

Full Length Research Paper

Institutional Reform Through Fundamental Alignment: From Dysfunction to Functionality

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The article creatively uses a project development methodology to help trace the layers of causes of institutional dysfunctionality; the immediate cause is traced to poor leadership that failed to enforce the good practices, follow procedures and processes to produce sound policy and planning. The deep rooted cause is detected in the lack of sound policy and planning at inception stage of the institution, that in turn was on account of poor leadership from the beginning itself like a reverse circuit flow. The article reveals the adverse impact of the dysfunctionality on the individual well being, and the poor condition is perpetuated and promoted by the system that cares very little for principles, ethics and values. The paper stresses the need to set the basics right to get the institution right, explains the requisite basics desired for building an institution and urges for a credible leader to use those basics to turn the negative into a positive organisational behavior.

Keywords: Principles, Ethics, Values, Planning and Policy, Positive Organisational Behavior, Good Practices and Systems, Leadership

INTRODUCTION

The article reflects on the critical role of leadership in organisational management and nurturing the individual spirit to perform and contribute. It reveals the stressful and demoralizing condition of working in dysfunctional institutions under abysmally poor leadership. The closed hierarchal bureaucratic system restricts the redress of grievance and often finds excuse in the shortage of resources and inefficiency of the work force for the poor performance; but the poor output and outcome is created by an incompetent and ineffective leadership who play foul with the system instead of building it. The impact on the individual of an imposed condition of non-utilization, un-utilization and under- utilization created by the leadership caused colossal waste of precious intellectual capacities and financial budgetary resource. This unhappy condition denied the individual from attaining self satisfaction and self actualization from performance and the leadership is solely accountable for the unhappy condition detrimental to the overall health of

both the individual and the organisation. (Beaumont, J, 2011)

Purpose and Objective:

The purpose of the article is to share the experience of institution building in a growing economy like India. The objective of the article is to show the difference between the western view on happiness related to job satisfaction and the empirical evidence in this case representing an Indian condition, ironically, one of the fastest growing economies of the world. The western academic research deals with the subjectivity (what is happiness to you) as well as the objectivity of happiness (what is happiness to others) ranging from personal (love from close ones) to socio- economic conditions ((livelihood, job environment). The empirical evidence in this article is neither on the subjectivity as propounded by Dolan, P,

Layard. R and Metcalfe, R, 2011; and nor on the economic rewards for job satisfaction stated variously by scholars such as Freeman, R. 1978. Frey, B. and Stutzer, A. 2002. The peculiarity of the case lies in the willful negligence committed deliberately by the leadership with a purpose to destroy motivation causing criminal wastage of human resource. The article discourse is a true reflection of real experience of a poorly managed institution and validates setting the basics right to alleviate the individual working condition and how this improved individual condition will improve the overall health of the organisation.

Appraisal of the Empirical Evidence

The costs and benefits of sustaining a deliberately created defunct position imply substantive loss in terms of human potentials and financial resource. The article subtly discloses the unsavoury condition of harassment and victimization, unreported and endured in the system, termed as 'destructive assent'. The article seeks for 'constructive dissent' to resent occurrences of such victimization and harassment in the system. In contrast to the modern strategic organisational management searching for 'happiness', the article reveals the ironic search for "unhappiness" in certain archaic institutions in modern times.

Cherished dreams perished in negative condition

The dream of every individual is peace, happiness and prosperity and to feel 'special, protected and cared'. But the rule of the game mostly ensures the individual to retard in a demoralized condition and to be damned, dumped and doomed as a defaulter with no fault. The process shamelessly flouts the policy and the rule. This negative condition is the bitter reality in the system. Dreams to attain self actualization from job satisfaction simply perished away under a deliberate defunct position imposed by the organisational leadership assisted by a vindictive and malicious team that feeds upon jealousy from incompetence, only to become insecure and destructive.

