

THE MACRIS GROUP

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From Dean's Desk:



Prologue

This issue of UPDATE is our second in a two part series on bureaucracy relating to organizational performance. As we are coming off a mid-term election cycle and have been inundated with bashing political ads, it brings to mind the critical need for government to look internally.

We spoke about reengineering the government in our last article, in this issue we hope to present some insight into the type of malaise, and its affect, permeating governments thereby highlighting the need for politicians and bureaucrats to make a commitment to their constituents to look inward in an objective responsible manner.

To become more focused on results rather than process. To strive for excellence and integrity in government rather than building layers upon layers of bureaucracy under the guise of fixing things.

Excellence vs. Bureaucracy

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This issue of UPDATE brings together several concepts we have written about recently and over the years. Our last issue was titled: Government, Bureaucracy, Ethics, and Reengineering. Not too long ago, we wrote about the conflict between common sense, rote adherence/hiding behind rules, and, even worse, staffers interpreting guidelines to perpetuate the bureaucracy.

These issues are all alive and well within the bureaucratic structure of government at all levels. The result is, the bureaucracy kills excellence, incentive, creativity, performance, trust, job creation, and, potentially, human life. Ironically, the bureaucracy is supposed to have the best interests of the citizens at heart; instead, it supplants common sense and leadership, with potentially deadly consequences in several contexts.

Introduction

We are going to address these issues through a real life example. We want to address how a government bureaucracy becomes entrenched and how there are no checks and balances. We will also discuss, the disconnect between elected officials who create laws and the bu-

reaucracy that is created to make rules to support those laws. Too often the rules go far beyond the laws, and there is no review of how the law is being interpreted.

Too frequently there is no accountability of the bureaucracy. In our last article, we described the example of the multiple water bills. When that issue was raised to an elected council member, the response was that he could not get involved in a departmental function. So excellence, performance, trust, the best interests of the citizens as well as cost savings cannot be addressed by the elected officials - bureaucracy is in charge and the citizens cannot do a thing about it.

For this article we have an example at a state level that shows the same disregard for the well-being and best interests of the citizens of the state. We are not going to provide all the details since our purpose is not to publicly skewer specific bureaucrats (however satisfying that might be) but to build the case of how our current government model is not working and how, as we presented previously, governments at all levels desperately need some level of reengineering and improvement.

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An Overview

The current outbreak of Ebola illustrates a bureaucratic response versus common sense. Amber Vinson, is one of the nurses who cared for Thomas Duncan, the Ebola patient in Texas. She flew from Dallas to Cleveland and back to Dallas on Frontier Airlines. Before boarding the airplane, she was showed a low-grade temperature. She called the CDC and told them that she was about to get on an airplane and she had a low-grade temperature of 99.5° F. The CDC employee responded that the threshold was 100.4 and cleared her to board the airplane.

So let's think about this: Per the bureaucracy, she was good to go. As one medical expert, who was interviewed shortly after the incident, indicated, what happened to common sense? When Amber Vinson later tested positive for Ebola, it became clear that the bureaucratic response was inadequate, and put hundreds on that Frontier flight at risk. Certainly that CDC official is not accountable here. He or she was just doing their job per the guidelines. But how about common sense? Should this person have thought a minute about the situation and called their supervisor? We all would like to hope that might have averted this situation. That did not happen. This clearly illustrates how a bureaucratic response can have a serious impact on human life.

Let's look at some other examples of how the bureaucracy is diminishing creativity, performance, trust, and job creation.

Creativity

By definition, a bureaucracy is not a creative entity. A bureaucrat's primary concern is process, not outcomes or results. As long as the program they are administering is functioning, and within budget, they are their objectives are being satisfied (at least in their eyes). If it is a program where their contractor/vendor attempts to be creative, they interpret that as a challenge to the process. In our world, we help many companies to characterize their vision and mission. Vision is a good example here. A vision to a bureaucrat is severely constricted to the program. On the other hand, vision to someone responsible for getting the job done is creative, with long term goals, ideas and practices to work toward that vision. This concept appears to be incomprehensible to a bureaucrat whose vision is constricted by blinders of process, interpretation of regulations plus many other constrains bureaucrats function under. So what's the problem? The problem is when the bureaucracy imposes its blinders on creative peo-

ple. Creativity should be looked at as an opportunity to make things better, and to change the constriction under which the bureaucracy is functioning. However, bureaucrats revert to the process and impose that constriction rather than see it as an opportunity to do something better. Bureaucracy stifles creativity in lieu of process.

