

## MOVING FROM BUREAUCRACY TO ADHOCRACY: AN INNOVATIVE APPROACH TOWARDS AN IMPROVED OPERATIONS STRATEGY

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### Abstract

*This review paper seeks to analyse and elucidate on the depth and extent of public sector managers' involvement in creating, inculcating and sustaining an innovative culture in their public spheres thus shifting from bureaucracy and adopting an adhocratic organisational culture. This process involved a systematic review, synthesis and analysis of several articles, journals and books as a n exhaustive review of literature. A selection of articles and journals articulating the concepts of bureaucracy, adhocracy and public sector innovation were analysed. This analysis revealed that there is a paradigm shift in the organisational culture, design and strategy of some public sector organisations and institutions as they seemingly incorporate bureaucracy, adhocracy and innovation as an endeavour to adapt to the dynamic nature of the public service and as a mechanism to enhance organisational functionality and capability of the state to deliver services. This paper further establishes a glaring and inherent relationship between adhocracy culture and strategy implementation as outlined and described in Quin's theory of Competing Values Framework (CVF) supported by McKinsey 7S Framework. This paper analyses the current highly bureaucratised public sector can implement and infuse in their organisational structure, operations and culture adhocracies towards the realisation of the public sector innovation concept. The analysed articles are relevant and befitting to the topic as they link bureaucracy and adhocracy and how a possible shift can bring about an innovative and creative public service. A qualitative research approach was used where existing literature collected as research empiricism and the empirical findings of the articles were documented. This review paper is novel because it seeks to contribute to the current debate in the literature of public sector innovation through the use adhocracy and bureaucracy. This paper concludes that there is a symbiotic relationship between adhocracy, strategy implementation and innovation It recommends that the leadership and management of public sector organisations should work towards a structure of establishing a structure that accommodates adhocracy within their organisation as a recipe for effective strategy implementation and innovation. Both operational and strategic levels of leadership and management should be structured such an adhocratic culture within the organisation prevails in order to drive innovation through a paradigm shift from a bureaucratic approach to an innovative culture through adhocracy. Implications of this paper include a revision of the Department of Public Service Administration's Operations Management Framework operations strategy to entail adhocracy as a central tenet in formulating the Service Delivery Model, Service Delivery Improvement Plan and Organisational structure design. This paper further recommends a similar survey to be undertaken in individual government departments and further pursuit of adhocracy culture in other semi government organisations to test appositeness.*

**Keywords:** *Innovativeness, creativity, bureaucracy, adhocracy, digitalisation, operations strategy*

## **1.0 INTRODUCTION**

Sehgal (2019) define bureaucracy as a permanent and professional part of executive wing of the government that are based on policies and laws. Rockman (2017) defines it as an organisation defined by complexity, defined set of rules and procedures, having division of labour, having a hierarchical coordination, is strict and following a chain of command of authority. On the other hand, adhocracy is a term that has been used in management thinkers notably Warren, Bennis Phillip Slater and Mintzberg (Birkinshaw and Ridderstrale, (2015). Adhocracy is an alternative flexible and faster way that drives into action and rather circumvent the formal and knowledge. It is more intuition in nature. Most scholars support adhocracy as experimental in nature and it attempts new courses of action, receiving feedback, making changes and reviewing progress. Lindquist and Buttazzoni (2021) support the concepts of adhocracy than bureaucracy in organisations that it encourages innovation, open culture and enhances policy and service innovation. Furthermore, they argue that the adhocracy will lead to the implementation of the innovative approaches such as fourth industrial Revolution in big data, analytics, behavioural studies and visualisation of data in most ICT based government departments in developing countries. That will create an agile organisation that promotes flexibility, adaptation, creativity and helps to deal with environments that are crippled by uncertainty, ambiguity and information overload.

