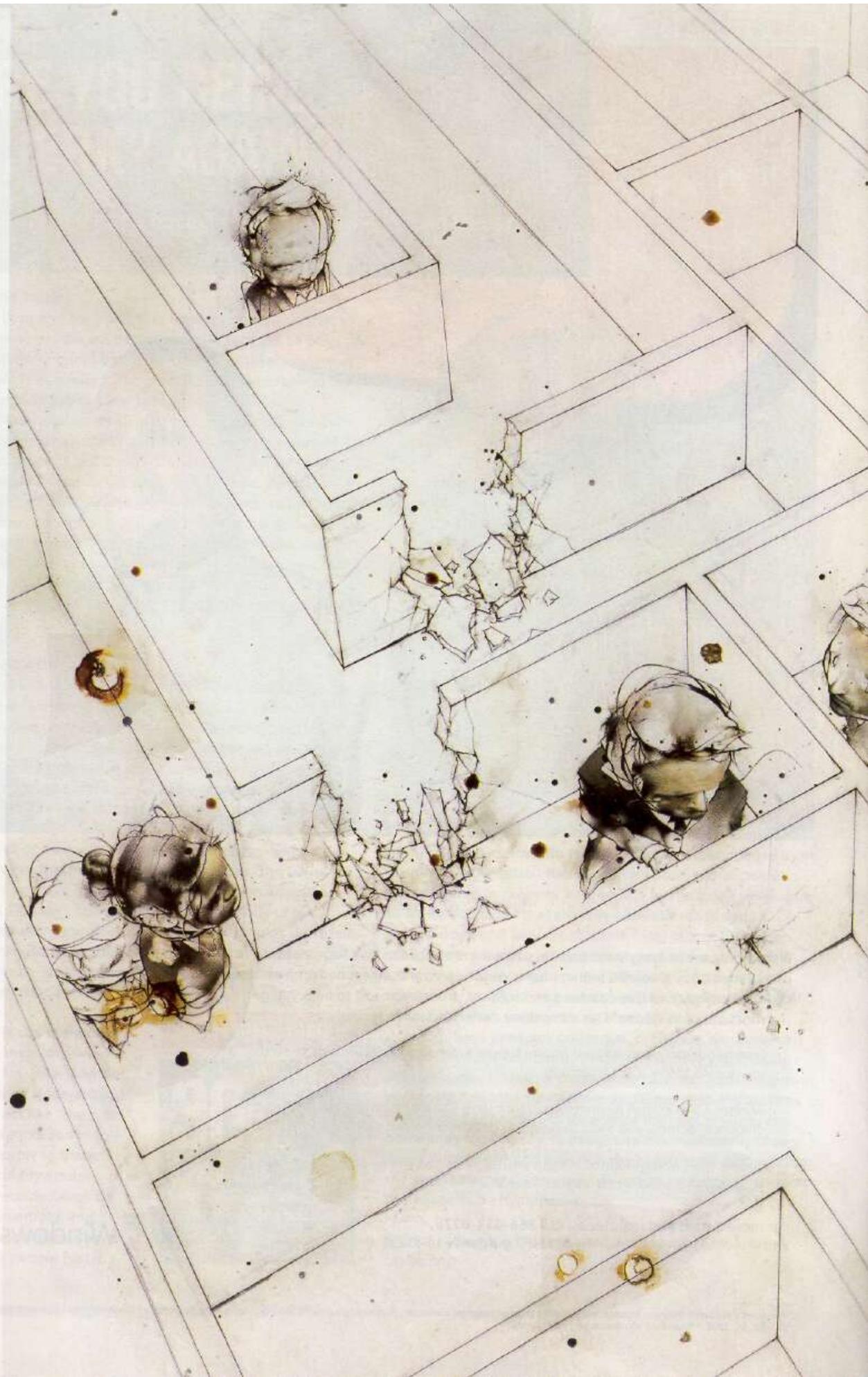
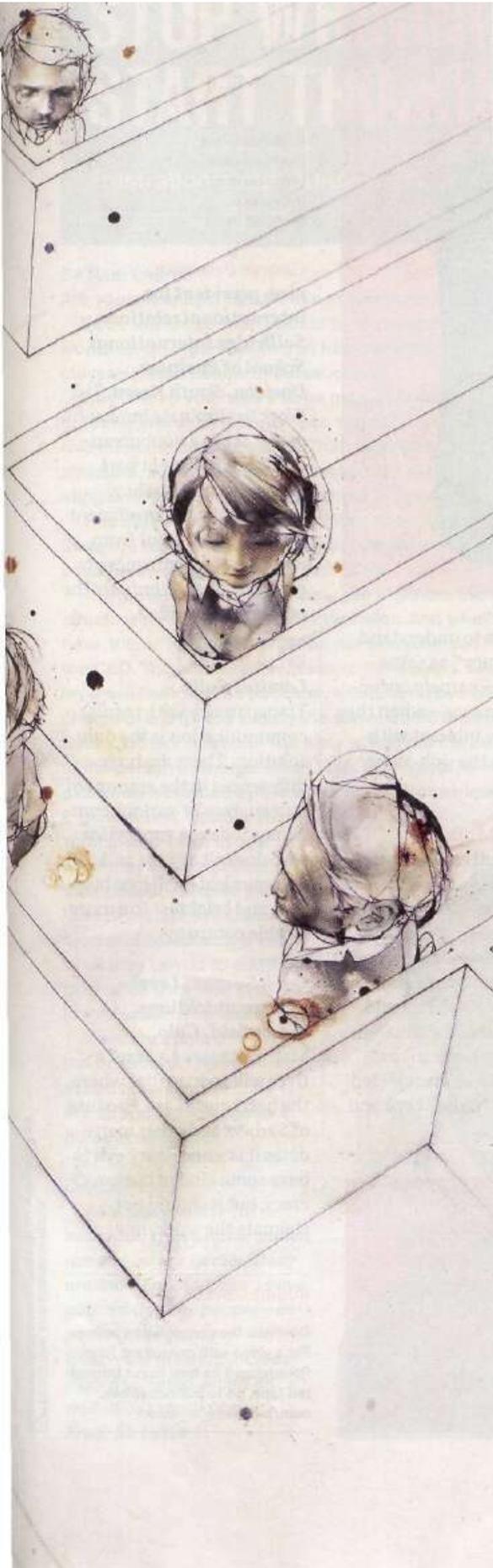


