Bureaucratic Management as an Obstacle to Implementation of Recommendations Resulting from Customer Satisfaction Survey

الإدارة البيروقراطية بصفتها عائقا أمام تطبيق توصيات استبيان رضا العملاء

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Dissertation submitted in partial fulfillment of
MSc Project Management

Faculty of Business

Dissertation Supervisor

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May 2011

DISSERTATION RELEASE FORM

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Dissertation Title
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Abstract

This paper seeks to discover if bureaucracy in organizations act as a hindrance to implementation of creative ideas and innovation. It does so by a reviewing different literature written on bureaucracy and its affects and by a theoretical framework where bureaucracy is measured by some common variables.

Semi-structured and detailed face to face interviews were carried out with 75 employees of different administrative departments of the Support Services Function of the studied company. The data collected was analyzed using SPSS (Software Package for Social Sciences).

After the interviews and applying the relevant SPSS (cross tabulation), the most strongly linked variable emerged as the number of managers above the initiator of the idea. The relation is directly proportional to bureaucracy where as the number of managers' increase, the time taken to implement a new project / change increases.

Conclusively, bureaucracy is largely seen as an obstacle to creativity and it is recommended that the work culture should be such which gives rise to lenient policies and thus, encourage creativity. In addition, work should be done towards reducing the gaps of the hierarchy of organizations, especially tall ones. A practical method can be to hold frequent meetings with employees located at the lower levels of the organization chart. It is anyhow realized that sometimes bureaucracy is needed and is inevitable depending on the business, an organization is involved in.

مستخرج

تهدف هذه الورقة إلى استكشاف ما إذا كان الموظفون أصحاب السلطة في المؤسسات يشكلون عرقلة لتطبيق الأفكار الإبداعية والابتكارات. إنه كذلك عندما نقوم بمراجعة مختلف المقالات والمصنفات المؤلفة حول البيروقراطية وتأثيراتهم وبإطار نظري حيث يتم قياس هؤلاء الموظفين أصحاب السلطة ببعض العناصر العادية.

تم إجراء مقابلات شخصية تفصيلية شبه منظمة مع 75 موظفا من مختلف الأقسام الإدارية المسؤولة عن أعمال خدمات الدعم في الشركة التي تمت دراستها وتم تحليل البيانات التي تم تجميعها باستخدام مجموعة برامج العلوم الاجتماعية (SPSS).

وبعد المقابلات الشخصية وتطبيق الـSPSS المعنية (جدولة متقاطعة)، تبين أن أقوى العناصر هي عدد المدراء فوق من يتقدم بالفكرة. إن العلاقة متناسبة مباشرة مع البيروقراطية حيث كلما ازداد عدد المدراء ازداد الوقت المطلوب لتطبيق مشروع جديد/تغيير.

وختاما، توجد البيروقراطية إلى حد بعيد كعقبة أمام الإبداع ونوصي بأن تكون الثقافة العملية ما تتيح إنشاء سياسة بسيطة وبذلك تشجع الإبداع. إضافة لذلك، يجب بذل الجهود لتقليل الفتحات في التسلسل الهرمي للتنظيم، خاصة الطويل منه. ومن الطريقة العملية لذلك عقد اجتماعات في في فترات معينة مع موظفي المستويات الدنيا في الهيكل التنظيمي. على أيه حال، فإنه من المتحق أن البيروقراطية مطلوبة وضرورية في بعض الأحيان ويعتمد ذلك على الأعمال التي تمارسها المؤسسة.

Acknowledgement

After Allah for giving me the strength to complete my MSc., my thanks goes to my mother who, from my childhood, has taught me the importance to read, instilled and encouraged my willingness to learn and yet, at the same time made it fun. Special mention goes to my husband, Umran, for his unwavering support from the start of our marriage who always took the stress of my studies with me and that too with a smile. To my sisters, Lubna and Lamya – for staying there always and backing me up whenever needed. My babysitter, Beth, is also to be acknowledged here for if it was not for her and the trust she has earned, I would be never able to leave her with my 2.5 years old beautiful daughter, Zoya.

This brings me to the most precious person in my life, Zoya, who has, somehow or the other, been affected during the period when I was working on this thesis. I dedicate this work to you and your unborn sister, Zeina, who we expect in 2 more months.

Professionally, I would like to thank my professors, esp. Dr. Arun Bajracharya, for his throughout the clock availability and answering my silly questions without judging me. Last but not the least, thank you to my colleagues at work esp. Ashraf Neeliyat, for covering me up during my unavailability in the office without anyone to having feel my absence.

Finally, to all those who have contributed toward this work, I thank you collectively.

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Chapter 1

1.1 Introduction (Background)

This particular company is one of the 13 specialist subsidiaries of one Mother Company. It is a semi-government company with many fields all connected with pipelines. Each field has its own storage and shipping facilities. In addition to many services provided by the company, health services are also included. There is a medical centre in town, with 6 specialists and 2 general physicians as doctors. The medical centre also has a lab, nursing unit, administration, pharmacy and occupational department.

This dissertation is based on the results obtained from a patient satisfaction survey, done in November 2009 in the medical centre (mentioned above). The questionnaire was posted online and was a self-developed one with open and closed ended questions focusing on all the different services provided by the medical centre. It was accessible to the field employees as well as the town based ones. The field-based employees actually ranked higher in level of satisfaction and the reception areas were ranked the highest dissatisfactory service.

Carrying out the customer satisfaction survey and identifying the gaps were in the department's business plan and carried out as a worthy and value adding project. The survey was carried out successfully and the gaps were identified. After the launch of this project in November 2009, the responses were gathered and analyzed by the first quarter of 2010. Compilation and analysis was carried out by the business planning coordinator and IT staff. Responses also included ideas and recommendations from the respondents on improving the medical services. Unfortunately, even some of the very simple recommendations could not be implemented and the simplest ones took much more energy and time as should have taken, ideally.

When the time came to close those and implement some of the realistic recommendations suggested by the health consumers, the medical division realized how difficult it is do so. The management of the medical division found it difficult to even implement a simple recommendation such as changing the vaccination clinic timings. Out of the many recommendations which came forward as a result of customer satisfaction survey, one was to increase the frequency to run the vaccination clinic timings i.e. to have it at least 4 times a week instead of 2. Apart from the pressure of involving the high management, lots of communication, time, meetings and devotion was required to adhere to the already existing bureaucratic hierarchy internally in the division. After the nursing supervisor, senior medical officer's approval had to be sought. Then came the medical administration officer and lastly, the chief medical officer had to be convinced. The nursing supervisor didn't agree to change the vaccination clinic timings just on the basis of 'few' recommendations. She had her own justifications like lack of staff, degree of risk while giving the vaccine injections, accountability on nurses', lack of cooperation from the doctors' side, etc. The next level, after nursing supervisor was the senior medical officer who had her own reasons of resistance to change and even questioned if the doctors were actually needed for the purpose of vaccinations. The medical administration then had to search for an approved documented policy from the Health Authority to justify and satisfy the medical team. With the matter still pending with the medical administration manager and chief medical officer, the final decision is yet to be decided.

It had almost started to seem, at this stage, that the greatly strenuous exercise at the start of the customer satisfaction survey project was the easiest part. It was at this point of time that the concept of bureaucracy was considered to be studied and questioned the affectivity to go through so many levels of approvals before implementing a change. Wouldn’t it be better to involve everyone at one time, share ideas, etc. and avoid the repetition? This way, all would be heard and there would be less chances of the idea being halted. After all, the same amount of energy, commitment and communication is required to go through a bureaucracy and maybe, even more. Not only this but all would feel part of team rather than the feeling of helplessness and orders being imposed on them.

As everything has its good and bad sides, so does bureaucracy. Considering the need to innovate regularly, bureaucracy can be said to have more cons than pros. One of its pro, for example, is that it gives the initiator a chance to properly justify the new change. Because he / she is expected to answer many questions and convince all, much thought goes into the idea beforehand. The fact if it is actually true will be studied further through literature review. It means that the whole concept of innovation revolves around lack of history and more imagination. Therefore, in cases of innovation or where change is required, it might not always be practical to expect reasoning and unluckily people working especially in bureaucratic organizations associate themselves more with norms than thinking differently and creatively.

In some cases, like in the mentioned example of vaccination clinic timings, delay in the decision meant loosing the whole idea. Needless to say, the slow decision making was because of many levels of hierarchy. The idea seemed to be lost somewhere along the way with other busy activities of the medical division. Hence, the pro of having time to justify a change can not always be considered an advantage (in innovative scenarios). Lloyd (n.d.) summarizes this situation well in his words when he describes a similar situation in his document by saying “trying to get a decision made was like swimming through peanut butter”.

At the same time, there was surely a need to improve the services especially in the reception of medical division. This was proved by the results of the customer satisfaction survey. Unfortunately, this is the most important area i.e. the customer facing area. Definitely, there has to be reasons as to why this is so. No one is born lazy or demotivated. All employees want to work their best when they get recruited for a job. Somewhere along the way, they lose their enthusiasm and the will to work. A very obvious and most probably, the root causes which triggers such feelings in employees are autocratic leadership and the bureaucratic nature of the organization. Immediate reasons like no autonomy and independence of employee, no involvement in communication, lack of appreciation or incentives can all be tracked down to the two root cause mentioned in the last statement.