Performance

Excellent job performance is another somewhat alien concept to bureaucrats. Their definition of performance is constrained similarly to Creativity discussed above. As long as the process is fulfilled in some sort of 'acceptable' manner, they consider themselves productive. One of the classic examples of this is the 'low bidder' concept. A job or project goes out to bid from a governmental agency. Proposals are received with one from a firm who has done the job before and knows what needs to be done and how to do it, but their bid is higher than the others. Then let's suppose there are a few more 'qualified' companies who have submitted bids, with the lowest bid coming from the most minimally qualified vendor. In most cases, the bureaucracy accepts the low bidder (if qualified). Typically there is no further consideration of prior experience and job performance. The determination of what constitutes 'qualified' is usually broad, vague, and subject to interpretation. If the low bidder proves to be unqualified or less experienced and defaults on performance, then the bureaucracy and the public have lost. Would you like to have the lowest bidder building bridges? Would you like to have the least qualified and experienced doctor doing your heart surgery?

Finally, from the business perspective, the direct and indirect cost consequences of an inexperienced low bidder far outweigh any benefit realized by the reduced price. To a bureaucrat, though, the process has been fulfilled, and they have done their job. To be fair, we have experienced lower level bureaucrats who do realize this effect, and also understand that the decision may well impact them and the job they are contracting for, but they look up the chain and say their hands are tied. The momentum and impact of the bureaucracy is perhaps unstoppable.

Trust

Trust is a very special issue in the example we are discussing. We believe that when people trust each other, they behave differently. They actually look out for the other party within the context of their engagement. Trust is a two way street and works both ways. Our case study here is one of a governmental agency and a contracting partner. With a high level of trust, the partner's projects and programs flourished. No one took advantage of the other because there was no

incentive to do so. The problem arose when trust diminished. How did this happen? In this case, it is not so much anything any one of the two entities did or did not do to dilute the trust factor, it is a situation where success fosters resentment or even fear. What we mean is when an involved third party such as another contractor (who may feel threatened), calls into question that success, they in effect are exploiting the bureaucracy's bureaucratic behavior. What we mean by this is bureaucrats like to be perceived as above reproach, and must address the challenge regardless of its validity.

If someone throws a barb at the success of the current vendor, or challenges a bureaucratic decision, a whole other bureaucratic process begins.

When that happens, investigators, auditors, etc. become involved. The game has changed from cooperation and collaboration to "who can we throw under the bus?" The contractor/vendor who has worked so hard to be creative and perform well becomes a scapegoat.

The bureaucrat is just doing their job under the guise of being a responsible manager.

So, it is easy to see how trust can take an exponential slide down. This downward slide can happen extremely quickly, in contrast to the amount of time it takes to build the trust, and the fact that the initial level of trust will never return. The damage is significant – but who is the real loser? The public – the people the bureaucracy is supposed to be helping and protecting. Unfortunately in this situation the public are not even considered – protection of the sanctity of the bureaucracy and its process is paramount.

Job creation

In our work over the years, we have worked with organizations to develop strategic staffing plans, workforce planning tools, and retention strategies. Our experience demonstrate the value of these initiatives in the terms of definitive staffing (the right person in the right job), well-defined training programs, and a stable/improving workforce,. Every politician talks about job creation. The irony is, in our story here, the bureaucracy actually killed jobs. Perhaps this situation resulted because the bureaucrat's jobs were at risk? We are not sure.

Those companies or organizations that do not focus on investing in their people tend to struggle with staffing, retention, performance, and loyalty. To a bureaucrat though, loyalty is not defined within the language of the program they are tasked with administering. To a bureaucrat, people are commodities, not valued assets to protect and develop. Specifically, when the bureaucrat administers a program and does not understand the above concepts, they challenge the need for people, for training people and investing in people, so they cut budgets and commoditize the program hence reducing the workforce, thereby killing jobs.

Much of this goes back to our article about Quants and bean counting. The process becomes exacerbated when bureaucrats get complacent, don't understand the work they are tasked with administering. Now everything we discussed above escalates and the downward slide is even worse.

"Putting all programs and activities regularly on trial for their lives and getting rid of those that cannot prove their productivity work wonders in stimulating creativity even in the most hidebound bureaucracy."

- Peter F. Drucker

Who Measures the Bureaucratic Process?

This is a question that everyone should ask. In the CDC example, who is measuring the performance of the staffer who told the nurse she was OK to fly? Better yet, who is measuring the effectiveness and management of the organization as a whole? While we are not sure what happened internally at the CDC, we do feel there should have been some level of training, briefing or other form of communication, informing the staff that they should err on the side of caution including what to do when they are confronted with serious inquiries associated with the latest threat of Ebola.

The culture of an organization should establish the common sense perspective such that the people within the organization support each other. In the Ebola case, we are not suggesting the staffer make uniformed decisions on their own or assume the responsibility to provide inaccurate advice. Instead, we are suggesting the staffer reach out to appropriate people in their chain of command and attempt to resolve an issue, and those people provide responsive support.

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We are certain most bureaucracies have some established performance measures for staff members, but whether these are based on results or blind compliance is another question. We know of a case of a very skilled engineer who was hired into a state organization. Since this person was the “low man on the totem pole” (despite much higher skills than most of the rest of the staff), he was told that he had to work on a holiday when someone had to be on call. He was also told that he was not to do any real work because he was getting things done too quickly and his performance was reflecting on the rather marginal performance of the organization as a whole. If marginal has become the accepted norm, a higher level of performance becomes a serious challenge to the rest of the people around. So what can be interpreted as the performance measure of that organization – if you stretch work out you are doing a good job and if you get work done quickly (and accurately) you are a trouble maker.

