open to the growth of bureaucratic procedures designed to achieve a high level of compliance – with regulations, standards, guidelines and all the other constraints imposed from without and within. This confusion often leads to an illusion of performance and quality, but the reality can be very different.

Yet another insight comes from the observation that 'all bureaucracies have the same five, shared top priorities – and they are all the survival of the bureaucracy'. A good route to achieving this is to create a condition where the pursuit of efficiency and compliance becomes impossible without the trappings of bureaucracy – and all the bureaucrats needed to enable the organisation to function at all.

Perhaps the most interesting driver of the growth of bureaucracies is, however, the fear factor. This stems from another felt need on the part of senior management – the need for control. For a variety of reasons, many rehearsed below, what develops is another illusion – the illusion of control. The reality is often that the very 'chaotic-systems phenomenon' that was supposed to be avoided is alive and well, but operates below the threshold of senior management oversight and perception. The argument goes like this:



To achieve perfect efficiency – high output / input ratios, with high levels of stability, predictability and repeatability – there is a very real need to avoid 'chaotic systems' behaviour. In that condition, ad hoc behaviour is more common than planned and prescribed behaviour. Where this condition occurs, management experiences a very real sense of loss of control. In the model above, the organisation would be operating at the extreme right hand end of the continuum.<sup>5</sup>

Recognising that all organisations are complex, multi-dimensional and multi-faceted constructs, and fearing loss of control, the reaction of management is often to try to move the organisation's dynamic systems towards stability – organised complexity. Quite apart from the fact that this is probably not a good position to try to attain, when externally driven changes are so prevalent, there is another flaw in the attempted move.

<sup>5</sup> Please note that the entire spectrum describes various types of order, **not** disorder. If the external and internal worlds of the organisation are not subject to change, there is nothing wrong with operating at the left hand end of the spectrum. The problem is that an organisation without change does not exist. The higher the level of change the more that the dynamic systems of the organisation need to move towards the right hand end. In extreme volatility, only chaos can provide any degree of order, as the organisation is constantly in a state of adaptation to a changing environment.

Because stability needs predictability and repeatability, more and more processes and behaviours are prescribed – bureaucracy arrives. As bureaucracies create more and more rules and procedures, in the pursuit of stability and perfect efficiency, the complexity of the rules and procedures rises and, inevitably, coordination diminishes, facilitating the creation of contradictory rules. The complexity of the controlling system increases rapidly, and that is reinforced by the 'self-fulfilling prophecy' nature of the burgeoning bureaucracy, as noted above. In other words, the organisation's dynamic systems move rapidly through stability to become rigid or dead.

In this context, complexity in prescriptions, as a response to the fear of chaos, is self-defeating as the complexity introduced, with all its internal contradictions, generates chaotic behaviour. What are good hearted employees to do when faced with contradictions in prescriptions, especially where customers are involved? The reality is that subterranean covert behaviour develops, and this is the stuff that is beyond the view – and control - of management.

Given the choice, most sensible managers would select chaotic behaviour that they know about, over that about which they know nothing. Providing only that the chaotic behaviour is focused on delivering value to the customer, then that may well be a very healthy type of dynamic systems order. One implication of the argument outlined above is that there will be a degree of chaotic behaviour, whatever choices management makes. When it is customer-value-focused, open and transparent, that is good; when it is a covert consequence of management's efforts at creating and taking control, the outcome is less than likely to be desirable. 'Rigid or dead' on top of covert chaotic behaviour is not a recipe for success.

### **Bureaucrats<sup>6</sup> in the real world**

The argument offered here is not that bureaucratic rules and procedures are, of necessity, a bad thing. The argument is that, in the real world of organisations trying to provide a high value, low cost service to their key customers, bureaucracies so often get out of control, and become very dangerous beasts indeed. What starts out as a series of good intentions ends up as being life-threatening to the organisational host.

It has already been noted that bureaucracies are self-fulfilling prophecies. It should also be noted that nearly all bureaucracies start out life at the centre of the organisation in question. The problem is that it is at the centre where, mostly, power exists. This includes the power to make decisions about resources. The resources include those needed for developing, implementing and enforcing bureaucratic procedures. Which is another way of saying that there are seldom problems in acquiring such resources, but customer-facing resources may take the hit.

Bureaucrats create narrow specialist roles that proliferate, complete with disconnects and gaps for things to fall into and overlaps to create conflict. Big picture perspectives are lost, as is any sense of the need to add value to the customer. Jobs are done for the sake of doing them – not for the value that they add. Whatever else is true, bureaucrats do not ask questions about what value they are supposed to be adding – and certainly do not challenge anything very much, especially the need for their job to exist. What they do challenge is anyone that does not follow their rule book and any suggestion of reducing the number of their roles. In the real world, turkeys still do not vote for Christmas.

The avoidance of accountability for results, particularly those that are concerned with adding value to the business and its customers, is another feature of most bureaucracies. Feedback is neither

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<sup>6</sup> In imperial China, 'bureaucrats' largely composed the social elite. Known in Europe as Mandarins, after the Portuguese word for 'councillor', this variety of bureaucrats passed a set of complicated examinations and were posted throughout the empire.

invited nor processed. Learning, especially of the continuous variety, is the antithesis of the bureaucratic model. Continuous learning implies adaptation, and processes and procedures that are constantly changing to match the needs of a changing business.

The truly worrying corollary of a changing business for the bureaucrat, is that someone, somewhere might notice that the existing feedback, analysis, redesign, test and implementation process is much too slow to be able to handle the needs of a rapidly changing market. In which case, whatever process design is adopted needs to provide lots of room for customer facing people to be able to respond to the needs of the customer – and that would mean them making decisions! Once that defence is breached, horror of horrors, the next move might be to rid the system of the rules and prescriptive procedures totally – and there go more bureaucrats' jobs!