1.2 Problem Statement

1.2.1 Overview

This dissertation aims to study the role of bureaucracy in the effective implementation of the recommendations suggested by the consumers of the medical services. These recommendations were obtained by the patient satisfaction survey done in November 2009 in the department. Bureaucracy is usually termed as something negative and so was the case with the staff of the medical division under study. It maybe because of the negative experience of public with bureaucratic agencies or offices. Bureaucracy is also more related to government work than private institutions. This is because it is very common to see too many hierarchies within government agencies. Not surprisingly, when told to compare and prefer one over the other, private services are usually preferred, in terms of effective communication and quicker decisions.

Needless to say, leadership and management play the most important role in the success/failure of any organization or project. Setting a customer satisfaction mindset in a government office is not an easy task for the mere fact that they exist to not generate revenue from high volumes of customers or do not have any goal to attract them. Sometimes, even the most practical changes are not put into action because of the hierarchical structure of the organization and the time consumption for the same. This paper will seek to understand if high bureaucracy does in fact trigger resistance to change. For example, one of the recommendations given during the customer satisfaction survey used in this research was to increase the timings of the clinic. This initially looked very simple but practically was a time consuming task. The process of seeking approvals started from the Chief Medical Officer, went to the Senior Vice President of Support Services, discussed with other Vice Presidents and lastly, reached the Chief Executive Officer. The conclusion anyhow was late but positively taken by the management. At present, it is implemented but the energy put into it was immense.

Another issue in such organizations is the non-involvement of the line staff. Before taking such a decision, neither was any one asked about it nor was any one considered to even be informed. This also is a branch of customer satisfaction where company employees are the internal customers and who carry undoubtedly more importance than the external ones.

The company, in this research, has 13 companies under its umbrella. One can imagine the degree of bureaucracy from this one statement. It reflects the high degree of accountability, importance of minimizing risky activities which are usually the new ones and leaning towards those which are more predictable. Not to mention that more justifications in such scenarios means tighter budget.
The saying ‘too many cooks spoil the broth’ actually fits very well in such cases.

In contrast, less beauracratic or a hybrid version like Honda Company in Japan, practices completely different approach. The management there actually requests its employees to devote 15% of their time at work to come up with new ideas every day. This is part of their annual appraisals. If 10,000 employees come up with creative ideas for a period of 200 days (approximately 1 working year), 2,000,000 new suggestions and recommendations can be collected and studied. It is actually not very hard to collect the suggestions but the point here is that the leadership is more than willing to implement a practical idea, be it on a daily basis. Employees practice their autonomy and feel part of the team. That's why take initiative to improve the areas of weaknesses at their work place. Factors which restrain initiative are broadly pressure from one's work group, boss, company or self. 3 out of these 4 factors directly relate to the organization structure itself.

The company under study in this research is a mix of more functional (arranged according to departments) and less divisional structure. It has some divisional structure elements as in addition to having some in-town divisions like Medical or Human Resources, have them set up in fields(remote areas), too. Understandably, where structure can play an important role in a work place's culture and outputs, there is no one best structure. Especially, in cases of large companies (like this case study), it is very common to see hybrid structures.

1.2.2 Research Question/Hypothesis

The basis of this research's question or the hypothesis is very well described by Thrower (n.d.) as "Too often ideas get rejected because they have to travel too far in the organization filled with fiefdoms and inevitable roadblocks". Hence, the research question and the relevant hypothesis of this dissertation are:

Research Question – Is it true that the more bureaucratic a management is, the more difficult it is to introduce changes for improvement?

Hypothesis – The more bureaucratic a management is, the more difficult it gets to introduce changes for improvement.

1.3 Objectives and Aims

1.3.1 Overall Aim

The aim of the study is to understand the effect of bureaucracy on innovation and change.

1.3.2 Specific Objectives

The main objectives are:

1. To understand the concept of bureaucracy.
2. To understand change and innovation in context of bureaucratic organizations
3. To understand and compare change and innovation in context of matrix structures and bureaucratic ones
4. Explore possible ways to promote innovation in bureaucratic organizations

Chapter 2

2.1 Literature Review

There is no doubt that there is much focus on organizational requirements and formalities in bureaucratic companies whereas it is the customer / consumer who should be gathering more attention from the service providers. McLachlan *et al* (2008) builds up on this point in her study that instead of aiding consumer care, it can actually be a hindrance. It is true that organization structure should facilitate customer care, not just stand there or worse, be a barrier towards care or improvement of the same.

Organization structure is one of the important characteristics which can determine if the organization is bureaucratic or not. (Please find figures on different organizational structures mentioned in this research, in Appendix 2).Other organizational factors, according to Hung *et al* (2009) include "…size, degree of specialization, functional differentiation, and organizational culture". Fontaine (2007) regards structure of an organization as the key element which can owe to a company's future failure or success. Of many companies which realized the importance of change are IBM (changed from products to consulting), Marks & Spencer (addressed youths in market instead of traditional adult clothing) and Renault (entered the international market instead of manufacturing locally).

Of all the definitions of bureaucracy, perhaps the most famous and referred to is that of Max Weber. As in Wikipedia (n.d.), where he describes bureaucracy as positive, some of the neutral characteristics of bureaucracy according to him are its impersonality [emotionless], concentration of the means of administration, a leveling effect on social and economic differences and an unchallengeable system of dominance and control.

Bureaucracy, with regards to innovation and creativity is undoubtedly seen as a hurdle to change, practically. Majority of the literature which talks about change and innovation blames bureaucracy for slowing it down or not allowing it to occur, altogether. Fontaine (2007) implies for employees in lowest levels of a bureaucratic firm's tall hierarchy that they may never reach the higher leadership in order to be heard. Hiner (1966) in his article defines a school system as a bureaucracy because there are specialists and it has an obvious hierarchy with teachers, assistant principals and principals. He writes clearly that resistance to educational innovation basically has two roots, one of which is the forces generated by the nature of a bureaucratic system for which he recommends having 'machinery' designed for time to time deliberation of change. This 'machinery' can be a team/committee of representatives from all disciplines who regularly have meetings to consider change when and where needed. Then, their conclusions/ recommendations should be submitted to the rest of the school staff for further discussion. He claims that their effective communication can lessen bureaucracy to a considerable degree. Disagreeing with Hiner (1966), Smith (1994) writes that bureaucracies in school are actually needed for their survival. Bureaucracy proves to be helpful as far as translation of academic research to practical teaching methods in classrooms is concerned. Such work can only be done by the school administrators. In addition to this, many other important administrative procedures are needed to the smooth functioning of the school. He (1994) states that reducing bureaucracy in school systems can in fact be detrimental to the school's performance.

It can be argued that much articles found during this literature review measured bureaucracy through subjective measures. To avoid this and add more value to this study, the subjective measures might have come from the interviews while the objective measures were to study the size of the change and number of managers on top of the employees placed in the low levels of the hierarchy.

Cutcliffe & Bassett (1997) talk about the same subject in his piece of writing, but in the field of nursing. The National Health Services [NHS] is an organization characterized as "being severely handicapped" because of its hierarchical structure and which of course, results in strong bureaucratic tendencies. (Bryman 1986, cited in Cutcliffe & Bassett 1997). They also explain the appropriate approach to change which talks about the same concept as that of Hiner (1966). While Hiner (1966) uses the term "internalization", Cutcliffe & Bassett (1997) defines it as the "normative approach". This approach talks about starting change from below the hierarchy that is to involve people who are located in the low levels and those who are actually the end-users of the service or can be the providers of the business, company is involved in. More of change and motivation is discussed at the end of this chapter.

Let's go deeper as to why bureaucratic organizations are thought to not allow change and innovation. All the definitions of bureaucracy be it in different words or places, talk about conformity to rules and high predictability of performance. This is one of the most obvious reasons as to why bureaucracy does not allow innovation. Obedience to pre-made rules and readymade assumptions of performances do not allow to play with the unknown i.e. innovation. Performance is foreseeable in bureaucratic organizations as they have developed detailed documented policies, procedures and guidelines. It is very common to see an employee being blamed for not conforming to the rules while the management easily ignores the outcome of his deviated action. The output might be needed by the company but since no one can justify his out of the box thinking, he is questioned and his potential accomplishment can be regarded as a blunder. The price one pays for an error/ blunder is explained beautifully by Archibald & Hoffman (1969, p.5). They state that:

> …the reward structure in bureaucracy is asymmetrical because errors are more heavily penalized than positive efforts are rewarded. This kind of approach discourages change and such an organization finds it difficult to cope in a changing environment…the reward structure is combined with the specification of tasks in such a manner that change from the status quo is exceedingly difficult.