RIGID BUREAUCRACY





BREAKING OUT OF THE BOX

Edited by Martin Keohan

Illustration by Andrew Zbihlyj

Anyone who has worked in the corporate world, held a government job—or lived in Europe—knows well how bureaucracy can drive even those of sound mind to distraction. All too often it stifles good ideas, slows progress, and frustrates employees.

Our readers know this, too. They ranked "Negotiating a Stultifying Bureaucracy" third among their most pressing workplace problems. "You can't even get a light bulb changed without putting in a work order," says Wayde Alford, a cost estimator at a major defense contractor near Jacksonville, Fla. Alford says he cuts through red tape by cozying up to colleagues and requesting favors. Otherwise, a task as simple as changing that bulb can take two months to accomplish. Maybe it's not that bad in your organization. But just in case, here's a sampling of suggestions readers have for bureaucracy - busting:

Bill Fox, managing partner, VanguardComm, New Brunswick, NJ.

It's been said that successful corporate survivors are "system beaters." Just like in judo, where you use your opponent's momentum against them, in bureaucracies if you learn the system you can use it against the bureaucrats. For example, very often bureaucratic requirements are more about form than substance. So as long as you fill out the proper paperwork, dot the i's, and cross the t's, you can get what you want approved; your request complied with the bureaucrats' system and that's their primary concern.

Arthur "Buck" Nimz,
*certified Defense Dept.
enterprise architect
and principal research
specialist, MS2, Lockheed
Martin, Moorestown, N.J.*

Foster an environment of innovation that reaches out beyond your org chart and tries to capture the intellectual diversity of others in your company who have different perspectives on the business and the market. Legendary GE CEO Jack Welch called this "boundaryless thinking" which is a mindset that transcends bureaucracy and creates a behavioral culture of innovation.

Marshall Potts,
*managing director,
Jasper International,
Nottingham, England*

Bureaucracies don't tolerate deviation from set ways of doing things. In an increasingly competitive world, this inflexibility is a major stumbling block. One way leaders could address this is to find someone to explain to their organization's senior team what sustains the

bureaucracy, what it costs them, what the competition is doing differently, and finally, the impact of resisting change.

John Sheeran,
Bateau Bay, Australia

Keep a very low hierarchy and give all levels of staff a vested interest in the success of the company.... Also, keep the family of staff involved.

