Ftca – regional and headquarters relations essay sample

Introduction:

FTCA is a governmental agency that employs over 20000 people in its various offices across the country. It has a mandate to serve people and also to enforce its mandate. Its employees have a customer facing role, dealing with collections, enquiries, audits and payments. FTCA has many regional offices which function in various parts of the country, and these regional offices in turn have many subsidiary offices in the regions' major cities. Each regional office is headed by a regional Administrative Director (AD), who reports to the Director at the headquarters. The AD has many functional managers reporting to him. These functional managers have a dual reporting structure, reporting to the functional head at headquarters and also the AD. This is creating an awkward situation for regional functional managers, who do not see the mandate of both the HQ and the AD over them. They see the HQ team as interfering in its work, rather than being involved in policy making.

This dual reporting structure is being viewed in different lights by everyone who is stakeholder in this issue. Staff members believed that this was a people problem and not a structural problem. The regional functional managers felt the mandate of the HQ functional team must be policy development, while the functional AD was not prepared to take accountability if the functional managers failed to meet the targets.

FTCA's regional ADs form a very powerful coalition and they are raising the war flag against the proposed structural change. The problem here is organizational structure, sharing responsibility and accountability.

Functional Organizations:

A functional organization is one where the structure is purely hierarchical and people report to one person constantly and in the end to one person at the top of the order. FTCA is not a purely functional organization, with dual reporting for its functional managers; it has stopped being a functional organization. The functional managers perceive the organization as a functional organization simplistically. A functional organization simplifies life in a reporting structure. People need to work for and answer to one person. When organizational dynamics require a multiple reporting structure or a matrix reporting structure, reporting work, sharing responsibility and accountability becomes a problem. Rewarding employees is also an issue with many bosses to report to, as every person reported to will have a different perception of the individual, with his own biases and motivations.

FTCA is at an awkward stage of development where it has moved away from the classic functional organization, without shooing away its hierarchical structure. Hence, there are varying views of accountability and responsibility, leading to dissonance, insubordination and human resource problems. There is no clarity on who is responsible when results come or do not come, who is accountable for which deliverable. To bring in this clarity a variety of measures may be undertaken by the management. This could betraining and developmentof behaviors and attitudes of individuals across the organization, going in for anorganizational developmentprogram through a change manager or going in for astructural change.

Training and Realignment Vs Structural Change:

FTCA's problems can be diagnosed as

1. Accountability, Sharing Responsibility
2. Power, Politics and Structural conflict.

The two broad problem categories stated above can not be viewed as being exclusive to each other. Training can try to overcome accountability and sharing responsibility, but it can not always address power, politics and conflict. The conflicts that occur in FTCA are not work related, but related to the structure and responsibility of individuals at the RO and HQ. This is leading to politics and cohorts engaging in shows of power and opposing change. Hence, a training strategy will not help in solving all these problems. A structural change is required.

Elements of Organizational Structure & Changes Needed:

1. Span of Control:

Span of control is the number of people reporting to a person at particular level. Span of control in the current structure of FTCA is very low, with a lot of middle management roles and hierarchy. This is leading to holding the turf by regional managers and his subordinates who see their roles as reporting to a person, and not to a system. Increasing the span of control requires coordination mechanisms in terms of technology and processes. FTCA is up-to-date in technology; hence increasing span of FTCA is possible. Increase in span of control means a flatter organizational structure, bringing decision

makers closer to the problems and information. It also reduces administration costs significantly.

1. Centralization Vs Decentralization:

FTCA is decentralized, with the RO going for significant decisions, with big budgets and hence not perceiving the importance of the HQ. The key question here is, is the RO capable of making the best decision in every case? FTCA does not have the control structures and mechanisms to implement decentralization in its structure, and hence the dissonance on the part of everybody concerned. When decentralization is at this stage now, the organization can not use its experience in other regions to solve problems and issues. Thus, a highly decentralized organization could keep finding different solutions to the same problems in every region, without coordination, thus lacking in synergy. A highly centralized structure may not have access to all the information that is required. Thus, FTCA must go in for centralization, with the AD's responsible for administration and control alone in the regional offices, and the functional decisions coming from the HQ, with a flatter reporting structure. But, this must come with the appropriate control mechanisms, processes and communication strategies to be really effective.

1. Formalization:

FTCA has become an organization where rules have become the primary focus, with formal mechanisms and procedures, undermining the organizational goals. Formalization happens as the organization grows older and bigger with time. Though formalization reduces complexity, it affects productivity and innovation. FTCA must move away from formalization, and

adopt a structure that emphasizes more on the results done through ethical means, than just following the rules and failing to do the job. This will reduce a lot of dissonance among the lower and middle management people.

1. Mechanistic Vs Organic Structure

FTCA is mechanistic in the sense that it has a low span of control and highly formalized, yet it has a decentralized working structure. This is a significant observation here, as the anomaly is the real problem in FTCA. It has move to a more organic structure where there is higher span of control and de-formalization, for decentralization to work effectively.

Power, Politics and Conflict:

Power, politics and conflicts are cultural phenomena that are unique to every organization. It is an integral part of the ever evolving organizational culture. FTCA has to face the problems of managers holding on to power, leading to defensive mechanisms like politicking. Conflict at FTCA is a structural thing, with people having no clarity on why they must report to several people. These factors can be resolved through top management commitment alone. The top management's conviction on the structural change that is required is very critical to change, as every cultural change in an organization is top-down and not bottom-up.

Resistance to Change:

FTCA's AD's are highly powerful and long term employees of the organization. The proposed structural change being consulted for is causing a lot of insecurity and fear in their minds. This is because of their long

entrenched positions in FTCA and their being in the power and comfort zones in the present structure. Not all of them may see change as a positive thing, and this is a contagion which could affect all managers in the organization.

The success of the change program depends on whether these senior managers can be taken on board to lead the change themselves. This is solely in the hands of the Director of FTCA. The Director has to convey the real meaning and need for the change, and convincing the managers on this. This is possible by face-to-face meetings concentrating on the change decision, and a clear understanding on why this change must happen and what this means to everyone and their customers.

The change program must have a communication campaign to its internal customers. This campaign must be started off with a national or regional level meeting, detailed planning of changes in every individual's roles and responsibilities and then reinforcing collaterals in every employee touch point. The need for change and its implications must be clear to each employee; else the change could be disastrous to FTCA.

Conclusion:

The problems identified in the case analysis are multi faceted and deep rooted problems. Problems like accountability and responsibility are significant terms to handle. The process of the proposed change must be handled in a very sensitive manner. Organizational change needs top management support to the full, and without this the changes could remain on paper. What is needed is the big push and involvement to the change

process by the Director himself, with a change department or a change leader handling communications, planning and other details.

FTCA has to change from a traditional hierarchical organization to a flat organization, where it can have a larger span of control. This along with appropriate control mechanisms and communication strategies can lead to faster, more informed decisions and better synergy within the organization. This change must be enacted through proper planning and a high level of communication to all stakeholders, to engage the staff and managers in the change.