

Research Article

DOI: <http://dx.doi.org/10.22192/ijamr.2016.03.12.003>

Bureaucracy and organizational performance in Nigeria: problems and prospects

Ahmed Adamu Isa

PhD Scholar (Finance and Accounting) at Career Point University, Kota, India.

Corresponding Author: ahmedadamuisa@gmail.com

Abstract

Bureaucracy exists in larger organization that adheres to a hierarchical structure and is often referred to as “red tape.” Hierarchical institutions rely on a strict chain of command for decision-making and are organized by functional departments as opposed to teams or a “boundary less” structure. The larger the company the more likely it is to have developed bureaucratic tendencies in an effort to maintain efficient operations. Therefore, this paper explored the principles and characteristics of bureaucracy, which included hierarchical structure, specification of laws and management by rules, separation of official and personal property. Others are impersonal, functional specialty and division of labor. The paper highlighted some problems such as loss of competitive advantage, loss of innovation, very bad in dealing with unexpected situations and communication breakdown. The paper identifies some prospects of bureaucracy which includes the lines of authority should be clearly stated and run from top to bottom of the organization, the responsibility and authority of each supervisor should established clearly and in writing, the higher managers should be responsible for the acts of their subordinates and the span of control should be reasonable and well established. The paper concluded that there should be a refined structure in organizations with more stable, organized and easy-to-operate framework to avoid the problems of bureaucracy.

Keywords

Bureaucracy,
Erudition,
Innovation,
Perspective,
Hierarchy,
Red tape.

Introduction

Bureaucracy is a system of explicit rules and procedures designed to achieve control and compliance of subordinates to the orders of those who command organizations. Samuel, C. (1997) defines it as a management system characterized by detailed procedures and rules, a clearly outlined organizational hierarchy and impersonal relationships among organization members. Principles on the other hand, are defined as basic statements or fundamental truths that provide understanding and guidance to thinking and practice among the employees and other stakeholders.

Decenzo, D. R. (1998) lamented that a bureaucracy is a way of administratively organizing large numbers of people who need to work together as a team or in commercial banks. All Organizations whether public and private sector solemnly rely on bureaucracies to function. The term bureaucracy literally means, “Rule by desks or offices,” a definition that highlights the often impersonal character of bureaucracies. Even though bureaucracies sometimes seem inefficient or wasteful, setting up a bureaucracy helps ensure that thousands of people work together in compatible ways by defining everyone’s roles within a hierarchy.

Principles and Characteristics of Bureaucracy

According to Tibamwenda, J. (2010) a German academic called Max Weber in the 1940s propounded principles of bureaucracy. He said Weber propounded the following basic principles or characteristics of bureaucracy in organization, which are as follows:

Hierarchical Structure

Max Weber proposed a structured hierarchical system for his various examples. For instance, if there are two offices present in the system, the lower office should be directly supervised and controlled by the office that is ranked higher than that. However, unlike a rigid and traditional bureaucratic system although was not presently found in organizations, Max Weber believed that the authority should not be contained within an office completely. This is why he believed that the lower ranked office should have a right to appeal the decisions made by the higher ranked office if s/he is not satisfied with the decision. In this way, the authority and power of the offices are diffused and well balanced.

Selection, Qualification and Careers

Another important point that Max Weber proposed was that the selection of the officials should be on merit and qualification. Moreover, unlike traditional types of bureaucratic systems, the officials are not to be elected on personal relations, preferences and connections. Instead, every official should be selected on merits and technical qualifications. Similarly, Max proposed that an official should have a full career in the system. It must be a full-time employment and the compensation should be in salary that matches the qualification, performance and prevailing standards. It was very common to select officials on merits and compensates performances in organizations in Nigeria.

Specification of Laws and Management by Rules

Max Weber proposed that there should be specific rules created by the higher ranked offices and all the lower and middle levels offices should apply these rules consistently. This point was presented to counter the fact that many laws varies and either not present at all or so vaguely written that they could easily be confused or manipulated. This led to delay decision-making, encourages corruption and red tape, in order to counter that, it was proposed that the laws should be clear, concise and stable throughout in the banking sectors.

