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## Bureaucratic Orientation of the Organisation's Management – A Structuring Factor

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**Abstract:**

**Purpose:** The paper presents an attempt to identify a new structuring factor and determine its impact on the subsequent states of the organisational structure.

**Design/Methodology/Approach:** In the course of the study, a critical analysis of literature reports was performed. Moreover, the results of the empirical research on the factors shaping the simplicity of the structure were also utilised in the study.

**Findings:** Structural solutions also depend on the bureaucratic orientation of the management and the stronger the structure is, the more complex it is.

**Practical Implications:** The so far underestimated role of the bureaucratic orientation of the management as a factor hindering the formation of rational structural solutions was pointed out.

**Originality/value:** A new structuring factor has been identified. A new approach to the correctness (appropriateness) of the structural solution is proposed.

**Keywords:** Organisational structure, organisation, bureaucracy, simplicity.

**JEL classification:** M12, J24.

**Paper Type:** Research study.

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## **1. Introduction**

The organisational structure, which is a set of rules organising the behaviours of the members of the organisation, has an important regulatory function, i.e., it determines the ways those members behave, thereby making such behaviours more predictable. To some extent, the organisational rules are formal. However, they are often spontaneous and turn out to be efficient in everyday work. They have a kind of backstage character and are an additional source of orientation patterns and expectations, usually corresponding to formal rules (Steinmann, and Schreyoegg, 2001). The organisational structure has been and continues to be one of the fundamental objects of research within management and quality science. With regard to their purpose, research projects in this field can be classified into two strands:

- the cognitive and theoretical strand, which aims at explaining the organisational structure as an element of each organisation;
- the pragmatic and streamlining stand, which is oriented towards the development of an effective methodology of shaping and improving the structure (Nalepka, and Kozina, 2007).

This paper can be roughly classified as belonging to the research endeavours carried out within the first strand. Generally speaking, the study pertains to the search for the correctness of structural solutions. Given the increasingly important issues of environment complexity and growth, it should be stressed that this search is based on the simplicity of such solutions. It provides a new perspective on the issue of the correctness (appropriateness) of the structure. Furthermore, it indicates a novel, so far underestimated, structuring factor, which seems to be the bureaucratic orientation of the organisation's management.

Thus, the paper aims to formulate a hypothesis concerning the relationship between the dimensions of this factor and the dimensions of the structural solution. This hypothesis will be presented in the second part of this study on the basis of a critical analysis of the literature on this theme and the results of the empirical research on structuring factors. The first part, however, presents an attempt at providing a new answer to the question of what structure is correct (appropriate) with reference to its simplicity.

## **2. The Correctness (Appropriateness) of the Organisational Structure**

In the cognitive and theoretical strand, the organisational structure is considered to be a variable dependent on many situational factors. The research projects carried out on this issue can be divided into two groups:

- There are studies which focus on explaining the structural solution by analysing one structuring factor. Among them are, for instance, the scholarly endeavours

researching the impact the organisation's environment exerts on the structure (Burns, Stalker, 1961), the degree of the diversification of business activity (Chandler, 1962; Lawrence, and Lorsch, 1962) or the technology used (Woodward, 1965).

- In the second group, there are studies whose focus is on viewing the structural solution as a result of the simultaneous interaction of many different, often conflicting, factors. In these studies, the correlation and regression calculation is usually used. As a result of such calculations, scholars formulate the statements "the more/less..., the more/less". Among the examples are, for instance, the set of analyses carried out by the members of the so-called Aston group (Pugh *et al.*, 1969), Kieser and Kubicek (1983), and Schreyoegg (1999).

The common feature of their studies is primarily the fact that:

- They are based on the assumption that there is a kind of mapping reaction between the organisational structure and its context (the features of other elements of the organisation and its environment). The structure and context are then entirely appropriate to each other since the value of their adjustment is maximum. However, it is only a theoretical construct, abstracted from reality, as evidenced by the results of studies (none of them revealed the case, in which only one state of the structure corresponds to one specific state of the context). There are at least two reasons for this. Firstly, it is so because, as already mentioned, the contextual characteristics often make contradictory demands on the development of the characteristics of the structure. This requires the use of simplified models of the sets of contextual features and structures and, consequently, leads to the fact that a given state of the context is accompanied not by one state but by a more or less numerous set of the acceptable states of the structure. Secondly, the obvious fact that it is people who shape and modify the structural solution, not its context, is underestimated. According to the theory of bounded rationality, the absolute postulate of optimising decisions concerning the organising function is thus unrealistic.
- The adaptation of the structure and context is considered statically while what is observed in the so-called organisational reality is the entanglement of the structural solution in time. In each of its states, one can find references not only to the present structural pressures but also to the past ones, because the development of the structure is characterised by inertial continuity, and the future ones when the forecast of its conditions is taken into account during the implementation of organisational changes (Mrela, 1983).