Another 'real-world' problem is loss of any sense of direction. Most people need to know where they are heading, as do all organisations. Without this sense of direction, there is little sense of purpose for people; there is even less of the satisfying sense of the contribution that each job makes to the overall progress of the organisation. Procedures have no sense of direction, unless their design is very carefully executed. Procedures that are all about compliance and conformance, by definition, have no sense of direction. Indeed, their whole purpose is clamp down on any sense of movement away from the prescribed behaviour that is required and specified.

One antidote for this sense of stasis, is a very simple model of managing behaviour, that concerns the underlying nature of what managers do. It is known as the Maintenance vs. Development model. See the diagram on the right describing this concept.

In a rational world, all managers will have an appropriate balance between maintenance and development activities. The more senior the job, the more the balance should swing towards development. Organisations where the balance swings excessively towards maintenance are at severe risk of running very hard on the spot – a condition often known as 'wheel spin'.

This can be characterised as 'lots of energy; lots of noise; lots of smoke and burning rubber – and no forward movement whatsoever'. This condition is not uncommon, and, as a generalisation, it begins when top managers get too involved in operational matters. When they do this, they are trying to do someone else's job. Which raises the question of who is doing their job – evidently not the top managers in question!

The link with the world of the bureaucrat is that all such rules, regulations and prescriptive procedures are, by definition, maintenance. When senior managers fall into the same trap, it will close with an almighty crash on the organisation where it happens. The observation that wheel spin is all too common simply mirrors the prevalence of bureaucracies. Part of the problem is that the drift to maintenance is driven by any number of characteristics of the organisation, of which bureaucratic procedures are just one. The others include:

#### **Maintenance vs. development**

##### **Maintenance activities are:**

- Repeated, cyclical
- Go on day by day, week by week, month by month
- Are never finished
- Are important for maintaining standards of performance in the business

##### **Development activities are:**

- Once off tasks or projects
- Occupy a finite space in time
- When finished, are over and done with, never to be repeated
- Are important for developing and improving standards of performance in the business

- Information systems that add visibility to short term numbers, especially financial numbers
- The questions that managers ask - when they are all about yesterday's; last week's; and last month's numbers
- So-called performance management systems<sup>7</sup> that highlight performance and conformance standards at the expense of developmental objectives
- External pressures – 'never to have a bad quarter' - for example from the stock exchange
- Personal fear – generally, employees know the causes of short-term performance problems, and, hence, how to respond (control by variance – see below). All developmental activities are a jump into the unknown, with no guarantee that a new way of doing things will work as intended
- Managing style – if this is slightly to the right of that assigned to Genghis Khan, then developmental activities will go by the board, as employees try to avoid the boss's wrath falling on their shoulders over another maintenance standards failure

Without a sensible maintenance / development balance, there will be little innovation, and probably even less emergence. Since both are highly prized commodities in business today, the loss of one or both sounds highly risky.

A final swipe at 'real world' issues with bureaucracy means a quick return to the subject of control, and the illusion of control compared with the reality. Bureaucratic controls<sup>8</sup> are supposed to be a means of achieving perfect efficiency, which is an important dimension of performance. No organisation could truly be regarded as a high performing organisation if it contained high levels of waste – the problem of low output / input ratios.

In the first article in the Janus series it was noted that, among other things, complex organisms in nature need a balance between the behaviour of holons<sup>9</sup> as submissive (to higher authority) and self-assertion. The key extract is as follows:

“When acting as a whole, that is looking down in the organisation, the function of the holon is self-assertion. When acting as a part (of the whole ecosystem), that is looking up in the organisation, the function is integration.

The face turned downwards is one of independence and self-sufficiency. There is an hierarchical element that is equipped with self-regulatory devices and that has a considerable degree of autonomy or self-government. The face turned upwards is one of dependence and following rules dictated higher up in the hierarchy. There is little freedom at the interface with the 'next holon up', as integration can only work on the basis of conformance with the rules emanating from the higher holon.

It is common in natural systems for there to be simple rules that govern the behaviour of all holons. These should not be regarded, however, as being unduly restrictive. In practice they are rather like the rules of the game of chess. Those rules stipulate the only permissible ways in which the various pieces are set out at the beginning of the game, and the way that the players are

7 When feedback processes, AKA performance management systems, themselves become bureaucratized, their original purpose normally becomes lost. Form filling, grades, boxes to be ticked and links with financial rewards are all, on their own, enough to kill the value in performance management models. When the (covert, but there for all to see) real objective is yet more conformance, mainly focused on the need to avoid ending up in an employment tribunal, employee resentment, corrupt data and frustration are more likely outcomes than improved performance.

8 Bureaucratic control is the use of rules, regulations and formal authority to guide performance. It includes such things as budgets, statistical reports and performance appraisals to regulate behaviour and results - allegedly!