On the contrary, Adler and Borys (1996) say that it is not the procedures themselves that give bureaucracy the characteristic of being formal but the way they are implemented and the consequences associated to it i.e. punishment system. In other words, it is not really necessary that the punishment be so severe as to tarnish the reputation of the doer completely. Having less harsh consequences can actually encourage and motivate the staff to see and calculate situations differently. In such a case, there will be rules and there will be a price to pay if they are not conformed to but the employees might dare and try to think differently, if required. Kingston (1995), like Archibald & Hoffman (1969), defines and repeats this reward / punishment system saying that the return for success does not balance the punishment for failure, at all. He goes on to quote Thompson (1965) who on comparing between a bureaucrat and an entrepreneur, states that innovation can be more unsafe for a bureaucrat as "his failure goes on his file which alters his identity unfavorably." Kingston (1995) then puts the bureaucrat's fear into words beautifully by saying that the question which he addresses ultimately is 'what will I loose if it fails?' rather than ‘what will I gain if it succeeds?’ He also goes on to compare the public bureaucrat with one who works in a private organization. In neither case, he states, can there be justification for taking risks because to balance it out, there should be a similar big prize for success and shareholding and management would have been long time divided if it was a large firm in private a sector. Hence, bureaucracy cannot allow taking risks in public or private sector. This said though, at least private bureaucratic organizations are not as strict in penalizing, nor is their reward structure as asymmetrical as a public one. This is so because in comparison, private organizations face competition throughout and are expected to survive in a constantly changing environment. This fact makes them a bit lenient in accepting change internally, as well. These companies realize that not innovating and not taking risk can prove to be riskier for them than innovating. They don’t grow if they don’t change. Therefore, to increase their market price and chances of survival, they may take the risk of making mistakes. Some private bureaucratic organizations, who can afford to, have special reward packages to initiate change, for the same reason give before.

Another characteristic of bureaucracy, Archibald & Hoffman (1969) explain is the evaluation of performance of its employees. He thinks that in typical bureaucratic structures, performance evaluation puts more importance on qualifications, civil service examinations in his study, rather than performance. This, according to him, forms the basic criteria for upgrading and incentives in bureaucratic government organizations. Giving it the benefit of doubt of being quite an aged study, we assume that situation might have changed but Heinrich (1999) in her quite recent study also states a similar statement. Backing up her statement with past research, she confirms too that performance standard systems are much more difficult to handle and implement in public bureaucracies compared to the private sector. Halachmi (2002) explains the reason to this fact. He explains that the two exchangeable terms used with performance evaluation are accountability and performance improvement. He then goes on to argue if the same performance measures can actually help to improve accountability and productivity at the same time. This might not be true as both the definitions seem quite contrasting to each other. Accountability is when there is no deviation from the norms of the company while being productive means to show some quality improvement in one’s performance which of course requires imagination to implement new changes and therefore, think creatively. A good question to ask here then is how can the same performance standards be used to measure accountability and creativity? It surely does not seem possible in a conventional bureaucratic structure. The structure acts as an obstacle to innovation which can only measure accountability by using standard forms of performance appraisals. Like what has been mentioned before, any discrepancy from the normal would needed to be justified with extra documentation and formalities. This is the reason why people working in government bureaucracies usually feel demotivated and lack the enthusiasm to imagine and come up with new ideas. Sometimes, they just forget how to mould themselves in case a situation demands so. For one having to be judged on something which has already been preset and in place for long and then, expecting him/her to perform innovatively is not only an unfair but an unrealistic expectation.

One more characteristic of a typical bureaucratic organization is the career graph of its leader.
The leadership decides on the future leaders and needless to say, the ones whose morals and principles are the most similar to that of the company’s are found suitable. In addition, the criteria are restricted to those who have worked the longest with the organization. These employees have adjusted already to their surroundings and present culture and of course, are not ready to change easily. Furthermore, a typical leader has worked in all the hierarchical levels as a new employee

usually, if not always, starts from the bottom level. Gaining experience for many years exposes him/ her to all the levels in the hierarchy and that fact makes him/ her best candidate to be in a leadership role (Archibald & Hoffman 1969). It is quite sad but true that even in this age, there are companies with such leaders and with such mentalities who prefer to choose people based only on their experience or qualification. No doubt, they are apt pre-requisites but should not be the only ones. This is the reason why in such companies, it is not surprising to not see young people in the leadership team.

Kingston (1995) also confirms the same by saying that one whose file is without the mention of any failure is more likely to get promoted rather than one who has shown success in some area. Hence, if someone is good at 'covering', he/she might have more chances to climb up the ladder. Having said this, this may not be such a negative trait in a bureaucrat's case as such behavior is important for their survival in this kind of a culture and structure. Cummings & Berger (1976) write about managers in bureaucracy who get promoted on the basis of seniority and politics (which is quite common), but not performance. It will mean then that such employees will remain with the company much longer. Needless to say, probability that they are not productive and/or efficient is high for these employees. With inefficient employees, it would not be wrong to refer to the whole organization as being the same. In bureaucratic organizations, Matejko (1986) quoted by Kingston (1995, p. 188), explains that the organization's hierarchy in itself becomes so crucial to survive for the employees in bureaucratic organizations that it becomes a big considering point before any of their step. According to Kingston (1995, p. 188) 'because the stability of this organization depends on the loyalty of its functionaries, the "loyalists" win in the long run against the task-oriented innovators'. In contrast, Downs (1964) argues that it is not the structure or its policies that mould the bureaucrats but they are motivated by their own interests. His behavior, he hypothesizes, does not depend on the hierarchical structure. In addition, unlike what Kingston (1995) states, Downs (1964) claims that the promotion strategies in a bureaucratic organization is not based on caste, gender but only their performance. He, though, does not talk much about giving preference to characteristics like seniority or internal politics for promotion or upgrading purposes.

Being quite positive on the concept of bureaucracy, Downs (1964) admits that the term 'bureaucrat' is regarded as an insult, universally. Interestingly, he opts to use the word 'official' in his paper, instead of using 'bureaucrat'. Being pro-bureaucracy, he does imply that hierarchical structures are needed and explains why organizations should have them. According to him, hierarchies are the best way to resolve conflicts, especially day to day ones. While this reason is quite reasonable, another rationale is a bit doubtful. Downs (1964, p.8) asserts that hierarchies encourage effective communication. He portrays a very ideal picture saying:

> Each intermediary receives messages directly from a certain group of burea members, screens them to determine which messages are relevant to which persons and relays them to those persons only. This immensely reduces total message traffic by saving each member from having to waste time (…)

Much emphasis has been given, in his work, to reduce message traffic. Methods can be decided to reduce the traffic but care should be taken so as not to compromise on the originality of the message. Practically, if this method (hierarchy of communication nodes) was so effective, bureaucracy would be famous for it, not against it. There is much discussion about the information being distorted or being mis-communicated but interestingly, his recommendations to overcome them are the characteristics of a non-bureaucratic organization like having to communicate directly to the end-users or encouraging using ‘flat’ hierarchical structures. Downs (1964), funnily, suggests having some level of duplication of effort in order to limit distortions in communication. The question is just how practical it is. With these arguments pro and anti bureaucracy, emphasis was given to communication (in the research methodology section of this dissertation) as being the variable to measure as to how much it affects the bureaucratic nature of the organization and its capability to introduce and successfully implement changes. The specific variables being ‘number of reporting managers on top of a low level employee in the hierarchy, number of documents to be filled and submitted before the change can take place and the width of the change i.e. how many people is the change going to affect.

In addition to the above, one interesting common characteristic of bureaucracy is that the decisions in such structures are centralized and no multiple decision points are seen. Cummings & Berger (1976, p. 40) add to this trait by stating the feelings of leaders which is a loss in their authority when “sub-ordinates are allowed to participate in decision making”. A logical explanation for this characteristic is that few people are needed to decide on something for which there already exists past while innovation is something unseen. The more people coming together to evaluate, the better. Their different inputs derived from their varying backgrounds, thoughts and experience prove to be helpful to assess the potential associated risks with change. That’s why it is important that multiple decision points get established to study the situation’s uncertainty (Kingston1995). Hence, a bureaucratic organization’s structure itself does not allow multiple decision makers while in a situation requiring to perform innovatively, ‘the more the merrier’ seems to be the best choice. Disregarding the above ‘loss of power / authority’ concept in the leaders of bureaucratic organizations, Downs (1964) argues that after a specific time, these leaders actually face a difficult time trying to change the behavior of their sub-ordinates when they (leaders) want to gain more resources. At this point where a change is needed, they are “just as much prisoners of established routine and inertia as are the external clients who must deal with it”.

Matrix organizations, on the other hand, can be taken as a complete opposite of bureaucratic ones. Lawrence *et al* (1997) state that flexibility is one word which fits the definition of matrix organization and which is nowhere to be found in a traditional functional structure. He clarifies that matrix organizations emerged because more organizations felt the demand to react to two or more key elements of their business at the same time which meant either organizing by function and by product or by service and by market area at the same time. At present, too, according to Fontaine (2007), many companies have realized that they need to be flexible to adapt to regular varying market demands. It will not be wrong to say that the communication channels are open in matrix unlike bureaucratic organizations where closed and poor communication leads to departmental conflicts. For any change to happen, communication and teamwork can be considered the most important factors. In light of all information mentioned here, it is easily realized that matrix organizations can be somewhat ideal places to initiate and implement change.