Micro to Macro view of the Problem

The grim picture of perished dreams is a common individual expression in the corridors of powers. The individual micro experience revealed the larger macro problem of systems and institution failures (Albrow, M, 1997). It confirms that such systemic failures produce the condition of mental torture from job dissatisfaction, or even worse is being kept in a defunct position with no work allocation. This unhappy condition exists in an

environment where the goal is unclear, role and function are not defined, and merit not accounted for, making people resort to unfair means and practices. It is a symptom of dysfunctionality and its occurrence cannot be without a cause deeply rooted in the system, which needs to be diagnosed to find solution to the problem. The root cause of the institutional problem is poor policy and planning caused by lack of leadership.

Poor leadership leads to poor discipline

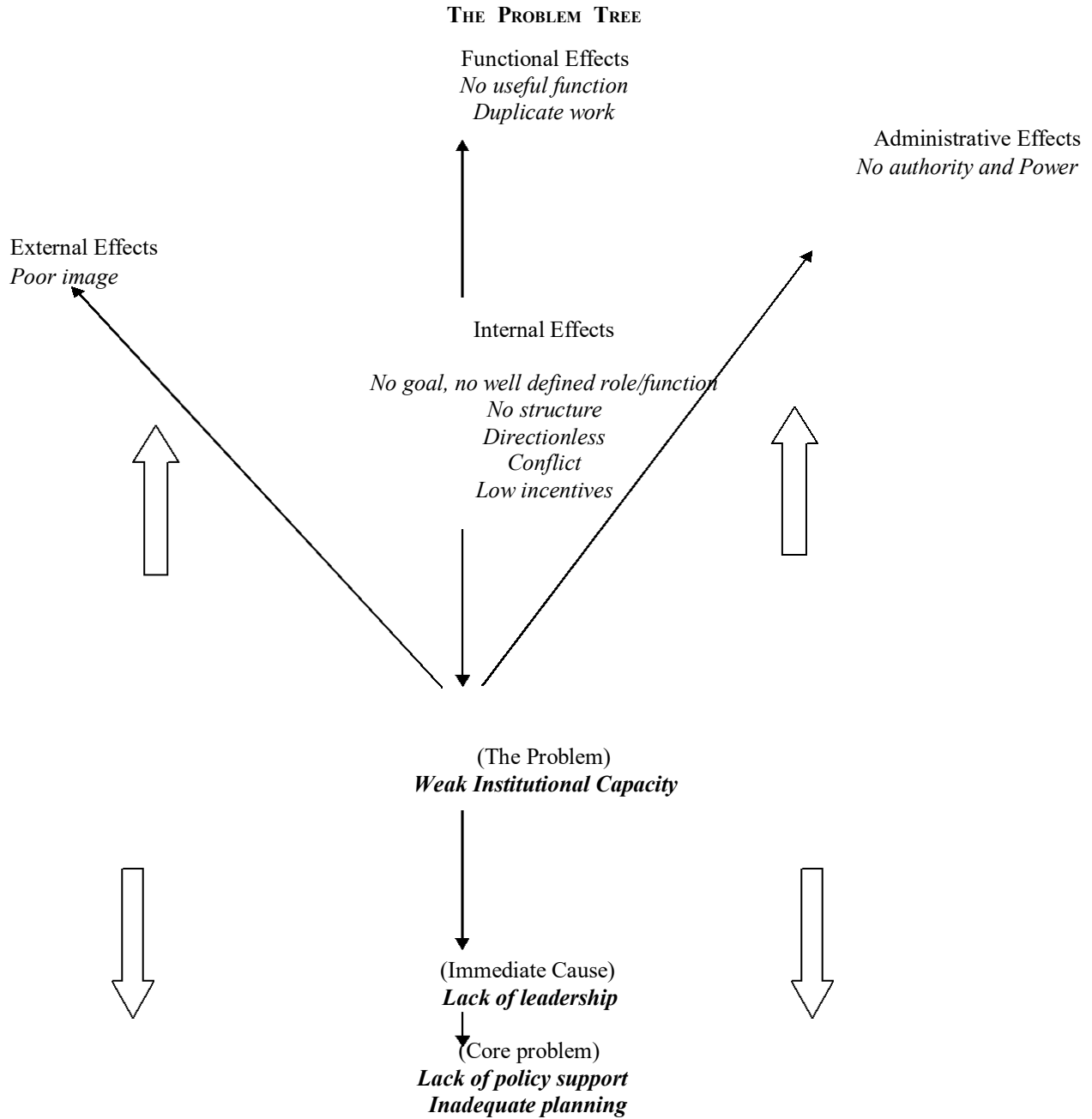
Individuals make the system and the system makes the institution. It is the ethics of the individuals that ultimately govern the business and activities in the institution (Herberz, F, Mausner, B, Snyderman, B.B, 2009), and ethics is the willingness to do the right thing (Wolfowitz, P, 2006). Good practices produce good policies and it requires ethical persons doing the good practice to rationalize the policy formulation and implementation. Under a poor leadership, the principle, ethics and value of the administrative discipline find no relevance. In this condition, the level of ethical sense becomes abysmally low while the level of tolerance to wrong actions becomes extraordinarily high and the two combined together reduced the accountability terribly. The leadership with no ethics, values and principles tend to favor the 'destructive assent' (negative approval) and disfavor the 'constructive dissent' (positive disapproval). While the general pattern is represented by these two approaches, actions are regulated by the set norm and practice based on ethics, principles and values upheld by the organisation. To correct the actions, the practice must be ethical, rational and humane. Lack of good leadership to ensure the good practice weakened the institutional process resulting in poor accountability that in turn produces a very poor outcome in the service delivery, making the institution a poor performing low profile institution.