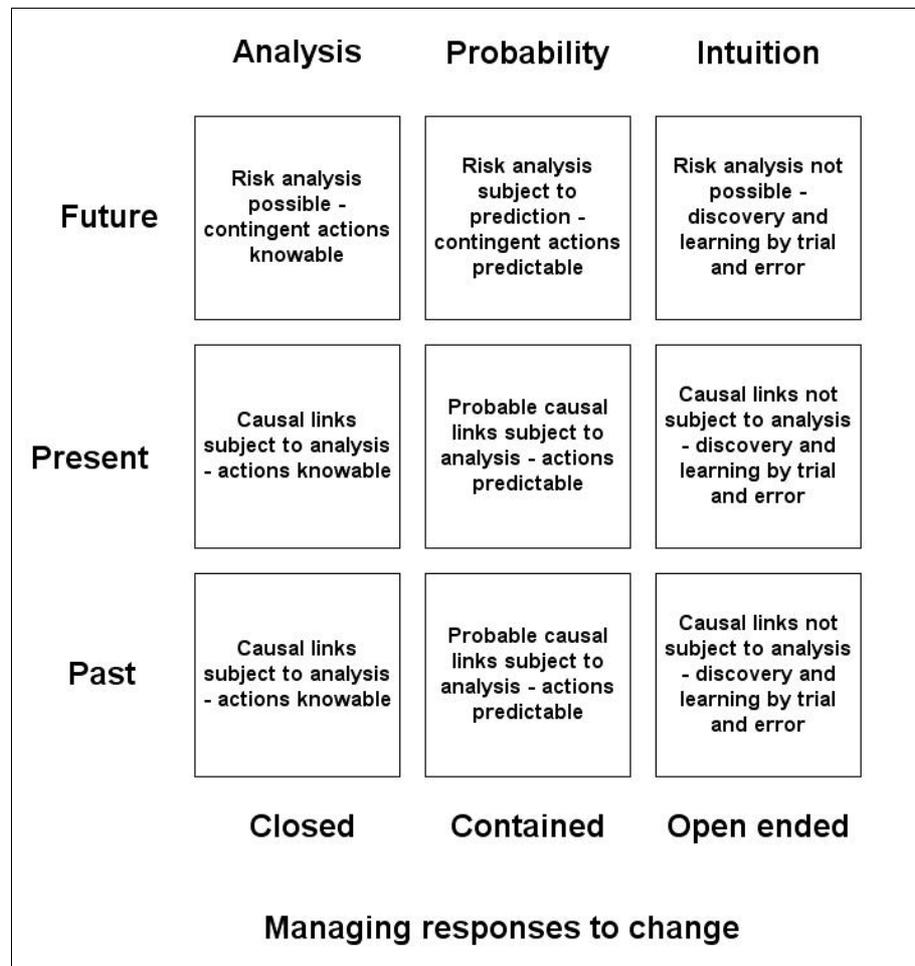
9 Any hierarchical element in an organisation. Holons are both part and whole, leading to the name holon.

permitted to move them. The strategies adopted by the players are highly variable as are the tactics they adopt, in response to the moves of the other player.

In this way, simple rules enable highly variable, adaptive strategies to evolve.”

Bureaucracies focus heavily on the definition and promulgation of highly prescriptive rules, and that is a complete denial of the need for organisational holons to practice self-assertion. Which is another way of saying that the organisation ends up incapable of adapting to a changing environment, and that is a short route to 'exit stage left'.

The final twist in this section, (on control), is based in the work of Ralph Stacey on control styles<sup>10</sup>. He notes that all managers are operating in a complex matrix of different types of condition, all day, every day. This implies the need to adopt different types of control mechanism, according to the specific characteristics of the condition that is being handled. This is illustrated in the diagram to the right. It is interesting to note that Stacey was concerned with managers reaction to change, and it has already been noted above that bureaucrats are more concerned with stability than change.



The vertical axis notes that managers need to deal with the effects of past change, present change and trying to anticipate future change. The horizontal axis is concerned with the time frames over which those changes are occurring. Changes in the very short term are classified as 'closed change'. Those with a somewhat longer time frame are 'contained change'. Those over even longer time frames are classed as 'open ended change'. The differentiator relating to time frames is our ability to 'know', 'predict' or use 'insight' – see the headings of the three columns.

Depending on which type of change is being processed, different types of control mechanism, become appropriate. For closed change, 'control by variance' is appropriate – this is the control mechanism that is highly popular for all bureaucrats and bean counters. For contained change, where there is no certain knowledge that can be relied upon, the control mechanism needs to be by 'grand design'. The test is whether or not the proposed action is likely to take the organisation in an intended direction. Probability and prediction become the order of the day.

<sup>10</sup> Chaos Frontier: Creative strategic control for business ~ Ralph Stacey ~ Butterworth-Heinemann ~ 1991

For dealing with open ended change, even probability and prediction break down, and the only valid control mechanism is that of trial and error. 'We try stuff' and see what happens. These are the actions that rely on insight and intuition. Where the 'stuff' in question works out OK, we continue to invest; where it does not, we switch the investment to other 'tries'.

Dealing with open-ended change has long been a need for managers, but over time the need has increased. In a turbulent world, the time scales applying to open-ended change are shorter, and the frequency of such changes is much higher.

Stacey notes that for all managers, operating in all three time frames and for all three types of change, there are already considerable control tensions with which they have to deal – all day, every day. Serious problems occur when senior managers, (with a bureaucratic mindset), enter the scene, with an excess focus on control by variance. In a bureaucracy, where controls by variance abound, the problems for managers are compounded. In practice, this condition produces a rapid move to the left in the continuum illustrated on page 4 above, with an associated hidden move to the right – the one that the bureaucrats and top managers do not know about.

One way of thinking about this phenomenon is similar to that discussed under the heading of complexity and chaos – the attempt to exert bureaucratic control by variance, presumably intended to control performance, has the exact opposite effect. It makes it impossible for the organisation to change and adapt, and adaptation is a precondition for improving performance.

All of these perspectives about the growth of excess levels of bureaucracy, in the real world, are at least a partial explanation for a common condition of many organisations. Bureaucrats and their controls and procedures cost money. This in itself is a source of the challenge to invest more in product and service quality. Both suffer as a result of the loss of investment. Combined with the costs of the bureaucracy itself, there is an inevitable move in the direction of the organisation being one characterised by high cost and low quality. That combination is a killer of businesses in highly competitive markets. In the public sector, it is a killer of confidence in the system – and, ultimately, of respect for government ordinances and for the security of the community at large.

### **Bureaucrats as parasites<sup>11</sup>**

In theory at least, the relationship between bureaucrats and the earners in any organisation should be one of ideal symbiosis. The 'earners' in the organisation research, design, develop and deliver high quality products and services to whatever is the intended market, that are appropriate for that market. They do this in an organisational environment that is highly efficient, given the mechanisms and procedures researched, designed, developed and implemented by the bureaucrats – the spenders. Neither group can be effective without the other. So goes the theory.