## **2.0 LITERATURE REVIEW**

### **2.1 Public sector innovation**

There is a clarion call to the public sector innovation to politicians, public managers, companies and citizens to address social challenges (Sorensen and Torfing 2011). DeVries Bekkers and Tummers (2016) envisage the increase of papers in the topic of public sector innovation and adhocracy as alarming. Brown and Osborne (2005) sees as discontinuing from the past and try novel methods in the public sector administration. Furthermore, the authors explain the need of defining innovation from process innovation, technological innovation, product innovation governance innovation and service innovation

Bekkers Edelenbos and Stajjn (2011) talk of the concept of the milieu of innovation. They propound that organisations must share ideas, funds, people and boundaries which is the process of co-creation and collaboration. This collaboration of stakeholders is the essence of the milieu which must happen in the public sector (Voorberg etal 2016). On another spectrum Klijn and Koppenjan (2015) emphasises the role of leadership which is the harnessing link to make things move. In their discussion, the effect of governance can be seen in the way public managers seek to perform the duty of coordinating the needed resources. Related to this is the role of making sure citizens become contributors through the democratisation process of power devolution. However, for public sector innovation, this depends with the willingness of citizens and the government (Voorberg et.al.2015) The concept of innovation is a holistic approach in creativity whereby there is the ideation or creativity seen in the new or novel things

The term incorporates efficiency which Drucker (2006) asserted that it involves doing things right. Efficiency is generally determined by the amount of time, money, and resources that are necessary to obtain certain results. In public sector management, efficiency of a government is determined mainly by the efficient service delivery. Productivity of the public sector is determined by estimating the outcomes obtained vs the invested effort in order to achieve the result. Thus, if we can achieve more with less effort, productivity increases. Hence, innovations in public sector should increase both productivity and enhance quality service delivery that makes citizens get delighted.

## **2.2 THEORIES TO BUREAUCRACY AND ADHOCRACY**

### **2.2.1 Max Weber –Father of Bureaucracy**

He is probably the father of bureaucracy and has added much to public sector bureaucracy. In his assertion, Weber posits that the raise of the money economy or capitalism is a direct result of the legalistic and formalised management of resources in nature. Furthermore, he asserts that the bureaucratisation of societies has technical advantages and enhances proficiency in achieving the organisation objectives. This is the predominant inherent structure where a presence of universalised rules and procedures are used in public sector management. However, Reynan (2016) argues that bureaucracy is dogmatic, and it helps in the creation of the monopolies, legalistic and it stifles innovation. The same notion is echoed by Drucker (2006) who pinpointed that innovation is stifled in the “rule of thumb” of doing things” instead organisations must contemplate of using creativity and innovation. Although bureaucracy brought what is called “jurisdictional competency”, division of labour, command and control and allows continuity in a professional environment, it has its flaws. The modern time the world is going requires agile organisations especially with unprecedented the COVID 19 which has made public managers to reconsider their bureaucratisation

### **2.2.2 Henri Fayol –Administrative management theory**

Fayol’s administrative theory seems to mirror Weber’s thoughts although Fayol’s is the recognised authority to professionalise administrative management which is the soul of public sector management nowadays. Both Weber and Fayol seem to agree in their advocacy on the use of bureaucratic management leadership style as well as implementation of bureaucratic processes in contemporary organisations, However, Fayol seems to be focussed with bureaucracy in the strategic or the top management level. Weber on the other hand seems to be concentrating his writings on the tactical and middle management level. It is of much importance that Fayol’s administrative theory was more recognised than Weber’s ideas as Fayol ideas were novel in that he posited that a chain of command and the technical structures of the then organisations form a bases for establishing bureaucritisation. Routledge (2018) emphasised that Fayols ideas mirrored

Weber's ideas and are complimentary in nature, but Fayol is more credited because of the modern day 14 Principles of management which seem to be technical in nature and forms the 10 commandments of management of the then days. On the same vein, DeKlerk (2016) affirms that Fayol's theory was based in improving the bureaucratisation of organisations through administrative efficiency. In his 14 Principles, the chain of command clearly reflects the hierarchical organisational structure which depicts bureaucracy. In other words, Fayol's assertion on bureaucracy seems to be focusing on the process management which became a vehicle for bureaucratisation to take place

### **2.2.3 Adhocracy theory –Mintzberg**

According to Mintzberg (1997) strategy formation is the inherent element in the adhocracy. In his viewpoint, Mintzberg believes in the project based and entrepreneurship structure in modern day organisations that respond quickly in a very agile and flexible manner to the demands of the society. From a public sector stand view, the changes and creativity needed are triggered by the changing markets and changing citizens needs and wants (Pourezzaat 2016). To add to that, the adhocracy concept has little formality, less direct supervision coupled by flexible and adaptive organisation structure. This is however not a true reflection of the public sector management as bureaucracy is still the order of the day to most government organisations (Wilson 2017). Therefore, Mintzberg had to come up with what he termed an entrepreneurship structure that must be adopted in organisations of today in the private sector management and more importantly in public sector management. As a result, Mintzberg brought about the debate of innovation and bureaucracy in another angle by terming it adhocracy. The next discussion explains the two components in detail.