Lack of Purpose leads to Chaotic Management

An institution has to identify its purpose to reach its objective and attain the common organisational goal. The main role of institution is to plan, coordinate and implement activities with the help of the individuals working in the organisation. For an institution to operate effectively, it must seek cooperation of all individuals by defining and allocating the task, role and responsibility to each person. When an organisation does not identify its goal, and set clear work allocation for itself and the individuals within, it is often referred to as 'poor organisational management' characterized by the features outlined below:

- i. Internally, it is marked by absence of goal; clearly defined role/function reducing the organisation

(Figure-A)



as directionless and the operation without expressed work allocation contributes to duplicity of work, confusion over subjects and conflict over petty office politics.

ii. Externally, such dwindled organisation carries a poor image, maintains low profile, exudes no power or authority and deters individuals with caliber and

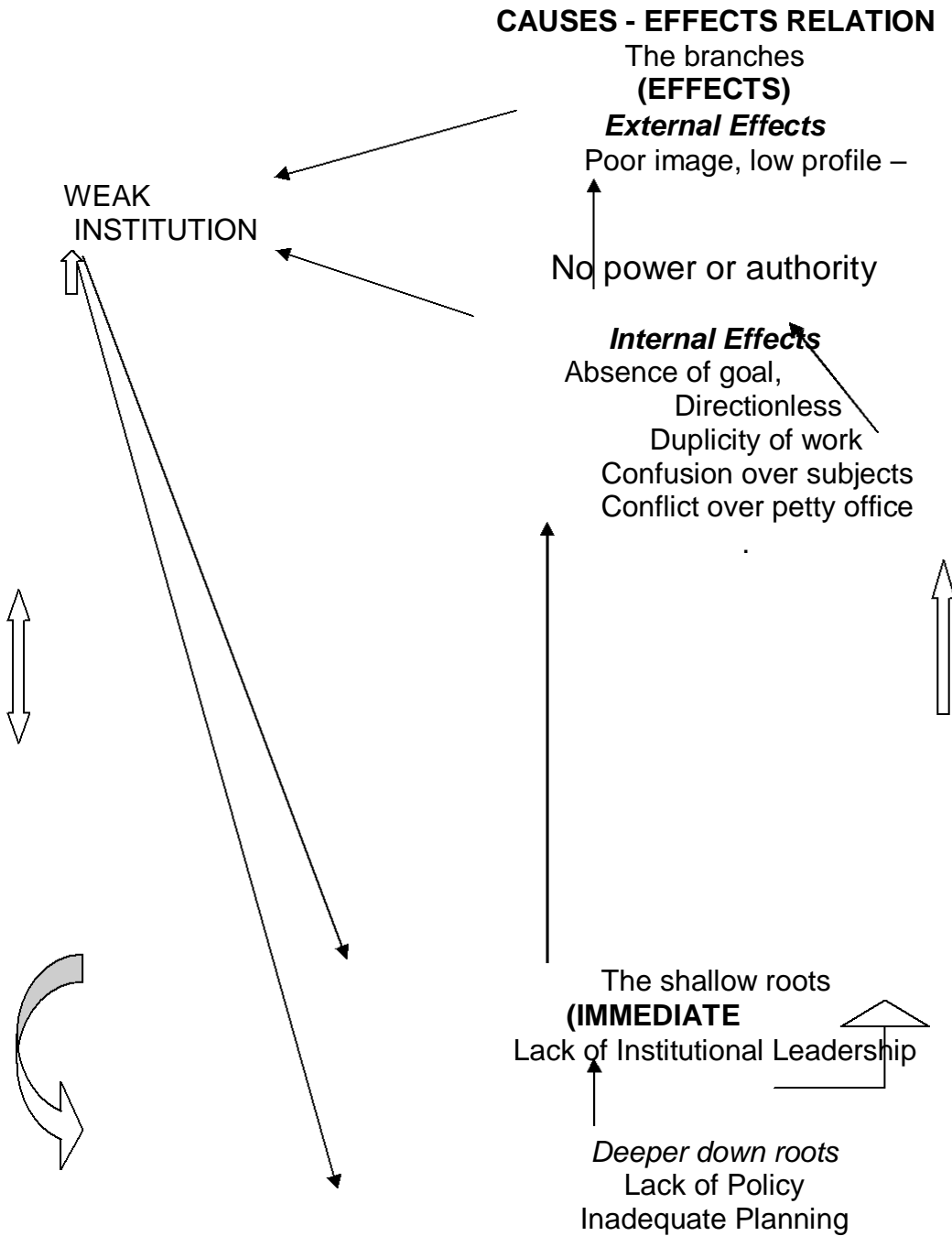
competency to join the institution.

How to manage the organisational chaos?

Problem tree at Fig-A (Annex-1) and Fig- B (Annex-2)

Annex-2

(Figure- B)



explains the cause- effect of a poor institution, and the ill effects on the individuals found at the tree branches. The diagnostic tool reveals how the causes of the problem can be identified and removed to make the dysfunctional institution become functional.

Identify the layers of causes of the problem.

- The Problem (Weak institution)
- Immediate Cause (Lack of leadership)

- Root Cause (Lack of planning and policy support)

Establish the causes – effects relations.

- Inadequate planning leads to lack of policy support (*Root Cause*) for placing a competent institutional leader.
- Lack of competent leader (*Immediate Cause*) leads to neglect of institution building that weakened the capacity.
- Weak Institution (*Problem*) results in internal poor management that produces several ill effects visibly seen as organisational conflict due to unclear role and function causing duplicity of work; and externally, the institution carries a poor image and low profile (*Effects*)
- The *Effects* further weakened the capacity of the institution and without policy support and planning to place a competent leader and a team; the effects could seriously weakened the organisation and destroy it completely by a formal closure.