In view of the foregoing discussion, it can be stated that there is a need for a new look at the correctness (appropriateness) of the organisational structure – devoid of the problems signalled above. This article assumes that this new view is based on the principle of the simplicity of the structural solution.

If simplicity is “(...) a feature of a complex object being an element and in the case of a complex object having a (relatively) small number of elements or relations between them which do not differ in terms of their characteristics” (Pszczółowski, 1978, p. 190), then in the case of a simple structural solution, the number of the organisational rules constituting it is small. In many literature reports, its image is based on the model developed by Mintzberg (1983). The key role is played by the so-called strategic apex (very often it is one person) with broad decision-making rights while the primary instrument of coordination is the direct supervision of subordinates. The activities which are performed are characterised by low specialisation, standardisation and formalisation. Structural solutions are also usually used in small and young organisations which tend to become bureaucratic over time.

However, the calculations carried out by means of the fractal calculus indicate that the simplicity of the structural solution increases with the increase in the degree of decentralisation, i.e., the reduction of decision-making rights of top management (Hopej-Kamińska *et al.*, 2015). What then emerges is that a simple structure is not a centralised solution. Instead, it is a decentralised solution, expediting the decision-making processes and creating a large decision-making and activity space which allows establishing and dissolving relationships concurrently, depending on the current requirements of the tasks performed.

Thus, there arises the following question: what should the organisational structure be like with a view to simplicity? With the use of the paraphrase of the quotation attributed to A Einstein holding that “everything should be done as simply as possible but not simpler”, it can be assumed that the structure should be as simple as possible but not simpler. This means that it should be the simplest solution (most resembling a simple and flexible structure) acceptable by the context. On the basis of a critical analysis of the literature reports on structuring factors, the following general picture of those factors can be sketched:

- the larger the organisation, the more complex (in all of its dimensions) the organisational structure<sup>3</sup>;
- the more professional the members of the organisation are, the simpler (in all of its dimensions) the organisational structure is;
- the more open the organisational culture is, the simpler (in all of its dimensions) the organisational structure is;
- the more diversified the business activity performed is, the more complex (in all of its dimensions) the organisational structure is;
- the less routine-based the technology used is, the simpler (in all of its dimensions) the organisational structure is;
- the more uncertain the environment is, the simpler (in all of its dimensions) the organisational structure is;

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<sup>3</sup> *It is assumed that hierarchy, centralisation, specialisation, standardisation and formalisation are the dimensions of the structure.*

- the older the organisation is, the more complex (in all of its dimensions) the organisational structure is (Hopej-Kamińska *et al.*, 2015).

Concluding, it can be assumed that if the subsequent states of the organisational structure are adjusted to its external and internal conditions and – at the same time – thanks to simplicity which not only supports the innovation of organisational behaviours but also reduces management costs, then what needs to be performed is to determine the correct (appropriate) organisational structure. It should also be added that the implementation of both evolutionary and revolutionary changes simplifying the structure should be limited to the bare essentials. Whoever reorganises for the sake of the very changes brings about chaos and disorganisation all the time (Malik, 2015).

### **3. The Bureaucratic Orientation of the Organisation's Management and the Structural Solution**

The research hypotheses which had been formulated were subjected to a preliminary verification by a study conducted on a sample of 100 companies operating in Poland. The regression analysis (the stepwise regression method was applied) was carried out for particular characteristics of the structure. In the course of this analysis, the following facts were revealed:

- the smaller the organisation is and the less diversified its business activity is, the less developed the hierarchy is;
- the more non-routine the technology used is and the younger the organisation is and the more open the organisational culture is, the higher the degree of decentralisation is;
- the more non-routine the technology is, the simpler the organisational structure in terms of its specialisation is;
- the smaller the organisation is, the lower the degree of its formalisation is;
- the more non-routine the technology is and the smaller the organisation is, the simpler the structure in terms of its standardisation is.

It is not difficult to notice that no structuring factor proved to be the predictor of all dimensions (characteristics) of the structure. However, what is also noteworthy is the fact that independent variables explain hierarchy in 49%, the degree of centralisation in 19%, specialisation in 65%, formalisation in 39%, and standardisation in 20% (Hopej-Kamińska *et al.*, 2015).