### **2.1.4 Innovation, bureaucracy, adhocracy**

From the ideology and mindset of Mintzberg, the innovation aspect is reflected in the entrepreneurship structure which he cited and suggested that it has a project-based structure and is much responsive to the environment. Thompson (1965) gave a deep argument that using bureaucratisation has nothing to do with government or private sector. Only we can have a bureaucratic organisation structure when we want to implement bureaucracy, but that does not nullify the fact that an organisation is not innovative. In that vein, an organisation may choose to have a bureaucratic structure at the same time it is using adhocracy. Relley (2018) however argues that bureaucracy is perhaps the biggest enemy of innovation with large organisations which reflects too much bureaucratisation. In his view, the author cites that top management may be having a red tape which is so slow and inflexible. However, Karo and Rainer (2018) has a different point of view in the use of innovation in bureaucratisation process. They believe that for innovation to take place, the schools of thought of Weber (bureaucracy) and Mintzberg (adhocracy) need to be blended to create a flexible organisation. The assertion they have is that innovation must be infused in policy making, goals, objectives and must be reflected in monitoring and valuation. The paper also establish that innovation can either be a product of adhocracy and bureaucracy depending on the style of management at the top. Pourezzaat (2016) opined that the desired innovative organisation is still far from reality and adhocracy is still a pipeline dream for most public sector organisations as most structures inhibit a red tape phenomenon which stifles innovation. There is no clear empiricism in the literature that adhocracy is definite in producing innovation.

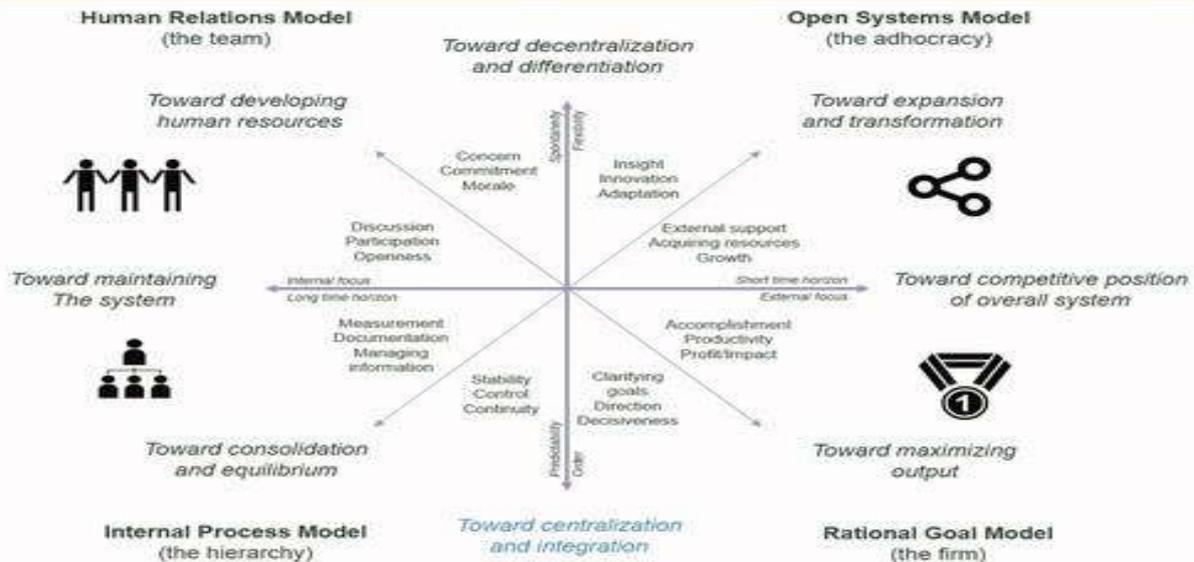
From the researchers' standpoint view, the public sector needs to intertwine bureaucracy and adhocracy so that they produce a flexible organisation. Hamel (2018) is totally disagreeing with keeping bureaucracy in the public sector by advocating that "bureaucracy is still stifling public sector management and we need to kill it". The researcher totally disagrees to a certain extent as they must be an infusion of the two in policy making and policy execution so that we strike a balance between the two.

