



IT Strategy: Avoiding the Bureaucratization of Organizational Communication



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" The process of making sense of all the manifest oddness of how organizations communicate and use information is singularly complicated by the fact that such descriptions must be conveyed in the same medium that is responsible for introducing much of the complexity -- that is, ordinary language. Figures of speech are so embedded in the framework of our terminology that we are often unaware that we are using them -- or the degree to which our ideas, reactions, and formative utterances are shaped by the association of such figures." (Eveland)

Companies must strive to develop and continuously fine tune their IT information flow systems utilizing a top-down strategy that is built on a long-term business plan approach intent on fostering a variety of competitive advantages within the marketplace. In order to avoid becoming over-more bureaucratic it is critical for them to remain operationally nimble by allowing their front-line operational departments enough freedom of initiative to fine tune enterprise-wide processes so that may quickly adapt to potential sudden changes in customer servicing needs.

“Eighty-eight per cent of managers and directors believe that a free flow of information is vital to the success of their businesses. Nearly three-quarters describe their organizations as "information-based". Yet nearly two-thirds of British businesses have no formal information policy.” (Anonymous)

As companies grow and industries mature it is possible too see what were once small, nimble, and entrepreneurial companies evolve into large multinational corporations which at times may mirror large public-sector bureaucracies. Typically when this occurs these organizations become more important in the eyes of a larger number of employees that upon them for their livelihood, attract a larger amount of shareholders hoping to reap the rewards of larger revenues, and are safeguarded by state governments which draw from them substantial tax revenue.

"Almost a third of Britain's business managers have had information which they needed withheld from them at some time--this has happened most frequently in the utilities and telecommunications sectors. More men (33 per cent) than women (26 per cent) have had information withheld from them. The withholding of information affected younger and middle managers (34 per cent) more than older and director/senior management (28 per cent).” (Anonymous)

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Although this phenomena is not an intended result, quite often the price for growth of this magnitude is sacrificing net operating margin efficiency which on average is not higher than four percent. Although large corporations are able to leverage economies of scale thereby rendering them more competitive from an acquisitions standpoint, they are also more likely to become more bureaucratic and in so doing less nimble, less responsive to customers, and substantially more risk averse. Change is much more difficult to enact in larger companies from the bottom up in part due to the difficulty of involved with building a political consensus with larger groups of people to change enterprise-wide policy.

Large companies want to maintain the cohesiveness and dynamic qualities of smaller organizations while minimizing the inwardly focused bureaucratic tendencies whenever possible. Ideally, a large company should position itself so that it can build on its market share advantage while leveraging economies of scale while remaining on the lookout for potential technological, competitive, and customer need changes that could erode its market leadership. Therefore, an organization should maintain the ability to restructure itself to meet new missions by listening to its employees on the front lines who are closest in contact with the realities of the marketplace rather than isolate itself in a proverbial ivory tower.

Change is very hard to implement and it is important to have access to clear timely information if one is going to attempt to do so. This process can be facilitated by creating an IT infrastructure that can organize the massive amounts of customer, product, service, financial, logistical , inventory, and competitive analysis data so that it can be accessed in a timely fashion by decision makers.

The information applications used by senior executives should be 75% focused outwardly on competitor data, technological trends while the remaining 25% should be focused internally on the critical operational efficiency indicators. Ideally, senior executives should try to derive strategic policy with that mix in mind to avoid becoming too inwardly focused. When this happens there may be a tendency of trying to get the external world to adapt to their processes rather than vice-versa which can be very detrimental.

The front line echelon corporate departments should keep a 50/50 mix between information related to customer service feedback and process efficiency. If possible, these departments should have the flexibility to make decisions related to implementing better customer care.

“Today's business users are often unhappy with the quality and integrity of the information they receive from corporate systems. The competing forces of growing data volumes and infrastructure complexity with the need to deliver accurate and credible data drives the requirement for a trusted information framework.”

(Cunningham)

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