Separation of Official and Personal Property

In a bureaucratic system, it was common to mix up the personal and official property. Max Weber strongly advised against it and proposed that there should be clear separation of official and personal properties in the offices. Similarly, the items that are used in the offices belong to the office itself and not the person working in it. This keeps a clear distinction, and furthermore, it also mitigates the chances of undue interference and skewed decisions.

Impersonal

Max Weber purposely wanted the system to be impersonal. This is to counter the most important and negative aspect of a traditional bureaucratic system, i.e. undue influences. In the commercial banks the system should be impersonal and must not be biased for individuals based on their wealth, influences, connections or position. The rules and regulations formed should be applied uniformly and consistently to everyone in respective of ethnic, relatives, religions or what have you.

Functional Specialty and Division of Labor

Along with the other points, it is also important that specialists should only do the tasks so as to maximize the benefits to be derived. The division of labor and recognition of specialization are important aspects in this refined bureaucratic theory. Workers, offices and units should be categorically divided based on the quality and specialization of employees. Similarly, every specific task should be delegated only to specialized workers, who can perform to the best of their duties.

Problems of Bureaucracy

The following are some of the problems that need to be readdressing through learning.

Response to Market is Low

The ability of a business to be proactive and to respond to market triggers is compromised. A strict chain of command with built-in checks and balances slows down decision-making and the capability to be nimble. Edwin F. B(2009) contend that hierarchies, although often the “default” method of architecture for most large groups to ensure specialization and control, the end result can be loss of speed, flexibility, and innovation in the commercial banks. Therefore, there should be no compromised from the set standard to respond to market.

Communication Breakdown

Often committees rather than individuals will be charged with decision-making adding to frustration levels internally with staff and externally with clients. Cultural changes within the organization will be difficult if employees are dissatisfied and resistant to change. Externally, client feedback may not reach the decision makers and operational changes will be slow to take effect. Morale can be low among sales staffs that are often a buffer and the first point of contact with clients and they may feel unable to make on the spot decision to improve relationships and deal with problems.

Loss of Innovation

Internal frustration among employees who feel that upper management is not listening to them can lead to a stifling of creativity and innovation. Mullins j. L (1999) suggests that although specialization may be necessary in a large organization to maximize work productivity, it reduces job satisfaction for some people. Robbins also contends that large manufacturers with complex operations may be less likely to be innovative preferring to wait until a product is proven at market before beginning production or providing services.

Loss of Competitive Advantage

According to Garth Saloner, Andrea Shepard, and Joel Podolny (2001) a firm's competitive advantage often has its basis in the firm's organization. For the smaller business, the ability to rapidly respond to client needs and environmental conditions are a huge asset. Customer alienation can result when services are delayed or unsatisfactory.

Lots of Red Tape

There is a mind-boggling amount of paper work and forms to be processed in bureaucracies. It can take a ridiculously long amount of time in order to get things done in organizations like this. This halts production and growth within the company.

Very bad in Dealing with Unexpected Situations

Unpredictable things happen. It is a part of life and business. Commercial banks that run on bureaucracy are not equipped to deal with these emergency or unexpected problems. Whether it is a market shift or a natural disaster, the paper work must still be done in order for anything to happen.

Costs, Time and Money

When examining bureaucracy in government, the biggest issue is the sheer amount of time that it takes to get any sort of goal accomplished. This time translates into money as well. All of the employees that are involved in completing even just one goal are monumental. These employees are paid, and the employers pay them. This is the fact that comes under the most criticism from opponents of bureaucracy.

Prospects of Bureaucracy

According to Cox T (1993) itemized some situations or topics of Bureaucratic Structure for Managing commercial banks. The classical form means a bureaucratic structure where there is a hierarchy of power and responsibility and the directions primarily flow from the top management to the lower levels of workers through its hierarchical ranks.

The Lines of Authority should be Clearly Stated and Run from Top to Bottom of the Organization

This principle is known as the scalar principle and the line of authority is referred to as chain of command. The major decisions are made and policies are formulated at the top management level and they filter down through the various management levels to the workers. The line of authority should be clearly established so that each person in this chain of command knows his authority and its boundaries.

