A Critical Evaluation of Bureaucratic Approach towards Managing Contemporary Organisations

Wenjuan Zhao

International College, Guangzhou College of Commerce 511363

Abstract:

Supporters stress the importance of bureaucracy in modern organizations, whereas opponents assert its useless. This article will discuss both the advantages and disadvantages of Bureaucracy and critically evaluates the management approach by using real examples to give business a deeper insight on the structure.

Keywords:

Bureaucracy; Management; Efficiency and Inefficiency; Fairness and Unfairness

Overview of blank culture

Contemporary organisations in this dynamic, globalized and innovative environment are forced to be flexible and resistant to business competitions.[1] Modern management featured with flatter hierarchy, regarding people as the primary assets of firms and increasing power and autonomy among employees is gaining the popularity.[1] Therefore, Critics argue that classic management approaches, such as bureaucracy, which requires the power of organisations to flow from top to bottom, and employees to implement decisions and orders from above for which they had no input become useless concerning managing modern organisations. [2] For example, bureaucracy has been often criticised for its dehumanising, inefficiency, social ethics irresponsible as well as inflexibility in managing modern firms. However, supporters argue that it is rules and procedures that make tasks organized, simpler, and greatly reduce their discretion time regarding making decisions.[3][4] In addition, its impersonality enables fairness and transparency within firms since qualifications and talents are the only consideration for recruitment and promotion.

This article aims to give readers a deeper insight when use this approach by discussing both its advantages and disadvantages with real business examples.

1. What is bureaucracy

Bureaucracy, proposed by Max Weber, is a management form based on control depending on rules and procedures, divisions of labour as well as hierarchical structures. [5] Public organisations such as government, state-owned or large scale oganisations are classic bureaucracies. Its six principles are the key to understand bureaucracy and will be explained immediately.[6]

1.1 Hierarchical organisation

Bureaucracy assumed that it is authority that unites a society together – that people follow the wills of others because of their beliefs that those individuals are empowered to give orders, instead of Charisma: a traditional or inherited power, which had been supplanted by rational-legal authority. [7] Weber also noted an organisation structured with rational authority would be more efficient because continuity is related to formal structure and positions instead of a specific powerful person. Therefore, under bureaucracy, power flows from top to bottom, positions are organised in a hierarchy with each level is under the authority of a higher one. Organisations follow a 'chain of command' structure where higher ranks control and supervise lower subordinates. Managers rely not on their personalities to successfully give orders but on the legal power deprived from the management position. And Obedience could be secured by a formal, logical and reasoned process.[6]

1.2 Specialised division of labour

Bureaucracy divides labour into sectors in which require higher levels to divide tasks into smaller components and distributes them to employees. Everyone understands what they need to do and how to do it. Such practices enable workers to be highly specialised in their filed, thus ensure high efficiency.[6]

1.3 Fixed and formal competencies

Rules, such as laws and status, are formally established and are not allowed to be amended or changed, which has been argued to be a core competency of bureaucracy.[2] Discretion of power is rigidly prohibited.[5]

1.4 Written procedures

Rules and procedures are formally written and recorded for continuity, which fosters the accumulation of experience and knowledge within the organization cross generations and ensures the rules are correctly represented and understood by all employees.[5]

1.5 Impersonality

Authority is associated with the formal position in the organisation. Positions are the sources of power, not the person, thus once individuals leave their position, they lose the authority. Beyond that, technical qualifications and competencies, which are assessed by examinations or according to training and experience, are the only consideration during the process the recruitment and promotion of employees, taking no personal relationship into consideration.[6]

1.6 Full-time employment

Bureaucracy also refers to professional, full time administrative staff with lifelong work commitment, organised careers, salaries, and pensions. It requires full-time and permanent employment in order to offer stable career.[5]

In recent years, a new form called Postbureaucracy was gaining the popularity.[4] It refers to organisations that are team-based, with flatter hierarchies and networks and decreased layers of management and supervision since such new approach enables firms to react more quickly and effectively, and more ethical to human being and the whole society. Scholars anticipate that the superior performance of postbureautic organisations will lead the whole industry to replace their more hierarchical counterparts.[7]

2. The advantages of bureaucracy in contemporary organisations

In managing modern organisations, bureaucracy still has many advantages. The major merit would be the high efficiency it produces.[3] Under bureaucratic system, procedures and responsibilities of jobs are defined: superior control and supervise their subordinates, and employees behave in an organised way in order to ensure the most efficient manner at work.[4] Weber's bureaucracy with its machine-like operation significantly harmonizes individual actions with discretion, which outperforms any other management approaches in efficiency.[8]

In addition, power in bureaucracy deprives from the job itself instead of the person, and job recruitment and promotions are strictly based on the merits and qualifications of individuals, disregarding their genders, personal preferences and relationship, which empower fairness in the workplace.[3] Du Gay notes that by rejecting patronage and fostering impersonality, formal and rational bureaucracy indeed enables and protects fairness in the contemporary society.