We know this is not an isolated situation. In the state and federal governments most bureaucracies are headed by either an appointed or sometimes elected person. Whether that person is really qualified (on several fronts – technically, managerially and from a leadership perspective) is not always a factor. So the bureaucracy just slogs along with self-generated rules and measures.

Oversight remains a function that becomes important when there is an upset and the scramble begins to save face, one’s own job or public scorn. Measures based on organizational improvement and effectiveness are foreign concepts, by definition, of the function of a bureaucracy. We are confident that we will receive pushback from people on this article, but we do feel that what drives an organization that focuses on a mission of excellence is quite a bit different than one that focuses on process alone. We are not sure why government can’t work towards excellence much the same way other non-governmental ones do, but we do feel that there are tools to help governments do better and provide more of a servant culture rather than one that functions to perpetuate itself.

Something more to think about

In this and the prior article we have attempted to present the case of how our government model of bureaucratic organizations is not working effectively, and herein how it actually works against excellence and effectiveness. Yes there need to be organizations to interpret the many laws passed by our elected officials, but those organizations need to be held accountable and expected to improve their functioning and their performance just like

companies do. If a company doesn’t improve they will lose business and suffer on their bottom line.

For government, the bureaucracies don’t have a bottom line that they worry about, despite what you may hear regarding budget cuts, etc. They manage by the numbers within their budgets. Accountability for performance is reverse. If they manage well and do their job effectively resulting in a budget surplus there are penalties. Those penalties may not be punitive from a job loss perspective, but the penalties manifest themselves as reduced funding in the future, making it more difficult to plan for growth and additional service to their constituents.

In the business world, we could characterize this dysfunction as a form of failure. In government it is unfortunately business as usual. Not only do we see no incentive for improving performance but we see too many examples of bureaucracies that function only to protect “their turf” and show little regard for the people they are to serve. For instance, we can go back to FEMA and Katrina, the IRS and losing emails etc., the VA and keeping two sets of ‘books’ as premier examples of failures.

The challenge to our readers: we have underlined several words in this article. We have listed those words below, and ask you to think about them in the context of how that word and your associated context or meaning contributes to the malaise we discussed. Then we ask you to rank order them from the most important to the least as far as its contribution, or lack thereof, to our case.

Accountability	Common Sense	Vision/Mission
Blinders	Productive	Process
Incentive	Collaboration	Loyalty
Effectiveness	Leadership	Culture

Now compare and contrast how you rank ordered these words based on our case here with an experience you may have had with a bureaucratic entity. Perhaps you will see a common theme playing out. What we are not asking you to do is answer the question of why these failures exist. That is another topic in and of itself.

Of course we would love to see a ground swell of pressure put on governments to stress the need to improve performance and be held accountable. We elect, those elected appoint, and those appointed hire to fill positions that are budgeted, whether it is enough or too many. And the bottom line is that no one is accountable to the constituents,

regardless of what is touted by the elected and appointed. What is wrong with this picture?

We are certainly not alone

“Bureaucracy destroys initiative. There is little that bureaucrats hate more than innovation, especially innovation that produces better results than the old routines. Improvements always make those at the top of the heap look inept. Who enjoys appearing inept?”

— Frank Herbert, *Heretics of Dune*

“If you are going to sin, sin against God, not the bureaucracy. God will forgive you but the bureaucracy won't.”

— Hyman G. Rickover

“In our time... a man whose enemies are faceless bureaucrats almost never wins. It is our equivalent to the anger of the gods in ancient times. But those gods you must understand were far more imaginative than our tiny bureaucrats. They spoke from mountaintops not from tiny airless offices. They rode clouds. They were possessed of passion. They had voices and names. Six thousand years of civilization have brought us to this.”

— Chaim Potok, *Davita's Harp*

“The atmosphere of officialdom would kill anything that breathes the air of human endeavor, would extinguish hope and fear alike in the supremacy of paper and ink.”

— Joseph Conrad, *The Shadow-Line*

“But [in bureaucracies], too, decision making takes place in a world full of uncertainties. Any actual system of information processing, planning and control will never be optimal but merely practical, applying rote responses to recurrent problems and employing a variety of contingency tactics to deal with unforeseen events.”

— Manuel De Landa, *A Thousand Years of Nonlinear History*

“Bureaucracies are inherently antidemocratic. Bureaucrats derive their power from their position in the structure, not from their relations with the people they are supposed to serve. The people are not masters of the bureaucracy, but its clients.”

— Alan Keyes

“Bureaucracy is the death of all Sound work”

— Albert Einstein



ideas on an oxymoron



Documented Processes

		Yes	No
Common Sense	Yes	Quality	Creative Chaos
	No	Mindless Bureaucracy	Mindless Chaos

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