Recent studies (Teece 1996; Lawrence *et al* 1997; Fontaine 2007) agree that functions across a firm should be communicating alongside and not one after the other in order to save time and get ahead in the fierce completion of the market.

The distinguishing feature, as mentioned before, between the two discussed structures is flexibility. Lawrence et al (1997) assert like many other authors that matrix organizations get this characteristic because of the "constant demand to think creatively and respond to each new situation in a fresh and flexible fashion". Of course, this pressure increases the organization's productivity. The pressure can be too much for some employees and demand energy, multi-tasking skills and adaptivity from them. Individuals with these skills only enjoy working in matrix structures. These are the people who thrive on challenges and competitions and thus, increase their productivity in such an environment. Ultimately, the organization's productivity increases.

This dependency for such individuals can be taken as a weakness to the matrix structure as it relies heavily on people who do not play politics which is a survival tactic in a bureaucratic organization. Finding such mature employees can be a challenge for these unconventional organizations. (British University in Dubai (BUiD) 2009, topic 5)

When it comes to performance evaluation in matrix organizations, it usually is dual personnel. Usually, work is directed by two supervisors in this kind of structural setting. In such a scenario, both the supervisors should be involved in that sub-ordinate's evaluation. This active involvement of both the bosses can be considered a pre-requisite to that person's commitment to both his activities. The involvement of both the bosses should be such that they both should have face to face sittings with the subordinate at the same time and any feedback or communication regarding promotion or relevant information should come from both so the subordinate does not consider it as single-sided (Lawrence *et al*. 1997)

Lawrence et al. (1997, p.) explains the difference of top leaders in traditional organization and those in the matrix ones by writing:

> Top leaders in traditional organization have the benefit of instant legitimacy because people understand that reporting to them means being responsive to their needs. This is because their boss not only has formal title and status but influences their performance evaluation, their pay, their advancement and in the long run, their careers.

In a matrix organization, there is a sharing of power with other managers. Therefore, the team members below that manager perceive their boss to be less powerful. This kind of situation of course tests the different skills of the manager like leadership, convincing, communication, personality, etc and needless to say, forms a good base to evaluate his/her ability to stand strong in the eyes of superior authority.

A very good and successful example of a matrix organization is the famous Starbucks Company. Starbucks Corporation was voted as one of the top 100 best companies to work for, in 2002, by Fortune Magazine. The Starbucks Report 2002 by Kembell *et al* (2002) state that "Starbucks has avoided a hierarchical organizational structure and has no formal organization chart". The culture toward employees, according to this report, is very employee-friendly. They are called 'partners' and the part-time workers also qualify for medical treatments. As one would expect from a matrix organization, its organization culture encourages new ideas. The proof is their continuous launching of awesome products. Be it launching an instant coffee brand, Starbucks I-Phone application or different mugs and tumblers like 'winter symphony' mug, recycled tumbler, color change tumbler.

Some of their innovative flavors include salted caramel hot cocoa mix and toasted marshmallow hot cocoa mix. Their sellable entertainment collection is also no less creative.

It is also interesting to see how this matrix organization responds to changes in market. For example, before the economic crisis, there was an observation of low volume of customers but instead of stopping or delaying their plans to expand, more hard work was done to improve their efficiency and the planned expansion went ahead unlike a bureaucratic organization whose most common solution to low volume of consumers is to shut down the area or halt the practice.

Considering the size of organizations and motivation, Cummings & Berger (1976) concluded in their study that whether an organization is tall, flat, centralized, decentralized, only make a difference in employee's satisfaction and productivity levels depending on their location within firm's hierarchy. This also forms the theoretical guidance for the research methodology where 'number of managers' on top of an employee and the 'width of change' are considered to measure the success rate of changes being implemented in the organization. To be precise on the point of a firm's hierarchy position, high satisfaction is observed in top managers in tall organizations and those at lower levels in flat organizations compared to their opposites. With regards to decentralization, the researchers prove that lower level employees are more satisfied as decentralization increases. They found out that in an organization not quite big in size, middle and low level team leaders do not find it challenging enough. The same goes for their promotion and monetary incentives. Because this can be a particularly critical problem for young managers, it leads to lack of enthusiasm. Hence, low productivity and efficiency rates. Therefore, it will not be right to say that small organizations always provide the right culture to implement change. In contrast, Damanpour & Wischnevsky (2006) quote Nord and Tucker (1987) who say that small organizations can prove to be more innovative in terms of their flexibility and easiness to adapt but at the same time, they also realize, along with Hitt *et al*, (1990), quoting him that large organizations can show creativity with regards to them having "more financial resources, more complex and diverse facilities, more professional and skilled workers and higher technical knowledge and potential". Teece (1996) tends to disagree by stating that it is not common to see large firms managed by owners only. Because the top management's contract usually last shorter than big innovative projects, their interests are biased. Disagreeing also with Cummings & Berger (1976) with regards to the size and performance of the organization, Smith (1994) concludes in his study that size of the schools, for example, was negatively related to the size of bureaucracy.

In general, both arguments have no clear resolution as to which size in organizations tend to be more innovative but Arrow (1983), quoted by Damanpour & Wischnevsky (2006), summarizes it quite logically when he says that "when the innovation is more novel, small organizations have advantage over large ones, whereas large ones are more successful when innovation is more expensive to develop". Opposing them, Downs (1964) reasons that in cases where innovation is expensive, the large organizations tend to reject them as there is no confirmation if the returns will be as high as the investments put into the company for making it large (in terms of altering old existing present procedures and behaviors).

It is not possible to write about innovation and not mention change management. Change can be taken as another simpler term to define innovation. To achieve both change and innovation successfully, one has to consider motivating employees in the organization. Creativity and imagination excel when one is encouraged and motivated to do so.

The normative approach mentioned by Cutcliffe & Bassett (1997) and Hiner (1966) in their different articles focusing on different specialties say that it is best to initiate change with people who are in the fields or are the end-users and/or providers. The change then should go upwards. NetMBA (2010) shows Maslow's hierarchy of needs which suggest that after the basic physiological and safety needs, people are motivated by social needs like feeling of 'ownership' and that of being empowered. Physiological needs include air, water, and sleep while safety needs make shelter, living in a safe area its part. By default, most of the people working part or full time have these both needs fulfilled. Fontaine (2007) highlights that most theories on motivation assert that it is not the money; people get motivated with at workplaces. This is because it is human nature to always want more. The setting mentioned above will fulfill their social needs as it reflects participation in decision making, responsibility towards producing something worthy, being part of the team, etc. as it allows them to participate in the project from the very start and eventually be part of their value system. If a change is to sustain, the team should own it and treat it like its baby. Only then, it can be implemented successfully.

The other strategies like rational or cohersive approaches of change might work in some situations but they start from the top of the hierarchy and the flow of knowledge is one-way. Therefore, the probability of it succeeding is quite low. The normative approach basically encourages strong and open communication. When the orders to change is from top to bottom, authority is being used to influence the team which can prove to be short term as Hiner (1966) quotes Kelman (1961) " when an individual adopts an induced response through compliance, he tends to perform it only …if the agent is physically present." This is the reason he suggests, in order to improve the bureaucracy in education system, to have a committee of teachers and students who brainstorm ideas for improvement and then communicate them to everyone in the faculty for further exchange of thoughts.

Neilsen (2008) believes that rigid organizations will soon be positively reformed. He writes about bureaucracy being emerged with an addition of 'emotional' characteristic. As uncertainty increases, this new type of bureaucracy will increase and displace 'traditional' bureaucracy. Burnes (2009, p.173) mentions about modernist and post modernist organizational forms where modernist firms are rigid bureaucracies with standardized relations. He also believes, like Neilsen (2008), that soon the leaders in post modernist (matrix) firms will be the ones who will facilitate communication through different means. This also was discovered as an issue in the study by Smith & Porter (1977) where the leadership was not thought to interact with the management and the subordinates. Consequently, the subordinates in the survey rated the leadership as poor. Simmonds (2004) and Becker (2010) agree and stress in their literature too by defining an effective leader who focuses on human elements more and emphasizes on human skills like building trust, celebrating differences, positive thinking and empowerment issues. Sommer & Merritt (1994) point out that most solutions to change today concentrate on quantitative business concerns rather than human factors and their values. An example is highlighted in a healthcare study by Brunton & Matheny (2009, p. 606,607) where the radiologists in a new project admit that they did not have enough time to be "gentle and careful" as a delay in one appointment causes the whole scheduling system to run late. Moreover, the radiologists respondents were recorded to say that their "contracts were written in quantitative terms, and [their] performance was consequently measured in terms of numbers". If not others, healthcare is one business which should show humanity and compassion the most rather than taking it as 'business' in its literal terms.