Consider United Parcel Service (UPS), sometimes called Big Brown, as an example. It is the largest package delivery company worldwide.[9] Its bureaucratic management style can be considered as one of the primary reasons leading to its current success. UPS has rigid rules and regulations, for example, it has set astounding 340 steps to teach every driver how to correctly and effectively deliver a package. These steps are as specific as how to load the truck, how to fasten seats belts, how to carry their keys and even how to walk, which have been tested as the most efficient approach, wasting minimum time when delivering packages.[9] In addition, strict dress code is also enforced: everyone every day is required to wear clean uniforms (called browns), black or brown

polished shoes with slip sols, no beards, and no hair below the collar. Supervisors conduct three-minute inspections of drivers per day. Every manager is given bounded policy books and is required to read and understand them.[10]

UPS is also famous for its well-defined division of labour. They have well-trained drivers, loaders, clerks and maintenance personnel in each plant. It writes and records their regulations and has become a leader in employing advanced technology to enhance reliability and efficiency. All drivers are compulsory to fill worksheets which specify daily performance goals and work output. UPS rigidly prohibits favouritism while recruiting and promoting employees, and qualification is the only criterion. Such rules extremely promote efficiency within the organisation and offer equal opportunities for staff based on their performance.[10] Reviews from employees from UPS in Glassdoor, a website for staff leaving reviews from any company, also further confirm that staff was working with extreme efficiency and fairness under its bureaucratic system. [11]

3. The disadvantages of bureaucracy in contemporary organisations

Indeed, rules and hierarchies create efficiency, whereas bureaucracy falls short in managing modern organisations since it greatly restricts the flexibility of organisations.[12] Formal rules allow no power for employees to make any changes, even in trivial issues. Thus, most of their time is wasting on reporting to supervisors and higher ranks. Such inefficiency may cause consumer's complaints and destroy the image of firms.[12] Schools are often considered as typical bureaucratic organisations.[2] Take British schools as an example. Their structures, rules, and regulations for teachers, students, and administrators are defined by British authorities such as government. Within schools, authority flows from top to bottom, supporting the culture emphasised on control and command, where operational procedures are closely monitored and rigidly supervised. Teachers are expected to obey rules without questioning them.[13] A report reveals that the average working hours of teachers in the UK is now reaching to 60 hours a week, and even longer in term times. However, most of their time is irrelevant to improve their teaching and learning, but wastes on filling bureaucratic paper, data driven, and numbing work instead, which are set for bureaucratic management purpose.[14]

Research also finds that under bureaucratic school structure, teachers have difficulties in building a common learning and teaching culture, and collaborating adequately with colleagues, which result in low job satisfaction and high turnover in education industry.[15] Hoy and Miskel claim that teachers are experiencing a sense of powerlessness and role conflict in bureaucratic school structures because they know where the problems is, but unable to do anything.[16] This directly kills innovation and creativity, which demand most in education industry, and there are increasing number of talents leaving the industry.[17][18] Interestingly, on the contrary, Grey argues that flexibility has price tag if firms do not follow the rules.[19] He found that recent attempts to

foster innovation by reducing bureaucracy frequently ended with disasters. For example, when the US company Enron transformed himself from a gas distributor to a 'hypermodern' company, it reorganised its organisational structure and changed its work practices constantly, claiming to have a simplified economy, which finally resulted massive turnover and bankrupted in 2001.

Beyond that, since bureaucracy concerns no personal emotions, it also has been often criticised for dehumanizing. People are treated as machine, without discretion, emotion and personality. And such dull procedural rationality makes people to be morally conflicted and incapable of passion.[20] There are both national and international research focusing on the self-efficacy of teachers in schools,[21] job satisfaction,[22] and commitment to teaching of teachers in schools.[23] They all found that bureaucracy influences these factors negatively. According to Tschannen et al, who conducted a research focusing on how organisational culture affects the potential performance of teachers, discovered that bureaucracy in schools prevents teachers from improving their self-efficacy, and could lead to low optimism and sense of responsibility towards their profession, especially for those who work in the industry for a long time. The excessive hours of British teachers on unnecessary tasks, such as marking, lessons planning and data collection, are consuming their passion for the job. [24]

Grey also criticises that the value or substantive rationality of bureaucracy, a social consensus relating to values, responsibility and ethics, leads to the ignorance of social ethics and responsibility when pursuing their goals.[4] They over-emphasize on means not the ends: managers and employers of bureaucratic organisations only focus on following the rules and ignoring the real purpose of it.[25] In British schools, target sets that schools are required to achieve 25 per cent for A-C grades in GCSE in order to take all pupils into consideration, not just the top students. But when schools get 23 per cent, in order to reach the goal, teachers are very likely to focus only on these failing 2 per cent and ignore the rest.[26] The aim of setting this goal is to encourage attainment, whereas due to the high pressure from higher positions and the fear of being punished by failing to achieve the goal, teachers have to make this choice. This can be one of the main reasons of increasingly high turnover in education industry.[27] Cerit states that such behaviours make teachers feel guilty and negatively affect their job satisfaction, their passion, and efficacy for teaching and achieving better performance.[27] Another obvious example is Volkswagen. In 2015, this German car manufacturing company fell into the scandal of manipulation of performance results by using software in diesel engine to detect tests. Consequently, the company was forced to recall millions of cars worldwide and reported quarterly loss of €2.5bn that year. Moreover, Volkswagen severely damaged its company image and the saleability of its cars. [28] Because of their ignorance of social ethics when pursuing target, they fell into massive, severer and negative issues.