Identify the solution

To remove the ill effects on the individual condition, the immediate cause of the problem need to be addressed by placing a competent institutional leader to transform the organisation. To ensure that the immediate cause of the problem, i.e. lack of leadership does not recur, the deep-rooted causes i.e. lack of planning and policy has to be removed. This requires appropriate plan for a policy based on the principle of '*right man for the right job*' for selection of officers to form a competent team under an able leader to build the capacity to deliver (Gangte, M. 2010)

Set the basics for laying a foundation.

The creation of an institution must have the objective of building capability to deliver the desirable and expected results. If the architect in the blue print does not envisaged a capable institution and does not comprehend the goal, role and special responsibility, the poor design at inception stage will form a shaky foundation to produce a dysfunctional organisation later. The critical question is 'can a dysfunctional institution develops the processes and provides incentives to design and implement good policies to achieve the ultimate goal of the organisation and sustained growth? The answer is found in the World Bank's Poverty Strategy Reduction (PSR) Report, 2000. The strategy notes categorically that the main lesson from

experiences in the 1990s is that "...neither good policies nor good investments are likely to emerge and be sustainable in an environment with dysfunctional institutions and poor governance". The right basics will help to set the norms, practice, ethics, principle and the rule. (Schick, A. 1998). The six commandments of "Right Basics" are listed below:

Set the Norms and Practices Based on Sound Ethics

Institution is considered professional only when actions are guided by good practices based on norms that are ethical, making people willing to do the right thing and actions become accountable. The governance will be marked by responsive behaviour, transparent process and the delivery predictable. According to the *The World Bank's Experience*, Good governance is epitomized by predictable, open, and enlightened policymaking (that is, transparent processes); a bureaucracy imbued with a professional ethos; an executive arm of government accountable for its actions; and a strong civil society participating in public affairs; and all behaving under the rule of law (World Bank 1994, Reports Governance). Good practice is based on norms sanctioned by ethics, so make the ethic strong to produce the norm and practice of good governance.

Change the Rule of the Game

The World Bank Strategy paper broadly defines Institutions as the "rules of the game" that emerged from formal laws, informal norms and practices, and organisational structures in a given setting. The incentives they create shape the actions of public officials'. Actions are reactions from external factors. In a well governed organisation that developed the practice based on ethical norm, right action induces right action; and exudes the positive response as 'do unto others as you would like others to do unto you'. Poor norm and practice induce wrong action to produce negative reaction as 'do unto others as what others do unto you' for it is wrong to expect a good return; hence others must be accorded the same as received. The negative and harmful response from wrong action leading to other wrong actions encourage the practice to give back what is received; wrong action beget wrong action in the absence of a good model derived from good practices.

Guide the action with good practice, norm and rule.

The rule that encourages motivates and rewards will develop a practice and norm that produces positive

action and induces positive reaction. The rule that encourages conflict of interests will promote nepotism, favouritism and corruption and will de-motivate inducing negative action and reaction. The rule of the game that suffocates, disincentivises performance, produces conflict, diverts people to petty office politics, deviates role and function of the organisation will promote chaos. The rule of the game that encourage, reward and 'gives due regards to others' is ethical, rational, acceptable, right and will sustain the organisation growth and development. The rule must be changed from unethical and unprofessional to ethical and professional to turn the negative that begets wrong actions into the positive that begets right actions.

Structure the Organisation

The main role and function of the institution is to guide the policy, programme and project to achieve the organisational goal and purpose that ought to be reflected in the structure. The architect must fully comprehend the structure of organisation that expressed allocation of tasks to different entities to achieve and serve one common aim. Poor design weakens organisational management and operation that may lead to anarchy from duplicity of work, under-utilization or over worked condition to cause fatigue. The confusion over multiple reports to different bosses can adversely affect performance by serving too many masters, and worse is to segregate one subject to many individuals resulting in loss of accountability and responsibility. This may also erode institutional memory, and with the workload unevenly distributed, the middle management stay oversize with tapering support from the bottom, making the institution very weak. The institution must have a pyramidal structure that defines activities and responsibilities by entities to help each entity to set their respective targets to achieve the single organisational goal. Within the entities, each individual must set their respective targets to achieve the goal of the entities that will lead to help achieve the larger goal of the organisation.