Each Person in the Organization is to Report to Only One Boss

This is known as the principle of "unity of command" and each person knows as to whom he reports to and who reports to him. This process eliminates ambiguity and confusion that can result when a person has to report to more than one superior.

The Responsibility and Authority of each Supervisor should Established Clearly and in Writing

This will clarify the exact role of the supervisor as to the limits to his authority. Authority is defined as "the formal right to require action from others", and responsibility is the accountability of that authority. With clearly defined authority and responsibility, it will be easier for the supervisor to trace and handle problems and make quick decisions when necessary.

The Higher Managers should be Responsible for the Acts of their Subordinates

The manager or the supervisor cannot dissociate himself from the acts of his subordinates. Hence, he must be accountable for the acts of his subordinates at all circumstances.

The Authority and Responsibility should be Delegated as far Down the Hierarchical Line as Objectively Possible

This will place the decision making power near the actual operations. This would give the top management more free time to devote into strategic planning and overall policymaking. This is especially necessary in large complex organizations. This principle is known as “decentralization of power” as against centralized power where all decisions are made at the top.

The Number of Levels of Authority are as few as Possible

This would make the communication easier and clear and the decision making faster. A longer chain of command generally results in “run-around, ‘because the responsibilities are not clearly assigned and hence become ambiguous. According to Gilmore®, most organizations do not need more than six levels of supervision including the level of the president.

The Principle of Specialization should Applied Wherever Possible

Deshler G(2000) said that a precise division of work facilitates specialization. Every person should be assigned a single function wherever possible. This rule applies to individuals as well as departments. The specialized operations will lead to efficiency and quality. However, each area of specialization must be interrelated to the total integrated system by means of coordination of all activities of all departments.

The Line Function and Staff Function should be Coordinated

The overlapping of these functions will result in ambiguity. The line functions are those that are directly involved with the operations that result in the achievement of the company objectives. Staff functions are auxiliary to the line function and offer assistance and advice. For example, legal, public relations and promotional functions are all staff functions.

The activities of line managers and staff managers should be coordinated so as to achieve synergetic results.

The Span of Control should be Reasonable and well Established

The “span of control” determines the number of positions that can be coordinated by a single executive. The span of control could be narrow where there are relatively few individuals who report to the same manager or it could be wide where many individuals are under the supervision of the same manager. However, such a span of control would depend upon the similarity or dissimilarity of the subordinate positions and how interdependent these positions are. The more interdependent these positions are the more difficult is the coordination. In such interlocking positions, it is advisable to have no more than five or six subordinates working under any one executive.

The Organization should be Simple and Flexible

According to Miner J. B Crane D.P (1995) organization should be simple because it is easier to manage and it should be flexible because it can quickly adapt to changing conditions. It should be such that it can easily be expanded or reduced, as the times demand. Furthermore, simplicity would make the communication much easier, fast and accurate, which is necessary for successful organizations. While these principles, in general, apply to classical organizations as proposed by Frederick Taylor and Henry Fayol, and have been adopted to facilitate administration, some more recent principles have evolved which have become an integral part of most modern organizations. These new principles of participative decision making, challenging work assignments, management by objectives, and decentralization of authority and soon have been integrated with the traditional ones. The idea is to stimulate creativity, encourage growth and optimize the utility of all resources in reaching the goals of the organization.

Conclusion

Max Weber refined the structure to a more stable, organized and easy-to-operate framework to avoid the problems of bureaucracy. Based on the important characteristics mentioned, more effective decision-making and better results were aimed as a result of adhering to the practical situations and profound scholarly knowledge explained. These principles and characteristics were widely received by both the public

and private sectors, and the merits and demerits of a bureaucratic system are actually based on these principles proposed by Max Weber in his theory of bureaucracy.

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Access this Article in Online	
	Website: www.ijarm.com
	Subject: Administration
Quick Response Code	
DOI: 10.22192/ijamr.2016.03.12.003	

How to cite this article:

Ahmed Adamu Isa. (2016). Bureaucracy and organizational performance in Nigeria: problems and prospects. Int. J. Adv. Multidiscip. Res. 3(12): 12-16.

DOI: <http://dx.doi.org/10.22192/ijamr.2016.03.12.003>