### **2.2.5 Bureaucracy and adhocracy: antithesis**

With the current debate going in the literature of the two terms, there seem to be a paradigm shift in the way scholars view bureaucracy and adhocracy. Others believe bureaucracy does not bring innovation at all whilst others advocate for adhocracy for better innovation. The other group believes in blending the two (Ketola Huntala and Purzefall 2015) Bureaucracy is seen as inflexible and not having creativity and lacking agility. Whereas adhocracy is seen as flexible and adaptable. Chen (2018) has the opinion that public sector organisations need scaling and adapting to new structures that they believe in the end that will enhance innovation by flattening organisational structures. Quinn (1988) cited in suggested a Competing Value Framework and theories that help implement the adhocracy concept.

# The Competing Values Framework & Theories of Organization

Adapted from Quinn (1988): Figure 6, p.51



Source Quinn 1988

In this framework, the writer has Human Relations Model which deals with the teamwork, followed by the Open System Model which resembles adhocracy. The other model is the Internal Process Model which is a product of the administrative school of thought of Fayol. The Rational Goal Model is the firm's perspective which promotes profit maximisation goals. The model asserts that for a firm to be moving towards transformation it must move towards expansion using insight innovation adaption and use external support with resources. This led to the agile or competitive organisation which has adhocracy.

The researchers of this paper competing values in the key stakeholders of the organisations need to be balanced for creating a conducive environment for adhocracy to be implemented

### 3.0 RESULTS AND DISCUSSION

The research findings are the key themes from 12 different papers from 2005-2021 on the literature empiricism on the concepts of bureaucracy, adhocracy in attempting to bring the outcome of public sector innovation. The following findings are presented.

Linguist and Buttazzoni (2021) articulated adhocracy inherent in the open culture that has prevailed in literature in public sector innovation and the ecologies that promote agile and lean methods in public sector institutions. They came up with analytical frameworks that explains ecologies which is called the computing Value Framework which explains the different values that need to be balanced within an organisation. The CVF developed by Quinn 1988 need to be implemented and within the context of an open system organisation just like an ecological system

On the other hand, Voorsberg (2017) found out that the use of co-creation and co-creation is part of the social innovation that comes about when public sector organisations come together in unison and pull resources and idea for a common purpose. Their belief is that public sector innovation will bring in adhocracy in an organisation.

Again, Devries, Bekkers and Tummers (2016) has the view that innovation must be part of the (NPM)New Public Sector management where organisation. They analysed the definitions and objectives in a systematic review of 181 papers. Their research found out that public innovation is still far from reality and the concept of adhocracy is still not understood.

Furthermore, the research of Klijn and Koppenjan (2015) discussed of the governance networks in the public sector management. It cut across the spectrum in a cross-sectional study in NGOS, private sector and public sector using the bureaucratic. The findings of the research are that innovation can only be endorsed in the organisation when a firm and solid structure is put in place which allows adaptivity.

Njagi Kamau and Muraguri (2020) did a research in the Kenyan professional bodies on the relationship adhocracy culture and strategic implementation. The outcomes of the research were that there was a positive relationship. The leadership in these professional bodies were of the view that as management work towards the goal executing, they in turn work outside the box and automatically use adhocracy which is the entrepreneurship culture.

The review paper also analysed the writings of Mintzberg (1997) who is a guru in strategy and in the concept of adhocracy. The strategic thinker seems to be advocating for a project-based structure. In his writings he complains that the world is dynamically changing, and organisations need to be flattened in the organisation structures. In his book, he identified strategic apex, techno structure, middle line, support and operating core in the strategic which he purported that they are the five organisational designs needed to be implemented for adhocracy to prevail. He believed in reframing these five basic parts of the organisations which brings a techno structure that negates the bureaucratic structure. However, the challenge of Mintzberg ideas are that they are technical in nature and they concentrate on organisational design than the exact way how strategy must be executed. He also left much on the softcore issues like motivation and leadership personalities in driving strategy implementation.