Place a Competent Leader

To 'set the basics right (norms, ethics, principles, values and practices) to develop processes and procedures for operational apparatus of the administration, it needs a competent leader. The leader must understand the broad range of incentives and pressures within the organisation and outside of government, manage the organisational conflict and motivate people; a leader who can (a) help define the role in line with economic rationale and with its own capacity, (b) help enhance performance within that role and (c) develop process

and incentive to formulate and implement good policies.

Plan for Policy Support

The immediate need is placement of a competent institutional leader while longer-term sustainability is policy support. The policy required is to introduce placement based on the principle of 'right man for the right job' to ensure recruitment of the fittest person as the leader and the team by proper scrutiny and selection to form a competent and professional team. The input determines the output and outcome, and in that process, the critical input required is formulating a placement policy based on 'right man for the right job' for appointment of a good team and a leader. The right persons in the right jobs will help to produce an output for getting the 'right institution'. Once the institution is set right,' it will finally produce the expected outcome of good policies and programmes. When the policy and programmes are sound, the institution will be able to attain the goal of development, growth and stability.

RESEARCH METHODOLOGY

The article explains the causes and effects of the defunctionalism by using the project management tool of a 'Problem Tree'. The tool traces the root cause of institutional problem to lack of policy and planning caused by lack of leadership. The tool uses a flow chart to show the causes of the problem at the roots of the tree and at the tree trunk, and the flow of the problems on the tree branches indicating the several ill effects impacting the condition of the individual. The 'Problem Tree' helps in identifying the immediate cause of the problem in the institution as poor leadership, and shows how poor leadership aggravates the individual miserable condition. The article does not explore leadership style and theories; the reference of leadership is in connection with the concept of governance.

Implications and Results for getting the Right basics

By setting the basics right, the institution will assume its expected role and function, achieve the expected results in the quickest possible way without delays and will produce quality to realised value for money on the investment made.

To get the expected result, the organisation will develop process, procedure, good practice to ensure time lines, quantity of output, quality of outcome on programmes and projects. Developing policies, process, procedure, and good practice will contribute to value addition and imply better function in the organisation.

The table 1 below explains how the inputs affect the outputs and impacts the outcome.

The 'value addition' in other words is identification of shortfalls, actual needs and filling up the gaps in programmes and projects. Value addition from existing policies, programmes and projects will produce effectiveness in the following ways;

- Effectiveness in *inputs* will ensure making good policies that meet the actual needs and fill the gaps.
- Effectiveness in *process* will ensure setting the rulebook and developing the good practices to ensure accountability and reduce misuse.
- Effectiveness in *output* will ensure completion of activities on time that reduce delays; the benefits will reach the actual target group
- Effectiveness in *outcome* will ensure if the allocation actually goes to priority / need areas that the spending is for the purpose and brings the desired impact. It begs the question: Does the spending improve the condition of people?

Effectiveness implies better resource management: At the core of the effectiveness lies the necessity of having a sound resource management based on strong fiscal discipline backed by accountable, reliable and transparent administration. The colossal amount of resource allocation in the form of grants, subsidies and tax exemptions will not raise the condition of the people unless the resource management becomes sound. Good resource management will include the followings:

- Creating a resource base from revenues
- Prioritising the sector linked to strategic plan of the nation.
- Strengthening the local institution for adequate financial decentralisation.

Resource management lacking fiscal discipline produce poor outcome which can be corrected by introducing fiscal discipline (Schick, A, 1998, Premchand, A. 2000). The primary fiscal disciplines are:

- Prioritise spending based on resource availability and actual need.
- Accountability of spending public funds by proper audit and monitoring to show if the spending is meant for the purpose and to hold accountability for the misuse.
- Outcome measurement using appropriate indicators to evaluate the outcome to show if the spending brings the desired impact on the people, as mere production of utilisation certificate is inadequate to explain the outcome.