Chapter 3

3.1 Research Methodology

Before starting this chapter, it is vital to acknowledge the fact that the below mentioned framework has been adapted from a study by Coccia (2007). *The formula given below was found to be very suitable for this research, in specific to measure bureaucracy. Some variables were changed to fit this research.*

The formula fits perfectly with the aim of this study which is to understand the effect of bureaucracy on innovation and change. It has basically all the stages of change implementation as the administrative activities involved to successfully implement a change. There are very few studies which measured bureaucracy along the lines of this dissertation. The ones which do are not very consistent in the way they describe bureaucracy or define structures. Not many researchers have worked on linking effectiveness of an organization and its structure. Of all, Coccia (2007) have developed the most ideal and simplest theoretical framework which suited the aim and objectives of this dissertation.

As can be understood, the more time spent on each of the below activity, more chances of the change not being implemented or being very late in the implementation. This also would mean a high level of bureaucracy. By collecting data on the following variables, we should be able to study the effect of bureaucracy on the project / change implementation.

There can be many reasons as to why projects may not be implemented or reach their end but if any of the following variables is found to be associated with the project's implementation, it would mean that bureaucracy does affect it. The hypothesis of this study is that the more bureaucratic a management is, the more difficult it gets to introduce changes for improvement. The literature review has proved to a great extent that bureaucracy is usually associated negatively when it comes to providing an environment that encourages innovation. This research methodology will further help to understand the effect of bureaucracy on innovation / change which is the aim of this study.

Bureaucracy will be measured by recording and measuring the time spent on each activity and the number of documents needed. As can be understood, number of required documents makes up an important part of bureaucracy which needless to say consumes a lot of energy and time.

The theoretical framework, below, is the basis to analyze the relationship between bureaucracy and implementation of change/ innovation.

$I = f(T_1, T_2, T_3, T_4, T_5, T_6, N)$

where
I = average time to implement a change in the company
Tn= time spent on the n-th administrative activity
N = number of documents filled in and submitted

In addition to the variables personally added in the questionnaire, Coccia (2007, p. 100) describes bureaucratization as a latent variable measured by the following variables:

T_1 = *Key person Identification*: average time needed to reach the right person to discuss the recommendation, including obtaining approvals from the line managers (question 4 in the questionnaire)

T_2 = *Organization of events*: average time needed to organize events such meetings and appointments, including all the stakeholders (question 5 in the questionnaire)

T_3 = *Follow up on the meetings*: time needed to obtain the management's confirmation, including preparing memos, phone calls, etc.

T_4 = *Budget Compilation*: time needed to finalize budget

T_5 = *Inter-departmental activities*: time needed to conclude work with other departments like Financial, HR, IT, GSD, etc.

T_6 = *Purchases*: time needed to purchase relevant materials

N = *Documentation (number)*: number of documents required (topic 11 in the questionnaire)

In addition to the above variables, information was gathered on the designation, gender, years of experience and the number of managers above the interviewee. This information helped to correlate them with bureaucracy along with the variables $T_1 - T_6$ and N.

The first stage to implement any kind of change is to identify the right person to communicate to and present the idea. This can prove to be quite frustrating especially if the team is big and there exists a tall hierarchy on the initiator who is placed at its (hierarchy's) low level. Unfortunately, this confusion can be found at all the levels. Though, it would be more apt to happen in a matrix structure rather than a bureaucratic one since the latter consists of specialists arranged in groups. At the same time, but, because all managers at each level have a stake in the change especially in case something goes wrong, accountability is stressed more in such environment and also, more severe punishment methods are practiced. This point is also proved clearly through literature review.

Taking the example of the vaccination clinic timings again, the identification of the key person was confusing. Since the issue was to change the clinic timings, medical administration manager thought himself as the owner of it but because the vaccination was physically carried out by the nurses, the nursing supervisor decided that she should be the decision-maker of such a change. The senior medical officer (doctor) had her own reason to resist as the nursing supervisor was reporting to her (doctor) and in addition, a check-up by the doctor was a must in order to go ahead with vaccinating the children. The final decision-maker was the chief medical officer but the question rises as to who should take this idea to him or to whom this new change initiation should be presented. The best option in this case would be effective communication with all the perceived stakeholders (medical administration manager, nursing supervisor, senior medical officer) but this can prove to be quite difficult in cases of bigger teams. Secondly, this solution would relate more to a matrix structure since it (to share information with all) is its trait.

The second variable is no less irritating as organizing follow-up meetings and presentations to all stakeholders is no easy task. Add to this the justification one has to give when asked questions from different department representatives and / or specialists. It is usually very difficult to have such meetings because of the busy schedules of the managers and then, there is a hidden fact that all have some resistance to the proposed change. The result can be predicted if all the stakeholders team up together against this idea. Therefore, it is always better to justify a change emphasizing on the benefits for all the parties and to always be a team player who goes along well with all the staff.

Once the above two stages are over, the third one is to follow up on the documented conclusion of the proposed change. In a bureaucratic organization, it is usually in the form of memos and not to mention the countless phone calls or physical rounds to the particular departments needed to finalize this stage. This stage usually depends on the quick action of the secretary who is responsible to develop the memos. Of course, it is slightly probable that this memo lies around in the signatory authority's office table for a long time. This again depends if one has good relations with the staff, actions might be quicker. This stage, would of course, include sending the memo or the particular method of approval to the concerned units, departments and / or divisions.
Budget compilation might not be needed in simple changes but can be pretty hectic if the width of change covers other divisions, who of course would have their own budget constraints or in cases of change ideas which are very sophisticated or expensive. The budget, majority of the time is very limited. Finalization of budget usually requires much discussion with the concerned parties who are regarded as specialists in the field of finance.

It is easy to imagine how difficult coordination with so many different departments can be. Where big teams find it tough to share information in the same department, it can get very complex when other concerned departments are required to be included. It is very common to have administrative departments like IT, Finance, Human Resources, in typical projects. In this study, according to the interview responses, this stage was one of the most frustrating.

Purchases may not be required in all the proposed changes. Innovative ideas usually on a big scale need materials to be purchased but once, the requirements are determined, procurement of simple items can be quite strenuous. This time proved to be the longest in this case study where the highest number of projects got shelved. At this stage, the Supply Chain Department also gets to be involved who are responsible for bidding, tendering, contract preparation, legal matters, etc. These processes mostly are very technical and do not take into account the end-user's needs. Hence, to come to a final decision at this stage is an arduous and a demanding task.

The approximate number of documents needed, developed and / or filled throughout the stages mentioned above can also give us an idea of the extent of bureaucracy. There are sometimes where much information is repeated, too which can be time consuming as well as annoying.

The participants were asked to think of a change they wanted to initiate and were either successful at that or not. Then, more information was collected using the questionnaire in Appendix 1.

Face to face semi-structured interviews were held to gather more reliable information and encourage open communication. Each interview approximately took 45 minutes on an average. There was no online survey sent to employees to prevent any risk of misinterpretation.

The sample is made up of different departments of Support Services Function of the company. These departments include the ones only in town and not field based. They include Human Resources Department, Medical Division, Finance Division, General Services Division, General Relations Department and Information Technology Department.

The sample used for this study is made up of 75 interviewees and all are administrators. 64% of them are females and 36% are males. They mainly include administrative officers and assistant administrators. The designations chosen are in the low level of the hierarchy as the research questions assume that the idea is generated by someone not in higher hierarchy.

Chapter 4

4.1 Data Analysis (Results)

On the information collected, in the descriptive statistics, cross tabulation was done because mostly all the variables collected through the interviews and questionnaire were categorical. The results are shown below and discussed in this and the next chapter.

As described by Coccia (2007), bureaucracy is a latent variable which can be measured by the variables used in this study's questionnaire. A latent variable cannot be measured or observed directly.

		EndReached		
		No	yes	Total
Type of Change	Unit Wide	27	10	37
	Department Wide	21	6	27
	Division Wide	6	1	7
	Function Wide	4	0	4
Total		58	17	75

Table 4.1- Type of Change * End Reached Cross tabulation

Table 4.1 shows descriptive statistics using cross-tabulation which shows a very strong relationship between the type/ extent of change and the projects which reached or did not reach completion. Out of a total of 75 potential changes, only 17 were implemented successfully. The number of successful ideas for change reduces as the type /extent of change increases. Successful changes addressing Units are the highest. Department and Division- wide come next, decreasing respectively and interestingly, no change initiated involving the complete Function i.e. Support Services, of this bureaucratic company saw success. This table gives quite a clear picture when linked to the aim and objectives of the study. Bureaucracy can be understood in light of the variable 'type of change'. Having more than 75% (58 out of 75) of ideas not being successful can make anyone understand the degree of difficulty in implementing a new change in a bureaucratic organization. It is amazing as to how a simple cross tabulation technique can give such consistent results. The increased width of change decreases the number of implemented ideas in the same proportion proving again that the effect of bureaucracy is not very positive on innovation. Width of change basically is the number of people being affected by the proposed change. The table proves that fewer the end-users, the more of new ideas implemented.