Pouuzerrat and Attach (2016) is very clear on the incorporation of flexibility and adhocracy organisation structure. He asserts that the organisations can only achieve this by using super specialised and expert human resources to leverage to adhocracy. He has a term he used in explaining bureaucratic structures as professional bureaucratic organisations which in this case use the human experts to create the environment for adhocracy. His ideology is more shaped to Mintzbergs writings and inclined to adhocracy structures in the public sector innovations

Furthermore, Karo and Rainer (2018) propounded the concepts of novelty and innovation in policy of most organisations. They strongly believe that public policy needs some element of novelty by harnessing indigenous and exogenous resources. Their research checks at the Asian states and they believe that innovation in the public policy starts in the evolutionary approach. The authors are biased in the evolutionary concept rather than the evolutionary which the researchers of this paper strongly feel that its slower in approach to cause adhocracy structures to be formed

On the other review, the article of Birkinshaw and Ridderstrale (2015) pinpoints that the modern organisation is the agile organisation that aims to improve the speed and quality of the execution of the decisions. The authors argue that most companies are having a lot of meetings in the strategic management mantra and end up with too much information overload which stifles using the guts and outside thinking. The rate of information is more than the execution a concept alluded by Herbert Simon 40 years ago when he mentioned that the scarce resources organisations have need manager not to manage information only, but also giving attention to the information necessitating for sound decision making. From this vein, it also true that the public sector is imbued with red tape and actionable plans are fewer. According to Birjkinshaw and Riddersrale (2015) the data- driven organisations are the ones that survive regardless of the private and public sector classification. However, the red tape is a common feature in the most public sector or private sector. With the advent of the digitalisation age, the authors of this paper agree that an agile organisation is the future however most public sector organisations seem to be marred by bureaucratic structures

Another interesting article by Khurosani (2013) who analysed the relationship between adhocracy culture and working creativity of the leader. In his article, he believes that creativity is the most important factor that brings innovation and it improves competitiveness. He also pinpoints that quality and innovation have a direct relationship and he however explains that organisational culture is a key variable. To him adhocracy culture is equated to entrepreneurship culture which must push three things namely adaptability, flexibility and creativity. This centres on the leader of that organisation and is responsible for the outcomes. The writer of this review paper strongly supports the ideas of Khurosani although further researches are needed to ground his assertions that adhocracy is positively related to adhocracy.

The OCED countries funded a research to Daglio, Gerson, Kitchen (2015) who wrote extensively on the public sector innovation in the developed EU countries. In their article, they have concluded that in the EU 27, 66 per cent of organisations on average report having implemented a service innovation. Local Government Authorities and the National Health Service in the United Kingdom surveyed for Nesta's 2011 pilot survey reported having implemented very high levels of innovation, with over 90 per cent of organisations reporting a service, process or management technique for innovation. The implication of the research is that it helped in developing a better understanding of how happens in the governments in terms of policy making and research. There findings pinpointed that traditional approaches cannot solve todays problems. They agree that the use of novel ideas from research like this adds to the problem solving. The research of this paper also argues based on Daglio et.al (2015) that organisations can have all the necessary implementation for service innovation to achieve service delivery, but the onus lies with the management. Again, the research done in EU shows a developed country they are more ready for adhocracy unlike in the developing countries where the style of management is traditional and favours bureaucratic organisational design. However, researches need to be done in the establishment of the empiricism on whether developed countries are more ready than developing countries

Lastly, the researchers analysed the paper of Wahab etal (2015) in the Nigerian public sector compared the bureaucracy and adhocracy and found out that most public sector employed do complain that there is "overcentralized nature of decision-making process in the institution would retard the pace of work, thus the need for Adhocracy. Their study therefore recommended the use of Adhocracy in order to improve efficiency and effectiveness in the workplace. The summary of these papers is listed below with their research focus.