The reality, sadly, works out rather differently. The road to perfect efficiency and effectiveness is, as ever, paved with good intentions, but the end result is often the organisational equivalent of hell. Some of the reasons why this condition so often develops have been set out in the various sections above. This section is designed to provide a different mental model of the reality of the symbiotic relationship that often exists. That will provide an open door to access some thoughts on how to combat excessive bureaucracy, when it evolves to its organisation-threatening form.

In nature, there are many, ideal symbiotic relationships between members of different species. There are many examples, but a few will suffice:

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<sup>11</sup> See Appendix D

- Cattle egrets and oxpecker birds. The birds eat the ticks from cattle and other mammals in Africa; the cattle ticks provide food for the birds
- Leaf Hoppers that are protected by armies of predator-eating ants
- Some goby fish species that live in symbiosis with a shrimp. The shrimp digs and cleans a burrow, which it shares with the fish, whose movements, in return, alert the shrimp to predators
- Clownfish that dwell among the tentacles of some sea anemones. The territorial fish protects the anemone from anemone-eating fish, and in turn the stinging tentacles of the anemone protect the clownfish from its predators (a special mucus on the clownfish protects it from the stinging tentacles)

In all these cases, each party depends on the cooperation of the other. Each protects the other's survival. So, although it can be argued that all of these and many other cases of symbiosis in nature are forms of parasitism, the relationship remains a healthy one. Ideal symbiosis is, however, a specialised form of parasitism.

Parasitism has the usual unlovely names of biology to describe it. Parasitoids are parasites that use another organism's tissue for their own nutritional benefit until the host dies from loss of needed tissues or nutrients. Parasitoids are also known as necrotrophs. At the point of death of the host, the parasites move on to find another host that, temporarily at least, is still alive and kicking.

In contrast, Biotrophic parasites cannot survive in a dead host and, therefore, keep their hosts alive. Many viruses are biotrophic because they use the host's genetic and cellular processes to multiply.

It is, perhaps, a rather grisly way of expressing the challenge, but the question becomes 'What can be done to prevent bureaucracies from becoming necrotrophs?'. And, if they that achieve that unhappy state, what can be done to convert bureaucracies from necrotrophs into biotrophs?

### **Some thoughts on possible solutions**

A very good place to begin is by redefining ALL jobs in the organisation, in terms of their contribution to the success of the organisation and its strategy. Ideally, the redefinition should be focused externally or on the customer. Critically, the aim should be to define more what the contribution SHOULD BE, instead of settling for 'what is'.

The output must be developed by the job-holder, with their line manager, together with one of two peers and most certainly with a few direct reports.

It must survive the 'one page of A4 test'. 10-page job descriptions, (generally with the not-very-covert objective of keeping the organisation out of industrial tribunals), will not do the trick. They are, by definition, just another manifestation of bureaucracy.

The questions that need to be answered include:

- Why does the job exist?
- Why should it exist?
- What contribution to organisation success / the strategy does this job make?
- What should it make?
- What would be the achievement that could be looked back on after, say, 6 months or a year, that would be regarded as a serious success? That would be exciting for the job holder?

When the new definition is in place and agreed by everyone involved, a week or two should be taken out for reflection. The original group convenes to answer four more questions.

'To enable the job holder to be totally successful in delivering the new role:

- What needs to change?
- What will the job holder need to do differently?
- What line management support (actions) will be needed?
- What other support (actions) will be needed?'

Once all key people, including support functions, (a rather kindly way of referring to bureaucrats), have gone through this process, there will be an interlocking series of agreed actions in place, that will add up to serious initiative that will move the focus away from compliance and conformance to performance. Sounds good, but there are risks.

- 1 The first is that such a programme of work involves a serious investment of management time. True, but the pay off will be greater. It all depends on whether the organisation is serious about transforming itself from another high-cost, low-quality bit-part-player on the business scene, into a vibrant, growing and successful organisation.
- 2 Second – senior management must be part of the process. Not only in the sense of participating in the process for their direct reports, but also by their own jobs being redefined. Failure to do so will signal to everyone else that the initiative is not serious and can safely be ignored. See Appendix B on organisational permissions.
- 3 Third, watch out for drift. Remember that bureaucracy is a self-fulfilling prophecy. If you don't keep your foot down hard on the pedal of change, the old ways will drift back into place again. See Appendix A on drift in organisations.

Here are some more ideas:

- Another way of combating excess bureaucracy is to have a 'paper chase'. This is a device where you take any process, and track it, from its start point to its end point. Make a note of the resources and effort involved on the way. Then check to see what the 'end user' does with whatever is the final output from the process. If there is none that adds (real) value to the organisation, the customer and the delivery of its strategy, scrap the process. If there is no 'end user', scrap the process even faster.

In one paper chase for the HR department of a public sector organisation, 72 processes were discovered with no customer at all. Apart from the sheer waste involved, an additional downside is that people who are engaged in 'busy work', and who know that they are not actually adding value, do not feel valued, and one outcome is stress and strain. When often-contradictory rules have to be followed, and large numbers of KPIs have to be met, often with lots of conflicts between, then the stress level is cranked up even farther. Sickness and absenteeism can easily become the norm.

From the above example, develop and apply – rigorously – a general test. For all activities, ask the question “In what way does this add value to <the business>; <the strategy>; <product or service quality>? Put whatever is important to your organisation in those angle brackets. If the answer is little or none, it is time to consign the activity in question to the trash can.