Linking the above with an addition of another variable clarifies the aim of the study further and makes it easier to understand bureaucracy. Another variable is the number of managers one has to go through to reach a final decision. Table 4.2 below cross-tabbed with the number of managers above him / her, further prove the hypothesis which is 'the more bureaucratic a management is, the more difficult it gets to introduce changes for improvement', where bureaucracy is taken as the number of managers and the type/ extent of change addressed.

According to this table, there was no function-wide change initiated with 4 or more managers. 4 function wide changes were tried to be initiated with 3 managers and all of them never saw completion. The same went for less wider division. Of 12 of total changes initiated in department-wide category, only 1 was completed and reached end. In a total of 35 ideas for change, only 8 were successfully implemented in the group of employees with 3 managers on top of them in the department's or division's hierarchy.

When understanding bureaucracy in light of the two variables, it further confirms the hypothesis of this study. Adding more number of managers on top of the idea initiator reduces the number of successful changes. 3 and =>4managers were more significant, hence included below. With 4 or more managers being reported to, more than 70% of the initiated ideas were rejected or did not reach their end. Funnily, these figures do not even include the extreme categories of the two variables i.e. employees with 4 or more managers who intended to bring about a function-wide change. Those figures are not shown in the table below because there were none.

			End Reached		
No. Of Managers			no	Yes	Total
3	Type of Change	Unit Wide	9	7	16
		Department Wide	11	1	12
		Division Wide	3	0	3
		Function Wide	4	0	4
	Total		27	8	35
= or >4	Type of Change	Unit Wide	10	3	13
		Department Wide	4	2	6
		Division Wide	1	1	2
	Total		15	6	21

Table 4.2 - Type of Change * End Reached * No. Of Managers Cross tabulation

	N	Mean
Time to Purchase Materials	75	.85
Time to Organize Meetings	75	1.23
Time to Identify Key Person	75	1.43
Time to Follow up	75	1.69
Time to Finalize Budget	75	2.61
Time to Coordinate with Other Depts.	75	2.69
No. of Documents Needed	75	3.29
Valid N (listwise)	75	

Table 4.3 – Descriptive Statistics (Mean)

The above Table 4.3 shows the mean values of different variables used as measures of bureaucracy. The one with the highest value is the number of documents needed to carry out a change. The same variable in other words can be taken as the most discouraging issue if a change is to be implemented. Generally, bureaucracy is most commonly linked with high amount of paperwork. The table above can be taken as an evidence for the same. Next, strongly linked variable in non-completion of new ideas is the time taken to coordinate activities with other departments. The next significant value comes across as the time to finalize budget with a mean value of 2.61. As the literature review suggest that bureaucracy does not allow taking risks and therefore much thought is put into avoid taking risks which in turn produces the need for high number of documents. Coordination with other departments and finalization of budget are also hectic tasks when bureaucratic leaders are involved as they are expected to justify the expenses. Coordination with other departments is difficult as the communication lines are not that strong in bureaucratic organizations.

The aim of the research i.e. to understand the effect on bureaucracy on innovation and change was studied through the literature review. It revealed that it does play a role in determining if the change will be implemented. In terms of innovation, the literature review has proved that majority of the authors agree that bureaucracy discourages innovation. The above 3 tables of data analysis seems to also reveal similar results. Since the study was carried out in a bureaucratic organization, it stays true for the same. In majority of matrix organizations, like Starbucks Company mentioned in the literature review, change might be taken up as something and a challenge.

4.2 Discussion

Considering the literature review and the key findings of this study, it generally supports the hypothesis which is that the more bureaucratic a management is, the more difficult it gets to introduce changes for improvement.

To measure bureaucracy, several common variables were tried to be integrated in the questionnaire and calculated. They included the type/ width of change (people to be affected by change), total time, number of documents needed, time needed to finalize budget, time needed to coordinate with other departments, etc.

The Table 4.1 in Results section clearly shows the inverse proportion of the width (type/ extent) of change and the number of changes which could be implemented. As the width of change increases, number of successfully implemented changes decrease. The width of change can be taken, on a small scale, as the size of the organization which Damanpour & Wischnevsky (2006) prove on having an important role to play. When any change is desired to be introduced and the management is made aware of the same, the scale of the effect is one of the things which is considered. Of course, smaller the scale, smaller is the budget required. In addition, less energy is supposedly consumed throughout the process. For example, training the employees, etc. Communication is easier and can be more effective. Moreover, there are less chances of resistance. This is reflected by the highest number of successfully implemented changes which is 10 out of 17 (58.8%) in the smallest size i.e. unit-wide. Table 1 supports the study's hypothesis very strongly in terms of bureaucracy as the size of the organization. Next, comes a little bigger sized 'department-wide' change which had 6 out of 17 (35%) successfully implemented changes. Further proving the point that increased size does decrease the chances of successful implementation of change is that out of the 17 implemented changes of the 75 proposed ones, only one could be put into practice division wide and none of the 17 could be implemented in the widest category i.e. across the Function.

It could be argued that there might be more justification than only the width of change affecting the completion of projects. It might be possible that due to some other element, the suggested changes did not take place. That is why Table 4.2 tries to compare the two variables together to not give any room for a doubt. This table shows the relationship between the width of change and at the same time, number of managers. Number of managers was chosen as the second variable as it is the first bias which one could think of immediately as the next element to measure bureaucracy. From this table, it can be seen clearly that adding number of managers and further breaking down the new projects that reached completion also supports the hypothesis. With 4 or more managers, 6 out of 21 (28%) were successfully completed and in 3 managers' category, 8 out of 35 was the figure. It is interesting to note that there were no suggested changes function-wide with 4 or more managers. Hence, the number of total suggestions themselves were few. Interviews revealed the same that none of the employees could not even think of it as practical to go through the implementation of change function wide with 4 or more managers above them. The size of change linked with number of managers (3, = or >4) produce the same result as Table1. The number of completed projects decrease as the width increase. With 3 managers across unit wide proposed change, 7 out of 16 were successful while the number reduced to 3 out of 13 in cases where there were 4 or more managers. The remaining figures for department and division do not exactly justify the research hypothesis; it has its own reasons behind it. Where only 1 in 12 suggested changes could be implemented department wide with 3 managers, 2 of only 6 were successfully executed with 4 or more managers. The same went for division wide changes. The total of the 3 implemented changes department and division wide can be attributed to the fact that the initiators of the change were comparatively bit more enthusiastic and keen on following up matters. Moreover, their communication skills proved to be very convincing and powerful. It is also worth mentioning here that there was a period where a manager had gone on a long leave in 3 managers, department wide scenario.

With the Mean values obtained in Table 4.3, the variables linked strongly to bureaucracy emerged as number of documents required to fill in and be submitted before and during the change implementation process, time to finalize budget and time to coordinate with other departments. Table 4.2 and the interviews revealed that number of managers has a large impact on bureaucracy. Anyone would understand that the more number of managers and/or lower one is in the hierarchy of his/her department, more time it can take to implement an innovative idea. With so many stops and approvals at each step, it is inevitable that the implementation be quicker. Such a scenario includes more convincing, more time and therefore, more energy. Not to mention the greater number of documentation required and more meetings and presentations. Each manager would have his/her personality. Where it is possible that some would be easy going, others could be harder to bring on one's side. Along the way, it is natural that one looses his/her enthusiasm. It is not just the communication which takes time in implementing an idea but the formal physical steps can also prove to be tiring and frustrating.

Table 4.3 also prove that time to coordinate with other departments is also linked strongly, in this study, to bureaucracy. In these organizations, specifically to the one under study, internal meetings themselves take so much time that one has to think twice before arranging for meetings outside. Coordination activities include dealing with others, esp. managers' appointment schedules which alone can be quite excruciating. Meetings, presentations, choosing, deciding and finalizing may not take much time while saying but practically, it is not as simple as said. In companies like the one studied in this research with such strict security measures, coordination with other departments becomes more bureaucratic requiring more justifications for the change. The involvement of other departments like Supply Chain Management Department and Health Safety and Environment Department worsens the formalities. These departments esp. have their own rigid policies and procedures and may be considered next to impossible to adhere to. Simple changes might not be so hectic but usually an innovative idea involving a change in policy requires extra work with regards to coordination activities and materials, for which budget is needed.

This brings us to our next strongly linked variable (Table 4.3), time to finalize budget, which plays an important role in determining the bureaucratic nature of the organization. Be it public or private, finance is one thing which does not come easy. The provision of budget was a common stage where majority of the sample cases, studied and recorded in this research, stopped. Undoubtedly, enough budget is a pre-requisite for any project involving change. Especially big projects or those involving many people can not jut run on team's will power or teamwork. Frankly speaking, even small scale projects stand little chance without any or sufficient finance. Time line here also counts a lot. For example, someone's idea comes to life at a time where the department's yearly budget is already set, it is very possible that he/she will have to wait for the next year for the approval.

