

Fulbright

Public Management

Session 5: Public Organizations and
Bureaucratic Structure?

Session Overview

- Max Weber's Public Bureaucracy – Is it Really Bad? Original Idea
- Pathologies of Public Bureaucracy
- How to Prevent the Bureaucratic Pathology?
- Class Discussion

Max Weber's View – 'Most efficient' Form

- Weber's original view on bureaucracy was positive.

Basic Feature	Apolitical, rational
Division of Labor	According to task
Chain of Command	Clearly defined, hierarchic
Terms of placement	Qualifications/ Expertise
Method of Advancement	Merit system through performance review
Agency culture	Efficient, impersonal, task-oriented
Modus Operandi	Scientific public policy
Goals	Effective, efficient administration of policy



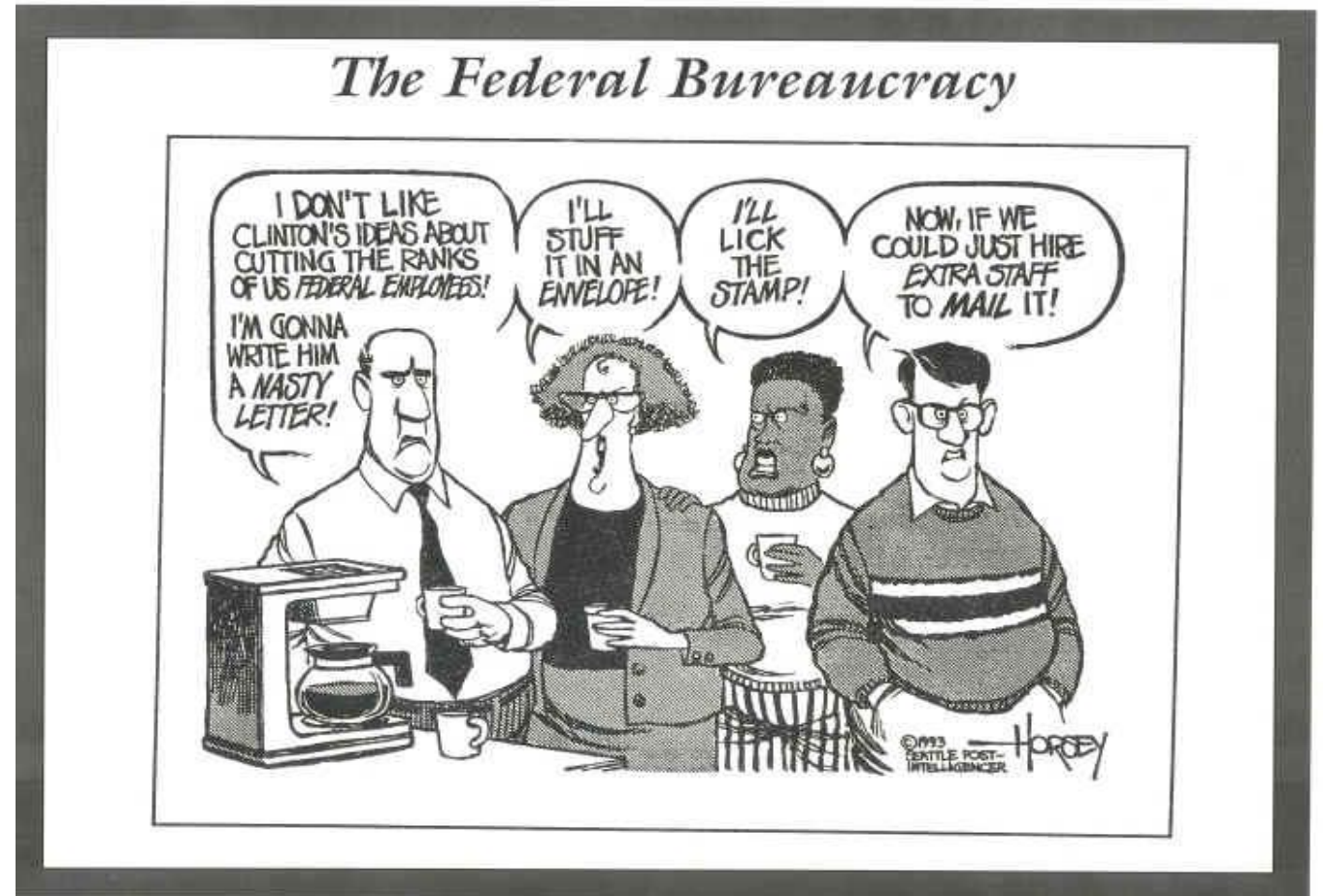
Traditional Bureaucratic Orgs.

- Rational & efficient form of modern organization, Rational-legal structure
- Precision, stability, discipline, reliability, predictability
- Technical efficiency (Merton, 1940)
- Meritocratic principle
- Equity – known procedure (against favoritism, nepotism, etc.)
- Systemic approach, impersonality, neutrality, legitimacy, job security, division of labor