- Check the design of all structures and processes for the permissions implicit in their design – see Appendix B. Is the signal one of the priority need for compliance and conformance? If it is – trash the current design and develop a new one. Is there a signal that internal standards count for more than customers, product and service quality? If there is, the trash can beckons again.
- Check the cost of controlling costs – there are any number of cases where the controls cost more than the savings possible. Even more often, the controls mean that the time consumed 'going through the process' results in customer-benefit opportunities – and even cost-saving opportunities – being lost.
- When there is a demand for more resources, in the form of 'non-earning people', ask how the additional resources will add value to the strategic success of the organisation. If all else fails, suggest that the resources could be found from within, with a little bit of imagination and effort. It is a very old idea, and may sound a bit crude, but the head count tactic works well, and actually has a lot of subtlety built into it, if properly applied.
- Ask lots of development questions, of bureaucrats and others alike. These are questions that are not focused on yesterday's, last week's or last month's numbers. They are focused on what people are doing or planning to do that will enhance the motivation of people – individuals and teams - customer service and internal processes. See Appendix E for a short explanation and a resource of some typical development questions.
- Extend peoples' time horizons and enhance external focus. Do this by ensuring that in all formal decisions, external issues, longer term objectives, risks and implications are factored into the final choice. Reinforce this by the questions you ask in less formal decision making processes.
- Implement the Golden 6 rule in setting up the KPIs that people use to assess their operational success. No one can really manage with more than about 6 KPIs. To exceed this number not only creates stress for the manager concerned; it also introduces the risk of contradictions between KPIs. Check the design of the KPI set for permissions. Do they signal that it is only short term, (financial) numbers that count? Or do they reinforce the need for ongoing pursuit of the strategy?
- Check the control styles that are being used. If control by variance is the only style in use, get ready to take drastic action. Ensure that, where the strategy is concerned, there is a balance of control by grand design and trial and error. Stimulate innovation by creating safety in expressing and trying ideas. Reward and celebrate 'failed good tries' just as much as successes.
- Check to see what the real values are that drive people in the organisation. Note the research into trying the route of defining the values that should drive people, promulgating them to the organisation at large – and then expecting anything to change. It will not. Exhortation as a device for changing values, is about as useful as exhortation as a device for changing behaviour.

What is needed is to discover what the real values are, and then check to see how they compare with the 'desired state'. If there is a gap, check to discover the source of the current, real values – the permissions that are their source. Change the permissions, and, hey presto, the real values will change – and all without any of the exhortation which has such a splendid track record of failure.

- Enable emergence in strategy evolution. If there is a detailed, long range strategic plan, throw it away, and adopt the 'Roughly West' and 'emergent strategy' model instead. The research is quite clear on this subject, as on many others. Long range strategic plans are devices for bureaucrats, who like the illusion of control. In reality, managers do not refer to such plans to guide their decision making. Their decisions are largely opportunistic and reactive. This is a sensible way of responding to changing market conditions. The key question outstanding is about who is involved in the process of ongoing adaptation.

If the answer is only top management, a very large trick is being missed. It is operational people who are 'the sensors at the periphery of the organisation'. It is they who first pick up incoming signals for change. It is they who should be interpreting those signals, and deciding whether there is a need to change or not. If there is, at the very least, operational people should be able to get items on the strategic agenda. Better – they should be able to act themselves – before it is too late. So often, by the time the organisation as a whole lumbers into action, it is too late, and another market development opportunity has gone bye-byes!

- Check the permissions again. What do operational people understand is their role when the market signals a change? Explicitly and implicitly?
- Finally, avoid the command and control model of management like the plague. Instead, take a walk and get among those same operational people. Find out what it is that makes their jobs so difficult. Ask for feedback on management and its contribution to the success of the business. Specifically ask for negative feedback, unless it is forthcoming anyway. Find out what changes management should introduce that would help them to have more fulfilling roles. - and be more productive, which is much the same thing anyway. Play yourself into the active role of enabler, facilitator and coach.

Who knows – you might have more fun yourself, as well as direct a more successful organisation. And no one would ever be able to label you as a parasitic bureaucrat!

## Appendix A – drift in organisations

The table below provides several examples of drift. These are subtle changes that occur, over time, without management or any other kind of intervention. They occur naturally, as one facet of soft systems behaviour in hierarchical organisations. In fact, as the impact of drift on organisational performance is almost always negative, there is a need for management interventions to stop drift happening.

Desired state	State after drift has occurred
Appropriate balance of maintenance and development activities – balance of short-term performance standards with longer-term goals.	Excessive focus on short-term standards – wheel-spin – fire-fighting – organisation in stasis.
Short list of key performance indicators, balanced across internal / external; financial / non-financial; mechanical / people related. All supported by diagnostic information for ad hoc analysis of cause. Exception reporting used.	Long list of performance indicators, mainly inward focused / financial / short term / cyclical. Frequent conflicts between performance indicators. Regular reports and reviews.
Simple principles are used to guide behaviour – support for emergent, complex adaptive strategies and innovation.	There are complex, prescriptive rules that severely limit freedom of decision about responses to a variable environment. Innovation is suppressed.
Performance management models that are output-results focused; use informal, two-way feedback processes; run to variable timings; reporting limited. Same model applies to all employees. A normal and natural part of daily work life.	Employee assessment focused on the person not output results. Regular, formal, one-way downward assessments that focus on skills or competencies. Complex, detailed reporting. Different models for senior people – or not used at all. Regulated and may use artificial constructs such as 360° feedback.
Strategy is largely emergent, with ad hoc opportunistic decisions used to capitalise on changed conditions or to respond to environmental issues, The power to influence strategy is widely dispersed.	Strategic planning done by senior people or specialists. Decision power held closely to the centre. Long range plans are used, with annual updates, tied to the budget round. Mostly, strategic plans are long range financial forecasts.
The organisation is flat, and line managers are generalists – they perform their own support functions. Head office / central functions are small. Power is widely distributed.	The organisation is deep, and there are many specialist functions. Head office / central functions are large. Most power is retained in the centre.
Budgets are treated as what they are – forecasts, and subject to the standard rule for all forecasts – 'if they are accurate within 5% they were either lucky or wrong'. Small variances are ignored. Trends are more important than monthly figures.	Budgets are treated as sacrosanct. Monthly figures must be met. All variances are treated as serious issues and subject to detailed analysis and reporting – commonly with assignment of blame.