Another reason that budget is difficult to define is that in innovative projects, the risk cannot be calculated accurately as there is no history of similar work done in the past with which one could learn or compare. Due to this, there is no justification or explanation by which one can present confidently to the superiors. With projects of a routine nature, scheduling and budgeting is easier to calculate compared to a project which is one of its kind.

Chapter 5

5.1 Conclusion

The literature review and the study findings did confirm that more the managers, more difficult and time consuming it is to encourage innovation and implement changes. It will be of course useful to reduce the hierarchical level to the minimum if innovation is to be encouraged in the organization. If that is to not take place, communication channels should be well strengthened and made efficient. Since it might not be always practical to reduce the long time existing hierarchies in a bureaucratic organization, most recommendations focus on the importance of effective communication. Structure barriers can be overcome by involving all the team members by strong communication lines.

This study discovers the variables that are strongly linked to bureaucracy and which seem to play a strong role in bureaucratic organizations. In addition to the number of managers being reported to, the size of change, number of documents needed, time to coordinate with other departments and time taken to finalize budget for projects were also found to be important enough. Including these, there are many administrative tasks which if seen closely, might be redundant, repetition or just might not be needed at all in our workplaces.

More number of managers decreases the chances of implementing a change. Where this might not be under employees' control, it is highly possible to find routine tasks, carried out by administrators, which can be abolished or the frequency made less. With some practical recommendations in the upcoming chapter, it will be wise to relax and think over some of the duties we, as employees, do and if they are worthy of our time. Another lesson learnt through this study is to always start on a small scale. A change can be easily implemented if it is not widely spread throughout the work place. The two variables if present (few number of managers and low width change) will automatically reduce the number of documents, time to coordinate with others and budget finalization procedure.

Bureaucracy might not be easy to finish (and some may argue that it might not be such a negative trait after all) but one can always start it on a small scale, initiating from his/her office desk. Having said this, studying the effect of bureaucracy in different situations is important. As the literature review suggest, in some cases, it might be not be a good idea to reduce bureaucracy. Much research should go before the start of each project if they (projects) are different in nature, in deciding to reduce bureaucracy. Blindly deciding to reduce it without knowing the after effects can prove to be very costly. If not associated with improved performance, the organization may experience loss of time, money and other valuable resources.

Even if not found to be entirely positive, it will be good to see to take up the challenge in associating bureaucracy with emotions and stressing on positive aspects and the reasoning behind it. Studies should be done which focus on combining bureaucracy with an element which give birth to efficiency and affectivity of services.

5.2 Significance of the Study

Answering the objectives posed before will enable the reader to have a deeper understanding of this common issue at work i.e. barriers that prevent implementation of a quality change. Once, the base of it is understood, appropriate solutions can be suggested. These solutions can then be implemented in a way so as to mould them according to the norms of the organization and where the decision maker will have to face the minimum resistance to change.

In this case study, the problems were clearly known to the service providers and confirmed by carrying out the customer satisfaction survey but the implementation of the recommendations to those problems were not successful. A major reason being a condition to pass through many stages of approval and trying to convince managers at all levels. To make matters worse, even if one of them disapproves, that issue is bound to stay pending for a long time. It will then be solved unless the problem/ solution is presented with a different angle, the management is changed or with a 'waasta'. Waasta, in local culture, is to skip one level of management and go to the next without waiting for the decision of the previous one.

All these points are discussed in more detail in the chapters and this dissertation should prove to be a guide to someone who is planning to introduce a change to his/her system.

Change is inevitable. In order to succeed and prosper at a time where new products and latest technology are introduced every other day in market, organization and businesses should be flexible and encourage innovation. In other words, change management should be affective.

All well established companies have competed with their counter parts and emerged as a winner. The reason for their success is that they did not mind bringing change to their system. Hopefully, this document will prove to be a motivational guide for employees at all levels.

5.3 Recommendations

This study focuses on the typical aspects of bureaucracy. During developing the literature review, it was discovered in the article by Neilsen (2008) a type of emerging bureaucracy which can be regarded as a bit modified from the traditional one in the sense that it is associated with human interaction and emotion. This bureaucracy can be studied further in light of its positive characteristics and be used to encourage environments where innovation is required.

Since the company in this case study is highly regulative bureaucratic, implementation of change was very low and severely affected. This of course is due to its lack of ability to adapt and the system's stiff procedures to be flexible. By bringing an emotional factor, as suggested by various authors in the literature review, it is worth a try to see and experience the kind of change (in procedures and in attitudes) which will come about, with regards to accepting and implementing new ideas.

With regards to the Maslow's hierarchy of needs and findings by Fontaine (2007) mentioned in the literature review, to bring about change, organization's culture should be studied and focused on. According to them and the theories, it is possible to motivate people without monetary incentives. If the employees are motivated without financial rewards and strict authority, it can lead to great savings and eventually, success of the organization. Once this is achieved, innovation will be an old story. This can be brought about by the previously discussed normative approach.

The above paragraph of course does not suggest a complete absence of financial incentives. The management should make it a point to set aside enough budget for incentive programs, bonuses and compensation to employees and utilize it for the same purpose. A mix of incentives, financial and emotional should prove to be a great success.

Also, it might be a good idea to first initiate low width change and on few people, as suggested by Table 4.2. As was found during the data analysis in this study that the chances of a successful completion of an idea were significantly reduced as and when it was intended for the whole division or across the whole function which, in majority of the cases, comprised of greater number of people in comparison to the changes intended for units or departments.

Another significant finding (Table 4.3) was a negative correlation between the number of documents and the successful implementation of new ideas. This suggests that majority of the change initiators lost their motivation and energy along the way, as the forms and documents to be filled and submitted increased. High number of documents came across as the biggest hurdle in this study. To reduce paperwork to a minimum degree, it should be one of the company's culture values to consider a paperless environment. More of online procedures and electronic backups should be encouraged. Quarterly and yearly reviews should be done with the specific purpose of discovering repetition work and redundant procedures. Moreover, existing quality improvement programs should have a dedicated part to study the different documentation stages. If no quality improvement program is in place, there should be so.

Considering some more practical recommendations, Webb (1996, p.21) offers to encourage innovation through having suggestion schemes at workplace. Once fair and well established, it would not be possible to find no new ideas with so many people working in the same firm. It can also prove to be sensitive if not implemented properly, though. The judging panel should have the authority to approve or reject ideas. Of course, approval and esp. rejection should be accompanied by full justification and transparency. A very good such scheme which is practiced at present in Honda Company is mentioned in the problem statement section of this study.

In addition, the leadership and management should have more frequent meetings with their subordinates. Many studies studied mentioned in the literature review have concluded with remarks that the interaction between the management and subordinates stays minimal in bureaucratic organizations. Frequent communication will not only give a feeling of empowerment to the low-level employees but bring them emotionally closer to their firm.

Another way to minimize bureaucracy and strengthen communication is to have a committee, as suggested by Hiner (1966). This committee should have representatives from each department and then report their ideas or conclusions to the other staff to encourage sharing and transparency of information.

5.4 Suggestions for Future Research

Now that the link has been made (in this study) with managers playing the most important role in bureaucratic organizations, it will be better to consider the following for future researches:

- The age of managers should be taken in account while collecting data and analyzing them as it is assumed that younger managers will be more innovation friendly.

- It will be interesting to interview the managers too on reasons as to why they think some projects get approved while others don't.

- Characteristics of the initiators of change should also be considered in similar future researches so as to erase bias of any kind. Their personality traits should be studied in detail and compared to the outcome of their intention to change.

- Because of transport constraints, this study was carried out in town only. For better accuracy and reliability, the employees in remote areas should also be included to get a clearer picture and to understand the issue wholly. It would be interesting to see the responses from remote areas' employees, if the number of managers also is an issue for them and if they, too, regard the same other variables as problematic as their town based counterparts.

- A similar study can and should be carried out in a matrix organization as the findings can be regarded as biased for they are found in a bureaucratic organization. Comparing the two, then will give results which will be near to reality and considered more accurate and reliable.

- Some more detailed techniques for categorical variables in SPSS like Chi-Square may be used during the data analysis stage to produce more specific and reliable results.

Appendix 1 - Dissertation Questionnaire to Measure Bureaucracy

Designation: ______________________________

Gender: ______________________________

Years of Experience: ______________________________

No. of Managers in the Department (until reached the Division Manager): ____________________

Please think of a change you introduced / were planning to or are planning to, in your department and answer the following questions. The change should involve minimum 10 employees anywhere in the organization. The time's value in answers can be days and / or months.

Q1: What was / is the intended change? ______________________________

____

Q2: Was / is this change unit wide, department wide, division wide, function wide?

____

Q3: How much total time was / is required (roughly) to actually implement the change mentioned above?

☐ 0-12 months ☐ 12-24 months ☐ 24-36 months ☐ more than 36 months

Q4: How much time was / is needed to identify the key person for discussion and obtain the approvals along the way?

☐ 0-1 week ☐ 1-2 weeks ☐ 2-3 weeks ☐ more than 3 weeks

Q5: How much time was / is needed to organize the related appointments and meetings?