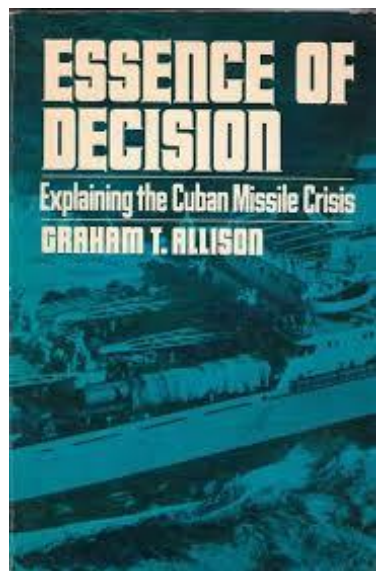
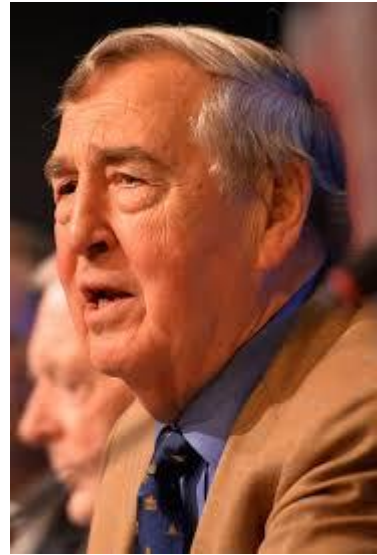
Bureaucracy – Target of Reform

- Traditional view on bureaucracy was not necessarily bad.
- But over time, ‘pathologies’ have become serious problems



(e.g.) Essence of Decision

- Organizational process model propositions:
 - When faced with a crisis, government leaders don't look at it as a whole → break it down and assign it according to pre-established organizational lines.
 - Due to time & resource limitation → depends on the first proposal that adequately addresses the issue (Herbert A. Simon's **satisfying model**).
 - Focus on reducing short-term uncertainty
 - Tend to follow repertoires, procedures, standard operational procedures (SOP, manuals).



FYI – Satisfying Model

- Your job: finding the best, the suitable solution (outcome)



Example: Nokia (Finland)

- Finland's global company, NOKIA once dominated global cell-phone market.
- A former employee presented about a touch screen, internet ready handset in 2004
- <http://www.nytimes.com/2010/09/27/technology/27nokia.html>.
- Bureaucratically complacent – killed innovative plan



E.g. Before September 11



Collected prior information about the attack



Pathologies of bureaucracy

- Unlike Weber's ideal type - many problems in reality emerged. Now it became a target of reform.

Red Tape – Complexity, many rules and procedures, over-formalization

Duplication – multiple agencies and procedures, etc.

Legalism (goals-means replacement) - inflexibility

Complacency (risk-aversion) – deter innovation

Over-conformity (opportunistic behavior), sectionalism, dehumanization



“Government is
the Problem”
(R. Reagan)

Vietnam

- Around 75% of Businesses answered that **red tape** is the biggest challenge in Vietnam
- Government agencies do not communicate with on another → overlapping procedures.
- E.g. A business investing in high-tech farming will have to go through 16 government office doors and 40 procedures to finally win the case.



How to prevent the bureaucratic mishaps?

What are potential problems of old public management?

How to motivate bureaucrats under new environment?

Pathologies – How to Prevent?

- Making Rules and Procedures – e.g. U.S. the Administrative Procedure Act (1946), The Privacy Act of 1974 (if we have some rules and regulation → might reduce pathology)
- Public sector reform, new public management, market-style reform
- Adopting new flexible form of organizations (*adhocracy*): Flexible and adaptable, and informal organization structure without bureaucratic lines and procedures (Alvin Toffler), problem-solving oriented, non-hierarchical, expert-oriented



'Agencification'

- UK took initiative (Next Step movement)
- Partially commercializing government agencies (e.g. US Postal Service, Singapore Housing Development Board, etc.).
- Idea: executive functions of government (paying benefits, issuing licenses, collecting taxes, etc.) → let executive agencies do.
- Off the government organizational chart & state budget.
- Considerable freedom to manage their agencies.



Dilemma (1)

- What would happen if we emphasize more regulation or rules on bureaucracy to correct (control) their behavior and encourage them? What would be side effects? _____



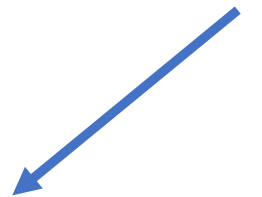
Three Main Constraints on Bureaucracy (James Q. Wilson):

1. Government agencies cannot lawfully retain and devote to private benefit of their members (there is no profit maximization incentive, unlike business).
2. Government cannot allocate the factors of production in accordance with the preference of the organization (politicians do).
3. Bureaucrats must serve goals not of the organization's own choosing (politicians' choosing)

Dilemma (2)

- What would happen if we emphasize market principles, efficiency more? (e.g. reducing the size of government)

Countries	Population of Civil Servant in Population (%)
Australia	5.0
New Zealand	5.5
United States	6.9
South Korea	1.2
China	2.9
Malaysia	4.1
Japan	1.9
Thailand	2.1
Vietnam	1.5



In-Class Discussion

1) According to Yeboah-Assiama and Kyeremeh (2015), is bureaucracy dead? What does new public service theory argue? What's the difference between **output** and **outcome**?

2) Trước buổi học này, hãy đọc bài đọc (tác giả Sheila Puffer, 2015). Khi lên lớp, hãy thảo luận những câu hỏi sau đây với bạn học và những thành viên trong nhóm.

Tưởng tượng bạn là nhà đầu tư nước ngoài đang tìm kiếm cơ hội đầu tư ở Việt Nam. Căn bệnh trầm kha nhất của bộ máy nhà nước Việt Nam là gì? Chính phủ Việt Nam nên làm gì để thu hút thêm vốn đầu tư trực tiếp nước ngoài? (vd. Đặc khu kinh tế với các quy định được nới lỏng/hình thức quản lý nhà nước linh hoạt – liệu có hiệu quả?)

Next Session's Discussion

- Please 1) think about Vietnam's dominant organizational culture 2) visit <http://www.hofstede-insights.com/country-comparison/Vietnam> 3) and compare Vietnam's score with any other two countries.