4. Inefficiency in efficiency

Bureaucracy provides a viable practice for day-to-day operations, and brings great efficiency for organisations. Thus, it still applies in modern society, especially in those large-scale organisations such as government and other public sectors. [3] However, it nowadays frequently relates to inefficiency or 'red tape' since complex rules and procedures greatly restricts its flexibility. Grey claims that bureaucracy is less efficient than Weber anticipated and suggests that the six principles of bureaucracy, on the other hand, are the root of inefficiency. [4] Rules and regulations help organisations to form formal rationality, whereas complicated procedures waste significant time on hierarchical reporting, even on trivial matters, making issues much less efficient and causing complaints both from employees and consumers. Furthermore, since employees have no engagement or limited ability in decision-making, it demoralizes the passion and motivation of employees, which, in reverse, kills innovation, reduces productivity and loses talents.[29] Learning lessons from both British schools and Volkswagen, target could produce efficiency and attainments, whereas its unintended consequence can be destructive. Bureaucrats have to do much more to regain credibility among talents and attract them back to the education industry, and Volkswagen has to recall millions of cars, pay massive fine and more importantly, figure out how to regain its reputation and consumer's confidence on the brand.

5. Unfairness in fairness

In Weber's bureaucracy, power is rooted in the position instead of a particular person, and the recruitment and advancement of employees are solely based on their talents, performance as well as experiences.[6] Therefore, du Gay strongly claims that such practices reject patronage and promote objectivity, transparency, and, most importantly, fairness.[3] However, a group of contemporary theorists called 'Bureaucratic dysfunctionalists' conducted research and discovered that bureaucracy not only deficits in formal rationality, but substantive rationality.[30][31][32] Such fairness only exists in Weber's ideal bureaucracy. Dalton managed to discover that bureaucrats would consider gender, race, and personal beliefs and relationship when they were making decisions.[30] A study of French bureaucracy supports the finding and further reveals, opposite to du Gay,[3] personal prejudices and preferences in the conduct of bureaucrats. [31] Two decades later, Kanter finds that those who shared similar gender and educational background with recruiting managers in a bureaucratic organisation had more possibility to be hired. [32] Furthermore, this 'homosociality' of recruitment still occurs in several contemporary organisations albeit there are many attempts to promote diversity and equal opportunities.[4] A recent study in British education system shows that the exclusion and underachievement of black children in British schools, it is merely a recent occurrence but a long-standing problem.[33] Christian found that black children are frequently excluded in schools and receive fewer opportunities than their white peers, showing the unfair practice in British schools. Grey further proposes an example from one of his friends suggesting the unequal treatment on women in organizations even in those proudly claim gender-

neutral organisations.[4] These strongly suggest that rules in Weber's bureaucracy are different from what happens in reality, and it is much less equal than Weber and du Gay expected.

6. Conclusion

To conclude, although modern organisations have to be extremely dynamic to the rapid changing environment, bureaucracy still has a strong existence in the modern society, especially in those large-scale organisations and public sectors. [12] As a classic organisational approach, it has its advantages and disadvantages towards managing modern organisations. There are many potential advantages, and the two key ones mainly come from the high efficiency it produces and the fairness, transparency and equal opportunities offered to people under bureaucratic system. Under bureaucratic structure, UPS exploits and enjoys the efficiency it produces and made big success in its shipping business. However, it also has been criticised as lacking of flexibility, dehumanising, too much focusing on the means, not the ends, as well as social responsibility ignorance. Compared to UPS, British education system, however, is suffering from problems it caused, such as losing talents. And most worrying thing is the situation in British schools appears to remain unchanged.[34] However, to view bureaucracy dynamically, it has many changes compared to decades ago. Weberian bureaucratic agencies, in recent decades, are gradually becoming less hierarchical (flatter), more cross-sectorial (team-based), collaborative and more adaptive to modern economy.[12]

Descprition of Author:

Wenjuan Zhao, female, 08/1995, Chinese, Hunan, received Master degree in Management (International Business) from the University of Bristol, dual Bachelor degree in Business&Management (International Business) and Business English. Now is working in International College, Guangzhou College of Commerce as Teaching Assistant. The author mainly does research on fields including Management theories development, International Business theories development, and Business English.

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