☐ N/A ☐ 0-4 weeks ☐ 4-8 weeks ☐ more than 8 weeks

Q6: How much time was / is needed to organize the follow-up activities to the meetings above in Q5? For. E.g. preparing memos, obtaining signatures, etc?

☐ N/A ☐ 0-4 weeks ☐ 4-8 weeks ☐ more than 8 weeks

Q7: How much time was / is needed to finalize the budget?

☐ N/A ☐ 0-1month ☐ 1-2months ☐ 2-3months ☐ more than 3 months

Q8: How much time was / is needed to coordinate work with other concerned departments?

☐ N/A ☐ 0-1month ☐ 1-2months ☐ 2-3months ☐ more than 3 months

Q9: How much time was / is needed to purchase the relevant materials (purchases, etc.)?

☐ N/A ☐ 0-1month ☐ 1-2months ☐ 2-3months ☐ more than 3 months

Q10: Approximately, how many official documents were / are required from start till the end?

☐ 5 or less ☐ 6-10 ☐ 11-15 ☐ more than 15

Q11: Any other comment.

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Appendix 2 – Different Organizational Structures

Reference: Fontaine, C.W. (2007). *Organization Structure: A Critical Factor for Organizational Effectiveness and Employee Satisfaction* [online]. [Accessed 24 March 2011] Available at: http://www.professorfontaine.com/files/Organizational_Structure_White_Paper_v7b.pdf

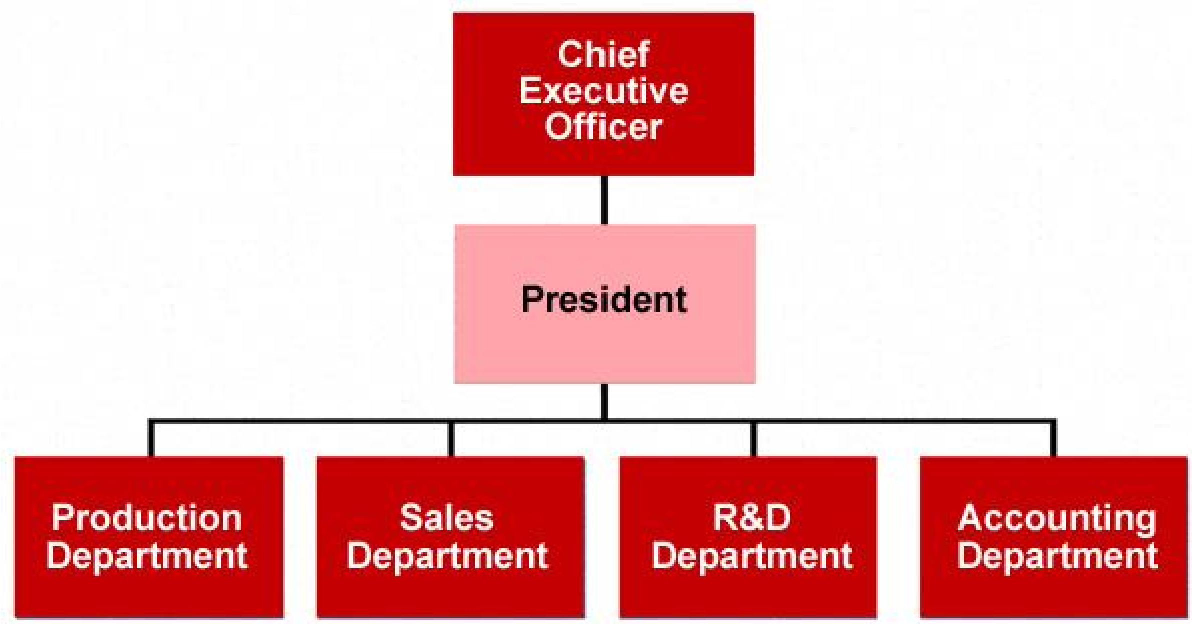

Figure1 – Typical Functional Structure

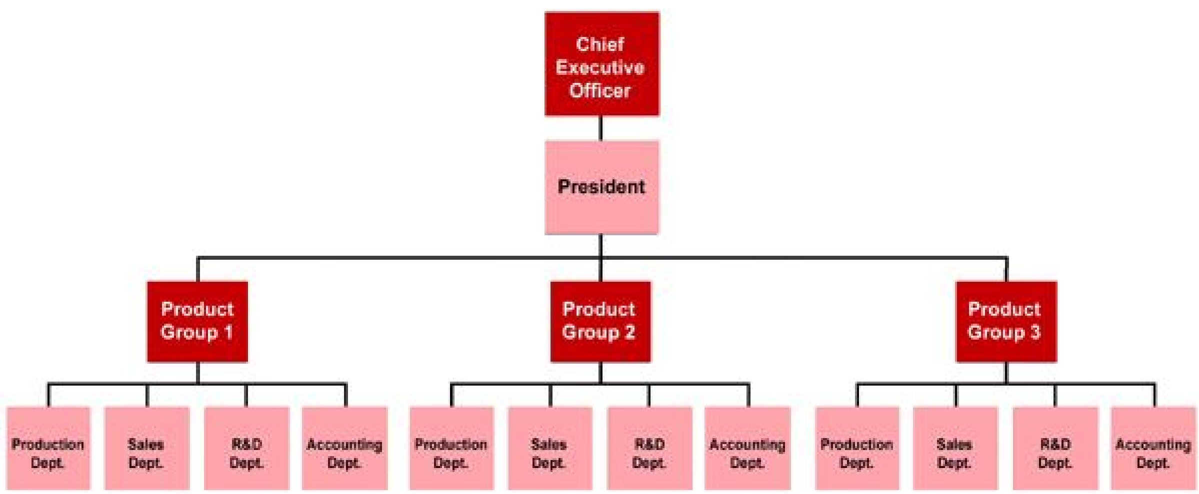

Figure2 – Typical Divisional Structure

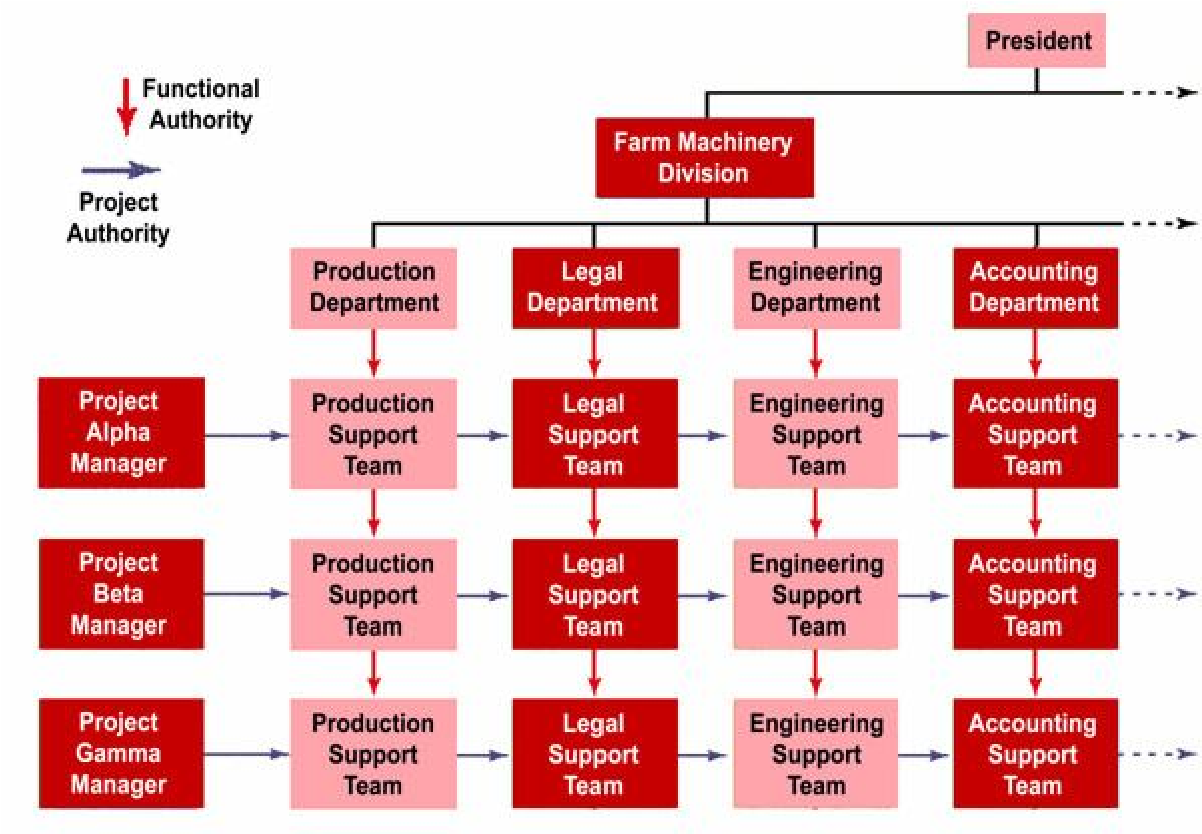

Figure3 – Matrix Structure

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