The insignificant relationship between structuring factors and centralisation as well as the insignificant relationship between formalisation and standardisation seem to indicate the impact of yet another specific organisational factor. On the one hand, it allows for the decentralisation of decision-making rights and, on the other hand, it contributes to the increase in the formalisation of activities. With reference to the etymology of the term “bureaucracy”, it is the bureaucratic orientation of the

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organisation's management that seems to be this organisational factor.

One of the dimensions of this orientation may be the belief that only a member of the organisation who has subordinates is a manager. However, when seen from this perspective, what is left aside is, as argued by Malik (2015, p. 54), "(...) people who are important but who do not always manage their co-workers. However, their presence in the organisation is significant because of their contribution to the success of the organisation. They are numerous white-collar workers and outstanding experts (...). Without such people, almost no organisation can function and – in many cases – it is those people who determine the way to success".

Moreover, what is also ignored is the fact that in today's organisational reality, self-management is becoming increasingly important. It involves not only the management of oneself but also the management of superiors, co-workers or relationships with the environment. The reasons are easily observed. It is worth noting that self-management can be particularly efficient in relatively independent organisational units, including the positions located on the lowest level of the organisational hierarchy. It is just on this level that employees see perhaps the most positive impact of the increased empowerment of the organisation's members on their motivation, innovation and an increase in the potential scope of the management of superiors, allowing them to focus more on developing and coaching employees than on supervising them.

A particular case is a belief that managers are first and foremost top-managers. Such a view, shaped, among others, by the media, focuses on the activities of the top management of well-known organisations. However, it does not illustrate the real image of their management. Large and modern organisations need many efficient managers, especially those who are not afraid to take responsibility for the largest possible stage of the economic process.

The essence of the second dimension, linked – to a certain extent – with the first one, is to convince the top management that, based on trust in the simplicity of activities, adjusting organisational behaviours is less effective than by means of regulations. Meanwhile, trust in simplicity is crucial for the organisation to strengthen the emotions associated with eliminating complexity, i.e. the sense of discomfort and the urgent need to reduce it as well as the feeling of relief and enthusiasm associated with simplicity (Malik, 2015). In order to build them, the management has to convince the members of the organisation (by their activities as well as by keeping their promises and results) that simplicity has a real value and that it is one of the critical decision criteria (regardless of the significance and extent of the decisions made), and not just a hollow declaration. What is exceptionally vital is strong and consistent leadership which emphasises the value of simplicity in every possible situation.

By building trust in simplicity, the management must support the self-confidence of

the organisation's members. It should be strengthened by providing detailed knowledge of the advantages of simple solutions over the complex ones. This was well explained by the great advocate of simplicity in business – J. Welch – who stated that in order to achieve simplicity, the members of an organisation must have intellectual self-confidence. In such a case, the management's task is to support this property. He also stresses that it is difficult to believe how difficult it is for people to act in a simple way and how much they are afraid of it. Meanwhile, self-confident people are accurate, express themselves clearly and do not avoid making decisions that simplify the surrounding reality even if they question the historically established rules and actions (Hopej and Kandora, 2019).

If the management successfully builds and maintains confidence in the simplicity of activities, which has a positive impact on the quality of life in the workplace, simplifying the structural solution is more efficient. However, in the absence of such a point of departure, any restructuring measures are more difficult to implement. The level of involvement in the implementation of simplification measures will continue to decrease (Hopej and Kandora, 2019).

However, it is very difficult to build and maintain trust in simplicity, viewed as a resource. This fosters the belief that the verified adjustment of organisational behaviours through regulations is not only easier but also more effective. The proper formalisation of activities leads to:

- the internal order through a codified distribution of tasks, rights and responsibilities among the members of the organisation;
- the desired level of the conformity of the co-operation among the components of the organisation;
- the desired level of the certainty of the outcome and functioning of the individual components;
- the reduction in tensions among the organisation's participants;
- the reduction in the sense of uncertainty about the place and role of people in the organisation;
- the possibility to determine the influence of the organisation's members on the efficiency of its functioning (Rutka, 2012).

However, the already cursory observation of the management's activities leads to the conclusion that the search for optimum formalisation is not always successful. Thus, organisations are more often than not non-deformalised or formalised too much. If the situation concerns the second case, the subsequent states of the organisational structure are of a bureaucratic and complex character. In light of the above, the following two hypotheses can be put forth:

- The stronger the conviction of the top movement that only the member of the organisation who has subordinates is the manager, the more complex the subsequent states of the organisational structure are. Conversely, the weaker it

is, the simpler the subsequent structural solutions are.