Desired state	State after drift has occurred
<p>Decisions about the disposal and application of resources are for line managers to make. Budget holders can swap resources between budget heads and share them with other budget holders.</p>	<p>All variations from budgeted allocations of resources have to be approved by the centre. Decisions about resources are held within vertical silos.</p>
<p>Decision processes are fast, objective, frequently cross-functional and focused on achieving high standards of product and customer service quality. Generally, decisions are taken by the people who have to implement them.</p>	<p>Decision processes are slow and rule bound. Conformance is more important than performance. Decisions are often taken within organisational silos and by people who do not have to implement them.</p>
<p>Employees are engaged with the organisation to a high degree. Motivation is extrinsic more than intrinsic and stems from the way that employees are managed by their immediate supervisor. Levels of 'Flow' are high.</p>	<p>Employees are disengaged from the organisation. Motivation is more intrinsic than extrinsic, and the organisation relies on a variety of financial and other rewards to motivate employees.</p>
<p>'Communications' is something that comes naturally and is part of the normal process of managers and employees getting their jobs done. No topics are off the table. 'Communications' are the responsibility of everyone in the organisation.</p>	<p>'Communications' is a formal process and is something that is designed to transmit specific information selectively from the organisation to employees. 'Communications' are the responsibility of a specialised department or individual.</p>
<p>Change is a way of life for everyone in the organisation. It arises from a non-ending search for ways of improving product and customer service quality – and the effectiveness of the organisation in delivering them.</p>	<p>Change is the focus of formal programmes in the organisation, with most change being stimulated by top management. Most change is a response to needs imposed from without or above.</p>
<p>Knowledge and skill rate higher than status</p>	<p>Status rates higher than knowledge and skill</p>
<p>Interactions within functions and across functional boundaries are characterised by open dialogue. Agreements are negotiated between peers.</p>	<p>Interactions are characterised by hidden agendas and political objectives. Power brokers and influence networks dominate decision making.</p>

## Appendix B – negative organisational permissions

High levels of bureaucracy give implicit permission for employees not to worry about outputs and outcomes – following are some examples:

- It's OK to check every possibility before making any decision to change anything. Asking for reports and additional research is valued activity as is calling or attending meetings to analyse options and implications. Referring decisions upwards is a safe thing to do. Innovating is not.
- It's OK to conform to rules and procedures - and maintain a low profile. Given that 'If you don't know where you are going, you can't possibly be lost', it's OK to ignore issues in the present - or that might occur in the future - or any possible connections between them.
- It's OK to conform to formal policies and procedures, as long as personal benefit can be gained from them. What counts is being able to 'work the system' to develop your own career - producing good results is not a necessary precondition for advancement, and so is not important.
- It's OK to grow overheads and get administrative processes well-resourced, without worrying too much about the resources needed to deliver products and services to customers. The most important thing to top management is having a well organised, smooth running operation.
- It's OK just to conform to rules/policies - 'doing nothing is safe' - taking action to change the ways things are done is risky - don't innovate because it's dangerous

## Appendix C – Weber and Michel on bureaucracies<sup>12</sup>

Max Weber defined a bureaucratic official in the following way:

- Someone who is personally free and appointed to his position on the basis of conduct
- Someone who exercises the authority delegated to him in accordance with impersonal rules, and his loyalty is enlisted on behalf of the faithful execution of his official duties
- The appointment and job placement are dependent upon technical qualifications
- The administrative work is a full-time occupation
- The work is rewarded by a regular salary and prospects of advancement in a lifetime career
- Someone who must exercise judgement and skills, but with a duty to place these at the service of a higher authority. Ultimately, someone who is responsible only for the impartial execution of assigned tasks and must sacrifice personal judgement if it runs counter to official duties

Weber described the ideal type bureaucracy in positive terms, considering it to be a more rational and efficient form of organisation than the alternatives that preceded it, which he characterized as charismatic domination and traditional domination. According to his terminology, bureaucracy is part of legal domination. He also emphasized, however, that bureaucracy becomes inefficient when a decision must be adopted to an individual case.

According to Weber, the attributes of modern bureaucracy include its impersonality, concentration of the means of administration, a levelling effect on social and economic differences and implementation of a system of authority that is practically indestructible.

Weber's analysis of bureaucracy concerns:

- the historical and administrative reasons for the process of bureaucratisation (especially in the Western civilisation)
- the impact of the rule of law upon the functioning of bureaucratic organisations
- the typical personal orientation and occupational position of a bureaucratic officials as a status group
- the most important attributes and consequences of bureaucracy in the modern world

Weber's work has been continued by many, like Robert Michels with his Iron Law of Oligarchy.

As Max Weber himself noted, real bureaucracy will be less optimal and effective than his ideal type model. Each of Weber's seven principles can degenerate, as illustrated by the table on the next page. Note the similarity with drift in organisations – a much more modern concept.

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<sup>12</sup> Source - Wikipedia

The espoused principles	The degenerated principles
Official business is conducted on a continuous basis	A phenomenon of group thinking - zealotry, loyalty and lack of critical thinking regarding the organisation which is perfect and always correct by definition, making the organisation unable to change and realise its own mistakes and limitations
<p>Official business is conducted with strict accordance to the following rules:</p> <ul style="list-style-type: none"> <li>● the duty of each official to do certain types of work is delimited in terms of impersonal criteria</li> <li>● the official is given the authority necessary to carry out his assigned functions</li> <li>● the means of coercion available are strictly limited and conditions of their use strictly defined</li> </ul>	<p>Competencies can be unclear and used contrary to the spirit of the law; sometimes a decision itself may be considered more important than its effect</p> <p>Over-specialisation, making individual officials not aware of larger consequences of their actions</p> <p>Rigidity and inertia of procedures, making decision-making slow or even impossible when facing some unusual case, and similarly delaying change, evolution and adaptation of old procedures to new circumstances</p> <p>Disregard for dissenting opinions, even when such views suit the available data better than the opinion of the majority</p>
Every official's responsibilities and authority are part of a vertical hierarchy of authority, with respective rights of supervision and appeal	Vertical hierarchy of authority can become chaotic; some offices can be omitted in the decision making process; there may be conflicts of competence
Officials do not own the resources necessary for the performance of their assigned functions but are accountable for their use of these resources	Interneccine warfare about the distribution and application of resources – refusal to share resources in the best interests of the organisation at large and its customers
Official and private business and income are strictly separated	Corruption, including 'noble-cause corruption, and benefits taken after ceasing official status to evade otherwise-applicable rules
Offices cannot be appropriated by their incumbents (bequeathed, inherited, sold, etc.)	Nepotism, corruption, political infighting and other degenerations can counter the rule of impersonality and can create a recruitment and promotion system not based on meritocracy but rather on oligarchy
<p>Official business is conducted on the basis of written documents</p> <ul style="list-style-type: none"> <li>●</li> </ul>	<ul style="list-style-type: none"> <li>● Officials can try to avoid responsibility and seek anonymity by avoiding documentation of their procedures (or creating extreme amounts of chaotic, confusing documents)</li> <li>● Not allowing people to use common sense, as everything must be as is written by the law</li> </ul>

