

# Submission

## to the Advisory Group on Reform of Australian Government Administration

The organisational model we call 'bureaucracy' is hopelessly unsuitable for the requirements of modern, fast paced society. Bureaucracy was intentionally designed to resist change and by construction cannot therefore act on unanticipated challenges.. It is a static solution to what has become a dynamic problem. It relies on detailed policies, instructions and scripts on how to respond to a defined catalogue of historically known situations. When confronted with new situations for which no script exists, bureaucracies tend to respond in a manner that antagonises people outside the organisation.

Bureaucracies cannot be 'fixed', no matter how hard and often you try. When conditions change, they tend to respond by just growing, rather than by adapting and changing their behavior. Over time, the internal culture tends to deteriorate, some of the reasons being:

1. People with a high Uncertainty Avoidance score (Hofstede UAI) tend to feel acute anxiety when faced with a new situation not covered by available scripts and may stall indefinitely or 'pass the buck' to someone who may do the same, and so on. When faced with a 'yes' or 'no' choice situation, risk aversion tends to make them favour 'no' for that reason alone..
2. High UAI people tend to feel more comfortable working in bureaucracies and conversely, low UAI people tend to dislike working in bureaucracies. Over time, this tends to lead to overrepresentation of the former in bureaucracies. Similarly with receptive versus creative intelligences, which tends to over time deprive bureaucracies of people best equipped for innovative responses to new challenges.
3. Bureaucracies tend over time to develop lives of their own and begin to defend themselves against perceived threats to the Status Quo. This can then result in what has come to be known as 'Toxic Culture'. Once this stage has been reached, it is almost impossible to change, dislodge or dismantle. Witness the recent news from Japan.

Bureaucracy is a plague on modern society.

To have any hope of achieving more than a 'flash-in-the-pan' success, I believe you will need to develop an entirely new organisational model.

Bureaucracy was designed to be 'static' and resist change. By being highly hierarchal and depending on rigorous and excessively detailed job descriptions instead of desired outcomes, and promotion being primarily based on seniority and 'paper merits', it by construction causes otherwise sensible, intelligent, compassionate and caring people such as average Australians to behave as if they were none of that. Combine this with rapidly changing external pressures and the low 'uncertainty tolerance' some of us suffer from but are most reluctant to face up to, then failure should not come as a surprise. Placed in some situations, such as in a bureaucracy, some of us tend to behave unprincipled and accept to subject fellow Australians to things we would not accept to be done to ourselves. Bureaucracies can become kind of sheltered workshops for those of us with more pronounced 'uncertainty intolerance' and thereby develop a 'Toxic Culture'. Bureaucracies then tend to repel more principled people and attract more of the less principled and they tend also to attract receptive intelligences and repel creative intelligences. The differences in characteristics is not usually reflected in student score cards. However, the creative variant is more likely to come up with innovative ways of responding to unforeseeable organisation challenges.

The solution lies in finding a new form of organisation which prompts/encourages its staff to behave towards their 'customers' as most Australians tend to do anyway in their own time. Sensibly, caring compassionate and

principled and with possible low 'uncertainty tolerance' well managed. An ideal organisation should be what control systems theory would refer to as self-regulating towards outcome 'set-points' and have cascades of stabilising negative feedback loops built in. Monitoring of 'stability margins' could enable early intervention when risks for catastrophic positive feedback emerge.

Much like Homeostasis in human biology.

Bureaucracy reached its 'use by date' about 150 years ago, and no viable replacement has so far been found. Many have tried over the years to come up with such organisational models, but unfortunately, very few have had any success. It is time and opportune for Australia to do it! I believe our culture is exceptionally conducive to it. However, Social Science alone has failed to come up with the solution to the problem. Social Science has traditionally had very little exposure to Control Systems Theory. The latter has developed very significantly in recent decades, as has computer based information networking. Hence, I think a constructive collaboration of these disciplines may be successful in developing the successor to Bureaucracy.

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