Breaking free from red tape

Reducing paperwork often leads to improved communication flow within an organisation, Daniel Buenas learns

"W"hat can lick gravity, but sometimes the paperwork is overwhelming.

So said German rocket scientist Werner Von Braun. Even someone as accomplished as Dr Von Braun — who would play a crucial role in helping mankind set foot on the moon — felt the ominous weight of paperwork.

However, few people realise that paperwork and red tape are more than just a tiresome chore. They can be like insidious diseases that eat away at the heart of an organisation’s ability to function, and inject hidden costs into a system.

In this age of bits and bytes, the word “paperwork” has become a misnomer. Modern-day administration relies just as heavily on digital manuscripts as it does on physical ones, and red tape is no longer just a layer of people to meet or letters to sign, but also includes that layer of emails that need to be sent and read.

"It is quite common to have self-sustaining processes, whose value-added is not clear," says Jay Sibiel, partner and Asia-Pacific leader of Corporate and Business Strategy Practice, at IBM’s Business Consulting Services. "If you hire somebody to do a job, they will create activities to make that job worthwhile. That doesn’t always correlate to having that job add value, so there’s this ballooning of the administrative complex, because there are people there who create work."

Mr Sibiel admits, that often times, excessive paperwork and red tape have some intrinsic value, but the amount of effort and resources spent on maintaining an essentially redundant or invaluable process may not justify that value.

"From my experience, we don’t always discriminate sufficiently as business people and executives, between what we call important and nice to have," he says. "If you’re in a business environment, and you have reason to believe that there is excessive administrative overhead, then it is worth taking some time either yourself or with assistance, to reflect on the distinction between them, and that can create pretty substantial cost savings."

Leong Kwong Sin, associate professor of accounting at the Singapore Management University (SMU), believes that paperwork per se is an essential part of a business organisation. However, companies often fail to understand the purpose of it, resulting in excessive paperwork becoming obstructive red tape.

"The world, inside and outside the company, changes, but if some people do not know the reason for the ‘paperwork processes’, then the processes will not be updated to fit the new environment," says Prof Leong.

"Additional requirements for documentation is then usually added onto — instead of replacing — the existing, and outdated, processes," he points out.

Thus, paperwork that outlives its purpose or whose purpose is not known often becomes devalued red tape. If this accumulates, it will lead to a number of unpleasant consequences.

"Red tape will irritate customers and can lead to lower demand, unless the service provider is a monopoly," said Prof Leong.

This would explain why government bodies in many countries are notorious for the extraneous paperwork and red tape they are often required to complete even for the simplest tasks.

Too much red tape will also reduce the morale and effectiveness of employees, as performing activities that seem meaningless is a sure way of killing off the interest of workers, says Prof Leong. This, in turn, leads to a lower level of service.

However, perhaps, the most obvious impact is that red tape is costly, both in terms of manpower and resources. So how do we go about eliminating paperwork?

On a basic level, paperwork is very much about the informational structure of a company. Prof Leong likens a company’s information pathways to the arteries of a body, and unnecessary paperwork and red tape can be described as the fat that clogs it up.

Thus, decreasing paperwork often means improving the communication flow within an organisation.

Allan Jacobs, Asia Pacific Strategy & Change leader for the Business Transformation Outsourcing practice at IBM, believes that reducing paperwork involves getting the right information to the right people — quickly.

"A lot of processes and business components are independent, and good companies ensure that important information gets spread to other parts of the business to get executed," says Mr Jacobs. "In companies that aren’t as fine-tuned as that, you have a bunch of independent business components that act independently, or have people who justify their own existence and do not add value. That is what generates the paperwork."

Mr Jacobs said that understanding information flow and business activities, and making them as seamless as possible, is how companies can start to eliminate paperwork.

"You need to know what adds value, what’s nice to have, and what’s just redundant. Only then can you fine-tune your business," he said.