Name of scholars	Research foci	Publisher	Title of paper	Url Link
1.Linquist and Buttazzoni (2021)	Adhocracy in the public sector	Justor	The ecology of open innovation units: adhocracy and competing values in public service systems	<a href="https://doi.org/10.1080/25741292.2021.1941569">https://doi.org/10.1080/25741292.2021.1941569</a>
2.Voorberg(2017)	Social innovation	Research gate	Co-Creation and Co-Production as a Strategy for Public Service Innovation: A study to their appropriateness in a public sector context	<a href="https://epubs.ogc.nl/?epub=w.voorberg">https://epubs.ogc.nl/?epub=w.voorberg</a>
3.Devries,Bekkers and Tummers(2016)	Innovation in public sector	SSRN Electronic Journal	Innovation in the public sector	<a href="http://dx.doi.org/10.2139/ssrn.2638618">http://dx.doi.org/10.2139/ssrn.2638618</a>
4.Klijn and Koppenjan (2015)	Governance innovation	Routledge	Governance Networks in the Public Sector	<a href="http://dx.doi.org/10.4324/9781315887098">http://dx.doi.org/10.4324/9781315887098</a>
5.Njagi Kamau and Muraguri (2020)	Adhocracy Culture and Strategy Implementation	International Journal of business management	Adhocracy Culture and Strategy Implementation: An Application within Professional Bodies in Kenya	<a href="http://dx.doi.org/10.5539/ijbm.v15n9p47">http://dx.doi.org/10.5539/ijbm.v15n9p47</a>
6.Mintzberg 1997	Adhocracy	Sage	Strategy in the adhocracy	<a href="https://doi.org/10.2307/2393104">https://doi.org/10.2307/2393104</a>
7.Pourezzat and Attah (2016)	Adhocracy	Research gate	Professional adhocracy an appropriate Design for knowledge in the light of Mintzberg perspective	DOI:10.4018/jeco.2009001101
8.Karo and Rainer (2018)	Innovation in policy	Tallinn University of Technology	Innovation and the State: Towards an Evolutionary Theory of Policy Capacity	<a href="https://www.researchgate.net/publication/320160676_Innovation_and_the_State_Towards_an_Evolutionary_Theory_of_Policy_Capacity">https://www.researchgate.net/publication/320160676_Innovation_and_the_State_Towards_an_Evolutionary_Theory_of_Policy_Capacity</a>
9.Birjanshaw and Rddledale(2015)	Adhocracy	Mkinsey Quarterly	Adhocracy for an agile age	<a href="https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/adhocracy-for-an-agile-age">https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/adhocracy-for-an-agile-age</a>
10.Khurosan 2013	Adhocracy culture	International Journal of social sciences and humanities	Adhocracy Culture support and leaders working creativity	DOI:10.7763/IJSSH.2013.V3.272
11. Daglio, M.; Gerson D.; Kitchen H 2015	Innovation in public sector	Research gate	Innovating the Public Sector: from Ideas to Impact	. (forthcoming, 2015), 'Building Organisational Capacity for Public Sector Innovation', Background Paper prepared for the OECD Conference "Innovating the Public Sector: from Ideas to Impact", Paris, 12-13 November 2014.
12.Wahab, & Jawando, Olayiwola 2008	Bureaucracy and adhocracy	University of Lagos	The effects of bureaucracy and its implications for adhocracy in the workplace:	Users/pc/Downloads/47940-Article%20Text-60765-1-10-20091118.pdf

#### 4.0 CONCLUSIONS

This paper is novel because it seeks to contribute to the current debate in the literature in public sector innovation in the argument of moving from bureaucracy to adhocracy. The scientific novelty of the article also consists of a conducted large-scale study describing the author's theoretical and practical prerequisites in public management innovation. The foci of the paper are on the moving from bureaucracy to adhocracy debate with regards to a public sector innovation. This has been conceptualised as being able to 'think outside the box' and being detangled from the procedural and bureaucratic web of instructions management. In addition, the innovative culture in public liberalised public managers' ability to take initiatives, motivates subordinates and instil the obligation public accountability of decision makers. In an innovative organisation, the concerns if on the quality of outputs rather than an obsession over procedures. Therefore, the contemporary world calls more for public managers who can thrive and strive for innovativeness rather than remain trapped in the 'robotic' world on bureaucratic instructions. There are many public sector organisations still having bureaucracy and has not moved an inch yet they are innovative. On the other side of the divide, the adhocracy theory seems to have taken storm in many public sector organisations. The other group believe in mixing the two concepts in one organisation which is what the researcher of this paper also suggest. Moving from bureaucracy to adhocracy needs an evolutionary strategy not a turnaround approach as it deals with so many aspects of innovation from process innovation, technical innovation, leadership innovation and service delivery innovation. These types of the innovations were discussed in the paper with regards to bureaucracy and adhocracy debate.