- The stronger the conviction that adjusting organisational behaviours by means of regulations is more effective than by means of the principle of simplicity, the more complex the subsequent states of the structural solution are. Conversely, the weaker it is, the simpler the subsequent states of the structure are.

It seems that these should be verified, taking into account the answers to the essential question of whether the continuous simplification of structural solutions is not, paradoxically, related to their bureaucratisation. It is justified just because the structural solutions of the so-called teal organisations, which are undoubtedly characterised by simplicity and which give people great freedom in terms of their decisions and actions, mainly due to the clear weakening of hierarchical relations, are characterised by the increased formalisation of activities. The commonly shared values are usually recorded in various documents (articles of association, the organisation's vision statement, general business philosophy). Standardisation is also implemented to a similar degree. It includes such practices as conflict resolution mechanisms, the evaluation of work performed on a partnership basis, or working meeting practices (Laloux, 2015).

A certain bureaucratisation of relatively simple highly flexible structural solutions is also highlighted by Bernstein *et al.* (2016, p. 93). They accentuate that although they do not yield to the limitations of hierarchical and mechanistic solutions, "(...) in some ways, contrary to popular claims, they resemble bureaucracy, as viewed by German sociologist M. Weber at the beginning of the 20th century (...). The idea of bureaucracy was to free workers from the dictatorial rule of petulant bosses. Self-management systems try to achieve the same goal but they do so in a more flexible way".

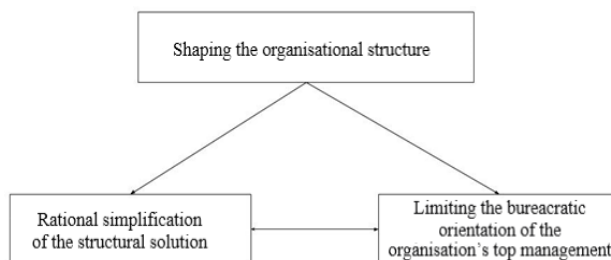
It would therefore appear that some intelligent standardisation and formalisation of activities seems to be conducive to simplifying structural solutions. However, obviously, it does not mean that the bureaucratic orientation of the organisation's management should not be counteracted. On the contrary, the stronger it is, the harder it is to eliminate, even though the organisational reality changes radically. For this reason, it is worth restating that the old model still dominates in people's minds (Malik, 2015).

Therefore, if shaping structural solutions should boil down to rational simplification, it would involve limiting the impact of the bureaucratic orientation of the organisation's management, regarding the structure as a management instrument (Figure 1). It may come down to personnel decisions or the management's learning. Furthermore, it should be stressed that it may also involve the attempts to apply the new principle in practice, i.e. to organise the system in such a way that it organises itself (Malik, 2015). Its manifestation can be seen in the mechanism used to prevent the creation and removal of unnecessary structural burden (Hopej, and Kandora, 2019). It is an attempt to embody the idea that there should be trust in the innovative



potential of the organisation's members to simplify the structural solution. It is characterised by a high degree of empowerment and participation of the employees, functioning within a relatively weakly formalised system. In such conditions, organisational behaviours are regulated more by spontaneous rules than by formal organisational rules.

**Figure 1.** *Shaping the organisational structure as its simplification.*



*Source:* The authors' study.

#### 4. Concluding Remarks

The article has been an attempt to identify a new structuring factor as well as to determine its impact on the subsequent states of the organisational structure. It is a bureaucratic orientation of the top management which increases organisational complexity. Such complexity contradicts the concept of correctness (appropriateness) of the organisational structure, based on the principle of simplicity which has been presented in the study. This can be explained by two facts. First of all, the subsequent states of the organisational structure should be as simple as possible in a given situation, thus being the most flexible and least costly. Secondly, the bureaucratic orientation of the organisation's management in both of the above-presented dimensions should be neutralised not only by personnel decisions.

Moreover, perhaps even more importantly, it ought to be neutralised by introducing the principle of system self-organisation into management practice. It seems that the empirical studies which would verify the formulated hypotheses are necessary. The impact of the new structuring factor should be investigated together with other factors – the so-called traditional ones, such as the size of the organisation or its environment.

Finally, there is also one more point which needs to be addressed. Doing business and achieving good results in a dynamic and complex environment requires constant transformation into relatively stable structural solutions. Therefore, the ability to organise is one of the fundamental managerial skills, next to the ability to energise the organisation's members through motivation. Additionally, those solutions can be regarded as a permanent source of the competitive advantage, especially when they

are deprived of the bureaucratic elements.

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