Chris Bylander, CEO,
*International American
Group, St. Louis and
Stockholm*

We delegate responsibility whenever possible. Employees, no matter what

rank, come to understand "bureaucracy" as something else—namely corporate governance—when they voluntarily interact with it on a get-the-job-done basis.

Daniel S. Mulhall,
*educational consultant,
Laurel, Md.*

The challenge is to control and manage bureaucracy so that it serves the corporate body, not controls it. Bureaucracy itself should be reviewed and evaluated on a regular basis so that harmful pieces are rejected and helpful pieces kept and reinforced.



Understanding the true costs of bureaucracy is key, says Marshall Potts

George Peterson,
*vice-president for
international relations,
SolBridge International
School of Business,
Daejeon, South Korea*

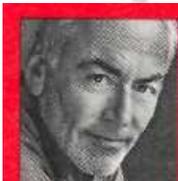
Work to eliminate bureaucracy: Make a nonbureaucratic environment part of the corporate policy statement; have an efficient process to get input from employees on bureaucracy problem areas; eliminate the problems identified.

Brian Behler,
Lomita, Calif.

Transparency with regular communication is the only solution. There are huge differences in the amount of bureaucracy at various companies today. A supervisor who doesn't engage and communicate will lose his best and brightest to a more nimble company.

**Cecil Sunder, Level
3 Communications,
Broomfield, Colo.**

Map processes and executives will soon realize where the bottlenecks are. Because of SarbOx and other mandates it is a necessary evil to have some kind of bureaucracy, but it should not stagnate the work. | BW |



"If you have the luxury of deciding where to work, really sit down and ask yourself: 'Do I want to go to a place where I can make my voice heard? Or do I want to go to a place where I keep my head down?' That may be a question that, oddly enough, people don't ask."

LEE EISENBERG, FORMER EDITOR-IN-CHIEF OF ESQUIRE MAGAZINE AND AUTHOR OF THE NUMBER: A COMPLETELY DIFFERENT WAY TO THINK ABOUT THE REST OF YOUR LIFE

BUSINESSWEEK.COM

Continue the conversation online: For a video with consultant John Pourdehnad on how to cut through red tape, go to businessweek.com/business at work

STOP WHINING, START THINKING

Frustration about bureaucratic roadblocks will get you nowhere

By Ram Charan

Are you a manager caught in a stultifying bureaucracy?

If you answered "no," I would be surprised. Anyone who works for an organization that has more than a dozen employees has to deal with bureaucracy.

Why? When you have a large group of people working together and each member has special expertise, everyone's role must be clearly defined. That requires a logical working structure, a methodology for assigning resources and evaluating and rewarding people. Without it, there will be chaos.

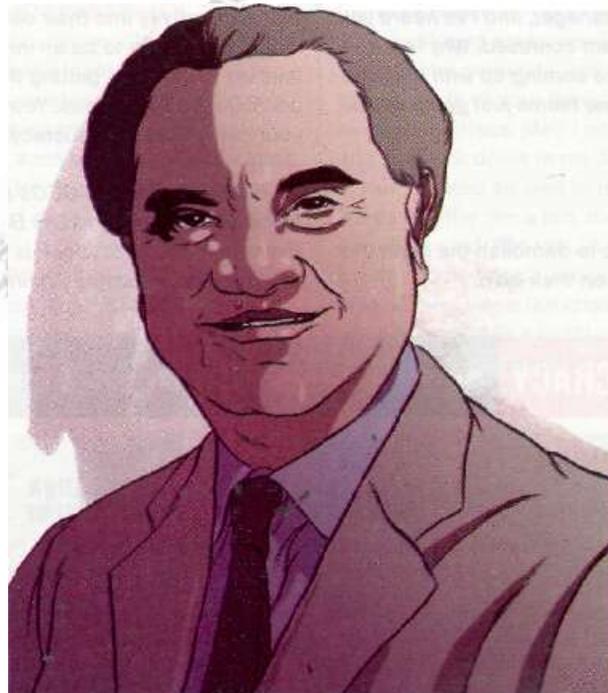
This means people have to follow rules. And wherever there are rules and standardization, there will be bureaucracy. It is an organizational fact of life.

The problem is, no matter how you organize, the resulting structure divides work into discrete silos. And whether you have 100 or 100,000 employees, not everyone can report to the CEO. The organization needs to have layers. And each layer will have its own structure, because no two people in charge of a layer are exactly the same. Some are control freaks. Others delegate. The layer will reflect the personality of the person in charge. When I talk to employees who are extremely frustrated by the way work gets done inside their organizations, typically they want to know two things: what they can do to help their people exercise their talents without the roadblocks of bureaucracy, and what they can do to avoid the frustration they face in trying to implement new ideas.

