

GREEN TAPE IN ORGANIZATIONS:

CREATING GOOD RULES THAT PEOPLE WILL FOLLOW

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Green Tape in Organizations: Creating Good Rules That People Follow

Red tape is a term commonly used to mean ineffective, burdensome rules, typically in public organizations. Leisha DeHart-Davis, who conducts research concerning rules in public sector organizations, proposes the opposite: effective rules in public sector organizations, called green tape. The term “green tape” seeks to provide an obvious visual contrast with red tape, but more importantly to convey the powerful positive role that effective rules can play in public organizations. Whether policy, procedure, regulation, or guidance, rules can accomplish a staggering array of managerial tasks, such as:

- the delegation of authority;
- the communication of organizational preferences, expectations, and values;
- the equitable distribution of resources;
- the fair treatment of employees;
- the coordination of activity;
- the alignment of individual and organizational interests;
- the efficient conduct of operations;
- the accountability of managers and leaders

Given that rules can accomplish beneficial managerial tasks in organizations, how can managers and leaders seek to assure that rules do accomplish these tasks? How can we create rules that are effective, productive and useful and not ineffective, burdensome and dysfunctional? In other words, how can we create green tape: good rules that people will follow?

“So the key to achieving green tape is not only well-designed rules, but rules that are implemented in a way that motivates people to follow them. Voluntary compliance is a key to effective organizations.”

Green tape requires good rules but good rules alone will not yield green tape because the effectiveness of a well-designed rule depends ultimately on the willingness of people to comply with the rule. A well-designed rule that no one follows is equivalent to a poorly-designed rule that is faithfully followed: both inevitably fail the intended managerial mission. So the key to achieving green tape is not only well-designed rules, but rules that are implemented in a way that motivates people to follow them. Voluntary compliance is a key to effective organizations.

Accordingly, there are five attributes of rule design and implementation that, when simultaneously present, increase good rules that people follow: rule formalization, rule logic, optimal control, understood rule purposes, and consistent rule application.

Rule Formalization:

Rule formalization is the process and outcome of putting a rule in writing. As a process, rule formalization improves rule design by imposing the discipline of writing and making draft rules visible so that a broad range of rule stakeholders can question assumptions, detect leaps of logic, and solidify rule rationales.

Five Attributes of Rule Design

(Rule Formalization continued) As outcome, written rules convey the legitimacy and neutrality of managerial requirements, making them more likely to be followed. Unwritten rules, by contrast, can be construed as arbitrary, capricious and illegitimate, thus lowering the likelihood that rules will be followed or that they will be applied inconsistently.

Rule Logic

The logic of a rule pertains to the strength of the relationship between rule requirements and rule purposes. When rule logic is strong, a rule is like a blueprint that translates managerial intent into effective action. Rule logic does not require exhaustive analysis; rather it is the province of common sense and managerial thought. Logical rules play on common sense in which employees can envision the relationship between rule means and rule ends. A logical rule is one that people find meaningful and thus are more willing to follow.

Optimal Control

Rules that impose optimal control, applying the least amount of control to achieve the purpose, increase the chances of rule compliance. From a design perspective, optimally controlling requirements impose levels of constraint sufficient for triggering desired behavioral responses. By contrast, excessively controlling rules require more resources than necessary to achieve desired results. From a compliance perspective, optimally controlling rules convey that employees are trusted to follow rules without excessive constraints, encouraging employees to behave in a trustworthy way.

Understood Rule Purposes that Link to the Bigger Picture

Rules with purposes are understood by rule followers and are linked to organizational mission and goals. By contrast, when employees do not understand rule purposes and they see no link to organizational goals, they feel like cogs in the bureaucratic machine. Managers can further rule compliance by regularly communicating rule purposes and contributions to the bigger picture of organizational functioning.

Consistent Rule Application

Managers who apply rules consistently with all employees play an important role in increasing employee's confidence in basic fairness of the organization. Consistent rule application is not about rule rigidity; it is about ensuring that individuals or groups are not systematically exempt from rule requirements. Occasional rule exemptions are part and parcel of managerial discretion. However, when frequent and patterned, such exemptions undercut legitimacy. In this respect, organizational rules are like vaccinations, which will only be as effective as the extent of coverage to target populations.

Green Tape Protocol for Rule Design

This protocol asks a series of question to assist in the design of new rules.

The Need for a Written Rule

1. What is the problem that a potential rule would seek to solve?
2. How big is the problem?
3. What is the worst that will happen if you do not write a rule?
4. What is the objective of the rule?

The Logic of the Rule

5. What are the potential requirements for the rule?
6. How and why do you expect potential rule requirements to solve the problem and achieve rule objectives?
7. Who are the stakeholders to a potential policy?
8. What are their perspectives on the problem and its relationship to the potential rule?
9. What are the potential unintended consequences for the rule?

Rule Control

10. What are the minimum requirements that a proposed rule could plausibly impose to achieve rule objectives?
11. What happens if stakeholders ignore the rule?
12. What are the incentives for stakeholder to follow the policy? What are the disincentives?
13. How might this rule become overly controlling, through interpretation or enforcement?
14. What messages does the proposed rule send to stakeholder?
15. What do rule followers have to do to comply with the rule?

Rule Implementation

16. Who is responsible for implementing the new rule?
17. What rule implementation resources are required, either for compliance or enforcement?
18. How could go wrong during rule implementation that would undermine rule effectiveness?
19. How will rule purposes and requirements be communicated to relevant stakeholders?
20. How will feedback be gathered from rule stakeholder throughout the rule implementation process?

Tips for Rule Enforcement

- **Before interaction, understand policy history and current status**
- **Start by listening to the person's objections to the rule**
 - o Reflect ideas to convey that you understand the objection
 - o Seek to understand what the person wishes to accomplish
 - o Sort ideas: points that could be considered and points that can't be accommodated
- **Follow-up with resolution**
 - o Modification of rule
 - o Suggested alternative ways to accomplish the goal
 - o Assistance with compliance