Once the institution is set right, it will begin to assume its key role of coordination, collaboration, and cooperation both horizontally and vertically with other organisations to formulate and implement effective policy, programme and projects. This integrated network approach a popular paradigm in public policy and an intellectual source for managing resources and planning to achieve sustainable development. For example,

coordination occurs horizontally between government agencies and vertically between different levels of government at local, state and national levels (Child, J, 2005). The effective way of coordination will be through vertical integration at national, regional and state levels and through horizontal integration of central sectoral ministries. Integrated approach will enable the institution to be responsive and innovative to changes (Peters and Waterman, 1982), through collection of information from all sources and develop a sound data and information management system to conduct studies and analysis, which will help in making decisions.

Right institution would begin to discharge responsibility for a sound resource management through fiscal discipline supported by discipline administration; and assuming a central role by adopting an integrated approach and building a strong 'institutional capacity' to develop the process, procedure, and policies. It needs a commitment of competent team under an able organisational leader to build the capacity to deliver.

In a nutshell, effective institution will put in place the process and procedure for good governance summarizes as;

"In the last half-century we have developed a better understanding of what helps governments function effectively and achieve economic progress. In the development community, we have a phrase for it. We call it good governance. It is essentially the combination of transparent and accountable institutions, strong skills and competence, and a fundamental willingness to do the right thing. Those are the things that enable a government to deliver services to its people efficiently."(Paul Wolfowitz, Ex-President of the World Bank (Jakarta, 2006).

Recommendations on Basics for Institution building:

Get the basic right by putting in order the administrative apparatus to define the goal, role and function of the organisation and each individual person in the organisation.

Get the basic right by setting in place the fundamental values and principles of administration to guide the good practices. The good practice will govern the conduct, behaviour and manner of the individuals within the organisation and it will guide the internal conduct of business operation within the institution. The correct fundamentals will provide a sound foundation to grow and become a strong and respectable institution.

Get the basic right through policy support for longer-term sustainability, a policy that advocates 'right man for the right job' to built a competent team and a policy that supports 'exit mechanism' by which, unwilling agents can be replaced with willing agents to built a professional team. A policy of reward and an appropriate

performance measurement to deter nepotism and corruption.

CONCLUSION

To get all the above basics right, it is imperative to have a competent leader with vision, translate the vision into actions, exhibit professional dealings to achieve the objective. A competent leader would form an able team to help formulate good policies and practices for building the institution (Kouzes, James, N and Posner, Barry. 2003, Hardoon, D and Heinrich, F, 2011). To save the dwindling institution from fading into a twilight zone and slipping into eternal darkness, the most critical need is a credible *leader* who inspire with good examples, enthuse people to have a dream, encourage pursuing their dreams, raise hope to renew energy level in adversity and lend a helping hand (Kanungo, R.N & Mendoca, 1994, Rao, T.V, Development, 1996). The best leadership practices are: 'model the way, inspire a shared vision, challenge the process, enable others to act, encourage the heart', (Kouzes, James, N and Posner, Barry, Z., 2003). The cynic says, "One man can't do anything". I say, "Only one man can do anything. (John W. Gardner: Famous Leadership Quotes)

End Note:

The article written in 2008 represents the most peculiar and unusual experience of working under a poor institutional leadership, who exemplified a disgraceful model of Indian civil servants. The Cabinet Minister's instruction was flouted repeatedly by the Secretary without due regards, depicting a very poor role model in the institution. This article was written during this period with the objective of guiding the establishment to turn the dysfunctional into a functional organisation. The Cabinet Minister used the concept of institution building envisaged in this paper, and the institution considered 'sick' and slated to be scrapped off by the Administrative Reforms was finally saved in the interest of the northeast region. The article has been modified in 2012 against the background of a similar experience in the Ministry of Defence.

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