Here are some of the questions I've been asked recently by workers struggling to negotiate bureaucracies.

Dear Ram,

As a fairly senior HR manager, I have never gotten used to all the bureaucracy around here. And now I have noticed that my people—especially the younger ones—are growing increasingly frustrated with it as well. What should I do?
Fred, St. Louis



Dear Fred,

Having to deal with bureaucracy is simply a reality, but it's also a state of mind. Blaming the bureaucracy and commiserating about its existence is a waste of time and energy.

Leaders don't whine. They think constructively.

Start by being a role model. These direct reports of yours, how much freedom are you giving them? Make sure you are not requiring your people to get your approval for minutiae. Give them as much discretion as possible to learn and grow. If you are doing an important task this quarter, make sure they are doing it three months from now.

If your company is typical, HR people work with other managers. Are your people treating those managers as customers? Are they learning what is on their minds? Are they extracting information about how these managers make decisions and are evaluated? Are your people helping them solve their problems?

If your people are offering solutions without knowing the priorities of the people they are serving, they will get the runaround. You can blame that on bureaucracy, but it's really bad leadership.

Finally, every leader has a clear view of the ability and capacity of his direct reports. He also understands what their aspirations are. What are you doing to close that gap? How are you helping them to stretch and grow and become successful? You can do all those things without bumping up against the bureaucracy.

Dear Ram,

My biggest stumbling block is my boss, the senior vice-president for sourcing. He micromanages, and I have to get every decision approved. Help!
Patricia, Colorado Springs

Dear Patricia,

You have to ask yourself several questions. Are you viewing him correctly? And

does the boss do this with you alone, or does he treat everyone this way?

Your boss may be a micromanager. But he didn't become a senior vice-president without having the ability to delegate.

So you need to find out why he is acting this way. Is it that all the decisions he is micromanaging are critical to the company's success? Or is something else going on? Could it be that you are good analytically, but he doesn't yet trust your judgment?

If you think that's the case, talk to him. Have him identify areas where you can improve, and work with him to develop a program that will allow you to learn, get better, and grow. As you do, he will probably give you a longer leash.

And let's go back to your original premise. He may be a micromanager who somehow has succeeded in spite of that. If that's the case, figure out which measures he uses to track progress. If it is, for example, return on capital, show that you are a master of setting prices—and knowing when to raise and lower them—and getting the most out of the company's money. You are trying to build trust. The more he trusts you to perform, the less likely he is to hover over everything you do.

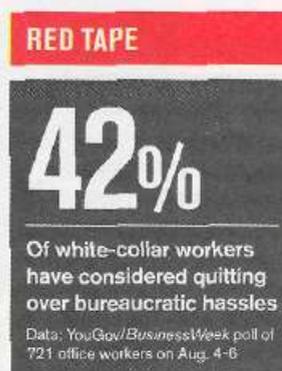
Dear Ram,

I am a middle-level marketing manager, and I've heard you say "innovation is a team sport." I am confused. Why is it a team sport? Aren't I supposed to be coming up with ideas to help my company? Isn't forging new teams just going to add to bureaucracy?

Linda, Mexico City

Dear Linda,

Your question gives us a chance to demolish the myth that managers need to generate ideas on their own.



Your job is to create the team that can do that. On your own, you might come up with one big idea every two years. Your team is likely to produce multiples of that.

So think of yourself as a coach leading the people who can generate ideas. Engage them in everything from brainstorming sessions to in-depth discussions about what they are noticing in the marketplace, what

they are hearing from people who deal with customers every day, and what the customers themselves are saying.

You and your team need to practice these idea-generating and observation skills over and over, just like an athlete does drills, until they become second nature. This will ensure a steady flow of new ideas.

Once the ideas are flowing, the second part of your job is to figure out a way to convert them into products and services that generate revenues and profits with manageable risk. Every manager or leader must incorporate innovation and productivity into their daily activities.

You don't have to be an innovation genius. Your genius is leading people and getting them excited about creating a consistent flow of ideas. You can do that without adding to your company's bureaucracy. **BWI**

Ram Charan coaches CEOs and companies on strategy. He is the co-author (with Larry Bossidy) of the best-selling book Execution, His latest book is The Game-Changer, written with Procter & Gamble Chairman and CEO A.G. Lafley.