## Comment

In the most common examples, bureaucracy can lead to the treatment of individual human beings as impersonal objects. This process has been criticised by many philosophers and writers (Aldous Huxley, George Orwell, Hannah Arendt) and satirized in the comic strip Dilbert, Franz Kafka's novels *The Trial* and *The Castle*, Douglas Adams' story *The Hitchhiker's Guide to the Galaxy*, and the film *Brazil*.

Robert Michels was disturbed to find that, paradoxically, the socialist parties of Europe, despite their democratic ideology and provisions for mass participation, seemed to be dominated by their leaders, just like the traditional conservative parties.

Studying political parties, he concluded that the problem lay in the very nature of organisations. Modern democracy allowed the formation of organisations such as political parties, but as such organisations grew in complexity, they paradoxically became less and less democratic. Michels formulated the "Iron Law of Oligarchy": "Who says organisation, says oligarchy."

At the time Michels formulated his Law, he was an anarcho-syndicalist. He later became an important ideologue of Mussolini's fascist regime in Italy.

### The reasons

Any large organisation, Michels pointed out, is faced with problems of coordination that can be solved only by creating a bureaucracy. A bureaucracy, by design, is hierarchically organized to achieve efficiency - many decisions have to be made daily that cannot efficiently be made by large numbers of people. The effective functioning of an organisation, therefore, requires the concentration of much power in the hands of a few. Those few, in turn - the oligarchy - will then use all means necessary to preserve and further increase their power.

This process is further compounded as delegation is necessary in any large organisation, as thousands - sometimes even hundreds of thousands - of members cannot make decisions using participatory democracy. This has been dictated by the lack of technological means that would allow large number of people to meet and debate, and also the issues related to crowd psychology, as Michels argued people feel the need to be led. The delegation, however, leads to specialization: the development of bases of knowledge, skills, and resources among a leadership, which further serves to alienate the leadership from the 'mass and rank' and entrenches the leadership in office.

Bureaucratisation and specialisation are the driving processes behind the Law. These create a specialised group of administrators in an hierarchical organisation. This, in turn, leads to the rationalisation and routinisation of authority and decision-making, a process first and perhaps best described by Max Weber, and to a lesser and more cynical extent, by the Peter Principle. (People rise to their level of incompetence).

The organisational characteristics that promote oligarchy are reinforced by certain characteristics of both leaders and members of organisations. People achieve leadership positions precisely because they have unusual political skill; they are adept at getting their way and persuading others of the correctness of their views. Once they hold high office, their power and prestige is further increased. Leaders have access to, and control over, information and facilities that are not available to the rank-and-file. They control the information that flows down the channels of communication. Leaders are also strongly motivated to persuade the organisation of the rightness of their views, and they use all of their skills, power and authority to do so.

By design of the organisation, rank and file are less informed than their "superiors." Finally, from birth, people are taught to obey those in positions of authority. The rank and file, therefore, tend to look to leaders for policy directives and are generally prepared to allow leaders to exercise their judgement on most matters.

Leaders also have control over very powerful negative and positive sanctions to promote the behaviour that they desire. They have the power to grant or deny raises, assign workloads, fire, demote and - that most gratifying of all sanctions - the power to promote. Most important, they tend to promote junior officials who share their opinions, with the result that the oligarchy becomes self-perpetuating. The very nature of large-scale organisation, therefore, makes oligarchy within these organisations inevitable. Bureaucracy, by design, promotes the centralisation of power in the hands of those at the top of the organisation.

## Appendix D – thoughts on parasites<sup>13</sup>

Parasitism is one version of symbiosis ("living together"), a phenomenon in which two organisms which are phylogenetically unrelated co-exist over a prolonged period of time, usually the lifetime of one of the individuals. The requirement for a prolonged interaction precludes predatory or episodic interactions (such as a mosquito feeding on a host), which are usually not seen as symbiotic relationships. Symbiosis encompasses commensalism ("eating at the same table", wherein two organisms co-exist in the same space, and one organism benefits while neither harming nor helping the other), through mutualism (wherein both species benefit from the interaction) to parasitism, wherein one organism, usually physically smaller of the two (the parasite) benefits and the other (the host) is harmed. (Various forms of "social parasitism", kleptoparasitism, and "cheating parasitism", as discussed below, are characterized by a less close association between a parasite and a host, however). Especially in the field of medical parasitology, the term "parasite" has come to mean a eukaryotic, pathogenic organism.

Parasites that live inside the body of the host are called endoparasites (e.g. hookworms that live in the host's gut) and those that live on the outside are called ectoparasites (e.g. some mites).

Many endoparasites acquire hosts by gaining entrance to their tissue; others enter the host when it consumes certain raw foods, as in the case of the nematode *Ascaris lumbricoides*, an endoparasite of the human intestine. *Lumbricoides* produces large numbers of eggs which are passed from the host's digestive tract and pancreas into the external environment, relying on other humans to inadvertently ingest them in places without good sanitation. Ectoparasites, on the other hand, often have elaborate mechanisms and strategies for finding hosts.

