Corporate Rebel (2025) « The 8 hidden taxes of bureaucracy », Newsletter sent by corporate rebel (viewed on Oct 24, 2025)



WEEKLY REBELLIOUSNESS TO HELP YOU MAKE WORK MORE FUN

Early in my career, I noticed something odd: my colleagues and I spent half our time writing reports.

Nobody read them. Nobody gave feedback. Nobody could explain why they existed.

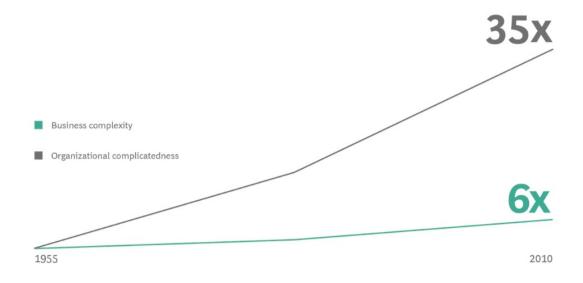
Still, we took them seriously. Too seriously. We debated fonts. Agonized over bullet points. Rewrote sentences to match some imagined tone.

Rearranging deck chairs on the Titanic, basically.

And this wasn't just us. Across the world, companies have responded to external volatility not with agility, but with *more layers*. *More process*. *More dashboards*.

According to BCG's Yves Morieux, while external business complexity has increased sixfold since 1970, internal "complicatedness" has exploded thirty-fivefold.

As complexity has grown, complicatedness has exploded...



...significantly eroding organizational performance and productivity

source: BCG analysis

There is a reason for this. It's called bureaucracy.

The bigger and more complex our organizations get, the more we divide work into smaller, specialized pieces.

All in the name of efficiency.

But what starts as a way to make things run smoother often ends up creating the very chaos it was meant to prevent.

Inspired by New Ways of Organizing: Alternatives to Bureaucracy by Kuipers, van Amelsvoort & Kramer (thanks Hans Lekkerkerk, for the tip!), I learned that Dutch sociotechnical pioneer Udo de Sitter described this brilliantly decades ago.

He identified *eight principles* that explain how bureaucracies slice and dice labor. And why that often backfires.

Nearly thirty years later, these lessons still ring true.

Let's unpack them.

And see what they tell us about designing organizations that actually work for people.

This week's Corporate Rebels newsletter is brought to you by HR-ON:

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1. When expertise becomes a wall

The first principle is functional concentration: grouping similar work into departments.

Finance does finance. Marketing does marketing. IT does IT.

It sounds efficient. Until it isn't.

Because when you overdo it, departments stop talking and people start optimizing for their own targets instead of the customer.

You get silos, handovers, and endless email chains.



Ever tried getting a hospital invoice corrected? Or changing a train booking? You've met functional concentration in action.

What began as a tidy system becomes a maze.

And the customer, or your colleague, gets lost in it.

2. The great divide: Planning vs. Doing

Every organization needs to plan, execute, and support its work.

But bureaucracy loves to *split those things apart:* one department prepares, another executes, another supports.

The result? The people doing the work rarely have the power or information to fix problems when they appear.

They depend on others (planners, analysts, administrators) who are far removed from the actual situation.

That's why "cross-functional" is such a buzzword now. Because we've learned that separating preparation, implementation, and support kills flexibility.

It's like trying to dance with three partners, each to their own rhythm.

3. The assembly line mindset

The third issue is *splitting work into partial tasks*: the classic Taylorism idea that efficiency comes from repetition.

It worked (mabye) in factories a century ago.

But it also kills motivation.

When no one sees the whole picture, no one feels ownership. Errors multiply. Creativity dies. People check out.

Some firms have tried to "enrich" or "broaden" tasks. But within rigid systems, it's often cosmetic.

Real improvement happens only when teams own whole processes, not fragments.

4. The rule-makers vs. The doers

Then there's the separation of implementation and regulation: the people doing the work are not the ones setting the rules.

It's meant to ensure control.

But it also means the people writing procedures rarely understand the real work.

Teachers told how to teach by non-teachers.

Nurses told how to care by spreadsheet logic.



When regulation is disconnected from practice, autonomy dies, and motivation with it.

The best organizations close that gap: they let professionals shape the rules that shape their work.

5. Siloed management

If splitting departments isn't enough, we often *split management* the same way: each department with its own boss, each focused on its own turf.

Coordination? It becomes everyone's job and no one's responsibility. Managers protect their fiefdoms. Meetings multiply. Decisions stall.

Ironically, even managers feel powerless. They can't fix system-wide problems because they control only a slice of it.

True integration happens when self-managing teams (not managers) share responsibility across the whole process, not just their corner of it.

6. Managing by aspect, not reality

Next comes *splitting management by aspect*: one person for cost, another for quality, another for safety, another for HR.

Each has noble intent. But the result is chaos.

Each optimizes for their metric, not the mission.

Cost beats quality. Compliance beats learning. People spend more time aligning spreadsheets than serving customers.

Ever sat through a meeting where ten managers argue about whose KPI matters most? Bingo, you've seen this principle in full bloom.

7. The three-layer disconnect

Every hierarchical org chart has three levels: strategic (top), tactical (middle), and operational (frontline).

In theory, it's neat. In practice, it creates disconnect.

Executives design strategies they barely understand. Frontline teams face realities they can't change. Middle managers burn out trying to translate between the two.

It's like a game of broken telephone. Except it's your company.

Organizations that thrive get rid of the middle level. They push decision-making closer to the work and let learning flow upward, not downward.

8. Decision-making in slow motion

Finally, there's *splitting the feedback loop into steps*: one group collects data, another interprets it, another decides.

Logical? Sure. Effective? Only if the world stands still.

In fast-changing environments, that chain becomes a bottleneck. By the time a decision reaches the top, the context has changed.

That's why crises often expose bureaucracy's weakness. It reacts too slowly because no one person holds the full loop of seeing, deciding, and acting.

Putting it all together

Each of these separations might seem rational.

But together, they create a monster: an organization where no one owns the whole, everyone depends on someone else, and change becomes painfully slow.



We call it bureaucracy. But really, it's just over-organization.

The irony? These systems were built to *create* order. Yet they often produce confusion, delays, and demotivation.

The hidden cost of division

Bureaucracies often collapse not because people are lazy or incapable, but because the system is.

When no one can see or influence the full picture, every fix adds:

- Another layer.
- Another report.
- Another meeting.
- Another manager

Morieux's research shows some telling stats. In bureaucratic organizations:

- Teams spend 40-80% of their time in non-value-adding activities.
- Managers need an average of seven approval to act.
- Managers spend 40% of their time on reporting.
- Managers spend 30-60% of their time in meetings with peers.

Before long, the organization is too bureaucratic to serve its own purpose.

So maybe the challenge of our time isn't to make work more efficient. It's to make it whole again.

The way out

De Sitter's principles aren't an argument against dividing labor. They're a reminder to balance specialization with integration.

Yes, people need focus and expertise. But they also need context and connection.

The healthiest organizations we've studied, from Buurtzorg to NER Group, share important common traits:

- Teams own complete processes, not fragments.
- Planning, doing, and learning happen close together.
- People who set the rules also live by them.
- Information is transparent, so coordination doesn't require control.

In other words: they design for whole work, not partial work.

Want to dive deeper into how to redesign work around connection, autonomy, and purpose?

That's exactly what we explore in the Progressive Organizational Design Masterclass.

Learn from real-world pioneers who've found ways to make work... well, work again.

Cheers.