COMBATING BUREAUCRACY

Ram Charan offers five tips to help managers cut through red tape

1. SPRING CLEAN

Take a spring-cleaning approach to bureaucracy. During annual budget reviews, ask: "What do we need to do to allow us to move faster?" Then eliminate the roadblocks.

2. STREAMLINE

Ideally, there should be no more than five layers between the CEO and the person on the bottom of the organization chart. And fewer than that would be better.

3. COACH OR REMOVE INDECISIVE MANAGERS

You know who they are: They're the ones who are slowing things down. Find out if they can be saved. If not, get rid of them.

4. MAKE INFORMATION TRANSPARENT

Don't let middle managers hoard it. Give everyone access in order to make better and faster decisions.

5. CELEBRATE SUCCESS

Make heroes out of people who bust the bureaucracy and get stuff done. Promote them. Give them raises. Single them out in speeches.

TIPS FROM A BITTER TEMP

How to survive in a bureaucracy

By Anne Altman

When I tell people I work at an insurance company, I feel I need to explain myself. Sure, I work in insurance, but I'm "in insurance" about as much as a Giants Stadium security guard is "in professional football." See, I'm a temp. An outsider. My industry? Survival.

I perform and write comedy, which in my case is not lucrative. So I temp and do my funny business on the side. Since moving to New York I've strung together about a dozen long-term temp gigs at big-time, fancy-pants companies. Now, a year after settling in, I still don't know a thing about insurance. But I know a whole lot about surviving in a bureaucracy. Here are five tips from a bitter temp:

1. RELISH THE COMFORT OF CORPORATE LARGESSE.

Two jobs ago I shared a conference table in a windowless room with 12 other people five days a week. My last gig was a step up: an office in the Empire State Building, a jewel of an historic building with climate control from another century. Imagine my delight when I arrived at my current job to find not only my own air-conditioned cubicle, desk, phone, computer, and Aeron chair, but a nearby pantry stocked with free coffee, milk, and cereal—including my guilty pleasure, Corn Pops.

2. LEARN THE JARGON, BUT USE IT CAREFULLY.

Each time I'm assigned to a new company, it's like moving to a new country. I've got to learn the local language. In my current office, the underwriters talk about "sublimits," "percentage deductibles," and "quota-share excess renewals." It's Greek to me. There's also an account service notification form, otherwise known as an ASNf. Say that one aloud and see if you don't laugh as hard as I did.

3. FOLLOW THE MANUAL, KEEP YOUR SENSE OF HUMOR.

Bureaucracies are big on protocol. There's a right way to do everything—like recording your voice mail message. My company manual suggests this: "Hello. This is Anne Altman. I am unavailable. Please leave a message and I'll return your call as soon as possible. Thanks and have a nice day." Here's what I'd really like to say: "Hi. This is Anne Altman and I'm screening your call. I will most likely reply to your voice mail with an e-mail so I don't have to speak with you. Buzz off."



4. DRINK THE KOOL-AID, JUST DON'T CHUG IT.

Bureaucracies are little subcultures that sometimes seem more like cults. Take sales meetings. They bear a cult's tell-tale signs: leader (an over-caffeinated VP of sales), mantra (Accelerate in 2008!), big production number ("The Future's So Bright, I Gotta Wear Shades"), and ritualistic insignia (logo-emblazoned totes). I sit in the back where nobody can catch me scrawling "KILL ME PLEASE" on my handout.

5. DON'T GET TOO COMFORTABLE.

Settle in. Master the language. Sip the Kool-Aid. But remember: You could be out on a moment's notice. I was once denied a dollar-an-hour raise. At first I was insulted. But the next week two execs were canned with no notice, led down the hall like criminals, and spirited out with a "We'll mail you the contents of your desk." Young guys right out of college were speechless. Me? I poured myself a bowl of Corn Pops and sat back down in my Aeron chair.

I've adapted so well to my new environment that my boss wants to offer me a job, make me legit: an underwriter. "So, Anne," he said. "Do you like insurance?" After some stalling I said: "Look, I don't understand this stuff, but I love the cereal here. I love the chairs. I really, really like a few of the people, and I'd like to stay. How can we make that happen? Could I have a demotion? Order staplers and stuff? That I know how to do." **BW**

ENJOY THE AERON CHAIR AND SNACKS (IF YOU'RE LUCKY), BUT DON'T DOWN THE CORPORATE KOOL-AID UNLESS YOU WANT TO WIND UP WITH (GASP) A REAL JOB