Parasitoids are parasites that use another organism's tissue for their own nutritional benefit until the host dies from loss of needed tissues or nutrients. Parasitoids are also known as necrotrophs.

In contrast, Biotrophic parasites cannot survive in a dead host and, therefore, keep their hosts alive. Many viruses, for example, are biotrophic because they use the host's genetic and cellular processes to multiply.

Some parasites are social parasites, taking advantage of interactions between members of a social host species such as ants or termites - to their detriment. Kleptoparasitism involves the parasite stealing food that the host has caught or otherwise prepared.

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<sup>13</sup> Source - Wikipedia

## Appendix E – Managers' development questions

### Objectives

Company formal information systems measure mainly historic performance, normally month by month. While there is nothing wrong with this, and, in fact the data generated are essential to the control of the business, there is a downside risk. Such systems tend to emphasis short term priorities, and, when senior managers ask questions about published performance data, especially shortfalls, the result is often a distortion of priorities farther down the hierarchy, plus a movement towards the justification of historic results rather than planning for the future.

There is an important balance between short term, cyclic management activities designed to maintain business standards and longer-term, developmental activities designed to raise business standards. If the balance shifts too far, at too high a level, in the direction of maintenance, the organisation will become very change resistant.

The questions in this prompt are a resource which may be used to develop an informal information system to complement the formal system. They will tend to stimulate development activities to restore the balance, and condition the organisation to be more change embracing and responsive. They may also be used selectively to redirect some management time into specific areas where the organisation needs to change its characteristics.

Creating an increased demand for development activities at the senior management level will also created a downward pressure to delegate more. Busy senior managers will often be less prescriptive, and one ultimate effect will be one of increased empowerment, at all levels.

In summary, use it:

As a check list, to prompt a review of organisation characteristics, to identify deficiencies that require development actions.

- As a resource to generate selected questions to be asked of direct reports to stimulate a better balance of management time between maintenance and development activities, in line with current and anticipated strategic needs.
- To create a sharper separation between the roles of senior and middle managers, and reduce the operational content of the former.
- To redirect and condition the organisation to be more change embracing and initiating, with enhanced empowerment at all levels.
- To direct management time and energy to become more customer/market oriented, use its people resource better and operate more effective internal systems, as the needs are identified.

## **CUSTOMER SERVICE & QUALITY**

### **What are you doing or planning to do to:**

- Improve customer service?
- Improve quality?
- Improve the customer image of our service?
- Improve the customer perception of our image?
- Secure our long term customer relationships?
- Secure our long term business?
- Develop our resources at the customer interface?
- Increase the involvement of all staff in improving quality?
- Enhance and differentiate the total product offer with new intangible and service elements?
- Make quality performance more visible throughout the Company.
- Improve customer responsiveness in all functions having customer contact?
- Create or enhance systems for listening to the market (users/non-users/specifies/competitors) to clarify customer needs and wants?
- Involve customers in the product and service definition process?
- Create increased visibility to external, market oriented standards?
- Involve all departments, including Finance, Personnel, Operations and Manufacturing, in the development and provision of enhanced customer service?
- Develop Operations, Manufacturing and Finance into prime marketing resources?

### **By when? To achieve what measurable standards?**

## PEOPLE

### What are you doing or planning to do, to:

- Develop, train and grow your people?
- Make your operation a place where people can grow?
- Make your operation a fun place to work?
- Listen to your people?
- Involve your people in the decision making about and development of their own jobs?
- Encourage more idea generation by your people?
- Encourage more people to be more action and goal oriented?
- Reward creative thinking, team working and risk acceptance?
- Increase line manger involvement and skills in staff recruitment, at all levels?
- Sharpen the definition of the target profiles of the people you are seeking to recruit or appoint from within?
- Ensure everyone knows and adopts the values we hold important in the organisation, (by implicit messages, not exhortation)?
- Create a vision for the future and communicate it to your people, so that they can relate to it and pursue it?
- Reduce defensive thinking about current and historic results?
- Publicise all customer contact successes, large and small, in all functions?
- Encourage new product and other development idea champions in all functions and at all levels?
- Evaluate your people in terms of their tolerance of risk, and develop them to become less risk averse?
- Evaluate your people in terms of their willingness to embrace change, and develop their skills in managing change processes, and carry their people with them?
- Open up the debate, at all levels, on how well the business is being managed, to sustain active and risk-free reverse feedback processes?

### By when? To achieve what measurable standards?

## **OPERATING SYSTEMS, PROCESSES, METHODS & RESOURCES**

### **What are you doing or planning to do, to?**

- Change the way you work?
- Simplify formal processes, reducing manpower needs, the number of steps and cross-functional hand overs involved?
- Fix systems, before they start to fail?
- Reduce the variation in key processes?
- Encourage simplification of systems and methods?
- Eliminate redundant systems and paperwork?
- Measure and add visibility to long term growth goals, actions and results?
- Reduce decision making lead times?
- Stop people, at all levels, from offering up problems, and switch to offering solutions instead?
- Get decisions made at the lowest level in the hierarchy?
- Improve cross-functional working and decision making?
- Reduce the amount of time and money spent on producing, processing and analysing historic data?
- Increase the (predictive) data available and time spent on decisions about future growth?
- Get rid of bureaucratic methods and thinking?
- Encourage experimentation and pilots at all levels?
- Support, publicise and congratulate people on good ideas that fail?
- Add visibility to innovative thinking?
- Simplify and reduce the number of layers in the organisation structure?
- Develop non-financial reward systems to offset the priority-distorting effect of formal Company information systems?
- Develop a sense of urgency, and shorten action lead times, to offset the 'plateauing effect' on performance of being a successful business?
- Shorten the development cycles for new products and customer services?

### **By when? To achieve what measurable standards?**